Federal Policy on the
Ground: Faith-Based
Organizations Delivering
Local Services

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Assessing the New Federalism is a multiyear Urban Institute project designed to analyze the devolution of responsibility for social programs from the federal government to the states, focusing primarily on health care, income security, employment and training programs, and social services. Researchers monitor program changes and fiscal developments. Olivia Golden is the project director. In collaboration with Child Trends, the project studies changes in family well-being. The project aims to provide timely, nonpartisan information to inform public debate and to help state and local decisionmakers carry out their new responsibilities more effectively.

Key components of the project include a household survey and studies of policies in 13 states, available at the Urban Institute’s web site, http://www.urban.org. This paper is one in a series of discussion papers analyzing information from these and other sources.


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I. Introduction

Faith-based organizations have long been essential components of the U.S. safety net. Congregations (including churches, synagogues, mosques, and temples) and social service organizations with religious roots (such as Catholic Charities and Lutheran Social Services) have provided emergency food and shelter, child care, and other forms of assistance, particularly for low-income Americans. The “Charitable Choice” provisions in the August 1996 federal welfare reform law authorize states to contract directly with faith-based organizations for services under the Temporary Assistance for Needy Families (TANF) block grant program. Subsequent legislation authorizing the Substance Abuse Prevention and Treatment (SAPT) block grant and the Community Services Block Grant (CSBG) contain similar provisions.\(^1\) Although legislation that would further expand Charitable Choice has been stalled in the Senate since 2001, the Bush administration has promoted broader involvement of faith-based organizations in federal social programs through administrative actions. The administration has issued regulations to implement Charitable Choice, created offices for faith-based and community initiatives in the White House and in eight cabinet departments and two federal agencies, and created new discretionary grant programs including the Compassion Capital Fund, which provides technical assistance for capacity building in faith-based and community organizations.

Faith-based initiatives are a core component of the administration’s domestic agenda, and it has pursued their adoption vigorously. This study focuses on how these efforts have been

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\(^1\) Charitable Choice provisions apply to substance abuse services under SAMHSA’s SAPT program and the Project for Assistance in Transition from Homelessness formula grant program, as well as other discretionary and formula grant programs administered by SAMHSA. Similarly, Charitable Choice provisions in the CSBG Act include the block grant as well as the Training, Technical Assistance and Capacity Building Program, Community Food and Nutrition Program, National Youth Sports Program, and discretionary grants for economic development, rural community development, and neighborhood innovation. Our study explored only activities funded within the SAPT and Community Services block grants.
received at the state and local levels, whether and how they have changed the involvement of faith-based organizations (FBOs, for short) in public programs, and what we know and need to know about the nature of the services FBOs deliver.²

Some aspects of faith-based organizations delivering social programs have been studied much more than others. Researchers have developed a detailed profile of the assistance faith-based organizations provide and the types of faith-based organizations that provide it. The constitutional issues raised by government funding of faith-based social services have stimulated considerable debate, although important legal questions remain unresolved. Recent studies extensively detail the politics surrounding these issues at the national level. But we know relatively little about the interactions of faith-based organizations with state and local agencies in the context of nationally driven initiatives, or how these interactions affect the type, extent, and quality of assistance faith-based organizations provide or who receives it. We also know little about how faith relates to the content of services provided by FBOs.

To fill these gaps, we conducted a study in three cities to examine how federal policies regarding faith-based involvement in public programs play out in state and local settings. We focused on four program areas within the U.S. Department of Health and Human Services (HHS) that either have Charitable Choice provisions in their authorizing legislation or specifically encourage FBO participation in the provision of publicly funded services. Three programs—TANF, SAPT, and CSBG—are all block grants that give state or local officials significant discretion in spending federal money. The Compassion Capital Fund, in contrast, is a special discretionary program with no involvement by state or local governments. It gives grants to nongovernmental intermediaries to provide technical assistance to faith-based and community

² We have taken care in the analysis to address identification issues, in order to clarify why organizations might consider themselves or be considered faith-based and on that basis to understand how the mix of FBOs involved in public contracting has changed over time.
organizations and otherwise help in capacity building. It also gives grants directly to FBOs and community organizations.

In site visits to Birmingham, Boston, and Denver, we spoke with state and local officials and visited many local faith-based programs that receive financial support from one of these four federal funding streams. We also surveyed congregations in each city by telephone to better understand how FBOs that had not historically received public funding responded to the new policies.

The study adds to recent assessments of the new policies on several dimensions. It looks vertically at the state and local response to congressional and administration actions, horizontally at the characteristics of faith-based service providers across four program areas, and in depth at the role of faith in publicly funded services. Our research was organized around three sets of questions:

- To what extent do FBOs participate in the delivery of publicly funded services, and how has this changed over time? What are the characteristics of FBO providers receiving these funds, and have these characteristics changed over time?
- How do state and local administrators perceive the opportunities and challenges in the new policies, and what policies and procedures have they implemented to address them? How are accountability to legal requirements and public contracting rules being maintained?
- What role does faith play in the delivery of human services by faith-based organizations, and how has that role changed over time?

We found the following in our three study sites:

- Many faith-based social service organizations contracted with government long before Charitable Choice and continue to do so. In the three program authorities with Charitable
Choice provisions, the level of funding and number of contracts involving FBOs have changed little since Charitable Choice was enacted. Government contracting with congregations is newer, and more evident in connection with the Compassion Capital Fund than in the other three programs. FBOs of all kinds play many roles in social programs that do not involve the receipt of funds from government agencies; overemphasis on contracting may obscure what some FBOs do best.

- State and local officials in our study sites welcomed the participation of faith-based organizations as opportunities to expand services or better reach certain populations, particularly racial and ethnic minorities. We found little indication that public officials were hostile to FBOs, and we heard few allegations from the FBOs about past or present ill treatment. Public officials did express skepticism, based on experience, about the number of FBOs that had the capacity and interest to contract with government and were not already doing so.

- Many public officials and FBO leaders perceived that the lines between what could and could not be done with public funding had changed, permitting FBOs to do things they could not do (or believed they could not do) in the past. In one important area, policy is more constricted: Charitable Choice requires that clients be notified of their right to an alternative provider for welfare or substance abuse services if they object to the religious character of an organization to whom they have been referred. We found considerable uncertainty, however, about how this requirement is being implemented, suggesting an important area for further study.

- Similarly, we found that the role of faith in programs delivered by FBOs varies widely. Prayer, Bible study, or “Christ-centered” curricula are central to the programs of some FBOs.
Other FBOs, while motivated by their faiths, emphasize the similarities of their services to those of secular organizations and their shared professional norms. Faith expression is considerably more prominent in programs supported by the Compassion Capital Fund than in those funded under block grant authorities. But the intersection between faith and the content of services may be more complex than previously appreciated, and deserves significantly more monitoring and careful analysis.

In the rest of the paper, we elaborate on, provide evidence for, and qualify these conclusions. We review the federal laws and policy initiatives related to the participation of faith-based organizations. We discuss previous research on the topic and the methodology of our study. We describe the structure of the federally funded social programs in each site and the opportunities for contracting with FBO service providers. These sections provide the background for our analysis of the relationships between public officials and faith-based organizations and the intergovernmental relationships among federal, state, and local officials. These sections also provide the context for understanding the degree to which federal interest in expanding the role of FBOs in social programs has or has not translated into increased FBO involvement at the state and local levels. In reviewing implementation issues, we profile FBO participation in the four programs and three sites. We then discuss cross-cutting issues that affect implementation of policies around FBO participation, including the interest of public officials in FBO participation, perceptions of current federal policies, methods of ensuring accountability in public contracting, and the role of faith in faith-based organizations that receive federal money for providing social services.
Charitable Choice and Administration Initiatives

Language authorizing states to contract with religious organizations to provide social services—known popularly as Charitable Choice—was first introduced in the 1996 federal welfare reform law. The provisions in Section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) are designed to expand public partnerships with faith-based service providers in the context of welfare reform by assuring the rights of such organizations to maintain their religious integrity, including internal governance structure and display of religious symbols and art. Section 104 also allows religious organizations that contract with government to retain exemption from Title VII of the 1964 Civil Rights Act, enabling FBOs to include religion as a factor in hiring decisions and employment practices. To further encourage public partnerships with FBOs, Charitable Choice law prohibits federal and state governments from discriminating against FBOs in contracting decisions. The separation of church and state is addressed by prohibiting the use of government funding to support “inherently religious activities,” such as worship or proselytizing. Charitable Choice also establishes protections for the civil rights of service beneficiaries. If a client objects to the religious character of a provider, the appropriate government entity is charged to offer an alternative service provider.

Similar provisions were inserted into federal law governing the Community Services Block Grant in October 1998 and governing the Substance Abuse and Prevention and Treatment block grant in October 2000. Charitable Choice law specific to substance abuse prevention and treatment contained an additional protection for clients by requiring the appropriate government agencies and FBO providers to give explicit notice of the right to an alternative (faith- or non-
faith-based) provider.\textsuperscript{3} A notice requirement was subsequently included in regulations governing the TANF program.

Soon after President George W. Bush came into office, he named public partnerships with FBOs and other community-based organizations (CBOs) as a top administration priority (Black, Koopman, and Ryden 2004; Formicola, Segers, and Weber 2003). Under his “Faith-Based and Community Initiative,” Bush proposed to expand the Charitable Choice provisions across federal agencies. On January 29, 2001, nine days after his inauguration, the president launched his initiative by signing two executive orders, the first establishing the White House Office of Faith-Based and Community Initiatives (OFBCI) and the second establishing Centers for Faith-Based and Community Initiatives (CFBCIs) in five cabinet departments (Education, Justice, Labor, Health and Human Services, and Housing and Urban Development). In conjunction with the executive orders, the White House OFBCI hosted conferences across the country, including ones in Boston and Denver.\textsuperscript{4}

The five newly established CFBCIs were directed under executive order to conduct departmentwide audits to identify programmatic and administrative obstacles to the participation of faith- and community-based organizations in the provision of government-funded services. The departments of Health and Human Services and Labor were specifically directed to conduct reviews of policies and practices under programs governed by Charitable Choice. All five CFBCIs were directed to cooperate with the new White House OFBCI.

\textsuperscript{3} The October 2000 law, the Children’s Health Act, placed responsibility for the notice on government agencies only. The Charitable Choice provision in the Consolidated Appropriations Act of 2001, which became law in December 2000 and applied to all substance abuse grant programs, made both providers and government agencies responsible. The regulations issued in December 2003 also placed responsibility on both.

\textsuperscript{4} The regional conference in Atlanta invited religious leaders from Alabama to attend.
In August 2001, the White House issued a report compiling the initial findings from the departmentwide audits. The report, *The Unlevel Playing Field*, found several barriers to the participation of faith- and other community-based organizations in social service programs, including routine granting to the same organizations despite the absence of performance monitoring, administrative biases against religion and religious organizations, excessive restrictions on the religious activities of FBOs, denial of the Title VII exemptions to religious groups, and a general disregard of Charitable Choice.\(^5\) HHS, it was reported, had done little to implement the Charitable Choice provisions in TANF and CSBG.\(^6\) The Department had not provided guidance to the states regarding TANF Charitable Choice requirements, and its guidance on CSBG requirements left out important provisions. Further, HHS had not evaluated state implementation or compliance with Charitable Choice for either program.\(^7\)

Legislation to implement the administration’s faith-based initiative, including the expansion of Charitable Choice to all federal agencies, passed the House of Representatives as part of the Community Solutions Act of 2001, but stalled in the Senate. A modified Senate version of the bill, without the provision allowing FBOs to retain the Title VII employment discrimination exemption, also stalled (Formicola, Segers, and Weber 2003).

When Congress failed to expand Charitable Choice through legislation, the Bush administration used additional executive and regulatory measures to advance its faith-based initiatives. One such measure is the Compassion Capital Fund (CCF), an initiative established in

\(^5\) Farris, Nathan, and Wright (2004) argue that the report is not entirely accurate in some of its arguments and may understate the role of FBOs before the Bush initiative.

\(^6\) The report described the Substance Abuse and Mental Health Services Administration as “still working out the consequences” of its Charitable Choice provisions, which had been adopted more recently than the provisions governing TANF and CSBG.

\(^7\) A later report by the HHS CFBCI (2002) describes efforts since undertaken to promote the administration’s faith-based and community initiative and points to expanded opportunities for agency partnerships with FBOs and CBOs and removal of barriers to federal contracting.
fiscal year (FY) 2002 whose principal purpose is a discretionary demonstration grant program to expand the roles of FBOs and CBOs in providing social services. The program was created under a special appropriation and has no legislative or regulatory authority.

An initial appropriation of $30 million was made for the CCF, primarily to fund the demonstration program. Under the demonstration, intermediary organizations receive grants to provide technical assistance and financial support to build the capacity of FBOs and CBOs serving needy populations. In FY 2003, the CCF added a separate Targeted Capacity-Building (Mini-Grant) program to support 50 individual $50,000 grants to FBOs and CBOs. The CCF distributed $99.6 million between 2002 and 2004. Congress has appropriated $55 million to the CCF for FY 2005.8

In December 2002, the president signed two additional executive orders. The first required all agencies administering social service programs to give equal consideration to FBOs and CBOs that apply for funding, to the extent permitted by law. The president also directed these agencies to review existing policies to ensure compliance with the faith-based initiative. The second order established two new CFBCIs in the Department of Agriculture and the Agency for International Development. A final executive order in June 2004 created CFBCIs within the departments of Commerce and Veterans Affairs and in the Small Business Administration, bringing the total number of CFBCIs to 10.

Indirect funding to FBOs through vouchers across social service areas (including after-school programs, mentoring, housing programs, and homeless services) is another tool to expand FBO participation (Farris et al. 2004). In FY 2004, 14 states and one tribal organization received $100 million in total awards to fund vouchers for substance abuse treatment and recovery.

8 President Bush has also proposed a new initiative under the CCF to target FBO- and CBO-run programs supporting youth age 8–17 at risk of gang involvement. Pending congressional appropriations, the program will begin in spring 2006, run for three years, and cost $150 million.
support services under the new Access to Recovery (ATR) program. None of our study sites received an ATR grant, although all applied. Despite the administration’s proposal to double its funding level, FY 2005 funding for ATR remains at $100 million.

HHS issued final regulations on September 30, 2003, to implement the Charitable Choice provisions in the TANF, SAPT, and CSBG programs. In July 2004, HHS issued regulations expanding certain provisions (including nondiscrimination against FBOs and against beneficiaries, Title VII employment discrimination exemption for FBOs, and the prohibition of support for inherently religious activities) to all programs administered by the Department.

The White House OFBCI retains lead responsibility for the administration’s faith-based agenda, including working with federal agencies to ensure compliance with the faith-based and community initiative, eliminating bureaucratic barriers to FBO and CBO involvement, and educating the public about the administration’s initiatives. The White House maintains an extensive national e-mail list to disseminate information and updates on the initiatives to FBOs and CBOs. Other resources for FBOs and CBOs, including guidance on partnering with the federal government, a guidebook to religious hiring rights, information on funding opportunities, and instructions on how to develop a grant proposal, are available on the White House Office’s web site. Rather than receding to a monitoring role once policies are promulgated, the White House remains an active presence in policy implementation.

II. Prior Research

The enactment of Charitable Choice and the Bush administration’s efforts to expand government support for services provided by FBOs have stimulated research across sites and across policy areas. The policies are still new and implementation is evolving. While some broad points now
seem clear, evidence about other important topics has been spotty or contradictory, arguing for considerably more monitoring and evaluation.

_FBOs as Social Service Providers_

Faith-based organizations, including both congregations and noncongregational nonprofits, clearly provide social services. Studies of congregations, both national (Chaves 1999, 2004; Chaves and Tsitsos 2001; Dudley and Roozen 2001; Hodgkinson and Weitzman 1993; Light n.d.; McCarthy and Castelli 1998) and local (Cnaan 1999; Cnaan and Boddie 2001; De Vita and Palmer 2003; De Vita, Platnick, and Twombly 1999; Kramer et al. 2002; Printz 1998; Smith and Sosin 2001; Wineburg 2001) indicate remarkably consistent patterns from site to site. Most congregations (nearly all, in some studies) provide social services to respond to congregant or community needs. Congregations most often offer short-term material assistance such as emergency food, clothing, or bus tokens for a job interview. The specifically faith-based component of these services is often minimal (Bartkowski and Regis 2000; Smith and Sosin 2001).

Congregations also host many child care programs. Almost one-sixth of child care centers are located in religious facilities. Some of these centers are simply using or renting church space, but a growing majority is actually congregation-operated (Lindner, Mattis, and Rogers 1983; Neugebauer 2000). But apart from child care, relatively few congregations offer programmatic services involving sustained personal contact with multiple clients or professional staff.

Congregations that provide social services can be distinguished from the noncongregational social service organizations with religious affiliations that are active throughout the country. McCarthy and Castelli (1998) further distinguish two types of
noncongregational faith-based social service organizations: national networks with specific religious affiliations, including the Salvation Army, Catholic Charities, and Lutheran Social Services; and freestanding organizations such as the Prison Fellowship, which are not formally affiliated with a specific congregation or religion. Both types of organizations may collaborate with congregations, which provide volunteers, facilities, and money (Chaves and Tsitsos 2001; Wineburg 2001).

**FBO Collaborations with Government**

Most national networks, many congregations, and some freestanding religious organizations also collaborate with national, state, or local governments (Chaves 1999; McCarthy and Castelli 1998; Monsma 1996). Faith-based nonprofits run 70 percent of food pantries and kitchens and 27 percent of emergency and transitional shelters nationally (Aron and Sharkey 2002; Poppendieck 1998). Some of these efforts have received government support for many years. The emergency food system, for example, relies on excess federal commodities, while shelters can get funding under federal homelessness programs. Most recipients of federal child care subsidies now receive that assistance in the form of vouchers or certificates, which can be used to purchase services from faith-based or secular providers (Child Care Bureau 2003). Even FBOs that do not receive public funding through contracts, grants, or vouchers may be connected to government through referrals (in both directions) and licensing requirements.

**Legal Issues**

The constitutional issues surrounding these collaborations, revolving around the application of the First Amendment’s Establishment and Free Exercise clauses, have been debated from all sides (Dionne and Chen 2001; Kennedy and Bielefeld 2002; Lupu and Tuttle 2003b; McCarthy and Castelli 1998; Monsma 1996; Sider and Unruh 1999). Two recent Supreme Court decisions
may have important implications for social services even though they directly concern another policy area, education. *Zelman v. Simmons-Harris,*\(^9\) which upheld the Cleveland school voucher program, suggests that programs that operate through vouchers or other mechanisms that exercise recipient choice are acceptable for public funding, even if most recipients choose to receive services from religious providers. On the other hand, in *Locke v. Davey* the Court upheld the right of state and local governments to restrict the use of state funds for education in an inherently religious endeavor,\(^10\) as reflected in many state constitutions. The Court found that Washington State could deny state scholarships to otherwise eligible applicants if the support would be used to study theology in preparation for the ministry.

Two decisions by lower federal courts suggest that there are still certain clear constitutional limits on direct federal funding of religious activities (Lupu and Tuttle 2004, 2005a). A federal district judge in Montana ruled that a Montana State University health program, a Compassion Capital Fund intermediary grantee, unconstitutionally provided subgrants for which only faith-based organizations were eligible, used one subgrant to support “inherently religious activities,” and generally involved the government in religious affairs beyond the limits of the Establishment Clause. In the second case, a summary judgment by a federal district judge in Wisconsin forced HHS to end its support, under a discretionary program, Mentoring Children of Prisoners, for a program (MentorKids USA) that apparently consisted only of inherently religious activity. Two cases important to this issue are currently pending. Both involve prison programs in which participants receive highly faith-infused service interventions, and are housed in segregated and potentially superior facilities (Lupu and Tuttle 2003a, 2005b).

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Important legal issues specific to Charitable Choice, however, have not yet been resolved. One is whether the Charitable Choice provisions, which allow faith-based organizations to apply religious criteria in hiring, preempt state and local laws prohibiting such discrimination in programs receiving public funds (Lupu and Tuttle 2003b). Another is that the Charitable Choice provisions for TANF and SAPT give clients receiving services from FBOs the right to an alternative provider, but the obligations imposed on the government or the FBO that ensue from that right remain unclear. Given the increasing public funding of organizations that use religion in some aspects of their programming, other issues may end up before the courts, including what constitutes inherently religious activities and therefore what may be supported with public funds, as well as how to craft boundaries to separate religious and non-religious components.

The Effectiveness of FBOs as Social Service Providers

There is no systematic evidence that the quality of services delivered by faith-based organizations is superior to the quality of services provided by other social service providers. Two recent studies test the relative efficacy of faith-based organizations, secular nonprofits, government agencies, and for-profit companies as social service providers. Deb and Jones (2003) find that outcomes for participants in Indiana job training programs run by faith-based organizations are in most respects similar to those for participants in secular programs, but that the participants in the secular programs are more likely to find full-time jobs and receive health insurance. In a study of Los Angeles welfare-to-work programs, Monsma and Mounts (2002) find that no type of provider is superior or inferior to other types overall. For-profit providers, for example, have higher placement rates than other types of providers, but participants view the staff of government programs as particularly knowledgeable and helpful, and participants have
empathic relationships with staff from faith-based programs and from programs run by secular nonprofits.

Claims about the success of particular faith-based programs are widespread, but there is typically no control group for comparison. Raw success rates (for example, percentage of substance abusers who remain drug-free for a year or percentage of teens who practice sexual abstinence) do not take selection bias at entry or exit into account. Selection bias is particularly important in faith-based interventions—those who choose to participate in faith-based programs and those who stay in such programs may have an explicit affinity to the religious or spiritual grounding of the intervention. Further, since raw success rates do not adjust for the cost of the treatment, it is impossible to know whether a particular approach achieved greater success because of its faith base or because additional resources per case—including volunteer labor—had been applied. Other studies have found that religious practice and belief are associated with better health and well-being (Johnson, Tompkins, and Webb 2002). But these are studies of behaviors and thought patterns acquired over lifetimes; their relevance to instrumental uses of faith, as characterized by more short-term interventions to achieve policy goals, is questionable.

Discrimination and Secularization

Evidence on discrimination for or against faith-based organizations is similarly unclear. The White House report, *The Unlevel Playing Field*, said that federal agencies and programs discriminated against faith-based organizations (White House 2001). Yet surveys of faith-based organizations suggest that most have found their interactions with government satisfactory (Green and Sherman 2002; Monsma and Mounts 2002). And there is now some evidence for bias in favor of faith-based programs (Chaves 2003; Farnsley 2001).
Some authors have expressed fear that religious entities that collaborate with government will become secularized (Glenn 2000; Sherman 1995). Chambré (2001) agrees that faith-based social service providers change over time, but traces their transformation to the demands of private fundraising and other factors besides involvement with government. Some FBOs have resisted public funding for fear that they would lose their independence, or so-called “prophetic voice,” by taking government funds. Others fear compromising their missions or their accessibility to particular client populations by accommodating the tracking and reporting requirements that attend to public funding (Kramer 2003; Monsma and Mounts 2002).

Accountability

The enactment of Charitable Choice provisions has coincided with a period of increased use of alternative mechanisms for achieving accountability from government contractors. Heinrich (2000) finds that performance-based contracting (payments based on benchmarks such as participants’ completion of training, or job placement and retention) improves outcomes from nonprofit job training programs. When this approach was tried in New York City, however, it proved particularly challenging for faith-based contractors (Rock 2002). Similarly, a review of the use of performance-based contracting in welfare-to-work programs finds that small contractors or those new to public funding often have difficulties withstanding the cost of uneven or insufficient client referrals, serving clients poorly matched to program capabilities, and enduring the cost of additional or unanticipated services (Kramer et al. 2003).

Indiana and many other states have provided extensive technical assistance to help faith-based organizations meet the demands of government contracting (Ragan, Montiel, and Wright 2003; Thelin 2003). Kramer et al. (2002) find that both workforce development board representatives and FBO administrators were concerned about the ability of small organizations
and those new to government contracting to meet the stringent audit requirements of public funding, and anticipate the need for substantial technical assistance. Clergy from Washington, D.C., also expressed a need for technical assistance but complained about the repetitiveness of the training they received (De Vita and Palmer 2003).

Another approach to performance issues is to use large congregations or freestanding organizations as intermediaries between government agencies and small congregations. Kramer et al. (2002) find examples among congregations and in workforce development agencies who were expecting to assist FBOs in order to increase their participation in employment-related services. This approach appears to have worked well in New York City (Rock 2002) and is the concept behind the federal CCF program.

Vouchers use the power of individual choice as a means to achieve accountability. Although licensing or regulatory standards may restrict the choice of contractors, the limitation in the Charitable Choice law on using public funding to support inherently religious activities applies to direct funding only, thereby exempting religious organizations that receive vouchers from meeting this requirement.

Charitable Choice Implementation

A small number of studies have attempted to track FBO contracting since Charitable Choice. A 15-state study of FBO contractors providing social services under Charitable Choice and a 50-state survey of TANF agencies’ use of Charitable Choice provide early looks at the level of FBO contracting and the characteristics of contractors (Green and Sherman 2002; U.S. General Accounting Office [GAO] 2002). The GAO finds that FBOs received about 8 percent of the $1 billion in 2001 federal and state TANF funds that went to nongovernmental organizations. But contracting varied widely both in dollar amounts (less than 5 percent in 23 states to 32 percent in
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one state) and in number of total contracts. Green and Sherman find that nearly half of FBO providers were not new to public contracting, over three-quarters were FBO nonprofits rather than congregations, and nearly all were Christian (of which more than one in five were Evangelical Protestant). Although the White House recently compiled inventories of funding across all federal agencies that support FBO activities, definitional issues muddy assessment of the magnitude of FBO contracting.

An in-depth study in five states (part of the GAO 50-state survey) and an implementation study in three states (Kennedy and Bielefeld 2003) find potential issues around states’ understanding of legal safeguards, including the notice requirement. But there has been no research since that might clarify these implementation issues at the service delivery level. The Rockefeller Institute’s Roundtable on Religion and Social Welfare Policy has funded state-specific implementation studies, but none that address these issues at the service delivery level. Nor have there been systematic studies of implementation across all three HHS Charitable Choice authorities. No studies to date have attempted to assess the content of services provided by FBOs under Charitable Choice contracting.

There have been no implementation studies to track the characteristics of contractors or services provided by FBOs under Compassion Capital funding. HHS recently funded an evaluation of the effect of Compassion Capital funding on capacity building in faith and community-based programs. The results of that study will not be known for some time.

III. Methodology

Our findings are based on analysis of interview, program, and budget data, and on-site observation of faith-based service providers in each of three cities, selected for regional and demographic variation as well as expected level of engagement of faith-based providers.
Definitions

As is typical in both research and public discourse in this area, the definition of a faith-based organization is problematic. “Faith-based” is a recent term of art, popularized with the shift in policy that underlaid the development of Charitable Choice. In addition, faith-based organizations are sufficiently varied that treating all FBOs as one class for analytic purposes is often uninformative. Our interviews with public officials and contractors indicated varied readings depending on the interplay of local history, culture, politics, and recent federal and/or state policies. In the end, as we discuss later, identification as an FBO may depend on varying interpretations, sometimes explicit and other times not easy to decipher.

For purposes of this analysis, we generally allowed organizations to self-identify. Occasionally, self-identification did not converge with identification by the funding agency, creating challenges both in establishing a count of FBO contractors and in selecting organizations to interview during site visits. The reasons for the lack of convergence, as well as our inclusion or exclusion in the analysis, are discussed in detail in section V, “Profile of FBO Contracting in 2004.”

Site Selection

Our study focused on three cities: Birmingham, Boston, and Denver. These cities were among the sites for two earlier, more broadly defined rounds of case studies as part of the Urban Institute’s Assessing the New Federalism project (Capizzano et al. 2001; Holcomb et al. 2001; Kaye et al. 2001). Boston and Denver are similar in size, with populations of 500,000 to 600,000 in each, while Birmingham is less than half as large. The cities are diverse in ethnic, racial, and
religious composition as well as in geography. In Birmingham, as in other southern cities, blacks are the majority and many whites are Southern Baptists. Boston, in the northeast, is heavily Roman Catholic and about one-quarter black. Denver, the most western city in the study, is almost one-third Hispanic and contains many evangelical Protestant churches. According to the 2001 American Religious Identification Survey, only 6 percent of Alabama respondents had no religion (Kosmin, Mayer, and Keysar 2001). This rate was the lowest of any state. In contrast, the “no religion” rates for Colorado (21 percent) and Massachusetts (16 percent) both exceeded the national rate of 14 percent.

The three sites also differ in the state-level response to Charitable Choice and the Bush administration’s faith-based initiatives. Colorado’s governor, Bill Owens, issued an executive order for state agencies to implement Charitable Choice and identify barriers to it. The state also received a $1.3 million grant from the U.S. Department of Labor to expand the participation of faith-based and community initiatives in workforce development. Alabama’s current governor, Bob Riley, established an office for faith-based and community organizations, headed by a veteran of Washington, D.C., politics who had helped develop the Charitable Choice legislation and is now active and visible throughout Alabama.

In contrast, supporters of a bigger role for FBOs criticized Massachusetts for what they saw as resistance to Charitable Choice (Center for Public Justice 2000; Sherman 2000; Wubbenhorst and Hurt 2000). Massachusetts officials responded that such faith-based organizations as Catholic Charities, Lutheran Social Services, and the Salvation Army were

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12 For cost reasons, the American Religious Identification Survey did not include Alaska or Hawaii.
already major participants in TANF and other state social service programs, and therefore no changes in policies or contracting practices were needed for FBOs to participate in social programs (Jensen 2003).

Site Visits
To explore in depth the policy and management issues imbedded in our second research question, we conducted face-to-face interviews with state and local program administrators and FBO contractors in each of the four programs under study. Site visits to the three cities took place between October 2004 and May 2005.¹³ In the case of the Compassion Capital Fund, project staff interviewed CCF intermediaries and mini-grant recipients, as well as a selection of partner organizations and FBOs that had received CCF subawards. In a few cases scheduling required interviewing program officials or contractors by telephone, and several cases required follow-up conversations by telephone. To understand the subtleties of faith expression in facilities and services, we interviewed FBO contractors in each city on site, and observed the facility in which contract services were delivered, including the readily observable religious displays, which are explicitly allowed under Charitable Choice.¹⁴

Interviews
Respondents were selected to provide a detailed picture of policies regarding FBO participation as they were developed at the federal level, reflected in state and local policies, and ultimately implemented in the local service delivery system.

An in-depth interview was conducted with the director of the HHS Center for Faith-Based and Community Initiatives, and conversations were held with key staff in HHS who had

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¹³ State officials in Alabama with jurisdiction over Birmingham programs of interest were interviewed at their offices in the state capital, Montgomery.

¹⁴ A small number of contractors were, by their arrangement, interviewed at other locations.
assisted in either drafting the regulations or implementing faith-based initiatives in the respective line agencies. These interviews were designed to understand what policy issues were considered, and to gather relevant information on how the policy was disseminated through conferences, workshops, and other outreach and guidance given to states and localities.

We conducted a total of 68 interviews with public officials and FBO representatives from the three sites, some with multiple respondents, and some that involved extensive follow-up. Those interviewed in each site included the principal staff, if any, at the state and/or local level charged with overseeing faith-based initiatives; the principals at the state level and their city or county counterparts, as appropriate, who administered the block grants for TANF, CSBG, and SAPT; and any other individuals named by state or city officials in the development or administration of policies that affected FBO participation within the four funding streams under study. In addition, the principals responsible for providing direct services under contract with the relevant public agency, and those in intermediary organizations that held a direct federal Compassion Capital Fund grant, were interviewed. These included contractors identified by the funding agencies for TANF, SAPT, and CSBG, and a sample of FBO subaward grantees selected by the CCF intermediaries in Boston and Denver.\(^{15}\) We also interviewed the four recipients of direct CCF mini-grants in the three cities.

These semistructured interviews produced data on FBO participation in contract services, along with perceptions about the advantages and challenges of FBOs compared to other service providers, opportunities or constraints posed by the new laws and other administration initiatives, and the role of faith in services provided. The interviews also explored the nature of relationships among public agencies and between funding agencies and service providers, including guidance

\(^{15}\) The Salvation Army in Denver declined to be interviewed because of a pending lawsuit. Although study staff could not get clarification, it is believed that the lawsuit in question does not originate in either of the programs in the cities under study.
or technical assistance received to implement the new law. In addition to open-ended discussion, we used a simple checklist to explore dimensions of religiosity in organizations and services.\textsuperscript{16}

The selection of individuals to be interviewed reflected our focus on intergovernmental relationships across three levels of government, four programs, and three sites. Our study did not include interviews with frontline staff or service recipients, or the systematic observation of worker/client interactions. Therefore, our information about direct practice (such as how and when, for example, the notice of the right to an alternative provider is communicated to a client and how a client may choose to act on it) is more limited than our understanding of policy as articulated by state, local, and nonprofit officials. Similarly, while we have new information on the dimensions of religiosity and how it might affect the nature and delivery of services, our data and analysis can only suggest the potential role of faith and point to directions for much-needed further research.

\textit{Budget and Contracting Data}

For each program in each site, data were collected on the number of FBO contractors delivering services, the dollar amount of those contracts, and the percentage of total contracts they represented under TANF, SAPT, or CSBG funding for program year 2004, the latest year for which data were available.\textsuperscript{17} Program officials were also asked to report on what changes, if any, had occurred in the participation or profile of FBO contractors since Charitable Choice, or during any other time frame that they considered relevant.

Program officials and FBO contractors described the nature of services delivered under those contracts; the contracting structures, including performance measures, reporting

\textsuperscript{16} We administered a similar checklist as part of the telephone interviews discussed in appendix A.

\textsuperscript{17} We asked administrators to identify contractors funded under the three block grant authorities. In some cases, because of the nature of the block grants and the commingling of funds, contracts with providers may be partially or wholly (as with state maintenance-of-effort funds) funded by the state.
requirements, and other mechanisms used to maintain accountability; and any changes that had occurred since Charitable Choice or to accommodate the needs of faith-based providers.

IV. Federalism and Public Contracting

Program structure and funding provide both opportunities for and constraints on faith-based organizations’ participation in the four federal programs studied. Different patterns of FBO participation are connected with differences in both what the programs do and how they are organized to provide core services. Block grants give more flexibility to states and localities than most other federal aid, which can be used only for narrowly defined purposes. Given block grant flexibility, state policy decisions can vary to reflect demographic and economic characteristics as well as other policy preferences. States may also decide how much authority to give their local governments. State programs that are extremely devolved, such as the TANF program in Colorado, shift responsibility for contracting and other decisions to counties or cities. This double devolution, from the federal government to the states and from the state to its counties or cities, can produce important intrastate differences in contracting with FBOs and in many other aspects of policy implementation.

Contracting under TANF

The TANF block grant replaced the Aid to Families with Dependent Children (AFDC) entitlement that had existed since 1935. TANF is administered by the Office of Family Assistance, which is part of the Administration for Children and Families (ACF) within HHS. Compared with AFDC, TANF emphasizes achieving economic independence and limiting use of cash assistance. Therefore, TANF provides services to help recipients find employment and to address other personal or family issues that impact self-sufficiency. States use their TANF block
grants to pay for cash assistance, but also to cover a range of other expenditures for low-income families, including child care, employment-related services, pregnancy prevention, mental health and substance abuse treatment, state earned income tax credits, and programs to encourage healthy marriages and responsible fatherhood.

Many of these services are typically delivered under contract with provider organizations. Contracting is influenced by local conditions and the size of local caseloads. Due to the combination of welfare reform and a strong economy, cash assistance caseloads fell by more than half between 1996 and 2000. Because the TANF block grants were fixed at levels based on spending before 1996, the caseload decline freed up money to spend on services that would otherwise have been spent on cash assistance. Between FY 1997, the first year of the program, and FY 2004, the most recent year for which these data are available, the share of TANF funds spent on cash assistance fell from 72 to 38 percent in Colorado, 66 to 44 percent in Massachusetts, and 58 to 37 percent in Alabama, a state which previously had very little money for contracting under AFDC.18

Some provider organizations that deliver services under contract are FBOs. For example, in Denver County, Catholic Charities is under contract to provide intensive case management services for TANF recipients approaching Colorado’s 60-month time limit to cash assistance. Denver County also uses TANF funds to contract, through its workforce development agency, with Shalom Denver, a division of Jewish Family Service of Colorado, to provide intensive case management and job training services for TANF recipients. In Alabama, the TANF agency contracted with the Christian Service Mission to operate a fatherhood program in Birmingham called Working for Kids. This was the only FBO in Birmingham with a TANF contract in FY

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18 Author calculations from ACF financial data available at http://www.acf.hhs.gov/programs/ofc/data/index.html. Figures do not include TANF funds transferred to the Child Care and Development Fund or the Social Services Block Grant.
2004. In Boston, the state of Massachusetts contracted with a large number of FBO providers for many years to provide services for welfare recipients. Overall, however, although the caseload decline shifted expenditures from cash assistance to services, a limited number of contractors may be able to provide services to meet TANF requirements. Without new money, states may be less able to adjust their contractor profile to seek out new providers, particularly FBOs that are new to public contracting and may require additional technical assistance to meet contracting requirements.

Contracting under the Substance Abuse Prevention and Treatment Block Grant

The Substance Abuse Prevention and Treatment Block Grant, created in 1992, replaced earlier block grants, going back to 1981, that had covered mental health as well as alcohol and drug abuse (Burnam et al. 1997). The Substance Abuse and Mental Health Services Administration (SAMHSA) within HHS administers the block grant. Substance abuse encompasses alcohol and drugs, which for many users are codependencies. As the name of the block grant suggests, policies and programs are organized around a fundamental distinction between treatment, which generally serves people who are already addicted, and prevention, which serves people (often children and adolescents) who have not yet used alcohol or drugs or are just beginning to experiment with these substances.

Treatment is typically procured under contract for services measured in terms of a designated number of treatment slots, or, for residential programs, a number of beds. In Massachusetts, the state Department of Public Health contracts directly with treatment providers, including several FBOs. Contracting for substance abuse treatment in the other two states involves intermediaries. In Alabama, quasi-public authorities known as 310 boards (after the 1967 law that established them) have responsibility for mental health (including substance abuse)
and mental retardation services in their catchment areas. In the Birmingham area, the state contracts with the Jefferson-Blount-St. Clair Mental Health Authority (JBS), the 310 board for Jefferson County (which includes Birmingham) and two neighboring counties that are more rural; JBS, in turn, subcontracts with private providers. Since 1997, substance abuse treatment in Colorado has operated through managed service organizations (MSOs). In the Denver metropolitan area, Signal Behavioral Health Network, the MSO, subcontracts with private providers, one of which is an FBO. Signal also provides technical assistance to its subcontractors and monitors their compliance with contractual requirements.

State licensing and certification are usually required for direct public funding and reimbursement by third-party insurers. Because these requirements may be more difficult for FBOs to meet than the standards directly attached to state contracts, they may limit the participation of FBOs as service providers. In Alabama, the Governor’s Office of Faith Based and Community Initiatives (GOFBCI) believes, like others working to increase FBO participation in this area, that the existing standards may not adequately recognize peer counseling experience. At the time of our visit the GOFBCI was facilitating the Substance Abuse Services Division review of certification standards for substance abuse counselors. The changes under consideration included broadening certification to accommodate certain recovery support services.

Professional standards for substance abuse prevention are less clearly defined and the venues for services more variable than is the case for treatment. Public officials working on substance abuse prevention saw it as an area in which FBOs could more readily engage in public programming, building on what they were already doing on their own. Some, however, noted

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19 The administrative structures for prevention services are the same as those for treatment services in Birmingham and Boston. The Alcohol and Drug Abuse Division of the Colorado Department of Human Services directly contracts with prevention providers rather than operating through an intermediary, such as an MSO.
difficulties in getting FBOs to understand SAMHSA’s concept of “evidence-based” prevention programs, and to collect the documentation needed to demonstrate program effectiveness.

Officials in all three states mentioned the new Access to Recovery program, introduced in 2004 and administered by HHS, as a vehicle for collaboration with FBOs. Officials saw FBOs as natural participants, both because they were already offering support services without government funding and because vouchers might allow them to receive federal funds without having to change the religious content of their programs. None of the three states we visited were among the 14 states (and one tribal organization) that won Access to Recovery grants in the first round. But reportedly the application process positively influenced relationships and collaborations with FBOs. FBOs and state substance abuse officials worked more closely together than they had before, and all three states were planning to revise their proposals to compete again in the next round.

Community Services Block Grant Contracting

Created in 1981, the Community Services Block Grant drew upon the network of community action agencies that had been established under the Community Action Act of 1964, a key statute of President Johnson’s War on Poverty. The CSBG funds a wide range of community-based programs for low-income populations, including child care, adult education, job training, energy assistance, and emergency services such as homeless shelters. Many of these programs receive funds from other public sources in addition to the CSBG. For example, the CSBG grantee in Birmingham, the Jefferson County Committee for Economic Opportunity (JCCEO), is the county’s main Head Start provider. Also, because CSBG funding can be used for coordination and administrative support as well as direct services, local staff see the block grant as the glue that holds their many service programs together.
CSBG is administered at the federal level by the Office of Community Services within ACF. At the local level CSBG is organized around local agencies (“eligible entities”), which each receive funds from the state as the sole grantee for a geographically defined service area. Most local agencies, including JCCEO and the Boston grantee, Action for Boston Community Development (ABCD), are community action agencies (CAAs), which are quasi-governmental nonprofits operating under tripartite boards that include public officials, low-income community residents, and representatives from businesses, labor unions, FBOs, or other private organizations.

Charitable Choice in the CSBG program operates on two levels: CAAs, such as JCCEO and ABCD, can contract with FBOs for services, and FBOs can themselves serve as eligible entities. The final rule implementing Charitable Choice in CSBG discusses FBOs as eligible entities.20 Currently, of approximately 1,100 CSBG local agencies nationwide, only the Welfare Reform Liaison Project in Greensboro, North Carolina, is an FBO (Cleveland 2004).

Provisions regarding FBOs as subcontractors have had little impact in Birmingham or Boston, because JCCEO and ABCD provide all services in-house and, although they have the authority, do not subcontract with any outside organizations. But JCCEO and ABCD, like most CAAs, have always collaborated with FBOs in their communities (Alwin n.d.; National Association of Community Action Agencies 2001; Puri 2004). Although these relationships do not involve contracts in which money changes hands, they sometimes involve memoranda of understanding that spell out the services each party will provide.

In Colorado, most of the eligible entities are either county governments or multi-county agencies covering sparsely populated areas of the state, the result of a waiver that was

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subsequently incorporated into the statute governing CSBG. The CSBG-eligible entity for Denver is the county Department of Human Services, the same agency responsible for TANF, and relationships with FBOs seem similar in the two programs. Catholic Charities, for example, holds separate contracts with the department under each program.

President Bush’s FY 2006 budget proposes zero funding for CSBG, and combining its functions with those of the similar-sounding Community Development Block Grant (a Department of Housing and Urban Development program that funds physical redevelopment efforts) and other community-based programs into a new “Strengthening America’s Communities Grant Program” administered by the Department of Commerce. The combined effect of the focus change and the funding cuts (about 30 percent below FY 2005 funding for the programs it would replace) might actually diminish the potential for FBO participation in the long run. As of June 2005, it was unclear whether Congress would act on the president’s proposal.

**Compassion Capital Fund Grants and Subawards**

The Compassion Capital Fund is a discretionary program administered, as is the CSBG, by the Office of Community Services in ACF. CCF administers two grant programs. The larger is a demonstration grant program, which funds intermediary organizations to provide training and technical assistance to help small faith-based and community-based organizations access public funding, manage their own programs more effectively, train staff, and expand their reach into the community. Intermediary organizations are a mix of large FBO social service providers and other nonprofits, universities, and management consulting firms. Between 2002 and 2004, a total of 45 intermediary organizations around the country received grants totaling $92.2 million. Frequently, as in both Denver and Boston, the principal CCF grantee is a secular nonprofit,
which partners with congregation-based or other faith-based organizations to offer technical assistance and distribute subawards, as described below.

Intermediaries are required to distribute at least 25 percent of their primary grant through small subawards, typically between $5,000 and $25,000 (subawards can be up to $40,000), directly to FBOs and CBOs through a competitive process. Subawards are for capacity-building activities that promise to produce measurable impact and result in more sustainable organizations. Intermediary organizations are able to determine the eligibility criteria for the awards, including geographic location, budget thresholds, and types of services.

The second CCF program is a mini-grant program, begun in 2003, that provides one-year grants up to $50,000 directly to FBOs and CBOs. These grants support efforts targeted to at-risk youth and homeless populations, rural communities, and healthy marriage initiatives. The mini-grants, totaling $7.4 million in 2003 and 2004, have been distributed to programs in 43 states and the District of Columbia, and to a wide range of organizational types. FBOs in both Boston and Denver have been direct recipients of CCF mini-grants.

The absence of legislative or regulatory guidance or state or local input distinguishes CCF from the programs operating under Charitable Choice authorities, and leaves room for variability on important dimensions. First, the mix between faith- and community-based organizations receiving subawards from intermediary organizations may vary depending on the partnerships that have been crafted in each local program. For some grantees, there may be a conscious effort to distribute the grants evenly among FBOs and CBOs. For others, historic relationships among local organizations, such as consortia among local congregations, may influence the distribution. Similarly, the size of organizations receiving subawards reflects eligibility criteria developed by the intermediaries. JVA Consulting in Denver specified that
applicants have budgets of less than $300,000. CTCNet in Boston established a budget threshold of $2 million for organizations running overnight shelter programs and $1 million for all other applicants. The United Way and its partners in Boston opted not to limit eligibility through budgetary criteria, believing that excluding any organizations would be inconsistent with federal intent to level the playing field. Applicants for the Boston subawards were also required to have at a minimum a quarter-time staff person.

Second, many Compassion Capital subgrantees are new to public funding and unfamiliar with the procedures that accompany the receipt and use of public funds. Our observations suggest some subawardees operate programs that are more faith-infused than programs operated by traditional faith-based social service providers, and may need to be sensitized to the boundaries of religiosity that apply to publicly funded programs.

Third, CCF initiatives in local areas frequently operate independently of public agencies that provide similar services, neither monitored by those agencies nor given guidance by them. In addition to the potential for changing or duplicating the mix of services in a local area, the lack of connection with other providers may represent a lost opportunity to build networks to help clients access needed services from the broader pool of providers.

V. Profile of FBO Contracting in 2004

Determining the extent of faith-based contracting is in part a problem of identification. The problem surfaced as we attempted to construct the profile of FBO contracting. We asked state or local officials to identify FBO contractors in each funding stream in order to assess the extent of current contracting with FBOs and identify organizations to visit in the field. We found that the term “faith-based” created confusion for some respondents and discomfort in others, depending on what their policy or program objectives were or what they perceived others’ to be.
Some public officials might identify as an FBO an organization with historic religious roots, an extant religious name, but no current religious affiliation and no obvious faith content in its services. For the same reasons, that provider might express discomfort with the FBO label. Some providers with religious affiliations nonetheless find the focus on faith detracts from public recognition of their secular social service mission. Others are uncomfortable because they see the label as emblematic of a policy debate they regard as ideological. On the other hand, to some providers the moniker highlights their faith mission, whether or not other organizational attributes or services are faith-connected. And, in the context of a highly charged political climate and a shift in public dollars that may flow from it, some public officials may be inclined to increase their work with programs identified as faith-based. As one put it, “We’d be foolish not to increase our work with faith-based organizations…to leverage federal dollars.” Like funding agencies, some providers may expect the label will be an opportunity for more funding.

In one instance, when we called to arrange a field visit, a contractor identified by the funding agency as an FBO argued strongly that the organization did not consider itself faith-based, and we were obliged not to schedule a field visit. In other instances, it was only during the course of field or phone interviews that contractors volunteered that they were confused by the FBO attribution or that they saw no connection between religion and their program operations.

In the end, the lack of convergence is part of the story. In table 1, we exclude from the numerator the contractors that either initially or during interviews were strongly averse to being considered faith-based, but we also report in parentheses the number of contractors that the funding agency identified as faith-based if the two numbers diverged. Understanding the role of faith and therefore the importance of the attribution is a more complex task. In a later section on
the role of faith, we discuss at length the interplay between religious expression in organizational and programmatic attributes.

As table 1 shows, faith-based organizations are participating in government-funded programs across the three sites. However, as noted earlier, opportunities for FBO participation are in part governed by each block grant’s broader structural characteristics, which determine the degree and kind of contracting that state and local programs are likely to undertake.

The TANF program had the highest number of contracts with faith-based organizations in 2004, but the amount of funding going to FBOs is a small percentage of total contract dollars—from less than 2 percent (in Birmingham) to about 20 percent of TANF funding (in Boston). The presence of faith-based contractors in SAPT never exceeded 8 percent, in either the number of contracts or percent of total contracting dollars, across the three sites.21 Boston had the largest share of funding (7.4 percent) contracted to FBOs for substance abuse services.

The CSBG program involves no contracting in either Birmingham or Boston under the current structure, with funding allotted to community action agencies that, as noted earlier, provide services in-house. Both agencies, in their interviews, described strong relationships with community FBOs, sometimes involving an exchange of services or in-kind support, but never an exchange of money as in a formal contract. Colorado, as discussed above, administers the CSBG grant through county agencies and some multi-service agencies. The Denver Department of Human Services (DDHS) receives the funding for Denver City and County and, in turn, contracts funds to local providers. Table 1 shows that in 2004, 16.5 percent of CSBG funding in Denver went to FBOs.

21 The Alabama Department of Mental Health and Mental Retardation (DMH/MR) did not have any contracts with FBOs in Birmingham in FY 2004. The DMH/MR, however, did contract with a faith-based provider for statewide residential treatment services (not included in table 1). Birmingham residents are eligible to receive services at the Rapha Christian Home and Rapha reportedly sees a large share of clients from Birmingham.
In all three sites and for all three block grant programs, FBO contracting levels have changed little since the enactment of Charitable Choice. Program administrators reported that the scope of contracting with FBOs was unaffected by the Charitable Choice provisions and that contracts with FBOs were with existing contractors.

One new program in Birmingham was created as a result of PRWORA and new fatherhood initiatives. In 2000, the Alabama Department of Human Resources partnered with the state’s Child Abuse and Neglect Prevention Board (the Children’s Trust Fund of Alabama) to establish the Alabama Fatherhood Program to address parental responsibilities of noncustodial parents. In FY 2004, the Children’s Trust Fund contracted with the Christian Service Mission, a nondenominational Christian organization, to provide services under this TANF-funded program.

Changes in the contracting policies of the Substance Abuse Services Division (SASD) of the Alabama Department of Mental Health and Mental Retardation (DMH/MR) also affected Birmingham, albeit indirectly. In FY 2003, the SASD added a new faith-based contractor to provide residential treatment for adults across the state. In FY 2005, the Act 310 Board for Jefferson County and neighboring Blount and St. Clair counties requested that the state add a faith-based contractor to serve Blount County. Neither of these contractors would have been funded, we were told, before the change in law.

In contrast to the block grants, a large share of CCF Demonstration Grant subawards in both Boston and Denver were awarded to FBOs (see table 1). Close to 50 percent of the total subaward dollars in Boston and just over 70 percent of the CCF subawards made in Denver were to FBOs. The difference in the prominence of FBOs in Denver compared to Boston may be partly explained by a difference in the application review processes of the two intermediaries.
Boston, the United Way of Massachusetts Bay and its partners, in their interpretation of federal CCF requirements, strove to equally represent CBOs and FBOs among subaward recipients. In Denver, the intermediary grantee delegated a major responsibility for subaward selection to one of the principal partners, an African American church consortium, in order to specifically reach the African American community. The subawards identified by the consortium, which was responsible for a majority of the subaward grantees within city limits, went to ministries or congregation-based FBOs.

Table 2 identifies the FBO contractors in the three cities. Boston had the largest number of faith-based contractors. In FY 2004, seven FBOs were under contract in Boston to deliver TANF services. Four large nonprofit social service organizations (Catholic Charities, the YMCA, the Salvation Army, and St. Mary’s Women and Children’s Center) provide shelters for the homeless. St. Mary’s also has a residential program for pregnant and parenting teenagers. The Department of Transitional Assistance (which administers the TANF program and contracts directly with five of the seven FBOs) also held a contract with the Most Holy Redeemer Church in East Boston. This Catholic congregation has the highest average weekend attendance among Boston’s 357 parishes (Archdiocese of Boston 2004–2005), and provides a transitional shelter for homeless families. Franciscan Hospital for Children, St. Elizabeth’s Medical Center, Catholic Charities, the Salvation Army, and the YMCA receive state funds counted toward the TANF maintenance-of-effort requirement to provide subsidies for low-income children to attend preschool programs.22

The Massachusetts Department of Public Health contracted with five FBOs for substance abuse prevention and treatment in Boston. St. Elizabeth’s Medical Center provides an intensive

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22 These funds are provided through the state department of education under the Community Partnerships for Children Program. The fiscal agent for this program in Boston is Boston Public Schools.
outpatient treatment program. Both the Salvation Army and Volunteers of America operate adult residential treatment programs; a second Volunteers of America facility provides residential treatment for adolescents. Catholic Charities provides supportive case management and language assistance. The Jewish Children and Family Service of Greater Boston provides prevention services as part of its Russian teen integration program.

As noted earlier, the only faith-based provider serving Birmingham under any of the three programs was the Christian Service Mission, which provided intensive case management for noncustodial parents in child support cases at Jefferson County Domestic Relations Court in 2004. Although approved as a contractor for FY 2005, the Christian Service Mission chose not to renew its contract, reportedly because of unrelated issues facing the organization.

In Denver, DDHS had four contracts with FBOs using CSBG funds. One contract with Catholic Charities provides case management services to low-income seniors. Another with Jewish Family Service of Colorado offers emergency rent assistance for individuals facing eviction. St. Francis Center, an Episcopal nonprofit, runs a drop-in day shelter that serves 600–800 clients a day (and has on occasion offered 24-hour services to meet demand), and Theodora House, a Volunteers of America program, is an overnight emergency shelter for women.

In addition to its CSBG contract, Catholic Charities in Denver held three contracts in FY 2004 with DDHS using TANF funds. One contract was to provide intensive case management for TANF recipients reaching their 60-month time limit on cash assistance. The other two were to provide mental health services for adolescents and adults. The other faith-based TANF contractor in Denver was Shalom Denver, a division of Jewish Family Service of Colorado, which provides employment, training, and case management to TANF recipients.

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23 The two contracts for mental health services ended on September 30, 2004. A secular contractor offering more comprehensive services won the award for FY 2005.
The Salvation Army was the only FBO receiving SAPT funds in Denver in 2004. The program is a transitional residential program primarily serving homeless individuals. The Salvation Army has chosen not to renew its contract after July 2005.

Table 3 shows recipients of Compassion Capital Fund demonstration grants by site. There were no CCF demonstration grants awarded in Birmingham, two intermediary grantees in Boston, and one in Denver. The primary intermediary organization serving Boston was the United Way of Massachusetts Bay. The United Way partnered with three prominent faith-based organizations (the Black Ministerial Alliance, the Boston TenPoint Coalition, and the Emmanuel Gospel Center) to administer $2 million for each of three years. The partnership established a “Boston Capacity Tank” to administer the grant. The Tank provided subawards and technical assistance to Boston FBOs and CBOs to support services for the city’s at-risk youth.

The second intermediary in Boston was the Community Technology Centers’ Network (CTCNet). CTCNet received approximately $1.5 million per year for a three-year initiative called Connections for Tomorrow. CTCNet partnered with TechMission, a faith-based community network of technology centers based in Boston, and Alliance for Technology Access, a California-based network of technology centers working to increase access to and use of community technology centers by people with disabilities. CTCNet awarded subgrants to small FBOs and CBOs to support community technology programs for at-risk youth and/or homeless populations and targeted a different geographic area each year: first Illinois, then California, and finally Massachusetts. Technical assistance and workshops, however, were offered in all three states in each year of the CCF grant. At the time of our visit, CTCNet was reviewing applications for subawards in Massachusetts to be awarded in January 2005.
JVA Consulting, a management consulting firm, was the intermediary grantee in Denver, and received a grant of $1 million annually for three years. JVA together with its principal partner, the Metro Denver Black Church Initiative (MDBCI), provided technical assistance and funding to small FBOs and CBOs in Colorado that offered services in five target areas: unemployment and welfare-to-work, at-risk youth, homelessness and hunger, offenders and children of incarcerated parents, and substance abuse and mental health services.24

All three sites had at least one recipient of the CCF Targeted Capacity-Building, or Mini-Grant, program (see table 4). Glenwood, Inc., in Birmingham was awarded a CCF mini-grant in FY 2004 as part of a partnership with three other social service nonprofits, including one FBO, AGAPE of Central Alabama. The $50,000 grant is being used to integrate existing service programs into a comprehensive program in Jefferson County for at-risk youth age 4 to 18 who are placed in therapeutic foster care because of child abuse or neglect.

Starlight Ministries, which runs a program for the homeless as part of the Emmanuel Gospel Center in Boston, received a CCF mini-grant in FY 2003 to add a clinical director to its staff. Starlight provides outreach services and case management to the long-term and chronically homeless, as well as to at-risk and homeless youth.

The Center for Community Excellence and Social Justice (CCESJ) in Denver received a mini-grant in FY 2004 to implement the state’s Healthy Marriage Initiative. With the CCF grant, CCESJ has developed a web site and newsletter supporting the initiative, sponsored two Healthy Marriage Fairs, and offered training and certification for professionals in mentoring, counseling, education, and intervention models. Also in Denver, Community Housing Services, Inc., partnered with Denver Inner City Parish and St. Barnabas Episcopal Church to receive a FY

24 Organizations that received assistance from MDBCI provided one of three types of service identified as target areas of need in the Denver African American community: programs for the reentry of criminal offenders, programs for the children of incarcerated offenders, and after-school programs.
2003 mini-grant to provide emergency rental assistance and training to move individuals to self-sufficiency.

VI. State and Local Policy

Despite differences in political environments and local cultures, public officials across all three sites look to the faith community to provide needed human services. In all three sites, government agencies had a long history of working with FBOs, either directly as contractors or indirectly as community partners. Contractual arrangements have been with a mix of organizations, often dominated by larger faith-based organizations that are part of national affiliates, such as Catholic Charities and Volunteers of America, but sometimes also with smaller or independent organizations. FBO participation in the formal contracting system appears to be constrained more often by budget and capacity considerations than by ideological disinclination to create or maintain ties to the religious community.

The perceived advantages and constraints of working with FBOs, as expressed by state and local officials, were fairly consistent across sites, although the formal structures created by the states to respond to the federal faith-based initiatives varied. Outreach activities and accountability mechanisms tended to vary not only among the states and localities, but also among the block grant programs.

The findings that follow illustrate the opportunities and challenges that working with FBOs present, and help explain the level of FBO contracting observed for 2004. They also help explain differences in FBO involvement when decisions flow directly from federal initiatives to nongovernmental entities, such as in the Compassion Capital program, and when they must be mediated by state or local authorities, and the political, structural, and cultural preferences they embody.
Perceived Advantages

In all three sites, program administrators were eager to continue working with the faith community. A common perception among state and local officials, in this and other studies, is that faith-based organizations, particularly congregations, often have strong ties to local communities. In many African American and Hispanic neighborhoods, the local church is a central part of community life; in rural areas, the church may be the only source of assistance. Recognizing these bonds, government officials indicated that they would like to leverage relationships with the religious community to provide greater access to services. In Colorado, for example, several officials referenced the advantage of congregations and other small FBOs to access people of color. The state’s Access to Recovery proposal was specifically aimed at expanding the participation of service providers in order to increase access for people of color and other hard-to-reach populations.

Faith-based organizations are often perceived as having a community’s trust, particularly in low-income neighborhoods. As a state official in Birmingham said, “the one person that people will trust more than their doctor is their pastor. If the pastor tells them to do something, they listen.” In contrast, community residents may find government programs less accessible because they are restricted by complex program requirements and bureaucratic red tape. Government officials also cited the compassion and commitment that FBOs may bring to their work. In their eyes, paid staff and volunteers tended to be highly motivated, sometimes driven by their faith mission. One official noted FBOs’ abilities to draw on diverse resources, saying “he’s the guy you sit next to on Sunday.” In addition, the use of volunteers may reduce the cost of service delivery. Another view is that FBOs are more familiar and better able to deal with the complexity of individual and family situations. As one federal official remarked, FBOs were
“committed to the family as an institution,” “have a natural desire for wrap-around services” “a comprehensive nature [about] how they solve a problem.” The perception that FBOs, and in particular congregations, deliver more holistic services is not supported by prior research (Chaves and Tsitsos 2001). Another official suggested that FBOs achieve better client outcomes than secular organizations, but no evidence was available to support this assertion, nor did we find any in the literature cited earlier.

Much of what we heard in the study sites reiterated perceptions that have been reported historically, but may apply more to congregations than to all FBOs as a class. Distinctions between congregations and faith-based nonprofits are important and have not always been part of the discourse, either at the policy level or as we listened to state and local administrators. Under block grant funding, FBO involvement at the local level was almost exclusively with faith-based nonprofits. In contrast, expectations for new FBO involvement, particularly under the federal discretionary programs, may be largely about congregation involvement. CCF initiatives in the study sites funded many congregation-based services, and the ATR voucher program may also have that potential.

Perceived Constraints

Despite the perceived advantages of FBOs, both advocates and critics of the faith-based initiatives have raised concern over the ability of new FBOs, particularly small congregations, to comply with the demands of government contracting. Small FBOs, just like community-based groups, often lack sophisticated organizational and financial structures, including adequate policies regarding governing boards, financial record keeping, and fundraising and employment practices. A major challenge reported by public officials and program administrators was getting congregations to understand the transition from a church structure to a nonprofit structure—a
process often recommended as a prerequisite to receiving public funds. In the words of one official, FBOs need to understand that “your entire family does not need to be on the board,” and “you need a broader outreach [and fundraising strategy] than just to your congregation.”

Further, many small FBOs lack full-time staff, making communicating and working with government difficult. Even the faith community acknowledges this shortcoming. As one faith-based provider in Boston said, “There are quirks in the faith-based community that secular groups don’t understand. You have to call and call and be persistent. They will be late for meetings, not return calls…It takes a lot of patience to work with faith-based organizations.”

Compliance with government regulations and procurement practices was repeatedly mentioned as a challenge. Many agency officials expressed doubt about whether small organizations new to public funding were able to meet data management and reporting requirements—at a minimum, to document program activities, and ideally, to evaluate implementation and outcomes. As one administrator in Boston said, FBOs “require more technical assistance to understand the contract process, which adds to the administrative efforts of the state agency.”

During a time of both fiscal constraints and increased administrative scrutiny, some government agencies viewed the added cost of attracting and training new service providers as a formidable obstacle. One official described repeated efforts to help FBOs new to public funding develop adequate grant applications and reporting systems. Despite these efforts, few were ready to submit a grant application (in this case to provide substance abuse prevention services) or keep records that would provide the necessary level of documentation to support public funding. This official often counseled small organizations not to chase public dollars, but rather to “stay
true to your mission,” and perhaps they would be prepared to receive state funding in two or three years.

Meeting government standards was a particular challenge in the substance abuse field. Agency officials in all three sites said that providers had to meet licensing and regulatory requirements to be eligible for state contracts, and many smaller groups, both FBOs and CBOs, simply did not meet these standards. From the agencies’ perspectives, these requirements were not designed to keep out small or faith-based groups, but were safeguards to ensure minimum standards in the delivery of services.

An additional challenge is that many FBOs are isolated from service delivery networks and are reluctant to seek or accept help, especially from the government. They are skeptical of government aid and prefer to partner with other faith-based groups. As one FBO respondent said, “To work with faith-based groups, you need to be faith-based. The trust that they bring to the relationship is very important.” This is an especially salient point in the context of scarce resources and the need to ensure that services are additive, not duplicative. Further, potential beneficiaries need to have knowledge of and access to the appropriate level of service to address their particular needs. This may require going outside the faith-based community to the larger social services network and more specialized providers.

The biggest constraint to FBO involvement identified by many government officials, however, was not the limitations of FBOs but the limitations of funding and other state administrative issues. In Boston, state funding was curtailed after 2001 when the economy faltered and many public programs experienced budget cuts. State agencies in Boston scaled back the work of existing contractors and were reluctant to seek new contractors. The story in Denver was much the same as in Boston; funding agencies had not recovered from recent severe
budget cuts for social services statewide, compounded by implementation problems during an overhaul in the state’s computer system that resulted in benefit payment problems the state was still coping with at the time of our study. Alabama is only in the early stages of developing a state service procurement process for client services, resulting in a relatively small pool of funding for competitive bids. In general, without an infusion of new money, state agencies were unlikely to actively seek new providers. As one agency official in Boston observed, “You cannot have an active and vibrant initiative unless you have some effort behind it. There haven’t been many incentives that would encourage greater effort on the part of the state or even for faith-based organizations to work with the state.”

Faith-Based Offices and Liaisons

In response to the federal initiatives, some states have established administrative structures to provide a liaison function for faith-based and community organizations. The three states in this study responded in different ways. None of the cities in the study had offices or staff dedicated to work with FBOs and CBOs.

Alabama established a state office to support the Bush administration’s faith-based agenda. The Governor’s Office of Faith Based and Community Initiatives was established under Governor Bob Riley on June 22, 2004 (Office of the Governor 2004). Under executive order, all functions and responsibilities of the existing Governor’s Office on National and Community Service, including the AmeriCorps and Citizen Corps programs, were folded into the new office. The Riley administration saw this reorganization as a natural fit because “service and volunteerism often go hand in hand with the work of faith and community-based organizations” (GOFBCI n.d.). The governor’s office has looked into legislation that other states have passed to
give their faith-based offices statutory authority, but to date the Alabama legislature has not enacted any laws concerning the status of the office.

With a 2004 budget of approximately $522,000 supplemented with $160,000 of in-kind contributions, the GOFBCI operates with five full-time equivalent staff members. A major function of the GOFBCI has been to inform the public about the national Faith-Based and Community Initiative and to educate FBOs and CBOs on the capacity required to secure public funding. The executive director is heavily engaged in outreach efforts, with many speaking engagements and a large presence in the state. Another major function of the GOFBCI is to facilitate partnerships and collaboration between community groups and government. The Office has developed relationships with many state agencies and, because Alabama has a relatively small state government, the director frequently participates in interdepartmental working groups. As the role of the office becomes larger, it plans to establish a position for an FBO/CBO coordinator to work with state agencies in tracking current partnerships and expanding them. The coordinator will also work with state agencies to implement Charitable Choice. Eventually, the GOFBCI would review requests for applications and proposals issued by state agencies to ensure they are appropriate and inclusive.

While Colorado does not have a specific office devoted to the faith-based initiatives, a senior policy advisor to the governor plays the role of state liaison for faith-based and community organizations. This official advises the governor on the federal faith-based initiative and responds to inquiries from faith-based and community organizations. Because he is also responsible for advising the governor on human services policy and K–12 education, the advisor’s FBO-related duties are a relatively small part of his portfolio. However, the state director of the TANF program under the Colorado Department of Human Services (CDHS)
functions as a faith-based and community liaison for programs operated under the department and has been an active presence in faith-based initiatives in the state. The executive director of the CDHS established the position in 2001, and the incumbent reports to the executive director.

The Commonwealth of Massachusetts, the state with the largest percentage of FBO contracting, has not established dedicated staff or an administrative structure regarding faith-based initiatives. It does not have an office of faith-based and community affairs or a liaison position. There also is no formal structure at any of the state agencies interviewed for this study. Outreach to the FBO and CBO communities is achieved through the procurement process. As noted earlier, the state did not need new administrative structures to advance FBO participation because Massachusetts is heavily engaged with faith-based providers, expects to continue to be so, and has no need yet to reach beyond current contracting processes (Jensen 2003).

**Outreach**

Both the Bush administration and the states have used conferences and workshops to engage the faith-based community and inform it about the availability of public funds. These sessions typically describe the procurement process, offer technical assistance, and answer participants’ questions. Many respondents noted that the conferences and workshops they had attended had a large White House or federal presence.

In Colorado, the state held several faith-based conferences, which were followed by additional outreach efforts (such as electronic mailings and group meetings). One state official was engaged in extensive outreach efforts to reach faith and community-based organizations to assist in substance abuse prevention efforts. The official maintained an expanding e-mail list, facilitated partnerships and community coalitions, and gave ongoing technical assistance around
the state to help FBOs apply for drug prevention grants. As noted above, few FBOs had been found ready to apply for government funding.

Alabama has developed a highly systematic outreach effort across program lines. The GOFBCI, for example, has compiled a statewide e-mail list of FBOs and CBOs that want to receive information on conferences, seminars, resources, grant and funding opportunities, and capacity building. In September 2004, the GOFBCI partnered with several organizations to host a capacity-building conference that attracted about 350 attendees. GOFBCI also is partnering with other organizations, such as the Nonprofit Resource Center of Alabama, to “get the word out.” The FBO/CBO coordinator that the GOFBCI envisions adding will work with state agencies to encourage outreach throughout Alabama.

In both Boston and Denver, agency officials said that they did not see a large, untapped pool of FBOs that were willing or able to work with government. In Boston, SAMHSA sponsored a two-day workshop on the Access to Recovery program that was attended by about 20 people—many of whom were already state contractors. As one Denver official said, “[FBOs] are not knocking down the door for money.” Another described outreach efforts as a multiyear process to bring FBOs on board. One CCF intermediary organization in Boston noted that the likely pool of FBOs was small. Although some FBOs were weighing the costs and benefits of building their capacity to work with government, others would find it difficult to separate the faith content from their programs to be eligible for public funds. Officials in Birmingham, on the other hand, conveyed more optimism that FBOs will respond to the initiatives. They cited the deeply religious culture of the state and the proactive efforts of the GOFBCI as factors that will create a favorable environment for bringing FBOs into the government contracting system.
Economic conditions and tight state budgets also temper the extent of outreach to FBOs and the response of potentially interested organizations. Officials in Massachusetts repeatedly said that in the aftermath of state budget cuts, they were focused on saving service programs and stretching scarce resources for the direct delivery of services rather than reaching out to new service providers.

Accountability

Tracking and assessing the performance of service providers has gained increasing importance as public agencies have privatized the provision of human services. Maintaining accountability has at least two prerequisites: (1) creating and enforcing standards of competence for service providers; and (2) having adequate administrative and record keeping mechanisms to monitor performance. Ideally, monitoring performance would include reporting on services delivered, reporting on outcomes from the receipt of services, and measuring the effectiveness of those services in achieving the desired outcomes.

Responsibility for monitoring government contracts and service providers in the three study sites generally rested with the state agency. In Denver, however, responsibility for the TANF and CSBG programs was devolved to the counties. For SAPT programs in Colorado, the state agency contracted with nonprofit managed service organizations to monitor providers of substance abuse treatment services. The MSO that oversees Denver service providers monitors provider compliance, collects reporting information, conducts site visits, and provides technical assistance to the contractors. Alabama has a similar system for substance abuse services, in which the state agency contracts with 310 boards that in turn subcontract with local providers. The 310 Board for Jefferson County is largely responsible for the fiscal oversight of its subcontractors, and the state agency continues to conduct site visits to ensure providers meet
state standards for certification. These third party arrangements add to the complexity of the oversight and accountability processes.

Contract monitoring included both written reports submitted by the provider to the funding agency and site visits by agency staff. Contractors might be asked to provide information on the service provided, number of clients served, or disposition of the client’s cases. Specialized management information systems were being introduced into state agencies to standardize how client data and program finances were collected and maintained. Service providers submitted periodic reports (monthly, quarterly, or semi-annually, depending on the program), which generally tracked at least the units of service, dates of service, number of clients served, and length of treatment. Faith content and faith expression were typically not part of the formal monitoring protocols, and agency staff might learn about these matters only by happenstance.

SAPT drug treatment contracts are likely to be structured around a set number of slots or beds. CSBG contracts might also be structured around an expected measure of service over the course of the contract. The CSBG program has developed a performance measurement system, the Results-Oriented Management and Accountability system, which contractors are expected to use to measure performance against six stated performance goals. In TANF, some states are attempting to use performance-based contracting, which ties payment directly to achievement of specific performance goals, such as job placement or job retention. It is unclear whether any FBO contracts were structured so interim payments were conditioned on achieving specific milestones within the contract period. Outcome data (that is, whether the client achieved a desired outcome connected to a service received) are difficult to collect because they may require sustained tracking of clients and, sometimes, subjective indicators of client well-being. Measures
of program effectiveness (that is, whether outcomes measured are the result of services
delivered) are eagerly sought, but require considerably more sophisticated evaluation strategies
to achieve.

Critics of the faith-based initiatives have sometimes expressed concern that small FBOs
with limited capacity might not be held to the same standards as other service providers.
However, agency officials maintained that the standards for accountability—such as financial
audit requirements, data collection, and reports on services delivered—apply equally to all
contractors. It was unclear what other standards were used to assess quality of services (other
than those for substance abuse services, discussed below), how these standards were defined (by
professional consensus or otherwise), and whether these standards were used as selection criteria
for provider competence or as quality measures for the services delivered.

State standards for providers of substance abuse treatment (and sometimes prevention)
include license and credential requirements. Specifically aimed at controlling the quality of
services, these requirements limit the pool of eligible providers. In Alabama, current standards in
substance abuse prevention and treatment were described as a “bottleneck” for getting faith-
based providers into the existing system. Because many faith-based providers in the state have
difficulty meeting the licensing standards, they tend to provide supportive services for recovering
alcoholics and addicts. At the time of our visit, the Alabama SASD was working with several
FBO leaders, with the help of the GOFBCI, to develop new standards—separate from the current
DMH/MR standards—to define the role of recovery support services to attract more faith-based
organizations into the contracting system. This effort was initiated in response to the state’s
application for the ATR grant.
As the momentum to improve accountability builds, the demands placed on contractors, whether faith-based or not, sometimes tax their organizational capacity. Even large, well-established, and experienced FBO contractors commented on the volume, complexity, and cost of new reporting requirements. According to a substance abuse provider, “There are tons and tons of paperwork and you’re not paid to do any of the paperwork or data work.” A TANF provider noted, “[Government agencies] need one tracking system that will work for everyone, not different forms and reporting requirements for every agency and contract. Computers and training are expensive, particularly with high staff turnover because of low salaries….You need to create firewalls in the computer system, which are strong enough to prevent improper use of information. It is extremely expensive to do all of this.” Another provider noted, “[Performance-based contracts] are difficult [because of] the nature of the [TANF] population. Issues come up like domestic violence and health problems, and these come up very quickly. The requirements are pretty strict….it is tough if you can’t meet them.” It is reasonable to assume that new and small providers are likely to feel even greater strain to comply with the rigors of government accountability and performance standards.

**CCF Efforts to Build FBO Capacity**

The role of CCF intermediaries is to build the capacity of small faith- and community-based groups and better prepare them to receive public funds. For example, the United Way and its partners in Boston provided extensive technical assistance to its subgrantees. Through workshops and individual tutorials, groups learned how to set program goals, develop logic models, keep employee timesheets and financial records, write job descriptions, and establish data systems for tracking client progress. In short, FBOs and CBOs were trained to follow the same HHS guidelines that applied to the CCF intermediary.
According to interviews with several faith-based groups, the technical assistance was both needed and appreciated. Most FBOs and CBOs said they had no previous experience in how to establish reporting systems, and that they could not have done it without the help of the CCF intermediary. Some FBOs had already applied for and received funding from other federal government agencies.

Others expressed some reservations, however, about working extensively with government. As one FBO provider said, he wanted to be sure that government money was only a small portion of his overall budget because government funding had “too many strings attached.” He did not want to worry about separating out or restricting the faith elements of his program because portions of the program might be supported by public funds. Other FBO providers expressed concern about loss of flexibility in other respects, such as the purposes for which money could be spent. And even though the overall comments of faith-based groups that received CCF awards were highly favorable, how effective the interventions were at building capacity and whether they are sustainable over time remain unanswered.

VII. The Role of Faith

The perception in some circles that current policies have diminished the historic separation between religion and publicly funded services drives much of the interest in the new policies. But how faith affects the behavior of organizations and the services they deliver may be more complex and difficult to measure than previously appreciated. Whether current policies have increased the presence of faith in publicly funded services is not predictable by the source of funding, the characteristics of the contractor, or their newness to public funding.

The complexity of the issue is demonstrated by imprecision in terminology, starting with the meaning of “faith-based.” Some would draw a distinction between faith broadly conceived
and a specific religious belief system. Thus, a 12-step regimen for substance abuse treatment typically references the power of a higher authority to assist in recovery. This authority could be “spiritual” rather than religious, and some treatment providers do not consider themselves faith-based. As one provider explained, “Yes, we believe in the higher power, spirituality is very integral [to] treatment. We believe that the spirit is injured on some level among our clients…and, if people can look at their relationship with something outside themselves, then they do better.”

We explored the role of faith in programs and services from several vantage points. We questioned public officials and program administrators about how they understood the new policies created by Charitable Choice and other administration initiatives, and, for those with direct knowledge of contractor services, about their perspectives on the role of faith in services provided by FBO contractors. With providers, we attempted to quantify expressions of religiosity in organizational attributes and services using a simple checklist that drew on dimensions developed in previous studies (Green and Sherman 2002; Kennedy and Bielefeld 2003; Monsma 2004; Working Group 2002). We also visited many facilities where services by faith-based contractors were delivered.

Effects of the New Policies

Whether the approach to religion in public programs has changed since Charitable Choice depends on the program, the issue, and the observer. Some officials noted a marked loosening in attitude toward religion since Charitable Choice. As one Alabama official commented, program administrators perceived a restriction on even the mention of religion before Charitable Choice, although this was specified nowhere in statute or regulation. Even in the deeply religious climate of that state, the separation of church and state had been interpreted strictly, and few FBOs had
received public funding. The Charitable Choice language reversed course, explicitly encouraging religious inclusion. Now more FBOs in Alabama were applying for public funds.

Charitable Choice has also created new protections for religious organizations. A program administrator in Boston mentioned an AIDS program supported by public funds and run by a group of nuns. Before Charitable Choice, the program was told to remove religious symbols even if patients found comfort in them. Now, the administrator claimed, the program could sue over such a constriction.

To others, Charitable Choice has made little difference. The relative stability of contracting with FBOs in the three programs with Charitable Choice authorities supports that perception. Religious expression evident in facilities operated by long-term faith-based contractors further supports it.

Programs supported by CCF funding are largely disconnected from the attention or oversight of state and local agencies that administer the TANF, CSBG, or SAPT block grants and suggest a different picture. Many Compassion Capital Fund subawards are aimed at small grassroots organizations new to public funding and are often for start-up efforts. In Boston, about half these subawards went to FBOs.\(^{25}\) Most FBO subawards in Denver went to congregations or offshoots of congregations. One could expect such programs to exhibit more religiosity in the physical facility, in service users (who may have a prior relationship with the congregation), and in service content.

\(^{25}\) CTCNet in Massachusetts only announced its subaward recipients in 2005. Of those located in Boston, one-third were faith-based organizations.
Interpretations of Legal Restrictions

When asked about their specific understanding of federal or other laws concerning contracting with FBOs, program officials most often cited the prohibition against proselytizing. Several respondents noted the permissibility of religious symbols on display. Some mentioned prohibitions against discrimination. Other provisions were rarely noted.

While proselytizing may be generally understood to involve active attempts to recruit or convert, the link between expressions of religiosity and proselytizing can be more subtle and deserves further attention. For example, the prohibition against proselytizing did not translate into the absence of religious expression in provider facilities, as permitted under Charitable Choice, nor the preclusion of religious services.

Few programs visited were devoid of religious expression, which varied from a few scattered and relatively inconspicuous religious identifiers to prominent icons in public areas. Many of these symbols, particularly in the case of long-term contractors, may have been there long before Charitable Choice. Religious representation in visual artifacts and written materials, commonly displayed in many faith-based facilities, might have the effect of religious persuasion. For example, one after-school program that was a model for the local CCF initiative, and that provided technical assistance to subaward recipients, used Bible stories among available teaching materials as reading comprehension primers; for younger participants, jigsaw puzzles with biblical scenes were scattered among the other toys. Exposure to visual images can have

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26 Officials were asked broadly, “How do you interpret the opportunities or constraints in federal or other laws with regard to contracting with FBOs (for example, the faith content of services, segregation of funds, other specifications), and how different are these from requirements prior to Charitable Choice and from prior practice?” Follow-up questions explored how line workers selected FBO providers for particular clients and informed them about program and/or faith content, whether any mechanisms had been put in place for clients to select between a faith-based or other provider, and how often the issue of providing an alternative had come up and how it was handled.

27 We were given the name of this program in response to our request to visit CCF subaward grantees and visited the facility, which served some central city residents but was just outside our study boundaries.
powerful effects on children, as educators have long been aware. Primary school texts have moved to multicultural representations for precisely this reason.

When religious services or activities were present, funding agencies and service providers attempted to separate them from other services and to make participation voluntary. Agencies and providers devised various ways to achieve separation, particularly when they needed to fill critical gaps in services. Some programs offered chapel worship or Bible study, but did not require participation. In an example cited by one state official, a provider of substance abuse services created two service tracks, one religious and one secular. The contracting agency believed this two-track system was created in response to Charitable Choice, an instance of increased sensitivity to religious expression just as the law attempted to broaden the opportunity for religious expression.28 Similarly, an FBO that runs a 12-step recovery program and received a CCF mini-grant used a pastor to lead one recovery group whose intervention strategy is faith-based and not supported by public funds, and a non-clerical staff member to lead another recovery group whose intervention is more secular and supported by public funds. In another example, cited by a funding agency in Denver, a homeless shelter receiving public money (though not from HHS) was required by the funding agency to separate its meal service into two sittings, one eliminating a before-meal prayer and the other retaining it, in order to fulfill the provider’s commitment to religious observance. But the agency reportedly would not have sought the accommodation if other facilities could have expanded their bed capacity.

In CCF initiatives at least two intermediaries attempted to achieve separation by creating different levels of program participation. In Denver, the CCF intermediary grantee created three levels of assistance that programs could receive: workshop-only, for organizations that were...

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28 This program was outside the city limits (our study boundaries) and thus was not visited by our research team.
typically more faith-infused or otherwise unlikely candidates for public funding; workshop and technical assistance to foster capacity-building; and workshop, technical assistance, and receipt of a subaward grant. The United Way in Boston has also developed a three-part typology, to illustrate to prospective CCF subaward grantees the initiative’s boundaries for funding: subgrantees could be faith-linked (faith content in the organization’s mission or heritage but not in the program), faith-based (faith content in the program but participation is optional and alternatives are available), or faith-filled (faith component is inseparable and program is not fundable under CCF).

Separation and voluntariness are not always as clear. For example, one substance abuse treatment program with strong faith content reportedly requires chapel attendance as an integral part of the program experience, but does not require clients in attendance to worship. In another example, a CCF-funded youth service program included explicit discussions of faith to change the behavior of its clients. The program’s philosophy had an underlying Christian message, mentors talked about how faith can help sustain goals and tried to present an affirming message, including who God is, and that young people have been created in the image of God to do great things. They did not hold such conversations in schools and stressed that all program participation was voluntary. And, recognizing that public funding cannot be used for anything explicitly evangelistic, the program director avoided potential conflict with the law by designating the public funding primarily for case management services, calling this approach the “safest ground.” In this example, the separation is of funding source, not of client experience, and illustrates how porous separation can be.

Regardless of whether programs are more religious in content than in the past, providers may rely on client choice as the gate to faith content. For example, a TANF contractor providing
fatherhood services asked on an intake form whether the client was open to discussing issues of spirituality. Once given permission, staff would discuss the role of faith and spirituality in the client’s life to the extent that he or she wanted to talk about it, urging the client to seek God diligently and referring him or her to churches in the area. The program director reported that no clients had objected to this discussion.

Programs operated under CCF funding, with no regulatory guidance and greatly expanded roles for congregations, may strain the boundaries of separation. As one minister in a CCF initiative described, a church is not an FBO, and the first agenda of a minister is the gospel of redemption. While Charitable Choice legislation, in his view, is clear that faith content can be offered but not required, he would always offer prayer. While some interventions, such as teaching children to read, are extensions of his faith, a reading program would not need to use the Bible or otherwise introduce faith explicitly. But a program that aims at personal transformation, to change the way a person thinks, “can only take place in the heart....You start with a spiritual component because only Christ can change your heart.” In an example, Bible study and church attendance were mandatory components of a reentry program for ex-offenders aimed at personal transformation that had received a CCF subaward.

How strictly separation and voluntariness are monitored is an important question. Some agency officials as well as some providers suggested that enforcement was not consistently pursued. Formal monitoring in all three programs governed by Charitable Choice is generally connected to financial audits, other performance criteria (such as meeting work requirements in TANF), or credentialing requirements for substance abuse staff, but not to statutory requirements regarding religious activity. While monitoring might include routine site visits, attention to the faith content of programs was likely to be slight or serendipitous.
The Charitable Choice provisions in all three programs extend in regulation to subcontractors. But in the absence of consistent monitoring, how deeply the law penetrates to subcontractors may also be open to question. As described above, in several programs administered by CCF subaward grantees, religiosity appeared to be an integral part of a service intervention.

Right to Alternative Providers

If religious expression in publicly funded programs preceded Charitable Choice, the notice requirements for TANF and SAPT create opportunities for clients to choose between a faith-based or alternative provider. In practice, exercising that right can be problematic. Who is responsible for providing notice—the referring agency or the service provider—is unclear, and accessing an alternative program may depend on service availability and client circumstance.

SAMHSA regulations, issued in September 2003, included a model notice to inform clients of their right to an alternative provider. Implementation of the requirement was seemingly variable. The umbrella MSO for Denver gave the Salvation Army the model notice, but the language was still under review by the Salvation Army regional office in October 2004. Subsequent communication from the MSO indicated that Charitable Choice provisions may have played a role in the contractor’s decision not to renew its contract for 2005.

Alabama had no mechanism in place to notify a client of the right to select between a faith-based and secular provider. In one rural county that neighbors Birmingham, the only

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29 The notice requirement was specified in the law only for substance abuse prevention and treatment services, but was later added in the Charitable Choice regulations for TANF.

30 Subsequent communication from the MSO indicated that Charitable Choice provisions may have played a role in the contractor’s decision not to renew its contract for 2005.
treatment provider was an FBO. This provider did not give clients information on alternative providers because there were no local alternatives: a client who objected to the religious character of the organization would have to travel to Birmingham to be treated. In this program all clients were court-referred, hence the judge would have to approve the change. In any case, the Alabama waiting times of 18–20 days for long-term treatment and as much as 25 days for short-term treatment might well dissuade a client from rejecting a referral, whatever the nature of the program or the source of referral.

Many clients are referred to substance abuse treatment by the courts, often as an alternative to imprisonment. In Alabama nearly two-thirds of clients in substance abuse treatment are court-referred. As one official put it, clients may be unaware that the provider is part of a faith-based organization, but “people are looking for any safety out of the storm.” Put another way, few are likely to jeopardize a release from custody by challenging a referral. Similarly, many involuntary commitments involve individuals with co-occurring substance abuse and mental health disorders, who would not be well positioned to exercise full free choice.

TANF officials and FBO contractors in all three cities indicated that no formal mechanisms had been developed to address the right to an alternative, either for services contracted directly by the TANF agency or for services delivered through other agencies, such as workforce development. They also said they had not received legal guidance about how to respond to such a request. Officials did not know how the issue would arise or how it would be handled, either at intake or after referral to a service provider. According to the officials at the administrative level, the issue simply had not come to their attention. In principle, the line worker identifies a problem requiring services and a contractor or other clinician determines the best provider, which could include a faith-based provider. In practice, line workers reportedly
refer to providers with whom they are familiar and may not routinely refer to new providers, faith-based or otherwise, whatever the appropriateness of their services. For those who are referred to FBOs, as one agency official said, unless the program or provider actively screens applications, it will not know whether individuals have a preference. Another provider noted, “unless you ask someone if they feel uncomfortable…you won’t hear anything about it.”

As with substance abuse treatment, notice, triage, and client acceptance would likely be determined by the perception of viable options. As several providers noted, their public contract dollars were limited, forcing budgeting strategies that might stretch dollars but constrict services in order to last through the end of the contract year.

All providers had a grievance process in place, and the funding agency reportedly would learn as a part of its routine evaluation if a grievance had been filed about an unwanted referral—for any reason, including one related to religion. An administrator of the MSO for substance abuse treatment services in Denver tracked grievances but noted that he did not follow up once clients left treatment, and would not know if they left because they objected to the nature of services offered by a faith-based provider or because of any other reason.

Client satisfaction surveys, such as those Denver Catholic Charities conducts quarterly, might indicate discomfort with faith content. Over 90 percent of clients reported that they were satisfied overall with services they received from Denver Catholic Charities.

Organizational and Programmatic Interactions with Faith

Expression of faith can be evident in organizational attributes, the ambience of facilities, and the content of services. Many see faith as an important motivator in programs, such as substance abuse treatment, that are aimed at personal transformation. Faith may make programs seem familiar, and therefore accessible. The director of one Denver shelter believed that clients came
there because the shelter was religiously oriented, and that their expectations were different for publicly run programs. But the shelter’s half-hour Sunday service, led by an Episcopal priest, was attended by only 5 to 30 of the 800 clients they served a day, and “not as popular as the showers.”

The way faith expression in an organization’s mission, culture, and history interacts with the delivery of services has not been extensively researched and is not well understood. The influence of financial support from religious sources, of the formal religious hierarchy, of an organization’s internal governing structures, of religious expression in a service facility, and of religion as an explicit component of services are all important. One public official, who was also an ordained minister, observed that public discourse around the current faith-based initiatives tended to focus on the influence of the religious right, while the role of religion could operate on several levels that made the boundary between church and state murky.

Many FBOs are governed by faith dictates, expressed either in their overall mission or in organizational processes. Such dictates (for example, helping the poor, saving one life to save the world, teaching people to help themselves, or the concept of “tzedakah”—the Old Testament obligation to perform acts of charity) are remarkably similar across faiths and often permeate FBO providers’ approach to service delivery. An organization’s internal processes might be quite faith-infused, but not translate into religiosity in services. A program run by Jewish Family Service of Colorado, for instance, used monthly staff meetings to share lessons from the Torah, although the staff had mixed religious backgrounds and the program’s services had no faith content.

Overall, for both the Charitable Choice contractors and the Compassion Capital subaward grantees, religion played a prominent role in organizational attributes. But for Charitable Choice
contractors it was relatively less prominent in the content of services. Of the 13 FBO contractors that we interviewed that received block grant funding (under TANF, CSBG or SAPT), the majority (between 8 and 11, depending on dimension) reported receipt of financial support from religious organizations; expression of religion in the bylaws, mission, or governing board; and organizational meetings that opened or closed with prayer. But far fewer reported religious expression in the content of services: no programs required religious exercise; only 2 of the 13 programs reported offering voluntary religious exercise; and 2 reported using prayer in the opening or closing of services. Four programs reported that religious concepts might be used sometimes to motivate clients. The examples were broadly conceived and individualized, such as using hope or belief in God as a motivator to change one’s life, or allowing volunteers with religious messages to work with clients. One program encouraged clients in religious commitment.

Of the eight CCF subaward grantees and mini-grant recipients that we interviewed, nearly all evidenced religious expression in the organizational attributes mentioned above, and many more grantees than block grant contractors evidenced religion in program services. Religiosity might be expected to be more evident among CCF mini-grant and subaward grantees, many of which are connected to congregations and receiving public funds for the first time. Of the eight CCF grantees interviewed, six reported using voluntary religious exercises or Bible study, and five reported that staff opened or closed services with prayer or used religious concepts to motivate clients. No program reported requiring religious exercise. Two programs

31 These data do not include the publicly funded Salvation Army programs in Boston or Denver, with whom we were unable to meet. Both programs are reportedly quite faith-infused.
32 Data on this dimension are missing for one respondent.
encouraged clients in religious commitment. On one dimension that may become increasingly important to the debate over faith-based policies, none of the Charitable Choice FBO contractors receiving block grant funding reported using religion as a factor in their hiring practices, compared with five of the eight CCF FBO grantees interviewed.

Religious underpinnings can also affect services in subtle or unpredictable ways. Catholic Charities is known around the country to have a highly professional staff and a generally secular approach to the delivery of services. The Denver local affiliate receives only 3 percent of its budget from the Church, although the Archbishop appoints the president and approves the board. Religious tenets may nonetheless circumscribe the delivery of some services. For example, following Church teachings, Catholic Charities does not counsel on contraception or abortion. The agency uses “decision-making counseling,” in which the client drives the conversation. If a client raises the question of abortion on her own, staff treat it as a medical issue and refer the client to her physician. The facility in which TANF-funded services are delivered resembles a secular social service agency, except for a large statue of the Madonna that greets visitors in the entrance lobby. It would be important to learn, beyond the scope of this study, whether such prominent religious representation affects the decision-making process of clients—whether it dissuades some from going against their own religious upbringing, or others from seeking full family planning counseling from a Catholic agency.

These observations, based on a small number of respondents, in some cases suggest sharp differences between block grant contractors and recipients of CCF funding. In other cases the observations mark potentially important differences between FBO and secular providers. These data suggest the need for more extensive analysis of the role of faith in services delivered by

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33 Data on this dimension are missing for one respondent.
both long-term providers and those new to public funding. Our literature review found no rigorous evaluations of the role of religion in publicly funded programs. Charitable Choice and the new administration initiatives present that opportunity.

VIII. Conclusions

This study is one of devolution—how three cities responded to new federal policies created by Charitable Choice and the Bush administration’s faith-based initiatives, and where federal policies fit into local programming. It is the first to look at implementation of the new policies across all three HHS Charitable Choice authorities and one discretionary program in HHS, at devolution down to the city level, and at the relationship of faith to the content of services. This study is not, however, an evaluation of how well FBOs deliver human services or how well the local jurisdictions have implemented federal policy, for which we would need different standards and measures. What’s more, the policies are still new, and their implementation still evolving. But the continuing participation of longtime FBO contractors along with the increasing engagement of those new to public funding presents an opportunity to consider several core issues across organizations and program areas. The depth of analysis, including exploration of intergovernmental relationships, management and oversight, and program content, allows us to identify several important areas for improved monitoring and evaluation.

New policies regarding the use of FBOs in public contracting remain controversial. The administration’s faith-based initiatives have been implemented aggressively, through executive order, regulation, and persistent outreach and dissemination of funding opportunities and technical assistance. They are often perceived as White House–driven and in turn politically motivated, which can influence responses on the ground. The fact that the considerable fanfare
with which the initiatives were introduced was generally not accompanied by new funding in the block grants studied helped reinforce these perceptions.

The findings suggest that public officials across sites are willing and eager to work with FBOs to deliver needed services. Some FBOs have received public funding for many years. Others are new and illustrate implementation challenges common to small or grassroots organizations. Some challenges are peculiar to organizations whose mission and services are closely linked with faith, and may intensify as more of these organizations are drawn into public funding.

The findings also suggest that distinctions between FBOs and secular nonprofits are both less and more complex than public discourse would imply. And among faith-based organizations, differences in program characteristics are sufficiently broad to make consideration of FBOs as a class only minimally meaningful. The term encompasses a wide variety of organizations, including large and small, affiliates and independents, community-based and congregation-based, and providers of secular and faith-infused services. Given this breadth, the term has limited meaning for analytic purposes. It is sufficiently politically charged that organizations may label themselves as faith-based in the belief that doing so will help get them money, or disavow the label for fear that accepting it would buy into administration initiatives they oppose. Our analysis explicitly accounted for definitional issues, but we also have attempted to explore important differences in organizational characteristics, and the interaction between the role of faith in those characteristics and the content of services.

Finally, federal policies on FBO involvement in the programs studied may run on two largely independent tracks, one implemented by public agencies whose block grant funding is governed by Charitable Choice, and the other residing in direct federal grants to
nongovernmental organizations through discretionary programs, such as Compassion Capital Funding.\textsuperscript{34} The first track shows little change to date in FBO contracting. The second, by design, produced a large portfolio of organizations, often small, who were new recipients of federal funds. The new participants include a sizable proportion of FBOs, and a preponderance of congregations compared to other kinds of FBOs. While religiosity appeared to have greater expression in this second track, the role of faith is complicated and nuanced. This role ought to be the focus of considerably more research, over a range of venues in which it intersects with public spending.

\textit{Extent of FBO Contracting}

Despite the faith-based initiatives and the attention they have received, FBO contracting in each of the three block grants with Charitable Choice provisions ranged from none to less than one-fifth of total contracting for client services in the three cities studied. Neither the level of FBO contracting nor the contractors had changed much since Charitable Choice. Faith-based contractors were predominantly divisions or affiliates of nonprofit agencies that had been receiving public funding for many years. An exception to both points was a Birmingham FBO’s fatherhood program, which can be seen as a direct response to the explicit emphasis on family strengthening articulated in the TANF program. But this program only operated for a year before the provider decided not to renew the contract.

FBO participation in the formal contracts that govern block grant funds appears to be constrained more often by budget and capacity considerations than by ideological disinclination to create or maintain ties to the religious community. In the absence of new money, a change in the profile of contractors to increase FBO involvement would require redistributing existing

\textsuperscript{34} A third track represented by programs run by state and local governments outside of Charitable Choice but covered by HHS regulations is another important area for further study.
funds among a finite inventory of contractors; program administrators did not foresee a large pool of untapped new faith-based providers ready to add to the roster of publicly funded programs. Outreach efforts were also limited by the absence of new funding sources; the small number of interested providers able to write a successful grant application and have the governance, accounting and reporting capabilities necessary to comply with public funding requirements; or in some cases a simple lack of interest on the part of providers. Except for the new players brought into the Compassion Capital initiatives, faith-based providers in the study sites appeared to have already sorted themselves in or out of the public funding arena.

The presence of special efforts, such as the creation of a dedicated liaison or office, may be more a mark of prior contracting history than a marker for level of interest in FBO involvement. Boston, for example, had the largest percentage of FBO contracting, although neither the state nor the city had established an office or staff dedicated to increasing FBO involvement. Alabama, on the other hand, was openly enthusiastic about new FBO involvement and had established a Governor’s Office of Faith Based and Community Initiatives. But the state was only in the nascent stages of developing a procurement process that would facilitate contracting out for human services with FBOs or anyone else.

The story is substantially different for contracting under the Compassion Capital Fund, which operates with neither statutory authority nor regulatory guidance, and outside the purview of state and local public agencies. CCF intermediaries nationally are a broad mix of universities, direct service providers, management or technical consultants, and faith-based and secular nonprofits. But at the subaward level in the cities studied, FBOs constituted about 50 to 70 percent of grantees. About a third of the CCF funding that went to FBOs in Boston in the three-
year initiative funded congregations. Almost all FBO subaward grantees in Denver were congregations.

The mix between FBOs and CBOs receiving subawards depended in part on the partnership between the intermediary and partner organizations. In Boston, the CCF partners that distributed subawards in 2004 made a conscious effort, in response to federal input, to balance subawards between faith-based and community-based organizations. A little over half the subawards went to CBOs. In Denver, the principal partner that made most of the subawards was a church consortium, and recipients were all based in ministries or congregations. FBOs received two of the four mini-grants in these cities and were partners in the other two.

The level of FBO, especially congregational, involvement may broaden with additional discretionary programs, which have marked the Bush administration’s faith-based policies. The Access to Recovery program may bring in new providers that not only are faith-based but also have interventions with substantial faith content, and that would not be candidates for direct public contracting. Substance abuse prevention services generally have fewer licensing or credentialing requirements than treatment services, and may be candidates for new public funding. State efforts to engage FBOs in both areas had already begun in the study sites.

Opportunities and Challenges

State and local administrators’ perceptions of FBOs are similar across the study sites, and consistent with what has been reported in previous studies. FBOs are sometimes seen as more accessible to populations that are harder to reach by public bureaucracies or even large social service nonprofits. FBO accessibility may be a function of physical proximity or social standing in a community, of their size and the lessened burdens that come with smaller caseloads, or of

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35 This includes funding for technical assistance given to FBOs.
the motivation of staff, perhaps driven by their own faith mission. Some FBO providers, however, did not see themselves as especially different from secular providers, despite their personal commitment based in their faiths. We also heard cautionary notes that the faith mission can result in exclusionary postures, such as negative attitudes toward gays and lesbians as participants in foster care and adoption services, and we saw limitations on family planning and abortion services when such services conflicted with the cultural or faith dictates of the organization.

Questions about what attributes faith-based organizations bring to service delivery deserve more systematic research. Such research might draw lessons about organizational mission, culture, ambience, staff training, or other aspects of service design that contribute to more effective services by faith-based providers and could be used to improve service delivery in larger, or more secular, settings. It would also be important to learn under what circumstances faith-based organizations are more effective than secular organizations providing similar services, as is sometimes argued. In the negative, it would also be important to assess more systematically whether certain individuals are treated differently—either explicitly denied services or made to feel less welcome—because of the faith mission, culture, or dominance of faith adherents in the organization. And it would be important to learn what options nonadherents have for services delivered by alternative providers.

Language about trust and compassion, attributed to faith-based providers, was sometimes grounded in the metaphor of the church. A substantial portion of FBO involvement in the Compassion Capital Fund is congregation-based. Perhaps newer discretionary programs, such as ATR, will be used to purchase treatment slots in ministerial venues.
Block grant administrators in the study sites did not typically talk about working with churches as a new source of service providers. More typically, local administrators were familiar with the pool of providers, and relationships were in place and unlikely to change, a function of the limited managerial capacities of some FBOs or faith content that made them unlikely candidates for public funding. Sometimes relationships were non-monetary but nonetheless mutually supportive, as when staff in the public agency or the FBO would inform clients about the full inventory of services in a community and make referrals to them.

Sometimes public agencies and FBOs worked hard to make accommodations, particularly around religious issues, if they needed to fill critical service gaps. But otherwise, the effort needed to develop the capacity of FBOs to receive public funds was generally considered beyond the capability of the public agency, particularly if it was struggling with budget cuts. How new opportunities for federal funding are distributed between congregation-based activities and other FBOs merits sustained tracking.

Perceived challenges identified in this study were similar to findings from past research. Program administrators were concerned about the ability of small FBOs and those new to public funding to understand the contract process, write acceptable applications, and meet data collection and reporting requirements attached to public funding. Faith-based providers often lacked organizational and financial structures that would help them comply with public performance and audit requirements. Licensing or credential requirements for some services, such as substance abuse treatment, further limited FBO participation. CCF subawards sometimes funded entirely new “start-up” activities. Grantees new to public funding noted that the technical assistance received from the intermediaries had been needed and appreciated. Whether these
programs are sustainable over time remains an important question, and also merits sustained tracking.

No new contract mechanisms were developed to address monitoring issues that might arise from increased FBO participation. FBO contractors in Boston and Denver were reportedly held to the same standards as other service providers. In Birmingham, state procurement protocols were in flux, and a state effort was underway to modify standards for substance abuse treatment to recognize peer counseling as an expertise, which participants in faith-based programs might be likely to have. Issues around religion or religious content, including the notice of the right to an alternative provider, were generally not a part of formal monitoring procedures under either the three block grants or Compassion Capital subawards. More often, monitoring centered on financial auditing issues or contractual performance criteria, such as provision of a specified number of beds or treatment slots. With the exception of contract structures in which the function of the prime contract was oversight, such as Colorado’s drug treatment contracts with MSOs, it is unclear how oversight or accountability penetrated to the subcontract level.

Concerns about tracking and assessing performance in order to maintain accountability have heightened as public agencies have privatized delivery of program services. None of the FBO contractors operated under true performance-based contracts, with payment conditioned on achievement of specific performance goals. Arrangements that specify performance goals can be challenging even for large, well-established FBO contractors. Meeting TANF performance goals for job retention, for example, can be difficult when family issues are unpredictable and likely to interfere with a mother’s ability to maintain a stable job.
Encouraging participation of congregation-based services adds further challenges. One is broadening the reach of services beyond congregation members. Another is that new entrants to public funding, particularly congregations brought in by direct federal grant as in Compassion Capital initiatives, are likely to operate in relative isolation from the larger social service delivery system. They may distrust government or traditional service providers. They may also be uninformed about how to forge relationships with other providers to facilitate client referrals for additional or more appropriate care, how to bring in outside professionals to deal with challenging client issues, or where to go for help on technical or management issues. In the absence of effective networking, funding of new providers may result in inefficiencies, such as duplication of services. At worst, it risks diversion of scarce resources away from state and local social service systems that are operating under severe budget constraints but have the expertise and infrastructure to deal with a broad range of client needs.

The Role of Faith

While the role of faith underlies some of the hope and much of the concern about new FBO engagement in public funding, how faith affects the behavior of faith-based organizations or the services they deliver is more complex than perhaps generally appreciated, and difficult to measure. We offer four broad observations from our findings.

First, whether Charitable Choice has made a difference in the role of faith in publicly funded programs apparently varies by observer. To some, the relative stability of FBO contracting is evidence that the new policies have made little difference. To others, the Charitable Choice provisions created new protections for religious expression. Some went further, seeing the provisions as an explicit directive to encourage religious inclusion, and expected that over time, state and local policies would result in greater FBO participation and
perhaps a greater role for faith in services. In programs funded under the Compassion Capital Fund, FBOs were heavily represented among subaward grantees. Many subawards went to programs housed in or run by churches, which are likely to have a greater level of religious expression in services than programs provided by other FBOs.

Second, the legal boundaries created by Charitable Choice and the Compassion Capital Fund are most often understood in terms of the prohibition against proselytizing, with little attention to other provisions contained in legislation or regulation. Faith-based providers often tried to achieve compliance through separation and voluntariness of religious service components. But the boundaries can be quite porous. Thus, chapel attendance might be required but worship was voluntary; one could ask a client’s permission to discuss faith, but then urge him or her to seek God; or a program might use faith as a way to motivate clients, but use public funds to pay only for other aspects of service provision. Sometimes there was no boundary, as when Bible study and religious teaching were integral parts of an intervention. Some public agencies were simply quiescent as long as clients did not protest.

Third, how the right to an alternative provider, contained in TANF and SAPT, is being implemented is largely unknown. Notification does not appear to occur at the initial referral for either TANF or substance abuse services. While SAMHSA included a model notice in regulation, it did not include a directive that funding agencies be proactive, and there was little monitoring in either program of how agencies or FBO providers used the notice. Beyond the issue of notification, realizing the right to an alternative is largely a function of availability. Treatment slots for substance abuse are notoriously scarce. If the slot was offered as an alternative to incarceration, clients might be disinclined to squander the opportunity to be released from custody in order to wait for an alternative provider. For clients with mental health
issues or under involuntary commitment, the ability to exercise choice between FBOs and alternative providers may be problematic. For young people, whether children in foster care, problem youth, or just not yet adults, the ability to articulate choice is questionable. This applies to both the exercise of their right to an alternative provider and their ability to react to the uncertain lines of separation described above.

Finally, it is difficult but important to understand how organizational attributes and the environments in which services are delivered interact with and affect services. Religiosity may affect services in ways that have gone unnoticed before Charitable Choice, and warrant more attention and thoughtful research. Faith-based organizations are reputedly different and perhaps better than public agencies, or secular nonprofits, under certain circumstances. But what attributes make them more effective, whether they are consistent with the law, whether non-adherents receive respectful treatment, and how to borrow lessons from successful FBOs for secular settings, both public and private, are important and researchable questions. Charitable Choice and the Compassion Capital initiatives present an opportunity to address these questions, which have been largely absent from the literature and often absent from public discourse around the new policies.

Two Notes on the Future

The federal structure under which social programs operate may determine how relationships with FBOs and the services they deliver change. In programs such as TANF, SAPT, and CSBG, in which authority is devolved, current relationships between local funding agencies and faith-based contractors are unlikely to be disrupted if state and local policymakers are more skeptical about FBOs, or more financially or legally constrained, than policymakers at the national level. The brief history of CCF already demonstrates that FBO participation can change more rapidly
when policy decisions involve the federal government alone. It also demonstrates that the nature of FBO participation may be quite different when operating under discretionary rather than legislative or regulatory authority.

Whatever the structural determinants of governmental relationships with FBOs, faith-based organizations play an important role beyond formal contracting. Even when FBOs do not provide services under government contracts, they can help individuals access other organizations that can address their needs. Preoccupation with the FBO share of contract dollars, among supporters or opponents of the recent initiatives, creates the potential for inattention to critical issues around the role of faith in programs and services, and missed opportunities for collaboration between FBOs and the other public and private organizations in the larger social service system.

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Appendix A: Congregations Delivering Social Services

A persistent question underlying the potential for new FBO involvement in public funding is to what extent congregations provide social services and are likely candidates for increased public funding. To explore the nature of social services delivered by congregations in the three study sites, and the degree to which they currently use or might use public funds, we conducted telephone surveys of a sample of large and small congregations in the three sites.

The sample of religious congregations was extracted from the American Church Lists database and designed to include all addresses within the city boundaries for each study site. An attempt was made to contact every third congregation on the final list of congregations with more than 500 members, as identified by the American Church Lists, in order to sample approximately 30 percent of the population of large congregations. A total of 53 large congregations were interviewed by telephone. In addition, 20 small congregations (100 to 250 members) were sampled, approximately 10 percent of the population in the database, since small congregations are typically less likely to offer routine social services.

Interviews with congregations were designed to learn whether the congregation provided any type of social service, defined broadly in order to capture services that might resemble those supported by the funding streams in this study, and if so, what the characteristics of those services were (e.g., number and types of staff, numbers of clients served, whether the congregation collected any data on clients or services, whether it received public funds [and from

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36 Congregations with only P.O. box addresses were thus excluded from the sample. The Melissa database (www.melissadata.com) was used to determine zip codes for the county that corresponded to the city under study (Jefferson County for Birmingham, Suffolk County for Boston, and Denver County for Denver). Finally, since zip codes may overlap two or more counties, organization addresses were verified using the Census Bureau’s American FactFinder system to filter out organizations that were not actually located within the city boundaries of Birmingham, Boston, or Denver.
what source], and whether the congregation was interested in seeking public funds). Interviews also revealed relationships with other congregations to support social services, formal consortia, or relationships with public programs to which the congregations made client referrals or other types of contributions.

The survey found that both large and small congregations delivered a wide variety of services, although large congregations were more likely than small congregations to provide services. Table A.1 illustrates the range of services that congregations provided and the number of clients served. The most common service involved food assistance, either by maintaining a food pantry or by delivering meals to homeless or low-income individuals. Other services involved education, counseling, and the provision of clothes to those in need. Some served a few individuals over the course of a year; others served numbers in the thousands.

Few congregations received public funding for social services. Three of the 53 large congregations sampled received public funding: two served immigrants with English as a Second Language (ESL) and other education services, one of which also provided community development services, and the other legal services; and one served ex-offenders. One large congregation received a subaward from the local CCF intermediary to support an SAT preparation program. Of the 20 small congregations interviewed, one reported receiving public funding for employment assistance. The funding source identified was a faith-based initiative grant received by the city government from the U.S. Department of Labor (Greason 2004).

Seven congregations, which did not currently receive public funds, expressed an interest in seeking public funding. It was unclear from the interviews how many of these congregations have programs or program designs in place that could readily receive start-up or more substantial funding to initiate or expand programs.
Table 1. Scope of Contracting with Faith-Based Organizations by Program, FY 2004

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<th>TANFa</th>
<th>SAPTb</th>
<th>CSBGc</th>
<th>CCFd</th>
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<tr>
<td><strong>Birmingham</strong></td>
<td>1 of 8 contracts; 1.7% of $617,270</td>
<td>0 of 9 contracts; 0% of $8.8 million</td>
<td>0, no contracting 0% of $1.5 million</td>
<td>0, no grant</td>
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<tr>
<td><strong>Boston</strong></td>
<td>16 (19) of 85 contracts; 18.8% (20.8%) of $21.9 million</td>
<td>6 of 85 contracts; 7.4% of $23.4 million</td>
<td>0, no contracting 0% of $5.6 million</td>
<td>15 of 32 subawards; 46.4% of $784,680</td>
</tr>
<tr>
<td><strong>Denver</strong></td>
<td>4 of 27 contracts; 14.9% of $3.5 million</td>
<td>1 of 21 contracts; 1.9% of $14.2 million</td>
<td>4 (5) of 25 contracts; 16.5% (20.6%) of $698,500</td>
<td>12 of 16 subawards; 72.3% of $113,600</td>
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Notes: Program contracting specific to localities only (does not include contracting for statewide services). Contracts are for direct service provision only; contracts with faith-based organizations for other services (technical assistance, trainings) are not included. The numbers in parentheses represent the level of contracting with FBOs as reported by the appropriate government agencies. All other numbers represent the level of contracting as identified through field work. In some cases, contracts are funded in part by the state, or funded wholly by the state but counted toward the TANF maintenance of effort requirement.

The fiscal year in Alabama for the TANF, SAPT, and CSBG programs ran from October 1, 2003, to September 30, 2004. In Massachusetts, the fiscal years for CSBG and CCF were the same, while the fiscal year for TANF and SAPT ran from July 1, 2003, to June 30, 2004. The fiscal year for SAPT and TANF in Colorado ran from July 1, 2003, to June 30, 2004, while the fiscal year for CSBG ran from March 1, 2004, to February 28, 2006. CCF funds in Denver covered September 30, 2003, to September 29, 2004.

Amounts are based on contract amounts in some cases and final payment amounts in others, dependent on the information provided by state and local agencies.

a All TANF contracts in Birmingham under the Alabama Department of Human Resources; one contract serves multiple counties, including Jefferson County. Boston TANF contracts are under the Massachusetts Department of Transitional Assistance, the Massachusetts Children’s Trust Fund, and Boston Public Schools with TANF-designated funding received through the Massachusetts Department of Education. Four faith-based vendors held multiple contracts, totaling 13 contracts. Two vendors (with three contracts) identified by administrators as faith-based organizations are not included because they self-identified as non-faith-based. Denver TANF contracts are through Denver County Department of Human Services and the Denver City Mayor's Office of Workforce Development. One faith-based vendor held three contracts in FY 2004.

b Contracts for substance abuse prevention and treatment in Birmingham are held by the Alabama Department of Mental Health and Mental Retardation. The Massachusetts Department of Public Health contracts for services in Boston; one vendor held two contracts for substance abuse treatment in FY 2004. Signal Behavioral Health Network is responsible for services in Denver; contracts under Signal serve a SubState Planning Area made up of eight counties, including Denver County.

c CSBG contracts for Denver are under the Colorado Department of Human Services. One vendor identified by administrators as a faith-based organization is not included because it self-identified as non-faith-based.

d CCF Demonstration Program funds only (does not include CCF Targeted Capacity Building funds). Subawards do not include the value of technical assistance received from the intermediary. Subawards listed are those awarded in the locality only; JVA Consulting awarded funding to other organizations in Colorado that are not included here. CCF amounts listed in Boston are for the United Way grant. CTCNet did not make subawards until 2005.
Table 2. Participating Faith-Based Organizations by Program, FY 2004

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<th></th>
<th>TANF 3</th>
<th>SAPT</th>
<th>CSBG 4</th>
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<tbody>
<tr>
<td><strong>Birmingham</strong></td>
<td>Christian Service Mission</td>
<td>None</td>
<td>None, no contracting</td>
</tr>
<tr>
<td><strong>Boston</strong></td>
<td>Catholic Charities</td>
<td>Catholic Charities</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td>Franciscan Hospital for Children</td>
<td>Jewish Children and Family Service</td>
<td>no contracting</td>
</tr>
<tr>
<td></td>
<td>Most Holy Redeemer</td>
<td>Salvation Army</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Salvation Army</td>
<td>St. Elizabeth’s Medical Center</td>
<td></td>
</tr>
<tr>
<td></td>
<td>St. Elizabeth’s Medical Center</td>
<td>Volunteers of America</td>
<td></td>
</tr>
<tr>
<td></td>
<td>St. Mary’s Women and Children’s Center</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>YMCA</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Denver</strong></td>
<td>Catholic Charities</td>
<td>Salvation Army</td>
<td>Catholic Charities</td>
</tr>
<tr>
<td></td>
<td>Shalom Denver</td>
<td></td>
<td>Jewish Family Service</td>
</tr>
</tbody>
</table>

Notes: The fiscal year in Alabama for all three programs ran from October 1, 2003, to September 30, 2004. In Massachusetts, the fiscal year for CSBG was the same, while the fiscal year for TANF and SAPT ran from July 1, 2003, to June 30, 2004. The fiscal year for SAPT and TANF in Colorado ran from July 1, 2003, to June 30, 2004, while the fiscal year for CSBG ran from March 1, 2004, to February 28, 2005. FBO providers are specific to locality; statewide contractors are not included here. Contracts are for direct service provision only; contracts with faith-based organizations for other services (technical assistance, trainings) are not included.

3 Under both these block grants, it occurred where a state or local administrator identified a contractor as faith-based and the contractor disagreed with this categorization. Such contractors are not listed here.
### Table 3. Compassion Capital Fund Demonstration Grant Programs by Site

<table>
<thead>
<tr>
<th>Location</th>
<th>Grant Program Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham</td>
<td>None</td>
</tr>
<tr>
<td>Boston</td>
<td><strong>United Way of Massachusetts Bay</strong>&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>$2 million a year in 2002, 2003, and 2004 to serve at-risk youth</td>
</tr>
<tr>
<td></td>
<td>Partners: Black Ministerial Alliance (FBO)</td>
</tr>
<tr>
<td></td>
<td>Boston TenPoint Coalition (FBO)</td>
</tr>
<tr>
<td></td>
<td>Emmanuel Gospel Center (FBO)</td>
</tr>
<tr>
<td></td>
<td><strong>Community Technology Centers' Network</strong>&lt;sup&gt;b&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>$1.5 million in 2004 to serve at-risk youth and/or homelessness</td>
</tr>
<tr>
<td></td>
<td>Partners: Alliance for Technology Access</td>
</tr>
<tr>
<td></td>
<td>TechMission (FBO)</td>
</tr>
<tr>
<td>Denver</td>
<td><strong>JVA Consulting, LLC</strong>&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td></td>
<td>Partners: Colorado Nonprofit Development Center</td>
</tr>
<tr>
<td></td>
<td>Metro Denver Black Church Initiative (FBO)</td>
</tr>
<tr>
<td></td>
<td>Sacred Landmarks Preservation of Historic Denver</td>
</tr>
</tbody>
</table>

**Notes:** Partners other than those listed may have participated in the CCF grants in one or more years of receipt. The partner organizations listed here were the primary partners as named by the intermediary organization. Funding totals are rounded in some instances.

<sup>a</sup> Subawards in the first year of the grant were given to FBOs and CBOs in five Boston neighborhoods. In 2003 and 2004, FBOs and CBOs in the City of Boston were eligible to apply for funding. Also in the last two years, the Black Ministerial Alliance became the lead agency for the CCF grant.

<sup>b</sup> CTCNet was also awarded CCF grants in both 2002 and 2003 but in neither year were subawards made in Massachusetts. In the third year of the grant, FBOs and CBOs located in Massachusetts were able to apply for subawards.

<sup>c</sup> Subawards in 2002 were given to FBOs and CBOs in the Denver metropolitan area and in northern and southern Colorado. In 2003 and 2004, FBOs and CBOs across the state were eligible to apply for funding.
Table 4. Compassion Capital Fund Mini-Grant Programs by Site

<table>
<thead>
<tr>
<th>Location</th>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birmingham</td>
<td>Glenwood, Inc.</td>
<td>$50,000 in 2004 to serve at-risk youth</td>
</tr>
<tr>
<td></td>
<td>Partners:  AGAPE of Central Alabama, Inc. (FBO)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Children's Aid Society</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gateway Family Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boston</td>
<td>Emmanuel Gospel Center, Inc. (FBO)</td>
<td>$50,000 in 2003 to serve the homeless and at-risk youth</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Denver</td>
<td>Community Housing Services, Inc.</td>
<td>$50,000 in 2003 to serve the homeless</td>
</tr>
<tr>
<td></td>
<td>Partners:  Denver Inner City Parish (FBO)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>St. Barnabas Episcopal Church (FBO)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Center for Community Excellence and Social Justice (FBO)</td>
<td>$50,000 in 2004 for healthy marriage</td>
</tr>
</tbody>
</table>

*Note: Funding totals are rounded in some instances.*
<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Less than 50</th>
<th>50 to 500</th>
<th>More than 500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food</td>
<td>-</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Education</td>
<td>-</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Clothes</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Counseling</td>
<td>-</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Emergency services</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>At-risk youth</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>ESL</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Health/Medical</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Holiday Gifts/Baskets</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Ex-offenders</td>
<td>-</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Housing</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Transportation</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Job assistance</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Legal/Immigrant</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Furniture</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Total services</td>
<td>2</td>
<td>13</td>
<td>29</td>
</tr>
<tr>
<td>Total congregations</td>
<td>2</td>
<td>8</td>
<td>19</td>
</tr>
</tbody>
</table>

*a A total of 39 congregations offer services; 10 congregations did not report number of clients served.