



The Roundtable

On Religion and Social Welfare Policy

Annual Conference Transcript
October 23, 2002

**Welcome and Panel One:
The View from Washington—
Administrative Efforts to Involve
Faith-Based Groups in
Social Service Delivery**

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Welcome

RICHARD NATHAN: Good morning. Let me greet you as friends of the Roundtable.

My name is Dick Nathan and I am proud to be the director of the Rockefeller Institute of Government, which is the public policy research arm of the State University of New York under the Chancellor. We're located in Albany. Come visit us if you haven't.

This is one of our big activities. It's a very exciting subject and we're proud to be the knowledge network – that's our role – for faith-based groups engaging in social service. We are supported, as I think you know, by The Pew Charitable Trusts and we've been under way for eight months. We've done a lot in eight months. We have an active website, quite a lot of publications, a staff we're proud of under David Wright who I hope everybody will meet today who's the director of the Roundtable project, working closely with me.

The Roundtable has three functions. One is, as I said, to be a knowledge network. Second is to do research and we have some new research which we will be unveiling today. And third is dissemination, is translation, is trying to intermediate between scholars and experts and people who do the Lord's work in social serving; in many cases, increasingly now, working more and more and in new ways with governments, not just the federal government. We look – and we're experts, I think – at state and local government, at American federalism, and you need to see this whole picture. That's the first part today.

My job today is a very inelegant one, it is to keep the trains running on time and we've got an awful lot to do. We're especially honored to have the White House represented and maybe for the first time, all in a row, all five of the federal agency leaders in this field. Following this panel we will have a panel chaired by Feather Houstoun, the Secretary of Public Welfare in Pennsylvania, on what's happening in the states because we are in all 50 states looking at the translation process, how public sector/FBO interaction happens, if it happens.

At lunch today Senator Harris Wofford is going to introduce Rabbi David Saperstein and Reverend Eugene Rivers to speak to us on different perspectives on our important subject today.

After lunch, Jim Reichley, a member of our advisory board -- many members of our advisory board are here today -- is going to introduce our speakers and partners from George Washington University Law School who are doing work we're very proud of on the law and religion in social policy. And then we have at the end of the day two new papers that we will be presenting to you, one by Malcolm Goggin, the start of work we want to learn about, hear from you about, and expand to compare the role of different kinds of social serving organizations, government, non-profit secular, and various types

of faith-based. They are not all the same, as John DiIulio stressed at a dinner meeting we had last evening.

So, welcome as friends of the Roundtable. It is now my pleasure to introduce Luis Lugo, who is going to introduce, and get us started with, our, federal policy panel. Luis Lugo is Director of the Religion Program at The Pew Charitable Trusts, has a background which covers political science, international politics, is very interested in the role of religion in American life and other countries. And he has worked on and written about religion in America, and about immigrants and the special challenge of immigrants becoming citizens and coming into the American community.

Prior to joining The Trusts in 1997, Luis was a professor of political science in Grand Rapids at Calvin College, Grand Rapids, Michigan, and was also associate director of the Center for Public Justice in Washington. He has written many articles and edited many books, including “Religion, Public Life and the American Polity,” “Sovereignty at the Crossroads: Morality and International Politics in Post-Cold War Era.” So he is a scholar and an active person in a field he cares about. He’s a native of Cuba. Took his undergraduate degree at the University of Memphis, where he was summa cum laude. MA in philosophy from Villanova and a Ph.D. from the University of Chicago. All of that, and he’s a very nice person. Luis Lugo.

(Applause.)

LUIS LUGO: Thank you very much, Dick. Actually I describe myself now as a recovering academic since I’ve been out of the academy for a few years. Let me add my word of welcome to all of you for coming this morning.

You don’t have to be in the business of social investing, as we are at The Pew Charitable Trusts, for very long before you come to realize that brilliant strategic plans and carefully crafted project designs gets you nowhere unless you’ve got the right person to lead the effort. So almost simultaneously at The Trusts, while we were thinking about opening up this area of investing, we started to think about the leadership questions. That’s always part of our strategic planning. Who is out there who could lead it?

We knew we needed somebody, given the nature of the project that we envision, who had done cutting edge research on social welfare policy more broadly, since that’s where faith-based initiatives fit, within that broader rubric of social welfare policy. We wanted someone, moreover, with strong policy experience, public policy experience. And not only at the federal level, but at the state and local level as well, since after all, welfare reform in this country is very much about federalism and the shared responsibility between the federal and state and local governments.

We also needed a person who had a great reputation for being balanced, fair and nonpartisan, since after all this was not an advocacy effort but an honest broker kind of effort. So we talked to a lot of people. Networking is one of the things I really enjoy in this job. And it became clear to us that we had one or two choices. We either had to

genetically engineer that person or do our darndest to try to recruit Dick Nathan. Those were the only two options. And we are extremely pleased and very fortunate, Dick, that you decided to take on this challenge and to provide leadership for this project which we believe has very, very important consequences for this country and particularly the poor in this country.

Now, the debate about faith-based organizations in our social welfare system, as you all know, touches upon some very important issues at the intersection of religion and public life. It brings up the issue, for instance, of what is the proper public role of religious institutions, their public role. It brings up issues such as how does one balance the religious liberties of clients with the liberties of faith-based providers, since both of them are part of our constitutional tradition. It brings up the question about the shared responsibilities between government at all levels, federal state and local, and the institutions of civil society, the so-called private sector, which includes, of course, faith-based organizations. All of those issues and more are implicated in this question.

Now, I'm increasingly struck -- Dick mentioned I had a background in international politics, and I still keep my fingers in that to some extent. I'm increasingly struck by the fact that what we're doing with this project has implications not only for the poor in this country, but for the poor throughout the world. It may interest you to know that there is in fact a very interesting parallel discussion going on internationally on the role of faith-based organizations and meeting human needs, particularly in the Third World.

So it's not just a matter of domestic welfare policy, it's also a matter of international development policy that's at stake here. This recently was really brought home to me as I reviewed a paper, a briefing paper, by a top advisor to the president of the World Bank, which deals with the whole question of religion and development. And as I read that, I know it's a much used cliché, but it was -- really the words of Yogi Berra came back to me, you know, it is déjà vu all over again. It's remarkable when you read that document how precisely the same issues with which we're wrestling in this country are now being broached on a broader international level.

The paper, for instance, underscores the recent discovery or acknowledgement on the part of development experts of the critical role of faith-based organizations and the institutions of civil society more broadly in meeting human needs throughout the world and in sparking social transformations. Sound familiar? You know, our recent discovery in this country of precisely the same thing, not in the Third World, but in our inner cities more specifically.

I was also struck, and this gets right to the mission of the Roundtable -- and I do like the imagery, Dick, of all the little round tables throughout the room -- it's a very nice touch. For an academic that's almost brilliant, actually startling. I was really struck that those people who come to the realization begin to notice that the faith community indeed has a role to play. The next question they ask is, okay, what precisely do we know about them? And I'm quoting here from the report, which highlights the frustration on the part

of development experts, with gaps in information about the nature, scope and impact of interventions by faith organizations in social areas.

The report continues, “It is indeed remarkable how weak the information systems about faith-based work and development are. And research and analysis are patchy.” Haven’t we been talking that language the last few years in this country about faith-based organizations? I think the bottom line here is that more than we anticipated, the implications of this project go beyond the needs of the poor in this country to the needs of the poor throughout the world. So, Dick, today the U.S., tomorrow the world, I guess, is the challenge that you’ve got to face as we go forward.

Now, the Roundtable, as you know, is playing a very critical role in providing that kind of information. That was the way we envisioned it at The Pew Charitable Trusts, to play that honest broker role. And we do so from an outsider’s perspective. We in a sense don’t have a dog in the fight with respect to the policy debates.

This morning, however, we are privileged and very pleased to have a chance to get an insider’s perspective on this issue from folks who are on the front lines at the federal level on these questions. Not only do we have the director of the White House Office of Faith-Based and Community Initiatives, Jim Towey, but also -- I thought these were your bodyguards, Jim, actually, when they first walked in -- but also the people who are the point persons within the main cabinet level agencies in the federal government dealing with this issue and Jim will introduce them.

Jim Towey was appointed by the president in February of this year to head the White House effort to expand opportunities for faith-based and other community efforts to serve their needy neighbors. In Jim, the president found a man with broad, governmental and non-governmental experience. He has worked in state and federal government for both Republicans and Democrats – for former Senator Mark Hatfield, for instance, I believe Jim was his legislative director, and also for Governor Lawton Chiles of Florida, so good bipartisan credentials there at both the federal and the state level. But I’m also impressed with Jim’s grassroots experience, in the real trenches out there, working with non-profits to address the needs of the poor. And he has done so here, including in Anacostia with an AIDS home there, as well as abroad.

He was tutored in this whole field by none other than Mother Teresa, whose picture I saw out there, Jim, as I was walking in at the National Press Club. So that’s quite a tremendous background to have here. He continues to straddle both of those worlds in his current job. I’m sure it has been quite a year for him in that position. I’m told that Jim is of the view that life imitates professional wrestling. Now, I don’t know if that’s an insight to which he has come since he took on the White House position or not but it could well be.

Now, I don’t think you mentioned it, Dick, but there will be some paper around for people to write their questions after they hear the folks from the various agencies brief

us. So please be ready for that. Dick will field those questions and direct them to the appropriate person after they've had a chance to speak.

I did forget one very, very important thing. One of the most impressive things about Jim Towey, and that is his ability to speak God's language, which is to say, of course, Spanish.

(Laughter.)

Asi es que Santiago. Bien venido a la mesa redonda sobre la religion y el bien estar social. Please help me welcome Jim Towey.

(Applause.)

Panel One: The View from Washington—Administrative Efforts to Involve Faith-Based Groups in Social Service Delivery

MR. JAMES TOWEY: *Gracias por todo. Esta mañana aqui -- oh --* thank you very much, Luis, for the very nice introduction and for all the work that Pew does in the world and particularly on this issue. I'm a big respecter and admirer of your work and also your dedication to it. And to, Dick, and to the Rockefeller Institute, thank you very much for hosting this important forum and for the work that you are doing, and Jack Calhoun and others are doing in this area.

I think we're all excited about the promise of this project and how it's going to provide some tangible data and information on what faith-based organizations do, what difference they make, and so we're excited about that.

I'm glad that you heard from John DiIulio last night, my friend, a great man, a great pioneer in this office. John had the job for seven and a half months and recently I passed him. So I've had the job for eight and a half months. I'm actually the longest serving faith-based director in the history of the United States. (Laughs.)

(Applause.)

Please, no, hold your applause, please. Started the job with a full head of black hair. I've had a -- when I go home at nights I'm able to kind of leave the work behind. People think well, it's a very stressful job and it is a very stressful job, but when I go home, I have four children that are 9, 7, 6 and 2 years old. Yes, we're Catholics, you guessed that I'm sure, and my wife's expecting and she's due in about two months and we're starting to prepare around the house for this and I'm starting to prepare mentally for this because of obviously -- and all of our children are boys and so we're accustomed to getting up at dark. I'm accustomed to getting up at night to do the diaper changes at 2:00 in the morning. How many of you have ever changed a diaper on a little boy? So

you know that sometimes you can have little surprises when you're changing the diaper and basically it reminded me of, you know, those midnight surprises. It's kind of like, my little boys used to do to me what the critics of the president's faith-based initiative have been doing to the initiative. So we're preparing for that.

(Laughter.)

David Kuo is over here, our deputy director in the White House office. David will be joining and moderating the panel discussion and will be introducing our directors of our five agency faith-based offices who are great individuals and have made a tremendous difference in the time that they've worked here. I'll leave those introductions to David but am glad that you're here. We had a conference on October 10th in Atlanta on the White House initiative and we turned away 1,000 people and still had about 2,000 people there, filled two spillover rooms, a lot of interest; a lot of groups that had never been invited.

I made the joke about the critics of the initiative and I will honestly tell you, after nine months in the job, I'm still at a loss to understand some of the criticism of the initiative but I'm more than ever energized about its promise.

The president's faith-based initiative is simply centered on the question of how we can better serve our addicts and our homeless and our prisoners who need rehabilitation, their children, two million children of prisoners. What are we doing for them? And looking at the wounds of our society and those in a land with so much prosperity and affluence, why aren't we doing better for so many in our society who are struggling? So this initiative the president launched in 2001, shortly after he was inaugurated, is centered on the poor and their God-given dignity. And it simply argues that faith-based organizations and grassroots groups should be able to compete like anyone else to provide federal services. And then in the process of us partnering with faith-based and grassroots groups, we shouldn't ask them to sacrifice their religious liberty or identity as faith-based organizations while they provide these important and needed services.

When you look at the faith-based initiative, you recognize immediately that in spite of the kind of hysterical response, this has been going on for some time in America. You would hear critics as if it was novel, when in fact, when you look at the relationship and Congress has provided a number of acknowledgments of the importance of faith-based organizations through statute. You can look at Pell grants and funds that are going directly to faith-based universities that provide these services. There's federal money going there. Federal money goes to faith-based hospitals by the billions every year in Medicaid and Medicare. There's chapels and nursing homes, there's crosses on the walls in nursing homes. They're almost entirely funded by Medicaid. That's been going on for years. Not an issue.

Day care through federal vouchers, one-sixth of the day care's provided in religious settings. Property tax exemptions are provided in all 50 states to faith-based

groups. That involves billions of dollars in tax relief, directly to faith-based organizations from the government, from state government, county government. When you look at the charitable deduction on your income tax form you are, by being given this deduction when you give to your church or synagogue or mosque or to other faith-based organizations, you receive a benefit. Less taxes that you're paying for that contribution you are making to a faith-based organization.

So you see, immediately there, a great deal of connection between government and faith-based organizations. And then when you look at Congress' passage of the so-called charitable choice legislation first enacted under President Clinton in 1996 and this legislation basically centered around providing effective social services -- how could we better serve our poor? That first bill was on TANF, on the Temporary Assistance to Needy Families Welfare Reform and some of the research that's been done by Pew and through the Roundtable has looked at the fact that about eight percent of the funds are going to faith-based organizations.

But the purpose of that, of course, was to improve the quality of services and the outcomes; that people would get off of welfare and regain their dignity. I went with President Bush to Milwaukee to the Church of God and Christ to see a program there at Holy Redeemer that was taking people off of welfare into work. I see my friend, Gene Rivers, here who's done remarkable things with at-risk kids in Boston. Where's brother Gene? There he is. (Laughs.)

But programs that are turning lives around and that are respectful of the First Amendment. The charitable choice laws also sought to respect the religious liberty of clients. There wouldn't be religion forced on people. That you would have secular alternative in the event that someone had raised an objection about a service provided to them. That there would be a responsible use of public funds, charitable choice language is centered around this. That there'd be responsibility, there'd be accountability, that these people would be stewards of the money and be good stewards of the money.

And, finally, that it would honor the legitimate rights of faith-based organizations to be who they are. That they would not be losing their identity simply by providing a job training service or a day care service. That they could maintain their faith identity. This legislation reflected a longstanding American tradition that was captured in the Civil Rights Act of 1964 which provided faith-based organizations an exemption in how they hire so that they could maintain their identity. It basically acknowledged that if Jewish organizations were told they couldn't hire Jews in maintaining their own mission that they would possibly cease to be faithful to their own roots and to their organization's mission and purpose, that that was a standard of hiring that was as important to them as to an academic organization looking at academic excellence as the standard it applied when it hired.

And so the Civil Rights Act has made that exemption since 1964 and has operated well without incidents. These religious groups may hire on the basis of religious criteria even though non-religious groups may not. So this was recognition by Congress of a

special, unique nature of these organizations, that you would, in effect, rob them of their vitality if you started to get into the business of telling them how to hire and who they could hire and who they couldn't hire and charitable choice has been on the books now since 1996 and I don't think you can provide to me or to the president or anyone a record of abuse here or showings of problems.

I think there's been an isolated lawsuit here and there which is remarkable, on legislation that was passed in 1996 today to have so little problem in the streets with federal dollars being provided to organizations under charitable choice. So why then was there the great uproar when President Bush proposed nearly identical language in 2001? And charitable choice was not simply passed only in 1996 and signed by President Clinton. President Clinton also signed laws in 1998 and 2000 to expand it to other programs. Where again are the horror stories since these laws have passed?

When I talk to my friends in the community action agencies under the Community Services Block Grant, which is one of the charitable choice programs, six hundred and some million dollars a year spent through the Community Service Block Grants that have charitable choice language. Where are the horror stories? When I get out of Washington and I get out in the world where services are provided, when I go to domestic violence shelter, when I go to soup kitchens and food pantries and other places, I've been, you're struck by how these issues have been resolved at the local levels.

The Christians and Jews and Muslims -- grassroots groups that may have faith filled people that are not faith-based organizations and other secular organizations are working well together to provide a tapestry of care and service for our poor. These issues on hiring rights generally never arise. I don't know that I've ever heard it once in a Q and A session, including in Atlanta with thousands of people, of these issues being a problem but they are a problem in Washington because, unfortunately, the faith-based initiative became the battleground over which a number of very important discussions are taking place. My only wish is they weren't taking place holding the president's faith-based initiative hostage in Congress.

The president proposed this initiative with the hope that it would better serve our poor. And the CARE Act, which was introduced February 8th by Senator Lieberman and Senator Santorum, was a blueprint for bipartisan cooperation where groups came together and said let's do two things. Let's provide more incentives for charitable giving so that our poor would have more resources at their service and let's also remove barriers that prevent groups and organizations from even being able to compete for federal funds. Just because you have a religious name, you can be denied opportunities to compete. The Metropolitan Council on Jewish Poverty -- I went and toured their programs in New York City and they said: "When we went to HHS to try to apply, we were told, no, you've go Jewish in your name. You can't apply. You can't apply. This is a church and state violation; a First Amendment violation."

And we heard this from other shelters. You know, if it's John's shelter, you can apply. If it's St. John's shelters, you have a problem. It's ridiculous because the focus

should be on: can you provide a good service or not with this federal money. Can you help touch and turn lives around? And so I think the president's initiative is going to succeed because the majority of Americans know what faith-based organizations and grassroots groups are doing in their communities.

And I'll say something in particular about minority communities. When we go to minority communities and the president has made sure that I go to minority communities. When you go there you realize that if you exclude the faith-based organizations, the little church groups, the little groups that work out of the mosque or that are grassroots organizations, if you exclude them from even being able to compete for federal dollars to provide federal services, you basically are cutting those neighborhoods off from any federal aid. You basically singled out those groups -- because those are the only providers there. Often it's just a little church group up the street that's providing social services. They're the only people there.

And if you exclude them, you've denied access to federal services for those groups. That's wrong. That's wrong. And you bet we're going to these neighborhoods and we're saying those groups should be able to compete to provide welfare to work services or to provide homeless shelter services, addiction and substance abuse treatment services like any other groups and judge them on the merits of their program. Make sure that they don't promote religious belief or practice on Uncle Sam's dollar but let them provide this federally funded service just like secular organizations do.

It's been my observation since I've been here that there are certain groups who've been very extreme in their opposition that are out of touch with mainstream America when it comes to having the public square being faith friendly. They'd like to see the public square have all religious influence removed from it. When the Pledge of Allegiance issue came up in California with the Ninth Circuit Court, to hear critics talking about the statement, "One nation under God" is a violation of the First Amendment, was offensive to most Americans, and you saw Congress the next day gather that morning and shout that part of the oath out, because I think there's a recognition that in America we simply want the public square to be faith friendly; to have a level playing field.

To have the opportunity for a pluralistic society that respects the rights of individuals to believe as strongly as they want in God or to not believe in God at all and for them to be able to espouse that view: that's what pluralism is. It's not a conspiracy of silence where since we can't all agree as Americans on faith matters, that we all agree to shut up. It's a recognition that we have this right to pursue our dreams and our religious views and not do it in a way that's forcing it on other people but also not being systematically excluded from the public square by certain organizations that want to secularize that square and remove all religious influences from it.

But the president thinks that's wrong. He feels that we don't need to fear faith or faith-based groups and feels they should be held to the same standards of accountability like any other groups. And if a group abuses it, they should be singled out and denied the

funds and be subject to the same laws that any other organization that defrauds the federal government receives.

So we feel, I think -- President Bush remains hopeful because he knows that the American people support this initiative. When he goes out on the stump, when he meets with groups, he knows these groups are often engaged very much in the relief of our poor. And that's what they are dedicated to. It's not a Republican thing. It's not a Democratic thing. It's true I'm a Democrat. I'm a pro-life Democrat. There are about 12 in the country. So I don't really have a political home. This isn't about politics, and I think the initiative is still alive in this Congress. It often has shown the attributes of being in a coma but it's still with us and when this Congress comes back in November, we'll continue to work with the legislature, with the members of the Senate.

Unfortunately, there have been one or two senators that have put a hold on the legislation so it can't even come to the floor. Senator Daschle supports it. Senator Lieberman, Senator Santorum, Senator Clinton supports it. Met with her last week. You've got a broad array of Democrats and Republicans supporting the Senate faith-based legislation but one senator from Rhode Island has put a hold on the bill and delayed its being able to even be taken up and considered. That's unfortunate because -- it's not because it's unfortunate from the president's standpoint -- the president is going to pursue this faith-based initiative with Congress, hopefully passing legislation. But he's going to pursue it and do what he can within his powers to move the initiative forward. But the real losers in this and the ones being held hostage are our poor. They are the ones that have been denied access to effective programs often.

I think one of the good and exciting things about the Roundtable and this project is you're going to start measuring the results. I came in and I asked, when I was appointed, give me some of the data. I'd like to know, for example, I asked the Senate directors, how many faith-based groups get contracts? Nobody knows, nobody knows. You're not allowed to ask the question on the form, we're told, because you might get criticized that you're going to use it as a sorting mechanism to favor organizations that are faith-based in the application process. It's insane. The president's going to change that.

We seek to have that information and then we'll be able to identify if a group's faith-based and a lot of groups had to come up with a fake name, come up with something that hid their religious identity. They were told they had to do that to receive federal funds. The president believes there should be transparency in this. If it's a faith-based group, let them apply and they'd better follow the federal rules and comply with federal law which is consistent of course with the Constitution of our country. But we want to be able to have better data, better information.

We want to know if the faith-based organizations are any better or any worse in providing these services. And that's why we are excited about some of the data that's going to come from the Roundtable's project, some of the work that Pew is doing, some of the work that John DiIulio and his colleagues are doing in Pennsylvania. We've got

other universities that are tackling these issues. We need more information. Our poor deserve it. We need to know better about whether these programs work or not.

I think I was told that I could take a question or two and then I think David is going to moderate the panel discussions. Is that right?

RICHARD NATHAN: I'm going to thank you very much for your remarks.

(Applause.)

Whenever I make a mistake, Luis takes care of it and he told you that there are these cards. And so David Wright and our staff will get the cards to me and Jim Towey. I've got some that people have already given us and I will just, in the National Press Club modality, read the questions.

I do want to make one comment about your last point about knowing what's out there. We do have people in all 50 states trying to get at that big subject and the next panel -- so don't leave -- is going to be on that with people from four states talking about so far what we're doing and what we're learning.

First question to Jim Towey. The context for charitable choice expansion had been to include FBOs in social services, possibly fueled by TANF surpluses. But now the environment is different, states are having and are projected to have very difficult budgets and looming deficits. How will this affect potential involvement of FBOs?

JAMES TOWEY: Well, I don't think charitable choice has passed strictly to deal with surplus dollars in TANF. I think that TANF funds -- that's \$17.5 billion, is that right, Bobby, roughly? You know, those are provided every year and they should be provided in contracts and grants to the best organizations capable of providing welfare services. And there should be a consideration every year, not just whether this is the best written proposal or whether the person's a familiar face to the project officer at the state or local level, but whether the project is working or not and whether another organization can step up and say, you know, we've got these resources that we can bring to the table, including a slew of volunteers and other resources. We'd like to be considered to be able to provide that service. And whether there has been a decrease or an increase in state funds or federal funds, we feel that's just a fundamental principle that should be at work.

So I don't feel like the expansion of charitable choice took place strictly because there was a sense that there was a new array of new dollars available. I think it was provided because it recognized that we needed to clarify what Title VII has provided for 38 years and give a little more specific guidance so that groups would know what that entailed.

RICHARD NATHAN: Another question that we'd already been given. What are the prospects of charitable choice language being included within a TANF reauthorization bill?

JAMES TOWEY: I think TANF probably will not be considered this year. They're trying to look at a one-year or three-year extension, looking at a lame duck session, so much of what's going to take place in Congress after the election would turn a lot on what happens on election day. There have been very productive lame duck sessions in the past. I remember President Carter, I think, had one at the end of his term. There have been times when a lot can get done at lame ducks but typically, not a lot gets done. This very paralysis that led to it in the first place isn't cured just by electoral actions.

So I wish that Congress had passed the TANF legislation this year. The president certainly was pushing it and went all over the country promoting it. But unfortunately, for reasons you know well, that didn't take place. So I suspect that TANF will not be considered in the way that the president wanted but they probably will have to extend it at some time. They're going to have some kind of extension because these laws expire. So it's very possible they'll do a one-year extension and have this debate next year.

Whenever the debate does take place, I think you can expect a Charitable Choice amendment. Senator Santorum has promised as much and I suspect that he and others in the Senate will do it and I believe the House will do it because they will say, I think rightly, that it has worked for six years. Where is the record of problems in the six years since it's been on the books? So I think you can expect it.

RICHARD NATHAN: Thank you very much. Another question. What will the Bush administration be doing to encourage state governments to be involved with the faith-based initiative and communities in the faith-based initiative?

JAMES TOWEY: Great question. We will not succeed with this initiative if we don't get buy-in from the state and local officials because about 80 percent of the social welfare dollar is funded through formula grants which then give a lot of local and state authority discretion. So we're going to -- I think the president next year is looking at the possibility of a number of initiatives with governors and mayors in big cities and we're having our own regional conferences. Like I mentioned, we had one in Atlanta, October 10th. The next one is December 12th in Philadelphia. You can go to our website and find out how to get hooked up with that, where we will be providing a lot of education and information to state, local program officers and directors and officials.

We're going to work with the number of groups that are intermediaries with state and local governments so that they get better guidance. A lot of the groups want guidance. President Bush, before the year is out, is going to provide guidance in a booklet on the do's and don'ts of working with the federal government. So that's being finalized and will be available. We're very hopeful Congress will pass legislation this year that will provide through federal law. That is the superior way of doing it and we're hopeful that the Congress takes it up during the lame duck session. And I think that will be very helpful to state and local officials. I heard from some in South Dakota that said we're waiting for this, we need this. And we hear this at every conference. Groups are

confused. We need to provide clarity so they know what the dos and don'ts are in working with the federal government.

RICHARD NATHAN: Can I ask two more questions, if your schedule permits--

JAMES TOWEY: Yes, sir, that would be great.

RICHARD NATHAN: -- two more questions. This is really a parallel question. What will the Bush administration be doing to encourage private sector involvement in the initiative?

JAMES TOWEY: The president talked at Notre Dame in 2001 about a summit that he wanted to hold in the fall of 2001 that would bring together corporate and philanthropic groups to talk about how we can provide more resources from private sources for our poor. Obviously this was sidetracked by what took place September 11. I think there is renewed interest at the White House in following through on that now, and I think you'll see an effort by the president to address that in some fashion next year. Because when we meet with corporate leaders and with heads of foundations and others, and they've taken a hit this year, the foundations, Pew has, others have because of the market, more than ever we need these organizations to consider faith-based groups when they look to grantees.

A lot of times they're afraid of dealing with grantees and so this is too controversial, too risky, because they're going to use this money to buy bibles with it or something. And it's not true. These groups can work with foundations and follow rules just like anybody else. These organizations are capable of following rules and there may be abuses by different groups but I don't think that's a function of faith, and whether it's particular or peculiar of just the faith-based groups.

So we feel like a lot of faith-based groups and small grassroots groups have been discriminated against when it comes to foundation and corporate giving. They often look to put it in places that are risk-free, and we want to give them incentive and cover to do more charitable giving. And the president has been a big friend of the foundations. And in fact, the CARE Act, if it were passed, would mean billions of dollars in new giving through the IRA rollover provision alone. That would make a huge difference in the lives of our poor. It's sitting there held hostage by one Senator from Rhode Island. I don't get it.

RICHARD NATHAN: All right. Final question. With the target audience being the poor, addicts, prisoners, how will substance abuse treatment policy be monitored in regards to credentials to provide treatment?

JAMES TOWEY: I know that issue's arisen. I think that's part of the whole SAMHSA reauthorization that came up, and there's going to be regulations coming out. Obviously you want to have qualified providers providing services. I don't think anybody wants to see organizations getting into the work there that aren't qualified to do

the work, and I know that we're providing guidance for them in SAMHSA regs. This year I believe we'll get them out, so it should provide more clarity. I don't know, Bobby, if you have more specific information on that?

BOBBY: (Off mike.)

RICHARD NATHAN: Before we -- excuse me.

JAMES TOWEY: Dick, I was just going to close by thanking you for the opportunity to be here. David Kuo, the deputy director of the faith-based office, will be helping as we moderate with our experts here that run these centers and do a great job. They have very difficult jobs and are conducting themselves so well in them. And all of you, I hope we continue this dialogue in working together on this initiative. I know that -- and I sit in my office, it overlooks Lafayette Park and it looks at the White House. And for me, if this initiative is not making a difference in the lives of our poor it's a monument to hypocrisy. And so our challenge is to make this make a difference in their lives. And I think what this Roundtable is trying to do and what so many of you do in your day-to-day lives is going to help make a difference in their lives and make this country better for it. So God bless you, thank you very much. Thank you, Dick.

RICHARD NATHAN: Thank you, Mr. Towey.

(Applause.)

DAVID KUO: You all might be curious about why they actually chose me to moderate when Jim was gone. It's just because we look so similar. You can tell me -- I still have the full head of black hair. Well, do you guys want to just move up here? We're going to actually do this like to tell the truth. I was going to do the description, you guys were going to guess, but I guess in the interest of time we won't do it that way.

I will just start here on my left with Bobby Polito. Bobby Polito here is the director of the Center for Faith-Based and Community Initiatives at the Department of Health and Human Services. Bobby is founder and past -- before coming to the center, Bobby was founder and past president of Faith Works International, which he founded in New York City and then founded again in the state of Wisconsin. He is the former executive director of the Bowery Mission Transitional Center and he has a 12-year management career, has sat on several boards of directors and served as an advisor to New York City mayor Rudolph Giuliani.

Perhaps just as impressively, he also has on his finger a ring from the Penn State national championship football team, so it's very impressive. Although, interestingly, Patrick has the same ring.

(Laughter.)

DAVID KUO: Patrick Purtill next to him is the new director of the Faith-Based and Community Initiatives Center at the Department of Justice. Prior to coming to the Department of Justice, Patrick served as president and CEO of the National Council for Adoption, which leads the nation in promoting, yes, you guessed it, adoption. He is also the past president and CEO of the Washington Scholarship Fund, which provides scholarship assistance to low-income students in Washington DC. He holds a Bachelor's and a Master's degree in politics from the University of Dallas.

Seated next to him is Brent Orrell. Brent is the director of the Faith-Based Center at the Department of Labor. Brent has worked in the Senate and on the House side for 15 years, having served as deputy legislative director for Georgia Senator Sam Nunn as well as legislative director most recently for Senator Sam Brownback from Kansas, one of the leading advocates for the faith-based initiative. He also served as AA for Congressman Gil Gutknecht and was legislative director for Senator Dan Coats when Senator Coats introduced the omnibus legislative package known as the Project for American Renewal, which highlighted and sought support for the work of faith-based and community groups around the country.

Seated next to him is John Porter. John is the director of the Faith-Based and Community Initiative Center at the Department of Education. He is an attorney from Pittsburgh with extensive experience working with faith-based and community organizations. He served on the board of directors of inner-city faith -- served on the board of directors of an inner-city faith-based school in Pittsburgh and served as an advocate for quality education for children of all backgrounds. And he holds a law degree from the University of Pittsburgh.

Last, but certainly not least, Steve Wagner. Steve is the director of the Faith-Based Center at the Department of Housing and Urban Development. He before coming to HUD, served as president of QEV Analytics, a public opinion, research and communication strategy firm that he founded in 1996 and that's specialized in international research, public opinion on policy issues and American politics. He was chief of European and Latin American research at the U.S. Information Agency and was political director of the National Republican Institute for International Affairs.

So if you'll join me in welcoming them now.

(Applause.)

I haven't been fully briefed on how best to proceed here, but I think that probably the best thing to do is just to allow everybody a few minutes to provide opening remarks and then we will field questions. So I think, Bobby, we'll start with you.

ROBERT POLITO: Good morning everyone, thanks for inviting me this morning with my friends on the panel here. We get to do quite a few of these things and it's always a lot of fun to do them together. Many of the opportunities that we have is to pull

our centers together, and how can we best coordinate the work that all of our centers are doing.

Jim mentioned our first conference in Atlanta, which was an incredible success and which brought all of our centers together as well as some of our program staff to specifically address the issues pertaining to government contracts and grants, the process that is involved with that, some legal concerns around the obvious issues. So not only are we getting outreach to different organizations, we're also pulling some of our program staff together to do interesting projects so that faith and community-based organizations don't have to come to all five of us separately for funding.

A lot of the ministry type groups and grassroots organizations serve an array of individuals not just TANF recipients, or not just substance abuse folks where the funds are located in my office but they might also do educational outreach and labor issues and so, instead of coming to all five of us, in some cases we've been able to pool our resources and have one point of contact with all five of us. So that's exciting. I won't steal the thunder from my other colleagues, but two of the most interesting aspects that we're doing this year at Health and Human Services is to analyze all of our grants -- we have over 300 grants programs at Health and Human Services. We have 11 program offices and \$400 billion in resources.

So when you're a small community-based organization and you come to my office, you get a little dizzy, as I have been quite dizzy for the last few months in my role. So what we're trying to do is divide and conquer the agency. What programs are natural synergies for faith and community-based organizations and which are not? So in the next few weeks, we're going to publish a report on which programs FBOs should come to for funding. And, basically, we're looking at simply the eligibility criteria in our programs that Congress has set out and when we see the label on the program on the grant that says this is open to all, not for profits, then we know that it's a place where the faith community can apply for funds.

And so we've developed a cute little brochure on this and we've labeled each one of our grants with an icon of a traffic light. A red grant would mean stop, don't proceed. It might mean funding at the Food and Drug Administration or the Centers for Disease Control or one of our program offices that doesn't really look at faith partnerships. Yellow meaning caution or proceed slowly or let's talk about some of these funds. You might have to morph your organization to get the funds. For example, in a lot of our community economic development programs, you have to be a CDC to get the funds. Congress set that out when they appropriated the funds. So, if you're not a CDC, you can't get the money.

Many of you who work in church know how simple it is to apply for your CDC clarification and have CDCs in or around related to your church and then you can come for those funds. So we've labeled those kinds of funds yellow, because you just can't come for those funds. You have to turn yourself, your organization into something that it may not inherently be. And then the last category is green which is open to all

non-profits and the faith community and the grassroots community as long as they have a 501(c)(3) in most cases or in some cases as long as they have articles of incorporation they can apply for those funds. And so it's very helpful when you come to my office to know where to apply.

And then the second question you have to ask yourself is how to apply? And that's a very interesting question. The way that we're addressing that issue this year in addition to these regional conference around the country to explain the grants process on how to apply we have come up with a concept and a program that we all the Compassion Capital Fund and that fund will do a large array of different ideas but two very interesting programs in that fund will be grants to intermediaries. We have selected 21 intermediaries around the country who will help us train and give technical assistance to novice providers to the federal government on how to apply. What are the rules? What are the dos and don'ts? Where are the funds for your specific area of expertise. Maybe it's homelessness. Maybe it's substance abuse. Maybe it's prison re-entry.

Where do you go for funds? You might not go to the Labor Department for substance abuse and you might come to me for prison re-entry. So how do you divide up the federal government so you know where to apply and how to apply? And then the last thing, one of the other interesting things of the Compassion Fund is that we will have our first ever, ever, national faith-based resource center. A one-stop shop so that novice organizations can come and understand: what the federal government has for small providers, how to apply rules, to apply best practices that we have seen -- research practices that have been written up; one place, where we can house all this information and get all of our information out. We have just awarded a contract to an organization to do that for us.

So we're moving and grooving at HHS and those are some of the innovative things that we've done over the last year and now we'll have some traction going into this next new year. Thank you.

PATRICK PURTILL: Good morning everybody. I hope you've all had a good cup of coffee. Hope you don't have to stop for anybody to refill right now. I'm Patrick Purtill. I'm from the Department of Justice. I'm probably the newest-minted member of President Bush's initiative to move forward the faith-based and community-based initiatives. To just give you a little background on the Department of Justice. I think that a lot of us across the centers have been working on a lot of the same issues: identifying barriers that presently exist that need not exist to the inclusion of community-based and faith-based organizations; trying to come up with ways to remove the ones that are unnecessary; to identify programs that are natural tie-ins for smaller local organizations to be able to deliver the serves that the federal government is already trying to do; and to better reach out to the communities that need that help.

The Department of Justice is actually one of the smaller areas -- we don't have as many grant programs going forward as Bobby has at HHS. But I do want to touch on one of the things that Bobby had said about coordination between the centers because I think

that's something that there has been an enormous amount of progress made on. And trying to ensure that, when you've got this entire tapestry of services that are dedicated towards the poor, dedicated towards, say, one example is prisoner re-entry. When you've got a prisoner who is trying re-enter after his incarceration he might have a number of different needs. And there are a number of different federal programs which can help him in his transition back into the community, whether it's job training, whether it's drug rehab, issues with housing, transitional living.

So one of the things that the initiatives have tried to do -- and it was done before I came in so I get to say how great it was without taking any credit for it -- is an initiative called the going home initiative which is a cooperation between the Department of Labor, Housing, HHS and the Department of Justice on precisely that -- prisoner re-entry back into the community ensuring that you've got that one point of contact. You're trying to deliver to narrow down all of the services that will help that person succeed to make that transition successful.

We know that the rates of recidivism are high. It's a great problem for us as a society as a whole and certainly something that you want to try and address in that individual's life if you're really going to try and make a difference for him as he's coming back in. So those are some of the things -- that's to give you a little slice, a little flavor of what we're trying to do across the centers. The Department of Justice is made up essentially -- we've got three areas where DOJ is tasked with administering grants that have tie-ins with organizations, both faith-based and local organizations. The vast majority of them exist in the Office of Justice Programs, which is broken into five or six different program areas.

That's where the lion's share of the work of the Department of Justice does in serving the needs of core -- in prisoner re-entry, at risk youth, violence against women, the victims of crime. That's where all of these offices are headquartered. We've done a lot of work with them. I'm looking at the programs that they have and trying to come up with, once again, kind of innovative approaches to the problems that they've been trying to solve for years. Not trying to change what they do at all, but to try to change the mix of people who are able and aware of what Justice is doing, because there are a lot of groups out there that have been working in these areas for a very long time, have at least made a lot of progress in their local community level. And there's a lot that we can learn from what they've done. So trying to reach out to them and get them involved in the process and get them involved in the process on something that they're already doing, something that is already what their mission is.

We've also -- under our prerogative, we look at the Bureau of Prisons, and we look at some very, very discreet programs over at INS but that's kind of a very, very, very quick view of what we do. We've spent a lot of time in the first year and a half really learning the programs. We've been tasked by the president through the executive order to do what's called an audit or a survey of the programs that already exist within our different departments, trying to once again look for areas where it would just make

logical sense that faith-based organizations or community based organizations might be natural fits for programs and goals that the government has already established.

That has actually taken an enormous amount of time because a number of these programs are very large but it's something that, I think, long term is going to bear a great deal of fruit. And that also helped us identify areas where there were barriers to the inclusion of these groups which were unnecessary, were not statutorily required, had no real basis there other than that we did it in one program so we just did it in all programs. So things like that that were easily removed that had kept a lot of organizations from being able to acquire, being interested in applying and just weren't conducive either to the goals of the program or to reaching out to service providers.

So that's just a little flavor of what's going on over at Justice. We've got some other programs. We're really trying to focus on prisoner re-entry. We think that's a very important issue that can make a very large difference and it's something that the president has been passionate about for a very long time. He's seen the difference that that can make in people's lives and it's something that he wants to pursue and see what can be done, what's the art of the possible, so to speak. What exists out there already and how can we match up service providers who are already trying to help these gentlemen with programs that are already there with the same goal.

So I'm going to move on fairly quickly and turn it over to Brent so that there's time left over for questions but that's just a little taste of what Justice is doing.

BRENT ORRELL: Thanks, Patrick.

I'm Brent Orrell, and I'm the director at the Center for Faith-based and Community Initiatives at the Department of Labor. I came on just over a year ago and we set out for ourselves two basic goals. The first was to empower faith-based and community organizations and meeting employment and training needs in their own communities. And the second goal was to launch pilots and demos that create innovative partnerships between faith-based and community organizations and government at the local level. So I want to run through about four or five things that we -- projects that we've launched that have attempted to give some life to those very broad goals.

First is a package of grants that the department issued on June 30th of this year. It was \$17.5 million. It was targeted at creating linkages between the faith-based and community organizations, the small ones at the grassroots level and the Workforce Investment Act System. For those of you who are not familiar with Workforce Investment Act System, it is the main federal job training support program, about 85 percent of all of our dollars flow out of that program down to the local level through formula grants. So what we wanted to do since that's where most of the activity was, was in WIA and its local manifestations called the workforce investment boards and the one stop system, was try to use these grants to start partnerships between the WIA system and faith-based and community groups.

About \$10 million of this package -- about \$12 million of that package out of \$17.5 million went to states. They came to us with proposals for entering faith-based and community organizations in their systems. About \$5 million went to intermediaries, very much like what HHS has done in the Compassion Capital Fund. We went one step further. What we told the intermediaries was, what we want you to do is not just provide technical assistance and training but actually also be passing through resources to faith-based and community organizations.

So those intermediaries have issued RFPs that are making small grants -- \$5,000, \$10,000, \$15,000 -- to small faith-based and community organizations that are working in the area of workforce development and job training. And then finally, we did a very small pilot, \$500,000, to do 20 \$25,000 grants directly to small faith-based and community organizations that are working in the area of workforce development and job training because we wanted to see what we could do in terms of making it easier for small faith-based and community groups to apply for and manage federal dollars.

One of the main obstacles that we identified in our audit was simply that the Department of Labor gives out grants in very large dollar figures and there is simply no way for a small organization to manage even a \$500,000 grant. That's just too much money and so what we wanted to do was to see if we could break the grants up into smaller pieces and then compress as much as we could the applications and reporting requirements. There's some things that everybody has got to do and there are some things that for small grants we have more flexibility. There's a 1994 statute that gives us substantial flexibility with smaller grants in terms of shaping administrative requirements.

So those are ongoing. Those are one year projects. Our first quarterly reports on those grants are due in about a week so we're very interested in finding out what the grantees are actually doing and the documentation they're going to be sending back. We're also going to be visiting -- doing some site visits with those.

The second and I think this is really for the long term, probably the most important project that we've undertaken, is something that we're calling, for lack of a better word right now or lack of a better term, we're calling it the Workforce Investment Board Integration Project.

What we've done is we've assembled an outside team of experts to work with us and two workforce investment boards around the country to actually walk through the process of making faith-based and community groups full partners in the delivery systems. Those sites are in Memphis and in Milwaukee, Memphis, Tennessee and Milwaukee, Wisconsin. And the idea here, again as I said, is to actually provide very intensive technical assistance to those two boards to create the kinds of partnerships that we're trying to create at the local level between faith-based and community groups and local government.

We've got this outside team that's working with these folks and of course, our offices and we're going to be -- the work product that we're hoping for from this is a curriculum, a technical assistance manual that we can take to other workforce investment boards around the country as a model for how to begin the work of bringing faith-based and community groups in. It's very interesting, when you talk with faith-based and community group leaders at the local level, they say one of two things about the workforce investment boards: "What's a workforce investment board?" They have absolutely no knowledge of what this infrastructure is even if they're working in job training. Or, they say that these workforce investment boards are not open to new partners. And we're trying to get at both of those barriers as perceived and real barriers, I think.

The third project that we've launched is something that we're calling Ready for Work, which deals with ex-offender employment. We're working closer with the Department of Justice, the National Association of Blacks and Criminal Justice, Prison Fellowship and the National Jobs Partnership to convene at the local level partnerships of business, faith, community and criminal justice entities strictly focused really on the employment side of this equation. We can't recreate Going Home. We're not trying to recreate the Serious Violent Offender initiative that DOL and DOJ are funding but we do want to try to strengthen the mentoring side of reentry with this project.

What we hear from employers is -- what I was hearing from employers, you know, is, "We just can't work with people who have felony records. It's easier just not to work with that population." So we convened as the preliminary to this project a series of focus groups in Chicago, DC and Jacksonville, Florida with employers to get a better understanding of what it is that's creating this problem of their unwillingness to work with people who have felony records and, more importantly, to ask them what would it take, what would make it easier for you to hire and work with ex-offenders? And we got some very interesting answers.

Two things they want, employers were telling us. They want a full understanding of what the person did before they make a commitment to hire. Second thing that they want is a commitment from faith-based and community organizations that are going to walk alongside that person as they begin to transition into employment, somebody to act as an interface between the employer and the ex-offender to be on call, if there is any kind of problem. We watch this project in kind of an initial city -- we're calling it not uncertainly a model but an initial city in Jacksonville, Florida, where we've gotten a group of employers to say, "Yes, we will take people with felony records if you will provide them with community and faith-based support." And we're hoping to build that model in Jacksonville and then take to other cities around the country.

Real quickly, Luis, you mentioned international stuff, that the Department of Labor has the International Labor Affairs Board. We've been working with them extensively on outreach and faith-based and other non-traditional NGOs working overseas. And we've gotten a couple of contracts issued out of ILAB, one to a group called International Justice Mission to fund a sex trafficking mitigation program in

Thailand, a second one to a group called Jesus Cares in Zambia, that's doing child labor. So it's really permitting us to help introduce the International Labor Affairs Board, which had a very restricted universe of grantees up until now to some faith-based organizations that are doing some significant work overseas.

And then finally, I just wanted to say that, starting today and for the next four Wednesdays, from 1:00 until 4:00 we're hosting at the Department of Labor training and technical assistance sessions for faith-based and community organizations that want to learn more about how to apply for and manage federal funds, also to get assistance with strategic planning and a number of other things. And we'll have some fliers out on the table out there about that and some samples of materials that we produced which explains some of the initiatives that I talked about in greater detail.

Thanks.

JOHN PORTER: I'm John Porter, the director at the U.S. Department of Education Center for Faith-based and Community Initiatives and the goal of the center, as is set forth in our Government Performance and Results Act strategic plan, that is submitted to Congress -- part of this whole statutory framework for better management of federal resources -- is to leverage the contribution of faith-based and community organizations to increase the effectiveness of the department's program. President Bush signed into law the No Child Left Behind Act at the beginning of this year with the goal of closing the achievement gap between low income children and well-off children, better to do children in the realm of education.

We launched our effort by doing a study of the barriers, as everyone else did, and we found that the key barrier was a combination of faith-based and community organizations that have been providing educational services, after school programs, tutoring, mentoring and many other activities for a long time in the cities. They've been doing a good job and effective at that. However, they lacked the savvy to navigate the federal grants process which is often very complicated and difficult for novice applicants to navigate. Now we've been criticized as trying to bring in a bunch of inexperienced people. What we're talking about is not inexperienced people in terms of helping children learn but the people we're trying to help are inexperienced in navigating this grants process.

Many of the career program staff people have told me that they see a lot of very slick grant proposals written by hired guns, and, in fact, sometimes in any given grant competition these hired guns will write these proposals for six or seven different groups that have submitted for the same competition and they all look the same. But the problem with these slick grant proposals is that they are often not owned by the organizations, that they don't arise out of the community, out of the group's own sense of mission and realistically what they can accomplish and they are a formula for failure because then the group can't carry out all these platitudes that are put forth on the glossy pages of the slick proposal.

We found, though, that we have a very low participation rate by faith-based and community organizations in these programs at the Department of Education. As Jim Towey said, we don't have the means to track that precisely. But what we did was we went back and looked through a sample of applications and looked at the names to see if they were faith-based and community groups and came up with a very rough idea that only 2 percent of the funding had gone to faith-based and community organizations. So we focused our mission on training, outreaching and equipping and empowering faith-based and community organizations to be able to navigate this grants process and have an equal opportunity to receive funding.

Now, with the No Child Left Behind law that President Bush signed into law at the beginning of this year, with bipartisan support in Congress, there are a couple of very exciting opportunities for faith-based and community organizations to be of service in these areas of critical need. And that is this new law provides for tutoring services for low income children who are in schools that are designated as needing improvement under the new No Child Left Behind law. So we're out actively recruiting, training and encouraging faith-based and community organizations to apply to the states to become eligible providers. And what we're seeking to fill is a dire need for highly qualified providers.

The law also permits for-profit entities to provide these after school tutoring services and they tell me that there is no way that they can meet the need that's going to be out there for these supplemental services. The Department of Education estimates that, as of now, approximately 7,000 schools in the United States are designated as needing improvement and that number is going to increase dramatically as the law goes into effect and takes effect over the years. There's going to be a tremendous need in the cities and in rural areas for these services. So we're trying the armies of compassion, many churches and synagogues and community organizations who have retired teachers in their midst who may volunteer to provide these services and other things.

Now to get that word out, we, the Department of Education, had six conferences beginning last fall and we had over 3,800 people come to those conferences. We have a website. We have written materials. We meet with groups, one on one. We try to facilitate the contact between the program people who know the particulars of the program and faith-based and community organizations and encourage those program people to provide the services.

The other opportunity is in the after-school program, a full-blown multifaceted after-school program known as the 21st Century After-School Learning Center Program. President Bush made sure that that statute opened up eligibility for that program to faith-based and community organizations as well, and now they may directly apply to provide those services. So we're trying to replicate the same kind of technical assistance and outreach that we have in those regards.

There are several other things that we're doing but I'd say we focused our efforts on technical assistance, outreach training and recruitment because, if we really are going

to close this achievement gap and Secretary Paige under the leadership of President Bush is very committed to doing that and has us working hard on that task, we really need the faith-based and community organizations who are in these communities to step up and provide these services and now they have the opportunity to get the resources. So we're hoping to make that a reality and really make sure that there is no child left behind in America. That's what we're about at the Center of Education.

STEVEN WAGNER: The proceedings of this wonderful event will reflect that, even though everything was said and done, Mr. Wagner nonetheless took the microphone and said it one more time.

(Laughter.)

Like the other centers, our goal is to facilitate the participation of faith-based and community organizations in the mission of HUD. My criterion of success is more organizations providing more services to help more people. That is distinct from delivering grant funds. We think, historically, there are four aspects of the HUD mission that these faith-based organizations are most interested in participating in. Homeless assistance has a long tradition of faith-based participation in the homeless assistance arena and the secretary of HUD, Mel Martinez, has articulated the goal of eliminating chronic homelessness by the end of the decade. We cannot hope to approach this goal without the active participation of the faith community.

Two, the promotion of home ownership. President Bush has said he wants to see 5.5 million new minority home owners by the end of the decade. This is a classic church basement kind of activity, getting people ready to own their own homes and, in fact, our center has prepared a brochure on 10 things your faith community can do to promote home ownership. Third, affordable housing, another area of long participation by faith communities in HUD programs. This includes the Section 202 and 811 multi-family construction grant programs, the shop program which supports Habitat for Humanity-like sweat equity projects and others.

And finally, the fourth area: providing services to the residents of public housing. And this is an area that's rather more new, but one that I think has tremendous potential for the future. I think you've heard up here two really interesting strategic directions that have emerged through trial and error or by practical experience. One is the emphasis on capacity building. That really, I think, is the name of the game. If the goal is more groups providing more services to help more people, the issue is how do we empower them to do that? How do we help build their capacity? And we have to be conscious of the continuum of organizational development. There are a lot of groups out there that aren't yet ready to apply to the federal government for grants directly.

The second strategic direction is this emphasis on intermediaries and Bobby's led the way with the Compassion Capital Fund. I think that's tremendously promising. Like the other agencies, HUD sees 90 percent of its money go right out the door to entities of local and state government. The key to the success of our efforts will be to allow access

to our block rent monies administered by local entities of government. And to that end, like the other agencies, we're interested in doing pilot projects which will demonstrate to these local government officials the capacity of the faith community to help them achieve their mission.

We have some really interesting developments in the arena of public housing going to housing authorities at the local level and showing them what the faith community can do to help improve services for the residents. We're working in the homeless assistance arena, the continuum of care, to create incentives for our incumbent homeless assistance providers to bring new groups into the mix and we have some interesting initiatives in the arena of home ownership.

RICHARD NATHAN: Right. Thank you. I'm just going to intercede a minute to say we're going to go 11:20 which doesn't give much time. We want to keep on schedule and I've asked David to ask the hardest questions of one person each to answer so that we can get some reactions to the things that you've put on the cards that we have up front here.

Thank you, David. Thank you very much.

DAVID KUO: Thank you, and we do have a lot of tough questions here. I think the first one is probably the toughest. We love your ties. Where did you get them? No.

(Laughter.)

I'm going to assign questions to each of you guys then if you go too long, I'm going to cut you off. It's not personal but they'll throw me off the stage otherwise. When the president issued the first executive order, a White House spokesman said the faith-based initiative offered no new funds. That it merely sought access to existing funds. How can there be an expansion of faith-based social services without more federal funds and what new funds are in the FY 2003 budget?

Bobby.

BOBBY POLITO: I think I should put my helmet on for this one. The first answer is Father's Day. I get all my ties on Father's Day. The question about new funds. The Compassion Fund which was in the president's 2002 budget request is new funds not directed specifically through the faith-based office but directed at one of our program offices, the Administration for Children and Families. So, as you will hear from the five of us, there is no programmed dollars in the department's faith-based offices. But our job is to coordinate, in my specific office, the 11 program offices that do handle all the grant making functions.

In 2003 in our department, the new dollars that have somewhat of a faith label have been the mentoring of children of prisoners which was passed in our safe and stable families bill. That is a program designed to do just that -- mentor and come along side of

the children whose parents are incarcerated. We are also hoping to fund second chance maternity group homes. So there are new dollars that are coming under the president's faith-based initiative. It's not targeted to faith-based, but it's new. And so in our new programs we are seeking to involve novice to the federal government applicants to see new and innovative programs being designed and we're also doing some research on some of those programs that are existing now.

There are programs out there that are mentoring the children of prisoners and obviously the second chance maternity group homes. So we also asked for an increase in funding for the Compassion Fund from a \$30 million fund to a \$100 million fund for FY03.

DAVID KUO: Great. And if I can just sort of exercise a little of the moderator's prerogative here: In Atlanta last week or two weeks ago we issued a booklet, and it's also available on our website, that pulls together 100 different programs that are eligible and friendly to faith-based organizations totaling more than \$50 billion. I mean this question of new funds versus old funds is really, I think, not the right question. The question is what's the total universe of funds that are available to these faith-based groups and having more than 100 programs worth more than \$50 billion that are now open to faith-based groups as the education campaigns proceed and as the information is made more available and as the technical assistance is available is a significant step into leveling the playing field and creating an open environment for these groups.

Next question. The Bush administration says it wants to establish a level playing field for religious providers of social services but the administration also supports special protections for the religious character of these providers, including exemptions from laws that apply to other social service providers. Isn't the level playing field an inapt way to describe what the administration wants? Steve--

(Laughter.)

STEVEN WAGNER: I'm not aware of any special provisions that we're working on in my department that would allow faith-based organizations to have a competitive advantage over other organizations. We are pursuing an environment of complete neutrality. I want to stop asking if an applicant is faith-based or not because I don't think that's relevant. The problem is in my department we do ask and you're at a disadvantage if you're a faith-based organization.

Jim addressed the issue of rights that faith-based organizations enjoy under the Civil Rights Act. That's the only time Congress has spoken to that particular issue, and I suspect the asker of the question had that in mind. To the extent that we respect congressional intent, it would be to go back to the rights that faith-based organizations enjoy under that act.

DAVID KUO: Great. Brent, I'm going to give you a heads up on this one. To what extent do you believe that current law allows or prohibits employment

discrimination based on religious identity or religious tenets by faith-based organizations receiving government funds and why?

BRENT ORRELL: Well, speaking from the perspective of the Department of Labor, the Workforce Investment Act statute is very specific on this point of discrimination both in hiring and in provision of services. You're not allowed to do it on the basis of religion. Effectively, in the workforce investment act faith-based groups that enter into a relationship with the Department of Labor or with federal dollars handed down through the formula grants have already given up their Title VII exemption.

They're not allowed in hiring a particular -- to make any distinctions about faith background of the people that you're thinking about hiring, at least for the purpose of executing those contracts. It doesn't affect your entire investigation. But if you require for a Workforce Investment Act contract, anybody you hire to carry out that contract you cannot discriminate on the basis of religion.

And certainly when I talk with groups on the provisional services side, I just tell them it's -- you can't do it. And you cannot tell somebody that they are not eligible for services through a federally funded program because they do not sign up to your particular creed. Your job is as social services providers. The dollars need to be spent on social services and not religious services.

DAVID KUO: Great, thanks.

What is the administration's position on mixing tax funded activities with religious ones? How will the administration monitor these matters? Patrick? The tough one for you.

PATRICK PURTILL: I get the easy one.

Well, I think that the administration's position is exactly what exists in the current law, is that we've got court precedent that tells us what is -- what can and can't be done by religious organizations, that you cannot use federal funds for anything that advances a strictly religious purpose, whether it's proselytizing services and things along those lines. And then the provision of funds -- have to be used specifically for the purposes for which they are intended, which is the delivery of social services.

DAVID KUO: Great, thanks. What does the absence of legislation passed by the Congress and signed by the president prevent you from doing? John?

JOHN PORTER: As Jim said, passage of the legislation would provide authoritative federal guidance about a level playing field. We make it very clear, that would be a powerful tool in working within a bureaucracy to say that this is the law. So we need the legislation to make that very clear.

I think, on the other hand, if a program statute defines community based organizations or non-profits as being eligible to apply and they meet all of the statutory requirements, to exclude a faith-based organization simply because it is faith-based on that point, would be to engage in religious discrimination. And so we're not -- we're interested in a level playing field where there's equal opportunity. The legislation would help us make that clear, but I think under the correct understanding of the Constitution, faith-based community organizations are eligible where federal law does provide that they are, that they meet those requirements.

DAVID KUO: Great, thanks. The president often says that faith changes lives. Will the government fund drug rehabilitation or other ministries that encourage reliance on the Gospel, for example, to rehabilitate? Who wants that one?

(Laughter.)

Three, two, one... Brent, you looked up --

BRENT ORRELL: Again, I think that in terms of what actually happens on the ground, all right, there's a lot of -- inside the Beltway in Washington, there's a lot of very abstract debate about the establishment clause and First Amendment considerations and proselytization. And when you actually go to the local level and talk to organizations that are providing services, the picture is quite different. The picture at the local level is organizations are there to serve and they invite people in to receive what they have. They are extremely, in my experience, extremely circumspect about proselytization in the context of providing services. They work very hard at living out what the Gospel tells them about providing those services, which is to place that person, that whole person first. To respect the integrity of their beliefs, whatever those beliefs are that they come into the building with.

What I tell them is, if you're going to offer a Bible study in association with your computer training class, it's got to be voluntary, it's got to be separated by time and place from your social services and there can't be any element of coercion. And I think, as I said before, coercion is -- it's bad in any context but it's particularly bad in terms of if you are interested in propagating a religious message, coercion is especially bad. And the groups get that. The people who are providing the services, they are not there to coerce anybody.

DAVID KUO: Great. Since Congress has not yet passed the faith-based initiative legislation, by what authority are grants being made through the various executive branch, faith-based offices, churches and other religious organizations for operations as opposed to technical assistance, which was the stated purpose of the Compassion Capital Fund? Bobby, would you like to --

BOBBY POLITO: I'll take that one. Well, again, our offices aren't grant-making authorities so we don't have any authority to give a grant out to anyone. Our program offices have all the authority to give out grants based on a competitive system and the

authority comes from Congress. In several of our HHS programs we have a mandate on charitable choice. But others, when Congress has deemed a program open to any and all non-profits, that's where faith-based organizations have contracted and granted with us in the past and that's how they will in the future.

DAVID KUO: Brent, follow up?

BRENT ORRELL: I'm sorry, on the previous question, I forgot to mention the General Accounting Office just published a report on implementation of charitable choice and welfare to work TANF. What they found in that report was zero evidence of coercion or proselytization going on in these -- under charitable choice, zero. There were literally no complaints reported. Again, I would just stress that the picture on the ground is very different often than the picture that we're presented with here at the policy level.

RICHARD NATHAN: Can you ask one more question, David?

DAVID KUO: Sure. Last question.

Is the assumption being made that part of the success of congregational programs is hinged on the use of volunteers? Steve?

STEVEN WAGNER: Well, I would say that a very important comparative advantage of faith-based organizations is the leverage that they bring to the table. They have a special motivation in many cases and there are other attributes that make them attractive, but the main thing is leverage. And most of HUD's competitive grant programs actually award points for the leverage that the recipient organizations are willing to bring to the table. So, yes, the extent of engagement of volunteers is an extremely important aspect of their comparative advantage.

DAVID KUO: I just want to thank each of you for being here and for your time, and I just want to close with one general thought. Long before the president was president, he gave a speech in Indianapolis, Indiana, called The Duty of Hope. In that speech he said, "In my future administration, if there is one, at every turn, when we look at social problems, we will look to churches and charities and corporate foundations and community groups to solve America's social problems." He carried through on that promise when he created the five faith-based centers at the five biggest and most important social service agencies in the federal government and when he created the White House office.

I think what you've heard this morning from Jim and from each of the directors is this is very much a work in progress. We're trying to figure out the answers to what are very difficult and complicated questions. There are certain things that are absolutely black and white. Government funds will never go to proselytization, evangelization, worship and instruction. That's clear. Everybody agrees on that. But where that line blurs and what sort of moral messages and faith messages are allowed in these social service programs is still something that's very much up in the air. There are still these

questions and other questions that we didn't have the time to get to, significant issues that need to be debated and discussed. We hope that that's what we were here to do, to provide a perspective to try and move this forward and we are ultimately thankful for this Roundtable and for the work of Pew in helping to drive this debate and discussion forward. So thank you all.

(Applause.)

RICHARD NATHAN: Before anybody goes, let me say on behalf of the Roundtable, David has been very good in helping us get ways to ask questions and work with federal officials, and we thank you especially, David.

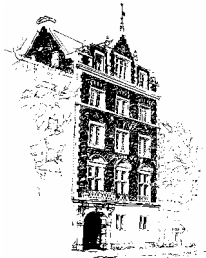
Let me also mention that this is being webcast live -- this is being videocast on our website, and there will be a transcript because there were a lot of things I heard people say that I'd like to think about and we will be in a position to share that with you.

Thank you very much to all the panelists. And I'm going to, as the railroad conductor here, say rather than a break where everybody goes away and doesn't come back for a while, I would like the people on the next panel, which looks at the state level at how this plays out in the country, to come up now, and I'd like to ask you not to make this a break where everybody goes away, because it's too hard to get you back and we're already a little bit off schedule. So I'm going try to hold this to a very short interval.

(Program Break.)



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