



Charitable
Choice
Workshop
Participant Manual

State TANF Offices and the Faith
Community Working Together

ACF Region VII

August 2001

**RAPID RESPONSE
TECHNICAL ASSISTANCE PROJECT**

**CHARITABLE CHOICE WORKSHOP
STATE TANF OFFICES AND THE
FAITH COMMUNITY WORKING TOGETHER
August 23-24, 2001
Kansas City, MO**

**U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
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OFFICE OF FAMILY ASSISTANCE**

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GOALS OF THE CHARITABLE CHOICE WORKSHOP ACF REGION VII – AUGUST 2001

This workshop will provide valuable information regarding the Charitable Choice provision of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) (Public Law 104-93). Examples of ways in which States and faith-based organizations are currently partnering to provide services to welfare recipients will be provided. These examples are meant to stimulate group discussion on ways your State can also partner with faith-based organizations to provide services to this population.

At the conclusion of this workshop, participants will understand:

- The Charitable Choice provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996
- Services provided by the faith community to the TANF population, including populations they target and how the populations are reached
- Promising practices for effective collaboration between States and faith-based organizations, and how to apply these lessons to their own State.

In addition, participants will be informed of:

- Advocates' opinions regarding collaboration efforts
- Opinions of clients who receive these services
- Litigation that is recent and on-going
- Ways to collaborate with faith-based and community-based organizations
- Resources for obtaining information about collaboration with faith-based and community-based organizations

CHARITABLE CHOICE WORKSHOP
ACF Region VII – August 2001
PARTICIPANT MANUAL TABLE OF CONTENTS

Methodology _____ **1**

Introduction: What is Charitable Choice? _____ **3**

The provisions of Charitable Choice changed the landscape of social service delivery in the United States by placing faith-based organizations on an even plane with other nongovernmental contractors. This section, presented in three parts, outlines the history and provisions of Charitable Choice, details the challenges and opportunities surrounding its implementation, and looks forward to the remaining topics for discussion in the workshop.

Spotlight on States: Common Themes and Lessons Learned _____ **15**

States have achieved varying levels of implementation with respect to Charitable Choice, and examples of some promising practices from specific States are presented in Section 3. Before focusing on the individual States, however, this section will outline some common themes and experiences shared across the States. Following this section, each State and partnering FBO are highlighted.

Spotlight on States: Louisiana and Total Community Action, Inc. _____ **20**

Spotlight on States: New Jersey and the New Community Corporation _____ **28**

Spotlight on States: Wisconsin and the Society of St. Vincent de Paul _____ **35**

Spotlight on States: Indiana and the Campbell Chapel African Methodist Episcopal Zion Church _____ **43**

Spotlight on States: Texas and the Lutheran Social Services of the South _____ **56**

Reactions of Advocates _____ **72**

Advocates play a critical role in both policy development and implementation. The ideas, concerns, and practices espoused by a cross-section of advocates are presented in this section. The intent of the section is to illustrate the various positions held in an effort to assist States in preempting challenges and achieving successful implementation.

Litigation Regarding Charitable Choice _____ **81**

The legal challenges brought in response to the implementation of Charitable Choice are extremely illustrative and educative for States. By understanding the issues surrounding the legal challenges, States can more clearly identify, and thereby avoid, potential pitfalls. Presented in this section are four legal challenges related to Charitable Choice.

Appendices _____ **84**

Appendix A: Questions and Answers Regarding Charitable Choice _____ **85**

This Appendix provides a comprehensive listing of frequently asked questions and answers regarding Charitable Choice and is reproduced here with the permission from the *Center for Public Justice*. States will find this section useful in clarifying the provisions of Charitable Choice to both policymakers and the general public.

Appendix B: Resources Related to Charitable Choice _____ **95**

Appendix B contains selected resources to aid in the implementation of Charitable Choice. It includes Web sites, directories, research, and organizations that can serve as useful tools in achieving full implementation.

Appendix C: TANF Lexicon _____ **105**

This Appendix provides a glossary of key terms surrounding TANF and Charitable Choice.

METHODOLOGY

The research team employed several methods to obtain the information presented in this report. Careful review of several published works facilitated the identification of States with strong reputations for faith-based cooperation. Further analysis enabled the research team to narrow the original interview list to the five States presented here: Louisiana, New Jersey, Wisconsin, Indiana, and Texas. Information on State and faith-based initiatives was collected via telephone interviews with prominent stakeholders at both State agencies and faith-based organizations.

The interviews were conducted in late June and July 2001. Additional Web-based research yielded information on the legislative and programmatic histories of several States as well as Department-level initiatives undertaken at the Federal level. The research team is indebted to the State officials and faith-based organization personnel who participated in the interview process.

INTRODUCTION: WHAT IS CHARITABLE CHOICE?

The provisions of Charitable Choice changed the landscape of social service delivery in the United States by placing faith-based organizations on an even plane with other nongovernmental contractors. This section, presented in three parts, outlines the history and provisions of Charitable Choice, details the challenges and opportunities surrounding its implementation, and looks forward to the remaining topics for discussion in the workshop.

The Charitable Choice provision opens the doors for new partnerships between States and faith-based organizations (FBOs) to service those in need through a variety of funding streams. This section will provide an overview of the provision, and information regarding implementation of the legislation by Federal and State agencies.

1. Overview

Understanding the specifics and the historical context of Charitable Choice is critical to understanding its implications. To that end, this section highlights the important aspects of the legislative climate surrounding Charitable Choice and identifies some key features of the provision. Answers to frequently asked questions regarding Charitable Choice from Center for Public Justice can be found in Appendix A.

National Picture

On August 26, 1996, President Clinton signed the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), creating Public Law 104-193. The provisions of this welfare reform package reflect the growing consensus that States and localities are the proper loci of control for many social programs. As such, the Act devolves the operational authority for welfare programs to States while maintaining policy authority at the Federal level.

One example of this type of devolution is the replacement of Aid to Family with Dependent Children (AFDC) with Temporary Aid to Needy Families (TANF). The TANF program’s block grant system is a means of encouraging States to develop the service menus and run the welfare programs most effective for their specific clientele. The TANF Block Grant allows States to provide temporary cash assistance to needy families. States have great flexibility in designing their welfare programs provided they are “reasonably calculated to accomplish the purposes of TANF.” State plans must have clear “objective” criteria that are both “fair” and “equitable” in determining eligibility and benefit levels, and must clearly explain client appeal rights.

Cooperation with nonprofit organizations is much more consistent with the objectives of TANF than AFDC, and the reform legislation encourages such partnerships. Specific legislative encouragement is given to the development of partnerships with nonprofit and faith-based organizations. The provisions of this cooperation are described as “Charitable Choice.”

Charitable Choice Background

“States have the option of supplying the services themselves or contracting with non-governmental providers. But if they turn to outside providers, then they must follow the Charitable Choice rules.”

-Stanley Carlson-Thies, Center for Public Justice

Introduction: What is Charitable Choice?

Section 104 of P.L. 104-93, *Services Provided by Charitable, Religious, or Private Organizations*, is commonly known as the provision establishing “Charitable Choice.” §104 applies when governments choose to contract with non-governmental organizations for the provision of social services. §104 prohibits a State from using Federal monies to purchase services for clients of such programs as TANF, Medicaid, SSI, and Food Stamps¹ from discriminating against religious or faith-based organizations (FBOs), or other community-based organizations (CBOs), in the contract competition, or procurement, process.

Specifically, the legislation requires that FBOs be allowed to compete for contracts with the State “on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program” (§104a2a). That is, if a State chooses to contract with nonprofit organizations for the provision of social services funded in any proportion by Federal monies, faith- and community-based organizations must be fully considered as equal competitors for such procurement contracts.

Key Issues of Legislation

Section 104 legislates the competition for *Federal* welfare dollars. It has no authority to instruct States on the usage of *State* expenditures for welfare programs. Specifically, while faith-based organizations may not be excluded from consideration for involvement in contract or voucher-based service provision paid for by Federal dollars, no such protection exists for the expenditure of State dollars. If State and Federal funds are blended, the Federal requirements apply to both Federal and mixed State funds. If it so desires, however, the State retains the capacity to separate State from Federal welfare dollars, thereby exempting State dollars from the Federal statute.

Funding Options

Section 104 establishes two types of fiscal relationships between States and nonprofit service providers. States may either (1) “contract with organizations,” or (2) establish “certificates, vouchers, or other forms of disbursement.” In the first instance, States pay providers to deliver specific services. In the second case, the State furnishes a client with a voucher that is redeemable for services from any eligible provider.

Protecting Clients

When contracting with nonprofit providers, or using vouchers redeemable thereto, the State must endeavor to protect the rights of both service providers and recipients. FBOs contracting with States are prohibited by *subsection j* from using any Federal funds in “worship, instruction, or proselytization.” Therefore, a faith-based organization may not require participation in a religious service by a service recipient, nor use Federal dollars to promote its particular religious position in any way. In a voucher system, however, no such protection is needed, as Federal funds do not flow to the FBO directly.

Likewise, the beneficiaries’ right to choose must be protected. This right to choose is a fundamental part of the voucher system. However, in a service contract system no such protection exists. Therefore, §104(e) requires that any eligible individual who objects to receiving services from an FBO must be provided with another secular option for service

¹ Charitable Choice applicability to Medicaid, SSI, and Food Stamps is limited to the extent to which these programs can be effectively managed by the States contract vehicles or voucher systems with nonprofit organizations.

“Charitable Choice...reflects the prevailing commitment to neutrality and nondiscrimination...is carefully designed to ensure the religious liberty of recipients of services...[and] also preserves government accountability.”

-President George W. Bush

“Charitable Choice recognizes that a faith-based organization that is unable to select employees who accept its faith-shaped social-service mission can not long remain viable.”

-Center for Public Justice

delivery (often referred to as the “alternative service” provision).² The legislation requires that this alternative service be of at least equal value to that available from the faith-based organization. Further, this alternative service must be accessible to the beneficiary and available in a timely fashion.

Protecting Providers

Specific provisions also exist to protect the organizational integrity of faith-based organizations contracting with governments. Regardless of which type of funding stream is utilized, the faith-based organization “shall retain its independence from Federal, State, and local governments, including such organization’s control over the definition, development, practice, and expression of its religious beliefs” {§104 (d)(1)}. Providers cannot be required to remove religious symbols or artifacts, and may continue to use a faith-based approach lauding values and character in the provision of counseling services.

Additionally, providers also retain their protections under Title VII of the 1964 Civil Rights Act. Title VII exempts faith-based organizations from anti-discrimination law, which requires that religion not be considered a factor when making hiring decisions.³ Other Federal anti-discrimination laws, such as Title VI of the 1964 Civil Rights Act; the Age Discrimination Act of 1975; Sec. 504 of the Rehabilitation Act; and Title IX of the Education Amendments of 1972 still apply to faith-based organizations partnering with governmental entities.

Questions of Compliance

States and localities are required by Federal law to comply with all the provisions of Charitable Choice. Compliance is measured not by the effort expended by States at outreach to nonprofit or faith-based organizations, but by the policies and procedures in place Statewide. Compliance is an “all or nothing” standard. The State will be dubbed in noncompliance if any aspect, or particular locality, fails to comply with the entire package of Charitable Choice provisions. For example, a State may be out of compliance for failure to consider FBOs as equal competitors for Federally funded social service contracts. A State also would be out of compliance if it contracted exclusively with faith-based providers and failed to provide an alternative service option.

Eligibility

The purpose of Section 104 of PRWORA is to eliminate the barriers to successful participation of faith-based organizations in the delivery of social services. However, this legislation is only part of a greater commitment to increase the efficacy of service delivery by all types of community-based and nonprofit organizations. The specific reference to the faith-based organizations is necessary to eliminate any confusion regarding the somewhat nebulous issue of church/State separation. The commitment to both faith-based and secular CBOs is clear in the language of the Executive Orders of President Bush.

² If a State chooses to contract with only faith-based organizations, that State must be prepared to deliver services to an eligible individual so objecting. In other words, if a TANF client prefers to receive services from a secular provider instead of a faith institution, then the State must make that option available.

³ For more information, see the *Charitable Choice Implementation Guide* produced by the Center for Public Justice

Definition of FBOs

Faith-based organizations are those, whether affiliated with a formalized religious organization or independently operating, which “are inspired by a religious mission of care for the poor and needy.”⁴ According to Section 104, subsection c a faith-based organization is one possessed of a “religious character.” Thus, clear examples of faith-based organizations are local churches, temples, mosques, and/or synagogues. Less obvious, however, are such organizations as the Salvation Army whose mission Statement reads:

*The Salvation Army, an international movement, is an evangelical part of the universal Christian Church. Its message is based on the Bible. Its ministry is motivated by the love of God. Its mission is to preach the gospel of Jesus Christ and to meet human needs in His name without discrimination.*⁵

This mission Statement illustrates the faith-based nature of the Salvation Army. It is important for States to carefully consider all faith-based organizations when contracting for social services.

2. Implementation

In order for Charitable Choice to truly take effect, it must be understood and implemented at the State and local levels. This section details the Federal actions taken to ensure effective implementation of Charitable Choice, and highlights efforts at the agency and State levels.

White House Executive Orders

On January 29, 2001, President George W. Bush signed two Executive Orders (EO) dealing with the Charitable Choice provision of P.L. 104-98. The Executive Orders are titled: *Establishment of White House Office of Faith-Based and Community Initiatives*, and *Agency Responsibilities with Respect to Faith-Based and Community Initiatives*.

Establishment of White House Office of Faith-Based and Community Initiatives

With a Stated purpose of helping “the Federal Government coordinate a national effort to expand opportunities for faith-based and other community organizations and to strengthen their capacity to better meet social needs in America’s communities” this first EO exalts the importance of a “level playing field” for religious community groups, the need for “compassionate

“Metaphorically speaking, community-serving faith-based organizations are the army ants of civil society, daily leveraging ten times their human and financial weight in social good.”

-John J. DiIulio, Jr.,
Director, White House
Office of Faith-Based
and Community
Initiatives

⁴ Center for Public Justice. 1997; Updated October 30, 2000. *A Guide to Charitable Choice: The Rules of Section 104 of the 1996 Federal Welfare Law Governing State Cooperation with Faith-based Social-Service Providers*. Available:

<http://downloads.weblogger.com/gems/cpj/CCGuide.pdf>. Accessed: June 18, 2001.

⁵ Salvation Army, National Headquarters, USA. *Mission Statement*. Available: <http://www.christianity.com/salvationarmyusa>. Accessed: June 20, 2001.

results,” and the “bedrock principles of pluralism, nondiscrimination, evenhandedness, and neutrality.” To meet these needs, President Bush’s order establishes the White House Office of Faith-Based and Community Initiatives (White House OFBCI). This office will have primary responsibility to “enlist, equip, enable, empower, and expand the work” of community- and faith-based organizations.

In order to accomplish this mission, the White House OFBCI is empowered to employ “executive action, legislation, Federal and private funding and regulatory relief.” Headed by the Assistant to the President for Faith-Based and Community Initiatives, the White House OFBCI is to have “such staff and other assistance, to the extent permitted by law, as may be necessary to carry out the provisions of [the] order.” These provisions include:

- (a) To encourage private charitable giving to support faith-based and community initiatives;
- (b) To bring concerns, ideas, and policy options to the President for assisting, strengthening, and replicating successful faith-based and other community programs;
- (c) To provide policy and legal education to State, local, and community policymakers and public officials seeking ways to empower faith-based and other community organizations and to improve the opportunities, capacity, and expertise of such groups;
- (d) To develop and implement strategic initiatives under the President’s agenda to strengthen the institutions of civil society and America’s families and communities;
- (e) To showcase and herald innovative grassroots nonprofit organizations and civic initiatives;
- (f) To eliminate unnecessary legislative, regulatory, and other bureaucratic barriers that impede effective faith-based and other community efforts to solve social problems.
- (g) To monitor the implementation of the President’s agenda affecting faith-based and other community organizations; and
- (h) To ensure the efforts of faith-based and other community organizations meet high standards of excellence and accountability.

Since the initial authorization of Charitable Choice, Congress has expanded the list of programs to which the provisions apply. Today, in addition to TANF, Welfare to Work (WtW, 1997), Community Services Block Grants (CSBG, 1998), and Substance Abuse and Mental Health Services Act (SAMHSA) Block Grant Drug Treatment Funds (2000) are all included under the auspices of Charitable Choice.

Agency Responsibilities with Respect to Faith-Based and Community Initiatives⁶

By Executive Order, each of the following Cabinet agencies was called to establish their own Centers for Faith-Based and Community Initiatives, similar to the White House OFBCI:

- Department of Health and Human Services
- Department of Housing and Urban Development
- Department of Labor
- Department of Justice
- Department of Education

The agency OFBCIs will coordinate efforts in their agencies to remove regulatory, contracting and other obstacles, and to “...create hospitable environment[s] for groups that have not traditionally collaborated with government...” The Centers are charged with opening their respective organizations to partnerships with faith-based and community-based organizations, and with highlighting programs that are innovative in establishing partnerships between States and FBOs.

Three agencies also have additional responsibilities. The Department of Health and Human Services and Department of Labor will review departmental policies and practices concerning compliance with Charitable Choice and funding efforts, and will promote compliance by State and local governments. The Department of Education will review social programs, such as after-school programs and will link public schools with community partners such as faith-based organizations.

All of the Centers will work with, and under the direction of, the new White House OFBCI to support grassroots and faith-based organizations by identifying barriers to participation of faith-based and community organizations in providing services, recommendations to overcome barriers, developing performance indicators and measurable objectives for the reform of Departments’ practices and policies.

⁶ The White House. January 2001. *Rallying the Armies of Compassion*. Available at: <http://www.whitehouse.gov/news/reports/faithbased.html>. Accessed: June 20, 2001.

Health and Human Services Agency Initiatives

To comply with the Executive Orders, the director of the Department of Health and Human Services OFBCI, Elizabeth Seale⁷, is currently writing a report regarding the agency's plan for implementation of the faith-based initiative. This report will include an analysis of barriers to FBO and community participation in Federal funding, as well as plans to reduce barriers and improve technical assistance.⁸ Due out in July 2001, it will also contain a preliminary list of objectives to measure the department's success at facilitating FBO partnerships.

State Implementation Initiatives

Two State initiatives worth highlighting are Virginia and Texas. What follows are brief descriptions of the means by which these two States have endeavored to implement Charitable Choice. These States, among others, have successfully integrated Federal and State legislation with policy at the agency-level to make impressive strides toward full implementation.

Virginia

The State of Virginia reviewed their legislation and found that some State policies and practices did not encourage partnerships with faith-based and community-based organizations.⁹ As a result, State Senator Hanger (R-24th) sponsored a charitable choice bill (SB 1212) that, in Spring 2001, passed through Virginia's House and Senate. The Bill mirrors the language of §104:

[SB 1212] applies Federal language regarding "charitable choice," enacted by Congress in the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (welfare reform), to State procurement practices. The language would make faith-based organizations equal partners in opportunities to bid on and supply services and products to the State government without impairing their religious nature. Faith-based organizations would no longer have to separate their religious nature and symbols from their programs in order to provide services on State contract, but would have to be subject to the same audits as other vendors. Faith-based organizations would not be able to use the money for sectarian worship, instruction or proselytization, would not be able to discriminate against clients for their religious beliefs or refusal to participate in a religious activity, and would have to provide the client with a notice that, if

On reviewing their legislation, Virginia found that State policies and practices did not encourage partnerships with FBOs. In response, VA recently passed a bill that makes FBOs "equal partners in opportunities to bid on and supply services and products to" State government contracts.

⁷ Prior to working in HHS, Ms. Elizabeth Seale was the Vice-Chairman of the Board of the Texas Department of Human Services.

⁸ US Department of Health and Human Services. March 20, 2001. *Press Release: Secretary Thompson Names Seale to Head HHS' Center for Faith-Based and Community Initiatives*. Available at: <http://www.hhs.gov/news/press/2001pres/20010320.html>. Accessed: June 20, 2001

⁹ A task force was convened in 1999 to identify barriers to collaboration and recommend solutions to overcoming these barriers.

*they object to the religious nature of the program providing them services, they can be assigned to another provider.*¹⁰

Texas

The State of Texas began implementation of the concepts underpinning Charitable Choice in December 1996 via Executive Order from then Governor George W. Bush. This order established a task force charged with facilitating the implementation of the Charitable Choice provision of PRWORA. The Texas Department of Human Services (TDHS), which has been actively partnering with nonprofit organizations since the 1970s, currently supports approximately 6,000 contracts for the delivery of services to clients. These contracts are distributed as follows:

- Ten percent faith-based;
- Forty-five percent private and public nonprofit;
- Forty-one percent for profit.¹¹

“Technically, the provision applies when the agency enters into purchase-of-service contracts or voucher arrangements under TANF funding, but TDHS has adopted *Charitable Choice* as a valuable template across-the-board to the various programs administered by the department and applies Charitable Choice principles to all its partnering, whether financial or non-financial.”¹²

¹⁰ SB 1212 *Procurement; Faith-based organizations* from “Summary as Passed.” Available: <http://leg1.State.va.us/cgi-bin/legp504.exe?011+sum+SB1212>. Accessed: June 20, 2001.

¹¹ *Implementing "Charitable Choice" Provisions of Welfare Reform*. Report of the Texas Department of Human Services "Charitable Choice" Workgroup. May 1, 1997. Available: <http://www.dhs.State.tx.us/communitypartnerships/charitable/char1.html>. Accessed: July 2, 2001.

¹² *Charitable Choice: Frequently Asked Questions*. Available: <http://www.dhs.State.tx.us/communitypartnerships/charitable/faqs.html>. Accessed: June 28, 2001.

3. Looking Forward

This chapter has highlighted some of the important aspects and features of the Charitable Choice provisions. Federal efforts at ensuring successful implementation were described and the success of two States, Virginia and Texas, were spotlighted. The focus now shifts to lessons for the States of HHS Region VII. To that end, the remainder of this handbook will focus on promising practices from a sampling of States endeavoring to achieve full implementation of Charitable Choice. Through their challenges and successes, you can better understand and overcome barriers in your own State.

SPOTLIGHT ON STATES

States have achieved varying levels of implementation with respect to Charitable Choice, and examples of some promising practices from specific States are presented in Sections Three through Eight. Before focusing on the individual States, however, this section will outline some common themes and experiences shared across the States. Following this section, each State and partnering FBO are highlighted.

The purpose of this section is to extract common themes and lessons learned from the States and faith-based organizations surveyed for this report. The research team selected States and FBOs based on evidence of successes within their communities. This evidence was collected from several sources.¹³ While the States selected for this survey vary in many ways, they do have similar experiences with certain aspects of the implementation of Charitable Choice. This section describes the common themes¹⁴ that emerged from the interview and research processes.

Every State that was interviewed shared multiple lessons learned and strategies for success. However, five items were reported by two or more States:

- ! The relationship of the FBO with the community (four States)
- ! Outreach efforts (four States)
- ! Concern from potential partners (three States)
- ! Closely following Federal guidelines (two States)
- ! Staff development (two States)
- ! Employ Advisory Groups/Task Forces (two States)

These strategies are discussed further below.

Faith-based Organization’s Relationship with the Community

Four States specifically mentioned the strength of the faith-based organizations’ relationships with the communities they serve. These States pointed out that the transition to contractual relationships with FBOs was made exponentially smoother by the long-standing presence of the FBO in the community and the trust that potential clients had in the FBO.

Outreach Efforts

Four States cited the value of reaching out to faith-based organizations. Of these, three specifically mentioned conducting regional workshops to explain the provisions of Charitable Choice and encourage partnerships with faith-based organizations. These outreach efforts should be repeated at timely intervals to reach new potential partners as well as refresh relationships with existing partners.

Concern from Potential Partners

A challenge consistently cited by three States was an initial hesitancy on the part of FBOs to enter into partnerships with government agencies. Specific areas of concern have been the separation of Church and State and the potential loss of

¹³ Sources useful in identifying these State-FBO partnerships included the Faith-Based Organization conference held in October 2000 in New Orleans, The Center for Public Justice, the Welfare Information Network, The Welfare Peer TA Network, and individual conversations with Federal DHHS personnel.

¹⁴ A “common theme” is an issue that was pointed to by at least two States.

One challenge cited by three States was initial hesitancy on the part of FBOs to enter into partnerships with government agencies...combining patience, education, outreach and financial assistance generally ameliorates their concerns.

freedom to express their religious mission. Three States struggled, and in some cases continue to struggle, with this reality. The States that reported this initial difficulty, however, also noted that combining patience, education, outreach, and some type of technical assistance¹⁵ generally ameliorates the concerns.

Following Federal Guidelines

Two States encouraged closely following the Federal statutory language when adopting Charitable Choice at the State level. This strategy helps to ensure such protections as alternative service provisions, and clarify discrimination issues.¹⁶ Close adherence to the Federal language also allows States to use outreach materials based on the Federal statute to communicate on the State and local levels.

Staff Development

Two States observed that outreach should not be limited to their partners in the faith community, but that concerted education efforts must be sustained at the agency level as well. With high staff turnover rates and changes in FBO partnerships, staff development and training are essential to the successful maintenance of these partnerships.

Employ Advisory Groups/Task Forces

Two States enlisted the assistance of individuals to survey the legal landscape to identify potential policy and practice barriers to complying with the Federal provision. As a result, these Advisory Groups/Task Forces made recommendations on how to come into compliance with Charitable Choice. Additionally, research was conducted to assess FBO and community needs in an effort to develop strategic and workforce plans.

Summary

The table below is a visual representation of the information presented in this section regarding some of the various strategies States have employed to implement Charitable Choice.

**STRATEGIES EMPLOYED BY STATES
TO IMPLEMENT CHARITABLE CHOICE**

Strategy	States				
	IN	WI	TX	NJ	LA
Embrace and foster the relationship of FBOs with the community	X	X	X		X
Make extensive technical assistance available to FBOs	X		X		

¹⁵ Two States specifically mentioned technical assistance (TA), but in different contexts. While States do not offer additional TA to FBOs, they can tailor the TA they offer to better meet the needs of the FBOs.

¹⁶ For more information on employment discrimination exemptions, see the Introduction to this notebook.

Common Themes and Lessons Learned

Follow Federal statutory language when writing State legislation or policies	X		X		
Provide staff development	X		X		
Address hesitancy/concerns from potential FBO partners		X	X	X	
Establish and employ Advisory Groups/Task Forces			X	X	

As the table illustrates, four of the States identified the importance of embracing and fostering the relationship of faith-based organizations with their communities, a relationship which nearly always preexisted any State program. Four of the States articulated a need to conduct outreach to potential faith based partners in order to effectively establish partnerships and draw on the relationship between the community and the faith-based organization. Indiana, for example, includes as outreach extensive technical assistance provided to FBOs.

Three States interviewed by the research team cited working with faith-based organizations to address their concerns about officially partnering with the State to deliver services to the TANF population. Two States highlighted the need to closely follow the Federal statutory language in writing their own legislation so that their policies and practices are in line with the Federal law. Two States interviewed found it essential to educate their staff regarding Charitable Choice and legal ways to partner with faith-based and secular agencies. Finally, two States encouraged the establishment of advisory committees to examine barriers to partnering with FBOs, existing States law, and policies and practices that were in conflict with the Federal law. These examinations led to recommendations on new ways to partner with faith-based organizations.

Presented in the following sections are summaries of information collected through interviews with the State and their FBOs for Louisiana, New Jersey, Wisconsin, Indiana and Texas. Each summary presents the State perspective on the State-FBO partnership, then the faith-based organization's perspective. The State sections present information as follows:

- Partnering with Faith-Based Organizations
- Outreach to Faith-Based Organizations
- Advantages of Contracting with Faith-Based Organizations

Common Themes and Lessons Learned

- Alternative Service Requirement
- Challenges and Lessons Learned
- Tools and Resources

The faith-based organization sections contain the following headers:

- Summary of Services Offered
- Partnering with the State
- Partnerships with Other Faith-Based Organizations
- Client Experiences
- Challenges and Lessons Learned

For Louisiana, partnering with faith-based organizations is nothing new. Personnel from the Office of Family Support in the Department of Social Services explained Louisiana's success in both formal and informal agreements with the State's FBOs.

1. Louisiana State Perspective

The State of Louisiana does not partner with faith-based organizations because the PRWORA of 1996 says they must consider FBOs as equal competitors for procurement contracts. Louisiana partners with FBOs because they often times offer a variety of services for the State's TANF population. Historically, a deeply ingrained church culture in Louisiana naturally led social service staff to look to churches and other FBOs to support their clients needs.

State officials cite few examples of any client unwillingness to receive service from the faith-based community. In fact, it is often the most natural place for many individuals to turn. As the State Legislature continues to press for increases in the expenditure of TANF dollars, faith-based organizations continue to grow in importance.

Partnering with Faith-Based Organizations

The State has never found itself at a loss for faith-based partners. The most common avenue by which these partnerships are developed is for a faith-based organization to identify a need and propose a solution to the State. After careful review of the "scope of services" proposed by the FBO, the State of Louisiana often enters into a partnership with the FBO. These partnerships range in formality from an official contract for services to the most informal non-financial agreement. In all cases, the State retains control over the services provided to ensure compliance with the provisions of Charitable Choice.

Because of the historical relationships between the State and faith-based providers, little outreach was necessary to facilitate continued collaboration. State officials find that patience and education will almost always assuage concerns, the most common of which is concern over the Constitutional issues surrounding the separation of Church and State. The State offers equal amounts of technical assistance to faith-based and other contractors and the merits of each proposal are weighed equally. The State has found that partnerships with faith-based organizations often lead

to more comprehensive service menus. That is, if a client is referred to an agency for job skills training, for example, but the staff at the FBO also identify a need for parenting skills, they are able to offer those as well, outside the scope of the formal agreement with the State. This dynamic is manifest too in transportation services. Many local churches in rural Louisiana will couple thematic programs such as life skills training or teen pregnancy prevention with transportation programs. Without this collaborative effort, many clients would be unable to attend these sessions.

Outreach to Faith-Based Organizations

Because faith-based organizations are so entrenched in local communities, the State of Louisiana often finds potential partners reaching out to them. Little if any outreach is conducted on the part of the States.

Advantages of Partnering with Faith-Based Organizations

If Louisiana were suddenly disallowed from partnering with faith-based organizations, they would find themselves pressed to offer adequate services to TANF clients. In many cases, FBOs are uniquely qualified to address the multiple barrier clients who comprise an ever-increasing proportion of the State's caseload.¹⁷ These hard-to-serve clients often demand more than the State, or even the State with Federal and local collaboration, can provide. The faith-based organizations are essential in the successful movement of these clients to self-sufficiency.

Further, the State recognizes that services offered by an FBO often have a more personal touch, a more caring approach not always available from the government. This extra step and increased attention to the holistic needs of the client is often the bridge between success and failure.

Alternative Service Requirement

While Louisiana recognizes the requirement of offering secular alternatives to faith-based services, they report few instances in which such requests were made. Rather, clients are generally pleased with the services available for the State's FBO partners. In the rare instance when client expresses initial discomfort with receiving services from an FBO, the State finds that education efforts and careful explanation of the protections afforded the client assuage any concerns.

In many cases, FBOs are uniquely qualified to address the multiple barrier clients who comprise an ever-increasing proportion of the State's caseload. These hard-to-serve clients often demand more than the State, or even the State with Federal and local collaboration, can provide.

¹⁷ The caseload in LA has declined from 93,000 families in 1990 to 23,800 families today. This is a decrease of 74 percent.

Challenges and Lessons Learned

For Louisiana, then, the passage of Charitable Choice was little more than an codification of the process they had been using since the Reagan Administration's Family Services Act and subsequent development of the LA JOBS program. The culture of the State allows for nearly seamless cooperation between the State and FBOs and among the FBOs as well. When concerns regarding Charitable Choice do arise, or when cultures conflict, *the State relies on outreach and education efforts to effectively meet the needs of all client families.*

Tools and Resources

Louisiana endeavors to collaborate with each faith-based partner on an individual basis. They do not attempt to universalize the protocols needed to establish effective partnerships. Therefore, the State did not report any tools or resources used in mapping partnerships with faith-based organizations.

2. Louisiana's FBO Perspective

The research team spoke with a Training and Outreach Coordinator for Total Community Action, Inc. to obtain information on their implementation of Charitable Choice through their partnership with the State of Louisiana.

Total Community Action, Inc. (TCA) was motivated to provide social services to clients receiving aid from the Temporary Assistance for Needy Families block grant in order to serve an under-served population. Moreover, it underscored the essence of their mission, which is to help people gain independence.

Total Community Action, Inc.

In 1994, various churches began to coalesce to determine the willingness to form a collaborative to provide social services to TANF clients. By 1997, thirteen churches joined together and signed a covenant to form the collaborative. The covenant outlined five initiatives to be undertaken by the collaborative:

1. *Youth Entrepreneurship Program* - This program provides youths an opportunity to learn accounting, computer, marketing and sales skills in a retail store run by the youths. The store primarily sells contemporary, urban clothing. Local area students can also receive discounts on purchases in the store based on their grades (A=20%, B=15%, C=10%) as part of the "ABC" program.
2. *Child Support* – TCA has designated the month of April as Child Support Awareness month. During this month churches discuss the responsibilities and financial obligations of parenthood with their congregations.
3. *Welfare Reform Videos*- TCA created videos that describe the welfare reform process and its impact on recipients. Churches disseminate the videos as well as information to their congregation.
4. *Telephone Tape Library* – TCA has established a toll free number that anyone can call to request information on a variety of topics, including health, homeownership, and pregnancy.
5. *Self-help* – The goal of this initiative is to provide support and information to the association members. Periodically, individuals representing the member organizations meet to assess the needs of the community, help secure funding, identify gaps in programs/services currently provided, and target needs appropriately.

Summary of Services Offered

Since 1997, Total Community Action, Inc. has served over 144,000 families in the parish of New Orleans by providing a comprehensive assortment of services to its clients. Those services and a brief description are as follows:

1. *Child Care Information* - TCA does not actually provide child care services, rather, it provides information to its thirteen association leaders who then disseminate the information to their members.

2. *Job Training* - TCA has developed a summer internship program for youths in school between the ages of fourteen and twenty-one. Parents who wish to have their children participate in the program must maintain an active role with the child's involvement. Additionally, the number of students able to participate is dependent on available funds.
3. *Mentoring/Job Coaching, Subsidized Employment/Work Experience, Job Search, Job Skill Development, and Parenting Classes* - TCA disseminates information regarding these services.
4. *Transportation* - Transportation services are provided for the elderly and disabled.
5. *Basic Needs* - A commodity distribution program provides government surplus foods such as canned goods, flour, corn meal, and juices four times a year at twenty distribution sites throughout the city.
6. *Maternal Care* - TCA provides an early assistance program for pregnant women and infants. The association also runs six to seven early Head Start programs throughout the city.
7. *Energy Assistance Program* - An assistance program that provides financial support for heating bills. The program is based on income and provides on average, a once-per-year payment of \$240.
8. *Elderly Assistance Program* - The program assists the elderly who are facing disconnection with their light/energy bills.
9. *Weatherization program* - Provides demonstrations once a month on ways to make homes more energy efficient.
10. *Water Assistance* - The elderly and disabled can qualify for up to \$700 in payment assistance for water bills.

Partnering with the State

TCA has provided social services to the New Orleans community since 1965. Prior to 1997, the association received funding from the State for Project Independence, a project that helped welfare recipients receive their GED or advance their education. Following the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, TCA applied for and received funding from the Federal government through the Community Services Block Grant (CSBG). TCA also receives funding from the State of Louisiana, though not as much as its Federal block grant. Currently, the association is considering seeking more funding from the State to assist other organizations in the faith

community pursue funding opportunities. Though the relationship with the State is limited, TCA reports having encountered no difficulties in their partnership.

According to TCA, the partnership between Louisiana and TCA is a “great fit.” The partnership works so well because “churches are not always able to serve all of the community’s needs.” Nor can it be “all things to all people.” Individuals who need services that are not provided by TCA can be referred to other organizations through the collaborative’s vast database.

The partnership facilitated by the Charitable Choice provision has enabled TCA to identify the necessary needs and services in the New Orleans community. Additionally, Federal funds have allowed the faith community “to help low income persons receive necessary services.”

Partnerships with Other Faith-based Organizations

In addition to the collaborative relationship among the thirteen association members, TCA also has other partnerships, which support TCA in assisting the community. TCA is in the third year of its partnership with Home Depot and TCA works with Home Depot in their weatherization program conducting demonstrations once a month on how to make homes more energy efficient. Another TCA partnership is not with a specific organization, rather, TCA participates in Community Canvassing through a network of employees, community representatives, public radio advertisements and flyers. Community Canvassing provides outreach and information to individuals not affiliated with an association church. And finally, TCA works with other religious organizations, businesses and State and local agencies to provide referrals to clients.

Client Experiences

Over 100,000 families and individuals have been satisfactorily served by TCA. Of that number, twenty to twenty-five percent were TANF recipients. To date, clients have not articulated any concerns about receiving services through the faith community, nor have they described any differences in the level or quality of services provided by FBOs.

Client feedback is measured by customer surveys. The first survey was completed in 1997. A local university consultant is currently conducting TCA’s second customer survey. The results will be presented to the executive director and board of directors. Additionally, the staff engages in casual conversations with clients to assess their satisfaction and collect feedback.

Challenges and Lessons Learned

Since its establishment, the TCA collaborative has been a positive and relatively smooth experience. The only difficulty noted occurred early in the formation process and involved *assembling all of the church leaders and coming to an agreement regarding the association covenant*. After a series of meetings, the initiatives that established the covenant were formalized.

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Tools and Resources

TCA obtained TANF funding through the Community Services Block Grant under a Request for Proposal (RFP) process. To facilitate the process, TCA utilized the services of a consultant to write the grant proposal.

The research team selected New Jersey because it was the first State to formalize and fund faith-based partnerships and has maintained an extensive network of collaborative relationships with the faith-based community.

1. **New Jersey State Perspective**

The research team interviewed the Project Manager for Work First New Jersey Communication and Outreach to obtain information on their implementation of Charitable Choice through their partnership with faith-based organizations, specifically, the Cathedral Community Development Corporation.

The Work First New Jersey (WFNJ) program was established to transform the design and purpose of the welfare system in New Jersey. New Jersey's welfare reform initiative, WFNJ became effective July 1, 1997. The program provides financial assistance and Medicaid coverage to eligible adults with dependent children. Work First is facilitated to a large extent through its network of faith-based partnerships. These partnerships range from informal associations to formalized contracts.

Each of the partnerships, regardless of its level of formality, is dedicated to assisting families and individuals receiving aid and supporting clients in the transition to self-sufficiency. WFNJ has appropriated \$26 million to forty-seven faith-based organizations in the State to provide child care, training services, and outreach. Most recently, another \$2.5 million was earmarked for administrators in the twenty-one counties to identify, reach out to, and partner with area FBOs. The TANF-FBO initiative is housed in the Communication and Outreach Department of Human Services of Work First New Jersey. Additionally, the State Departments of Community Affairs and Labor each house similar initiatives.

Partnering with Faith-Based Organizations

The State of New Jersey has had a long tradition of working with the faith community to provide services to those in need. Within this tradition, the State works with many faith-based organizations. The State's definition of "partnership" involves any form of outreach with a funding component attached. Of those faith-based organizations using Federal dollars, only six meet this definition. These six faith-based organizations are contracted to provide outreach and referrals to post-TANF clients. These clients are no longer receiving aid, but the reason(s) they have left the TANF system are undocumented. The FBOs are provided with a list of post-transitional clients, and work with them to provide any assistance for which they might be eligible. The primary responsibility of the FBOs is to locate and follow-up with these clients.

Outreach to Faith-Based Organizations

New Jersey provides several means of outreach to support the work of the faith community. Three regional training and education symposiums are planned in the northern, central and southern regions of the State. The mornings are dedicated to providing information to the

FBOs regarding general and current issues in welfare reform, faith-based initiatives, and grant writing. The afternoon sessions provide an opportunity to members of FBOs to meet and ask questions of their local county administrators. During this time, both sides can exchange information as to barriers encountered on both sides and how to overcome those barriers.

New Jersey has also established a Faith-based Task Force that works to plan regional collaboratives to partner FBOs with other FBOs to assess community needs. The goal of the taskforce is to develop strategic and workforce plans. They also conduct several conferences during the year to discuss and exchange information.

In addition, the State also creates pamphlets and brochures specifically tailored to the organization for the FBO to give to clients. The purpose of the pamphlets and brochures is to provide a means for FBOs to introduce themselves to their clients.

Advantages of Contracting with Faith-Based Organizations

“People don’t always want to go to the welfare office,” maintains WFNJ personnel. The State proclaims that people often have a higher comfort level with faith-based organizations that are a part of the community and with which they are familiar. Contracting with FBOs expands the capacity of the State, and allows for greater client interaction. For example, part of the FBO’s responsibility is to follow-up with clients. In doing so, they must often go door-to-door to contact clients. Without these contracts, the State feels they would not be able to reach these clients as effectively.

Using funds that are devolved from the State, a county can partner with an FBO. As part of a county contract, FBOs can provide direct social services. This type of partnership supplements the State’s resources and allows a greater number of clients to be served.

Alternative Service Requirement

It is the responsibility of the faith-based organizations to inform clients as to their choices of service providers and refer them elsewhere if necessary. The Work First staff performs occasional unannounced visits to the providers to ensure this requirement is enforced.

Contracting with FBOs expands the capacity of the State, and allows for greater client interaction. For example, part of the FBO’s responsibility is to follow-up with clients. In doing so, they must often go door-to-door to contact clients. Without these [FBO] contracts, the State feels they would not be able to reach these clients as effectively.

Challenges and Lessons Learned From New Jersey

New Jersey found that while working with the faith community is a valuable and worthwhile endeavor, it has not been without its challenges. Fortunately, New Jersey was able to circumvent many of the challenges encountered by other States by “doing some homework first” because “you don’t start by throwing money.” Instead, *the State formed an advisory group and distributed an inventory survey* to 6,000 FBOs in the State to identify their needs. These surveys generated a seventeen percent return rate and indicated that some FBOs lacked adequate experience or infrastructure to work with a government system. For example, some organizations did not have experience writing proper grant proposals, which can be a very complicated process.

Other organizations did not have the infrastructure to handle the administration of a grant once it was awarded. These limitations often made it difficult for faith-based organizations to successfully compete for funding, and precluded the State from awarding grants despite a desire to establish FBOs as service providers. In response, the State organized regional training and education symposiums to provide technical assistance to help organizations overcome these challenges.

Another challenge the State constantly encounters is resistance on the part of the faith community to accept Federal funding. Often, these organizations believe they would be compromising the mission of their organization if they were not allowed to “spread the word” or promote religious/spiritual values.

Tools and Resources

Faith-based organizations can request Federal funding through a Request for Proposal (RFP) process. In an effort to facilitate this process, a grant-writing component is incorporated into the regional symposiums held throughout the State. During the symposiums, organizations can receive training and ask questions regarding effective grant-writing techniques. The aim is to assist organizations produce competitive proposals compliant with Federal guidelines, and thereby increase the likelihood of project funding.

The State formed an advisory group...to identify [FBO] needs. Some organizations lacked adequate experience or infrastructure to work with government systems. Others did not have the infrastructure to handle the administration of a grant once it was awarded. In response, the State organized regional training and education symposiums to provide technical assistance...

2. New Jersey's FBO Perspective

The research team spoke with the Director of CCDC about their ongoing partnership with the State of New Jersey.

Cathedral Community Development Corporation

The Cathedral Community Development Corporation (CCDC) is a Christian organization that has been an active community partner for over two years. As a partner with Work First New Jersey, the CCDC has assisted over eighty clients in only four short months. The staff is committed to serving a population they believe have been under-served or not served well by State and county agencies. The Cathedral CDC sees itself as an enhancement to an overwhelmed social service system.

Summary of Services Offered

The Cathedral CDC has been providing a host of services to the Middlesex County community for over two years. As a faith community provider, the CCDC delivers myriad services which include substance abuse counseling and treatment referrals, child care, job and vocational training, maternal care, emergency housing, transportation, job skill development, one-on-one and group counseling and basic needs. The organization's crisis management/domestic violence program, called Women Aware, provides a hotline service to the community. Additionally, the CCDC offers referrals for mental health services, subsidized employment, and job searches.

Partnering with the State

The partnership between the CCDC and the State of New Jersey is part of the Work First New Jersey program. The CCDC is one of the faith-based organizations that are funded with a Post-TANF Outreach and Referral Grant. The goal of the grant is to deliver services to former TANF clients who are eligible to receive assistance as they transition to self-sufficiency. The CCDC received \$75,000 for a thirteen-month period.

Partnerships with Other Faith Based Organizations

CCDC has been involved in serving the community for several years and has gained an insider's knowledge of what services and resources are available to residents. They often provide clients with referrals to agencies located in the same building, such as WIC, or to other community locations of which she is aware. In an effort to further assist clients, the program also accepts Medicaid. One such community resource is *Hire Attire*, which distributes vouchers for clothes to clients who are entering or re-entering the job market. With the vouchers, clothes are donated to clients to wear on interviews. Clients are also referred to *Catholic Charities*, with whom the CCDC has had a long-standing relationship, for substance abuse counseling and treatment.

CCDC has been involved in serving the community for several years and has gained an insider's knowledge of what services and resources are available to residents.

Client Experiences

The Program Director notes that clients have been very open to receiving services from the faith-based community. Furthermore, she asserts that many of the clients see the CCDC as “an addition to their present lifestyles.” In casual conversations with the Program Director, clients have revealed that they are more willing to come to a FBO because “they are more at peace with asking for help from the faith community because they know they won’t be judged and will be treated with respect and feel loved.” More importantly, the Program Director knows that clients are satisfied with the services they receive because so many of them call back seeking additional services.

Challenges and Lessons Learned

As part of its funding grant, the CCDC provides assistance to clients no longer receiving TANF cash assistance. The CCDC attempts to reach its target population through the mail, telephone calls, and outreach programs. However, some of the client records are incorrect and the CCDC does not have a current address or telephone number. CCDC staff has learned that in situations like this, they often have an advantage over State or county agencies. The CCDC points out that it is likely that someone at the last known address or telephone number keeps in contact with the client and people are often more receptive to sharing information with a church than a welfare office.

The Program Director is also working to develop a relationship with other city agencies, such as public housing, that have interaction with the same former TANF clients. The Program Director hopes that such an alliance will help the CCDC provide outreach and assistance.

Wisconsin was interviewed because it has been a pioneer of welfare reform, developing innovative programs to transition individuals and families to self-sufficiency and independence. On August 22, 1996, Wisconsin was the first State in the nation to submit its State plan for the Temporary Assistance for Needy Families (TANF) block grant.

1. Wisconsin State Perspective

The research team spoke with the Economic Support Manager at the State to obtain information on their implementation of Charitable Choice through their partnership with the Society of St. Vincent de Paul (St. Vincent).

On September 1, 1997, Wisconsin Works (W-2), the nation’s first work-based system of aid, was implemented Statewide. Wisconsin Works is the welfare replacement program for Aid to Families with Dependent Children (AFDC) based on work participation. W-2 was designed around a model of Wisconsin's ten years of experience and success with welfare reform, with more than ten major welfare reform demonstrations serving as the basis for this innovative program. W-2 has dramatically reduced caseload levels by offering a wide array of supportive services provided by employers, community resources, the business community, advocate groups and government.

The success of W-2 is a reflection of a transformation in the culture and purpose of welfare in Wisconsin. This transformation is also reflected in the philosophy and goals of W-2, which stresses responsibility, self-sufficiency, fairness, and community involvement. Wisconsin Works was designed as a work support program dedicated to supporting families achieve self-sufficiency through work. The success of W-2 is also attributed to the community collaboration counties have established with the faith community.

Partnering with Faith-Based Organizations

In accordance with the Charitable Choice provision of the 1996 Personal Responsibility and Work Opportunity Reconciliation Act, Wisconsin Works partnered with a local faith-based organization to provide social services to TANF clients in the Richland County area in 1998. At that time, the county was experiencing a shortage of affordable housing. In their work and contact with clients, the W-2 staff ascertained that the most pressing need for clients was securing and maintaining adequate housing.

In an effort to solicit partners from the community to address this need, W-2 placed advertisements in the local newspapers. Faith-based and secular organizations were invited to submit proposal requests for public funding to provide services to TANF clients. W-2 was looking for an organization that would be a “good fit” with the needs of the community as well as the philosophy of Wisconsin Works. St. Vincent, a local organization familiar to the Richland community, was selected because “they went beyond a Band-Aid and provided outreach, working one on one with clients and helping them with money management and financial planning.” As part of its service to the community, St. Vincent provides several services to the community. However, its major focus is addressing housing needs and concerns.

Outreach to Faith-Based Organizations

In their work and contact with clients, the W-2 staff ascertained that the most pressing need for clients was securing and maintaining adequate housing.

In an effort to solicit partners from the community to address this need, W-2 placed advertisements in the local newspapers. Faith-based and secular organizations were invited to submit proposal requests for public funding to provide services to TANF clients.

Wisconsin is as committed to its community partners as it is to the individuals and families they support. To that end, the W-2/St. Vincent partnership is supported by a collaborative within the Health and Human Services department, including the economic support staff, child welfare, job center, and vocational rehabilitation agencies. The purpose of the collaborative is twofold: The first is to provide a comprehensive network to ensure that the myriad needs of clients are being addressed, while the second is to provide a support system for St. Vincent as they serve those needs.

Advantages of Contracting with Faith-Based Organizations

Wisconsin reports “people saw St. Vincent as a positive resource.” This captures the essence of the advantage of Wisconsin partnering with the faith community. Wisconsin feels that FBOs are a valuable, supplementary resource for those in need. Moreover, FBOs are often familiar to the community. The volunteers and staff of St. Vincent did not just work in Richland County, but were a part of the community. As a result, “people felt less intimidated at St. Vincent’s as opposed to going to the welfare office because the staff at St. Vincent tend to be from the community.”

Clients have, in return, responded very favorably to using faith-based services. According to a recently completed survey, 75 percent of respondents reported that they received the services or information they needed and were treated fairly. The remaining 25 percent received appropriate referrals when their particular needs could not be met. Clients have also remarked that “its nice to know that the faith community cares.”

Alternative Service Requirement

Every client must receive a referral from W-2 before they can solicit services from St. Vincent. It is during this referral process that the W-2 staff informs clients as to their choices regarding secular service delivery providers. Clients who wish to receive services from the faith-based organization are then given the phone number and address of the service provider. Those who elect not to receive FBO services are referred to a secular organization that provides similar services.

Challenges and Lessons Learned in Wisconsin

Despite the satisfaction of the clients, Wisconsin Works has experienced some challenges in collaborating with St. Vincent. However, the commitment and dedication from all involved have turned challenges into valuable opportunities to learn.

One challenge that occurred early in the collaboration with St. Vincent was *overcoming a sense of hesitancy on the part of the FBO because they did not know the volume of referrals to expect*. While there was no resistance on the part of the W-2 staff to partnering with a FBO, St. Vincent displayed some initial resistance. *Increased communication and frequent meetings with the FBO provided the opportunity to move beyond this challenge*. As a result, a referral process was instituted to manage the level and frequency of referral calls placed to St. Vincent. The lesson learned was that increased communication not only facilitated the process but it encouraged St. Vincent to maintain regular contact with the W-2 staff.

Wisconsin Works has experienced some challenges in collaborating with St. Vincent. However, the commitment and dedication from all involved have turned challenges into valuable opportunities to learn.

Another challenge was encountered with respect to determining eligibility to receive benefits. Unlike the staff of W-2, the *FBO did not have the institutional knowledge to determine who was eligible* and who was not. The problem was remedied by using guideline criteria set forth by the Community Reinvestment program. As long as the minimum criteria were met, St. Vincent was empowered to use its own discretion as to the provision of services.

The success of W-2 is a reflection of a *transformation in the culture and purpose of welfare in Wisconsin*. W-2 Staff needed to be educated to understand this change in culture. This transformation is also reflected in the philosophy and goals of W-2, which stresses responsibility, self-sufficiency, fairness, and community involvement. Wisconsin Works was designed as a work support program dedicated to supporting families achieve self-sufficiency through work.

In the future, Wisconsin Works hopes to have more organizations from the faith community heed the same call as St. Vincent and submit proposal requests. In an effort to encourage this, W-2 expects to “do a better job” of informing churches and FBOs about the opportunities to participate in this initiative.

Wisconsin indicates that if they could change any aspect of the partnership, it would be to *find a better way of informing people about the services and money available*, as well as *expanding and diversifying the FBO partnership*. Currently, fifty-five individuals, twenty-one adults, thirty-one children and sixteen families have been served by St. Vincent.

Tools and Resources

Wisconsin Works *solicits organizations in the faith community to submit proposal requests to obtain TANF funding through advertisements*. Although the response to the advertisements was not overwhelming, the effort was still considered effective.

After the FBO-State partnership was established and the contract signed, Wisconsin Works employed several tools to facilitate the partnership. The *referral process to manage the calls* received by St. Vincent is most notable. The process is a pre-screening mechanism, whereby all clients must go through the department first to receive a referral to St. Vincent.

Information regarding St. Vincent was disseminated only to staff members of the Department of Health and Human Services and the job center, who then informed clients as to the types of service delivery choices available to them. Information regarding the choice of service providers was also disseminated to the Ministerial Association who in turn shared the information with individuals who were not seen in State agencies or “shied away from the welfare office.”

After clients are assisted through St. Vincent, their level of satisfaction is measured through a survey instrument. The State is considering implementing a random phone contact process to assess client responsiveness in the future. How well the collaboration is doing is monitored via quarterly reports and on-site visits, which is outlined in the purchase contract signed by the FBO and the State.

Wisconsin indicates that if they could change any aspect of the partnership, it would be to find a better way of informing people about the services and money available, as well as expanding and diversifying the FBO partnership.

2. Wisconsin's FBO Perspective

To develop this case study, the research team spoke to the President of the Society of St. Vincent de Paul of Richland County, Wisconsin.

Society of St. Vincent de Paul

The Society of St. Vincent de Paul is a small, but mighty, Catholic organization in a rural community. There are only a handful of paid employees who are supported by the efforts of countless volunteers. In its four years of existence, St. Vincent has done the work of much larger organizations. Over the years, it has served the needs of hundreds of families and individuals every year. And it has managed to establish a reputation for providing holistic services as well. It was this reputation that attracted Wisconsin Works to St. Vincent to create a partnership to support more families and individuals in meeting their basic needs.

Summary of Services Offered

The mission of the St. Vincent is to assist clients with their basic needs – food, clothing and shelter. To that end, St. Vincent primarily concentrates on providing financial assistance for rent, mortgage or security deposit payments. Additionally, the organization provides some transportation services such as rides and small amounts of funds for necessary transportation costs.

Partnering with the State

St. Vincent has an established reputation in Richland County for providing services and assistance to those in need. It is affiliated with the Catholic Church and serves individuals and families of all faiths and denominations. Currently, St. Vincent is midway through its contract with Wisconsin Works Community Reinvestment to provide non-recurring emergency housing assistance in the form of rent or mortgage payments or security deposit assistance to eligible families in Richland County to enhance family stability and promote job retention. The contract provides for a fixed amount of \$15,000 to St. Vincent to accept referrals from Richland County Community Services agencies and organizations, and ensure that the service, which is funded through the Federal TANF block grant, is provided to eligible families. Clients receive an average, one-time payment of \$400 to \$500. St. Vincent recently dispensed a payment to the thirty-third client and the FBO now has less than \$1000 left.

In general, Wisconsin Works uses a proposal process to determine funding contracts. However, Richland County is a very sparsely populated and rural area. One of the most pressing needs within the county is housing assistance. St. Vincent had an established positive reputation in this area and Wisconsin Works approached the organization requesting their participation in serving TANF clients. After a series of meetings, both sides negotiated an agreement and signed a contract agreeing to provide services to TANF clients. (There was not a Request for Proposal process in this situation.)

The partnership between the State and faith community has been most advantageous to the citizens in need. It is the FBO's perspective that many of these individuals would not be receiving these services at all if St. Vincent did not provide them. The staff and volunteers of St. Vincent have found the overall experience of partnering with the State a difficult one because the FBO does not believe they have

received the proper support from the State to adequately serve this population. Moreover, the perspective of the staff of St. Vincent is that their organization “has not gained anything nor has there been any advantage to St. Vincent by entering into this partnership.”

Partnerships with Other Faith-Based Organizations

Although Richland County, Wisconsin has a fairly small population, it is not possible for St. Vincent to satisfy all of its clients’ needs. In such circumstances as when a client requires services not offered by St. Vincent, they refer the client to other organizations with whom they have informal partnerships. Those organizations include food pantries and social service providers.

Client Experiences

St. Vincent does not employ any formal evaluation mechanisms to measure client satisfaction or to obtain feedback. Based on anecdotal conversations, the FBO has found that clients do not display a preference as to whether services are delivered through a faith based or secular organization. Their needs are primal and basic, and having them met is more important than the affiliation of the provider. Additionally, because payments are usually on a one-time only basis, the volunteers and staff often do not have an opportunity to develop significant, meaningful interactions with their clients.

Challenges and Lessons Learned

St. Vincent has been actively serving families in Richland County for four years. However, its partnership with Wisconsin Works over the past few years has introduced new challenges to a familiar experience. The president of St. Vincent, believes the *FBO has not received enough support from the State.*

Additionally, *the new partnership increased the workload of the St. Vincent volunteers* and they have not had the staff or resources to “adequately keep up with the volume” of clients. Moreover, it has been labor intensive for the volunteers because part of their services contract requires St. Vincent to meet with clients and conduct home visits. St. Vincent has a very small staff and is heavily dependent upon volunteers to fulfill these duties.

Knowing what they know now, St. Vincent has learned how *important it to be adequately funded to provide services to clients.* This is especially important for organizations similar to St. Vincent’s that are dependent on volunteers.

The referral process has been the most helpful tool in the partnership between W-2 and St. Vincent. Clients are required to have a signed referral from the W-2 department before they can receive services from St. Vincent, which has not only eased some of the burden of the volume of clients, but also demonstrates that the clients are “trying to help themselves and utilize other resources.”

Indiana was interviewed for several reasons. First, the Center for Public Justice gives Indiana an “A” rating regarding its compliance with Charitable Choice. Also, under Governor O’Bannon, the State established FaithWorks Indiana to facilitate collaboration between the State and faith-based organizations (FBOs), to provide numerous types of technical assistance, and to conduct outreach and identify effective practices.

1. *Indiana State Perspective*

Indiana is widely known as being a forerunner in the area of effective partnerships with faith-based organizations. The research team interviewed the Deputy Director, Division of Family and Children, in the Indiana Family and Social Services Administration for the content of this case study. The Deputy Director is responsible for the implementation of FaithWorks Indiana.

Under the leadership of Governor Frank O’Bannon, FaithWorks Indiana has paved the way for increased partnership between the State and faith-based organizations (FBOs) in the delivery of TANF services. As an initiative of the Indiana Family and Social Services Administration (FSSA), FaithWorks Indiana began in November 1999. However, according to State officials, FSSA’s relationship with the faith community is not new at all. On the contrary, the faith community in provided services to eligible individuals under TANF’s predecessor, Aid to Families with Dependent Children (AFDC). Through the Charitable Choice provision of the Personal Responsibility and Work Opportunities Act, FaithWorks has been empowered to cast an even wider net as it assists FBOs of all types in providing services to individuals and families, and in accessing funds for such services.

State officials attribute some of the initiative’s exemplary progress to the dedication of its staff and the strength of Indiana’s faith community. For instance, State officials report that Indiana staff exhibited little to no reluctance concerning collaboration with the faith community. They assert that any resistance previously felt was merely reflective of a change or shift in ways of doing business. What they think changed most significantly since the adoption of Charitable Choice is the cultural context and overarching philosophy that guides how officials carry out their day to day tasks.

Specifically, there was a paradigm shift in how the “job” and the “client” were viewed. In the State’s view, TANF’s predecessor, AFDC, was built on an “eligibility for services” philosophy. Under the old system, State workers paid closer attention to eligibility criteria that determined how much cash and other assistance a family might receive. Welfare reform and TANF changed perspectives to a “work first” philosophy with time limits on cash assistance and greater emphasis on client responsibility.

Partnering with Faith-Based Organizations

Indiana made outreach to their agency staff a priority. In particular, there was an organized effort at the agency level to educate officials Statewide about the

Indiana made outreach to their agency staff a priority. In particular, there was an organized effort at the agency level to educate officials Statewide about the FaithWorks initiative, the Charitable Choice provision, and how to work with the faith community in this new climate.

FaithWorks initiative, the Charitable Choice provision, and how to work with the faith community in this new climate. Initially, the Division of Family and Children sent out an introductory letter to all staff in its 92 counties explaining the goal of the initiative and process expectations. Local office directors were brought on board with the new philosophy very early in the process, particularly since the initiative devolves responsibility down to the counties.

In addition to these strategies, regional meetings were convened to help State-level officials understand the initiative. Participants were provided education on Charitable Choice, and guidance on supporting the goals of re-entry into the workforce and self-sufficiency through TANF benefits. There was also a focus on what to expect with regard to contracts between the State and the faith community. Fortunately, Indiana's legislation and procurement rules already allowed for competition by the faith community.

In Indiana, contract language reiterates the Federal law in terms of the rights and responsibilities of the faith-based provider and the TANF client. Specifically, Indiana makes clear to faith-based providers that it is unlawful for them to discriminate toward an individual who is referred for services based on their religion, their religious beliefs, or their refusal to participate in religious practices. Additionally, individuals have the right under the Federal provision to receive similar services from an alternative, non-religious provider. Providers cannot use contracts fund for worship, religious instruction or proselytization.

FBOs have rights under Charitable Choice as well and Indiana follows the law in the design and awarding of its contracts. In particular, the State must not discriminate between faith and non-faith providers when deciding to contract with private organizations. Indiana contends that it is critical for other States to review their own procurement rules and regulations to ensure that the rules themselves are not barriers to implementation of the law. State officials further indicate that a State's interpretation of the Charitable Choice provision strengthens compliance with the Federal mandate. Indiana has chosen a strict interpretation of the law that they believe helps to protect them from litigation.

However, Indiana thinks it is important to note that the State takes great care to make no distinction between faith-based contractors and other contracted TANF providers. That is, faith-based providers are held to the same quality, reporting and accounting standards as other contractors and Indiana requires the same RFP process for all TANF service providers. Specifically, the 92 counties throughout the State develop RFPs based on their set of needs. Any group, faith-based or secular, is encouraged to respond to the RFP. Moreover, reimbursement for services is based on performance-based contracts as all providers are held to the same standards and must deliver outcomes as defined in their contracts. To date, the State reports great success with their current RFP process and continuously searches for ways to monitor effectiveness and introduce refinements as necessary.

Outreach to Faith-Based Organizations

From the beginning, Indiana provided enormous amounts of technical assistance (TA) to potential and current service providers—both FBOs and secular providers. In its first year, FaithWorks delivered technical assistance to over 400 representatives of FBOs through

In Indiana, contract language reiterates the Federal law in terms of the rights and responsibilities of the faith-based provider and the TANF client.

workshops and one-to-one consulting. Indiana reports they have delivered technical assistance on the following topics to FBOs and CBOs:

- Allowable services and practices under Charitable Choice
- Promising practices in service development and delivery
- Matching community needs with a faith-based organization's values
- How to write proposals for funding
- Financial management and how to obtain status as a separate not-for-profit entity
- How to access relevant funding sources, both public and private.

Prior to distribution of the State's Request for Proposals (RFP), bidders' workshops are held so that potential providers learn about the State's requirements before applying. In some instances, service providers may learn that they are not able to meet the State's provider requirements independently and the State encourages FBOs and CBOs to partner with other larger secular or faith-based providers.

Contract awardees have continual access to support from the State through TA (e.g., via the Web site) and informational workshops. Technical assistance to interested FBOs also includes providing help in developing service capacity and support in finding funds to carry out intended services. When contracts are initially awarded, new and returning providers are encouraged to participate in implementation workshops. The goal of the implementation workshops is to remove any foreseeable stumbling blocks early on by focusing on the initial set up of programs and establishing the reporting and accountings systems required by the State.

Because the Division of Family and Children does not have sufficient in-house staff to support the provision of comprehensive technical assistance to service providers, it has engaged the services of an independent contractor to manage and provide TA across the State. This contractor regularly monitors the need for technical assistance among service providers. Emphasis on the proactive provision of services is the key to eliminating difficulties and barriers to effective faith-based partnerships with the State government.

FAITHWORKS INDIANA
WEB SITE:
WWW.STATE.IN.US/
FAITHWORKS

TOLL FREE:
1.800.599.6043

Another form of TA is provided through the FaithWorks web site, which addresses the following topics (among others):

- An "About FaithWorks" overview
- Charitable Choice Q&A
- Events Calendar on meeting dates
- Funding opportunities
- Resources (i.e., The 2001 publication of Promising Practices of Faith-Based Organizations from Indiana and Around the Nation)

- Online TA workshop registration
- Related links
- Mailing List
- Bulletin Board

Together, the FaithWorks Web site, toll free number, and a series of media releases have served as technical assistance to the faith community, and as vehicles to promote the general public's awareness about Charitable Choice and about the services available to the public through FBOs.

Advantages of Contracting with Faith-Based Organizations

Under the current relationship, Indiana-based FBOs provide a wide range of services to TANF clients. These services include mentoring, childcare, job training, job coaching, job search, job skill development, and parenting classes. According to State agency representatives, faith provider services currently are concentrated in the areas of mentoring, job training, job coaching, and parenting.

While there have been anecdotal conversations about benefits to providing services through the faith community compared to other service delivery modes, the State is reserved about reporting any known differences. First, there have been no formalized methods for collecting and analyzing information that compares benefits of service provision through the faith community versus secular organizations. Second, the State believes it is too early to know about long-term benefits. Additionally, the State views the provision of services through the faith community as broadening the scope of its social service network, rather than competition among the types of service providers. Indiana has experienced that TANF clients, particularly those hardest serve, are sometimes better reached through neighborhood-based providers. TANF clients have reported feeling "closer to home" and more accepted in this context.

Also, Indiana is not currently collecting specific client reaction data from individuals served by the faith community. There is some discussion about the possibility of collecting these data in the future. Even though no formal measures of client reaction are available, State agency officials have not heard complaints from recipients of faith-based services.

Alternative Service Requirement

The choice to receive services from faith-based or secular providers is presented when clients meet with local caseworkers to determine the needed TANF services. After the client selects the service provider they prefer, he or she has the opportunity to return back to the local caseworker and request a change in service providers. Interestingly, State officials have had instances where individuals receiving TANF services from secular providers have requested services from FBOs, but have no reports of the reverse. This feedback is encouraging to the State—suggesting that their partnering with FBOs to provide services meets the community's needs. Their thought is that positive "word of mouth" reports from satisfied clients might be the driving force behind such requests.

Challenges and Lessons Learned in Indiana

Indiana believes that FaithWorks is successful. In fact, in its first year, FaithWorks received an "A" grade for its efforts in procurement policies and practice that

support Charitable Choice from the Center for Public Justice—making them one of only four such awardees nationwide.¹⁸

Indiana also asserts they are successful in terms of outreach and support to potential and current clients; the general public; and faith- and other community-based providers. They have full support from the Governor’s office in Indiana in their efforts to partner with the faith community. The result of these various efforts is ongoing communication with and outreach to more than 9,500 FBOs around the State.

Based on the research team’s interview with the State and on a review of FaithWorks materials, Indiana offers the following as “lessons learned” to other States seeking to develop effective State-faith partnerships:

- *Follow the Federal provision closely* when developing your State plan to implement Charitable Choice. States should modify their policies and practices to prevent unintended barriers to partnerships. This will also help to provide protection against litigation.
- Realize that *Charitable Choice influences the staff person’s role* in supporting clients. Staff need to focus beyond monitoring cash assistance to focusing on helping clients become self-reliant.
- *Invest in staff development and education regarding the Federal provision* and its relation to your State’s own contract and procurement rules. Provide staff with support to help them make the transition in philosophy through education and training efforts.
- Staff does not have to do it all. Where infrastructure resources are limited, *engage the services of contractors* to handle tasks that would be burdensome.
- *Provide technical assistance for current and potential service providers.* Technical assistance will vary by the needs of your State. Use multiple vehicles and strategies (e.g., one-to-one consulting versus workshops; web-based TA; toll free phone hotlines). Make delivery of technical assistance an ongoing activity.
- Finally, take steps to garner the *support of State officials* in efforts to engage FBOs. It goes a long way toward successful implementation of Charitable Choice.

Tools and Resources

Indiana reports using its Web site (www.in.gov/fssa/faithworks) as a tool to provide resources for the general public, as well as human service providers (both current and potential). Some of the features of the Web site are as follows:

- **Resources Link**—In this area, web surfers can find, among other things, the following:

¹⁸ See Center for Public Justice webpage at www.cpjustice.org for more information on its ratings of States and Charitable Choice. From the homepage, click on the Charitable Choice icon and scroll down to its link on its “National Report Card.”

- April 2000 State Survey designed to assess the capacity of Indiana congregations to provide human services as well as their interest in receiving government funding. A report of the findings as well as the instrument are available;
 - A report on Promising Practices in Indiana and the Nation is providing human services through partnerships with the faith community;
 - A Technical Assistance Packet that is updated regularly and contains the basic reports and tools providers might need to implement high-quality projects.
- **Accessing Funding**—This link at the FaithWorks Web site provides the most up to date information on funding sources available.
 - **Bulletin Board**—Here, providers can post information and questions and receive answers from their peers
 - **Mailing List**—Users can sign-up to receive information on FaithWorks and related activities.
 - **Events Calendar**—Visit Indiana’s events calendar link to stay abreast of meetings and services offered by the State concerning its FaithWorks initiative.

2. Indiana's FBO Perspective

The research team spoke to the Project Director of the Campbell Chapel African American Episcopal Zion Church. Located in Indianapolis, Indiana, this faith-based group was recognized by the State as one of its most effective partners.

Campbell Chapel African Methodist Episcopal (AME) Zion Church

With its 100-year old community history and backing from its sixty-member congregation, Campbell Chapel AME Zion Church serves Indiana's TANF population. A decade ago, the church was inspired to expand its ministry and become providers of social services to its burgeoning population of low-income urban residents. The church did not conduct needs assessments or poll its community; rather, it was motivated as part of its spiritual obligation to reach out to the poor in its own community. Initially, the church secured Federal funds through the Department of Housing and Urban Development (HUD) and its State labor department. Interestingly, it was through Campbell's relationship with HUD, that the faith-based organization (FBO) first learned about Charitable Choice and the funding opportunity available to the faith community. In February 2000, Campbell—along with other congregations and faith-based groups—was invited by HUD to attend a closed circuit broadcast on States working with faith-based groups through Charitable Choice. After attending a local bidders' workshop and subsequently submitting its proposal, Campbell was informed in October 2000 that it qualified as a service provider under the Charitable Choice provision.

Summary of Services Offered

Through its TANF funding stream, Campbell increased its budget to provide the following services to Indianapolis TANF clients:

- Job training
- Mentoring/Job coaching
- Job search
- Job skill development
- Vocational training.

The list represents services the FBO provided before its contract with the State. However, with increased funds via TANF, the congregation expanded its capacity to provide these services.

Campbell AME Zion also provides assessment services to potential GED students. Specifically, the church administers an assessment instrument that tests for basic education achievement levels. The instrument helps establish the client's current education level, after which, Campbell suggests suitable GED preparation placement for the client.

Currently, Campbell has a contractual agreement to provide GED, adult education, and computer training services to TANF recipients. While Campbell does not receive financial assistance from the State, the FBO will also assist TANF clients with emergency house, transportation, basic needs (e.g., food banks, clothing), and crisis management/domestic violence issues.

Partnering with the State

Campbell AME Zion now bids for funding through the State's Request for Proposals (RFP) process. Newspaper advertisements announce the RFP, along with information on bidders' conferences. During a bidder's conference, applications are made available to any eligible group.

Campbell first became aware of its eligibility to receive TANF funds through its long-standing relationship with the Department of Housing and Urban Development (HUD). HUD's history of partnership with religious congregations is well known in the faith community. As such, the agency was asked to contribute to getting the word out about Charitable Choice and TANF. Among other means, HUD helped to market the message through its closed circuit broadcasts and its regional conferences.

Campbell AME Zion now bids for funding through the State's Request for Proposals (RFP) process. Newspaper advertisements announce the RFP, along with information on bidders' conferences. During a bidder's conference, applications are made available to any eligible group. Fortunately, Campbell's Project Director, along with other congregation members, has training in the field of social work. As such, the congregation has persons in-house who helped to prepare a proposal that met the State's requirements. Having members with training in social work and proposal writing helped Campbell received its first TANF contract in October 2000.

Once successful bidders are notified of an award, the new service provider goes out and markets its services to the five local TANF offices in the Indianapolis area. The service provider is required by the State to conduct a formal presentation to caseworkers of the services it will offer to TANF recipients. In some cases, awards are made to bidders contingent upon negotiations with the State. For instance, in the case of Campbell, the State determined that they have an increasing Hispanic population in the Indianapolis area and requested that the congregation include in their 2001-02 proposal classes on English as a Second Language.

The State continues to fund Campbell's GED/Adult Education Services on a contractual basis. Computer training for TANF clients will no longer be contractually funded. Rather, TANF clients will be provided vouchers by local caseworkers to pay for computer training classes at Campbell. To provide services to TANF clients, Campbell has hired a staff of 10 part-time persons (typically working 25 hours per week per staff person). Campbell's staff has not increased as a function of this new funding stream.

The church's TANF population is completely referral-based through local caseworkers. Since its contract began in October 2000, the congregation has received 37 referrals from local TANF offices. Among those referrals, most have been approximately 21 to 25 years old, African American, and female.

Partnerships with Other Faith-Based Organizations

Campbell AME Zion reports that there is only one other faith-based provider receiving TANF funds in Indianapolis, and that they do not have any *formal* partnerships or collaborative arrangements with this other faith provider. However, the FBOs *informally* provide advice and support to one another in their respective efforts. The two

groups often share experiences by discussing what has worked well for them in meeting their goals. In addition, they share concerns related to serving the TANF population. The two groups also “partner” informally to present those concerns to the State office.

Client Experiences

When asked how individuals have responded to using services at Campbell, the research team learned that clients express appreciation for the compassion, flexibility, and patience of the faith community. Campbell provides clients with personal attention. Campbell views themselves as “down home folk” that know their clients in ways that are rarely achieved in secular settings. Campbell is willing to go the extra mile with their clients. For instance, staff persons at Campbell very often encourage their clients to call them at home to talk and share experiences.

Staff in the congregation report that new clients sometimes express concerns about receiving services in a church setting. Clients wonder if they will be forced into prayer or if the educational services they receive will be placed in the context of religion. While Campbell often does not directly address client concerns, clients eventually realize that no religious pressures are placed on them in exchange for services. In fact, the entrance to their classroom(s) precludes individuals from entering the main church building.

Campbell classrooms contain few references to their religious affiliation. Instead, their walls and bulletin boards boast of the achievements of prior students who are now GED recipients. In time, Campbell reports that TANF clients often forget that their services are even being provided in a facility of worship. TANF clients and Campbell staff members have formed friendships and partnerships that they trust and respect, which is particularly important at Campbell where many clients have experienced failure in numerous other secular programs. It is not unusual that an individual’s enrollment form shows that they were in several other secular programs for GED services before finding their way to Campbell. As a result, many clients have serious doubts about their ability to succeed. However, through the warmth, compassion, and support of Campbell staff, many clients meet their goal of obtaining a GED. Campbell reports that in less than one year, the church has helped 25 clients become GED recipients.

In addition to observations and casual conversations with clients, Campbell has actually developed an instrument that allows its TANF clients to evaluate the services they have received. The church formally included this effort as part of its original proposal to the State. Unfortunately, Campbell reports that it is somewhat difficult for them to consistently capture these data because of the nature of the relationship between client and provider. When clients go out for jobs, for instance, they might call the church to let them know that they were successful. However, many clients do not actually return to complete the evaluation form. In these instances, the church’s only other alternative might be to go out to their homes to gather the information. Campbell does not have the infrastructure to visit client homes. It has, however, had better success

of getting client reactions to courses by providing evaluation forms at the close a class or training opportunity.

Challenges and Lessons Learned

While Campbell reports an overall successful and rewarding partnership with the State of Indiana, the FBO has experienced one major challenge related to the current State-FBO payment process. Specifically, Campbell indicates that the current process can cause staff payroll problems. On average it takes up to 45 days to receive State funds after Campbell submits its monthly invoice. If there is an error in the report, the payment is delayed further.

However, to the credit of the State of Indiana, Campbell reports that *State TANF officials are proactive with the State legislature in changing rules that will help streamline the payment process.* The FBO feels the State realizes that a more streamlined approach would likely attract more providers from the faith community.

The FBO has experienced one major challenge related to the current State-FBO payment process. However...Campbell reports that State TANF officials are proactive with the State legislature in changing rules that will help streamline the payment process.

The State of Texas has been long recognized as a leader in effective State-faith community partnerships. As such, the research team thought it critical to gain information regarding their experiences and outcomes concerning the provision of faith-based human services. Additionally, the Center for Public Justice gives Texas an “A+” rating regarding its compliance with Charitable Choice.

1. Texas State Perspective

In developing the content for this case study, we spoke with representatives from both the Texas Department of Human Services and the Texas Workforce Commission. Both agencies play key roles in the implementation of Charitable Choice in Texas.

Partnering with Faith-Based Organizations

Similar to Indiana, Texas has been in the business of partnering with the faith community long before Charitable Choice. However, in May 1996, after the introduction of the Personal Responsibility and Work Opportunity Act, former Governor George W. Bush established a Faith-Based Task Force. The Task Force was comprised of 16 clergy and volunteer leaders of diverse backgrounds and affiliations from across Texas. The group was charged with two major tasks. First, the Task Force was given the job of surveying Texas’ legal and regulatory landscape to identify barriers to faith-based groups. Second, they were asked to recommend ways Texas could create an environment in which faith-based groups might flourish and where regulations did not inappropriately mitigate the ‘faith factor.’ The final product, delivered in December 1996, is a written report known as Faith in Action. Subsequent to the Task Force recommendations, former Governor Bush issued an Executive Order (EO) to State agencies challenging them to begin aggressive implementation of the Charitable Choice provision. The EO required certain State agencies to report back to the former Governor their own plans for implementation by May 1997.

In response to this EO, the Texas Department of Human Services and the Texas Workforce Commission emerged as major State players in the implementation of Charitable Choice in the State of Texas. Together, these State agencies facilitate successful partnership between government and the faith community in the delivery of welfare-related services and benefits.

Using TANF funds, DHS has been authorized by the Texas Legislature and former Governor Bush (during FY2000) to spend up to \$7 million to support local projects that help Texans avoid welfare and prepare for jobs. DHS calls this its Innovation Program. Each Innovation Program can be awarded up to \$250,000 a year. The contracts are administered through the 10 DHS regional administrators. Recipients of

Innovation Program dollars submit quarterly reviews of their project status to the Department of Human Services.

The State Department of Human Services has found ways to empower individuals and groups to foster self-sufficiency in their communities. For instance, State-run local offices each house “resource rooms.” The size and content of the rooms vary by location. Some locations have job directories and other job referral sources. Others might have the some job search tools, along with a clothes closet. Individuals who believe they need support from the State through TANF might not even require the funds or services. Instead, they might only need to be connected with an already available community resource (e.g., job referral sources). If, however, additional support is required, there is an opportunity to apply for TANF funds and services.

The State seeks not only to empower the TANF client to help him/herself, but they also provide the means for neighborhoods, communities, and congregations to be empowered to help their own community members. One example of this is DHS’ Family Pathfinders program. In brief, Family Pathfinders facilitates ways for local teams comprised of volunteer citizens to be matched with TANF families. Team members act as mentors to the families, assisting them with things such as developing budgets, resolving transportation and child care needs, job coaching, and educational tutoring on an individual-need basis.¹⁹ Texas finds this team approach favorable because it fosters innovation and self-sufficiency. Moreover, when services are based in neighborhoods, they are more likely to reflect the actual need of the community. The people there understand their strengths and their challenges. They are better equipped to make judgments and join forces (e.g., one community based provider with another) to combine strengths to meet needs.

To further support the relationship between the State and the faith community, Texas legislation (passed in 1999) requires DHS to designate regional liaisons to work with faith-based groups in providing community-based services to Texans in need.

The Texas Workforce Commission was created in 1996 to pull under one umbrella those agencies and groups that impacted workforce development. Local workforce development boards (under the Texas Workforce Commission) work to cooperate and coordinate with organizations in promoting the involvement of faith-based organizations in providing community services. Local workforce development boards also designate regional liaisons that promote and encourage charitable organizations’ involvement in serving TANF clients. It is the Commission’s local boards that have direct service delivery responsibility. It is at this level where the majority to contractual agreements between the faith community and government take place as well. The Commission has very few direct service contracts with faith-based groups. Texas finds that rigid, directive approaches can be problematic since the needs of regions vary widely across the State. As such, a great deal of decision-making with respect to service delivery mix, education strategies, and general “marketing” is handled on the local level. Local boards are formula funded by the Commission annually.

Since Texas’ strategy for partnering with the faith community is not completely dependent upon funding sources, there is some emphasis on teaching individuals and

¹⁹ See Texas DHS web site for more information: www.dhs.State.tx.us/communitypartnerships.

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groups “how to” provide assistance in their own communities as one way to help neighbors reach self-sufficiency. As such, the provision of services via faith-based providers on the local level is both formal (i.e., via contracts and memoranda of understanding) and informal. For example, staff persons in a local workforce development office, very often maintain lists of local groups that will donate items to TANF clients. A local official might call the XYZ congregation, for instance, and inform them of a client that needs appropriate shoes or clothing for an upcoming interview. In turn, XYZ congregation invites that client to stop by and browse through their clothes closet. There is no State-FBO formal arrangement or funding. In such instances, it is just government and community working together to share resources toward common goals.

Another example comes from the Texas Department of Human Services. Specifically, DHS makes available to individuals, families, and organizations a guide called You Are the Difference.²⁰ It provides a wide range of information designed to stimulate and support volunteer activity in local communities. DHS makes it available through its website.

Once a faith-based group decides it wants to provide services to TANF clients under the Charitable Choice provision, the State provides a couple of general vehicles for developing a contractual relationship. First, there is the Request for Proposal (RFP) process. The State’s procurement process requires all RFP’s to be widely advertised through media such as television, radio, newspapers and the Texas Register. Any interested group can respond. In addition, groups can submit a non-solicited request for funds at any time. The State can choose to enter into a contractual agreement with the bidder. This action also triggers the State to add this group to its bidders’ list, thereby ensuring that the group receives notices of upcoming bidders’ conferences and related activities. As mentioned previously, Texas thinks flexibility is important, therefore, regions have some flexibility in the content of its RFPs given geographical need(s) and resources. The State is committed to making no distinctions in how it encourages competition or makes awards to providers. In other words, faith-based and secular groups are treated the same.

Outreach to Faith-Based Organizations

In response to former Governor Bush’s Executive Order, the Texas Department of Human Services identified its own task force to determine what the State agency was already doing as it concerns partnering with the faith community in serving TANF clients. The task force aimed to delineate the barriers (perceived or real) to implementing Charitable Choice. Part of this process involved convening a Statewide conference of over 200 attendees ranging from faith community members, community action groups, to other non-profit agencies. This event (held in April 1997) allowed an opportunity for representatives of the faith-based and non-profit community to discuss and identify issues and challenges. It was also an excellent way to foster networking among these groups as a means to expanding DHS’ community collaboration.

About a year and a half later, a second Statewide conference was held that included educators, employers, and community college personnel. The emphasis was on finding ways for the State to collaborate with established groups and agencies based on strengths already present within their community.

Likewise, the Texas Workforce Commission sponsors regional conferences and also brings together workgroups (consistently of various local representatives and

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²⁰ Available at:

http://www.dhs.State.tx.us/publications/you_are_the_difference/index.html.

citizens) designed to educate and conduct outreach efforts to charitable organizations. The Commission seeks to encourage workgroup members that come from all facets of the community. As such, workgroups are not merely “cheerleaders for Charitable Choice,” but they are comprised of community problem-solvers that reflect the diverse needs and views of the neighborhoods where they live and work.

Through these two agencies (Department of Human Services and the Texas Workforce Commission), the State has placed a great deal of emphasis on information and education dissemination to the faith community. These two agencies work diligently to dispel myths and stereotypes about individuals and families that receive TANF assistance. They also want to change the perceived face of State government among members of the faith community. The State has found that Statewide and local forums and seminars go a long way to providing the information that faith-based organizations needed to assuage stereotypes and misconceptions of both the TANF client and the State-level official. For instance, during one Statewide conference, presentations were made by former TANF clients who have successfully transitioned to self-sufficiency. Other vehicles for outreach and education are determined by officials throughout the various local regions. The State continues to sponsor at least two annual, Statewide conferences as mechanisms for educating the general public, disseminating information to service providers, and providing technical assistance.

Because of these and other outreach strategies, State officials report overall positive outcomes, including smaller faith- and community-based groups becoming increasingly comfortable with interacting with the State as service providers.

Advantages to Contracting with the Faith Community

The Texas Department of Human Services and the Texas Workforce Commission make clear that there are no distinctions made between faith-based and other service providers with regard to competition, support, encouragement, and funding. However, both agencies note that for the client, there is anecdotal evidence of benefits of using faith-based services. Primarily, charitable organizations tend to be smaller in size. Their small size might impact capacity to serve large numbers of clients, however, those clients who are served tend to receive more personalized, caring, intensive relationships with the faith provider. Overall, Texas reports that clients seem to receive substantial attention in an environment that is often warmer and more nurturing. State officials report no knowledge of negative feedback from clients who use the services provided by the faith community.

Additionally, both DHS and the Workforce Commission report that working with the faith community often just makes “good sense.” According to one Texas Workforce Commission representative, Charitable Choice is the government’s way of “holding its hand” out and saying to the faith community “we’re doing some great things...you’re doing some great things...let’s do them together.” For Texas, this Statement seems to capture the overall perceived benefit of partnership between the State and the faith community.

Alternative Service Requirement

For the client, there is anecdotal evidence of benefits of using faith-based services. Texas reports that clients seem to receive substantial attention in an environment that is often warmer and more nurturing. State officials report no knowledge of negative feedback from clients who use the services provided by the faith community.

Texas holds itself accountable to the intent of the Charitable Choice provision, while simultaneously protecting the individual and the faith provider under the terms of the law. One such requirement under Charitable Choice is that of providing an alternative service to those offered via the faith community. When clients meet with local officials to determine services needed, they might be presented with an opportunity to receive such services from a faith-based provider. The client, however, is informed of his/her right to decline such services. At the same time, they are provided with such a secular alternative. If a client selects to participate with a faith provider, he/she can request the alternative secular service at any time via his/her caseworker. The State reports that it has been very successful in using this approach to meet this requirement of the law.

Challenges and Lessons Learned in Texas

Even though the concept of working with the faith community is long-standing in Texas, there was some scrutiny and concern about the implementation of Charitable Choice in the State. In Texas, State officials report that a sizable number of faith-based groups continue to hold to a strict interpretation of separation of church and State. As such, there was and remains some skepticism about partnerships with government. But, *the State remains committed to reducing remaining resistance through continual education and outreach to the faith community.*

The State also understands that the *same education must continue among its own staff.* Officials report that lack of education about Charitable Choice has fed misconceptions. In turn, misconceptions have led to some polarization on the issue. In particular, State officials have found that the misconceptions are largely due to lack of accurate knowledge about the protections for individuals, faith-based groups, and government under the provision. However, Texas has found that *once individuals and groups are properly informed, barriers seem to dissipate and greater cooperation can emerge across groups.*

Though it works diligently to educate the general public, its own staff, and the faith community, the State admits that it struggles to consider more and better ways to market and educate people about Charitable Choice, thereby increasing participation among faith-based groups. Finally, the Department of Human Services reports only one lawsuit (brought on by outside organizations) with respect to the implementation of Charitable Choice. The suit asserted that funds were being used to purchase Bibles. It was discovered early on that there was no basis for the suit. As such, it was almost immediately dismissed from court.

Tools and Resources

Below is a listing of select tools and resources used by the State of Texas and available to individuals, groups, and agencies:

In Texas, State officials report that a sizable number of faith-based groups continue to hold to a strict interpretation of separation of church and State. As such, there was and remains some skepticism about partnerships with government. But, the State remains committed to reducing remaining resistance through continual education and outreach to the faith community.

- *“You Are the Difference” Guide*—designed to help individuals, families, and organizations who wish to volunteer their time move from “we want to help” to “here’s what we are going to do.” The start-up kit is available online at: www.dhs.State.tx.us/publications/index.html.
- *Texas’ Family Pathfinders Program*—Administered by the Department of Human Services, Family Pathfinders helps individuals and groups come together to meet unmet human and social needs in their own communities. Want to find out more? Visit the Texas DHS webpage: www.dhs.State.tx.us/communitypartnerships/familypathfinders/index.html.
- *Services of the Texas Workforce Commission*—Find out more about the services and resources available by visiting the website and clicking on the “Charitable Choice” link: www.texasworkforce.org.
- *Charitable Choice Bulletin Board*—The Texas Workforce Commission sponsors a Charitable Choice bulletin on its website. (See above web address.) Its goal is to enhance communication networking among local workforce development boards, faith-based and community-based organizations, service providers and the public who are interested in workforce development and support services. These services may include: job-search, job-readiness, job-skills training programs; Literacy, General Educational Development (GED) and English as a Second Language (ESL) programs; food, shelter, and clothing; social services and referral; child care and transportation; and counseling services among others.

2. Texas' FBO Perspective

As one of the largest and most widely respected FBOs, efforts by the Lutheran Social Services of the South (LSSS) are highly praised by both the Texas Department of Human Services and the Texas Workforce Commission. The research team interviewed LSSS' Project Director, Heather Neuroth, in the organization's San Antonio office.

Lutheran Social Services of the South, Incorporated

Established in 1881 in New Orleans, Louisiana, Lutheran Social Services of the South, Inc. (LSSS) has a rich history of supporting the community through the provision of social services. Today, LSSS serves both Texas and Louisiana. In both Texas and Louisiana, LSSS employs about 1,400 persons.

LSSS' San Antonio office was originally established in the 1970s. Its services were temporarily ended, but re-started in July 1998 when LSSS staff from El Paso, Texas began to survey the needs of the San Antonio region.

LSSS frequently looks to serve new populations that will benefit from their mission: "To provide help, healing, and hope to children, the elderly, and the poor in the name of Jesus Christ." Through the aforementioned needs assessment, the organization learned that, while people were returning to work after the introduction of the 1996 Welfare Reform Act, many still had issues with self-esteem and long-term job retention.

This case study focuses on the efforts of LSSS' San Antonio Community Services office to support job retention and self-esteem building through mentoring TANF recipients. Hereafter, the term LSSS will refer to this single location unless otherwise Stated.

Summary of Services Offered

Through its TANF funding stream, LSSS provides the following services to San Antonio TANF clients:

- Job training
- Job search
- Job skill development
- Vocational training
- Mentoring
- Case management

In addition to these general services, LSSS conducts self-esteem classes through a curriculum known as "Achieving Your Potential." The curriculum, developed by the Pacific University of Washington, was designed on a fourth grade level and emphasizes building self-esteem, as well as providing work- and life-skills to clients receiving TANF benefits under the Texas Workforce Commission. Adult men and women (18+ years) with household incomes at 200% below the Federal poverty line are eligible to participate. LSSS has served approximately 250 persons through these classes since March 2000.

LSSS also has a contractual agreement with the Department of Human Services under its Innovation Program. Initially, the DHS encouraged its own employees to volunteer their personal time to call and mentor TANF clients as one way to facilitate job retention. Over time, DHS realized it needed to reach out to the faith community to support the Department's mentoring efforts. As a result, the Innovation Program was

established. Today, DHS funds a mentoring program at LSSS called “Coaching for Success.” More details about this service is provided under the subheading “Partnering with the State.”

Finally, if specifically requested by TANF clients, LSSS will provide internships. This service is not widely advertised, but available by special request. The FBO also offers limited transportation services, crisis management, and domestic violence services. When domestic violence issues are severe, LSSS refers clients to other specialized agencies/groups.

Partnering with the State

Originally, LSSS had one staff person who acted as project director of its self-funded mentoring project for women. Given its limited resources, LSSS was only able to serve approximately six women when it originally re-opened in 1998.

LSSS first became aware of its eligibility to receive TANF funds through an informal referral relationship it had with DHS when it first re-opened in 1998. Lutheran Social Services saw this as an opportunity to expand its current mentoring program. Their first TANF dollars were through the Texas Workforce Commission, which helped LSSS to carry out expansion efforts from January 1999 to May 2000. During that time, the LSSS was awarded a \$35,000 performance-based contract to develop its existing mentoring program to serve 30 women (from its original population of 6 under an informal arrangement with DHS). LSSS’ contract with the Texas Workforce Commission was performance-based” meaning that payment was correlated with certain participant outcome measures. For instance, payment was made when a client moved from unemployment to employment. If that client stayed employed for six months, LSSS received \$500. LSSS received an additional \$750 for 12 months of sustained employment. If a client received a 5 percent raise, Lutheran Social Services was paid \$150. And, finally, when a client moved from part-time to full-time employment, the organization received \$150. Under this initial contract with the Texas Workforce Commission, LSSS exceeded its client goal and served 60 women, only drawing down \$20,000 of the \$35,000 awarded.²¹

In the summer of 1999, LSSS heard about and submitted an RFP to DHS’ Innovation Program. After submitting its proposal, LSSS was awarded a 21 month Innovation contract in October 1999. LSSS received \$190,000 in the first year and \$260,000 in the second year. It was after this round of funding that LSSS was able to increase its staff from one to five members. Specifically, with DHS’ TANF dollars, the program has grown to support the following staff members: one project director, one project secretary, and two case managers that actually work in office space at local DHS offices.

Through the new contract, LSSS’ now offers a volunteer mentoring program that has an adult and youth component. Specifically, under the adult component (“Coaching for Success”), female TANF recipients ages 18 and over are paired with a female adult volunteer. The mentor’s role is to provide extra support and encouragement to help move

²¹ LSSS reported that its first application was actually turned down by the Commission citing the need for LSSS to justify \$35,000 without measurable outcomes. LSSS, using its own funds, consulted with a private grant writer and re-submitted its application to meet the State’s performance-based requirements.

the mentee to self-sufficiency by boosting her self-esteem and helping to increase job skills. LSSS used these funds to serve 100 women to date. Additionally, under this contract, LSSS receives reimbursement from the Department of Human Services for its mentoring services to adult women and young girls.

Funds also support the development of the youth component (known as Youth Experiencing Success 'YES'). The program is designed to serve 35 to 50 young girls by pairing them with young college women. Through YES, girls ages 11 through 14 are paired with these mentors to help increase their self-esteem. Through these mentoring relationships, the youth also get excited about and exposed to higher education. LSSS hopes that these positive relationships help youth avoid teen pregnancy and other at-risk behaviors. In both programs, mentors and mentees are required to telephone each other at least once a week and meet face to face at least one time per month.

Currently, LSSS reports that it is serving 80 adult women and 40 youth girls in Coaching for Success/YES. Participants in both the adult and youth programs are primarily Hispanic (80 percent), with a smaller proportion of African-American (15 percent) and Caucasian (5 percent) women. Adult mentors are 50 percent Caucasian, 30 percent Hispanic, and 20 percent African-American. LSSS proudly reports that its youth mentors best represent the broader community it serves. Specifically, approximately 50 percent of the college women mentors are Hispanic, 25 percent are African-American, and 25 percent are Caucasian. All mentee participants come from urban areas.

Presently, mentees (both adult and youth) are recruited largely through LSSS' own efforts. As mentioned previously, the organization's two case managers actually work at two of DHS' local offices. In those two DHS locations, case managers "recruit" adult women participants as they are waiting for other appointments with government staff workers. They also set up booths in those locations to advertise their mentoring services. Moreover, both DHS and the Texas Workforce Commission provide opportunities for LSSS caseworkers to come into their facilities to conduct presentations to TANF participants. In addition, DHS and other social service agencies do some limited referring of their clients to Lutheran Social Services. Finally, some women self-refer to LSSS.

In the case of youth participants, the vast majority are referred to YES through their mothers, who themselves participate in Coaching for Success. LSSS takes care to get complete parental consent before providing any services to this group of clients. Additionally, Lutheran Social Services approached the San Antonio Independent School District (SAISD) about becoming an official mentoring program. After winning approval

Through these mentoring relationships, the youth also get excited about and exposed to higher education. LSSS hopes that these positive relationship will help youth avoid teen pregnancy and other at-risk behaviors.

by the District's superintendent, LSSS has become a referral option for school officials in SAISD who wish to place their students in mentoring programs.

When participants enter the YES ("Youth Experiencing Success") program, they must complete a one-hour or longer individual assessment with a case manager. During this session, information is gathered in areas such as family history, work history, school history, support system(s), coping skills, and current needs/problems. Policies and procedures are also explained to new participants and each participant signs the policies and procedures thereby documenting her understanding and acceptance of the language therein. Case managers also establish contact with participants at least one time per month. Participants are re-assessed at six months and at 12 months.

Initially, LSSS recruited its mentors largely from its own Lutheran congregation. This recruitment source proved to be somewhat limited. However, as the word got out about the program's success and as LSSS began to gain greater public recognition (e.g., local newspaper write-ups, advertisements in smaller papers and in other church bulletins), the positive response from potential mentors grew tremendously. Once individuals agree to become mentors, they are required to participate in three hours of training. In addition, case managers contact the mentor at least once a month to determine if the match is good and if any intervention is necessary. Like client participants, mentors must review and sign LSSS' policies and procedures before moving forward in their new role.

Overall, this organization views State partnerships with faith-based groups as an extraordinary vehicle for mobilizing huge volunteer sectors in communities. According to LSSS' project director, communities see faith-based organizations as groups of high integrity and committed to the participants they serve. This can be very attractive to the volunteer community.

Overall, this organization views State partnerships with faith-based groups as an extraordinary vehicle for mobilizing huge volunteer sectors in communities. According to LSSS' project director, communities see faith-based organizations as groups of high integrity and committed to the participants they serve.

Through these mentoring relationships, the youth also get excited about and exposed to higher education. LSSS hopes that these positive relationships will help youth avoid teen pregnancy and other at-risk behaviors.

Partnerships with Other Faith-Based Organizations

Lutheran Social Services reported that it has several collaborative relationships with other charitable and social service organizations. In cases where LSSS does not provide services, it will refer its clients to other providers (e.g., Goodwill, San Antonio Housing Authorities, Catholic Charities, and Jewish Family Services). For example, LSSS reports that it refers out mental health services, substance abuse counseling/treatment services, child care services, vocational training, parenting classes, emergency housing needs, and basic needs (e.g., food banks). The organization believes that having these types of partnerships is critical to responding to the whole client.

Client Experiences

LSSS reported that most seem to be quite pleased with the quality and level of services provided. The FBO has found that their clients feel important and that they are a part of a community that finds interest in them. Over time, clients build friendship groups among themselves, mentors, and program staff. In addition, as friendships form, the perceived barriers based on race/ethnicity and socioeconomic background diminish. According to LSSS, clients tend to perceive a higher level of integrity from Lutheran Social Services staff and volunteers. As a result, an environment based on open, honest communication and trust is fostered. In some cases, clients who come to LSSS appreciate it as a venue to talk about their own faith life.

Some clients express concern that there is a one-year time limit on the program. LSSS is exploring the possibility of expanding the time limit. Another client concern that exists relates to mentor-mentee matching. In cases where the matching is unsuccessful, mentors and mentees have the option of going to the LSSS case manager to request a mentor or mentee change.

In addition to the previously mentioned monthly case manager calls, LSSS administers quarterly satisfaction surveys to mentors and mentees. They are mailed to mentors and client participants. The surveys are an anonymous mechanism for gaining feedback and evaluating program strengths and limitation. LSSS' project director noted that client satisfaction increased significantly with the introduction of regular case monitoring by the two case managers.

While the intended outcomes of the program are targeted to TANF clients, LSSS recognizes some noteworthy effects on mentors. These effects can be summed up in a Statement made by one mentor as she described her relationship with her mentee. The mentor, a 45-year-old Caucasian women living in an affluent area of San Antonio, had been matched with a 33 year old African-American woman living in a predominately low income, African-American part of town. The mentor, when describing on her experience, Stated:

Lutheran Social Services reported that it has several collaborative relationships with other charitable and social service organizations. The organization believes that having these types of partnerships is critical to responding to the whole client.

“I realized that I’m 45 years old and have never had a conversation with a black person. Now, my mentee and me are like best friends and I can’t imagine my life without her.”

Challenges and Lessons Learned

Overall, Lutheran Social Services of the South speaks favorably of its relationship with the State of Texas. It views the relationship as a great learning experience, particularly since implementation of Charitable Choice is still relatively new, and describes the experience as “building a boat as it floats.” LSSS recognizes that without the State partnership, its understanding about welfare to work and its impact on its ministry, for instance, would be severely limited.

However, as with all relationships, some challenges emerged. For LSSS, its greatest challenge has been the State’s referral process. *LSSS thinks that the State should continue to improve its mechanisms for getting the word out through caseworkers about the existence of its program.* They think that some of the problem can be attributed to the busy workload of many State employees.

With challenges come opportunities to resolve them. LSSS believes that open lines of communication are a must. *When issues arise, dialogue should begin immediately and openly.* They encourage other faith providers to reach and talk to State staff about any concerns. LSSS has found Texas extremely open and willing to help them with any and all concerns.

LSSS recognizes that without the State partnership, its understanding about welfare to work and its impact on its ministry, for instance, would be severely limited.

REACTIONS OF ADVOCATES

Advocates play a critical role in both policy development and implementation. The ideas, concerns, and practices espoused by a cross-section of advocates is presented in this section. The intent of the section is not to present an exhaustive listing of all advocates, but to illustrate the various positions held in an effort to assist States in preempting challenges and achieving successful implementation.

Advocates have varying reactions to the Charitable Choice legislation and its implementation. The issues highlighted by these organizations can assist both States and FBOs in their understanding of public concerns regarding Charitable Choice. By being aware of the concerns, States can avoid pitfalls and appropriately prepare their agencies to address questions and work within the legislative guidelines

1. Advocate Viewpoints

In order to present a variety of perspectives, the research team conducted interviews and Web site reviews with a cross-section of stakeholders in the process of Charitable Choice implementation. These interviewees and the reasons they were selected are:

- The U.S. Department of Health and Human Services to determine certain actions a Federal agency is undertaking;
- The Center for Public Justice to ascertain the types of supports they are providing for organizations implementing Charitable Choice, and;
- The American Civil Liberties Union to understand some concerns surrounding the implementation of Charitable Choice.

This section has not endeavored to present a comprehensive list of stakeholders in the Charitable Choice debate. Rather, it has summarized the positions of three advocates with points of view representative of a greater number. These advocates have important lessons to share with those responsible for implementing the provisions of Charitable Choice. They are a valuable resource and should not be overlooked when planning implementation efforts.

Department of Health and Human Services²²

Elizabeth Seale was appointed in March 2001 as the director of the Department of Health and Human Services (HHS) Center for Faith-Based and Community Initiatives.²³ Currently, a report is underway to describe HHS' implementation of the faith-based initiative described in President Bush's Executive Orders (as referred to in the Introduction Section of this notebook).

²² Available through: www.hhs.gov.

²³ Source: HHS Press Release, Secretary Thompson Names Seale to Head HHS' Center for Faith-Based and Community Initiatives, www.hhs.gov/news/press/2001pres/20010320.html.

Support for Charitable Choice

HHS is aware that limited guidance regarding Charitable Choice implementation exists. Many States depend on the statute for direction when modifying procurement policies and practices. In response, HHS is beginning to develop additional guidance, support and technical assistance.

Technical Assistance for States

HHS is providing technical assistance to help States partner with FBOs by sharing ways that other States have created successful partnerships. When States request assistance, HHS' role is to provide guidance while evaluating State plans for completeness, not compliance. In other words, HHS can only recommend that the State further explores opportunities under Charitable Choice, and can not require plans to include FBO or community-based organization partnerships.

FBO Funding Opportunities

Currently, faith-based organizations can obtain funding to expand their capacity to serve TANF recipients and others by submitting unsolicited bids for Federal money. Technical assistance (TA) for requesting funds is available at the Federal level through HHS. Additionally, in response to Requests for Proposals (RFPs) and bid requests, several States (for example Indiana and New Jersey) provide proposal writing and other TA for faith- and community-based organizations. TA is also provided to help FBOs understand contracting language once monies are awarded.

Center for Public Justice²⁴

The Center for Public Justice (CP Justice) supports Charitable Choice legislation. In fact, staff are dedicated to creating information guides and providing technical assistance for States and FBOs, and there is section within their main Web site²⁵ dedicated to disseminate articles and other information regarding the implementation of Charitable Choice. CP Justice primarily represents public policy research organizations and are financially supported by non-governmental sources (e.g., citizens, Christian organizations, faith-based organizations) and government contracts. They consider their target audience to be State human services agencies. CP Justice's viewpoint regarding Charitable Choice follows.

Providing Advocacy

Currently, CP Justice is helping State officials in all regions "get up to speed" on funding and implementation issues through both formal consulting agreements and informal information requests. CP Justice indicates an important first step for States is to review their procurement policies and practices to ensure they do not conflict with Federal legislation, and they provide TA and information to assist States in developing a framework for implementing Charitable Choice.

Recently, CP Justice published a Charitable Choice implementation guide, called *Charitable Choice for Welfare and Community Services: An Implementation Guide for State, Local and Federal Officials* (Implementation Guide), in order to clarify the legislation and assist States in their efforts to effectively partner with eligible organizations. The Implementation Guide explains the legislation in "plain English," and

²⁴ Available through: www.cpjustice.org

²⁵ Web site: <http://www.cpjustice.org/charitablechoice/>

provides suggestions for reforming procurement policies and practices and examples from other States. Finally, the document presents examples of actions State leaders can take to facilitate the changes necessary to comply with the Federal law (e.g., task forces to examine existing procurement policies, governor's executive orders).

Strengths and Impact of FBOs

CP Justice asserts that where Charitable Choice is implemented, good things are happening: States must make implementation a priority. One of the strengths of faith-based organizations is that they are usually co-located with their clients, and the FBO personnel know the community and the environment of the residents they serve. CP Justice States that people trust the FBO because they are part of the community at a grassroots level. Secondly and related to the first point, FBOs can "speak the language of the people since they understand their culture and needs. Third, FBOs tend to provide services for people's emotions, spirit, and physical being (e.g., job training, health care referrals). FBOs can address the "spiritual dimension by providing hope and encouragement" which secular agencies do not or can not make available. Through this holistic approach, all needs of clients can be addressed.

Barriers and Challenges to Partnering with FBOs

According to CP Justice, one of the challenges facing small FBOs is building their capacity. States can (and some do) provide technical assistance to help them write proposals and learn the language of proposal writing. (As mentioned previously, New Jersey and Indiana currently provide proposal TA). At a more elementary level, small FBOs do not receive notification regarding Requests for Proposals (RFPs) or bid requests, so States should outreach to FBOs and community organizations and educate them about the process.

State procurement manuals can be a barrier to developing partnerships. Many States are in the process of revising their procurement policies and practices, but some have not noticed, or may oppose, the new Federal guidelines. Because rules currently in effect are antiquated, State agencies may advise personnel incorrectly.

CP Justice asserts that States must educate their agencies at the State and local level about the implementation of Charitable Choice. One way to do this is for States to develop task forces to identify barriers and develop ways to overcome them by reviewing and updating procurement manuals, contract language and other policies that conflict with Federal guidelines. For example, Virginia has a task force that has reviewed procurement policies and is currently educating government officials on how to build alliances with FBOs²⁶.

Additionally, CP Justice has found that a difficult aspect of Charitable Choice, especially for rural areas, is meeting the alternative service provision. States are required under the legislation to provide a secular alternative to receiving faith-based services. One way to meet this requirement is for States to partner with community resources (e.g., community centers) and colleges who have established service delivery mechanisms. Or, CP Justice suggests that States can hire or train in-house personnel to provide services.

Outreach and education in the faith community and State may be difficult for States because of an already over-burdened workforce. Therefore, States can appoint a liaison with the faith community who can provide outreach and education, identify

CP Justice asserts that through a variety of mechanisms – smaller funding grants, increased administrative capacity to assist FBOs, technical assistance for obtaining funds and establishing services – States can identify new partnership opportunities with FBOs and remove procurement barriers.

²⁶ Center for Public Justice. (2000). *Charitable Choice Compliance: A National Report Card*. [http://www.cpjustice.org/stories/storyReader\\$296](http://www.cpjustice.org/stories/storyReader$296).

collaborative opportunities, and assist States in meeting the alternative service provision of the legislation.

Increasing State-FBO Partnerships

Again, liaisons can help identify collaborative opportunities and provide technical assistance for FBOs and other community-based organizations. Also, CP Justice recommends that States or liaisons outreach to FBOs and provide education to clarify the nuances of Charitable Choice. Finally, States can simplify their contract language. For example, Texas created smaller grants to encourage small, grassroots organizations to compete for Charitable Choice dollars.

Successful Implementation Efforts

CP Justice has identified several States that have been successful at implementing Charitable Choice. Through a variety of mechanisms, States have collaborated with their faith-based community to identify partnership opportunities and remove procurement barriers. Selected examples of successful implementation efforts follow.

- | Texas employs regional liaisons that work with State and FBO personnel. They identified and removed procurement barriers and have designed grants that appeal to small organizations.
- | Wisconsin has employed contractors to work with the State who help FBOs build their administrative capacity to successfully compete for Federal money.
- | Indiana has a strong public relations effort that informs FBOs about Charitable Choice dollars. They provide resources and technical assistance to FBOs through their FaithWorks Indiana Web site.²⁷
- | The director of Oklahoma's Office of Faith Based Liaison has conducted a conference with FBOs and State personnel to discuss ways to partner together. The Office also conducted a survey in Spring 2001 of the FBOs to assess receptiveness to government funding, types of services currently provided, etc.²⁸ A directory of services providers is currently being compiled to assist Oklahomans discover their community resources. Their web site acts as an information dissemination tool for FBOs and State/local offices.²⁹
- | Virginia is conducting a series of regional conferences to educate State officials and FBOs on ways to build partnerships. In addition, their task force has reviewed procurement policies and identified ways to remove barriers to Charitable Choice.

²⁷ Available through: <http://www.in.gov/fssa/faithworks/>.

²⁸ Source: <http://www.health.State.ok.us/program/hpromo/news/survey.html>.

²⁹ Available through: <http://www.State.ok.us/~faithlinks/>.

American Civil Liberties Union³⁰

The American Civil Liberties Union (ACLU) works in “...courts, legislatures and communities to defend and preserve the individual rights and liberties guaranteed to all people in this country by the Constitution and laws of the United States.”³¹ Their viewpoint is presented below.

Reproductive Rights of Women

The ACLU expresses several concerns about the implementation of Charitable Choice. For example, in a letter to Congress, the ACLU (in conjunction with several organizations³²) addressed concerns over the reproductive health of women, since many religious organizations are precluded from discussing options such as contraception and abortion due to their religious convictions.³³ Because religious organizations are often thus restricted, the ACLU fears that women receiving services from FBOs may not be fully informed of their reproductive options. Funding, therefore, is diverted away from health care providers who discuss reproductive options, including sterilization, with their clients.

While not a comprehensive list, a February 2000 ACLU article summarizes several of their concerns over Charitable Choice.³⁴

- One concern is that religious institutions will become “hired hands” of the State when they accept Federal funds to deliver services. Specifically, the fear is that as government funds services, they will attempt to regulate them, which will violate the First Amendment Establishment Clause (regarding separation of church and State) of the Constitution.
- Also, it is thought that Federal funding will create a “political battleground” such that religious institutions with the resources could ensure that religious organizations who share their beliefs obtain funding.
- Additionally, funding of contracts to FBOs will develop a cycle of dependency of faith-based organizations. Essentially, the fear is that there will be a shift from outside fundraising of FBOs to an expectation that Federal funds will be made available and religious organizations will become dependent on receiving this funding.

Finally, since religious organizations provide services on the basis of their beliefs, the recipient may feel their belief system is being challenged. The client may feel the FBO is in effect “forcing” their religious practices on them as a condition of receiving services.

³⁰ Available through: <http://www.aclu.org>.

³¹ American Civil Liberties Union. (1999). A Brief History and Overview of the ACLU. <http://www.aclu.org/library/FreedomIsWhy.pdf>.

³² The organizations that signed the letter include: American Association of University Women; American Civil Liberties Union; Center for Reproductive Law and Policy; National Abortion and Reproductive Rights Action League; National Family Planning and Reproductive Health Association; National Women's Law Center; Planned Parenthood Federation of America; The Alan Guttmacher Institute.

³³ Source: <http://www.aclu.org/congress/L030801b.html>.

³⁴ Source: <http://www.aclu.org/congress/L022200b.html>.

Because religious organizations are often thus restricted, the ACLU fears that women receiving services from FBOs may not be fully informed of their reproductive options.

2. Conclusion

Many voices have contributed to the debate surrounding Charitable Choice, and States and localities can learn a great deal from these advocates and their observations. These different perspectives afford State and local policy makers an opportunity to fully understand the challenges they potentially face. Careful attention to these assessments will better equip States to preemptively address prospective obstacles.

LITIGATION

The legal challenges brought in response to the implementation of Charitable Choice are extremely illustrative and educative for States. By understanding the issues surrounding the legal challenges, States can more clearly identify, and thereby avoid, potential pitfalls.

Presented in this section are four legal challenges related to Charitable Choice.

Several court cases related to Charitable Choice have emerged related to funding of FBO-sponsored services and employment practices of FBOs. Four examples of recent cases for Texas, Wisconsin, California and Kentucky are represented below³⁵.

Texas

The American Jewish Congress and Texas Civil Rights Project v. Eric Bost, alleges that the State of Texas unconstitutionally funded a faith-based employment training program operated by the Jobs Partnership group in Washington County. On 29 January 2001 the US District Court for the Western District of Texas ruled that there were no outstanding Federal issues at stake and remanded the case to State court to rule on any State issues. This case is still pending and the contract that was being challenged in this case has since ended. Therefore, the outcome of this case will affect upcoming contracts with FBOs.

Wisconsin

Freedom from Religion Foundation v. Governor Tommy Thompson, filed in U.S. District Court for the Western District of Wisconsin (Oct. 12, 2000), claims that, by funding FaithWorks Milwaukee, a faith-based drug treatment program, the State of Wisconsin violated the Establishment Clause of the First Amendment of the U. S. Constitution. The Establishment Clause indicates that Congress can not make laws regarding the establishment of religions, nor can they prohibit the free exercise of religion. This case is still pending.

California

In American Jewish Congress (AJ Congress) v. Michael Bernick, et al., AJ Congress is challenging in San Francisco County Superior Court a program announced in August 2000 by the California Department of Employment Development to fund job training offered by groups that had never before contracted with government. Only religious organizations were eligible to compete, thus, in the words of the American Jewish Congress, "contradicting the requirement in the TANF program of equal treatment of faith and non-faith based providers." This case is still pending.

Kentucky

The American Civil Liberties Union and Americans United filed a Kentucky case, Pedreira v. Kentucky Baptist Homes for Children, for Separation of Church and State on April 17, 2000, in U. S. District Court, Louisville. It claims that it is unconstitutional for the State to contract with the Kentucky Baptist Homes because the organization maintains religious standards for its employment policy. Baptist Homes fired Alicia Pedreira on the grounds that her "admitted homosexual lifestyle" violated the religious values of the organization. While the Louisville's Fairness Ordinance prohibits discrimination towards gay individuals, the local law does not apply to religious organizations like Kentucky Baptist

³⁵ Source: The Center for Public Justice, www.cpublicjustice.org/charitablechoice/constitution.

Litigation Regarding Charitable Choice

Homes³⁶. The government funds at issue are not covered by Charitable Choice, however, the case is relevant because of the importance of the employment issue to Charitable Choice.

³⁶ Source: American Civil Liberties Union, www.aclu.org/news/2000/n041700a.html.

APPENDICES

The notebook concludes with selected resources to aid in the implementation of Charitable Choice. Presented in the following appendices, the first part is a listing of frequently asked questions. The second part provides a listing of key resources, including Web sites, directories, research, and organizations. The third section is a glossary of key terms surrounding TANF and Charitable Choice.

APPENDIX A
COMMON QUESTIONS AND ANSWERS REGARDING
CHARITABLE CHOICE

This Appendix provides a comprehensive listing of frequently asked questions and answers. The information is reproduced here with the permission of the *Center for Public Justice*. States will find this section useful in clarifying the provisions of Charitable Choice for both policymakers and the general public.

This Appendix contains answers to some frequently asked questions about the history, purpose, and provisions of Charitable Choice. This information addresses some of the most common misconceptions regarding Charitable Choice, and will be useful in assuaging concerns raised by different constituencies regarding the true features of the legislation. This information is furnished by the Center for Public Justice.

General

Q: What is the purpose of the Charitable Choice provision?

A: The goal is to encourage States to involve community and faith-based organizations as providers of services funded under the new Federal welfare law, while protecting the religious character of participating faith-based organizations and the religious freedom of beneficiaries.

Q: How does Charitable Choice foster the involvement of faith-based providers in government welfare programs?

A: Many faith-based organizations fear that they will have to compromise their religious character if they cooperate with government programs. Government officials too often have mistakenly thought that the Constitution requires providers to downplay their religious character or even that faith-based providers must be entirely excluded from participation. Charitable Choice affirms that faith-based organizations may not be discriminated against, and secures the religious autonomy and integrity of those that cooperate with government welfare programs.

Q: What activates the Charitable Choice rules concerning faith-based providers?

A: If a State chooses to use Federal welfare funds to contract with, or to provide vouchers redeemable by, any nongovernmental social-service provider, then the State must comply with the Charitable Choice requirement not to discriminate against faith-based providers.

Q: To what programs does Charitable Choice apply?

A: The provision applies when States enter into purchase-of-service contracts or voucher arrangements with independent-sector organizations under the new Temporary Assistance for Needy Families program (the replacement for AFDC). Charitable Choice also applies to the Supplementary Security Income (SSI) program, and to the food stamps and Medicaid programs, to the extent that States administer these programs using contracts or vouchers with nongovernmental providers.

Q: What kinds of services can faith-based organizations provide under Charitable Choice?

A: The new Federal welfare law aims to help beneficiaries become self-sufficient, rather than simply give them checks. A wide range of assistance services will be necessary, many of which can be effectively provided by faith-based organizations. Examples are job-search, job-readiness, and job-skills training programs; community service positions; GED and ESL programs; nutrition and food-budgeting advice; second-chance or maternity homes for expectant unmarried minors who cannot live with their own parents; abstinence education; drug-treatment services; and health clinics.

Q: How does Charitable Choice protect the religious integrity of faith-based providers?

A: Religious providers who accept government funds to help the poor retain their autonomy as independent organizations, in control of the practice and development of their religious mission, their organizational structure, and their choice of officers and directors. They have the right to maintain a religious environment by displaying religious art, scripture, religious apparel, and other symbols. They retain their right to use religious criteria in hiring, firing, and disciplining employees, while remaining subject to other anti-discrimination laws. They can limit the scope of fiscal audits by segregating Federal funds into a separate account.

Q: How does Charitable Choice protect the religious liberty of beneficiaries?

A: A faith-based provider may not discriminate against a beneficiary on the basis of religion, a religious belief or the beneficiary's refusal to actively participate in a religious practice. A beneficiary who objects to receiving services from a faith-based provider has the right to obtain services from another organization.

Participation by Faith-based Providers

Q: May a State refuse to enter into contract or voucher arrangements with faith-based providers?

A: If a State elects to use Federal welfare funds to provide services solely through its own governmental agencies, not utilizing any independent providers, then it has not violated the anti-discrimination requirement of Section 104 by not involving faith-based providers.

Q: May a State ever refuse to enter into contract or voucher arrangements with a particular faith-based provider?

A: A State that chooses to involve nongovernmental organizations may not discriminate against faith-based providers due to their religious character. However, having given such organizations the opportunity to compete, the State must then utilize its usual criteria in order to decide whether any particular organization will be awarded a contract or be allowed to redeem vouchers.

Q: May a State exclude churches or other overtly religious organizations from eligibility?

A: No. States may not rule any organization out of consideration simply on the basis of its religious character.

Q: May a State exclude faith-based providers from participation if the State's constitution prohibits the flow of government funds to religious organizations?

A: No. All Federal welfare funds are subject to the Charitable Choice provision, and States choosing to involve nongovernmental providers must follow the provision's rules regarding non-discrimination against faith-based organizations. If necessary, a State may keep its own funds separate to expend them in accordance with its restrictive constitutional provision, while allowing Federal funds to flow to religious organizations to serve the poor. The intent of Congress, however, in enacting Charitable Choice, is to maximize the involvement of faith-based organizations in the delivery of government-funded welfare services.

Protections for Faith-based Providers

Q: May a State require that a faith-based organization attenuate or modify its religious convictions or its religious style of providing services as a condition of participation?

A: No. The Charitable Choice provision explicitly provides that participating faith-based organizations retain their right to control "the definition, development, practice, and expression" of their religious convictions. However, faith-based organizations may not require beneficiaries to actively participate in religious activities in order to receive services. Further, faith-based providers may not use contract funds to pay for worship services, sectarian instruction, or proselytization, so as to avoid the appearance of governmental promotion of the provider's religious doctrines. No such restriction is necessary in the case of vouchers, where it is the beneficiary who selects the service provider, not the government.

Q: May a faith-based organization use religious principles as part of contracted services?

A: In counseling beneficiaries concerning the need for changes in behavior or attitudes, some organizations use principles originating in a religious tradition. Such principles may not be prohibited simply due to their religious roots. Many current laws, such as the prohibitions on murder and robbery, have their origins in religious teachings. So long as a public purpose is served by the principles being taught, such as instilling the virtues of responsibility, self-

control, care for dependents, and work, a faith-based organization may use principles rooted in its belief system.

Q: May a State require a religious organization such as a church to create a separate nonprofit corporation to accept Federally funded contracts or vouchers?

A: A religious organization may choose to form a separate 501(c)(3) corporation to carry out Federally funded programs. Separate incorporation may facilitate control of the use of Federal funds and shield the main organization from some Federal employment laws. Separate incorporation will also shield the main organization from fiscal audits of the use of the Federal funds. (However, the Charitable Choice provision allows an organization to limit audits simply by establishing a separate account to receive and disburse the Federal funds.) Nevertheless, some organizations may believe that forming a 501(c)(3) entity violates its own doctrines regarding internal governance. In such a case, a State may not require the religious organization to form a separate entity.

Q: May a State or locality require that the governing board of a faith-based provider reflect the ethnic, gender, or cultural diversity of the community or beneficiaries?

A: No. Such matters of internal governance are under the control of the faith-based organization.

Q: May a State or locality require faith-based providers to hire employees without regard to their religion and to refrain from imposing religious behavioral codes on the employees?

A: No. Participating faith-based organizations, notwithstanding their receipt of Federal funds, retain their exemption under Title VII of the Civil Rights Act of 1964, which permits employment discrimination on the grounds of religion. (Organizations with fewer than 15 full-time employees are not subject to the nondiscrimination requirements of Title VII.) Providers remain subject to other Federal anti-discrimination laws and to State and local anti-discrimination laws.

Q: How can participating faith-based organizations legally secure their Charitable Choice rights?

A: Faith-based providers that believe their Charitable Choice rights have been violated may sue the alleged governmental violator in State court, asking the court to order compliance with the law. No money damages can be claimed.

Protecting the Rights of Beneficiaries

Q: How does Charitable Choice protect the religious liberty of beneficiaries who object to faith-based services?

A: The chief protection for beneficiaries exists in their choice of providers. Beneficiaries who receive vouchers can make their own decision about which provider to utilize. In the case of contracts, States are required to ensure that there is an alternative for beneficiaries who object to receiving services from a faith-based provider. The State must ensure that a comparable service is available in a timely manner from another provider. States should ensure that potential beneficiaries are aware of the religious or non-religious character of each provider, of the choices available to them, and of their right to an alternative should they object to the religious character of a provider.

Q: May faith-based providers require beneficiaries to take an active part in a religious practice or to convert to the organization's system of beliefs, as a condition of receiving service or as part of the assistance that is offered?

A: No. Religious organizations may not compel beneficiaries to actively participate in a religious practice. However, beneficiaries may be expected not to disrupt or disturb such practices, as such behavior may interfere with the faith-based provider's autonomy or its control of its mission. Beneficiaries have access to an alternative provider and may be deemed

to have consented to the religious characteristics and practices of a provider from whom they accept service.

Q: May a State contract with a faith-based organization to be the sole provider of services in an area of the State?

A: Yes, under certain conditions. Nothing prohibits a State from choosing to contract with a faith-based organization to be the sole provider of services in a particular area. However, Charitable Choice does require that a State ensure that an alternative provider is available to a beneficiary who objects to the religious character of a provider. If there is such an objection, the State would have to ensure that it could provide an equivalent service itself or that an acceptable provider outside of the area can provide an equivalent and accessible service to the beneficiary in a timely manner.

Q: If a State chooses to provide services by means of vouchers, is it required to ensure that at least one of the providers eligible to redeem the vouchers is not a faith-based provider?

A: No, but it would be wise to do so. States are free to allow redemption of vouchers with any combination of eligible providers, whether faith-based or non-religious. However, the State is required to ensure that a beneficiary who objects to the religious character of a provider has access to another provider. Therefore, a State using a voucher program should consider including at least one non-religious provider in its list of eligible providers. Otherwise it must ensure that it could provide an equivalent service itself or that an acceptable provider outside of the area can provide an equivalent and accessible service to the beneficiary in a timely manner.

Q: Is a State required to ensure that a beneficiary desiring faith-based services has access to a provider of the same religion?

A: No. If the State chooses to provide services through nongovernmental providers, it must allow faith-based providers to compete for contracts or for eligibility to redeem vouchers. Further, the State is required to ensure that a beneficiary who objects to a faith-based provider has access to another provider. However, a beneficiary has no right to receive services from a faith-based provider that reflects his or her own religious beliefs. Charitable Choice intends to expand the participation of faith-based providers in government-funded welfare to fulfill the public purpose of more effectively serving the poor and needy. It is not a program to ensure that religious groups will receive government funds nor that beneficiaries will receive services guided by some particular religious faith.

Q: How can beneficiaries legally secure their rights under Charitable Choice?

A: Beneficiaries who believe their Charitable Choice rights have been violated may sue the alleged governmental violator in State court, asking the court to order compliance with the law. No money damages can be claimed.

Constitutional Issues

Q: Does Charitable Choice violate the establishment clause of the First Amendment?

A: No. There is no violation if government funds are expended for general public purposes, even if the provider of the services is a faith-based organization. Government here is not aiding religion. Rather, it is aiding beneficiaries by means of nongovernmental organizations, some of which may be faith-based. The U.S. Supreme Court has never ruled against a social-welfare program on the ground that some religious organizations participate in the program.

Q: Does Charitable Choice violate the rights of taxpayers who disagree with the beliefs of faith-based organizations that receive Federal funding to provide welfare services?

A: No. The U.S. Supreme Court has held that there is no free-exercise right to object when general tax revenues are used to assist beneficiaries by means of programs that, among others, include faith-based providers.

Q: *Will Charitable Choice turn religious organizations into mere departments of government?*

A: No. Charitable Choice explicitly provides that participating faith-based organizations remain autonomous. To ensure this result, it incorporates specific protections for their autonomy and religious character with regard to their right to develop, maintain, and express their religious beliefs; to maintain their chosen form of internal governance; to operate their personnel policy in accordance with their religious convictions; to maintain a religious environment; and to confine external fiscal audits by segregating Federal funds in separate accounts.

Q: *Will Charitable Choice cause the secularization of faith-based organizations that decide to participate?*

A: Each organization must make its own judgment about the risks and benefits of cooperating with government in the programs subject to Charitable Choice. Charitable Choice is designed to eliminate or minimize existing pressures to secularize by providing a range of legal and practical protections for the religious character and autonomy of organizations that choose to take part.

Q: *Will Charitable Choice make faith-based organizations dependent on government funds and thus creatures of government policy?*

A: Charitable Choice only expands the opportunity for such organizations to provide welfare services with government funding, while protecting their integrity and autonomy if they choose to do so. Each organization will have to make its own judgment about how to protect itself from a destructive dependency on government funding (or any other source of income).

Q: *Does Charitable Choice violate the religious freedom of beneficiaries by its intent to involve faith-based organizations in providing welfare services?*

A: No. Charitable Choice requires that States ensure that there is an alternative provider for beneficiaries who object to receiving services from a faith-based provider. It protects equally the religious freedom of beneficiaries who desire to receive services from a faith-based provider and beneficiaries who object to receiving services from such a provider.

Q: *Does the Constitution allow churches or other religious organizations to receive Federal funds?*

A: Yes. When a variety of organizations, not limited to faith-based agencies, are equally eligible to take part in a Federally funded program that has the valid public purpose of providing a social service, it is not a constitutional violation if a faith-based provider receives Federal funds to provide such a service. Although the Supreme Court has disallowed certain Federal funding for religious K-12 schools, it has not ruled social-welfare programs unconstitutional simply on the ground that faith-based organizations participate in them.

Q: *Does Charitable Choice require States to engage in unconstitutionally intrusive monitoring of the activities of faith-based providers to ensure compliance with its rules?*

A: No. In deciding which providers should receive contracts or be made eligible to redeem vouchers, a State should not inquire into the religion of a provider, but instead should focus on its record or prospects of successfully providing an authorized service. Just as with other providers, a State should determine whether a faith-based provider's program fulfills the valid public purpose of the contract or voucher. Further, a State may audit only government-provided funds, which shields both the faith-based organization and the State from unnecessary and unconstitutional monitoring of the other activities and aspects of the provider.

A Guide to Charitable Choice: The Rules of Section 104 of the 1996 Federal Welfare Law Governing State Cooperation with Faith-based Social-Service Providers. © 1997 Center for Public Justice. Reprinted with permission.

APPENDIX B

RESOURCES REGARDING CHARITABLE CHOICE

Appendix B contains selected resources to aid in the implementation of Charitable Choice. It includes Web sites, directories, research, and organizations that can serve as useful tools in achieving full implementation.

The tools and resources related to this topic are plentiful. In this section, we outline and describe some that can be particularly useful for State TANF Administrators. The information can inform your day-to-day duties in the State office, partnerships efforts with faith-based and community-based agencies, and best practices in welfare reform. You might choose to pass along some of the information to current and potential local partners, or even your TANF clients.

This Resources Area contains information that is organized as follows:

1. Federal and State Perspective & General Information
2. Technical Assistance and Implementation Support
3. Federal Funding Sources; and
4. Organizations.

1. Federal and State Perspectives and General Information

OMB Information Sheet

www.ombwatch.org/npadv/2001/charchoice.html

What's Here?

Want to stay abreast of Federal activity on Charitable Choice?

Visit OMB Watch's Charitable Choice Information Page.

OMB Watch monitors the activities of the White House Office of Management and Budget. This page provides recent information about Charitable Choice legislation, hearings, Bush Administration executive orders, and budget analysis—all arranged in chronological order. Links found on this web page access reports, summaries and articles produced by OMB Watch.

February 2001^{3/4} HHS Fact Sheet on PWRORA

www.hhs.gov/news/press/2001pres/01fswelreform.html

What's Here?

Looking for a concise, yet thorough overview of PWRORA and its implementation?

Visit this online Fact Sheet prepared by the U.S. Department of Health and Human Services (February 2001). Major Fact Sheet sub-headings are as follows:

Resources

- Overview
- Making Welfare a Transition to Work
- Promoting Responsibility
- Teen Parent Provisions
- The Balanced Budget Act of 1997

Bush Administration Executive Order: White House Office of Faith-Based and Community Initiatives

<http://usinfo.State.gov/usa/faith/exordr01.htm>

What's Here?

On January 29, 2001, President George W. Bush signed an Executive Order establishing the White House Office of Faith-Based and Community Initiatives (White House OFBCI). View the full Executive Order from this web link. Of particular interest to State administrators is the description of principal functions of this Office.

Bush Administration: Faith-Based and Community Initiatives

<http://usinfo.State.gov/usa/faith/homepage.htm>

What's Here?

Gain greater insight into the Federal perspective behind Charitable Choice by visiting the U.S. State Department's Office of International Information Program web site. Through this site, users have access to speeches, texts, and remarks made by the President about faith- and community-based initiatives as well as other official reports and public documents.

The Empowerment Network homepage

www.empowermentnetwork.com

What's Here?

Sponsored by the Empowerment Network (TEN), this site provides extensive resources and links State legislators, grassroots organizations, and other civic leaders. Find links to resources such as:

- Family, Church, Faith-Based and Youth Organizations Resource Directory
- Faith Liaisons Information Resources (A directory of both national and State-level faith liaisons)

Urban Institute

<http://www.urban.org/>

What's Here?

Resources

The Urban Institute is a non-partisan think tank that provides links to the research and reports it conducts on several social policy issues including welfare reform.

2. Technical Assistance and Implementation Support

Charitable Choice: Welfare Reform and California's Faith-Based Communities

www.use.edu/dept/LAS/religion_online/welfare/op_ajc.html

What's Here?

Offered by the California Council of Churches and the Center for Religion and Civic Culture at the University of Southern California, this Internet site allows you to access information on Charitable Choice legislation. The California Council of Churches and the Center for Religion and Civic Culture provide information and technical assistance to public and private sector institutions in California that are attempting to implement the Charitable Choice provision. Highlights of the site include, but are not limited to, the following:

- Resources
- Articles
- Publications
- Promising Practices & Partnership Profiles in California

The Center for Public Justice

www.cpjustice.org/charitablechoice

What's Here?

The Center for Public Justice (CPJ) hosts extensive information (e.g., constitutional issue, FAQs, and commentary on Charitable Choice) as well as links to research, publications, and advocacy and training materials related to Charitable Choice. CPJs web site contains a wide range of implementation tools useful to States and faith-based services providers (e.g., CPJs Implementation Guide, downloadable handouts that can serve as educational/awareness tools). The site also contains information about and findings from CPJs State-by-State National Report Card on Charitable Choice Compliance.

Catholic Charities

www.catholiccharitiesusa.org

What's Here?

Catholic Charities is one of the largest private networks of social service organizations in the United States. As an organization, Catholic Charities strives to support families, reduce poverty, and build communities. Its

Resources

web site provides online information and resources associated with that goal. A few of the resources/information available include:

- Publications and videos (e.g., 1997 Welfare Reform Video Conference)
- Advocacy—Receive weekly information on congressional act/issues via *Advofax* or use the site's *AdvocacyNet* to contact legislators.

Some areas of this web site are available to Catholic Charities members only.

Faith Liaisons

www.cpjustice.org/charitablechoice/faithbyState

What's Here?

In an effort to facilitate the implementation of Charitable Choice, some States and counties have developed Faith Liaisons. This web page provides a listing of such individuals with contact information. Faith Liaisons are officials or consultants who serve as a bridge between government and faith-based and grassroots groups. Faith Liaisons help educate government officials and the public about Charitable Choice and about other new collaboration initiatives. They help outsiders learn about the procurement process and procurement opportunities. They may provide help, or steer people to others who can provide help, with grant writing (applications for government funds or for foundation or corporate funding).

Welfare Reform Academy^{3/4} Publications and Papers

<http://welfareacademy.org/pubs/>

What's Here?

The School of Public Affairs at the University of Maryland has created an academy to help State and local officials, private social service providers, and other interested parties take full advantage of the new welfare reform law. This web site is part of that effort. In this specific area of the site, Internet users gain access to information about (and in some cases the actual documents) books, monographs, and papers prepared by leaders and scholars on a broad range of welfare reform-related topics.

Welfare Information Network

www.welfareinfo.org/faithbase.htm

What's Here?

Resources

WIN is a clearinghouse for information, policy analysis, technical assistance and best practices on welfare reform.

Welfare Peer Technical Assistance Network

www.calib.com/peerta

What's Here?

The Welfare Peer Technical Assistance Network facilitates the sharing of information across State lines about "what works" and what does not under welfare reform, and establishes linkages among organizations serving welfare recipients and their partners at the State and community level.

The Politics of Social Welfare

www.gsu.edu/~polaah/spweb.htm#TANF

What's Here?

The Georgia State University's Department of Political Science provides a wealth of information on welfare issues. The site supports the University's course on the politics of social welfare. Listed below are highlights from a few of the many topic areas on this site:

- State-by-State Reform Information—Includes a State-by-State directory of organizations working on welfare issues
- TANF—Includes a link to State's TANF plans
- Workfare/1996 Reform—Includes a step-by-step guide on hiring welfare to work employees as developed by the Department of Labor. The guide is targeted to small business employers.

P/PV, Faith Based Initiatives and High Risk Youth Report

<http://www.ppv.org/indexfiles/faith-index.html>

What's Here?

This academic report provides an overview of successful faith-based strategies for reaching high-risk youth in FBO communities. Includes lessons learned based statistical data related to the impact of faith-based approaches to social service issues.

Center for Religion and Civic Culture

http://www.usc.edu/dept/LAS/religion_online/research.html

What's Here?

The Center for Religion and Civic Culture (CRCC) at the University of Southern California is an academic research unit and a community partner for faith-based organizations. CRCC conducts research on the civic role of religion, helps to build the capacity of faith-based organizations to address significant social issues, and communicates findings to scholars, legislators, community leaders, media and fund-raisers.

3. Federal Funding Sources

Faith-Based Community Initiatives Homepage

www.faithbasedcommunityinitiatives.org/

What's Here?

This web site contains useful information about the White House Office of Faith-Based and Community Initiatives (OFBCI) and its programs. The major objective of this online resource is to educate and assist new and existing faith-based and community initiatives to apply and qualify for competitive Federal funding.

Want to know where to search for Federally-sponsored grants? Visit this site for direct links to grant sites hosted by the Department of Health and Human Services, Department of Housing and Urban Development, Department of Labor, Department of Justice, and the Department of Education. Grant-writer services and grant-writing resources are also advertised.

4. Organizations

The Center for Public Justice

P.O. Box 48368
Washington, DC 20002-0368
Telephone (410) 571-6300
Fax (410) 571-6365
<http://www.cpjustice.org/>

Catholic Charities USA

1731 King Street
Suite 200
Alexandria, VA 22314
Telephone (703) 549-1390
Fax (703) 549-1656
<http://www.catholiccharitiesusa.org/>

The Finance Project

1000 Vermont Avenue, NW

Suite 600
Washington, DC 20005
Telephone (202) 628-4200
Fax (202) 628-4205
<http://www.financeproject.org>

FaithWorks Consulting Services

184 E. 26th Street
Holland, MI 49423
Telephone (616) 394-9212
Fax (616) 394-4521
<http://www.faithworksconsulting.com>

Resources

Manpower Demonstration Research Corporation

19th Floor
16 East 34 Street
New York, NY 10016-4326
Telephone (212) 532-3200
Fax (212) 684-0832
<http://www.mdrc.org>

The McAuley Institute

Policy and Research
Telephone (301) 588-8110
Housing and Community Development
(301) 588-8110
<http://www.mcauley.org>

The National Assembly of Health and Human Service Organizations

1319 F Street, NW
Suite 601
Washington, DC 20004
Telephone (202) 347-2080
Fax (202) 393-4517
<http://www.nassembly.org>

National Association for Welfare Research and Statistics

<http://nawrs.org>

The National Community Action Foundation

810 First Street
Suite 530
Washington, DC 20002
Telephone (202) 842-2092
Fax (202) 842-2095
<http://www.ncaf.org>

The Pew Forum on Religion and Public Life

1150 18th Street, NW
Suite 775
Washington, DC 20036
Telephone (202) 955-5075
Fax (202) 955-0658
<http://pewforum.org>

The Urban Institute

2100 M Street, N.W.
Washington, DC 20037
Telephone (202) 833-7200
<http://www.urban.org/>

Welfare Policy Center of the Hudson Institute

5395 Emerson Way
Indianapolis, Indiana 46226
Telephone (317) 549-4102
Fax (317) 545-9639

Resources

<http://www.hudson.org/wpc/>

Welfare Reform Academy
Maryland School of Public Affairs
2101 Van Munching Hall
College Park, MD 20742
<http://welfareacademy.org/>

APPENDIX C

TANF LEXICON

This Appendix provides a glossary of key terms surrounding Charitable Choice.

This section serves as a glossary of key terms and concepts in in the TANF lexicon.

Aid to Families with Dependent Children (AFDC)

Established in 1935, AFDC was a social entitlement program providing States with unlimited Federal matching funds to aid impoverished families with children. In 1996, the AFDC program was replaced with the TANF program.

AOD

Alcohol and Other Drugs

Assistance

The Federal government defines assistance as payments directed at ongoing, basic need to families receiving TANF. Assistance includes every form of support provided to families under TANF *except*:

- Services without monetary value (counseling, case management, peer support and transitional services)
- One-time, short-term assistance (not to exceed four months)
- Child care, transportation and supports to employed families
- IDAs, EITCs and work subsidies

Families receiving assistance face requirements such as time limits, child support assignments, work requirements, and data collection reporting.

The Balanced Budget Act of 1997

The Balanced Budget Act of 1997 enacted a new program of Welfare to Work grants and addresses a set of issues including minimum wage requirements, access to vocational educational training, and family violence provisions. Under the Act, the Department of Labor provides \$3 billion in Welfare to Work grants to help move the hardest to employ recipients from welfare to work.

Caseload Reduction Credit

The caseload reduction credit allows States to reduce the required work participation rate based on the percentage decline in welfare caseloads between Federal fiscal year 1995 and the fiscal year most recently completed. Caseload reductions due to State eligibility changes or Federal eligibility requirements do not count toward a State's caseload reduction credit. Full family sanctions are an eligibility change and thus cannot be counted when determining the caseload reduction.

For example, if a State's total caseload declined from 25,000 in FY 1995 to 20,000 in FY 2000, and none of the caseload decline was due to State or Federal eligibility changes, the caseload reduction credit for FY 2001 would equal the percentage decline, or 20 percent. The credit amount would then be subtracted from the Federally required work participation rate to yield an effective work participation rate for that State. For FY 2001, the required work participation rate for all families is 40 percent. Therefore, the effective work participation rate for the State would be 20 percent for FY 2001 (40 percent minus 20 percent).

Child Care and Development Fund (CCDF)

Formerly Child Care and Development Block Grant [CCDBG]

Originally authorized in 1990 (and now re-authorized under PRWORA), the CCDF program provides funding for child care services for low-income families, as well as for activities intended to improve the overall quality and supply of child care for families in general. Under PRWORA, States may transfer up to 30 percent of TANF grants to CCDF and SSBG, but no more than 10 percent to SSBG.

Child-Only Case

TANF cases where the primary recipient is a child.

Commingled State Expenditures

Expenditures of State and Federal TANF funds into one program aiding each eligible family with a combination of these funds. These expenditures may count towards a State's MOE and Contingency Fund MOE but give States less flexibility in the activities or services that can be provided to TANF recipients. By commingling State and Federal TANF funds, the usage of both the Federal and State MOE dollars is subject to Federal restrictions and prohibitions (i.e., time limits, allowable activities) under the welfare law.

Community Service Employment (CSE)/Community Jobs Program

A program in which participants are paid wages to perform work that benefits their community, typically in positions at public or non-profit agencies. The use of the term "employment" is intended to convey that participants will be paid wages for hours worked and have employee status. A participant's wages may be wholly or partially financed by the welfare benefit the family is eligible to receive, i.e., grant diversion or welfare benefits might be supplemented with other welfare funds, other public funds, or by the entity for which work is performed.

Community Work Experience Program (CWEP)

A program in which a participant performs work at a public or non-profit entity in exchange for his or her welfare benefits. CWEP is frequently described as Workfare. A CWEP participant could not be required to work more hours than the number derived by dividing the welfare grant (minus any amounts reimbursed to the welfare agency as child support paid by a non-custodial parent) by the higher of any applicable State minimum wage or the Federal minimum wage.

Contingency Fund

Established under PRWORA, the contingency fund provides a limited amount of Federal assistance (a total of \$2 billion between FY 1997 and FY 2001) to States during difficult economic times. To qualify, States must have a high and increasing unemployment rate or a significant increase in their food stamp caseload.

Furthermore, contingency funds are available to a State only if State spending on its TANF program exceeds the State's historic State expenditures, established in FY 1994. If a State does not meet this MOE requirement it must remit all contingency funds paid to it for a fiscal year.

County-Administered TANF Program

TANF programs where the administrative locus of control resides with the county. In county-administered programs, the funding for program operation is provided to the State by the Federal government and then allocated to the counties by that State. Counties have the option of operating and designing their individual TANF programs but must report to the State. The State is held responsible for meeting the Federal requirements under the law.

Devolution

The transfer of decision-making and administrative power from the Federal government to the State or local level. Under PRWORA, the Federal government transferred the locus of responsibility and policymaking for the TANF program to the State and county level.

Diversions

Assistance payments provided to TANF eligible families with short-term needs. The intent of diversion payments is to give up-front aid (cash, vendor payment, support services) to those eligible families with short-term needs to avoid the need for continued welfare assistance. By accepting the diversion payment, the family generally cannot reapply for cash assistance under TANF for a specified period of time.

Earned Income Tax Credit (EITC)

The Earned Income Tax Credit is a refundable tax credit available to low-income workers. If the amount of the credit exceeds tax liability, the excess is payable directly to the taxpayer.

Eligible Family

Under TANF, a State may give cash TANF benefits to a family it finds needy (State-defined) if it includes: (1) a minor child (under age 18 or under age 19 if a full-time student in a secondary school or the equivalent level of vocational or technical training) who lives with his/her parent or other caretaker relative; or (2) a pregnant person. Persons ineligible to receive Federal TANF assistance include: (1) unwed mothers under 18 (and their children) unless they live in the home of an adult relative or in another adult-supervised living arrangement; (2) unwed mothers under 18 without a high school diploma unless they attend school; (3) aliens who enter the United States after August 22, 1996, who are barred from TANF for 5 years, after which TANF eligibility is a State option; TANF benefits for aliens legally in the United States on August 22, 1996, are a State option; (4) a child who has been (or is expected to be) absent from home for 45 consecutive days or, at State option, for 30 to 180 days (States may make “good cause” exceptions to this rule); (5) persons convicted after August 22, 1996, of a drug-related felony (unless State opts out by State law); and (6) for 10 years, persons who fraudulently misrepresented residence to obtain food stamps, TANF, SSI, or Medicaid in two or more States.

Emergency Assistance Program (EA)

The Emergency Assistance (EA) Program, along with AFDC, comprised Title IV of the Social Security Act. EA provided 50 percent Federal matching funds to States for emergency assistance for families with children facing destitution or homelessness for a 30 consecutive day period in any one given year. The EA program was eliminated by P.L. 104-193 in August 1996.

Employability Plan

(Also known as Personal Responsibility Plans or Individual Development Plans)

In order to reinforce and reward work, State/local TANF agencies have the option of requiring recipients to develop a personal employability plan identifying employment-related activities and other activities leading to self-sufficiency. The employability plan is similar to entering into a work and training agreement/contract with the goal of promoting employment. Failure to meet this requirement may result in loss of benefits for the recipient.

Exemption

Criteria by which States have the option to exclude certain families from the State time limit.

State exemptions typically apply for a limited time period in which the family meets one or more of the State-defined exemption criteria. Examples of exemption criteria include disability or illness of parent/caretaker, caring for a disabled person, caring for a young person, high local unemployment, or being a victim of domestic violence.

Federal exemptions to the 60-month time limit include: child-only cases; minor parents who are not heads of the household; families living on Indian reservations with greater than 50 percent unemployment; and States with waivers.

Extension

Criteria by which States have the option to allow a non-exempt family that has exceeded the time limit to continue receiving assistance for an extended period.

Under an extension, families that are subject to and have reached a State time limit are provided ongoing aid if they meet certain State-defined criteria. Extensions may be based on hardship circumstances particular to a family at the time the time limit is reached or on external circumstances, such as high unemployment in a local area.

Family Cap

The family cap concept refers to some State welfare provisions that stipulate welfare funds may not be used to provide additional cash benefits for a child conceived while a family is receiving welfare benefits.

Family Violence Option

The Family Violence Option is a TANF provision that gives States the option to waive or extend certain program requirements (e.g., work participation rates, time limits, and child support cooperation) for certain victims of domestic violence. The provision envisions that States would screen and identify victims of violence, develop temporary safety and service plans, and explore avenues for overcoming dependency.

Federal Funding

Each State will receive a family assistance grant, approximately representing recent Federal spending for that State for the AFDC Program, the JOBS Program, and the Emergency Assistance Program. A minority of States will receive annual adjustments in the form of supplemental grants, but for most States, the TANF block grant amount will be frozen through FY 2002, except for any adjustments due to bonuses or penalties. Under limited circumstances, a State experiencing an economic downturn may qualify for additional Federal funding through a contingency fund. A State may also be eligible for a loan, which must be repaid with interest within three years.

Food Stamps

This Federally funded program is designed to provide low-income households with sufficient food purchasing power to sustain a nutritionally adequate diet. The cost of this minimal diet is based on the Department of Agriculture's computation of the "Thrifty Food Plan." The Food Stamp program is designed to provide food purchasing power equal to the difference between the cost of this food plan and 30 percent of the income of the household. P.L. 104-193 eliminates most food stamp benefits to legal aliens and sets more strict income, age, employment, and training guidelines for recipients.

General Assistance (GA)

General Assistance (GA) refers to various State-funded cash assistance programs that provide benefits to non-elderly impoverished adults without dependent children. A 1996 Urban Institute survey revealed that of the 41 States and the District of Columbia with GA programs, 32 States have programs that cover the whole State, while 12 States have GA programs in only a portion of the State. Only 12 of the States with GA programs provide financial benefits to all needy adults, and 4 of the States provide assistance to able-bodied adults.

Grant Diversion

The use of funds that would otherwise be paid to a program participant's family as a welfare grant to reimburse some or all of an employer's costs for the wages and benefits paid to the participant, and, in some cases, for some of the additional costs of employment-related taxes and insurance.

Hardship Exemption

States can extend benefits beyond 60 months for up to 20 percent of the caseload if the limit would create a hardship or if the family includes an individual who has been battered or subjected to extreme cruelty. The 20% Hardship Exemption is granted only after families have reached 60 months of assistance. The 20% Hardship Exemption is calculated as 20 percent of the average monthly number of all families (including child-only cases) that received assistance in the current or previous fiscal year.

Job Opportunities and Basic Skills Program (JOBS)

This program, established under the Family Support Act (FSA) of 1988 and eliminated by P.L. 104-193, required States to educate, train, and employ welfare families. This program replaced the Work Incentive (WIN) program and consolidated other welfare-to-work provisions, such as the Job Training Partnership Act (JTPA). The FSA mandated that AFDC parents with children ages 3 and older participate in JOBS or approved

employment and training activities. Parents with children under age 6 were required to participate for 20 hours per week.

Maintenance of Effort (MOE)

Maintenance of Effort requires States to spend a minimum amount of their own funds every year for qualified expenditures on behalf of eligible families. In order to receive the total TANF Federal block grant, each State must spend at least 80 percent of what it spent in FY 1994 if it does not meet the minimum work participation rates; or it must spend at least 75 percent of what it spent in FY 1994 if it does meet the minimum work participation rates. All State MOE funds must be spent on TANF eligible families. When States use MOE funds (not commingled with TANF funds) to provide services, recipients are not subject to a 5-year time limit on Federal assistance or Federal funding restrictions (such as teen parent restrictions).

Medicaid

In contrast with AFDC, recipients of assistance under TANF are not automatically eligible for Medicaid. However, States are required to provide Medicaid coverage for single-parent families and qualifying 2-parent families with children if the families meet the income and resource eligibility guidelines that were applicable in the State's AFDC Program; the States may modify these guidelines to a limited extent.

No Entitlement

A key feature of the TANF structure is that individuals and families have no entitlement to assistance under the Federal statute. This means that each State is free to determine which families receive assistance, and under what circumstances. While Federal law prohibits States from using TANF funds to provide assistance to certain families, Federal law does not require States to provide aid to any family for any period of time.

Non-Assistance Services

Non-assistance services include: (1) non-recurrent, short-term benefits (not extending beyond four months); (2) child care, transportation, and other supportive services provided to families that are employed; (3) services without monetary value such as counseling, case management, peer support, and transitional services; and (4) work subsidies to employers or other employment-related services that do not provide basic income support. The Federal time clock does not run when clients are solely receiving non-assistance services. Non-assistance services can be provided to families both on and off welfare.

Non-Medical Substance Abuse Treatment Services

Federal TANF funds can be used for drug and alcohol abuse treatment services to the extent that such services are not medical. For example, Federal TANF funds can be used to provide appropriate counseling services (e.g., non-medical substance abuse counseling services, mental health services, and anger management counseling) and to provide non-medical substance or alcohol abuse services, including room and board costs at residential treatment programs.

One-Stop Systems

A full-service center where citizens and industry have access to job training, education, and employment services at one location. The WIA legislation requires the establishment of a One-stop in each local area to promote a seamless delivery system.

Penalties Against States

To ensure States comply with the statutory requirements under TANF, the Federal government has strictly defined circumstances under which States may demonstrate reasonable cause or receive a penalty reduction in their TANF block grant. The penalties included are for:

- Use of the grant in violation of the statute, including an increased penalty for intentional violations
- Failure to submit required reports
- Failure to meet minimum participation rates
- Failure to participate in the Income and Eligibility Verification System (IEVS)
- Failure to enforce penalties on recipients who are not cooperating with the State Child Support Enforcement Agency
- Failure to repay a Federal loan for State welfare programs
- Failure to meet the appropriate level of historic effort in the operation of the TANF program
- Failure to comply with the 5-year limit on Federal funding of assistance
- Failure of a State receiving amounts from the Contingency Fund to maintain 100 percent of historic effort
- Failure to maintain assistance to an adult single custodial parent who cannot obtain child care for a child under age six
- Failure to expend its own funds to replace a reduction to its grant due to the assessment of penalties
- Failure to maintain historic effort during a year in which the State receives a Welfare to Work formula grant
- Failure to reduce assistance for recipients refusing without good cause to work.

Performance Bonus

PRWORA makes \$1 billion available over a 5-year period (FY 1999 to FY 2003) to reward States that achieve high performance levels under the TANF program. In July 1997, DHHS indicated that it was considering four performance measures: employment, job retention, earnings progression, and birth rates of females aged 15 to 17.

Private Industry Councils (PICs)

PICs oversee and guide job training programs in geographical jurisdictions called service delivery areas. PICs have been the primary entities administering the Welfare to Work grants. However, with the passage of the Workforce Investment Act, Workforce Investment Boards (WIBs) will be taking over these responsibilities.

Prohibitions

The State is prohibited from using Federal TANF funds to assist certain categories of families and individuals. The most significant prohibition over time is likely to be a prohibition on using TANF funds to assist families who have received assistance for 60 months (though a State may provide exceptions for up to 20% of its caseload). Other restrictions include a prohibition on assisting families unless the family includes a child or pregnant individual; a prohibition on assisting minor parents unless they are attending school and living at home or in an adult-supervised living arrangement; and a requirement to reduce or eliminate assistance to a family if an individual in the family does not cooperate with child support-related requirements without good cause.

Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)

On August 22, 1996, PRWORA reformed the nation's welfare system by replacing the Aid to Families with Dependent Children (AFDC), Job Opportunities and Basic Skills (JOBS), and Emergency Assistance programs with the Temporary Assistance for Needy Families (TANF) program. PRWORA shifts the focus from welfare to work. PRWORA also gives Federally recognized Native American Tribes (defined to include certain Alaska Native organizations) the option to design and operate their own cash welfare programs for needy children with funds subtracted from their State's TANF Block Grant.

Qualified Alien

Under PRWORA, States are not allowed to provide TANF services to recipients who are not qualified aliens. The Federal government defines qualified aliens as:

- An alien who is lawfully admitted for permanent residence
- An alien who is granted asylum
- A refugee who is admitted to the U.S.

- An alien who is paroled into the U.S. for a period of at least one year
- An alien whose deportation is being withheld
- An alien who is granted conditional entry before April 1, 1980.

Safety Net

Safety net programs provide basic benefits and services for those families who have exhausted time limited aid and extensions. These programs primarily provide vendor or voucher payments so that, while the basic needs of the family are provided, the parent receives very little in the form of cash payment. Safety net programs are State-funded; State MOE funds can be used to assist families that have exhausted the 60-month time limit on Federal TANF funds. States have the flexibility to structure and administer the safety net program as they see fit. Federal requirements, such as time limits and Federal work requirements, do not apply.

Segregated State Funds

State funds expended within the TANF program that are not commingled with Federal funds. By financing through segregated funding streams, the program aids some families exclusively with MOE dollars and other families with Federal funds. Segregated State expenditures may count toward both the State's TANF MOE and Contingency Fund without being subject to Federal restrictions and prohibitions under welfare law.

Separate State Programs

States can operate programs outside of the TANF program to provide services to needy families and children. Expenditures made in separate State programs may count towards a State's TANF MOE if the expenditures are made on behalf of TANF eligible families. Additionally, expenditures in separate State programs are not subject to Federal rules.

Social Services Block Grant (SSBG)

Established in 1975, SSBG is a capped Federal entitlement program (\$2.38 billion FY 1998 - FY 2002; \$2.8 billion FY 2003+) given to States, without State matching requirements, to help them achieve a wide range of social policy goals. SSBG funds may be used to provide services directed toward one of the following five goals: (1) to prevent, reduce or eliminate dependency; (2) to achieve or maintain self-sufficiency; (3) to prevent neglect, abuse, or exploitation of children and adults; (4) to prevent or reduce inappropriate institutional care; or (5) to secure admission to or referral for institutional care when other forms of care are not appropriate.

Under PRWORA, States may transfer up to 30 percent of TANF grants to CCDBG and SSBG, but no more than 10 percent to SSBG. TANF funds transferred to SSBG may only be spent on children or families with income below 200 percent of poverty.

State-Administered TANF Program

TANF programs where the administrative locus of control resides with the State. In State-administered programs, the funding for program operation is directly provided to the State. States are responsible for designing and operating the TANF program as well as meeting all Federal requirements.

State Match

The Federal government requires States to spend a certain level of funding to provide services to families and children under the TANF and WtW programs. States operating the TANF program are required to spend \$.80 of non-Federal funds for every \$1 received in Federal funds. States applying for WtW Formula Grants must spend \$1 of non-Federal funds for every \$2 received in Federal funds.

State Plan

In order to receive its TANF grant, a State must submit a State Plan to the Federal Department of Health and Human Services, and HHS must determine that the plan contains the information required by law. Generally, the plan requirements are very limited, and much of the operational detail for a State program may not be included in the State plan.

State Waivers

Prior to TANF, under Section 115 of the Social Security Act, States were granted waivers to operate their AFDC program utilizing new approaches in welfare. In order to obtain welfare waivers, States were required to conduct rigorous evaluations of their welfare approaches.

Subsidized Employment

Programs in which welfare funds, and perhaps other public funds as well, are used to reimburse an employer for all or a portion of the wages, benefits, and employment-related tax and insurance payments made to or on behalf of a program participant. Funds used to provide the subsidy might, but need not, include funds made available through Grant Diversion.

Supplemental Security Income (SSI)

The Supplemental Security Income program was originally authorized by Title XVI of the Social Security Act and is a means-tested, Federally administered income assistance program for children and adults with disabilities. P.L. 104-193 redefines eligibility for SSI for children with disabilities to eliminate maladaptive behavior as a qualifying medical impairment.

Supported Work

Programs to provide paid employment to long-term TANF recipients. The program places participants in wage-paying jobs in public and nonprofit agencies as well as private companies, and in some instances businesses are created specifically to provide jobs for program participants. Participants receive intensive supervision, with graduated increases in workplace expectations designed to improve work habits and job-related skills, and job search and job placement assistance to promote transitions into unsubsidized employment. Participants generally have employee status. The wages, benefits, and costs of employment-related taxes and insurance are paid for with a combination of funds, including Grant Diversion, other welfare funds, other public funds, funds provided by foundations, and contributions from employers.

Temporary Assistance for Needy Families (TANF)

TANF is a block grant program designed to make dramatic reforms to the nation's welfare system by moving recipients into work and turning welfare into a program of temporary assistance. TANF's basic block grant entitles the 50 States, the District of Columbia, and the U.S. territories to a total of \$16.5 billion annually through Fiscal Year 2002. Each State's basic grant equals Federal payments received for AFDC, EA, and JOBS in recent years.

The purpose of TANF is to increase State flexibility in operating programs designed to: (1) aid needy families so that children may be cared for in their homes or those of relatives; (2) end dependence of needy parents upon government benefits by promoting job preparation, work, and marriage; (3) prevent and reduce out-of-wedlock pregnancies and establish goals for preventing and reducing their incidence; and (4) encourage formation and maintenance of 2-parent families.

Teen Parent Provision

A State may not use Federal dollars to provide benefits for:

- Unwed mothers under 18 (and their children) unless they live in the home of an adult relative or in another adult-supervised living arrangement
- Unwed mothers under 18 without a high school diploma unless they attend school
- Time limits under TANF

Time limits refer to a period of cash assistance receipt, after which a family will no longer be able to receive the full benefit amount.

- (1) Under PRWORA, States may not use TANF funds to provide assistance to a family who has received welfare assistance for five cumulative years (or less at

State option). States are permitted to exempt up to 20 percent of their average monthly caseload from the time limit, and States may use their own funds to provide assistance to families after 60 months. State grant is reduced by 5 percent for failure to comply with time limits.

- (2) Families must be engaged in work activities after two years (or less at State option) of welfare assistance.

Transitional Child Care

The Transitional Child Care Assistance Program was a Federal, AFDC-linked child care subsidy program. It was eliminated by P.L. 104-193 in August 1996. It required States to guarantee up to 12 months of child care to a family who lost AFDC eligibility due to reasons related to employment.

Tribal TANF

PRWORA gives recognized tribes and tribal organizations the option to operate TANF programs in their service areas. A Tribe's grant equals the amount of Federal AFDC payments to the State for fiscal year 1994 attributable to Native Americans in its service area, and tribal grant funds are subtracted from the State's grant containing the tribe's service area. Tribes, in conjunction with the Secretary of DHHS, establish work participation rules, time limits for benefits, and penalties for each tribal family assistance program.

Unliquidated TANF Obligations

The amount of Federal TANF funds that a State has committed to spend but has not yet spent.

TANF funds are usually classified as an unliquidated obligation when either: the State has contracted a service from a private service provider, but the TANF funds are not expended until the service has actually been provided; or the contracted service has already been provided but the State is still in the midst of processing the payments.

Unobligated Federal TANF Funds

The amount of Federal TANF funds that States have neither spent nor committed to spend as of a given date. Unobligated Federal TANF funds are also commonly referred to as "Rainy Day" funds with the idea that these funds can be spent on future needs or during an economic downturn. However, it is important to note that unobligated Federal TANF funds carried over to the next fiscal year can only be spent on those activities considered "assistance". This means that States cannot transfer any of these funds to the Child Care Block Grant or Social Services Block grant nor can these funds be used for providing non-assistance services.

Wage Subsidy

The use of public funds to reimburse an employer, public or private, for all or a portion of the wages, compensation, and tax/insurance payments made to or on behalf of a program participant. Funds used to provide wage subsidies might be made available from Grant Diversion, from other welfare funds, other public funds, or some combination of these sources. A position for which an employer received a wage subsidy would fit within the definition of Subsidized Employment if the position was made available to a TANF participant.

Wage Supplements

In the interest of getting TANF recipients to achieve self-sufficiency through on-the-job training, States have the option of entering into cooperative agreements with employers to get TANF recipients employed. As part of this agreement, States may choose to subsidize or supplement the wage amount provided by the employer.

Welfare Reauthorization

Temporary Assistance for Needy Families Block Grant, the Child Care and Development Block Grant, the Food Stamp program, and funding for abstinence education are all scheduled to be reauthorized by the end of 2002.

Welfare to Work (WtW) Grants

The Balanced Budget Act of 1997 authorizes the U.S. Department of Labor to provide a total of \$3 billion in Federal Welfare to Work (WtW) grants to States and local communities to create additional job opportunities for the hardest-to-employ recipients of TANF. The BBA of 1997 also set aside 1 percent of funding (\$30 million over two years) for the Indian and Native American Welfare to Work (INAWtW) program. Unlike State WtW programs, INAWtW programs do not require any State matching funding. Programs and services funded using WtW grants must focus on helping individuals obtain and maintain unsubsidized employment. Services may include job readiness, community service/work experience, job creation, job placement, employment wage subsidies, on-the-job training, post-employment services, job retention, and supportive services (if such services are otherwise not available).

Welfare to Work (WtW) Amendments

The reauthorization of WtW program, under Title VIII of H.R. 3424 enacted as part of the Consolidated Appropriations Act for FY 2000, was signed into law on November 29, 1999. The *1999 WtW Amendments* make several significant changes to the WtW program, most notably loosening the program eligibility requirements and adding

vocational education and job training (up to six months) as a separate allowable activity under WtW.

Welfare to Work (WtW) Competitive Grants

Twenty-five percent of WtW grant funds will be distributed through a competitive process to PICs, political subdivisions, and private entities. A State match is not required, but applicants must indicate the resources they will be contributing to the project.

Welfare to Work (WtW) Formula Grants

Seventy-five percent of the total WtW funds will be distributed as formula grants to States. States must spend \$1 of non-Federal funds for every \$2 received in Federal funds. WtW formula grants equally consider the State's share of the national number of poor individuals and the number of long-term welfare recipients and number of unemployed in the service delivery area.

States must distribute at least 85 percent of the formula funds to local Private Industry Councils (PICs) and/or Workforce Development Boards. States can use the remaining 15 percent of the formula funds to operate their own WtW projects or provide additional support to PICs.

Welfare to Work (WtW) Allowable Work Activities

Activities allowable under Welfare to Work grants include job readiness activities, employment activities (community service programs, work experience programs, job creation through wage subsidies, and on-the-job training), job placement services, post-employment services, job retention and support services, and vocational education and job training (up to six months) if not otherwise available to the participant.

Workforce Investment Act (WIA) of 1998

Signed into law August 7, 1998, WIA amends the Wagner-Peyser Act that established the Job Training Partnership Act (JTPA) and consolidates the summer and year-round youth programs now operated under JTPA legislation. WIA gives States and localities flexibility to implement innovative and comprehensive workforce investment systems to meet the needs of their labor market. It creates a new governance structure consisting of State and local Workforce Investment Boards, streamlines one-stop delivery systems, and replaces local contracting with Individual Training Accounts/vouchers to deliver training services.

Workforce Investment Board (WIB)

Local WIBs are established in each local workforce area. The WIB Chair must be a representative from the private business sector. Membership includes representatives of businesses, local educational entities, labor organizations, community-based organizations, economic development agencies, all One-Stop partners, and other entities determined by local officials. The role of the WIB is to select the local One-Stop operators, identify eligible providers of training services, youth activities and intensive services, provide oversight, ensure effective connecting and coaching activities to assist employers, and coordinate activities with economic development and employers.

Work Activities Under TANF

Activities that count towards a State's work force participation requirement. Work activities include subsidized and unsubsidized employment, work experience, on-the-job training, job searches, job readiness assistance, community service programs, vocational educational training, and job skills training and education directly related to employment.

Work Experience

An activity in which the participant does some type of work that provides experience designed to improve employability. Work might be performed for any public or private agency or company. The term is generally understood to mean a program in which a participant would continue to receive a regular welfare grant. However, as the term is not defined in the statute, nor by regulation, there is nothing to bar a structure in which a participant is paid wages for hours worked.

Work Force Participation Requirements Under TANF

- (1) Individuals participating in qualified work activities must participate for at least 30 hours per week (based on monthly average) in FY 2000-2002. Exceptions are given to single parents/caretakers with a child under 6 years of age, single teen head of households and married teens without high school degrees. Two-parent families must participate for at least 35 hours per week or 55 hours per week if receiving Federally funded child care and an adult in the family is not disabled or caring for a disabled child.
- (2) After adjustment for the caseload reduction credit, forty percent of single-parent families (increasing to 50 percent by 2002) and fifty percent of 2-parent families must be participating in a work activity by FY 2000. There are graduated penalties for each consecutive failure to meet the work participation standard. However, penalty reduction is available.

Work Requirements

There are four work requirements. First, unless the State opts out, the State must require parents or caretakers receiving assistance who are not exempt and not engaged in work to participate in community service after having received assistance for two months.

Second, the State is required to outline how it will require a parent or caretaker receiving assistance under the program to engage in work not later than the point at which the parent or caretaker has received assistance for 24 months. Third, to avoid a penalty, the State must meet a work participation rate for all families; and fourth, the State must meet a different work participation rate for 2-parent families.

Work Sanctions Under TANF

Under TANF, States are required to reduce the amount of assistance payable to the family “pro rata” for each month an individual receiving funds under TANF refuses to engage in work activities, subject to good cause and other exceptions set by the State.

Work Supplementation

An activity in which funds that would ordinarily be paid as welfare benefits are used to reimburse, in whole or in part, the wages paid to a participant by an employer. Employers can be public, private for-profit, or private non-profit entities; however, in practice positions are predominately in the private, for-profit sector. These programs are sometimes referred to as Grant Diversion programs, because they involve diverting the welfare benefits that would otherwise be paid to the recipient as a welfare grant to an employer to reimburse for wages. Welfare agencies are also permitted to use JOBS funds for work supplementation purposes. These programs are also sometimes referred to as Wage Subsidy programs because the wages paid to participants were subsidized by welfare funds.

Workfare

A program in which participants perform work in exchange for their welfare benefits. Sometimes the term is used more broadly to refer to any program in which a recipient is required to participate in employment-related activities.