PARTNERING WITH FAITH-BASED and COMMUNITY ORGANIZATIONS:

A Guide for State and Local Officials Administering Federal Block and Formula Grant Funds

U.S. Department of Health and Human Services
Center for Faith-Based and Community Initiatives

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PREFACE

This guidebook is intended to provide practical information on developing and enhancing partnerships with effective faith-based and community organizations (FBCOs) to State and local officials, and to tribes and tribal-serving organizations, that are administering federal block and formula grant funds. The underlying assumptions of this guidebook are that there are barriers to more active partnership between States and localities and FBCOs and that these barriers can be addressed. The information in this guide—presented in a question-and-answer format with references included—helps to identify the specific barriers that exist and implement a plan to overcome these barriers. Ultimately, this guidebook is intended to provide assistance in meeting the goals of administered grant programs and to equip State and local officials to serve low-income individuals in jurisdictions across the country through partnerships with effective FBCOs.

It should be noted that the opportunities for increased service provision by FBCOs vary by the different block and formula grant funds. In addition, opportunities vary within States and localities depending on the organizational framework through which block and formula grant funds are administered. However, the general concepts described in this guide can be applied regardless of the funding stream under consideration.

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BACKGROUND INFORMATION

This section provides background information regarding the Faith-Based and Community Initiative (FBCI) and explains why it is important for States and localities to develop their own strategy for helping faith-based and community organizations (FBCOs) access federal block and formula grant funds. In addition to being useful to State and local officials and program administrators in their efforts to better understand the FBCI, the information provided here can be used as source material for developing strategic communication regarding the Initiative at the State and local level.
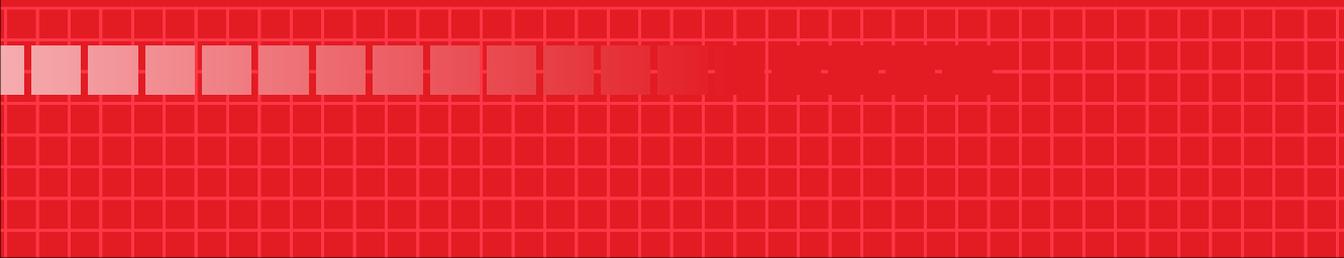
Part 1:
THE FAITH-BASED AND COMMUNITY INITIATIVE

IN 2002, PRESIDENT GEORGE W. BUSH ESTABLISHED A FAITH-BASED AND COMMUNITY INITIATIVE.

Q: **WHAT IS THE PURPOSE OF THIS INITIATIVE?**

A: The intent of the FBCI is to develop a comprehensive effort to enlist, equip, enable, empower, and expand the work of FBCOs. Some people erroneously think that the FBCI creates a preference for faith-based organizations (FBOs) over secular ones; however, inherent in the notion of leveling the playing field is the premise that *all* organizations – whether large or small, faith-based or secular – should have an equal opportunity to compete for government funds. The President's aspiration is to ensure that the government awards funding to organizations that will do the best job. In other words, when the government and a faith-based or community organization talk about a potential partnership, the question should not be, "Who are you?" but rather, "What can you do to help?"

It is also important to note that the FBCI does not specifically set aside dollars for FBOs within existing program appropriations. The FBCI seeks to provide equal opportunity for FBOs for all federal government programs, discretionary and otherwise, where the program statute provides that FBOs are eligible.

THE PRESIDENT'S GOAL

"The paramount goal is compassionate results, and private and charitable groups, including religious ones, should have the fullest opportunity permitted by law to compete on a level playing field, so long as they achieve valid public purposes, like curbing crime, conquering addiction, strengthening families and overcoming poverty."

-PRESIDENT GEORGE W. BUSH

Q: **WHAT IS THE LEVEL PLAYING FIELD?**

A: One goal of the FBCI is to enable FBCOs to receive federal grants on the same basis as other organizations. This goal is critical to understanding the FBCI and is often referred to as "leveling the playing field." The President has noted that, despite this country's long tradition of honorable commitment to assisting individuals, families, and communities in need, too many people still suffer from poverty and despair. The role of faith-based and community groups in assisting these people is well established. Yet the manner in

which the federal government has structured its service delivery system has not always taken advantage of the wealth of experience these groups have garnered over the years. Making use of the experience of FBCOs is critical to achieving more positive outcomes for communities across the nation.

Q: **WHAT ACTIONS HAVE BEEN TAKEN BY THE BUSH ADMINISTRATION TO PROMOTE THE FBCI AT THE FEDERAL LEVEL?**

A: Key steps include the following:

Creation of the White House Office of Faith-Based and Community Initiatives – On January 29, 2001, the President issued an Executive Order creating the White House Office of Faith-Based and Community Initiatives (OFBCI). One of its initial directives was to identify barriers that kept effective faith-based and community programs from serving Americans in need. The OFBCI issued its first report, "The Unlevel Playing Field: Barriers to Participation by Faith-Based and Community Organizations in Federal Social Service Programs," in response to this directive in August 2001. It can be found at **www.whitehouse.gov/news/ releases/2001/08/unlevelfield.html**.

Creation of Centers for Faith-Based and Community Initiatives – There are currently Centers for Faith-Based and Community Initiatives (CFBCI) housed within 11 Executive Branch Departments. The President established the first five Agency Centers through the Executive Order on January 29, 2001, at the Departments of Education, Health and Human Services, Housing and Urban Development, Justice, and Labor. Two more Centers—at the Department of Agriculture and the U.S. Agency for International Development—were created on December 12, 2002. On June 1, 2004, additional Centers were established in the Departments of Commerce and Veterans Affairs, and the Small Business Administration. The most recent Center was created in the Department of Homeland Security on March 27, 2006.

Promotion of Equal Treatment Principles – On December 12, 2002, the President issued an Executive Order explaining that "[t]he Nation's social service capacity will benefit if all eligible organizations, including faith-based and other community organizations, are able to compete on an equal footing for federal financial assistance used to support social service programs." The order directed agencies to take steps to ensure that all policies (including guidance, regulations, and internal agency procedures) were consistent with this principle of equal treatment for faith-based and community organizations. Specifically, the Executive Order was designed to ensure that no organization is discriminated against based on religion, and that federally funded social services are available to all, regardless of religion.

Elimination of Barriers to Funding – Federal agencies have eliminated regulatory barriers that have kept FBOs from partnering with the federal government to help Americans in need. The Department of Health and

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Human Services (HHS) and other agencies have enacted regulations that ensure that FBOs are able to compete on an equal footing for federal funding within constitutional guidelines, without impairing the religious character of such organizations and without diminishing the religious freedom of beneficiaries.

For example, HHS issued three final rules in 2003 implementing Charitable Choice laws for the Substance Abuse and Mental Health Services Administration (SAMHSA), the Temporary Assistance for Needy Families (TANF) program, and the Community Services Block Grant (CSBG) programs. The full text of all three rules can be found at **www.hhs.gov/fbci/Regulations/index.html**. A detailed description of these and other rules can be found in **SECTION 7** under Other Resources.

In 2004, several Federal Agencies, including HHS, issued final rules implementing Executive Branch policy that, within the framework of constitutional guidelines, FBCOs should be able to compete on an equal footing with other organizations for federal funding. All of these rules maintain the restriction that direct government funds are not to be used by FBOs for "inherently religious activities." HHS' final rule—which creates new language regarding equal treatment for FBCOs and revises the Department's uniform administrative requirements— can be found at **www.hhs.gov/fbci/waisgate21.pdf**.

A list of other agencies' final rules can be found in **SECTION 7** under Other Resources.

To become familiar with the agencies' final rules, visit the White House Office of Faith-Based and Community Initiatives' Web site, which outlines the final rules and regulatory changes, at **www.whitehouse.gov/government/fbci/reg-changes.html**.

Dissemination of Information About Grant Opportunities – Federal agencies have taken steps to ensure that information about funding opportunities is accessible to FBCOs. The actions taken by HHS are illustrative of those taken by other agencies and include the following:

- Provision of "Plain Language" training for staff who write program announcements

- Establishment of several Web sites that help FBCOs interested in applying for funding navigate information about grant opportunities and the application process

- Development of a listserv through which members receive current information about grant opportunities and other program announcements

- Release of documents designed to promote understanding of funding opportunities

Provision of Technical Assistance – Technical assistance has been provided to FBCOs through a variety of strategies. These strategies include, but are not limited to, the following:

- The White House has sponsored a series of regional conferences to educate faith- and community-based organizations about the Faith-Based and Community Initiative. The conferences have provided participants with information about the federal funding process, available funding opportunities, requirements that come with the receipt of federal funds, and cutting-edge practices from other organizations. Information about the conferences can be accessed at **www.fbci.gov**.

- Within HHS, the Administration for Children and Families has sponsored Pre-Bidders conferences for programs where grassroots organizations are eligible, such as the Mentoring Children of Prisoners program; SAMHSA has coordinated and hosted the Grassroots Training and Technical Assistance Initiative, through which over 220 training and technical assistance opportunities have been provided across the country; and the Health Resources and Services Administration (HRSA) and the Centers for Disease Control and Prevention (CDC) have organized teleconferences to highlight the accomplishments of FBCOs in rural areas. Information about training opportunities is provided in the weekly listserv distributed by the HHS Center for Faith-Based and Community Initiatives. More information about training opportunities across the Federal government is available at **http://www.whitehouse.gov/government/fbci/technical-assistance.html**.

- HUD has conducted a series of two-day Intensive Grant Writing Training Workshops designed to train nonprofit organizations how to secure federal and private funding. Information about the trainings can be accessed at **www.hud.gov/offices/fbci/4thtraining.cfm**.

- The Department of Education produced a webcast intended to help FBCOs apply to become approved providers of supplemental services. The webcast can be accessed at **www.connectlive.com/events/supplemental**.

Establishment of Intermediaries – The Compassion Capital Fund (CCF), launched in 2002 by President Bush, helps FBCOs increase their effectiveness and enhance their ability to provide social services to those most in need. One component of CCF is the Demonstration program, which funds intermediary organizations that serve as a bridge between the federal government and small FBCOs by providing FBCOs with training, technical assistance, and capacity-building sub-awards. Additional information about CCF can be found in **SECTION 5** of this document.

Implementation of Pilot Programs – Federal agencies have also implemented pilot programs designed to serve as models for increasing the participation of FBCOs in the provision of services. For example,

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- In its first six years, the CCF awarded $264 million in grants, including 112 grants to intermediary organizations, 4,100 sub-awards from those intermediaries to grassroots nonprofits, 131 Communities Empowering Youth grants, and 993 mini-grants. Additionally, four research grants were awarded in the program's first year. More information about the CCF is available at **http://www.acf.hhs.gov/programs/ocs/ccf/**.

- In 2003, President Bush launched the Mentoring Children of Prisoners (MCP) program, which focused on providing new mentors for a portion of the two million children with one or more parents in prison. FBCOs that work with these children in a variety of settings are eligible to apply for these funds. Since the program's inception, approximately $190 million has been awarded to 320 grantees. These funds provide new mentors to children and youth of incarcerated parents. At the beginning of 2008, over 88,000 children have been matched with mentors committed to serving, encouraging, and positively impacting these at-risk youth. More information about MCP is available at **http://www.acf.hhs.gov/programs/fysb/ content/youthdivision/index.htm#sub1**.

- Access to Recovery program (ATR), announced by President Bush in 2004, works to expand capacity, support client choice, and increase the array of faith-based and community based providers available to individuals seeking drug treatment through clinical treatment and recovery support services. Through ATR grants, **States** and federally recognized tribes have flexibility in designing and implementing voucher programs to meet the needs of clients in their jurisdictions. In Fiscal Year 2004, $100 million was awarded to 14 States and one tribal organization to extend drug treatment to more Americans, allowing them a choice of providers that includes FBCOs. These grantees enabled ATR to serve over 206,000 clients during its first three years. In Fiscal Year 2008, HHS continued the ATR program and awarded $98 million to 18 States, five tribal organizations, and the District of Columbia. More information about ATR is available at **http://atr.samhsa.gov/**.

- President Bush announced his four-year Prisoner Re-entry Initiative (PRI) during his 2004 State of the Union address. This $115 million program, jointly funded by the Department of Labor and the Department of Justice, places FBCOs at the center of social service delivery to ex-offenders. The PRI is designed to strengthen communities through local employment-focused programs that incorporate housing, mentoring, job training, and other comprehensive transitional services. The Department of Labor awarded PRI grants in November 2005 to 30 sites across the country for post-release services. Shortly thereafter the Department of Justice awarded PRI grants to 20 state prison systems for pre-release services for state and local inmates. PRI sites work to reduce recidivism in their communities by helping returning, non-violent prisoners find work, stable housing, and other supportive services. As of April 11, 2008, 12, 976 PRI participants have been enrolled in the program and 8,022 participants have been placed into jobs. The one-year recidivism rate of

PRI participants is less than half the national average. More information on PRI is available at **http://www.whitehouse.gov/government/fbci/pri.html** as well as **http://www.reentry.gov/**.

- Communities Empowering Youth (CEY) was created as part of the President's Helping America's Youth Initiative, announced in the 2005 State of the Union Address and led by First Lady Laura Bush. Working under the umbrella of the Compassion Capital Fund, CEY provides funding to strengthen existing community coalitions working to combat gang activity, youth violence, and child abuse and neglect, and providing positive alternatives for at-risk youth. Since 2006, $60 million has been awarded to 131 organizations to build the capacity of their coalitions, better enabling them to reduce youth violence in communities across the country. More information about CEY is available at **http://www.acf.hhs.gov/programs/ocs/ccf/**.

Q: **WHAT DOES THE FBCI HAVE TO DO WITH STATE AND LOCAL OFFICIALS?**

A: Federal statutes govern how State and local governments administer federal block and formula grant funds. Charitable Choice and Equal Treatment Regulations apply to block grant and formula funds and extend the principles of the FBCI to the State and local level. These enable State and local governments to better serve those in their jurisdictions through partnerships with effective grassroots organizations, including religious organizations. Additional information about these regulations and Charitable Choice can be found in Part 2 of this section.

These federal requirements obligate State and local governments to ensure a level playing field so that all of the best organizations available to accomplish the program purposes—whether faith-based or community service organizations—are eligible to do so.

For example, in 2006 HHS—which administers approximately 60% of the federal government's grant dollars—awarded approximately 90% of its funding through mandatory grants. [1]

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1 http://taggs.hhs.gov/AnnualReport/FY2006/overview/index.cfm

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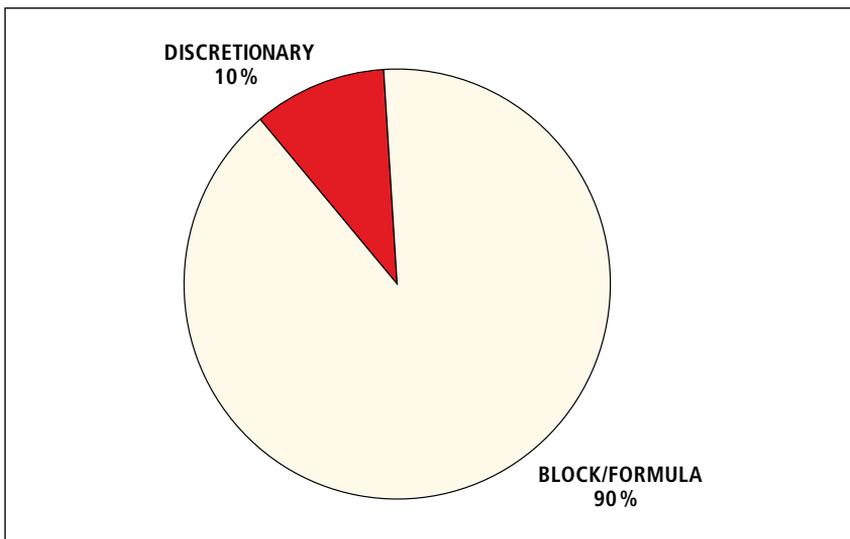
Although compliance with HHS regulations is required, that is not the focus of this guide. The purpose of this guide is to provide general guidance about how States and localities can enhance their social service delivery systems by establishing partnerships with effective FBCOs.

Q: HAVE OFFICES SIMILAR TO THE 11 FEDERAL CENTERS FOR FAITH-BASED AND COMMUNITY INITIATIVES BEEN ESTABLISHED ON THE STATE AND LOCAL LEVELS?

A: At least 35 States have either an office or a liaison for FBCOs in the governor's office, a State agency, or a governor-appointed foundation. A list of these can be found at **www.whitehouse.gov/government/fbci/contact-states.html**. Similar offices or liaisons are also being established at county and city levels throughout the United States.

Q: HOW WILL PURSUING THIS STRATEGY BENEFIT MY OWN STATE OR LOCALITY?

A: FBCOs exhibit a strong connection to the individuals they serve and possess a deep understanding of the needs in their community. When State and local governments work to level the playing field for these groups, they will begin to identify the unique resources that FBCOs can offer to beneficiaries of their services.

> *"Faith [and community]-based programs can help governors and mayors achieve the common goal that we all share, which is a hopeful America for every single citizen. That's an important objective of this administration."*
>
> **– PRESIDENT GEORGE W. BUSH**

Q: **HOW DOES THE FBCI AND THE INFORMATION IN THIS GUIDE RELATE TO TRIBES AND TRIBAL SERVING ORGANIZATIONS?**

A: Similarly to State and local programs, tribes and tribal organizations receive federal funding and can promote partnership opportunities with FBCOs. In fact, multiple tribal organizations have participated in key programs associated with the FBCI that encourage participation from FBCOs. Many tribes and tribal entities have successfully competed for funding and partnered with programs including the Compassion Capital Fund and Access to Recovery, both of which support the involvement of FBCOs. Similar to the work of these programs, it may be possible for tribes and tribal entities to implement many of the concepts and ideas described in this guide. Tribes and tribal entities should check with their federal programs officers and potentially consider legal counsel to learn about any special requirements or considerations that may need to be taken into account.

Q: **WHERE CAN I FIND ADDITIONAL BACKGROUND INFORMATION?**

A: A good place to start is the White House Office of Faith-Based and Community Initiatives Web site at **www.fbci.gov**. This site also lists the Executive Branch Agency Centers for Faith-Based and Community Initiatives Web sites. All these sites provide links to other resources and organizations that can provide additional information.

TEN REASONS TO ENSURE A LEVEL PLAYING FIELD FOR FBCOS

- *FBCOs are local – they know people in the neighborhood.*

- *Many FBCOs have the ability to focus on specific issues.*

- *FBCOs have an ongoing concern for the community, and have demonstrated their ability to respond to the needs of their community.*

- *Many FBCOs are already on the front lines of addressing issues such as poverty.*

- *FBCOs can provide access to underserved communities.*

- *FBCOs have pre-existing credibility and can foster trust.*

- *FBCOs know the community and can help identify its issues.*

- *Many FBCOs encompass broad networks of volunteers.*

- *FBCOs are often aware of an entire family's situation, and can respond to needs in a holistic fashion.*

- *FBCOs open access to services by providing individuals more choice.*

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PART 2:
CHARITABLE CHOICE AND EQUAL TREATMENT REGULATIONS

Q: **WHAT IS CHARITABLE CHOICE?**

A: These provisions require that eligible charitable, religious, and other private organizations be permitted to compete on the same basis as other organizations for federal funding under certain programs without having to alter their religious character or governance. Congress first enacted Charitable Choice provisions with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) in 1996 which authorized the TANF program. Subsequently, Charitable Choice provisions were enacted in relation to programs authorized by the Community Services Block Grant Act, the provisions of the Public Health Service Act that apply to the Substance Abuse Prevention and Treatment (SAPT) Block Grant program, the Projects for Assistance in Transition from Homelessness (PATH) formula grant program (affecting recipients providing substance abuse services under the program), and SAMHSA discretionary grants for substance abuse treatment or prevention services.

Although the specifics of Charitable Choice differ from program to program in general, under Charitable Choice, religious groups receive federal funds from the programs to which these rules apply:

- Retain authority over their mission and governing board

- Have the right to keep religious symbols in their facilities

- Retain the right to use religious criteria in employment decisions (in certain cases, this right is not automatic; where a provision prohibiting the use of religious criteria in employment decisions is applicable, there must be a showing of substantial burden on the free exercise of religion)

- Must offer their federally funded services to all eligible participants regardless of their religious affiliation (or lack of affiliation)

- Must not use direct government funds for inherently religious activities such as worship, religious instruction, or proselytization, must separate such activities from government-funded activities by time or location, and must not require service recipients to participate in religious activities

It is also important to note that under the SAMHSA and TANF Charitable Choice provisions, if a client objects to receiving social services from a faith-based provider that is directly funded by the government, the responsible unit of State or local government must ensure that she/he has the opportunity to obtain comparable assistance, in a timely manner, from other organizations that are reasonably accessible.

Q: **WHAT ARE THE HHS EQUAL TREATMENT REGULATIONS AND HOW ARE THEY LIKE CHARITABLE CHOICE?**

A: In July 2004, HHS finalized regulations to make clear that, within the framework of constitutional guidelines, FBOs should be able to compete on an equal footing with other organizations for HHS funding without impairing the religious character of their organizations. These regulations implement the principles that President Bush set out in a 2002 Executive Order applying to all federal funds. The Executive Order was entitled "Equal Protection of the Laws for Faith-Based and Community Organizations," and can be found at **www.whitehouse.gov/news/releases/2002/12/20021212-6.html**.

The principles set out in the Executive Order and the Equal Treatment Regulations contain many of the same principles found within the Charitable Choice regulations. For example, they all prohibit discrimination for or against an organization on the basis of religion, prohibit discrimination against beneficiaries by an organization that receives direct government funds, state that direct federal funds cannot be used for inherently religious activities such as worship, religious instruction, or proselytizing, and require that any inherently religious activities offered must be voluntary for federal program beneficiaries and separated by time or location from the government-funded activity. The Equal Treatment regulations can be accessed at **www.hhs.gov/fbci/regulations/index.html**.

Q: **WHAT HAVE THE COURTS SAID ABOUT THE CONCEPT OF CHARITABLE CHOICE?**

A: The principles reflected within the Charitable Choice statutes and regulations reflect U.S. Supreme Court decisions issued over the years. However, no court opinion has directly addressed the Charitable Choice statutory provisions.

Q: **WHERE CAN ADDITIONAL INFORMATION ABOUT CHARITABLE CHOICE AND THE EQUAL TREATMENT PRINCIPLES ADVANCED BY THE FAITH-BASED AND COMMUNITY INITIATIVE BE FOUND?**

A: General information on the FBCI and the principles that apply to the distribution of federal funds can be found at **www.fbci.gov**. Additional information about Charitable Choice can be found on the White House Web site as well as the HHS Web site at **www.whitehouse.gov/government/fbci/guidance/charitable.html** and **www.hhs.gov/fbci/regulations/index.html**.

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PART 3:
FUNDING ISSUES

Q: **IS IT CONSTITUTIONAL TO PROVIDE FEDERAL BLOCK AND FORMULA GRANT FUNDS TO RELIGIOUS ORGANIZATIONS?**

A: Court decisions over the past two decades have been characterized by an approach that emphasizes government neutrality towards, or equal treatment of, religious organizations. This approach encourages the government to treat all applicants equally, whether they are religious or secular.

Although FBOs are just one type of community organization, some specific constitutional concerns apply when FBOs receive government funds. FBOs may not use direct government support for inherently religious activities.[2] As noted in the discussion of Charitable Choice, this means that no part of a direct federal grant can be used for inherently religious activities such as worship, religious instruction, or proselytization. Instead, organizations may use these direct government funds only to support the nonreligious services they provide. FBOs that receive direct government funds must take steps to separate, in time or location, their inherently religious activities from the government-funded services they offer. These inherently religious activities must also be both voluntary and privately-funded. Therefore, organizations should carefully account for their use of all government funds.

These restrictions vary if funds are provided in the form of "vouchers" or other forms of *indirect aid*. For example, a voucher—sometimes called a certificate—allows an individual to have a genuine and independent choice among eligible service providers so that the individual, not the government, selects the provider. The State or local government then issues payment directly to or on behalf of the eligible individual for services, based on the individual's determination of where she/he chooses to receive services. Vouchers are flexible enough to allow the funds to follow the individual to any participating provider they select, including faith-based providers. Faith-based providers using the voucher may retain the religious nature of their services—including the religious instruction and worship. This is in contrast to direct funding, mentioned above, in which any religious instruction or worship must be privately funded, voluntary, and separate in time or location from the government-funded service.

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2 As used in this context, the term "direct funds" refers to direct funding within the meaning of the Establishment Clause of the First Amendment. For example, direct funding may mean that the government or an intermediate organization with similar duties as a governmental entity under a particular program selects an organization and purchases the needed services straight from the organization (e.g., via a grant or cooperative agreement). In contrast, indirect funding scenarios may place the choice of service provider in the hands of a beneficiary, and then pay for the cost of that service through a voucher, certificate, or other similar means of payment.

Q: **DOES THE RECEIPT OF FEDERAL FUNDING AFFECT THE WAY IN WHICH FAITH-BASED ORGANIZATIONS HIRE EMPLOYEES?**

A: There is no general federal law that prohibits FBOs that receive federal funds from hiring on a religious basis. Nor does Title VII of the Civil Rights Act of 1964, which applies regardless of whether an organization receives federal funds, prohibit FBOs from hiring on a religious basis. Federal Law protects Americans from employment discrimination based on race, color, religion, sex, national origin, age, and disability. However, Title VII of the Civil Rights Act also recognizes the fundamental rights of religious organizations to hire employees who share their religious beliefs. The United States Supreme Court unanimously upheld this special protection for faith-based groups in 1987. Thus, for instance, a Jewish organization may decide to hire only Jewish employees, a Catholic organization may decide to hire only Catholics, and so on, without violating the Civil Rights Act.

This special provision for faith-based groups protects the religious liberty of communities of faith. It permits faith-based groups to promote common values; a sense of community and unity of purpose; and shared experiences through service—all of which contribute to a religious organization's effectiveness–without violating Title VII of the Civil Rights Act. In order for a religious organization to define or carry out its mission, it may be important that it be able to take religion into account in hiring staff. Just as a college or university can take the academic credentials of an applicant for a professorship into consideration in order to maintain high standards, or an environmental organization can consider the views of potential employees on conservation, so too should an FBO be able to take into account an applicant's religious belief when making a hiring decision.

It should be noted, however, that while in general an FBO retains this religious hiring autonomy even if it receives federal assistance, certain federal laws and regulations may place independent conditions on the receipt of specific government funds. For example, a number of federal programs are subject to additional civil rights provisions in the laws authorizing these programs. Questions about the applicability of specific statutory provisions to particular grantees or activities should be addressed by counsel to the religious organizations.

Q: **WHERE CAN ADDITIONAL INFORMATION ABOUT FUNDING AND FBCOS BE FOUND?**

A: Most of the existing information about funding is directed toward FBCOs seeking federal funding. For example, the following are some White House publications that provide funding information for FBCOs:

- The White House Office of Faith-Based and Community Initiatives' *Grants Catalogue* highlights over 150 programs for which FBCOs are eligible. This catalogue can be accessed at **www.whitehouse.gov/government/ fbci/grants-catalog-index.html**.

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- *Guidance to Faith-Based and Community Organizations on Partnering with the Federal Government* can be accessed at **www.whitehouse.gov/government/fbci/guidance/index.html**.This booklet provides valuable information on frequently asked questions about the federal grant system, "dos and don'ts" for faith-based organizations, and more.

- *Protecting the Civil Rights and Religious Liberty of Faith-Based Organizations: Why Religious Hiring Rights Must Be Preserved* can be accessed at **www.whitehouse.gov/government/fbci/booklet.pdf**.

In addition, the Federal Agency Centers have developed information relevant to FBCOs and their participation in federally funded programs. Their contact information is listed in **SECTION 7** of this document.
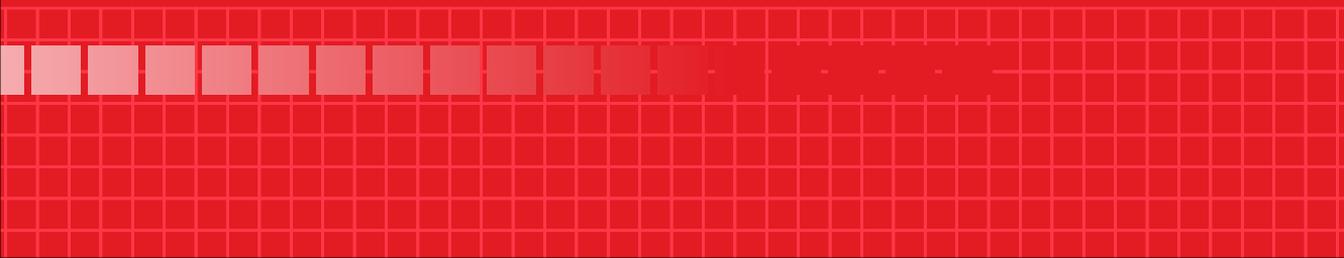
OVERVIEW OF A STATE OR LOCAL STRATEGY

This section provides an overview of steps to consider in implementing a State or local strategy to level the playing field for faith-based and community organizations (FBCOs) around federal block and formula grant funds. It also discusses some of the challenges and issues that may arise in pursuing such a strategy.

Part 1:
PROCESS OVERVIEW

Q: **WHAT STEPS SHOULD BE TAKEN TO IMPLEMENT A STRATEGY FOR LEVELING THE PLAYING FIELD FOR FAITH-BASED AND COMMUNITY ORGANIZATIONS?**

A: Several key steps can be taken at the State or local level to establish an agenda in this area. However, before undertaking any initiative or proceeding to review the efforts already underway, become familiar with the Charitable Choice and Equal Treatment Regulations – outlined in **SECTION 1** of this publication – to ensure that FBCOs can compete on an equal footing with other organizations for federal funding. Compliance with these regulations is required, and can be used as foundational principles in the development of an overall strategy. If regulations seem difficult to understand, consider seeking additional advice from legal counsel before proceeding.

Once there is a firm grounding in the relevant federal requirements, begin developing a plan for your own efforts. Although additional details necessary to implement these steps will be reviewed in subsequent sections, the following is intended to provide an outline and a "big picture" sense of the endeavor.

OPENING UP THE PROCESS: FOUR KEY STEPS

- *Develop an Approach*

- *Address Funding Issues*

- *Enhance Capacity*

- *Develop an Outreach Strategy*

Develop an Approach - The initial steps to take in embarking on your own effort in this area are listed here and detailed in **SECTION 3**. They do not have to be taken sequentially, but all steps should be considered to ensure all of the relevant issues are covered:

- Clarify the vision.

- Determine a structure to encourage and support the effort.

- Gather some basic information, including information about the extent to which FBCOs have been involved in the provision of services in the past and the extent to which this involvement continues. Also consider assessing the community to gain a better understanding of the context of the surrounding area.

- Assess barriers to partnerships with FBCOs.

**Address Funding Issues** –The effect of developing and institutionalizing a competitive funding process can be far-reaching. Different ways of approaching the funding process can make it easier or harder for FBCOs to compete for funds. Remember, the point is to level the playing field, so looking for opportunities to eliminate barriers to participation is important. Further discussed in **SECTION 4**, the key factors to consider include:

- _Scope of the partnership_ – specific tasks vs. broad responsibilities

- _Solicitation method_ – sole source, competed contract, or subcontract

- _Selection method_ – process (person or committee process; single or multiple review level; paper only or bidders'/vendors' conference) and criteria (cost only, qualifications only, or joint cost-qualifications)

- _Financial considerations_ – nonfinancial mechanisms for roles and responsibilities; fixed payment mechanisms; time and materials mechanisms; referral-based mechanisms; results-based mechanisms; and penalty provisions

- _Accountability_ – assuming responsibility for the results of the funding as well as the use of federal funds in question

**Enhance Capacity** - Even with the best financial strategy in place, the issue will arise as to the extent to which FBCOs have the capacity—in terms of service provision and administration—to provide the needed services and operate within established guidelines. Although this guide is not intended to provide the tools needed to help develop FBCO capacity, examining how capacity—both within FBCOs and within your organization—affects the ability to include FBCOs as service providers may need to be considered. Additional information on this subject is included in **SECTION 5**.

**Develop an Outreach Strategy** - FBCOs will not be able to compete if they lack knowledge about the funding opportunities that exist in the administration of funds. Therefore, it is important to consider developing and disseminating information regarding these opportunities, tailored to the specific funding strategies chosen. In addition, although it may not be apparent, a key audience for this information will be individuals internal to your organization, as this may be a new way of thinking for them. Also, consider whether it is necessary to provide information to other audiences, such as State and local elected officials. If so, an outreach strategy for those audiences should also be developed.

Finally, it is important to generate interest and reach out to FBCOs to participate in providing services funded by federal block and formula grants. Information on developing an outreach strategy for FBCOs is included in **SECTION 6**.

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ONE STATE'S OVERALL PLAN

ALASKA'S OVERALL PLAN INCLUDES THE FOLLOWING STEPS:

1. *Set a Faith-Based and Community Initiative (FBCI) as a priority on the Governor's policy agenda.*

2. *Provide the public with an opportunity to comment on the plan to promote faith-based and community partnerships with the State of Alaska.*

3. *Create and convene a task force comprised of FBCO representatives from around the State.*

4. *Establish FBCI contacts within each of the Executive Branch Agencies and designate them as ex-officio members of the FBCI Task Force.*

5. *Establish and fill an FBCI Coordinator position within the Department of Health and Social Services (DHSS).*

6. *Establish FBCI contacts within each division of DHSS.*

7. *Assess the gaps and needs in social services programming.*

8. *Learn which services are currently provided by faith-based and community organizations.*

9. *Identify faith-based and community programs that have a reputation for quality programming and assess what factors contribute to their success and effectiveness.*

10. *Promote FBCI through a statewide conference.*

11. *Review statutes, regulations, and policies, to identify barriers that impede the effectiveness or expansion of faith-based, community, and State organization partnerships.*

12. *Make policy and regulatory changes as allowed and recommend changes to statutes to the Legislature.*

13. *Establish ongoing evaluation, planning, and implementation.*

Q: **DOES IT MAKE SENSE TO HAVE A LONG-RANGE PLAN AS WELL AS A SHORT-RANGE PLAN, CONSIDERING THE LENGTH OF TIME IT MAY TAKE TO TRANSFORM THE MANNER IN WHICH FEDERAL FUNDS ARE DISTRIBUTED AND SERVICES PROVIDED?**

A: At every stage of the process, it is recommended that States and localities develop both long- and short-range plans in order to demonstrate success. Long-range plans do not provide quick outcomes, and the success of a new initiative can depend on demonstrating results in the short-term. To show results in short order, look for environments that present the opportunity for immediate success and provide hands-on technical assistance in those areas to establish a good track record. Success environments could be within a program, or within a particular service delivery area, such as a county. In either case, a targeted effort could result in a "winning story" that clearly demonstrates how, when the playing field is leveled, and FBCOs participate fully in terms of service delivery, participants can achieve positive outcomes, benefiting themselves and society as a whole.

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PART 2:
ACKNOWLEDGING AND ANTICIPATING ISSUES

IN ADDITION TO SOME OF THE LEGAL ISSUES THAT HAVE BEEN ADDRESSED BY THE COURTS, SEVERAL OTHER ISSUES MAY ARISE WHEN ATTEMPTING TO LEVEL THE PLAYING FIELD FOR FBCOS. THE FOLLOWING REFLECT SOME OF THE QUESTIONS THAT MAY ARISE.

Q: **AREN'T FBCOS ALREADY SIGNIFICANTLY RELIED UPON PROVIDE SOCIAL SERVICES?**

A: FBCOs do have a long history of providing essential services to people in need throughout the United States. HHS has funded programs through grants and cooperative agreements. Without these relationships, government would be far less effective in serving our country's most vulnerable people.

The Faith-Based and Community Initiative (FBCI) is founded on the premise that government can build on these partnerships by expanding opportunities for other nongovernmental providers that may be smaller and less known than those who already provide services. These lesser-funded, neighborhood-based groups often bring valuable experience and skills, dedication to the service of others, and the cultural knowledge needed to address some seemingly intractable problems. The FBCI seeks to give these groups equal opportunity to access federal opportunities to partner with the all levels of government if they so choose, without diminishing their faith-based and community-based identities.

Q: **WHAT SERVICES SHOULD BE FUNDED THROUGH FBCOS?**

A: Any services considered appropriate for contracting in general are appropriate for contracting with FBCOs. As in any other contracting effort, the following concepts should be taken into consideration:

- Scope – broad services vs. targeted (narrow) services (e.g., extensive case management vs. a niche component like transportation, mentoring, child care, or parenting classes)

- Scale – large or small, guaranteed number of participants or participant fluctuation

- Population served – recruitment by provider or as referred by other agencies

It should be noted, however, that some FBCOs at the grassroots level may be better prepared to provide niche services (e.g., transportation, child care, counseling) rather than a more comprehensive approach to service delivery (e.g., case management). Other FBCOs are among the largest, most experienced social service organizations in the country and have extensive capacity to provide myriad services (including case management.)

Q: **WHAT IS THE BEST STRUCTURE FOR FUNDING MECHANISMS TO ENCOURAGE THE PARTICIPATION OF FBCOS?**

A: There are many different options, including direct contracts and subcontracts. These options are discussed in **SECTION 4** of this guide.

Q: **HOW WILL RISK BE MANAGED AND ACCOUNTABILITY MAINTAINED?**

A: Partnering with nontraditional providers, including FBCOs, does not mean accountability must be compromised. In fact, the purpose of expanding partnerships with FBCOs is to make sure that every available resource is used to provide the best quality services to those in need. However if you have no prior experience working with grassroots organizations, it is important to carefully consider whether any modifications to the current approach are in order. Consider the following:

- Monitoring and oversight strategies, including the use of dedicated staff

- Payment and incentive strategies

- Value-added reporting and audits

- Coordination of internal staff so that technical assistance, fiscal, and accountability efforts are complementary and reduce duplication

Q: **DO FBCOS HAVE THE CAPACITY TO PROVIDE THE DESIRED SERVICES?**

A: Consideration will need to be given as to whether there exists, within the community, capacity to provide the services for which funding is provided and, if not, whether an investment will be made to ensure that capacity exists. It should not be assumed that the simple provision of funding will result in positive outcomes for participants if an organization does not have the initial capacity to provide the given service(s). Additional information on this topic is included in **SECTION 5** of this guide.

Q: **WHAT IF THE PROVIDER WE CURRENTLY WORK WITH OPPOSES OUR CONSIDERATION OF OTHER PARTNERS?**

A: Since much of the funding that FBCOs are encouraged to compete for has, in the past, been distributed to other organizations, this issue may arise. It is important to anticipate this concern and be prepared to respond. Emphasize the need to level the playing field and that ultimately the best provider of the service needed for the population in question will be selected. The goal of these new efforts is to ensure that those in need receive effective services from the most competent providers. This is a laudable goal, and if the existing providers agree, they need not fear additional competition. Though there are some notable exceptions, no single agency has an exclusive right to receive federal block and formula grant funds.

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SECTION 3:

DEVELOPING AN APPROACH

This section provides State and local officials with additional details about the first steps that need to be taken in order to establish a Faith-Based and Community Initiative (FBCI). Key concepts to consider when creating an FBCI include clarifying the overall vision, determining what form the FBCI should take, and working towards addressing and eliminating barriers that faith-based and community organizations (FBCOs) may confront. The steps listed in this section are intended to shed light on many relevant issues when considering an FBCI.
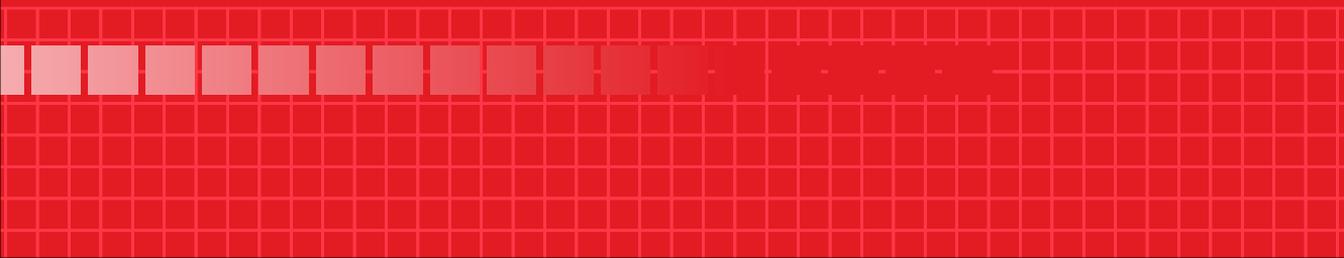
PART 1:
CLARIFY THE VISION

Q: **WHY IS IT IMPORTANT TO CLARIFY THE VISION?**

A: It is important to identify and agree on a vision and purpose as well as a definition of success. Although this is an essential part of embarking on any new initiative, it is critical to the FBCI. The FBCI seeks to expand partnerships with and strengthen all effective service organizations—both faith- and community- based. Considering every available resource is important in fighting poverty and despair, and ensuring that government funding achieves results is a common sense goal. Thus, it is important to be clear about the vision from the very beginning.

Q: **WHAT ARE SOME TIPS FOR CLARIFYING THE VISION?**

A: In clarifying the vision, it may be helpful to create a list of possible goal statements that are both memorable and measurable. It is recommended that the final list of statements be limited in number to ensure a clear line of sight for the vision.

EXAMPLES OF GOAL STATEMENTS

- *Identify and address unmet needs in order to strengthen families.*

- *Identify and address opportunities to promote employment and self-sufficiency.*

- *Provide better responsiveness to community needs.*

- *Mobilize residents or members as volunteers for service delivery.*

- *Leverage the strong desire to serve others.*

- *Provide for physical presence in targeted neighborhoods.*

- *Build better partnerships and relationships at the community level that will provide both current and future benefits.*

- *Increase direct services being developed and delivered at a grassroots level.*

- *Increase outreach at a grassroots level.*

- *Improve the quality of life at individual and community levels.*

- *Positively impact the infrastructure of neighborhoods and communities.*

- *Ensure equal access for FBCOs to provide services.*

Q: **WHAT ACTION STEPS CAN HELP EMPHASIZE THE VISION?**

A: In developing the vision and beginning to implement the FBCI, several process steps may emerge that technically may not be necessary, but could be taken to reinforce the vision. For example, financial reform may or may not be needed to comply with Charitable Choice and Equal Treatment Regulations, but it could send a potent message to internal stakeholders and staff about the importance of ensuring these regulations are followed. In addition, the enactment of a State law or an Executive Order can be used not only to create a structure to support and sustain the effort, but also to send an extremely powerful message internally and externally about the vision and the public policy commitment made to ensure this vision is fulfilled.

Q: **WHAT ARE SOME OTHER ISSUES TO CONSIDER IN THINKING ABOUT THE VISION?**

A: In thinking about the vision, several other issues ought to be considered, including:

- Whether this effort should integrate, coordinate, complement, or be complemented by other initiatives or efforts.

- The degree to which more, fewer, or the same resources will be available to support this effort.

- The role and involvement of various internal and external stakeholders, including any oversight or advisory group or task force, as conveners, partners, supports for capacity building, etc.

- The best mechanism to articulate clear expectations and opportunities for interested stakeholders.

- The ways to build knowledge and opportunities for training and technical assistance.

- The selection of the "sponsor" of the vision (e.g., the governor, the head of an agency, etc.).

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PART 2:
DETERMINE A STRUCTURE TO ENCOURAGE AND SUPPORT THE EFFORT

Q: **WHY IS STRUCTURE NEEDED TO SUPPORT THIS EFFORT?**

A: Whether referring to the effort to partner with faith-based and community organizations (FBCOs) as an initiative, a project, or just as another component of the business of seeking financial partners, it is important to have a structure to support the effort in both the short term and the long term. It will not be enough simply to develop and disseminate a vision. A structure will be needed to sustain the effort.

ESTABLISHING AN ADVISORY BOARD

Arizona established its advisory council by first assessing the diversity of their nonprofit community. Appointments to the Council were recommended by staff and made by the Governor. Recommended appointments reflected the ethnic, religious, geographic and nonprofit community diversity of the State. Particular issues were chosen as priorities to address by the appointed Council. A useful number of appointees to start with may be 25-30 members. Each year the priority issue and goals are reviewed and revised as appropriate.

ESTABLISHING AN FBCI OFFICE IN THE GOVERNOR'S OFFICE

"Yesterday, when I spoke to the governors, I urged them to set up faith-based offices in their governors' offices. Now, half of the governors have done so. And if you're in a State where your governor hasn't, I would urge you to get the governor to say, "Wait a minute," to the State bureaucracies, "Allow faith-based and community-based groups to bid on federal money that has been sent down by formula to the States." In other words, we've talked about the federal grant-making process, but a lot of money goes out of Washington, DC--about $40 billion of it--through formula grants. And to me, that's an area where the faith-based community ought to have the chance to bid as well. There's about a hundred mayors have set up faith-based offices, so that's progress. Half the States, 100 cities--we're making progress to make sure that this initiative is accepted at the federal, State, and local governmental level."

**- PRESIDENT GEORGE W. BUSH
WHITE HOUSE OFBCI LEADERSHIP CONFERENCE
MARCH 1, 2005**

Q: **WHAT QUESTIONS SHOULD BE CONSIDERED WHEN DEVELOPING SUCH A STRUCTURE?**

A: Examples of key questions that this structure should address include, but are not limited to, the following:

- Who will serve as champion for this effort? The governor? The mayor? The agency director? A key agency manager? A community member? It may be helpful to identify and convene a group of key stakeholders/leaders to determine who will emerge as the willing and appropriate champion.

- Who will be accountable to ensure forward progress and to answer questions when necessary? A single point of accountability can help ensure that the effort does not get lost because it was "someone else's" responsibility.

- Will there be a liaison or liaisons to work with current or potential partners to help with outreach and to respond to the general public?

- Will the effort be managed solely by one person, by a team, or by a structure of multiple teams or committees? For example, with a multiple team structure, one team could focus on financial reform, another on needs analysis, and another on outreach and education.

- For the staff involved, how will this effort be prioritized? How will it be considered in relation to other work demands?

- Which entities should be involved as stakeholders? For example, in many State and local structures, funding mechanisms are affected or controlled by multiple agencies. Thus, if changes are needed in the funding mechanisms, all those agencies need to concur and be involved.

- Will there be an oversight or advisory entity or a task force? If yes, how will it be structured? Who will select the membership? How will it interface with other similar initiatives inside or outside of the agency? What kind of staff support will exist? How will member expectations be addressed? Certain levels of public interest or opposition could make it helpful and appropriate to have (an) elected policymaker(s) involved.

- For what reasons should current or potential partners be involved in the effort? Some of these partners may be seeking additional opportunities, but they can also provide a wealth of information.

- Is it possible to engage a third party, possibly a nonprofit FBCO, to help with recruitment, outreach, and public messaging? This type of role requires not just willingness, but capacity to serve as a translator and ambassador.

- Once the effort is underway, how should the structure change? Presumably, less effort will be needed once the changes are institutionalized. However, to sustain the effort, the support structure cannot simply be shut down. The emphasis must shift to accountability, monitoring, and providing technical assistance.

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Q: **ARE THERE OTHER ISSUES TO CONSIDER?**

A: Other issues to consider in establishing a structure include:

- Potential roles for leaders, conveners, and partners must be clarified.

- The structure must help build the experience and capacity of FBCOs. This does not necessarily mean the structure is responsible to ensure it, but it must provide opportunities and help to remove barriers.

- The structure should help provide a level of assurance that outcomes will be managed.

- Some organizations or agencies that could serve as conveners or leaders of particular initiatives, outreach, or other aspects of this effort may already exist.

- An existing grantee or partner may be able to take on an expanded role in providing training and technical assistance for additional community organizations.

- Opportunities may exist for FBCOs to work together to form new coalitions or partnerships; the State or local agency may want to help identify the lead organization and help the coalition develop a memorandum of agreement for managing administrative, fiscal, and programmatic responsibilities.

A COMPREHENSIVE APPROACH

In Alaska, a 21-member Faith-Based and Community Initiative Task Force was appointed by the Lt. Governor to help assess current needs, conduct a review of the services currently available, review current laws and regulations, and help FBCOs develop increased capacity to partner with government to meet social service needs in Alaska. A coordinator within the Commissioner's Office of the Department of Health and Social Services was appointed to assist in this effort. Each of the Department's divisions also appointed a liaison/coordinator. Following these initial efforts, an Executive Director for the Office of Faith-Based and Community Initiatives was recruited and the position was filled in January 2005. The Office works very closely with a 22-member Advisory Council, which was appointed by the Governor in April, 2005.

PART 3:
GATHER SOME BASIC INFORMATION

Q: **WHAT INFORMATION IS NEEDED?**

A: Consider conducting an assessment of a focused area in order to gain a better understanding of the context of the community or region. This will provide a general understanding of how FBCOs already participate in the delivery of services in your State or locality. For example, you may think that there is already a proliferation of FBCOs accessing available funds and providing services to program participants. But the facts may not support this assumption and may actually support the opposite conclusion. Without taking time to review the facts, it is easy to pursue a strategy that bears no relation to the needs of your community. Even if the assumptions are correct, the history of FBCO participation as service providers in some of your programs may be surprising.

A SURVEY STRATEGY

Minnesota conducted a survey where individuals from over 250 FBCOs attended various community forums where they discussed barriers to working with government to provide social services to help people in need. The top three challenges identified are FBCOs' ability to:

1. Access funding opportunities, best practices, technical support and training;

2. Recruit, retain and acknowledge volunteers; and

3. Pursue changes in policies that inhibit efficiencies.

Recommendations were developed from the gaps identified in this survey. As a result, new resources have been implemented and more partnership opportunities are offered through the State for FBCOs.

Q: **IF THERE IS ALREADY AN UNDERSTANDING OF THE LEVEL OF FBCO PARTICIPATION IN THE PROGRAMS, WHY IS AN ASSESSMENT OF THE COMMUNITY NEEDED?**

A: In the same way it is beneficial to gain a general understanding of the history of FBCO partnerships in your jurisdiction, realizing benefits from gaining a better understanding of your general operating environment will help anticipate challenges to progress that may arise due to legal constraints or historical precedents. In addition, the assessment should help in several analytic areas that lead to process decisions for the State or local agency, such as capacity building and funding strategies.

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Q: **WHAT SHOULD BE INCLUDED IN THIS ASSESSMENT?**

A: Information that might be necessary and relevant to discover includes:

- The extent to which the State or jurisdiction has established any limitations that may inhibit the provision of services by FBCOs and whether these limitations need to be addressed in order to be in compliance with federal law.

- If there are natural constituencies within the local citizenry and/or leadership in the geographic area that would be supportive of the effort.

- The extent to which current gaps in service to populations at risk could be met through the engagement of nontraditional service providers such as FBCOs.

- The extent to which certain segments of the population have limited access to services that could be met by nontraditional service providers such as FBCOs.

- The extent to which opportunities to leverage current initiatives or programs exist.

Q: **HOW SHOULD THE ASSESSMENT BE IMPLEMENTED?**

A: Performing an assessment and collecting the desired data may include the following:

- Interviewing or surveying individuals with relevant knowledge and experience (e.g., elected officials, program operators, FBCO staff, support organizations, and program participants)

- Community forums

- Case studies

- Statistical analyses of administrative data

- Online surveys

Often, community forums and other public settings are used both to gather information and to inform the public. Strong facilitation skills and targeted questions can lead to both of these results. Here are some questions that may be posed at a community forum:

- What are the issues needing resolution in this community?

- What does this community look like (e.g., socially and economically)?

- What are the major problems needing solutions, and which specific problems need to be addressed?

- What will happen if these problems are not solved or needs are not met?

- What are the gaps that need to be filled?

- What current services are provided and by whom, and why do they not fill the gaps?

- What are the opportunities to fill those gaps in this community?

Q: **WHAT CHALLENGES MIGHT BE ENCOUNTERED IN GATHERING THIS BASIC INFORMATION?**

A: Conducting an assessment can be a challenge. It should be done in a way that provides meaningful information without overly burdening staff or FBCOs or allowing the process to hinder the overall effort. Here are some things to consider:

- What is the best way to clearly articulate the necessary information and figure out where to find it?

- Do any planning documents, previous surveys, or prior needs assessments exist within the agency, in partner agencies, in community or nonprofit agencies, or in FBCOs that may provide useful information?

- Do any FBCO coalitions, policy groups, or liaisons exist that already have some data?

- Who in the community should be involved in developing the assessment?

- Can a third party, such as a university or nonprofit, assist in the community assessment by facilitating discussions or analyzing data?

- Do any other organizations have an interest in the same information, and would they have the capacity and willingness to partner in the effort?

ASSESSING SERVICE GAPS

The Ohio General Assembly convened a Correctional Faith-Based Initiative Task Force in 2005 to study faith-based solutions to correctional system problems; examine existing faith-based/non-profit programs in Ohio prisons and other states and the possibility of replication; and to develop model faith-based programs to reduce adult and juvenile offender recidivism, assist juveniles with incarcerated parents, and juveniles held over to or in the adult penal system. The Task Force developed 16 recommendations to reach each of these goals, with many already being implemented. State and local elected and government officials are convening Leadership Forums in every community that has an adult or youth corrections institution to inform FBCOs and other interested parties about repeat offenders and re-entry issues and to engage them effective efforts to reduce recidivism rates and transform lives.

Q: **WHAT IF THIS PROCESS REVEALS A HIGH LEVEL OF PARTICIPATION ON THE
PART OF FBCOS IN THE PROVISION OF SERVICES?**

A: It is possible that this process will quantify that there already exists a
significant amount of FBCO delivering services funded by federal block
and formula grant funds.   If so, then there is a great story to tell, backed by
documentation, which can be shared with others interested in expanding
such opportunities within their own jurisdictions. This information could
be shared with FBCOs who do not believe that the playing field has been
leveled while inviting them to apply for government funding to meet the
needs in their community.

PART 4:
ASSESS BARRIERS

Q: **IF AN ASSESSMENT HAS ALREADY BEEN CONDUCTED, WON'T ENOUGH BE
KNOWN ABOUT THE BARRIERS THAT EXIST?**

A: Conducting an assessment will provide insight into the current situation
faced by FBCOs in competing for federal block and formula grant funds,
but it might also be beneficial to invest some additional effort to assess the
situation and determine what is hindering the full participation of FBCOs
in accessing federal block and formula grant funds for providing services
to the community.

BARRIER ASSESSMENT

*In 2004, Texas Governor Rick Perry directed his Office of Faith-Based and Community
Initiatives at OneStar Foundation to coordinate the creation of an interagency workgroup
of state officials tasked with reviewing all aspects of their respective agencies' programs
and governing statutes. The review resulted in comprehensive agency recommendations,
including increased efforts to adhere to the Equal Treatment regulations, revision of
language to applications clarifying FBCO eligibility, expanded outreach efforts, the need
for capacity-building support services, and legislative reform efforts.*

Q: **WHAT BARRIERS MIGHT BE PRESENT IN MY OWN OPERATING ENVIRONMENT?**

A: The barriers that may be encountered can be grouped into three broad
categories:

1. Barriers in the area of organizational knowledge and awareness, including:

- Lack of awareness of the potential benefits of partnering with FBCOs

- Lack of awareness of potential FBCO partners

- Lack of effective outreach to FBCOs

- Lack of awareness and understanding of potential and actual
  barriers, as well as barriers that may have already been removed, to
  FBCO participation

- Lack of knowledge about how to design and implement an outreach
  strategy for FBCOs

- Inadequate information flow and communication between State agencies
  and FBCOs

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- Lack of awareness of best practice language for governing statutes or rules, contract boilerplates, and financial documents such as Requests for Proposals (RFP) and Requests for Services (RFS)

- Inconsistent knowledge throughout the organization (from leadership to managing funds) and/or across State agencies

- Concerns about ability to support and monitor FBCOs

2. Barriers related to organizational capacity, practice, and operations, such as:

- FBCO involvement is concentrated in one program or organizational area of a State agency, but financial partnerships involving multiple areas have not been engaged.

- Opportunities cross State agency lines, but one or more of the relevant State agencies does not have staff dedicated to FBCO outreach.

- FBCOs are unfamiliar with government processes (both financial and operational).

- FBCO infrastructure and administrative capacity is too weak to support activities such as reporting, evaluation, and regular communication updates.

3. Barriers related to leadership, such as:

- No executive-level champion/owner.

- The executive management team does not support the idea.

- A point person (policy, program, finance) does not invest in the concept.

- The legislature does not support and even resists the concept.

- FBCO organizations do not come forward with commitments.

- The pursuit of FBCOs as partners involves perceived risks and lack of perceived incentives.

Q: **SHOULD ALL OF THESE BARRIERS BE ADDRESSED IN ORDER TO BE SUCCESSFUL?**

A: The extent to which these barriers may be encountered in your own operating environment will vary. For example, when implementing some of the steps noted in this section, some of the issues identified may be readily addressed, particularly in regard to leadership. However, when it comes to organizational capacity, practice, and operations, as well as organizational knowledge and awareness, making a concentrated effort might be necessary.

PART 5:
TARGET YOUR EFFORTS

Q: **SHOULD THE FOCUS BE ON SPECIFIC PROGRAMS OR SERVICES?**

A: Ideally, the steps outlined in this guide can be applied to various block and formula grant funds. It may become evident, however, that some programs are more suited for a focused effort than others. For example, if it becomes apparent that a certain segment of the population is clearly underserved, in an effort to improve outcomes for this population, consider expanding service delivery partnerships in programming areas most immediate to their needs.

Additionally, in considering what services to partner with FBCOs at the State or local level, pay attention to these concepts:

- Scope – broad services vs. targeted (narrow) services (e.g., extensive case management vs. a niche component like transportation, mentoring, child care, or parenting classes)

- Scale – large or small, guaranteed number of participants, or participant fluctuation

- Population served – recruitment of beneficiaries by provider or as referred by other agencies

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LEVERAGING GOVERNMENT SERVICES

The Florida Disaster Recovery Fund, administered by Volunteer Florida Foundation, has strategically partnered with My Safe Florida Home program through the Florida Department of Financial Services since August 2006. This program is designed to fortify over 4,000 low-income homes through local non-profit organizations across the State in 2007.

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Q: **ARE THERE EXAMPLES OF PROGRAMS THAT STATE OR LOCAL AGENCIES HAVE PARTNERED WITH FBCOS?**

A: Existing partnerships include:

- abstinence
- case management
- child care
- clothing needs
- domestic violence
- education
- family development
- food assistance
- health needs
- healthy marriage
- individual development accounts
- job training and placement
- life skills
- literacy
- mentoring
- noncustodial parent services
- parenting
- school-to-work
- shelter/housing
- substance abuse
- transportation
- tutoring
- visitation
- youth services

ADDRESSING FUNDING ISSUES

Efforts to overcome any barriers that faith-based and community organizations (FBCOs) experience in competing for funds will necessarily involve new approaches to the funding of services. This section includes detailed information about funding options—with additional information related to ensuring accountability—that can be implemented to overcome barriers related to organizational capacity, practice, and operations.
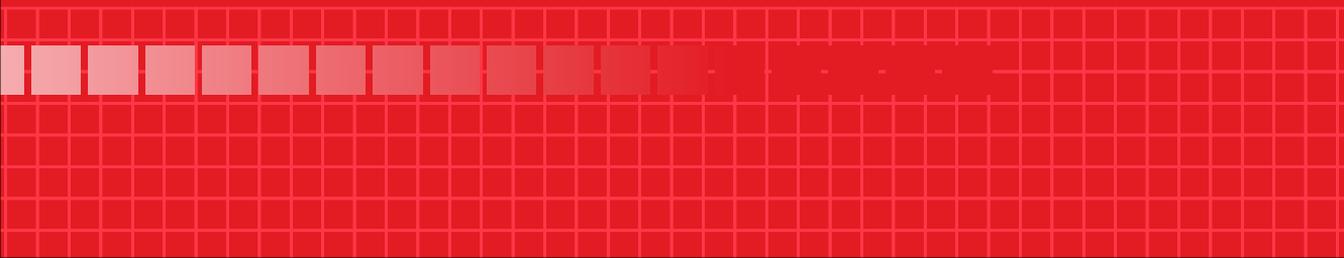
PART 1:
OVERVIEW

Q: **WHEN DRAWING UP CONTRACTS, WHAT KEY FACTORS SHOULD BE CONSIDERED IN ORDER TO ENSURE THAT THE PROCESS IS FAIR AND THE PLAYING FIELD IS LEVEL?**

A: Formal funding relationships are driven by policies and procedures established at the State or local level. Requirements can vary greatly from State to State, and sometimes from county to county, but generally include guidance on the overall funding process, such as when tasks must be competed, specific language to use in funding documents, how decisions will be made, how appeals can be made, and timelines. As has already been stated, it is important that State and/or local guidelines ensure a fair, timely, and defensible decision-making process that does not create unnecessary barriers to participation. Thus, key factors that will be discussed further in this section are:

- *Scope of the partnership* – specific tasks vs. broad responsibilities

- *Solicitation method* – sole source, competed contract, or subcontracts

- *Selection method* – process (person or committee process; single or multiple review levels; paper only or bidders'/vendors' conference) and criteria (cost only, qualifications only, or joint cost-qualifications)

- *Financial considerations* – nonfinancial mechanisms for roles and responsibilities; fixed payment mechanisms; time and materials mechanisms; referral-based mechanisms; results-based mechanisms; and penalty provisions

- *Accountability* – assuming responsibility for the results of the funding as well as the use of federal funds in question

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DEVELOPING NONFINANCIAL PARTNERSHIPS

Through the Department of Labor's SHARE Network, a number of States have begun establishing Access Points in FBCOs. Each FBCO that serves as an Access Point designates a volunteer or staff member to serve as a Point of Contact (POC) for the local One-Stop. The POCs are then trained by workforce system staff. The POCs help customers search for jobs using the Web-based job matching system and talent bank and make appropriate referrals to the One-Stop. POCs are also tasked with building closer working relationships with One-Stop staff to ensure that Access Point customers receive the full range of services they need to be job-ready. The POCs do not receive funding from the One-Stop system to provide Access Point services.

Q: **IS IT POSSIBLE TO FORGO A FORMAL CONTRACTUAL ARRANGEMENT AND ESTABLISH A WORKING RELATIONSHIP WITH AN FBCO?**

A: Informal partnerships can be an effective way to bring new partners into the conversation of how to implement a new program or address a new challenge in a specific community. Under informal agreements, there are usually no contracts and there is no financial consideration. Jurisdictions often engage in such informal partnerships. This can happen through informal agreements at the State level, the local level, an office level, or even a caseworker level. These tend to focus on referral options to and/or from FBCOs, with or without formal solicitation.

Some of these partnerships develop over time. In some cases, a simple conversation creates the momentum for a partnership. Generally, these types of relationships are symbiotic: both partners benefit by adding value for their customers through sharing services and/or accepting or making referrals from or to each other.

But both governments and FBCO should look beyond just informal partnerships. It is a good practice to formally outline partnerships to be to make sure there is no confusion about the roles and responsibilities inherent to the relationship. One way governments and FBCOs can formalize their relationships is through a simple memorandum of understanding, or MOU. This can be a short document that outlines the specifics of a new relationship to clarify expectations from both parties or define the specifics of an existing relationship. However, it is important to note that various rules may still apply to these arrangements.

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PART 2:
SCOPE OF THE PARTNERSHIP

Q: **WHAT DIFFERENCE CAN THE SCOPE OF THE PARTNERSHIP MAKE?**

A: The scope of the project being considered for funding defines the degree of program responsibility being delegated or shared with the partner entity. The project scope included in a given contract will have a significant effect on the types of organizations that can compete for it. It might be beneficial to consider the extent to which FBCOs have the capacity to compete for contracts that are broad versus those focused on specific tasks.

The issue of capacity is critical and deserves additional consideration. Because of this, a separate section of this guide—**SECTION 5**—addresses issues regarding FBCO capacity.

Q: **ARE THERE BENEFITS TO FOCUSING ON SPECIFIC TASKS?**

A: Funding focused on specific tasks allows organizations to provide smaller components of a program, such as transportation, child care, specific education or training, parenting skills, etc. These are often the types of services most closely associated with FBCOs.

Q: **HOW DOES THIS COMPARE TO A FUNDING MECHANISM THAT INCLUDES BROAD RESPONSIBILITIES?**

A: Financial partnerships focused on broad responsibilities tend to be goal-oriented. An example would be a contract for a welfare-to-work program, where the goal is to move families successfully into employment, with the contract partner responsible for many or all of the tasks necessary to achieve the goal.

For example, given the range and nature of formula grants and federal block grants, it is much more likely that a State will have an interest in developing contracts that are broader in scope. State performance is often geared toward program outcomes. As already noted, this can make it very difficult for FBCOs to compete successfully for these contracts. However, contracts issued at the local level, which may be more focused on the tasks necessary to achieve the overall broad outcomes, may be more accessible to FBCOs.

Ideally, consider whether the scope of a contract can be limited to ensure that it does not rule out nontraditional service providers such as FBCOs.

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PART 3:
SOLICITATION METHOD

Q: **DON'T ESTABLISHED POLICIES AND PROCEDURES DICTATE THE SOLICITATION METHOD THAT MUST BE FOLLOWED?**

A: As previously stated, State and local rules often drive the process in a very specific manner. Different State or local requirements could facilitate or inhibit various funding methods. For example, certain States have provisions in their constitutions that explicitly bar government aid to sectarian schools or institutions which are generally referred to as Blaine Amendments. These provisions can affect allowable activities within a given State. If a State has such a provision, it would be beneficial to become familiar with it to ensure the State is able to properly adhere to the provisions in the Charitable Choice and Equal Treatment Regulations as well as State requirements. Additionally, if a State or local government contributes its own funds to the federal funds and the funds are commingled, the provisions of the regulation apply to all of the commingled funds in the same manner, and to the same extent, as the provisions apply to the federal funds.

Q: **IF A COMPETITIVE FUNDING STRATEGY IS ADOPTED, GIVEN THE SCOPE OF SERVICES THAT ARE NEEDED TO PURCHASE WITH THESE FUNDS, HOW CAN THE PLAYING FIELD BE LEVELED?**

A: The most common kind of funding process—a competitive process—encourages multiple entities to submit proposals for review and selection. Clearly, a competitive process has strong advantages. These advantages include the opportunity for obtaining higher quality at a lower cost, the opportunity for the presentation of more creative solutions, and a public perception of the fairness of the process. From the State and local grant administrator's perspective, a general disadvantage of competitive funding is the length of time it can take to complete the process. From the FBCO perspective, additional disadvantages can include a lack of awareness about how to compete and a lack of ability to compete given the range and scope of services to be provided under the contract.

Valuable ideas to encourage FBCOs to compete for funding are detailed in **SECTION 6**. The way funding mechanisms are structured can enhance the ability of FBCOs to compete. In particular, pursue requirements regarding subcontracting in your funding agreements.

Many funding relationships for operations of a program, a program component, or an administrative activity include subcontractors. Often these are driven by the need of the lead contractor to fill gaps in their skill, expertise, or resource capacity. However, encouraging traditional service providers to subcontract with nontraditional service providers such as

FBCOs by recommending or even requiring the formation of local coalitions or partnerships to meet the needs of the program is a viable option.

This can be accomplished through different mechanisms, which are listed below from least to most directive:

- *Encouragement* – Bidders can be encouraged (but not required) to establish partnerships.

- *Awarding of points* – Bidders can be given extra points for demonstrating an ability to enhance the quality of service delivery by providing the services through a collaborative approach with project partners.

- *Require Collaboration* – Limit the applicants to groups representing existing collaborations.

Q: **IF THE SCOPE OF A PARTNERSHIP CANNOT BE LIMITED, CAN PRIMARY PARTNERS BE ENCOURAGED TO USE FBCO SUBCONTRACTORS AS PART OF THE CONTRACT REQUIREMENTS?**

A: Encouraging partners to subcontract with FBCOs may be one of the best methods through which to expand the number of FBCOs involved in the delivery of social services.

SUBCONTRACTING AS AN OPTION

Indiana encourages organizations that may not be ready to comply with all of the administrative requirements of government funds to contact existing intermediary service providers to find out if there is a niche service that they can provide. For instance, the Indianapolis Private Industry Council (IPIC) provided support to a local congregation's Jobs Partnership Mentoring program that allowed them to train more mentors and serve more IPIC job-training clients. They also trained the mentoring program staff on the Internet job matching and registration system so that the mentoring participants could more effectively take advantage of one-stop services.

Q: **CAN DIRECT-FUNDING RECIPIENTS BE ENCOURAGED TO USE FBCO PROJECT PARTNERS AND AFFILIATES AS PART OF THE REQUIREMENTS OF THEIR FUNDING?**

A: Encouraging lead organizations to partner with FBCOs may be one of the best methods through which to expand the number of FBCOs involved in the delivery of social services. This strategy can make use of the strength of smaller organizations that are focused on providing services and may have high levels of trust with the populations receiving services. It also recognizes the reality that many smaller nonprofits lack the organizational capacity to manage their larger funding amounts.

In some instances, a State or local jurisdiction wanting to expand the commitment and participation of FBCOs may prefer to enter into a financial partnership with a third party to recruit help from the FBCO community. A third party organization could also assist FBCOs with intergovernmental coordination, serving as the bridge between the State or local jurisdiction and the FBCO community. It can also develop the capacity of FBCOs through the provision of program development, grant management, financial accounting, legal services, and other assistance or it can serve as the lead organization bringing together a group of smaller organizations to provide a range of services across multiple populations and geographic regions. As with all funding decisions, the State or local jurisdiction should be mindful of program authorities and requirements at the federal, State or local level when determining whether any particular kind of funding arrangement can be supported by government funds.

Q: **IS IT PRUDENT TO CONSIDER OPTIONS THAT DO NOT INVOLVE COMPETITIVE BIDDING FOR FUNDING?**

A: As previously noted, the use of a competitive funding strategy most often yields the best service for the least cost. It also limits the amount of discretion involved in awarding funding, thus creating an appropriate environment for ensuring a level playing field for all potential partners. Under some circumstances, however, when a specific need is defined and a particular entity is uniquely qualified to meet that need because of program and experience qualifications, a sole source contract might be used. In general, sole source contracts are for specific tasks or for initiatives limited by time rather than ongoing program operations. They should not be relied upon as a key strategy for leveling the playing field for FBCOs.

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PART 4:
SELECTION METHOD

Q: DOES THE SELECTION METHOD REALLY MAKE A DIFFERENCE?

A: Different selection methods can be complicated. The decisions made about the process and criteria *prior* to the start of the funding process are critical and will have a significant influence on what types of organizations will be able to compete successfully for the contract.

Q: WHAT OPTIONS MAY BE AVAILABLE RELATED TO THE SELECTION PROCESS?

A: Although State and local requirements may outline a very rigid process for awarding funding, there are still some options.

First, consider having a panel or committee review process. For larger awards, using a committee is generally the most common procedure, combined with objective scoring assessments that provide tougher scrutiny of the proposals. The committee may consist of program staff, staff versed in financial policies, and knowledgeable staff from outside the primary agency.

Second, consider using a single or multiple level review process. The jurisdiction must decide whether the person or committee process is the only level of review and decision making, or whether the review should be passed on to a second level for the final decision. Similarly, the jurisdiction should consider how an appeal would be handled (at which level, including how many levels of review are available) if the process were challenged.

Q: WHAT ABOUT THE CRITERIA WE USE TO EVALUATE BIDDERS?

A: Perhaps one of the most important parts of a request or solicitation is the clarity of the criteria that will be used in selecting a proposal or proposals. The criteria are important for several reasons:

- Clear criteria should relate directly to the goals, thus driving the development of the proposals and the actions and performance of the entities that are selected.

- Clear criteria help ensure consistency across proposals, for both format and substance, making it easier to compare them.

- Clear criteria may help encourage innovation because bidders can focus on describing how they will accomplish the goals instead of trying to interpret what they are.

- Clear criteria minimize the potential for challenges or appeals.

In addition, from the perspective of FBCOs, clear criteria facilitate not only their understanding of whether they have the capacity to respond, but also their ability to respond in a comprehensive manner. Clear criteria remove the burden of inferring what the government is looking for.

Q: **WHAT CRITERIA ARE THE BEST TO USE?**

A: In general, funding mechanisms can be based on cost-only criteria, qualifications-only criteria, or a mix of both.

Some funding relationships are driven by the need to contain costs. Provided that bidders can meet minimum qualifications and provide certain assurances, the final selection is based on lowest cost. However, when funding is less of an issue (e.g., when costs will be minimal), or when multiple providers may be desired, selections may be based solely on the ability of a bidder to deliver the services (qualifications-only criteria). For example, multiple bidders might be desired for a transportation or childcare voucher program. In this case, the State or local jurisdiction may be trying to create additional capacity and options for the families they serve, while creating consumer choice for those families.

Other funding relationships combine the desire for a low-cost bid with the desire for a higher quality service or a reduction of risk when it comes to service delivery. In a cost-only scenario, the qualifications are generally just a minimal "bar" that a bidder must meet. The reverse is true in a qualifications-only scenario. However, in a joint cost-qualifications scenario, the two components are each weighted in the final bid. For example, cost may be 50 percent of the total bid points, with qualifications being the other 50 percent. Within the qualifications component, points may be scored for a variety of factors including, but not limited to, existing capacity, experience, and ability to assume risk.

In order to encourage FBCOs to participate and given the purposes for which the funds are to be used, partnerships that combine cost and quality concerns are generally best.

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PART 5:
FINANCIAL CONSIDERATIONS

Q: **DOES THE WAY PAYMENTS ARE STRUCTURED MAKE A DIFFERENCE IN FBCO PARTICIPATION?**

A: Payment structure can make a significant difference; therefore, consider how to reimburse the service providers under the agreement.

First, a fixed payment mechanism sets a fixed amount, generally by time period (e.g., monthly), for services rendered. Fixed payments often are used when the quantity of services can be estimated with a fair degree of certainty, or when the State or local jurisdiction wants to lock in the cost as a risk avoidance strategy. This transfers the risk to the provider; if more services are needed, they must cover the costs, if fewer are needed, they come out ahead financially.

Second, a time and materials mechanism sets rates for various cost components, such as hourly staff costs and other support costs for providing the services. This kind of payment often is used when the quantity of services cannot be estimated with a fair degree of certainty. Coupled with prior approval for services, it can be used when the State or local jurisdiction wants to retain control over the degree of services provided and costs incurred. However, the State or local jurisdiction assumes the risk should services be required beyond those budgeted. Time and materials contracts tend to be process focused.

Third, a referral-based mechanism pays a fixed amount for every service unit provided (such as the referral of an individual or family). This shifts some risk to the provider in that if the degree of service required for each referral varies, the provider must compensate. It also allows the State or local jurisdiction to maintain control over costs by controlling the number of service units (via the referrals) to be provided. Referral-based mechanisms can be either process or outcome focused, and tend to be a blend of the two.

Each of these mechanisms present challenges for FBCOs, particularly those which tend to have lower cash reserves. In the case of fixed payment mechanisms, if demand is higher than expected, FBCOs may not be able to provide the services as required due to a lack of operating reserves. The risk is not as large in the case of time and materials mechanisms; however, these types may not be the most desirable when it comes to the programs in question. Finally, referral-based mechanisms can make it very difficult for the FBCO to know how to staff up appropriately, as demand for the service will depend on the referral stream and there is no way to anticipate the timing of the demand.

Q: **DOES IT MAKE A DIFFERENCE IF THE PAYMENT IS BASED ON OUTCOMES?**

A: A results-based payment system focuses on achieving a specific desired result or outcome. It does not focus on the process or steps taken to achieve the desired result or outcome, although it may have some minimal requirements or standards that are process-oriented. The use of this system is growing because it allows for flexibility, creativity, and innovation in achieving results. It generally transfers risk by placing a value on the result that the State or local jurisdiction seeks. This value can be set in a way to result in minimal overall costs, budget neutrality, or even program revenues or savings. This type of partnership also causes a State or local jurisdiction and their partners to look at all of their processes to identify potential efficiencies.

It is possible to blend a results-based funding relationship with elements of any two or more of the fixed payment, time and materials, and referral-based mechanisms. This may be the best strategy to use for leveling the playing field.

For example, a funding agreement could include a base payment to ease bidders' cash flow concerns. This base payment could then be supplemented with payments based on results. These could be incentive payments for achieving various goals, or sliding-scale payments based on varying results. Examples of incentive payments are payments tied to customer service ratings or timeliness of activities. Examples of sliding-scale payments are payment amounts based on the percentage of people in a welfare-to-work program who achieved a certain wage level or who went to work and stayed off welfare.

Q: **WHAT EFFECT DO PENALTY PROVISIONS HAVE?**

A: When lack of performance can pose significant risk or repercussions (financial or legal) to the State or local jurisdiction, it is common to incorporate penalty provisions in a contract. As with payments related to results, penalties could be incurred for failure to meet certain minimal performance goals, or be incurred on a sliding scale as performance drops. It is important to be transparent as to what the penalties will be and when they will be invoked.

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PART 6:
ACCOUNTABILTY

Q: **REGARDLESS OF WHAT FORM OF FUNDING MECHANISM IS USED, THERE MUST BE ACCOUNTABILITY. HOW IS ACCOUNTABILITY ENSURED WHEN PARTNERING WITH NONTRADITIONAL FBCO PROVIDERS?**

A: Ensuring accountability when contracting with FBCOs should be viewed as part of managing programs, just as it is when contracting with other entities for the delivery of services.

If the strategy is to have intermediaries partner with FBCOs to provide niche services as needed to improve outcomes for the population served, then how the intermediaries are overseen is important. When partnering directly with FBCOs, be sure someone is prepared to manage the monitoring and accountability responsibilities. Defining expectations up front will make for a smoother process. Consider conducting monthly meetings with key partners that focus on progress-to-goal plans for the following month and issues that may arise. These meetings increase pay-off by sustaining a team- and results-oriented ethic.

It is also important to define monitoring and oversight strategies up front so that the appropriate resources will be readily available. These resources can be internal dedicated staff, contracted staff, or a third party organization such as an intermediary. Consider coordinating internal staff so that technical assistance, fiscal, and accountability efforts are complementary and reduce duplication. Additionally, in developing the responsibilities of such an intermediary, senior management and legal staff should be consulted in such a decision to determine what functions should and should not be carried out by such an intermediary or contactor.

Here are some other issues to consider:

- Accountability and monitoring have no value without meaningful measurement. This measurement must be ongoing and compared to a baseline, which should have emerged from the assessment of the community.

- Increased reporting and accountability for performance outcomes places additional burdens on organizations with less experience with the associated administrative requirements. Some organizations lack experience with writing and tracking appropriate performance outcomes.

- An effective accountability and monitoring system based on outcomes can help build support for sustaining programs with good outcomes. An effective system also serves as a learning tool for continuous program improvement.

- Effective monitoring strategies can help provide all stakeholders clarity and a higher comfort level about expectations and the ability to meet them.

- Local resources, such as colleges and universities, can help identify or provide potential training and technical assistance for grantees on developing performance outcomes.

- The use of payment and incentive strategies can help sharpen the focus on accountability and intended outcomes.

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PART 7:
MONITORING PROHIBITED ACTIVITIES

Q: **WHAT CAN BE DONE TO ENSURE COMPLIANCE WITH RESTRICTIONS DIRECTING THAT GOVERNMENT FUNDS ARE NOT TO BE USED FOR PROHIBITED ACTIVITIES SUCH AS "INHERENTLY RELIGIOUS ACTIVITIES?"**

A: State and local agencies as well as intermediaries should develop clear statements for inclusion in solicitations, requests for procurement (RFPs), contracts, and memorandums of understanding (MOUs) that clarify prohibited activities, in particular those related to the separation of inherently religious activities from services funded with direct government funds, and other prohibited activities such as lobbying and political activity.

A reference for use in this area is *Guidance for Faith-Based and Community Organizations on Partnering with the Federal Government*, which can be accessed at: **www.whitehouse.gov/government/fbci/guidance/index.html**.

Q: **WHAT CAN BE DONE TO ENSURE THAT THESE RESTRICTIONS ARE UNDERSTOOD?**

A: In addition to delineating them clearly in *all* funding documentation such as contracts and MOUs, consider:

- Developing a standard letter to be sent to all partners providing federally funded services, regardless of whether they are FBCOs or not, reiterating these requirements

- Developing a standard letter to be sent to all employees and volunteers of all partners providing federally funded services reiterating these requirements

- Incorporating the requirements into all technical assistance opportunities provided

- Posting them on all Web sites and other public access points to information about service provision opportunities

Q: **SHOULD A SEPARATE PROCESS FOR MONITORING COMPLIANCE WITH THESE RESTRICTIONS BE ESTABLISHED?**

A: It is very likely that this type of monitoring is already part of the current process your State or locality has in place to ensure compliance with funding requirements. Consider taking steps to ensure that all staff with oversight responsibility is aware of the requirements, that provisions are made to enforce these requirements to the same extent as other requirements, and that any technical assistance needed is provided. If at all possible, field staff who come into day-to-day contact with partners also should be well versed in the requirements so that they are equipped to identify any potential concerns.

SECTION 5:

ENHANCING CAPACITY

Even with the best funding strategy in place, questions may arise about a faith-based or community organization's (FBCO's) capacity to provide the needed services and operate within established guidelines. Although this guide does not contain the tools necessary to help develop FBCO capacity, the following section offers tips and references.
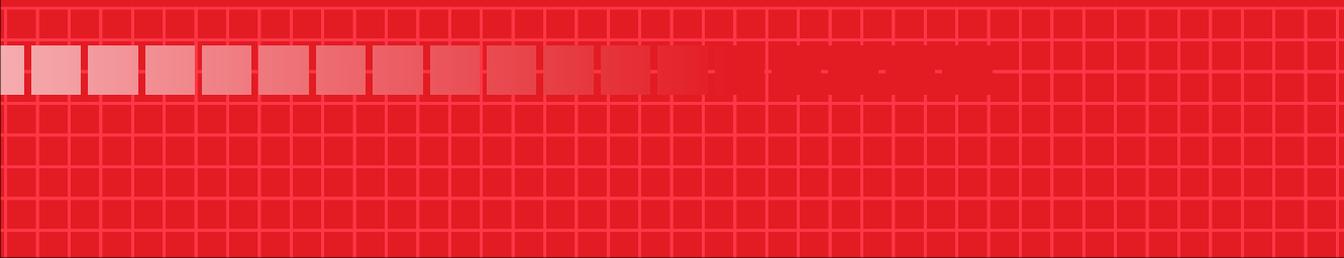
PART 1:
FAITH-BASED AND COMMUNITY ORGANIZATION CAPACITY

Q: HOW DO I KNOW IF FBCOS HAVE THE CAPACITY TO PROVIDE THE SERVICES THAT ARE NEEDED?

A: The overall assessment at the beginning of this process should provide a sense of the capacity of FBCOs in your jurisdiction. If an overall sense of their abilities remains unclear, get out in the community and ask local leaders, families, and other service providers in the area for their sense of FBCOs' abilities to provide services.

It is a mistake to assume that capacity does not exist. For example, a local organization may not be able to operate a food bank, but may be providing free meals on a weekly basis to a significant number of homeless citizens. In this case the organization does have capacity to provide services; it just does so in a different form than what may have been considered.

Q: WHAT IF IT TURNS OUT THAT FBCOS DO NOT HAVE THE CAPACITY TO PROVIDE THE SERVICES THAT ARE NEEDED, OR THEY HAVE THE SERVICE CAPACITY BUT NOT THE ADMINISTRATIVE CAPACITY?

A: All partners in the system of service providers have strengths and weakness. The challenge of working with FBCOs centers on the ability of a State and local program to consider how to make use of the unique strengths of these organizations as well as how to give organizations the resources and experience to address their weaknesses. So instead of reaching the conclusion that a partnership is not possible, consider again how to structure the terms or mechanisms within the contract. Can modifications be made to the scope? Can an effort be made to promote subcontracting where a large organization can manage the administrative effort and smaller organizations with more community connections can provide services? This goes back to the initial question raised in **SECTION 4** regarding funding: programs can modify the funding process to address issues of capacity within the system of providers.

Q: IF SUFFICIENT TIME OR STAFF DOES NOT EXIST TO ASSIST FBCOS WITH ISSUES RELATED TO ADMINISTRATIVE CAPACITY, ARE THERE RESOURCES TO WHICH THEY CAN BE REFERRED?

A: HHS has made a significant investment in the Compassion Capital Fund (CCF), which was established in 2002 to increase the effectiveness and enhance the ability of FBCOs to provide social services to those most in need. This is accomplished through three competitive grant programs: the Demonstration program, the Targeted Capacity Building program, and the Communities Empowering Youth program.

The Demonstration program funds intermediary organizations that serve as a bridge between the federal government and the faith-based and community organizations the program is designed to assist. The intermediary organizations provide training, technical assistance, and capacity-building sub-awards to faith-based and community organizations. In addition, the Targeted Capacity Building program makes capacity-building awards directly to faith-based and community organizations nationwide. The Communities Empowering Youth program awards funds to organizations and their FBCO partners to build organizational capacity, thus better equipping them to collectively combat gang activity, youth violence, and child abuse and neglect.

Since CCF's inception, a total of $264 million has been awarded directly to faith-based and community organizations:

- 112 grants totaling $154.8 million have been awarded to Demonstration program intermediary organizations since 2002, and 4,100 sub-awards have been awarded by those intermediaries to grassroots nonprofits to date

- 993 Targeted Capacity Building grants have been awarded since 2003 for a total of $48.2 million

- 131 Communities Empowering Youth grants have been awarded since 2006, totaling $60 million

To determine if an intermediary funded through CCF is working with grassroots organizations in specific jurisdictions, a list of CCF grantees is available on the ACF Office of Community Services' Web site at **www.acf. hhs.gov/programs/ccf/**. The scope of some of the intermediaries is limited by the types of organizations they assist or the geographic area in which they provide assistance. Therefore it is helpful to become familiar with the efforts of local intermediary organizations and to include intermediaries when working towards leveling the playing field for FBCOs.

Q: **SHOULD WE CONSIDER ESTABLISHING A THIRD PARTY ORGANIZATION TO SERVE AS AN INTERMEDIARY ON THE STATE OR LOCAL LEVEL?**

A: The establishment or engagement of a third party organization such as an intermediary to address capacity issues for which your own staff may not have the time or expertise is a recommended strategy. In some instances, local entities may already exist that can be contracted to provide these services. As previously stated in **SECTION 4**, it is important to note that in considering the use of a third party organization and developing the responsibilities of such an intermediary, senior management and legal staff should be consulted in such a decision to determine what functions should and should not be carried out by such an intermediary or contactor.

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In other situations, consider working in collaboration with community agencies to establish a new collaborative entity designed to meet the needs of local FBCOs.

Additionally, CCF has established a National Resource Center (NRC) to ensure that intermediary organizations and FBCOs funded under CCF are adequately equipped with the information and training they need to successfully implement their capacity-building grant projects. Through the NRC, CCF provides the following resources for grantees:

- Capacity-building support at the national level by working directly with federal agencies and CCF intermediary organizations

- Expert resources regarding faith-based and community initiatives and promising practices

- A repository and distribution center for information, tools, and resources needed by FBCOs, and organizations that work with them, to improve their capacity, knowledge, and skills

Some of the resources available to CCF intermediary grantees through the NRC are accessible to the public through the ACF Office of Community Services' Web site at **www.acf.hhs.gov/programs/ccf**. The Web site provides information about the NRC and includes links to other sites, such as capacity-building resources for FBCOs.

PART 2:
STATE AND LOCAL CAPACITY

Q: **WHAT CAPACITY ISSUES SHOULD BE CONSIDERED BEFORE IMPLEMENTING A PLAN TO LEVEL THE PLAYING FIELD FOR FBCOS?**

A: Assuming a well-functioning system of funding and oversight is in place, some elements of capacity will not be an issue. However, in some areas demands may increase and additional capacity will be required.

In particular, as was noted in the funding discussion, your agency's existing capacity may need to be called upon to monitor and support FBCOs. If monitoring and technical assistance are capacity challenges, formulate plans to address resource gaps. In doing so, consider the following:

- Use of a third party organization or a single contract in a geographic area (to cover multiple FBCO contractors or subcontractors) to supplement monitoring and technical assistance
- Use of other third-party options for monitoring, technical assistance, and training

In addition, institutionalizing changes within the State or local agency will ensure a sustained focus on accountability.

Finally, remember that even if a broad partnership with FBCOs does not exist, compliance with Charitable Choice and Equal Treatment provisions still applies. Among other things, these regulations require that FBCOs be treated the same as other organizations in the distribution of federal funds. Therefore, when working with similar organizations, you cannot discriminate for or against any organization on the basis of religion.

COLLABORATING TO BUILD CAPACITY

OneStar Foundation was designated by the State of Texas to strengthen the capacity of the social sector by identifying, connecting, and equipping people, organizations and government with resources to more effectively respond to the needs of others. OneStar and its interdisciplinary team of partners recently completed a CCF intermediary grant focused on building the capacity of FBCOs in major urban centers across Texas. OneStar's CCF Texas Demonstration Project benefited more than 1,000 staff and volunteers from a diverse range of FBCOs through provision of 24 regional public trainings, networking, and technical assistance opportunities as well as through a sub-grant process that facilitated capacity-building funding, training and customized technical assistance to address the organizational needs of 25 FBCOs.


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DEVELOPING AN OUTREACH STRATEGY

Even if a level playing field is already in place, faith-based and community organizations (FBCOs) cannot compete if they lack knowledge about opportunities. Therefore, developing an FBCO outreach strategy is important. This section provides practical steps for reaching out to FBCOs, as well as internal stakeholders, State and local elected officials, and members of the community to provide them with information on the Faith-Based and Community Initiative (FBCI), resources, and potential partnership opportunities.
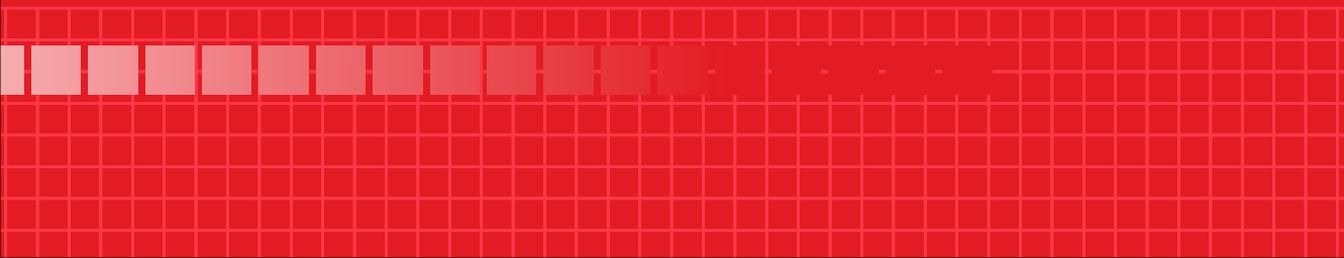
PART 1:
DEVELOPING INFORMATION

Q: **WHAT INFORMATION DO I NEED TO DEVELOP?**

A: Available opportunities for FBCOs to participate in the provision of human services should be shared with the community at large as well as with targeted audiences. Start by ensuring that the vision is well articulated and understood. To do this, consider pulling together the basics about the Faith-Based and Community Initiative as well as your own efforts. Additionally, make sure the process through which the vision will be achieved is clear and comprehensible.

Here are some key pieces of information to include in the message:

- A regularly updated listing of funding opportunities available through State and/or local governments where FBCOs are eligible, including easy-to-understand information on obtaining requests for proposals with corresponding contact information for potential applicants

- An explanation of what the FBCI is and is not—including that it is not about creating a "preference" for faith-based organizations (FBO)—and a listing of resources at the federal and State levels, including guidance documents for FBO partnerships with government

- A clear articulation of the desired outcome(s), the services sought, and the population(s) to be served

- Contacts listed by program and functional areas

- A narrative explaining the history, structure, and policy base for the programs and services to be delivered

- A clear list of expectations for services and programs to be delivered, ranging from rigorous policy requirements to areas of flexibility to expectations on reporting and accountability

- An explanation of funding processes (how to get on lists, how to submit proposals, etc.)

- An explanation of what will not change in the delivery of services

- A compilation of common and key forms and reports

- Any other information relevant to the particular jurisdiction

PART 2:
DISSEMINATING INFORMATION

Q: **IS THERE A PREFERRED WAY TO DISSEMINATE THIS INFORMATION?**

A: Several different strategies can be employed in disseminating information about activities and the opportunities available to provide services utilizing federal funds administered by state and local officials. However, no matter what dissemination means are employed, the communications should clearly articulate the desired outcome(s), the services sought, and the population(s) to be served. In addition, as part of the overall communications plan, be sure to develop a strategy for reaching FBCOs with your communications.

Q: **IS A WEB SITE APPROPRIATE FOR THE DISSEMINATION OF INFORMATION?**

A: Many jurisdictions use Web sites to reach the public, including FBCOs, with their communications. Their usefulness varies depending on how often they are updated, how relevant they are to FBCOs, whether contact information is posted, and whether the content is written in an easy-to-read format.

The key is tailoring the Web site to the intended audience. It is good to remember, for example, that many FBCOs are not familiar with general funding documents or statutory language, so a Web site that simply provides links to standard information may be inadequate. Rather, consider distilling the information into easily understood language, with technical information referenced within the text and additional links provided as appropriate. Although it is important to include as much of the relevant information as possible on the site, be sure to include at least one contact so that knowledgeable staff can address questions and concerns as they arise.

Q: **ARE LISTSERVS USEFUL?**

A: Listservs can be very useful for announcing timely information, including announcements of grants and other related opportunities. An example is the listserv maintained at the federal level by the HHS Center for Faith-Based and Community Initiatives. Each week it provides information about new HHS grant opportunities, conferences, and important resources for FBCOs to more than 7,000 active email subscribers.

SUCCESSFUL SUMMITS

New Jersey Conferences and Summits focus on capacity building and resource development. They also are designed based on the developmental stage of the organization. This approach maximizes the transference of training topics and concepts to faith- and community-based organizations.

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Q: **WHAT ABOUT HOLDING CONFERENCES OR SUMMITS?**

A: Conferences and summits are also good strategies to use in reaching out to FBCOs as well as other interested members of the community at large. One recommendation is to hold a technical workshop for your own staff, so that they can become more comfortable and conversant with the concepts embedded in the FBCI. A benefit of a conference or summit is that personal interactions can provide immediate feedback and create linkages where none existed before.

Q: **WHAT ABOUT ESTABLISHING A GOVERNMENT POINT OF CONTACT FOR FBCOS?**

A: It is important to consider whether establishing a general liaison will be sufficient for the overall purposes. In particular, decide whether the staff person responsible for each contract will address all questions related to that contract or whether one staff person can answer questions related to FBCO participation on all contracts. The benefit of assigning this responsibility to each staff person with contracting responsibilities is that the concept of leveling the playing field becomes embedded in the organizational culture. The benefit of electing to delegate responsibility for addressing issues related to FBCO participation to one person, regardless of the contract in question, helps ensure a consistent approach.

Q: **WHAT ELSE SHOULD I CONSIDER WHEN DISSEMINATING INFORMATION?**

A: Consider making information available to other publicly funded organizations that may have relationships with FBCOs. In addition, consider briefing congressional delegation, State legislators, local elected officials, and other opinion leaders to ensure that a consistent and clear message about your efforts is spread to all of the necessary stakeholders.

Be as creative as possible. Indiana, for example, established a toll-free telephone line to provide information to FBCOs as effectively and efficiently as possible.

REACHING OUT

As a result of the 2007 White House conference held in Arizona, several municipalities have expressed interest in developing FBCI efforts. The Governor's Policy Advisor on Faith and Community Initiatives, in partnership with municipalities which already have initiatives, will assist these entities in the following ways:

- *Work with city and town officials to identify and analyze problems and issues*

- *Encourage municipalities to officially appoint or establish an FBCI liaison to facilitate implementation at the local level in partnership with State and federal colleagues*

- *Assess the potential for addressing issues through collaborative community partnerships*

- *Recommend methods and procedures for leveraging resources to achieve greater outcomes*

PART 3:
GENERATING INTEREST

Q: **HOW CAN FBCO INTEREST IN PARTNERING TO PROVIDE SERVICES BE GENERATED?**

A: The following steps can help to effectively generate interest:

- Provide FBCOs examples of past FBCO participation as well as ideas about future participation

- Contact local and State associations or networks of FBCOs

- Be receptive to and promote multiple models (e.g., coalitions when smaller entities express an interest but are cautious about their capacity, subcontracting arrangements, etc)

- Consider public awareness campaigns (e.g., send videos to key FBCOs, hold leadership summits, etc.)

- Work with other government organizations that include FBCOs in their initiatives

When telling the story, make sure the tone allows FBCOs to understand what the FBCI is and what it is not. All who partner or participate in the overall effort should fully understand their roles and responsibilities.

Q: **HOW CAN FBCOS, INTERMEDIARIES, AND OTHERS IN THE COMMUNITY BE ENCOURAGED TO PROVIDE SERVICES?**

A: Obtaining partners that can help deliver services and achieve outcomes in the community may involve direct recruitment, outreach, or networking through others. This is not about trying to sell a product, however, it is about developing relationships with potential partners who will develop or build on their existing relationships with families and individuals. Mass marketing approaches will most likely be ineffective with target audiences; building relationships may require modified thinking or new ways reaching out. The following are some thoughts related to recruitment:

- FBCOs are diverse. Although they need the same information, different delivery methods and format may be necessary

- Consider bringing potential partners in gradually and building long-term relationships (and capacity) to improve the quality of outcomes through training and experience

- Consider holding public awareness meetings in partnership with other State agencies that are attempting to reach the same audiences

- Identify current organizations that could partner with or mentor new organizations

- Develop intermediate or smaller projects that require less initial effort but that can be used to develop technical assistance for the full application process

- Identify and target organizations or agencies that already convene or lead an initiative that involves partnerships with community organizations; these organizations may be willing to expand their services or help recruit others

- Identify existing grantees that might expand their roles and become intermediaries for other community organizations

IDENTIFYING PARTNERS

A meeting of 23 private and public organizations with a common interest in changing the face of Hunger in New Mexico was convened in March 2007. A three-year plan was developed from this and other meetings. The Plan included five goals and over 70 tactics covering programming and policy work that would help feed 35,000 New Mexicans over the next three years. Private sector foundations, corporation and individual donors have all stepped forward to raise over $1 million to accomplish the Plan's goals and tactics and to leverage public food programs. Creating public awareness that one in six New Mexicans do not know where they will get their next meal has brought together this collaboration that is expected to change the lives of New Mexicans most in need.

- Encourage community organizations to work together to form new coalitions or partnerships; help identify the lead organization and develop a memorandum of agreement to help the coalition manage the administrative, fiscal, and programmatic responsibilities

SECTION 7:

IDENTIFYING OTHER RESOURCES

Throughout the federal, State, and local level, there are many people and tools to assist in improving outcomes for beneficiaries by increasing the opportunities for faith-based and community organizations (FBCOs) to access federal block and formula grant funds. The contacts and resources listed in this section provide additional assistance in implementing a State or local strategy to level the playing field for FBCOs.
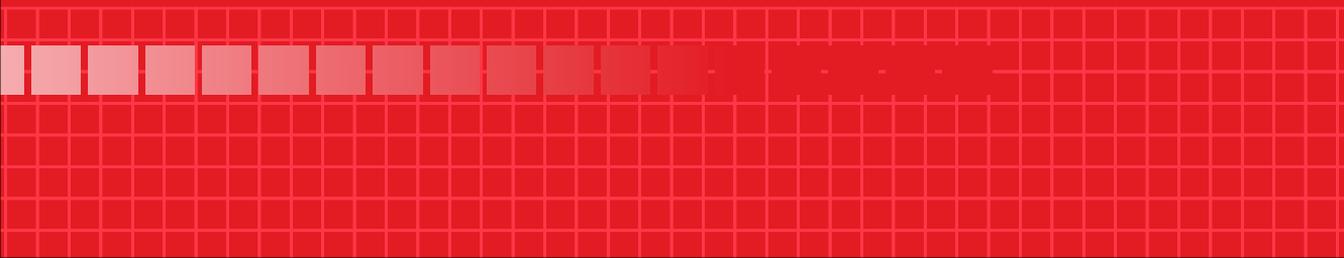
PART 1:
STATE AND LOCAL CONTACTS

Q: **WHO IS IMPLEMENTING THE FAITH-BASED AND COMMUNITY INITIATIVE ON THE STATE AND LOCAL LEVEL?**

A: Currently, 35 States have either an office or a liaison for faith-based and community organizations (FBCOs) in the governor's office, a State agency, or a governor-appointed foundation. These offices or liaisons provide information and resources to faith-based and community organizations about partnering with the State government to provide social services. A number of mayor's offices and at least one county office also have an office or liaison for faith-based and community organizations.

Please refer to **www.whitehouse.gov/government/fbci/contact-states.html** for regularly updated contact information on these offices and/or liaisons.

PART 2:
FEDERAL CONTACTS

HHS CENTER FOR FAITH-BASED AND COMMUNITY INITIATIVES:

U.S. Department of Health and Human Services
Center for Faith-Based and Community Initiatives
200 Independence Ave SW, Room 120F
Washington DC 20201

 www.hhs.gov/fbci

(202) 358-3595
(202) 401-3463 (fax)

E-mail: **cfbci@hhs.gov**

THE FOLLOWING IS KEY CONTACT INFORMATION FOR THE WHITE HOUSE AND THE OTHER FEDERAL AGENCY CENTERS:

White House Office of Faith-Based and Community Initiatives

The White House
Washington, DC 20502
(202) 456-6708

www.fbci.gov

U.S. Agency for International Development

1300 Pennsylvania Avenue, NW
Washington, D.C. 20523
(202) 712-4080

www.usaid.gov/our_work/global_partnerships/fbci

Department of Agriculture

14th and Independence Avenue, SW
Office of the Secretary, Room 200-A
Washington, DC 20250
(202) 720-3631

www.usda.gov/fbci

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Department of Commerce

1401 Constitution Avenue, N.W., Suite 5517
Washington D.C. 20230
(202) 482-4355

www.commerce.gov/fbci

Corporation for National and Community Service

1201 New York Avenue, NW, Suite 800
Washington, DC 20525
(202) 606-5000

www.cns.gov/for_organizations/faith/

Department of Education

555 New Jersey Avenue, NW
Capital Place, Suite 410
Washington, DC 20208-8300
(202) 219-1741

www.ed.gov/faithandcommunity

Department of Homeland Security

500 C St SW, Suite 716
Washington, DC 20024
(202) 646-3487

www.dhs.gov/fbci

Department of Housing and Urban Development

451 7th Street SW, Room 10184
Washington, DC 20410
(202) 708-2404

www.hud.gov/offices/fbci

Department of Justice

950 Pennsylvania Avenue, NW, Room 4413
Washington, DC 20530
(202) 514-2987

www.usdoj.gov/fbci

Department of Labor

200 Constitution Avenue, NW
Washington, DC 20210
(202) 693-6450

www.dol.gov/cfbci

Department of Veterans Affairs

810 Vermont Avenue, NW
Washington, DC 20420
(202) 273-7499

www1.va.gov/fbci/

Small Business Administration

409 3rd Street, SW
Washington, DC 20416
(202) 205-9037

www.sba.gov/aboutsba/sbaprograms/faithbased/

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PART 3:
OTHER RESOURCES

Q: **WHAT OTHER PROGRAMS HAVE KEY SOURCES OF INFORMATION?**

A: Additional resources have been developed specific to particular programs within HHS.

The Compassion Capital Fund has developed a Toolkit for Faith-Based and Community Organizations which includes an Intermediary Development Guidebook Series that highlights topics including best practices, grant management, and establishing partnerships; Capacity Building Studies and Tools including surveys and promising practices; and additional capacity building resources. The resources are available at **http://www.acf.hhs.gov/ programs/ccf/resources/toolkit.html**

The Child Care Bureau has developed a four-page pamphlet entitled "What Congregations Should Know About Federal Funding for Child Care" that may be of use when considering options for expanding the participation of FBCOs in the child care subsidy system, particularly through vouchers. It can be accessed at: **http://www.acf.hhs.gov/programs/ccb/providers/faithbased.pdf**

Q: **HOW CAN I GET MORE INFORMATION ABOUT THE PROGRAMS MENTIONED IN THIS GUIDE?**

A: The following are contacts for the examples included in this guide:

ALASKA Office of Faith-Based and Community Initiatives
State Department of Health and Social Services

3601 C Street, Suite 902
PO Box 240249
Anchorage, AK 99524

(907) 269-8021
www.hss.state.ak.us/fbci/

ARIZONA Policy Advisor for Faith and Community Initiatives
Office of the Governor

1700 W. Washington, Suite 100
Phoenix, AZ 85007

(602) 542-7558

INDIANA   Executive Director
Governor's Office of Faith Based and Community Initiatives

302 W. Washington, E012
Indianapolis, IN 46204

(317) 233-3295
http://www.state.in.us/fssa/faithworks

FLORIDA   Volunteer Florida Foundation

401 S. Monroe Street
Tallahassee, FL 32301

(904) 755-7740
http://www.volunteerflorida.org/

OHIO   Governor's Office of Faith-Based and Community Initiatives

77 South High Street 30th Floor
Columbus, OH 43215-6117

(614) 466-3398
www.fbciohio.gov

MINNESOTA   Governor's Office of Faith-Based and Community Initiatives
Office of Governor Tim Pawlenty

50 Sherburne Ave., Room 200
St. Paul, MN 55155

(651) 201-2567
www.faithandcommunity.state.mn.us

NEW JERSEY   New Jersey Department of State
Office of Faith-Based Initiatives

225 West State Street
Trenton, NJ 08625-0456

(609) 984-6952
www.state.nj.us/state/faith/

NEW MEXICO   Governor's Office of Faith-Based and Community Initiatives

625 Silver SW #448
Albuquerque, NM 87102

(505) 841-4582

TEXAS   OneStar Foundation
Office of the Governor

816 Congress, Suite 900
Austin, Texas 78701

(512) 473-2140
www.onestarfoundation.org

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Q: **WHAT ARE SOME EXAMPLES OF STATE FBCI WEB SITES?**

A: Look at examples of State level FBCI Web sites to see how others have compiled and posted information related to their initiatives, although HHS does not necessarily endorse the content on these sites. Here are descriptions of a few sites:

<u>Arkansas Governor's Office of Community and Faith-Based Initiatives</u> – Access this site at: **http://www.arkansas.gov/faith**. In addition to links to federal funding information, the "Accessing Funding" link also allows for a search of funding opportunities within the State of Arkansas. The site includes information about best practices.

<u>Connecticut Department of Labor's Center for Faith-Based and Community Initiatives</u> – Although not focused on HHS programs, this site includes basic information that will be of interest to FBCOs and, in part, to State FBCI administrators. Most of the information is not, however, tailored to specific opportunities within the State. The site is accessed at: **http://www.ctdol.state.ct.us/fbo/default.htm**.

<u>Texas Workforce Commission</u> – This site provides a link to Faith-Based and Community-Based Services/Charitable Choice information. From the Charitable Choice page, there is a Charitable Choice Bulletin Board under that provides a way for faith-based and community groups to announce their services and to initiate a discussion with government about collaboration possibilities. The site can be accessed at: **http://www.twc.state.tx.us/**

<u>Virginia Department of Social Services</u> – This site features "Questions and Answers" about its Faith-Based and Community Initiative, along with background information on Charitable Choice. The site can be accessed at: **www.dss.state.va.us/community/faith.html**.

At least 35 States have either an office or a liaison for FBCOs in the governor's office, a State agency, or a governor-appointed foundation. A list of these can be found at **www.whitehouse.gov/government/fbci/contact-states.html**. Similar offices or liaisons are also being established at county and city levels throughout the United States.

Q: **WHERE CAN A MORE DETAILED DESCRIPTION OF CHARITABLE CHOICE AND
EQUAL TREATMENT PROVISIONS BE FOUND?**

A: A detailed description of these rules is outlined below:

- Charitable Choice statutory provisions of the Public Health Service Act—
The final rule applies to the Substance Abuse Prevention and Treatment
(SAPT) Block Grant program, to the Projects for Assistance in Transition
from Homelessness (PATH) formula grant program (affecting recipients
providing substance abuse services under the program), and to SAMHSA
discretionary grants for substance abuse treatment or prevention services.
These provisions ensure that religious organizations are able to compete
on an equal footing for federal substance abuse funding administered by
SAMHSA, without impairing the religious character of such organizations
and without diminishing the religious freedom of SAMHSA beneficiaries.

- TANF Charitable Choice statutory provisions in Section 104 of the Personal
Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA)
— The final rule clarifies that States have the authority to administer and
provide TANF services through contracts with charitable, religious, or private
organizations and to provide beneficiaries with certificates, vouchers, or
other forms of disbursement, which are redeemable for TANF services with
such organizations. The TANF Charitable Choice provisions enable religious
organizations to compete on an equal footing for funds under the TANF
program, without impairing the religious character of such organizations or
diminishing the religious freedom of TANF beneficiaries.

- Charitable Choice statutory provisions in the Community Services Block
Grant Act—The final rule authorizes States to provide an opportunity
for active participation by faith-based groups, as well as other charitable,
private, and neighborhood-based organizations, in programs directed to
eliminate poverty.

- Provisions in the Child Care Development Block Grant Act—The Child
Care Development Fund is subject to six provisions of the Child Care
Development Block Grant Act which address faith-based and community-
based providers. These address issues such as parental choice, use of funds
for inherently religious purposes and activities, and limits on use of funds
for renovation and repair of facilities.

More information on the first three rules can be found at **www.hhs.gov/fbci/
Regulations/index.html**.

In 2004, several federal agencies, including HHS, issued final rules in
2004 implementing Executive Branch policy that, within the framework
of constitutional guidelines, faith-based organizations should be able to
compete on an equal footing with other organizations for federal funding.
Below is a listing of these rules along with Web sites where more information
about these regulations is available.

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- The Department of Education's final rule—which encompasses all the Department's grant programs that involve private grantees—can be accessed at www.ed.gov/legislation/FedRegister/finrule/2004-2/060404a.html.

- The Department of Veterans Affairs' (VA) final rule—which applies to the VA Homeless Providers Grant and Per Diem Program—can be accessed at www1.va.gov/homeless/docs/Final_Rule_Religious_Organizations.pdf.

- The Department of Housing and Urban Development's (HUD) final rule—which applies to all of the Department's programs and activities—can be accessed at www.hud.gov/initiatives/fbci/faithbasednotice.pdf.

- The Department of Agriculture's (USDA) final rule—which augments USDA regulations to bring them into compliance with Executive Branch policy—can be accessed at www.usda.gov/documents/finalrule.pdf.

- The Department of Labor's (DOL) final rule—which revises the Employment and Training Administration's regulation on religious services at Job Corps centers and the Department's Workforce Investment Act of 1998 (WIA) regulations relating to the use of WIA Title I financial assistance to support employment and training in religious activities, and employment at specified locations defined with reference to certain religious activities—can be accessed at www.dol.gov/cfbci/EqualTreatment.htm.

- The Department of Justice's final rule—which removes unwarranted barriers to participation of FBCOs by amending regulations of the Office of Justice Programs, Bureau of Prisons, National Institute of Corrections, Community Oriented Policing Services, Office on Violence Against Women, United States Marshals Service, Asset Forfeiture and Money Laundering Section of the Criminal Division, and Civil Rights Division—can be accessed at www.usdoj.gov/fbci/docs/28cfr38_2.pdf

- The U.S. Agency for International Development's final rule—which revises existing regulations pertaining to grants, cooperative agreements, and contracts awarded for the purpose of administering grant programs to ensure their compliance with Executive Branch policy and to clarify that FBCOs are eligible to participate in programs on the same basis as any other organization, with respect to programs for which such other organizations are eligible—can be accessed at www.usaid.gov/policy/ads/300/updates/iu3-0502.pdf

Third, in some agencies, specific modifications have been made to regulations affecting designated program activities. The following are two examples of new regulatory modifications:

- In 2003, HUD revised its regulations to remove barriers to the participation of FBCOs in certain HUD programs. This rule clarifies that no group of applicants competing for HUD funds should be subject, as a matter of HUD's discretion, to greater or fewer requirements than other organizations solely because of their religious character or affiliation, or absence of

religious character or affiliation. Applicants for HUD funds and those applicants selected to receive HUD funding should generally be subject to the same requirements. This rule can be accessed at **a257.g.akamaitech. net/7/257/2422/14mar20010800/edocket.access.gpo.gov/2003/pdf/03-24326.pdf**].

- In 2004, DOL revised the interim final regulations implementing the equal opportunity and nondiscrimination provisions of the Workforce Investment Act of 1998. The final revision allows participants to use their individual training accounts, or similar training accounts, for religious training as long as the training account programs afford participants genuine and independent choice between religious and nonreligious options and the religious organizations serving as eligible training providers otherwise satisfy the requirements of the program. This rule can be accessed at **www.dol.gov/cfbci/Part37.htm**.

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