

WHITE HOUSE OFFICE OF FAITH-BASED AND COMMUNITY INITIATIVES

SEPTEMBER 22, 2003

Today's Action:

The Administration today eliminated more barriers that have kept faith-based charities from partnering with the Federal government to help Americans in need. Four new regulatory actions previously announced in Philadelphia in December 2002 were finalized, and six new regulatory or policy changes were proposed. In addition, over \$30 million in new Compassion Capital Fund (CCF) grants were awarded to 81 organizations to provide technical assistance and increase the capacity of faith-based and community organizations that work with the homeless, addicted, and other Americans in need.

Background:

During his first week in office, President Bush directed the White House Office of Faith-Based and Community Initiatives (OFBCI) to identify barriers that kept effective faith-based programs from servicing Americans in need. In August 2001, OFBCI issued a report documenting regulatory and administrative barriers that discriminated against faith-based groups in the Federal grants process. In response, in December 2002, the President issued an Executive Order (EO) directing agencies to take steps to ensure that all policies (including guidance, regulations, and internal agency procedures) are consistent with the "equal treatment" principles enunciated in the EO. At that time, the President also announced proposed regulations from the Department of Housing and Urban Development (HUD) and the Department of Health and Human Services (HHS). Today, the President met with Secretary Mel Martinez of HUD, Secretary Elaine Chao of the Department of Labor (DOL), and four representatives of other Cabinet agencies. The Cabinet members announced the finalization of those regulations, and also proposed new regulations at DOL, the Department of Education (DoEd), the Department of Veterans Affairs (VA), and the Department of Justice (DOJ) in furtherance of the President's EO.

Final Rules

HHS finalized regulations implementing the 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) program, providing access for faith-based organizations to nearly \$20 billion in social service grants. These laws have been in effect since as early as 1996.

HUD finalized regulations that apply to eight HUD programs and will make faith-based groups eligible to compete for \$7.5 billion in HUD grants. These regulations put into effect the principles set out in the President's Executive Order on Equal Treatment by repealing regulations that prohibited religious organizations from participating in certain programs – even those focusing on "secular activities." These final regulations clarify that HUD funds may not be used for the acquisition, construction, or rehabilitation of a sanctuary, chapel, or other room that a religious organization uses as its principal place of worship. Under the old regulations, when Orange County Rescue Mission in Los Angeles applied for HUD funding, they were told that they needed to form a secular nonprofit, ban all religious activity from their facility, and call their chapel an "auditorium." After the regulations are finalized, groups like Orange County Rescue Mission will be able to apply for HUD funds while maintaining their religious identity. They will be able to expand their work in providing housing and supportive services to the homeless and make increased homeownership a reality.

New Proposed Rules

DOJ and DoEd today proposed new regulations to ensure that no organization or beneficiary will be discriminated against in a Federally funded social service program on the basis of religion. The regulations restate the principle that organizations cannot use government funds to support "inherently religious" activities, such as worship, religious instruction, and proselytization, and they clarify that organizations that receive Federal funds may retain their religious identity, including the display of icons, symbols, and selection of board members on a religious basis. These same "equal treatment" provisions are being finalized at HUD today.

The DoEd regulations will apply to all of its Federally administered and State-administered grant programs. For example, faith-based organizations will now be able to apply for funding for community technology centers that provide disadvantaged residents of economically distressed urban and rural communities with access to information technology and training. The proposed regulations also apply to funding for mentoring at-risk children to improve academic achievement and reduce the dropout rate. Many faith-based and community organizations operate such programs.

DOL proposed changes to its regulations under the Workforce Investment Act (WIA), which gives State and local Workforce Investment Boards (WIBs) the ability to provide flexible job training through Individual Training Accounts (ITAs), which function as vouchers for those seeking job training. Current training providers in the Memphis area, for example, that are eligible for WIA funds include barber schools, truck driving academies, and food service instructors. Under the proposed regulation, program beneficiaries seeking to be employed at a church, synagogue, or other faith-based organization will be able to use their ITA to obtain religious training services in consultation with a case manager at their local One-Stop program, provided that the training is the result of private, independent choice and the training provider chosen is on the State or local list of eligible providers.

DOL also proposed final rules to implement the President's EO that protected the religious hiring rights of exempted Federal contractors.

DOJ proposed changes to its asset forfeiture policy under which the government gives forfeited assets of \$50,000 or less in value to community groups for social services, such as low-income housing and community centers. Under the old policy, non-religious entities receiving property must use the property for specific purposes for five years. In addition to this five-year limitation, religious entities must also agree not to use the property for religious purposes, in perpetuity. The new policy treats religious and non-religious non-profits equally, so that all groups will agree to limit use of the property to a specific social service purpose for five years. This new policy will apply to two pending transfers to faith-based organizations: St. Raphael's Hospital in New Haven, CT, for a community health facility, and the New Life Evangelistic Center in Brooklyn, IL, for a homeless shelter and community outreach center.

VA proposed changes to its regulations that require religious organizations serving homeless veterans to certify they will exert "no religious influence" and to forfeit their religious hiring rights; the new regulations track equal treatment principles of the President's EO and allow religious organizations to retain their hiring rights protected by the Civil Rights Act.

Compassion Capital Fund Awards

HHS today awarded \$30.5 million in grants to 81 organizations that will use these funds to provide technical assistance and sub-grants to faith-based and community organizations in 45 states. President Bush created CCF to help groups build capacity and better serve Americans in need. This is the second year of CCF awards. Last year, \$24 million was awarded to 21 groups.