



## **The Faith-Based Initiative: Impacts and Recommendations**

**Testimony before the House Government Reform Subcommittee on Criminal  
Justice, Drug Policy and Human Resources**

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The National Center for Neighborhood Enterprise, which has trained more than 2000 leaders of faith-based and community organizations in 39 states since its founding in 1981, is deeply supportive of the intent of the President's Initiative on Faith-Based Organizations. The National Center has advocated for many years for a relationship between government and these organizations that would make it possible for all Americans to secure the services that would most effectively address their needs—whether those services be offered through a faith-based or secular provider. We believe that promoting an equal choice will greatly improve the plight of those in need, and make it possible for them to attain some lasting remedies for problems such as addiction and homelessness.

Let me make it clear at the outset that the National Center and the grassroots network of organizations that we work with believe that on the whole, the Faith-Based Initiative has been beneficial. It has certainly raised public awareness of faith-based programs and this has increased support for them. It brought faith-based programs to the policy table, providing some opportunities for them to receive consideration when programs and policies are being formulated. The Compassion Capital Fund Demonstration Project—in which NCNE is participating for the second year as an intermediary organization—has brought needed technical assistance and some capacity-building grant funding to hundreds of small organizations. This is making it possible for these organizations to achieve new levels of management ability, and financial accountability, so that they can greatly improve and expand their services to their communities. We applaud and are grateful for these efforts. We support the continuation of the Initiative. The legislative proposal offered by Rep. Mark Green affords an opportunity bring some wider thought to the role of the White House Office.

I would like first to go back into a little history of this movement, assess some of its impacts as we see them, and then suggest some steps that we think should be taken to ensure that the original intent is preserved. As with any medicine, no matter how successful, there may be some unintended consequences that could be addressed to make it more effective.

### **Early Legislation:**

NCNE came to the realization that faith could be central to the effectiveness of some programs in 1991 and 1992, when we began canvassing the country to find out What Works and Why—a format NCNE created to elicit the best practices of community-based groups. We held seven conferences at locations all across the country, inviting community groups within 500 miles of each location. We asked them "What works to save people's lives? What gets them off drugs, into jobs, and away from violence? The answer was startling even to us. For more than 98% it was: "Faith works." This changed NCNE, lost us some funders,

and set us on a new course. But we are outcomes-based and we recognized that faith-based programs were producing significant and lasting positive results.

In 1994, NCNE was asked by the leadership in the 104<sup>th</sup> Congress to convene some of the nation's most effective community and faith-based programs to provide their recommendations on welfare reform, and how their services could partner with government to better address pressing problems such as substance abuse, homelessness, youth violence, and deteriorating neighborhoods. Some of the participants included Victory Fellowship, Teen Challenge, and Youth Challenge. These three organizations have some of the most impressive results in helping free individuals from their addictions and returning them to productive lives. We presented a report to the Congress, which was received by then Speaker Newt Gingrich. This report became the basis of the Renewal Communities Act, which became law in the New Markets/Renewal Communities Act signed by President Clinton in 2000. It included a provision allowing states to consider faith-based programs in supporting substance abuse programs. The report also contained a recommendation which was embodied in legislation by then-Senator John Ashcroft, which he called Charitable Choice. It also called for individual development accounts (IDAs), which did become law, and charitable tax credits, which have been proposed to the Congress but have never been acted upon.

#### **Seeds of the Faith-Based Initiative:**

In June 1995, in Texas, a Teen Challenge chapter was attacked by the state regulatory board, the Texas Commission on Alcohol and Drug Abuse (TCADA), regarding staff training and credentialing issues. After appealing to no avail to the government, NCNE staged a rally at the Alamo with hundreds of saved addicts wearing tee-shirts and carrying signs with messages such as "Jesus is the Answer." This produced news coverage, and I was then invited to meet with Governor George W. Bush. The paramount issue was the end assault on faith-based programs through the regulatory process. Few, if any, faith-based programs were getting state money. Teen Challenge and Victory Fellowship, which had undergone a similar assault a year or so previously, did not receive any government funds.

The state regulatory commission (TCADA) was demanding that faith-based organizations' staff members should have master's degrees, psychiatrists, nurses, and other credentials that had nothing to do with the effectiveness of the faith-based programs. When Governor Bush learned about the situation, he created a commission on faith-based substance abuse programs and eventually introduced and signed legislation creating a separate category for faith-based substance abuse programs in Texas.

This was the environment into which the faith-based initiative was born—to keep state governments from closing down faith-based programs. Government was most effective in assisting faith-based programs when it focused on removing barriers in the form of requirements that are irrelevant to either what they do or to the protection of the participants. Amazingly, a number of states that impose regulatory requirements on private programs, exempt their own state, secular agencies from these requirements.

President George W. Bush brought this perspective of regulatory reform to Washington. Among the first steps he took as President was to issue two Executive Orders. One established the White House Office of Faith-Based and Community Initiatives, the second established the Executive Department Centers for Faith-Based and Community Initiatives in five Federal agencies. The stated purpose of the latter was to "coordinate department efforts to eliminate regulatory, contracting, and other programmatic obstacles to the participation of faith-based and other community organizations in the provision of social services." He also charged the departments with conducting "a department-wide audit to identify all existing barriers to the participation of faith-based and community organizations...including but not limited to regulations, rules, orders, procurement, and other internal policies and practices, and outreach activities that either facially discriminate

against or otherwise discourage or disadvantage the participation of faith-based and other community organizations in Federal programs.”<sup>1</sup>

**Focus Shifted to Money:**

Unfortunately, as it was implemented by the White House, the Faith-Based Initiative emphasized direct funding of institutions in the form of grants as opposed to assisting individuals. The National Center has believed and said publicly from the beginning that while faith-based groups are almost always in need of resources, direct grants or contracts from the government should be the option of last choice. We strongly believe that the Initiative should never have been presented as a program to help institutions. It should have been presented instead as focusing on the approaches that people themselves choose when they are in need, because they can make a difference in their lives. It should empower individuals—by giving them vouchers—to make a choice among approaches, secular or faith-based.

Moreover, an Executive Order of December 2002 indicated that in any program receiving Federal funding, a participant’s participation in religious activities must be voluntary. This Executive Order directly contradicts the language of the Renewal Communities Act which was negotiated between a Republican Congress led by Speaker Hastert and Democratic President Bill Clinton. We fully believe that this Act protects individual religious freedom by allowing individuals to choose whether they wish to participate in a faith-based or secular treatment program. The December 2002 Executive Order contradicts existing law and forces faith-based programs to retain individuals who would not fully participate in all aspects of their program.

The Executive Order was implemented into regulations issued by the Department of Health and Human Services in May 2003.<sup>2</sup> Our faith-based groups say that the impact of the 2003 HHS regulation is that 1) the individuals involved would not receive the benefits of their programs; 2) the presence of individuals who are not participating fully in the program would be highly disruptive to the functioning of their programs; and 3) it would be impossible for the program to offer and provide an alternate track of secular counseling.

Frankly, we do not understand why self-imposed roadblocks were placed before faith-based programs that subvert the work they do and contradict what we believe President Bush had stood for.

Because of this and other barriers to direct funding to faith-based programs, NCNE strongly supports the concept of providing individuals with vouchers so that funding follows individuals rather than institutions. This route was employed in the G.I. Bill and in child care programs. We believe it should have wide application across government social service programs.

However, the regulatory reform issue then becomes even more critical, since many state and Federal programs are raising the barrier of licensing as a requirement for participation.

**Licensing: Certification vs. Qualification:**

In our opinion, the single most crippling barrier faced by faith-based and community groups is that erected by the professional service providers “cartel,” and their insistence upon

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<sup>1</sup>George W. Bush, Executive Order, January 29, 2001, “Agency Responsibilities with Respect to Faith-Based and Community Initiatives,” The White House, Washington, DC.

<sup>2</sup>Restriction on Religious Activities by Organizations that Receive Funding Directly from SAMSHSA, p. 6, 7, and 8, (Charitable Choice statutory provisions of Section 581-584 and Section 1955 of the Public Health Service Act, applicable to the Substance Abuse Prevention and Treatment (SAPT) Block Grant program, the Projects for Assistance in Transition for Homelessness (PATH) formula grant program, etc.) May 2003

professional credentials as the only criteria for who may qualify to serve the poor and disadvantaged. This barrier cuts across everything community-based groups do. The standards promulgated by the professional service providers find their way into all federal and state rules, and even into third-party arrangements such as health insurance.

The policies that govern who is qualified to provide services for the most part are controlled by the academic/therapeutic industry. Standards are determined by university-based departments and written into state law requiring that organizations must have college trained professionals, and/or have certified special training that may have little relevance to how faith-based programs achieve results and can be costly and extremely time consuming. They require degreed professionals, such as psychiatrists, psychologists, and masters of social work. They often exclude ex-addicts or those with a criminal record as certified counselors, despite the evidence that some of the most effective counselors are those who come from the same backgrounds and have themselves suffered and overcome the same problems. These requirements affect even those programs that do not receive or even seek government funding, since in many instances state licensure is required for them to operate at all. Some states simply prohibit faith-based programs from licensure, period.

In Texas, Governor Bush was instrumental in removing this barrier by introducing legislation that exempted faith-based substance abuse programs from the state licensing requirements that applied to therapeutic programs. Despite this, several federal agencies in his Administration have incorporated state licensing requirements into the criteria used to determine whether faith-based organizations are eligible to participate in certain benefit programs.

#### **Does Certification Guarantee Effectiveness?:**

The question that must be asked is whether licensing—and reliance on professional credentials—produces the best outcomes. Instead of arguing over whether the program is religious or not, we should be arguing over what are the merits of someone who is "credentialed" vs. one who is not. What is the relationship between qualification and certification? Who is best qualified to serve? Who produces the best results?

In the substance abuse treatment area, a report published in the Journal of Substance Abuse Treatment questioned "Can the National Addiction Treatment Infrastructure Support the Public's Demand for Quality Care?" The study found that there was "extreme instability of the workforce at all levels within the national treatment system..." In the 16 months previous to the study in February, 2003, 15% of the nation's drug and alcohol treatment facilities had either closed or stopped offering addiction counseling, one-fourth had been reorganized under a different administrative structure, and 54% of the directors had been in their positions for less than one year. Other problems included a lack of information services, email, or voice mail systems necessary to assist in data collection and reporting requirements. The authors concluded: "These findings are disturbing and call into question the ability of the national treatment system to meet the complex demands of both the patients that enter this system and the agencies that refer to it."<sup>3</sup>

A nationwide survey several years ago said that adolescents treated by traditional programs actually increased their use of crack cocaine and alcohol after treatment. The Services Research Outcomes Study (SROS) sponsored by the U.S. Substance Abuse and Mental Health Agency was the first nationally representative study of substance abuse treatment outcomes. It surveyed 1,799 individuals from a nationwide sample of 99 drug treatment facilities. All were interviewed five years following discharge, and according to the study, "are representative of the 976,012 individuals discharged from treatment in 1990." The overall drop in substance abuse was only 21%. Further, "Adolescents were the exception,

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<sup>3</sup> CESAR FAX, March 8, 2004, referring to an article in the Journal of Substance Abuse Treatment 25(2):117-121, 2003.

showing a 13 percent increase in alcohol abuse and a 202 percent increase in crack use following treatment."<sup>4</sup> There are other discouraging reports from licensed programs that are replete with fully credentialed staff.

We can find no report from a secular program that shows success rates that compare with those of faith-based programs like Victory Fellowship, Teen Challenge, and Youth Challenge. While their studies are admittedly small—their focus is on their mission and not on evaluation—they show success rates of 60 to 80 percent, at costs of perhaps \$60 a day compared with the therapeutic industry's costs of \$600 a day and more.

Substance abuse is irrational. If information were the problem, why would PhDs, chemists, and physicians become drug abusers? I believe that an irrational problem requires an irrational solution. Faith is irrational—and it works.

Faith-based programs are successful because their goal is not rehabilitation, but transformation. They seek to engender change in the hearts of the people they serve, thereby changing the choices they make and the actions they take. A "rehabilitated" individual returned to the environment he or she came from is likely to fail. A transformed person can return to a dysfunctional environment and be a catalyst for change.

I have proposed a simple evaluation: First, let us create a panel of "experts,"—five from the therapeutic community, and five from the faith-based program community. Let them come up with criteria as to what constitutes success. Then let's go to any major urban center and take 200 addicts off the street. One hundred can go into traditional secular chemical dependency treatment programs, the other 100 into a faith-based substance abuse program. At the end of one year, measure the results. The program that succeeds the best should receive the recognition and the funding.

What is needed is a new view of public policy that looks for success rather than accreditation. We need to be looking at secular outcomes rather than religious inputs. We should be measuring how many people are freed from their problems and helped to self-sufficiency and independence—not how they have been processed by those with academic and professional training credentials.

In determining how we should go forward to empower faith-based initiatives, we also need to stop focusing on the question of money, and focus instead on the real barriers that inhibit them from wider service. Faith-based programs, just as any other service-providing organization, must be required to be fiscally responsible. But there are other requirements—usually imposed to protect the professional industry—that need to be carefully scrutinized. An elitism that pervades both left and right has prevented us from utilizing effective grassroots remedies. We should be applying the principles of the marketplace, rewarding those programs that have the ability to produce positive results. We should stop funding unsuccessful programs and focus our private-sector payments, philanthropic resources, and government support on those that work.

### **The Food Stamp Issue:**

Licensure appears to have emerged as an obstacle to the participation of faith-based substance abuse programs in the Food Stamp Program. The U.S. Department of Agriculture's Food and Nutrition Service (FNS) has told several state agencies responsible for administering the Food Stamp Program that faith-based programs in those states must be licensed before their participants may receive food stamps. For instance, in Texas, the very state where then-Governor Bush successfully abolished licensing requirements for faith-based programs, FNS has taken the position that faith-based residential substance

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<sup>4</sup> U.S. Substance Abuse and Mental Health Services Administration, Services Research Outcomes Study, released 2002.

abuse programs must be licensed by the Texas Department of Alcohol and Drug Abuse before participants in such programs may receive food stamps.

To date, FNS has not clarified the underlying source of this licensing requirement. FNS regulations state that only those drug and alcohol treatment facilities eligible to receive or use block grant funds for substance abuse prevention and treatment under Title XIX of the Public Health Service Act, 42 U.S.C. 300x et seq. can be certified for participation in the Food Stamp Program. This regulation has the effect of denying food stamps to residents of faith-based substance abuse programs wherever federal or state regulations or policy require licensing as a prerequisite to a substance abuse program's receipt or use of Title XIX block grant funds. Federal and state decisions regarding the eligibility of substance abuse programs for the receipt of Title XIX block grants funds often involve considerations wholly unrelated to food stamps, which, unlike block grant funds, are intended to aid the individual and not any specific program or class of programs.

We do not believe that this regulatory structure is justified. The criteria used to determine what substance abuse programs an individual indigent person may designate as the ultimate recipient of that person's food stamp benefits should reflect the fact that these benefits belong to the individual person. When a person is attempting to overcome addiction and change his or her life, those benefits should not be denied because the person has chosen a faith-based substance abuse program that may not conform to the therapeutic model embodied in state licensing standards.

#### **Voucher Programs—Access to Recovery:**

Voucher programs were created to provide individuals with freedom of choice. The GI Bill of Rights has been an excellent example of a successful voucher program that provided benefits and protected individual freedom by allowing veterans to attend the educational institution of their own choice—whether a state university, private college, Yeshiva University, Notre Dame, or any other sectarian or secular institution. The GI Bill provided an equal choice among these institutions.

However, as it is being implemented, we fear that the new Access to Recovery voucher program does not provide such an equal choice between a faith-based or secular treatment program. In one state, for instance, an individual may get an all-inclusive voucher to go to a residential licensed chemical dependency treatment program. But if the person wants to get services from a faith-based program, he or she must get individual vouchers for such things as transportation to medical services, job training, etc. There is no single residential voucher for treatment at a faith-based center.

Why shouldn't individuals who are proved to be eligible for vouchers have an equal choice? Wasn't this the intent of voucherizing these programs?

Teen Challenge, with 185 chapters across the United States, is a very effective faith-based residential recovery support program. It is so demonstrably effective that at least 20% of its several thousand residents at any given time have been referred there by the courts. But while the judges, probation, and parole officers refer individuals to Teen Challenge, no public funding follows the addict. Teen Challenge must, and does, accept them all and endeavor to find resources to accommodate them. If one compares a year of free treatment at Teen Challenge with the \$35,000 or \$40,000 a year it would cost to incarcerate each individual, the magnitude of the faith-based program's contribution to the community is evident.

Despite this, such programs keep losing what meager resources they may have been receiving -- such as the food stamps of the individuals in the programs—and new barriers keep being erected, intentional or not, to their operations.

## **Recommendations Regarding the White House Office:**

### **The White House Office of Faith-Based and Community Initiatives should:**

-- Take a stronger role in examining government regulations and acting as an advocate for faith-based programs that have encountered specific problems or barriers. The Office should be an ombudsman for faith-based programs with an 800 number to receive calls. And calls should not just be referred to the agencies, but should be addressed at both the White House and agency level. This would not only help faith-based programs, but provide a tool for the Initiative to monitor the effectiveness of its policies and programs..

--Take a stronger role in giving guidance to government agencies so that policies are more uniform across the government.

--Provide stronger guidance and information to state offices and agencies receiving Federal funds so that there are not 50 diverse interpretations of policy.

## **General Recommendations Regarding the Faith-Based Initiative**

### **First, resolve to do no harm. Remove harmful regulations.**

This includes allowing individual choice between a secular and a faith-based program to be made at the door of an institution rather than within the program. It also means looking at an alternative to licensing that emphasizes demonstrated ability to serve rather than professional credentials.

### **Food Stamps and Medicaid:**

The eligibility regulations for food stamps and Medicaid should be scrutinized to ensure that participants in faith-based programs are not prohibited from using them.

### **Voucherize Federal and state funding:**

While faith-based groups are always in need of resources, direct grants or contracts from the government should be the option of last choice. Funding should follow the individual's choice rather than the institution.

### **Pass the Charity Tax Credit Legislation:**

A crucial public policy issue is to allow individual taxpayers to support the programs of their choice through their donations. Statistics indicate that 70% of all individual taxpayers fill out the short form. Further, lower income people give a higher proportion to charity than others. A charitable tax credit would empower these individuals to make donations, and enable faith-based groups to recruit funders within their own families, churches, and communities. Apply the market test to these programs—allowing those who are closest to them to vote with their pocketbooks.

### **Third-party payments--Insurance:**

Many individuals have insurance through their public or private sector employment. Those in need of services should be able to have a choice of faith-based as well as secular programs, and they should receive full reimbursement comparable to what the insurance program would pay government certified service deliverer. This is a move that would affect individuals of all income levels. Insurance companies, after all, should have no "church-state problem." The White House could use the bully pulpit to bring together companies to discuss this potential. It could benefit the companies through lower costs and effective service.

### **Philanthropy:**

The philanthropic community has increasingly emphasized results and measurable outcomes. With no church/state problem, foundations should examine barriers to funding of faith-based programs and promote venture philanthropy initiatives to invest in and build capacity of faith-based programs.

I respectfully thank each Member of the Committee for the opportunity to submit our views on this very important matter.

**Biographical Information: Robert L. Woodson, Sr.**

*Robert L. Woodson, Sr., is founder and president of the National Center for Neighborhood Enterprise (NCNE), an empowerment organization that helps low-income self-help groups. Since its founding in 1981, NCNE has provided training and technical assistance to more than 2000 faith-based and community organizations in 39 states, as they work to reduce crime and violence, restore families, create economic enterprise and revitalize low-income communities. Often referred to as the godfather of the movement to empower neighborhood-based organizations, Bob Woodson's social activism dates back to the 1960's, when as a young civil rights activist, he developed and coordinated national and local community development programs. During the 70's he directed the National Urban League's Administration of Justice division and then served as a Resident Fellow at the American Enterprise Institute. For more than 30 years Woodson has been a source of guidance and support for grassroots organizations around the world. He was instrumental in paving the way for resident management and ownership of public housing, and brought together task forces of grassroots groups to advise the 104<sup>th</sup> Congress, the Pennsylvania Legislature, and the Wisconsin Assembly. He is consulted by numerous governors, members of Congress, business leaders, and the news media. He has worked with youth intervention and violence prevention programs since the 1960's and has written several books on the subject. Among the many awards he has received is the prestigious John D. and Catherine T. MacArthur Fellowship, often referred to as the "genius" award. He is the author of hundreds of articles and several books, including *The Triumphs of Joseph: How Community Healers are Reviving Our Streets and Neighborhoods*, published by The Free Press in January, 1998, and available in bookstores around the country.*