FAITH BASED PERSPECTIVES ON THE PROVISION OF COMMUNITY SERVICES

HEARING

BEFORE THE

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

OF THE

COMMITTEE ON GOVERNMENT REFORM

HOUSE OF REPRESENTATIVES

ONE HUNDRED EIGHTH CONGRESS

SECOND SESSION

JANUARY 12, 2004

Serial No. 108–152

Printed for the use of the Committee on Government Reform

Available via the World Wide Web: http://www.gpo.gov/congress/house
http://www.house.gov/reform

U.S. GOVERNMENT PRINTING OFFICE

94–157 PDF WASHINGTON : 2004

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON GOVERNMENT REFORM

TOM DAVIS, Virginia, *Chairman*

DAN BURTON, Indiana
CHRISTOPHER SHAYS, Connecticut
ILEANA ROS-LEHTINEN, Florida
JOHN M. MCHUGH, New York
JOHN L. MICA, Florida
MARK E. SOUDER, Indiana
STEVEN C. LATOURETTE, Ohio
DOUG OSE, California
RON LEWIS, Kentucky
JO ANN DAVIS, Virginia
TODD RUSSELL PLATTS, Pennsylvania
CHRIS CANNON, Utah
ADAM H. PUTNAM, Florida
EDWARD L. SCHROCK, Virginia
JOHN J. DUNCAN, JR., Tennessee
JOHN SULLIVAN, Oklahoma
NATHAN DEAL, Georgia
CANDICE S. MILLER, Michigan
TIM MURPHY, Pennsylvania
MICHAEL R. TURNER, Ohio
JOHN R. CARTER, Texas
WILLIAM J. JANKLOW, South Dakota
MARSHA BLACKBURN, Tennessee

HENRY A. WAXMAN, California
TOM LANTOS, California
MAJOR R. OWENS, New York
EDOLPHUS TOWNS, New York
PAUL E. KANJORSKI, Pennsylvania
CAROLYN B. MALONEY, New York
ELIJAH E. CUMMINGS, Maryland
DENNIS J. KUCINICH, Ohio
DANNY K. DAVIS, Illinois
JOHN F. TIERNEY, Massachusetts
WM. LACY CLAY, Missouri
DIANE E. WATSON, California
STEPHEN F. LYNCH, Massachusetts
CHRIS VAN HOLLEN, Maryland
LINDA T. SANCHEZ, California
C.A. "DUTCH" RUPPERSBERGER, Maryland
ELEANOR HOLMES NORTON, District of Columbia
JIM COOPER, Tennessee
CHRIS BELL, Texas

BERNARD SANDERS, Vermont (Independent)

PETER SIRH, *Staff Director*
MELISSA WOJCIAK, *Deputy Staff Director*
ROB BORDEN, *Parliamentarian*
TERESA AUSTIN, *Chief Clerk*
PHIL BARNETT, *Minority Chief of Staff/Chief Counsel*

SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES

MARK E. SOUDER, Indiana, *Chairman*

NATHAN DEAL, Georgia
JOHN M. MCHUGH, New York
JOHN L. MICA, Florida
DOUG OSE, California
JO ANN DAVIS, Virginia
EDWARD L. SCHROCK, Virginia
JOHN R. CARTER, Texas
MARSHA BLACKBURN, Tennessee

ELIJAH E. CUMMINGS, Maryland
DANNY K. DAVIS, Illinois
WM. LACY CLAY, Missouri
LINDA T. SANCHEZ, California
C.A. "DUTCH" RUPPERSBERGER, Maryland
ELEANOR HOLMES NORTON, District of Columbia
CHRIS BELL, Texas

EX OFFICIO

TOM DAVIS, Virginia
HENRY A. WAXMAN, California

J. MARC WHEAT, *Staff Director and Chief Counsel*
ELIZABETH MEYER, *Professional Staff Member*
NICOLE GARRETT, *Clerk*

CONTENTS

	Page
Hearing held on January 12, 2004	1
Statement of:	
Carrasco, Rudy, executive director of the Harambee School, Pasadena, CA, and Nueva Esperanza, Inc., and Esperanza USA; Lee de Leòn, Templo Calvario; Jeff Carr, executive director, the Bresee Foundation	9
Phillips, Keith, president, World Impact; Doug Gold, executive director, Jewish Big Brothers and Big Sisters; John Baker, Celebrate Recovery; Steve Allen, Salvation Army of southern California; and Tim Hooten, executive director, Office of Ministry and Service, Azusa Pacific University	53
Letters, statements, etc., submitted for the record by:	
Allen, Steve, Salvation Army of southern California, prepared statement of	77
Baker, John, Celebrate Recovery; Steve Allen, Salvation Army of southern California, prepared statement of	69
Carrasco, Rudy, executive director of the Harambee School, Pasadena, CA, and Nueva Esperanza, Inc., and Esperanza USA, prepared statement of	12
de Leòn, Lee, Templo Calvario, prepared statement of	21
Gold, Doug, executive director, Jewish Big Brothers and Big Sisters, prepared statement of	64
Phillips, Keith, president, World Impact, prepared statement of	57
Souder, Hon. Mark E., a Representative in Congress from the State of Indiana, prepared statement of	5

FAITH BASED PERSPECTIVES ON THE PROVISION OF COMMUNITY SERVICES

MONDAY, JANUARY, 12, 2004

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON CRIMINAL JUSTICE, DRUG POLICY AND HUMAN RESOURCES,
COMMITTEE ON GOVERNMENT REFORM,
Los Angeles, CA.

The subcommittee met, pursuant to notice, at 11:30 a.m., at the Los Angeles Christian School, 2003 East Imperial Highway, Los Angeles, CA, Hon. Mark E. Souder (chairman of the subcommittee) presiding.

Present: Representative Souder.

Staff present: Elizabeth Meyer, professional staff member and counsel; and Nicole Garrett, clerk.

Mr. SOUDER. The subcommittee will now come to order.

I want to thank all of you for being here today. And I want to thank the Watts School from World Impact for hosting us today for greeting us out at the door and receiving all the visitors to their school here today.

It is a privilege to be back here. I visited in 1992 just after the riots were here in Los Angeles as well as the World Impact facility in Newark. That was back when I was a staffer for then Senator Dan Coats. And the first time I was in was up at the Harmby School and other places was somewhere around 1985 when I was a staff director of the Children, Youth and Family Committee in the House of Representatives. Since then I have been elected to Congress, and this is part of a series of hearings.

I am going to first read a formal statement for the record. We have a recorder here who will be taking down everything that we say today. It will be published in the form of a hearing book and then part of a larger report on faith-based that we are doing around the country.

Good morning. And thank you for joining us today as we continue our discussion of the role of faith-based organizations in the provision of social services.

I left behind some frigid weather in my hometown of Fort Wayne, IN, so I am especially glad to be here in Los Angeles. About 5 of our days equal 1 of these days in temperatures.

Many people across this country have a specific image of Los Angeles; that of glitz and glamour and movie stars and the image that comes to mind is not that of the less fortunate. But Los Angeles, as in every other city, has many individuals who are not living a fast and privileged life. I am certain that our witnesses today will

help us see the true picture of Los Angeles, where the needs are as well as which organizations and individuals are working to meet those needs.

Scores of dedicated men and women open their hearts and homes to the less fortunate each and every day. They do not do this for the glory of public recognition or for the money, but for the simple fact that their faith calls them and demands them to action. They are committed to improving the lives of their neighbors no matter the sacrifice to their own safety and comfort. Often their only reward, which they will tell you is the best reward, is the knowledge that they have restored hope to someone who had been suffering.

The men and women who run the countless faith-based social services organizations in neighborhoods all across the country are often the only people willing to tackle the tough problems because frequently the rest of us take an out-of-sight out-of-mind approach to issues that make us uncomfortable.

If in the United States we had an unlimited amount of money, we would be able to fund every organization that is effectively providing social services. The hard reality is that we do not have unlimited resources. So we have to find a way to get the dollars we do have into the hands of them who are most effective in the neighborhood. Frequently, that agency is a faith-based organization.

Leaders of many of the faith-based agencies I have had the privilege to visit tell me they are successful because they look beyond immediate need. Their focus is helping the client regain hope and changing a life. Fast fixes are not acceptable to these agencies. These men and women truly make a difference not only in the life of the client, but also in the community as a whole.

We need to determine how we can best encourage and support the work that they do without asking them to compromise their beliefs. We have been having this discussion in Washington for quite some time. What I find to be the most frustrating is the tendency to lose sight of the reason we are having the discussion in the first place.

We know that faith-based organizations are effectively transforming lives and communities. Where the discussion gets bogged down is in the legal questions. We need to refocus the discussion on what makes a faith-based organization successful? What is it that makes them effective? The fact that faith-based organizations are effective is the reason this discussion began in the first place. In other words if the legal requirements make it so they are not as effective, then the argument of why do not they change the legal requirements so that they can still be effective does not work.

It is time to listen to all the providers tell us how we can best assist them in their work. I doubt that they think government strings and bureaucratic red tape are something that you actively seek. I believe that one of the best ways we as legislators can help is not by giving you more government strings to deal with, but by helping to facilitate new relationships among the providers of social services and the foundations that provide financial and technical assistance to faith-based and community organizations.

Today we have the great opportunity to talk with providers of a range of faith-based services. We need to understand how the

unique element of faith impacts the success and structure of these programs.

It is also important that we understand how your programs transform lives by building self-confidence and self-esteem. Over the last several months we have heard from faith-based providers in: San Antonio, TX; Nashville, TN; Chicago, IL; Charlotte, NC; here today in Los Angeles; we will be in Colorado in 2 weeks.

Our witnesses today represent just a small fraction of the countless faith-based organizations that are meeting the needs of Los Angeles. I expect that our witnesses today will provide us with many valuable insights into their work and the needs of the community. Most importantly, they will help us identify areas and methods by which the Government can best assist community organizations of all types provide the best possible care for people in need. I look very much forward to your testimony.

First I need to do a couple of procedural matters for the committee.

I ask unanimous consent that all Members have 5 legislative days to submit written statements and questions for the hearing record. That any answers to written questions provided by the witnesses also be included in the record. Without objection, it is so ordered.

I also ask unanimous consent that all exhibits, documents and other materials referred to by Members and witnesses may be included in the hearing record, and that all Members be permitted to revise and extend their remarks. Without objection, it is so ordered.

Let me briefly describe a little bit how we are going to conduct the hearing and what the hearing is beyond the more formal statement.

This is a Government oversight committee. The primary responsibility of this subcommittee is narcotics; about half of our staff works with narcotics. And there we do legislation as well as oversight of the ONDCP and a lot of that. We also have a series of other government agencies that we oversee; Department of Justice, Department of HHS, Department of Education and the Office of Faith-Based Initiatives.

I have had a long interest in this subject. My work in the House and Senate staff prior to this was one of the reasons I ran for Congress, because I believed that we were not spending more money and we were not going to be spending a lot more money in social services and that many of the things that would be done in the private sector gave an additive and, in fact, were different and we needed to figure out how we could better utilize and more effectively invest in that sector of the community. It is one of the things that my boss, Dan Coats, initiated in the Senate and that his former speechwriter and policy director Mike Gerson, who is now the President's speechwriter, many of the people who are on our staff are now running these initiatives over at the White House. And we are trying to implement as best we can.

I, myself, even though not as part of this committee have carried in the House the four major amendments that have passed that implemented the faith-based things prior to President Bush getting elected. So, for example, in Aid to Families With Dependent Chil-

dren that allowed faith-based organizations to apply for those grants. Then Senator Ashcroft and Senator Coats carried in the Senate side, I carried down in the House side. Similar in Juvenile Justice. Similar in Drug Treatment and other programs we have tried to expand faith-based organizations. This is separate from the White House faith-based initiative. These things are being done legislatively.

But what has happened in that is we have gotten into lots of debates, which we will touch on today, about hiring practices, about a lot of the difficult questions that you get into that make many faith-based organizations back up. Quite frankly, I've had my own doubts working this through as to which is going to wind up driving or helping. Is it going to corrupt the faith-based organizations more than the gain they get? And we need to work that through. But part of what has been lost in this whole debate is why we got into the faith-based argument in the first place. And that was we have not increased in real dollars, we have actually decreased, whether we have Democratic Governors or Republican Governors, whether you have a Democratic Congress or a Republican Congress, there is not more dollars and yet all of us believe that the problems are increasing. So how do we fix it?

So what we are doing with this series of hearings, and we will be doing a major report, is trying to talk to people at the grassroots, get an idea for the diversity of faith-based groups, what some of their challenges are, zero in on some of the policy questions.

Now, this is an oversight committee. So one of the things we do at the beginning is we have to have people swear or affirm, whatever you are comfortable with, that your testimony is true. So that's our first step.

And you have seen this full committee in Washington a lot. Congressman Waxman is the Democratic leader of this committee. We are good friends and it does not mean we always agree on things, but we have been through some very acrimonious periods since the Republicans took over Congress, much of through this committee.

So, for example, things like the FBI files, Travelgate, White Water, China, Waco, things that you saw on TV, those witnesses were doing the same thing I am going to ask you, and that is to uphold, and only a few have ever been prosecuted for perjury, and I hope that does not happen at a faith-based hearing, but that is why we go through this is process. This is an oversight hearing where we see whether the laws are being implemented the way Congress passed the laws.

We have in this subcommittee, even though we have our disagreements from time-to-time and we have some disagreements on this issue as to how to implement it, normally you could not have hearings without multiple members here. But in our committee we have a good working relationship between the ranking democrat, Elijah Cummings, who heads the Black Caucus and myself so that we can do these hearings without objection from either side and move through the committee process, which enable us to have a lot more field hearings than if you have to arrange for multiple members and do that. And we always accommodate any witness needs, and they know we are having good balanced debates.

[The prepared statement of Hon. Mark E. Souder follows:]

Opening Statement
Chairman Mark Souder

"Faith-based Perspectives on the Provision of Community Services"

Subcommittee on Criminal Justice, Drug Policy and Human Resources

Committee on Government Reform

January 12, 2204

Good morning, and thank you all for joining us today as we continue our discussion of the role of faith-based organizations in the provision of social services. I left behind some frigid weather in my hometown of Fort Wayne, Indiana, so I am especially glad to be here in Los Angeles.

Many people across this county have a specific image of Los Angeles—that of glitz and glamour and movie stars. The image that comes to mind is not that of the less fortunate. But, Los Angeles, as in every other city, has many individuals who are not living a fast and privileged life. I'm certain that our witnesses today will help us see the true picture of Los Angeles—where the needs are, as well as which organizations and individuals are working to meet those needs.

Scores of dedicated men and women open their hearts and homes to the less fortunate each and every day. They do this not for the glory of

public recognition, or for the money, but for the simple fact that their faith calls them—demands of them—to action. They are committed to improving the lives of their neighbor, no matter the sacrifice to their own safety and comfort. Often their only reward, which they will tell you is the best reward, is the knowledge that they have restored hope to someone who had been suffering. The men and women who run the countless faith-based social service organizations in neighborhoods all across the county are often the only people willing to tackle the tough problems because frequently the rest of us take an "out of sight, out of mind" approach to issues that make us uncomfortable.

If, in the United States, we had an unlimited amount of money, we'd be able to fund every organization that is effectively providing social services. The hard reality is that we don't have unlimited resources. So we have to find a way to get the dollars we do have into the hands of them most effective agencies in the neighborhood. Frequently, that agency is a faith-based organization. Leaders of the many faith-based agencies I've had the privilege to visit tell me that they are successful because they look beyond the immediate need. Their focus is helping the client regain hope, and changing a life. Fast fixes are not acceptable to these agencies. These men

and women truly make a difference not only in the life of the client, but also in the community as a whole. We need to determine how we can best encourage and support the work that they do without asking them to compromise their beliefs.

We've been having this discussion in Washington for quite some time. What I find to be the most frustrating is the tendency to lose sight of the reason we are having the discussion in the first place. We know that faith-based organizations are effectively transforming lives and communities. Where the discussion gets bogged down is in the legal questions. We need to refocus the discussion on what makes a faith-based organization successful. What is it that makes them effective? The fact that faith-based organizations are effective is the reason this discussion began in the first place. It is time to listen to the providers tell us how we can best assist them in their work. I doubt think that government strings and bureaucratic red tape are something that you actively seek! I believe that one of the best ways we as legislators can help is not by giving you more government strings to deal with, but by helping to facilitate new relationships among the providers of social services and the foundations that

provide financial and technical assistance to faith-based and community organizations.

Today we have the great opportunity to talk with providers of a range of faith-based services. We need to understand how the unique element of faith impacts the structure and success of these programs. It is also important that we understand how your programs transform lives by building self-confidence and self-esteem.

Over the last several months we have heard from faith-based providers in San Antonio, Texas, Nashville, Tennessee, Chicago, Illinois, and Charlotte, North Carolina.

Our witnesses today represent just a small fraction of the countless faith-based organizations that meeting the needs of Los Angeles. I expect that our witnesses today will provide us with valuable insights into their work, and the needs of the community. Most importantly, they will help us identify areas and methods by which the government can best assist community organizations of all types provide the best possible care for people in need. I very much look forward to the testimony.

Mr. SOUDER. So with that as an introduction, the first step here is to administer the oath. So if you will raise your right hands. Stand and raise your right hand.

[Witnesses sworn.]

Mr. SOUDER. Let the record show that each of the witnesses responded in the affirmative.

Now you will be recognized for a 5 minute opening statement. Your full statement will be inserted into the record. Then I will ask questions. If you want to offer additional testimony later on for the hearing book record, you may do that as well.

And we will start with Mr. Rudy Carrasco, executive director of the Harambee School in Pasadena, CA.

STATEMENTS OF RUDY CARRASCO, EXECUTIVE DIRECTOR OF THE HARAMBEE SCHOOL, PASADENA, CA, AND NUEVA ESPERANZA, INC., AND ESPERANZA USA; LEE dE LEÒN, TEMPLO CALVARIO; JEFF CARR, EXECUTIVE DIRECTOR, THE BRESEE FOUNDATION

Mr. CARRASCO. Thank you, Mr. Chairman.

It's a privilege to be here. I'm representing Nueva Esperanza and also I'm the executive director of the Harambee Christian Family Center; two entirely different entities. I am here at the request of Nueva to read their testimony into the record and also willing to answer some questions on behalf of our own work in Pasadena.

Esperanza USA is a national association dedicated to serving the needs of Hispanics in America. Founded in 2003 as a wholly owned and operated subsidiary of Nueva Esperanza, Inc., Esperanza USA hosts the National Hispanic Prayer Breakfast and houses all of Nueva Esperanza's national operations.

The largest of all Esperanza USA's national programs is the Hispanic Capacity Project. Established with receipt of the second largest grant awarded from the HHS' Compassion Capital Fund, the Hispanic Capacity Project provides technical assistance to Hispanic faith-based and community organizations nationwide helping them identify and meet the needs in their communities. During the first year of the grant, operations were established in Central and southern Florida, southern California, New York City, Philadelphia, northern and southern New Jersey. Over 150 faith-based organizations are participating in the project. These organizations collectively operate over 215 separate service ministries spanning the range of social and human delivery.

The Hispanic Capacity Project forms the foundation for all other national initiatives.

Other national programs include Hogares de Esperanza (Homes of Hope), Esperanza USA's national home building initiative and Pacto de Esperanza (Pledge of Hope), the first national HIV/AIDS initiative targeted at the Hispanic faith community. National mortgage counseling and employment programs are currently being developed.

Nueva Esperanza, Inc., Esperanza USA's parent organization, is the largest Hispanic faith-based community development corporation in the United States. Founded in 1987 by Reverend Luis Cortes together with Philadelphia's Hispanic Clergy, Nueva oper-

ates an impressive array of programs addressing the problems faced by the Hispanic community.

Headquartered in Philadelphia, Nueva operates an impressive array of social service and educational programs including a charter high school, a junior college and a campground for inner-city children. Nueva has built and rehabilitated over 100 single-family homes, helped more than 1,700 families obtain their first mortgage and enrolled over 600 individuals in Nueva's job training programs. A $28 million economic development project is underway to create a Latino Corridor in north Philadelphia transforming the vacant lots and abandoned buildings into a vibrant commercial corridor surrounded by new and renovated homes.

A tribute to the vision of its leadership, Nueva Esperanza has become one of the leading voices for Hispanic Americans. In developing programs targeted to address the many unmet needs in Philadelphia's Hispanic community, Esperanza USA has become a leader in building Hispanic owned institutions nationwide.

The overriding lesson of the past 20 years of providing services in Philadelphia and this past year establishing national operations and working to build the capacity of Hispanic faith-based and community organizations across the country is, simply but very clearly, that public funds can be used effectively by the faith community to deliver services to serve the needy and further serve the public good. When the faith community and the government are brought together as partners, services are delivered more efficiently to those in need. And, most importantly, service delivery takes place well within the confines of the law.

An equally important lesson is that a thorough educational process is essential to educate the faith community on the process and the specifics required to adhere to the confines of the law.

The Hispanic faith community is a newcomer to the world of Federal funds. In many cases services have been funded in the past solely by private funds. The need to establish and maintain the separation of church and State is often a new concept and a new reality for many.

The central purpose of the educational process is to make clear the limits of and restrictions that accompany receipt of Federal resources. The faith community needs to be clear that federally supported faith-based initiatives are not about proselytizing and religious education. Potential program participants can then make an educated choice to participate or not. Should they feel their service delivery would be compromised by restrictions, they can choose not to participate. Should they believe that the good that can be done with the Federal funds outweighs the restrictions, they may choose to participate.

This educational process needs to be two-fold, however. The largest obstacle encountered in recent years is the administrative uncertainty about the realities of service delivery within the confines of separation of church and State. Thus, the second fold of the educational process is to educate the various bureaucracies about the realities and genuine benefits of federally funded faith-based programs. Bureaucracies and bureaucrats by definition are risk averse and subject to repeating past patterns of behavior that have not raised concern or criticism. A continued educational process illus-

trating the success of federally funded faith-based programs and the ease with which the law can be followed is essential if we are to continue to reach those who have been left behind by all previously existing agencies and structures.

A second very real obstacle faced most especially by the Hispanic faith community is that ours is a system stacked against those who are not as sophisticated as others with past relationships and experience working with government. Many of the most effective agencies are affiliated with small congregations closely connected to the local community, in touch with individual families' lives; who might be in need but too proud to come in for help.

This reality underscores the imperative of finding intermediaries, such as Esperanza USA, who have legitimacy with their constituencies, intermediaries that can navigate the intricacies of Federal rules and guidelines. As we move forward it is critical to identify and ensure access for intermediaries who understand Federal realities and can act as broker on behalf of those unable to compete. It is equally critical that as intermediaries are identified that processes are in place to assure that these intermediaries have true grassroots operations rather than the more traditional Washington-based networks.

A third obstacle faced primarily by the Hispanic faith community is the experience of being the "new kid on the block." Other minorities and constituencies have decades of experience receiving Federal funds. With little, if any, increase in funding availability, bureaucracies are faced with a choice—either continue to fund those who have been funded and performed adequately in the past or reduce their funding and take a chance on the "new kid," essentially untested and relatively unknown. More than just our original discussion of the need to educate the bureaucracies, very real policy decisions must be made at the highest levels of government to support the work of those serving the "new kids on the block."

Thank you.

[The prepared statement of Mr. Carrasco follows:]

ESPERANZA USA

Testimony of:

Rudy Carrasco
Executive Director, Harambee Christian Family Center
Pasadena, California

Appearing on behalf of
Nueva Esperanza, Inc.
&
Esperanza USA

Nueva Esperanza 4261 North 5th Street Philadelphia, PA 19140
(215) 324-0746 (215) 324- 2542 fax www.esperanza.us

Thank you, Mr. Chairman. It is a genuine personal privilege to appear before you today representing Nueva Esperanza, Inc. and Esperanza USA. Should you have questions regarding the testimony I am about to read, my friends at Nueva Esperanza and Esperanza USA will gladly provide answers for the record following today's hearing.

Esperanza USA is a national association dedicated to serving the needs of Hispanics in America. Founded in 2003 as a wholly owned and operated subsidiary of Nueva Esperanza, Inc., Esperanza USA hosts the National Hispanic Prayer Breakfast and houses all of Nueva Esperanza's national operations.

The largest of all Esperanza USA's national programs is The Hispanic Capacity Project. Established with receipt of the second largest grant awarded from HHS' Compassion Capital Fund, the Hispanic Capacity Project provides technical assistance to Hispanic faith-based and community organizations nationwide helping them identify and meet the needs in their communities. During the first year of the grant, operations were established in Central and Southern Florida, Southern California, New York City, Philadelphia, Northern and Southern New Jersey. Over 150 faith-based organizations are participating in the project. These organizations collectively operate over 215 separate service ministries spanning the range of social and human service delivery.

The Hispanic Capacity Project forms the foundation for all other national initiatives.

Other national programs include Hogares de Esperanza (Homes of Hope), Esperanza USA's national home building initiative and Pacto de Esperanza (Pledge of Hope), the

first national HIV/AIDS initiative targeted at the Hispanic faith community. National mortgage counseling and employment programs are currently being developed.

Nueva Esperanza, Inc. (Nueva), Esperanza USA's parent organization, is the largest Hispanic faith-based community development corporation in the United States. Founded in 1987 by Rev. Luis Cortés together with Philadelphia's Hispanic Clergy, Nueva operates an impressive array of programs addressing the problems faced by the Hispanic community.

Headquartered in Philadelphia, Nueva operates an impressive array of social service and educational programs including a charter high school, a junior college and a campground for inner-city children. Nueva has built and rehabilitated over 100 single-family homes, helped more than 1700 families obtain their first mortgage and enrolled over 600 individuals in Nueva's job training programs. A $28 million economic development project is underway to create a Latino Corridor in North Philadelphia transforming vacant lots and abandoned buildings into a vibrant commercial corridor surrounding by new and renovated homes.

A tribute to the vision of its leadership, Nueva Esperanza has become one of the leading voices for Hispanic Americans. In developing programs targeted to address the many unmet needs in Philadelphia's Hispanic community, Esperanza USA has become a leader in building Hispanic owned institutions nationwide.

The overriding lesson of the past twenty years of providing services in Philadelphia and this past year establishing national operations and working to build the capacity of Hispanic faith-based and community organizations across the country is, quite simply but very clearly, that public funds can be used effectively by the faith community to deliver services to serve the needy and further serve the public good. When the faith community and the government are brought together as partners, services are delivered more efficiently to those in need. And, most importantly, service delivery takes place well within the confines of the law.

An equally important lesson is that a thorough educational process is essential to educate the faith community on the process and the specifics required to adhere to the confines of the law. The Hispanic faith community is a newcomer to the world of federal funds. In many cases services have been funded in the past solely by private funds. The need to establish and maintain the separation of church and state is often a new concept and a new reality for many.

The central purpose of the educational process is to make clear the limits of and restrictions that accompany receipt of federal resources. The faith community needs to be clear that federally supported faith-based initiatives are not about proselytizing and religious education. Potential program participants can then make an educated choice to participate or not. Should they feel their service delivery would be compromised by restrictions, they can choose not to participate. Should they believe that the good that can be done with the federal funds outweighs the restrictions, they choose to participate.

This educational process needs to be two-fold, however. The largest obstacle encountered in recent years is the administrative uncertainly about the realities of service delivery within the confines of separation of church and state. Thus, the second fold of the educational process is to educate the various bureaucracies about the realities and genuine benefits of federally funded faith-based programs. Bureaucracies and bureaucrats by definition are risk averse and subject to repeating past patterns of behavior that have not raised concern or criticism. A continued educational process illustrating the success of federally funded faith-base programs and the ease with which the law can be followed is essential if we are to continue to reach those who have been left behind by all previously existing agencies and structures.

A second very real obstacle faced most especially by the Hispanic faith community is that ours is a system stacked against those who are not as sophisticated as others with past relationships and experience working with government. Many of the most effective agencies are affiliated with small congregations closely connected to the local community, in touch with individual families' lives --- who might be in need but too proud to come in for help.

This reality underscores the imperative of finding intermediaries, such as Esperanza USA, who have legitimacy with their constituencies, intermediaries that can navigate the intricacies of federal rules and guidelines. As we move forward it is critical to identify and ensure access for intermediaries who understand federal realities and can

act as broker on behalf of those unable to compete. It is equally critical that as intermediaries are identified that processes are in place to assure that these intermediaries have true grassroots operations rather than the more traditional Washington-based networks.

A third obstacle faced primarily by the Hispanic faith community is the experience of being the "new kid on the block." Other minorities and constituencies have decades of experience receiving federal funds. With little, if any, increase in funding availability, bureaucracies are faced with a choice --- either continue to fund those who have been funded and performed adequately in the past or reduce their funding and take a chance on the "new kid," essentially untested and relatively unknown. More than just our original discussion of the need to educate the bureaucracies, very real policy decisions must be made at the highest levels of government to support the work of those serving the "new kids on the block."

Thank you again, Mr. Chairman, for the opportunity to appear before you today.

Mr. SOUDER. Thank you very much.

Now we will hear from Reverend Lee de Leòn, Templo Calvario a Community Development Corp. in Santa Ana, CA.

Rev. DE LEÒN. Thank you, Mr. Chairman. It is a pleasure to be here with you today to share the many successes of the vast array of Templo Calvario's ministries.

Templo Calvario is a congregation based in the city of Santa Ana, CA. Charisma Magazine has recently recognized Templo Calvario as the largest Hispanic church in America. Over 10,000 individuals weekly visit our church to worship and/or to receive assistance from our various outreach ministries.

Templo Calvario has a long history of compassion. For over 75 years, the church has ministered to families in need in a variety of ways. Although the church is located in the city of Santa Ana, its benevolent efforts have reached beyond its borders to other cities, States and countries. Cities like Miami, FL have an outreach center planted by one of Templo Calvario's inner city missionaries reaching out to the poor of that city. Ensenada, Mexico and Buenos Aires, Argentina have other missionaries doing the same thing.

This long history of compassion comes as a result of the thinking that permeates every heart and mind of Templo Calvario. Regularly you hear members greeting each other with, "Soy bendicido, para bendecir"—"I am blessed, to bless others."

Obras de Amor. In 1980, we took steps to formalize our benevolent work by establishing a ministry called Obras de Amor—Works of Love.

Obras de Amor weekly: Manages a warehouse that procures and distributes over 90 tons of groceries and other products; provides counseling, referrals, groceries, emergency assistance and other services to over 250 families; provides groceries, clothing, furniture and on occasion funding to a network of over 60 churches and community-based organizations.

Angel arrived at our church hungry and unemployed. He was a single 19 year old alcoholic that needed more than food and a referral; he needed direction in his life. He not only received assistance, but he also started volunteering in our warehouse. This provided him the opportunity of receiving needed counseling and basic life skills training. Today Angel is no longer drinking, he is married and working as an apprentice with a plumbing company.

The Kingdom Coalition. This network of over 60 churches and community-based organizations extends from Los Angeles to San Diego. These organizations serve over 80,000 individuals each month. These groups provide a multitude of services including food distribution to the hungry, counseling, after school centers, rehab homes, and much more.

For the past 2 years we have provided needed training to this network with the assistance of the Christian Reformed World Relief Committee, Nueva Esperanza and the Compassion Capital Fund.

After School Centers. Templo Calvario operates three after school centers in the cities of Garden Grove and Santa Ana. Two of these centers are found in high density neighborhoods populated by low income Latino and Asian families that live in crowded apartment buildings. These centers provide homework assistance, tutoring

and mentoring for elementary school children. They also coordinate wholesome community building events that target the families of these children.

Enrique is a 12 year old that attends our center in the city of Garden Grove, that is the Buena/Clinton Center. He was having a difficult time with math at school. His parents could not provide the help he needed since they do not speak nor read English well and have six other children to look after, one being a pregnant 15 year old.

At our center, he was able to get one-on-one tutoring that dramatically improved his grades. Not only that, but he has a brand new goal; he wants to go to college.

Other Areas of Service. One is the summer camp. Annually we sponsor teens in those neighborhoods we serve by sending key teens to camp.

Back-to-School: Each year we have hundreds of children receiving back packs loaded with school supplies and many receive assistance with school uniforms.

Another activity is Holiday of Hope: Over 4,000 children receive Christmas toys every holiday season.

Esperanza is another event that we have not been held in a number of years, but this year we are reviving that event. And over 100 faith-based and community-based organizations and local businesses will gather at the Santa Ana Bowl to host a community fair.

Templo Calvario Community Development Corp. In November 2002, our board of elders agreed to launch a new corporation that would focus on bringing long-term solutions to our community. Our elders agreed to birth Templo Calvario Community Development Corp. This new corporation will focus on affordable housing; business and job creation; education; senior and youth programs.

Since its inception, Templo Calvario CDC has started a Charter School with a 120 students. This is a partnership with the Santa Ana Unified School District.

Also the Senior Service Enterprise. Our goal is to have 40 new jobs created by this new entity. This new company will provide home care, transportation and other vital services to seniors of our community. The Office of Community Services has provided a predevelopment grant that is helping us bring this business together.

Project Esperanza. Our goal is to assist 25 groups annually. This new effort is providing technical assistance to over 25 FBOs and CBOs in our area that service families in the Empowerment Zone of the city of Santa Ana. Technical assistance provided by We Care America and a grant from the Compassion Capital Fund are giving us the support we need to make this project a success.

For many years, Marco Tierrablanca has served the youth of Santa Ana by organizing soccer leagues and providing fundraising events to these children to help these children buy their uniforms. But his greatest desire has been to expand his work to the elementary schools of our city.

Project Esperanza will help him reach this next level of service to the youth of our community by helping him form his own 501(c)3, establish a formal board, providing training in other critical areas and organize a meeting with school district officials and Mr. Tierrablanca.

Some of the obstacles we have faced. For the most part, our city and county partnerships are developing well. But we're still challenged by some agencies at the local level that find it difficult to work with faith-based organizations. Every government employee has their own interpretation of "separation of church and State" and because some do not have a handle on it, often we get left out.

For example, it is interesting that we in the faith sector very often are better informed of new Federal funding than local funding. I do not understand why we still do not get the emails or mailings that other nonreligious groups receive. Very often we rely on secondhand information to keep abreast of new funding.

In the early beginnings of the Faith-based Initiative, there was talk of expediting the application process to gain 501(c)3 status. Well, to date things haven't changed, it is still slow. Our new CDC is still waiting on final approval after many months. This hampers our ability to seek additional funding both from both government and private sources.

Also, can anything be done about the high cost of grant writing? So far we've been fortune in this area, but startup groups cannot afford the high fees many writers request. I would encourage you, Mr. Chairman, to investigate the possibility of new funding that would provide training and technical assistance to new startups.

And one of the questions that comes to us regularly is are you faith-based or not. And on paper we are not, but we are connected to a local church and we believe that is an expression of our faith, the work that we do. And I know the constant challenge of dealing with those issues.

And thank you so much.

[The prepared statement of Mr. de Leòn follows:]

Testimony of

Rev. Lee de León

Templo Calvario Community Development Corporation
Santa Ana, California

before

The House Government Reform Committee
Subcommittee on Criminal Justice, Drug Policy and Human Resources
The Honorable Mark Souder, Chairman

Monday January 12, 2004
11:30 a.m.

Los Angeles Christian School
2003 East Imperial Highway
Los Angeles, CA

Templo Calvario Community Development Corporation
2511 W. Fifth St. ~ Santa Ana, CA, 92703
(714) 543-3711 ~ (714) 543-2399 Fax
Email: info@tccdc.org

Thank you, Mr. Chairman. It is a pleasure to be here with you today to share the many successes of the vast array of Templo Calvario's ministries.

Templo Calvario is a congregation based in the city of Santa Ana, California. Charisma Magazine has recently recognized Templo Calvario as the largest Hispanic church in America. Over 10,000 individuals weekly visit our church to worship and/or to receive assistance from our considerable number of outreach ministries.

Templo Calvario has a long history of compassion. For over 75 years, the church has ministered to families in need in a variety of ways. Although the church is located in the city of Santa Ana, California, its benevolent efforts have reached beyond its borders to other cities, states and countries. Cities like Miami, Florida have an outreach center planted by one of Templo Calvario's inner city missionaries reaching out to the poor of that city. Ensenada, Mexico and Buenos Aires, Argentina have our missionaries doing the same thing.

This long history of compassion comes as a result of the thinking that permeates every heart and mind at Templo Calvario. Regularly you hear members greeting each other with, "Soy bendicido, para bendecir" ("I am blessed, to bless others").

Obras de Amor

In 1980, we took steps to formalize our benevolent work by establishing a ministry called **Obras de Amor** (Works of Love). Obras de Amor weekly:

- Manages a warehouse that procures and distributes over 90 tons of groceries and other product.
- Provides counseling, referrals, groceries, emergency assistance and other services to over 250 families.
- Provides groceries, clothing, furniture and on occasion funding to a network of over 60 churches and community-based organizations.

Story: Angel arrived at our church hungry and unemployed. He was a single 19 year old alcoholic that needed more than food and a referral; he needed direction in his life. He not only received assistance, but also started volunteering in our warehouse. This provided him the opportunity of receiving needed counseling and basic life skills training. Today Angel is no longer drinking, his married and working as an apprentice with a plumbing company.

Kingdom Coalition

This network of over 60 churches and community-based organizations extends from Los Angeles to San Diego. These organizations serve over 80,000 individuals each month.

These groups provide a multitude of services including food distribution to the hungry, counseling, after school centers, rehab homes, and much more.

For the past two years we have provided needed training to this network with the assistance of the Christian Reformed World Relief Committee, Nueva Esperanza and the Compassion Capital Fund.

After School Centers

Templo Calvario operates three after school centers in the cities of Garden Grove and Santa Ana. Two of these centers are found in high density neighborhoods populated by low income Latino and Asian families that live in crowded apartment buildings.

These centers provide homework assistance, tutoring and mentoring for elementary school children. They also coordinate wholesome community building events that target the families of these children.

Story: Enrique is a 12 year old that attends our center in the city of Garden Grove (Buena/Clinton Center). He was having a difficult time with math at school. His parents could not provide the help he needed since they don't speak nor read English well and have 6 other children to look after one that was a pregnant fifteen year old. At our center,

he was able to get one-on-one tutoring that dramatically improved his grades. Not only that, but it has a brand new goal; he wants to go to college.

Other Areas of Service

- **Summer Camp**- Annually we sponsor teens in those neighborhoods we serve by sending key teens to camp.
- **Back-to-School**- Each year hundreds of children receive back packs loaded with school supplies and many receive assistance with school uniforms.
- **Holiday of Hope**- Over 4,000 children receive Christmas toys every holiday season.
- **Esperanza**- An event that has not been held in years will be revived this year. Over 100 faith-based and community-based organizations and local businesses will gather at the Santa Ana Bowl to host a community fair.

Templo Calvario Community Development Corporation

In November of 2002, our board of elders agreed to launch a new corporation that would focus on bringing long-term solutions to our community. Our elders agreed to birth Templo Calvario Community Development Corporation.

This new corporation will focus on:

- Affordable Housing

- Business and Job Creation
- Education
- Senior and Youth Programs

Since its inception, Templo Calvario CDC has started a:

- Charter School (120 students)- this is a partnership with the Santa Ana Unified School District
- Senior Service Enterprise (goal is 40 new jobs)- This new company will provide home care, transportation and other vital services to seniors in our community. The Office of Community Services has provided a pre-development grant that is helping us bring this business together.
- Project Esperanza (goal is to assist 25 groups annually)- This new effort is providing technical assistance to over 25 FBOs and CBOs in our area that service families in the Empowerment Zone of the city of Santa Ana. Technical assistance provided by We Care America and a grant from the Compassion Capital Fund are giving us the support we need to make this project a success.

Story- For many years, Marco Tierrablanca has served the youth of Santa Ana by organizing soccer leagues and providing fund raising events to help these children buy their uniforms. But his greatest desire has been to expand his work to the elementary

schools of our city. Project Esperanza will help him reach this next level of service to the youth of our community by helping him form his own 501(c)3, establish a formal board, providing training in other critical areas and organize a meeting with school district officials and Mr. Tierrablanca.

Obstacles

For the most part, our city and county partnerships are developing well. But we're still challenged by some agencies at the local level that find it difficult to work with faith-based organizations. Every government employee has their own interpretation of "separation of church and state" and because some don't have a handle on it yet, often we get left out.

For example, it's interesting that we in the faith sector very often are better informed of new federal funding than local funding. I don't understand why we still do not get the emails or mailings that other nonreligious groups receive. Very often we rely on second hand information to keep abreast of new funding.

In early beginnings of the Faith-based Initiative, there was talk of expediting the application process to gain 501(c) 3 status. Well, to date things haven't changed…it's

still slow. Our new CDC is still waiting on approval after many months of waiting. This hampers our ability to seek additional funding both from government and private sources.

Can anything be done about the high cost of grant writing? So far we've been fortune in this area, but startup groups cannot afford the high fees many writers request. I would encourage you Mr. Chairman to investigate the possibility of new funding that would provide training and technical assistance to new startups.

Thank you once again for the opportunity to appear before you today. I'm happy to answer any questions you might have.

Mr. SOUDER. Thank you for your testimony.

Reverend Carr is executive director of the Bresee Foundation Fund.

Reverend Carr.

Rev. CARR. Thank you. It is good to be here, Mr. Chairman.

And I apologize for not having written comments. I was out of town this weekend and just found out on Friday afternoon to be here. But since I do this for a living, it is not hard for me to talk about Bresee Foundation.

Bresee Foundation is a 22 year old nonprofit organization that was established by members of Los Angeles First Church of the Nazarene, which is a historic church that has been in central Los Angeles for over 100 years. And it was established in 1982 by members of that local congregation really to focus their outreach and social justice efforts in that local neighborhood.

The name Bresee, he was actually the founding pastor of that local congregation in 1985. It was founded in Skid Row Los Angeles. He was a Methodist minister who really left the Methodist church, ironically, because of his commitment to the poor and for some theological distinctions. And really his entire focus was to reach out to poor people in Los Angeles.

In 1902 the church had a home for unwed mothers. It provided food and clothing and shelter for the Chinese immigrants who were building the railroads in southern California at the time.

And so Monday through Saturday they were working for social justice, they were picketing, they were marching. And on Sundays they were preaching the Good News of the Gospel that people's lives could be different.

And so Bresee Foundation was born out of a desire to carry on that rich tradition and to really enable the church to do more than what they thought they had the capacity to do by themselves.

One of their first initial programs, the pastor, Dr. Ron Benefield who was a sociologist had a desire to train ministers because he had been exposed to churches around this country in urban neighborhoods that were in transition, and which our neighborhood was. And wanted to train laypeople and young pastors to actually figure out how to deal with a church that they found themselves in in a community like that.

I was in the second class of guinea pigs at the Bresee Institute which were brought to try and train us. I had come to go to seminary and we had a program where you actually took in academic course and did a hands-on internship. And the church wanted to reach out to youth in the community. They gave me a 10-speed bicycle and a basketball and sent me to the parks and playgrounds. And that was almost 17 years ago.

At the time the foundation had about a $20,000 budget. And it was really a separate organization on paper. Today we have a staff of 26 full-time professional staff. Our budget's about $1.7 million and we serve about 3,500 people annually. And we do that in a number of different ways.

First of all, we provide education and career development programs; everything from homework assistance, after school educational programs for young people. We have literacy for children who are severely under performing in terms of their literacy skills

and educational skills in school. All the way up through college preparation and college scholarships. And about a third of the staff, the professional staff at Bresee Foundation, are young people who grew up in the neighborhood who have come back we have sent to college. In fact, most of those young people I have known since they were 12 or 13 years old having been there so long. They are now in their 20's and 30's.

We also provide technology training assistance. Given the advent of the Internet and the ubiquitousness of technology in our society, we provide a state-of-art technology training center, a cybercafè for low income adults who do not have access to technology to get access to the technology and the training. Have everything from basic introduction to computers all the way up to documentary film making where young people are telling their own stories about our neighborhood rather than whatever they get in the homogenized media on network television.

We also provide family support services, everything from counseling and case management for families who are impoverished connecting them not only to the resources within Bresee, but other resources that exist in our community and the over 100 community-based and other partnerships that we have to be able to get people assistance that they need.

We also provide leadership in social development training. We have a leadership program for young people. We provide financial literacy, recreational sports and outdoor adventure activities to expose kids to things outside the neighborhood.

Our mission is very clear. We say in our mission that God calls us to offer hope and wholeness and to work toward reconciliation and empowerment and justice in our community.

Our faith is clear, and yet we are non-sectarian. Our purpose is not to evangelize in a very strict religious sense of the word. Our purpose is to live out our Christian faith and to make our neighborhood more like what we believe God wants it to be.

And that goes not only to the personal transformation, but to larger transformation in our neighborhood which has led us to, actually, on Thursday morning we will have the grand opening of a new park. We actually worked with the city of Los Angeles. We vacated a public street and used entirely public money, local and State dollars and actually some Federal dollars that have been passed through, to build an ecology park that will not only increase the green space in what's one of the park's poorest and green space poorest areas of the entire country, but also to do some unique ecological things in terms of reducing urban storm drain run-off in terms of how we designed the park. And also returning it to the way it would it would have been 100 years ago.

Actually, our neighborhood was a watershed, if you can believe in central Los Angeles there was such a thing. But it was a watershed. And so we are using all indigenous plants to bring the environment back to the way it used to be.

We also in about 4 months will open a primary care clinic; 58 percent of the people in our neighborhood are uninsured and we have a health care crises here in Los Angeles. And our goal is to provide low income children and their adult parents, working poor people who are working who are working but do not have health

insurance, give them access to the health care system so they can get preventative and important basic care before those medical situations turn into an emergency.

In terms of our funding, about 40 percent of our dollars come from Government grants and contracts. About 35 percent from private foundations and corporations. And then about 13 percent from special events and a mixture of earned income that individuals get.

I would simply say about, oh, when I guess President Bush came into office, I think it was about a month after he announced his faith-based initiative, I got a phone call from someone in Washington actually sort of testing the waters and asking me about this whole faith-based initiative. And I must say that really since the beginning in some ways I think it's been a false dichotamy. I hear the people on the left arguing and strenuously debating about the issue of separation of church and State, and even some of the folks to the far right arguing about that as well. And then people if you move in on both sides of that, people who are concerned about various other issues. And then I think really, that most of us kind of live in between.

The reality is in some ways the lines between separation of church and State have always been blurred in my opinion. I think those of us who are doing work in the community who receive government funds, we have found a way to navigate those things, the ones who have been able to do that without I think, compromising who we are and yet maintaining the separation and not being sectarian, but at the same time enabling ourselves to be able to get the work done that needs to happen in communities like ours.

I think separate 501(c)3 corporations are important, because I think the fun of being a minister and being trained in theology and trained actually to be a pastor and then finding myself in this job, I think the role of the church is in some ways different in the traditional sense of a church provides a place of worship, a place of spiritual accountability, religious education. I think churches, though, that set up a 501(c)3 corporations can appropriately set up a firewall, if you will, between those explicitly religious activities in the sense of sectarian activities but yet still have a nonprofit corporation that is driven and motivated by living out our faith commitments that enables us to do the important work of rebuilding communities and rebuilding the lives of people who find themselves in those communities.

I think really the issues to me are more issues about capacity, outcomes and resources. Unfortunately, a lot of pastors, God love them, that I know could not manage their way out of a wet paper bag. And so I am not sure I want to give them money or have the government or anyone else give them money, not because of their faith commitment but because I'm not sure they would know how to manage those resources if they were given to them.

Second, I think it is really important about outcomes. I do not care of you are a secular humanist organization or a faith-based organization, the critical thing of importance that I think government and anyone who is providing funding out to be looking at is whether or not people can deliver results that they say they are going to deliver. And I think people of faith can deliver results. I think

they can deliver outcomes. Some have the capacity, some need assistance to have that capacity, but I think those can be done.

And then the last thing is resources. I think right now one of the greatest challenges is given the priorities of our Federal Government and our State governments, the balancing of budgets in the State, although you all don't have to balance budgets necessarily at the Federal level, but at the State and local government level the budgets are being balanced on the backs of poor people.

Bresee Foundation has some government contracts. We lost $275,000 in government money this last year because of balancing acts, both from the loss of Federal funds that were passed through the city, loss of Federal funds that were passed through the State, and then those were reduced for us as well. And meanwhile, the economy has been in the tank, more people are unemployed, more pressure is on poor people and the demand for our services and the demand for the kinds of things we are doing is going up.

And so I think we often find ourselves in the crucible of trying to meet the demands of people who are living on the margins of our society and trying to do that on a shoestring. And I think we are pretty savvy, and most faith-based organizations that I know are pretty savvy on how to stretch those dollars better than a lot of other organizations, and yet even us in these times find ourselves faced with really difficult decisions about reducing services or finding ways that we can be able to maintain those services for people.

Thank you.

Mr. SOUDER. I thank each of you for your testimony and also for your work. There is a kind of a series of types of questions that I ask, some of which get us into the legal questions in defining, some of which are further defining the organizations and then a few things that you each raise. Let me do kind of some of the technical questions first.

Can you tell me again, where the Bresee, right?

Rev. CARR. Yes.

Mr. SOUDER. Foundation, it is somewhere here in central Los Angeles?

Rev. CARR. Yes. It is located about a mile and a half west of the heart of downtown near Third and Vermont.

Mr. SOUDER. And most of your work is done in that immediate area?

Rev. CARR. It is focused in that neighborhood, yes.

Mr. SOUDER. What percentage would you say of the people that you serve are African-American, Hispanic, other backgrounds?

Rev. CARR. Yes. Our neighborhood is largely Latino immigrant. People that have come from Central America and other Latin American countries, Mexico, looking for a better life. Probably about 70 percent of the people we serve are Latino, about 15 to 18 percent are African-American, about 7 to 8 percent are Asian Pacific Islander and then a mixture of everything from caucasian to, you know, the metroplex of the world here in Los Angeles.

Mr. SOUDER. Are 100 percent low income in that area or some middle class?

Rev. CARR. Yes, in our immediate neighborhood that we serve, 44 percent of the people live at or below the poverty level. So largely

from very low income or just above the poverty level, people that would come to our services.

Mr. SOUDER. Mr. Carrasco, one of the things we have been debating going back and forth, or maybe we will wind up doing both if we can get them both in, but either doing a field hearing in Philadelphia or Boston. So you have given us a lot of information that suggests on top of some other groups why we should be looking at Philadelphia and the efforts of the organization there.

Could you tell us a little bit about the family center that you work with up in Pasadena as well and how that has really changed the neighborhood and how we deal with the fact that often when we tackle and get an area turned around, the problems move to another area and/or do we solve the problems, in fact the area disappears? Which and how do you balance that?

Mr. CARRASCO. Right. We are almost victims of our success at the moment. Harambee Center was founded 20 years ago, 1983. At the time we had the highest daytime crime rate in southern California. And the anecdote is that there was a movie called "American Me" that came out around 1992 with Edward James Olmas and that portrayed the rise of the Mexican mafia in the California prisons. And the name of the black gang was the BGF, the Black Guerilla Family. In real life the BGF was headquartered in the house where we now do children's Bible clubs and all sorts of activities, where two churches meet.

John Perkins and his wife moved in there in 1982 after dealing with the Klan for 22 years in Mississippi. And through their faith they felt they saw God take care of them and respond, started there.

And so the neighborhood was just a wild, wild shooting gallery. And you visited in 1985 and then again I think later in 1992, and you saw the changes.

I think you could extend it out. What has happened in our community, our efforts yes, but also the police, churches, schools, all sorts of people came together. What was important was to have a person like Perkins who did this pretty courageous thing of buying a home on the corner next to the drug dealers. And so we were rallying point, but there were many agencies that came together.

And so we have seen the change. And in Los Angeles, in our particular neighborhood, it went from being about 85 percent African-American, 10/15 percent Latino to about 55 percent Latino now. And in particular, our houses are turning from being renter occupied to owner occupied. Housing prices throughout southern California have just shot up. And so a lot of the families that we work with historically, they used to—when they would evicted or something crazy would happen in the house, they would actually just rent a block away.

Now what happens is that there is less of that rental stock and families simply move. And it is something we have been debating in strategic planning as we think about, you know, what exactly should Harambee do. Because if and when you come and visit, you are going to be kind of shocked because you are going to see a lot of lawns that are nice and green and cut, neighbors talking to each other. We have worked very hard at black and Latino reconciliation. For 7 years John's son Derrik Perkins and I walked the

streets together and we said besides whatever we preach, we are going to demonstrate that African-American and Latino can work together and live together.

And so there has been a lot of change there. And a lot of the new families are still struggling, especially a lot of Latino immigrant families that will tend to have two or three families in a home. But a lot of the African-Americans we are working with have moved away.

In this area, if you are familiar with Los Angeles at all, there is an eastward movement out toward Riverside where Lee's group does a lot of work. Also to Palmdale and Antelope Valley. And we have been tracking these over the years because in our work our vision is 10 to 15 years of development. A kid does not have a father, you can have some programs and, you know, they graduate from high school, they are 19 years old and they still need somebody. That is why the government understood this and came up with the emancipated foster youth concept; a great concept. And now churches and other groups need to realize that people need to land in families.

I have a kid who is 22 years old and I thought I was done with him when he was 20 and he went to college. The second day in college he called me up. He did not want money, he did not need anything. But he was hurt deep down, he was afraid and he was lost and I was there for him. And I had just written him off. I had finished my project.

So when we are talking about our work at Harambee, long term indigenous leadership development that is exemplified by the great work of Bresee, we are talking about how we find people who are these moving targets. And communities of faith do that. I do not have to explain that to you, and that is just sort of another checklist of why we need to partner with communities of faith.

I do not know exactly what we are going to do, because the process continues in Pasadena. The schools are slowly beginning to improve. Crime has gone down. It is a great place to be. We are 15 miles from Los Angeles. Every house that gets purchased is either a Latino immigrant family or we are seeing more white and Asian and other middle class folks who are able to buy these $300,000 houses. So we are trying to figure out exactly long term what our center is supposed to do.

There is still a tremendous amount of need. There are still a lot of families in pockets that are not going to go anywhere, especially because a lot of historic African-American and some Latino families own the house, paid it off 20 years ago. And so the kids and the grandkids are going to be there. And so that is a little bit of the thought there.

But we are finding, and I do not know who in the region or the State, perhaps even L.A. County area is talking about this, but I do not think this is Harambee's particular vision at the moment. But if I was so inclined, our immediate move, we would leverage our nine properties that Dr. Perkins bought and paid off, $2 to $3 million worth, we would go buy properties in Pamona, in Antelope Valley and we would establish other Harambee Centers in those places that do not have the amount of social services that Los An-

geles has, and that we have. And there is tremendous need, but there is a lot of services in his area, same with us.

You have areas with heavy population booms. In the Riverside area and in this Palmdale/Lanscaster area that have very few services and do not have any of the sort of history or the base that we have, they do not have the citywide capacity.

This is something that we are going to see increasingly throughout the country as we see the Latino migration continues. You know, whatever happens with this immigration bill, I think we are going to continue to see the Latino populations and low income Latino populations growing throughout the 50 States, as well as heavy movement by African-Americans.

So there has to be a way that not just the capacity that is built with organizations like ours—I do not even know if this is the Government's role—but that somehow our organizations are also supportive of other groups in those areas that do not have the support to follow through.

There is one particular detail that was just—I do not know if we throw it now or later, that no one every talks about is actually a piece of the faith-based initiative that I was most excited about. The President talked about not just working with reforming the bureaucracies in Washington, but talked about getting business and private individuals to give more. So public and private; all the attention has been paid on all this public money. There is tons of corporate money. You know, how does he say it? He said that businesses do not have a church and State problem, but they act like it and they use to sort of squirm out of their civic or corporate responsibility.

I have not seen much attention, you know, bully pulpit type of attention being paid on that. With individual giving, I know that it was really difficult to get it through Congress in terms of rate. I do not even know the terminology, but increasing the credit or deduction for contributions to charitable organizations.

Harambee Center is entirely privately funded and we have been considering this entire initiative. We are very cautious historically and even now. But something that has sort of used the bully pulpit to encourage businesses, and to encourage individuals to give more, that benefits us tremendously.

And I have been disappointed to not see much attention paid there.

Mr. SOUDER. The big problem here is how to keep me disciplined in the questions. But let me go next to Mr. de Leòn. Your testimony has been very helpful in clarifying a number of things, and I have lots of different questions. If I do not get them done here, we will do some followup at another point.

I want to address some of the things that each of you have raised, too, but I want to make sure I ask the questions I need to get fact-based first.

Mr. de Leòn, you raised a number—is it Reverend?

Rev. DE LEÒN. Yes. Reverend.

Mr. SOUDER. OK. That you raised, particularly toward the end. On your 501(c)(3) you said to date things have not changed as far as expediting. Where is yours held up?

Rev. DE LEÒN. I do not know. We have not heard back from the IRS. It has been there a number of months.

Mr. SOUDER. And is——

Rev. DE LEÒN. We did receive a little card indicating that they had received it, but not more than that.

Mr. SOUDER. Did you attend any administration forums out in this area on this faith-based initiative.

Rev. DE LEÒN. Yes, there have been.

Mr. SOUDER. And did you attend any of those or did anybody from your church attend any of those?

Rev. DE LEÒN. Attend?

Mr. SOUDER. The administration's faith-based forum. And when they did that, did they have any assistance there or suggestions of how people could put together 501(c)(3)'s?

Rev. DE LEÒN. I have not attended those sessions, no.

Mr. SOUDER. You have not?

Rev. DE LEÒN. They have filled up pretty quick. But basically our attorney just handled us. And the attorney has done well, I mean very good work in the past so I do not see any problem as far as the application and all. I think it is just regular red tape that slowed it down.

Mr. SOUDER. One of the things should be that it does not do us any good to go around and encourage everybody to form one and then have it take so long that they lose enthusiasm. This is something which needs to be followed up. I was trying to figure out what the deal was.

Look, I am an unapologetic conservative Republican, so I with trepidation ask this question of Reverend Carr. When you went to the conference did you go yourself?

Rev. CARR. Actually, they had one in Los Angeles with the Mayor's office, and I was invited to share our experience, more I think, to encourage others.

Mr. SOUDER. Was it a primary function similar where people share their experience or did they have any technical people there, any suggestions of what people can do? Has there been a followup?

Rev. CARR. I did see a lot of technical assistance being provided that day. I saw it as more of a introductory kind of thing to get people to begin to talk about it, at least the one that I was at, at the Mayor's office.

Mr. SOUDER. You also said can anything be done about the high cost of grant writing. One of the things that I'm intrigued with, and I would like all three of your reactions to this, and why you think something like that has not been done before either at the State or local levels, forget Federal for right now, or even at the private sector level and whether you think if the Federal Government did this whether it would be useful?

When I was in graduate school and most people know two things about me in Congress. First off, I am outspoken evangelical and second, I'm a Notre Dame Hotdog, which is somewhat different from each other but I went to grad school at Notre Dame. And in the MBA program one of the things through Score and Small Business Centers that you do as part of your curriculum because Notre Dame has a requirement for social activity in the community as part of getting a degree there, is that they have business students

go out and as loan applications come in, particularly from the urban areas around South Bend or Elkhart or compared to Los Angeles, these are not urban areas. But they are big urban areas compared to my hometown and others.

You go in and you help people who are looking for small business loans and other things. I visited them here in Los Angeles. You have Small Business Centers in job development and entrepreneurial centers that are usually a mix of government funds and private sector funds where as a company wants a startup company, they can go rent space in the building. They have a shared secretary. They have shared phone systems. And then as they get a little bigger, they can move out.

The question is why have we not done this in the social service area? In other words, for grant writing, for example, I have been talking to one university in my district about getting a building where the social service organizations, particularly the smaller ones, could pool rent, could pool the secretarial, the copy machines, the fax machines like they do in the business area. That students from the local universities could come over and volunteer, possibly either get credit, whatever, with that. Do you know of anything like this in the social service area?

Let me give you another example. When I worked as a staffer in defense contracting, because the area I come from in Indiana is a big defense contractor for parts, probably parts all over the city, that come out of my area. It's auto, truck and defense contracting. Most major defense guys are there, particularly defense electronics.

Now one of the things that we do there is line them up with Federal contractors. But not every person. In fact, if anybody can figure out how to read the Federal Register bid process. I mean if you think it is hard in social services, try reading defense. That trying to figure that for 7 days in the month of June they are going to be looking for this kind of bar, a piece of steel and they do not tell you how many they are going to buy or at what price, is confusing. Larger companies have people who do this the whole time. But smaller companies have banded together, and we did it through Job Training Partnership Act for a while where we have brought the grant book in there. We jointly through the job training program and pooled money paid the person who looked for and then tried to identify small contractors who could go out and bid for defense contracts. Why is this not done in social services? And what are the flaws to this being a proposal from us as one of the things the government should be looking at?

In other words, because this is a classic thing. Unless you are great big and even if you are great big, it is confusing.

Rev. DE LEÒN. I am just concerned with startups. And people just getting going in the process.

First of all, I mean the struggle getting your status. And second, the whole faith-based initiative has initiated something within our community that all of a sudden these little businesses are starting up left and right, grant writer are getting going just in time and asking for just enormous fees.

Mr. SOUDER. Like the University of California system said each of our branches we are going to have in the business department or the sociology department an outreach program where students

can help hook up and the university system will buy the Federal Register grant books, make them available at one place?

Rev. DE LEÒN. Well, it's not being done that I know of.

Mr. SOUDER. Have you heard of anything similar?

Rev. CARR. I mean, part of the issue is grant writing, but what we are really talking about is it is not just grant rates. Organizational capacity. And I think, because when we were first getting started it was not just grant writing, but it was management, it was accounting principles, it was all that kinds of stuff.

There is a great example here in Los Angeles, it is an organization called Community Partners, which is really a nonprofit incubator. And it was set up that way. They have over 180 projects, I believe, presently. And it is basically a place where someone comes with an idea, which is how all nonprofits start, about wanting to address some particular problem, they have an internal process then as to how they will determine whether or not to take on a project.

Mr. SOUDER. And who is this group?

Rev. CARR. It's called Community Partners. It is not a faith-based group. A guy named Paul Vandeventer who actually was a program officer for the California Kidney Foundation and did some other philanthropy work. I think from his experience of having grantees come to him, said you know a lot of people need kind of that capacity support. And so he started, I believe it was about 11 years ago, this Community Partners which was kind of this nonprofit incubator.

And I think it is a wonderful example in Los Angeles of where people with ideas and people who really want to focus their efforts on kind of the grassroots work do not get bogged down completely by the requirements, be it in terms of reporting your 990, you know, filing all that kind of stuff. They provide that kind of institutional support. And then as the programs grow over time and decide they kind of want to move out on their own, then they are able to launch out onto their own once they feel like they have the capacity to do that.

And I do think that is a fabulous model that ought to be replicated.

Mr. SOUDER. We will get the information.

Rev. CARR. Yes.

Mr. SOUDER. Because I want to followup and see whether there is something that we could try to encourage or try to develop that would also include faith-based.

Let me ask you another question. In that incubator model, without trying to pick on it because we are holding it up as an example, one thing you get; I do not want to be like an attorney who is afraid to ask a question that I do not know the answer to. But is that group fairly widely known or accessible to small black and Hispanic groups as well as larger organizations?

Rev. CARR. Yes. Actually, I mean it is really designed to help the grassroots group and they are very diverse in terms of the people.

Mr. SOUDER. Well, that is a model. Part of what was behind establishing the faith-based initiative, I'm going to digress and make a couple of comments with this so then we kind of zero in on the, also got to watch the clock, zero in on where I wanted to head with

a couple of the questions and what we are looking at, trying to point toward. Because you all have thought about the subject some and have seen pretty much the enormity of the problem.

Let me ask you another technical question first before I get into the legal question. Let me just go down the row.

Do you require a statement of faith before somebody works in any of your projects? In other words, would you hire a Muslim in your organization?

Rev. DE LEÒN. Well, we have the two 501(c)(3)'s, I mean one developed and the other one established. So certainly on the church side no. And on the non-religious side, we will accept applications from just anyone.

Mr. SOUDER. Because there is a lot of misunderstanding. By law everybody has to cover anybody who comes in. But one of the fundamental questions and one of the reasons that many of us believe you have to have a 501(c)(3) is it is clearly not going to get, it is absolutely clear, but there are going to be more restrictions if it's going to a church than a 501(c)(3).

So you have a 501(c)(3) that is separated. The 501(c)(3) you are talking about that has not been cleared is for the CDC?

Rev. DE LEÒN. Correct, yes.

Mr. SOUDER. And so are all the ministries you refer to, the outreach programs you refer to part of the 501(c)(3) that does not have the hiring?

Rev. DE LEÒN. The ones that were mentioned, the charter school, the senior business enterprise; those are under the CDC. The other after school centers are under the church, yes.

Mr. SOUDER. So there you would have a statement of faith requirement for your staff?

Rev. DE LEÒN. Right.

Mr. SOUDER. Let me ask you a question. Well, now I am going to step back a second before I move through the rest of these questions. So you understand, this is why the legal question becomes important.

When we move forward with different faith-based initiatives, I mean the truth is for 20 or 30 years faith-based groups have been getting funding. That has not been the question. And let me be real blunt. The implementation of the legal initiatives have been erratic over the years on hiring questions and so on. Because the first area was homeless. The first area was actually AIDS and AIDS homelessness. And the only groups in the early 1980's that took them were faith-based groups. This is how it started under HUD under Reagan and major faith-based funding because people who did not have faith, they thought if they caught AIDS and died, some of the only people that would take it was faith-based. So nobody cared who they hired. They did not care if they were all Christians and had a statement of faith because nobody would take care of people with AIDS.

Then it started in the homeless area. And under HUD they had a major homeless initiative where they did not ask the legal questions.

Furthermore, we can argue about why this is, but historically the Hispanic and Black community have been treated somewhat differently in this category than the White community on the grounds

that faith is part of their culture and therefore they had more flexibility in government grants. So that while grants going to, for lack of a better word, anglo groups had one set of legal scrutiny, things that were going to Black and Hispanic groups had less legal scrutiny.

As we have now moved into competitive areas, specifically drug treatment where unlike AIDS and homelessness you had people who wanted the government funds, now they want to know precisely what is being done and if the law which was a danger during one broad bill like the President proposed as opposed to doing it agency-by-agency, now we are being asked legal questions and going back to things that nobody has questioned before.

Let me give you an example. The classic questions are statement of faith. This also means what about if you were part of a faith group that believed homosexuality was a sin and you had a person who was a known open homosexual on the staff?

What about, and this really gets into the question of drug treatment, if you had somebody that you knew from your church and other people told you was distributing narcotics but they had not been convicted in a court of law, would you fire them? If you have a Federal grant, you cannot unless it has been proven in a court of law. But a church would view it as compromising their integrity.

For example, somebody who is supposedly beating his wife is in family counseling in the church but she has never filed a suit, you cannot take them out of a family counseling center. Your rules under government funds are different than under other funds. This is where the rubber really starts to hit the road. This is not just a statement of faith. This is even a 501(c)(3), an outreach of your church such that some of those things are beyond a statement of faith and if those kind of restrictions start to come in because of legal scrutiny because we are now in battlegrounds where other people want the money, bottom line, now how does that impact a 501(c)(3)? Because there is no question of this.

If the group has nothing that is unique to their faith, in other words hiring practices, requiring a prayer at the start of the meeting, requiring them to go to Bible study; if there is nothing unique to their faith, you are not applying as a faith-based group. You are just applying as a group for a grant, which is not wrong. You could have different arms of the same ministry under the same roof, some of which you very accurately in my opinion described. Giving out a shot to somebody, you can be motivated by faith to give the shot, but it is not a faith-based requirement with it. But quite frankly, so could somebody working for the government who is giving a shot, be it a Christian who is working for the government because they wanted to give shots to the poor. Your organization is really no different than a government organization, per se, in doing that. You can have a Christian who works for the government, you can have a Christian who works for your group.

The question is are there unique things in your ministry that even in a 501(c)(3) is going to get us into some of these legal questions?

Rev. CARR. First of all, we do not have a statement of faith for our hiring practices, but we do have you have to basically agree to our vision, mission and values, which are very faith oriented. And

so we would ask someone in an interview, for example, let us talk about our vision, mission and values. Are these vision, mission and values that you can support that are embodied in who you are as a person?

And so we have a conversation about that. And that certainly does have an influence on who we hire and we do not hire?

Mr. SOUDER. Could you make sure that we get a copy of your vision, mission and values?

Rev. CARR. Sure.

Mr. SOUDER. And that is one thing I want to run through legal counsel as we start to look at this. And we will identify where it is.

Rev. CARR. Right.

Mr. SOUDER. But just to see, because that is the kind of thing we need to know because we get too many organizations hooked into any Federal funding with this type of thing.

Rev. CARR. Yes.

Mr. SOUDER. Because this looks like it could be a compromise. So in other words, if there is nothing uniquely that separates, for example, Muslim, Buddhist, Christian and Jewish groups for example, you do not beat your wife, you are not using narcotics.

Rev. CARR. Right.

Mr. SOUDER. You are to help other people. We might cover some of the categories. Homosexuality is still going to be a hot thing.

Rev. CARR. Yes. We have people, you know, everything under the sun in terms of protestant Christians, Catholics, Jewish folks and I feel like it is a good place for us to be. But everyone is clear, we are there because of our faith and because of these vision, mission and values.

Mr. SOUDER. On the health clinic side?

Rev. CARR. In everything. We do not divide out, spin out this portion.

Mr. SOUDER. So would you hire a Muslim at the health clinic?

Rev. CARR. If they would support the vision, mission and values of our organization, if they could say that this is something that I commit to.

Mr. SOUDER. Is there anything in that, that suggests upholding, you started out with God.

Rev. CARR. God calls us to offer hope and wholeness and work toward reconciliation and empowerment and justice.

Mr. SOUDER. That's pretty broad.

Rev. CARR. It is fairly broad, yes. And purposely we have not defined a very narrow, even though our roots are evangelical Christianity, we have not defined a very narrow evangelical mission statement because we want to have a broader group of folks who can work with us and share in terms of this work.

Mr. SOUDER. It is not clear where we are heading as a country whether even God will survive in the Pledge of Allegiance, for example, and the court case. That is going to be really interesting. Because if it is not upheld in the Pledge, which is indeed for kids which is a little different in many cases, but even that is considered, and we have several legal battles inside the court system that are going on.

One is between kind of very conservative protestants and Catholics and Orthodox Jews and Muslims who tend to want to be able to have a statement of faith versus more liberal branches of all those religions.

Rev. CARR. Right.

Mr. SOUDER. And then you have the whole group that does not want any acknowledgement of any higher power, basically secular humanism.

Rev. CARR. Right.

Mr. SOUDER. Which is really the predominate court case route right now as opposed to the kind of the religious movement argument we are having.

Mr. Carrasco, what is some of your reaction to this?

Mr. CARRASCO. This entire discussion is why we have stayed away from government money all these years. Now, it is something where we are exploring because the initiative came along. I am familiar with the sorts of things that Jeff has described.

And even in our articles of incorporation the lawyer who drew that up, he just looked at me and said this is the most brilliant document he has ever seen. You can do everything and nothing with this language right here.

As you stated, and Jeff and Lee, we have that capacity to flex and move.

We are kind of a prickly group. I mean, I think our longevity is partly based on our ability to make these strong decisions promptly that we feel a need to happen. So I am often letting Christians go because they do not quite fit in with the vision of our organization from the staff. So anybody else who comes in, we reserve the complete right and freedom to do exactly as we choose, and that includes kids and families and anybody else who steps on the property.

And again, that said, our school is separately incorporated. And the center is religiously incorporated. The school is not. And so the school, if and when we do move forward with Federal funding or government funding, it will probably be the school that makes the first foray there. And then we are just going to test the waters.

I have been listening very closely to Jeff's testimony here. And we have not run into anything yet, though.

Mr. SOUDER. Let me suggest a couple of things we are really looking at in this report, and you all have touched on all of them.

Rev. CARR. Could I just add one more thing to this whole, because it sounds like you are going to move on?

Mr. SOUDER. Yes.

Rev. CARR. I know, I read the papers enough and listen to enough people. I know there is this raging conversation about this. But in our neighborhood, I mean everyone from local elected officials and State and government officials to government bureaucrats in Los Angeles, now maybe we have been around long enough where we have nurtured those relationships. My business card says Reverend Jeff Carr. With every grant proposal we ever send, we send in our vision, mission and values because we want people to know what those are.

We are not struggling with this argument. No one is coming to us and saying, you know, you are a reverend. You know, are you trying to do anything subversive here.

Most people are like, you know, thank God you are in this neighborhood trying to work to change. And the fact that you have lived and worked in that neighborhood, because I have lived about 10 blocks from the center for 16½ years, they are more enthralled with that because they know that somebody is serious about change than they get all bent out of shape about this whole dichotomy of faith.

So just to kind of give you a reality check that on the ground, at least in my neighborhood, that is working.

Mr. SOUDER. That is extremely important to put into the record. And once again, it is extremely important to identify and make it clear to anybody who reads this hearing report what your neighborhood is. Your neighborhood is basically a resource challenged low income neighborhood where not a lot of people are running to try to put the money in, so you are an additive?

Rev. CARR. Sure.

Mr. SOUDER. Where we run into the problem, once we start to go into the government programs, is if it becomes a competition for where the money is going to go. To protect large groups of money outside of your neighborhood, they are going to, if necessary, come back and reach into Reverend on your card.

Rev. CARR. Yes. I mean, we compete for some of those dollars right now.

Mr. SOUDER. Well, I mean if it is not you competing heavily.

Rev. CARR. Right.

Mr. SOUDER. And where this really started to get tough is when it started to go into Head Start, when we started to go into drug treatment, when we started to go even into juvenile delinquency where there are much larger bureaucracies and that they realized that 70 percent of their money could be endangered by faith-based groups. Because there is no political and not much rationale to the opposition that is developed to the narrow tardiness of the faith-based program. Like you say, why would people be against it? Because in the local neighborhoods there is not the opposition. So the question is, how did this opposition arise? But it is intense.

And furthermore, it is Constitutional at this point. And that the first group in your neighborhood that gets a multi-hundred thousand dollar lawsuit thrown at them because they have Reverend on the card, the rest of them will be chilled. And that is what is happening in part of the country and what we are trying to figure through. Because there is going to be a couple of guinea pig cases here around the country. One of the goals should be, do not be it.

Rev. CARR. Maybe I should not have been here today, huh?

Mr. SOUDER. No. And I do not think they will. I do not want to get too deeply into the legal thing here because I want to test some other ideas with the time here.

One was this incubator grant writing, and you have given us a great name here to pursue.

Mr. CARRASCO. When the President came and the——

Mr. SOUDER. Steve Goldsmith from my home State was supposed to be initiating that. For a number of reasons they ran into some

roadblocks, one of which was the corporations were extremely jumpy in the lawsuit area and all you have to do, if I have said it twice, I am going to mention it again. All you have to do is say the word homosexual around any business organization in the United States right now, major philanthropy, and they will just turn white as a sheet. Because this is a public argument that they do not want to engage in, hiring practices.

And so second, if you mention the word Jesus you will see them turn just as white; God a little less. But what we have learned early on in the corporate philanthropy movement is we were actually fighting as big or bigger as we were in the government side. Now that is to say that individuals——

Mr. CARRASCO. Because of the fear of lawsuits?

Mr. SOUDER. Fear of lawsuits, but even more so, fear of letters, boycotts, protests, being seen as a religious right wing organization when they are trying to sell the product to everybody everywhere in the world and large communities. In getting the biggest trusts, Ford Foundation, Lilly Endowment; those big foundations in the country tend to earmark.

Now, what has happened is the foundation movement has split and you have Philanthropy Roundtable and other foundations that are more willing to do this. But what has to be part of our initiative is how to match private sector resources with this.

Now part of what I have been brainstorming and I know they are in the administration, too, is how would you have fair analysis done of this dilemma? In other words, one way to do this would be to have the regional meetings that the administration does. This would not even have to have anything come out of Congress, the administration could just do regional capital resource management meetings around the country with foundations and bring people in. How would you do it? If you want to submit anything written to us, suggestions on what would you do to identify what you so correctly called capacity, the resource and outcome orientation. Lilly's in my home State. They're mostly tied to home State, but they are now about the second biggest foundation in the country.

But let us say that Lilly came in. They have not been in Los Angeles. There are 1,000 groups that come to this meeting. What kind of checklist, how would you have a process implemented so they could sort out who is the hustle and what is real?

Mr. CARRASCO. Yes. I think that this intermediary concept plays out. Is just critical. So that my interest in Nueva, I am not a staffer, I am not a board member. And these are friends of mine and I have followed this movement very closely. And its uniqueness is that it is hitting a sector that simply was never hit, Hispanic churches. And capacity building was the very appropriate thing because some groups should take the money, some should not. As Jeff said, I mean whether it is public or private dollars, do you want to slip these folks any cash or not? Are they going to handle it well? And there is no way around the fact that they are going to have to build capacity. There are no ifs, ands or buts. I do not care who are, where you are coming from. Either you are going to manage the money or you are not. Now that is where these intermediaries come in.

Nueva comes in and all the basic argument that there is a certain amount of trust built in because they shared safe ethnicity. And so there are a lot of groups that merge with another example. The Community Partners thought.

I would say that there are some groups that are not even ready for the Community Partners. And so you describe this group that can come together and in various parts of the organization can provide support. My feeling with Community Partners is that they do a good job and they are kind of mid to high level. There are a lot of groups that would not even make it in there.

So the idea that a school like an Azusa Pacific or Fuller Seminary or a local college, Cal Tech has for some of the grad students as you were talking about with the business school, these certain projects to go in and to sort of walk hand-in-hand with the group. This is tremendously important because eventually that group is going to be able to walk into Community Partners with some confidence in knowing what they need to do.

So there are stages of intermediaries that are needed. And so when a Lilly hits the ground, I would hope, and I am just learning this also. We were just rejected for a foundation grant. We expect to get it next year. They said simply we just did not have enough staff to do a thorough evaluation of your group so we had to say no because we had not done our leg work. It is going to be very hard for Lilly or anyone else to come into Los Angeles and to be able to go into the community and identify all those little, little groups. So we need multiple intermediaries. We cannot just rely on Nueva. And there are other groups that are around there. And these people are sort of doing the vetting and making sure that folks in groups are legitimate.

Mr. SOUDER. Because the scrutiny is going to be overwhelming from the media. The first couple of people rip it off.

Mr. CARRASCO. Yes. Right.

Rev. CARR. And I think Community Partners, the good thing and, really, I have known Paul for 10 years since I met him before he first started that. But they not only provide the incubator services, but they also provide technical assistance. A lot of the support they actually generate from other foundations and government grants is to do technical assistance for providers out there, for people who are trying to get these resources.

I mean, actually to respond a little bit to Rudy. I know a guy who had an idea. It was called College Match. He wanted to help kind of your second tier of kids from really lousy inner city schools get into really good colleges, your really high end private liberal arts colleges, and stuff like that. It was an idea. He came and talked to me first. He did not have all the capacity and the infrastructure to start that up. I sent him to Community Partners. He went to Community Partners. He proposed his idea. He has a good concept of what he wanted to do. He became one of their sponsored projects. So now any money he raises, you know, it goes to his fiscal agent. They take a certain amount, a percentage for capacity, fill out and file his 990 form. And so it is a great deal for him.

As that program grows, if he chooses for it to grow and he wants to take on the capacity, then he can do that.

But I think one of the challenges, I have been at Bresee since we had $20,000 and had a half time staff person at Bresee and a half time, it was split between the church and Bresee. It took us a long time to develop that capacity. And in some ways it pulled people like myself who were doing, you know, I was on the streets everyday with kids for the first 7 years. I had to make a decision at some point. Either I had to help the organization develop capacity which pulled me away from what I loved and what I was good at, which was working with really hard core teenagers and pull that away and build some capacity in the organization so that we would be able to help more teenagers or just continue doing what I do.

Mr. SOUDER. Well, we had one witness at our Charlotte hearing who was really tremendous, and that was one of his themes. And he had looked at one of the other witnesses and said, and part of the reason one of the other witnesses saying they were resource challenged is because you really have a heart for helping people, you do not have a heart to be the head of the organization. Because if you wanted to be the head of the organization, you have to be willing to raise money and build leadership.

Rev. CARR. That is right.

Mr. SOUDER. And that is part of what I know. I know Taylor, IN is doing a lot of this with different groups in reaching in and trying to build capacity. It has to be more capacity. Sometimes I think some of this current leadership stuff is a little bit fluffy to somebody who has an MBA, but you also have to have accounting leadership, how you do the financial, how you do recruitment, how you have accountability.

I wanted to followup with the other thing you had, Mr. de Leòn, this Esperanza.

Rev. DE LEÒN. The project?

Mr. SOUDER. Yes. Could you describe, because one of the other things that Les Linkosky when he was head of Americorp and John Bresland, although I think he's still at Peace Corps, came to me with proposing my district run a test on this, and we have not yet. But to run almost like a volunteer fair where you would have some of the government agencies in, so you know you've got some credibility and some screening with it. We put in the new Americorp Bill that faith-based organizations are eligible. That one of the things that Americorp is supposed to be oriented toward is not just paying the volunteers, but paying the coordinators for the volunteers. Because often you have the volunteers, you just do not have anybody who wants to say who is going to go which days and how it is going to be organized.

Similar things with Peace Corps, Vista and so on.

Could you describe what you are talking about in yours as to where a similar type thing, where we bring in the different organizations, where you would promote it in the churches and in the community to say look, here are different organizations looking for volunteers that would do different things. Or you could promote it from a services standpoint of here are different people who provide different services in the community, come in and if you are a potential utilizer of the services. This is a concept that we have been rattling around with.

Could you describe what you are talking about?

Rev. DE LEÒN. Well, the event is basically focused at the community and trying to bring the community in, expose them to what community-based and faith-based groups do. And it is coordinated by faith-based groups, primarily our church.

And in the past we were having up to 100 different community groups come together and do that. So it is a great opportunity.

Mr. SOUDER. Looking for volunteers?

Rev. DE LEÒN. No. The focus was not to gather volunteers. It was to expose the community to some of the community services, right.

Mr. SOUDER. So it was not necessarily even, say, somebody who was homeless would not come in trying to figure out who provides services?

Rev. DE LEÒN. Yes, yes, yes.

Mr. SOUDER. So it was service oriented?

Rev. DE LEÒN. Service providers in our community just letting the public know what they were about, what they were doing. And the service providers are excited about events like that because it helps them, you know, reach out to the public.

We also just did a big give away of toys, gifts of different kinds and food. So it was very attractive to the surrounding community. But it also, because it is a long planning process, it is a way of bringing the various service providers together. It exposes some of the non-religious, non-faith-based groups to faith-based groups in their community and what they are doing.

So it was community building. It is a great event. But we are not trying, you know, some individuals find organizations that they want to continue to be a part of.

We do mobilize over a 1,000 volunteers to put on the event. Last time we did it we had about 1,400, 1,500 volunteers just to host the event. And it is done at the local stadium.

Mr. SOUDER. It is not to say that you could not do multiple things at the same thing? In other words, you might have some people that are looking for services, others just curious in the community, some looking for a place to volunteer. And then you always hope you can have one or two people and they are big donors coming in incognito to look for some organization that strikes their fancy.

Let me ask, Bob Woodson years ago raised this to me and I raise it and watch everybody get upset and tell me all the reasons why it cannot work. But it still drives at a point, and I would like your reactions to it. And that is the zip code test with a certain amount of our grants. That you do not get the grant unless you live in a zip code where the grant is being implemented.

Mr. CARRASCO. If you are the head of the agency or what do you mean?

Mr. SOUDER. This is something you could have a great Federal idea, say we are going to do a zip code test, and then obviously that is the question. Part of the problem is for years and when I first became the Family Committee's Republican staff director years ago, Bob told me don't be a typical White guy who sits on your duff and tries to figure out what is going on in the urban centers and figure out your solution. Go out and listen to the people.

And one of the things you clearly see is effective groups are based in their neighborhoods. So the question comes how do we match that up? And you can tell a lot of times they would say, or Gene Rivers in Boston is a big proponent of this whose staff told me we can always tell who got the government grants. They come in here 9 to 5. You can see them wandering through the neighborhood. Then about 5 or 6 they go back out to the suburbs while we are left with trying to fix the pieces because the real problems here occur between 6 p.m. and 6 a.m. and not 9 a.m. and 6 p.m. I have seen that and heard that all over the country. So how do we address that in our government grants?

Is one way, yes, maybe the head of the organization doesn't. But does a certain percentage of the staff have to live there? How do you address, because that leads to a very explosive thing in these kind of debates, which you raised earlier, which is indigenous leadership from the community who are responsive to the community.

Anybody want to tackle those?

Mr. CARRASCO. I have never even imagined anybody trying to deal with that problem. And we just know anecdotally from our experience that, you know, this whole idea of poverty pimping and there are people who come around and get the money, do a few things and leave.

I mean, philosophically we share a lot with Bresee. I live next to the corner liquor store, bought the house. Have been there for 13 years.

And so when we measure effectiveness or even when I evaluate who I am going to partner with, that is one of my tests.

I have never even imagined that at a Federal level or a government level that that would be required. Certainly for effectiveness it would jump through the roof. Now whether or not you should do that, I do not know.

Rev. CARR. I would welcome it. We would be more competitive than we are now. Because about 70 percent of our staff lives in our service area, and I own a house.

Mr. SOUDER. Would you not estimate from watching that the reverse is true for most programs that are federally funded?

Rev. CARR. Yes. I do not know. Well, not necessarily Federal funding. I think a lot of people do not want to relocate or to stay in a neighborhood that has very challenging circumstances. But, again, I think for Rudy and I, I know this because we know each other and we have talked, I mean the reason I live in the neighborhood where I have worked and always have, is because that is part of my faith commitment. I mean, that is a direct result of trying to be incarnational in my approach of saying that, you know, if I am going to be in this neighborhood and I am going to try and solve the problems in this neighborhood, I cannot solve those problems from a distance.

Mr. SOUDER. Freddie Garcia believes his ministry would have collapsed if after it got successful he would have moved out.

Rev. CARR. Yes. My kids, I mean I will be really honest with you. My son is 4½, he starts kindergarten in the fall. And we are struggling with where he is going to go to school because we are committed to public education. Because I do not want to just talk about it, we've got to figure out a way to change the public schools and

then disengage from the public schools by putting my kid in some hooty tooty private school someplace. I am trying to figure out how am I going to navigate with my son and not make my son and my daughter, who is 16 months old, an example because of my faith commitments and my work and what I am trying to accomplish in the neighborhood. But that makes it when on my professional side I am trying to figure out how to transform the L.A. public school system as it exists in my local neighborhood, you had better darn well believe I care about that. You had better darn well believe I care about drive by shootings in my neighborhood because I do not want my kids to get picked off by that. I care about the fact that we get more parks in our neighborhood because there is no place for my kid to play. The park that is going in on Thursday, my son is as excited as anybody in the neighborhood. Because he has been watching from day one. "Daddy, I am going to have a place to play on Thursday."

Well, that makes a fundamental difference in how you approach the work. I mean, it is not just 9 to 5 and then I go home to my nice quiet little suburb. This is my life 24/7. You know, I hear the helicopters every night.

And so, you know, I think that does make a fundamental difference. I mean you can see my emotion just getting more revved up just talking about it. And I think people who do experience and live that, that does make a fundamental difference.

Mr. CARRASCO. And maybe in the course of the scoring of a proposal, I do not know. Somebody held me here. But maybe there are a few points added if principals or certain percentage live in the zip code test. I know that at least for the Compassion Capital Fund there were certain points if you had a faith-based partner or were faith-based and you are actually penalized in that process if you did not. So maybe perhaps something similar to the zip code test would help.

I did not want to cut you off.

Rev. DE LEÒN. No. But like in Rudy's case, you know, at this point it would work, but what in the future if he moves out to Pamona and sits in another base somewhere else, spreads himself? In our case, we work in two or three cities. I guess you could require a percentage of the staff to live in that particular community.

Mr. SOUDER. I am trying to figure out a typical government way of trying to figure out a macro answer to a question. But it is, I believe, one of the bigger problems that we are dealing with, and that is that if you accept the principle that the most effective groups are in the neighborhood living there and understand the problems, why aren't the dollars getting there? One is the capacity building of the people who are there so they know where the grants are, but also how to implement grants, what kind of paperwork we require because it is now taxpayer's money or outside investor's money, not your own money. And the second thing is then how they stay there and this money does not even have all these levels of bureaucracy to take the money off before it gets down to the community. So we may appropriate $100 million. By the time it gets to the neighborhood, it is $10 million.

Somehow trying to wrestle with this question. I know we are at the heart of a big question, but how to fix that is really challenging.

One of my friends under the Reagan administration tried to implement much more flexibility, quick grant applications and what they found was then they got hustled, had a bunch of breakdowns, news media stories on people who cheated because they saw that the accounting and the background was not as much, and set back the whole program. And this is our dilemma of how much kind of white middle class regulation business school accounting to put on people who are motivated by heart and service in the neighborhoods. And somehow we get the balance ever so often over the direction why should we now, which is more bureaucratic. We are trying to do kind of like the Sal Linsky neighborhood type of things again in a secular version of it and how do we do that in the country? And that is partly what the people who initiated this initiative in the administration and in the legislature are interested in. Is this is not some kind of broad suburban approach? This is really how do we impact the poor.

And when the program got off into the impression that this is how to help, I am not a critic, but how this could help Jerry Falwall and Pat Robertson, that is not what this program is about. But if we are not careful, it just gets clocked in like every other program. And the question is how do we get it into the dollars where it is supposed to go.

Any of you want to make closing comments, and that will be the end of this panel.

Rev. DE LEÒN. No. And I think that's a really good point. You know, very often the residents, the stakeholders are left out of the plans that are being made for their own community. It is an outsider coming in with the answer. You know, usually the residents are people that are being effected, but the needs in their community are not heard, they are not listened to. So I would encourage that.

You know, I would probably go with the percentage on the staff.

Going back to the hiring, just so you know, we require that the members of our board and, I mean we are not all exclusive. I mean the board members, we have some Christians on the board, just people that are active in our community. So we have not been challenged as Jeff mentioned. We have not been challenged by that. We are pretty open. We do understand where there are areas of concern and areas that we have to protect that are very closely connected to the church and the work that we do. But certainly setting up a 501(c)(3) that as non-religious does require navigation.

Mr. SOUDER. And if you are going to have a prayer in the non-religious part, I agree that this amendment as we are moving it through in Head Start and some of the education things and after school programs, that if you want to have a prayer, you can have your prayer before the meeting starts and tell people you're going to have a prayer group before the meeting starts, then have your thing that gets the government funding. And then if they want to ask you about your faith, you don't have to do that by beating them over the head with a stick. You can say well why don't you talk to me about that later.

There is a legal model and the question is, is this going to be held up. And it is one that I am not particularly happy with, but Planned Parenthood gets family planning funding, and they do their abortion counseling in the same building but in another part. And the courts have upheld that's not abortion funding because the part that is getting their family planning money is not doing abortion counseling because it is done across the hall. Now that same principle can be used in faith-based if in fact——

Rev. DE LEÒN. That's right.

Mr. SOUDER [continuing]. You have it set up. It helps pay the rent, can help pay the overhead. The court has one regional ruling but it has not been upheld by the Supreme Court yet, and that the computer does not proselytize, the software proselytize. That's the principle that Catholic schools can get their buses paid for. It is a principle that you can get certain hardware into an overtly religious organization. But what we are getting into is where does software start in this? What about if it is a required uniform? What about the textbooks? What about if it is a math textbook? What is the composition of your board? These are new questions that we are at the edges of, the legal has not been sorted out. But it has made me very nervous that it is going to be even more broadly defined. But we are working this through.

And as this panel has so eloquently pointed out and what we are trying to work through is we often hear the Federal debate just about the Federal money; that's part of it. Faith-based groups have been part of that for a long time. And the only question here is what could they become if there were choices? Could you have one of your choices be overtly religious for drug treatment if there are other choices? I do not believe the court will uphold it otherwise. Should you be allowed to actually belong to a drug treatment program where they require prayer as part of it if you have a choice of another drug treatment program? I do not believe it will hold up if there is not a choice.

But beyond that, there is a lot more to the faith-based initiative than that. The training for the different groups in capacity building, the tax credit which has already been upheld by the courts which enable you to increase donors, matching up with the different foundation groups in the private sector groups, trying to figure out, and we did not even get into legal liabilities of staff. And all the insurance problems that come on non-profit groups as we get into some of these areas on child abuse, spouse abuse, drug treatment, family counseling and potential liability reform. There are a whole bunch of areas we are working with and you have helped us forward that debate.

Any closing comments from the rest of you?

Mr. CARRASCO. Just to introduce you to a guy named Ron in my neighborhood. He is a two time felon, almost got his third strike. In California you go to jail forever. Turned his life around as a Christian. Still will not get hired anywhere because of his record. Volunteered with us for a little while. Got a hold of a van.

It has been really tough. And there is no way, as I said before, I do not think there is any way around the fact that he is going to have to learn, whether it is capacity building to earn trust, managing financials, managing volunteers, managing an organization

for what he wants to do. And so it is slow going. Meanwhile, he is in that van and he goes into the worst projects. He knows everybody and he picks up the kids, and he is sticking with them.

We talked about refocusing it back on the people. I am excited about that guy. We are working. We are doing what we can. We did not take any government money. We even lost a grant because of him. He had a bad rep in town. He used to go up and holler at the mayor and the police chief. We actually lost, I think, $30,000 sticking with him. But he just came along.

I think what we did, we did not build his capacity technically, but we roped off his rough edges. We taught him how to quit being such a rough edge guy. And he is going to need Community Partners and other groups like that.

Just a story. Just to throw it in there on the record and help us keep our eyes on the folks who are really doing the work.

Rev. CARR. I guess I would just finish by saying it seems to me that part of what we are not about or what we are about is to build the capacity of the people in the neighborhood. And the neighborhoods will never get better unless we build the capacity in the people. So it is incumbent upon me, it has been incumbent on me for the last almost 17 years, to figure out how to navigate all this stuff.

Well, someday Jeff Carr is going to be gone. I've got about 23 more years I want to give my life to that neighborhood. But after that, if I have not developed the capacity in some other people, some of the young people that we sent to college to get them educated for that very purpose and we have not indoctrinated them, if you will, with the vision for how that neighborhood can get better, then we have failed them. We have failed the neighborhood. And the organization will not have been successful.

And it seems to me that has to be fundamental to any faith-based initiative is that we have to build the capacity amongst the people in the neighborhood to know how to do all this stuff. And it is incumbent on those that are leaders in those organizations and in those neighborhoods to do that or we ought to be tossed out on our ears because we are not doing our job.

Mr. SOUDER. Anything else you want to say?

Rev. DE LEÒN. I just want to thank you for coming to Los Angeles.

Mr. SOUDER. Thank you.

Mr. SOUDER. And giving us this opportunity. It is just a joy to be here, there are just people like yourself that are supportive of our work on a local level.

Mr. SOUDER. Well, thank you very much for your efforts. And thank you for coming.

We will take a brief recess to take a break. And then we will have the second panel start.

[Recess.]

Mr. SOUDER. If each of the witnesses could stand. Need to give you the oath.

Were all of you here earlier when I explained this? This is an oversight committee of Congress. It is standard practice of this committee that we swear in all the witnesses. So if you will raise your right hands.

[Witnesses sworn.]

Mr. SOUDER. Thank you. Let the record show that the witnesses responded in the affirmative.

Thank you all for coming. Those of you who have been here kind of got a general drift of some of what we are trying to do here. We have 5 minutes basically for testimony, being a little generous with the definition of the 5 minutes. But that way we have time to interact on some of the major questions.

Your written testimony will appear in the record, so if you want to veer from that or comment on the first panel, however you want to go you can kind of see what kind of information we are putting together here.

Our first witness is Dr. Keith Phillips, president of World Impact.

We thank you for hosting us here today and for this wonderful opportunity to be here.

STATEMENTS OF KEITH PHILLIPS, PRESIDENT, WORLD IMPACT; DOUG GOLD, EXECUTIVE DIRECTOR, JEWISH BIG BROTHERS AND BIG SISTERS; JOHN BAKER, CELEBRATE RECOVERY; STEVE ALLEN, SALVATION ARMY OF SOUTHERN CALIFORNIA; AND TIM HOOTEN, EXECUTIVE DIRECTOR, OFFICE OF MINISTRY AND SERVICE, AZUSA PACIFIC UNIVERSITY

Mr. PHILLIPS. Thank you. Chairman Souder, we are very happy that you are here and thank you for allowing me to appear before you today.

I am president of World Impact, a non-profit, faith-based organization designed to help transform the lives of the urban poor.

Our ministry began right here in Watts in 1965 and now extends to San Diego, Fresno, San Francisco, Oakland, Wichita, St. Louis, Dallas, Newark, Philadelphia and, of course, other communities in Los Angeles. We have camps and conference centers in California, Colorado, Kansas and Pennsylvania. We offer housing for the homeless, job training for the unemployed, education and GED training to dropouts, health care to the sick, uninsured and impoverished, and food and clothing to the hungry, addicted and downtrodden. We provide assistance to single mothers, and youth clubs and camping experiences for at-risk and troubled kids and their families.

Our success can be attributed to four critical elements in our work: One, time-tested techniques and successful programs; two, committed professional staff, who actually live in the inner-city communities where they serve, and thousands of committed volunteers; three, our partnerships, which are strong with churches, universities, hospitals, social service agencies and organizations; and four, the spiritual component of our work, which is the very foundation of our dedication and commitment to helping others. It guides our mission and transforms lives.

World Impact prides itself on being financially responsible, efficient and honest. We have low administrative costs and a high volume of volunteerism. We significantly reduce the burden placed on State and local governments and public agencies by servicing a high volume of individuals and helping them become self sufficient, educated and taxpayers, instead of tax recipients.

I want to give you three examples of our financial effectiveness:

In Wichita, KS, we operate the Good Samaritan Clinic which serves the uninsured, impoverished patients seeking primary care.

At the two major hospitals in Wichita an emergency visit costs $600, plus $150 for the physician. There is an additional charge if a patient has called an ambulance, and the hospital has to pay to return the patient home. Headache, or other body pain, is the No. 1 reason hospitals give for patients visiting the emergency room. The primary medicine dispensed is Tylenol. This means that Tylenol and getting your blood pressure checked costs more than $750, plus up to 6 hours of waiting time.

At World Impact's Good Samaritan Clinic we charge an average of $26 per visit. Our actual cost is $45. This fiscal year, we billed $53,000 to patients without health insurance or any other kind of assistance. So far, we have received $5,000. We operate on a sliding-fee scale.

Bottom line: $750 versus $26 per patient. The faith-based ministry has an obvious efficiency.

Our second illustration is the school that you are in here today. We are sitting within a mile of the three worst schools academically in the State of California. The Watts Christian School performs 50 percent better than the local elementary school in math, three times the performance in the language arts. The Watts Christian School has half the classroom size and costs 75 percent of what the State pays per pupil.

In other words, our classroom sizes are less than 15. The cost per student is $4,000. The State pays $6,450 on average per pupil.

In San Diego, our vocational-training business assembles sprinkler parts. We provide reliable employment for 30 plus employees. Nearly 200 people have gone through our program, including the formerly incarcerated and/or addicted, single mothers and senior citizens with limited incomes, who do not qualify yet for Social Security. Approximately, 75 percent of our employees have been teens who otherwise would have joined gangs, turned to drugs or had a difficult time finding employment for many reasons.

Our program teaches entry-level skills. We have a great success rate. Close to 90 percent of our employees find better jobs, finish high school, go on to college or enter the Armed Forces.

Jose Moran worked for us for 8 months in 1995. He came as a teen with little job experience, bored and looking for direction. We helped him secure employment with Hamann Construction, where he started as an apprentice carpenter. Today he is one of their supervisors. He is married and has two children and recently bought a home for his family.

Maria Saucedo began working for us in 1992. She dropped out of school in the 7th grade, had her first child at 15. Today, she oversees our work and earns $12 an hour.

Five of the eight Lira children, who grew up in a two-bedroom apartment right next to our ministry, worked for us as teens. Two of them went on to Christian colleges to get degrees in education, one is a plumber, one works in shipping and receiving at a golf supply manufacturing company, one became married, has children and stays at home caring for them.

Time prohibits me from sharing with you the great success we have had with our Jobs Alliance Program in St. Louis, family vacations for the urban poor nationally, conferences for survivors of senseless street-gang violence, vocational training for the Hmong and Ming in Fresno, community breakfasts for the homeless in Newark and Oakland. Our staff and volunteers are amazing people, modern-day heroes.

I invite you to tour all of our facilities and programs throughout the country to get a better sense of what we are doing and how the programs work.

While we have experienced great success, one element is missing. Imagine what could be accomplished for the urban poor if organizations like World Impact could partner with the Federal, State and local governments to solve some of these deeply rooted problems that confront us. But is it possible to partner with the government without fearing that we will lose our core values, our mission or our spiritual focus? Probably you are in a better position to answer that question than I am.

From my perspective, the government can help us, and I jotted down just a few thoughts: You could forgive student loans for teachers, doctors, nurses and other staff who serve in the inner-city. You could provide school vouchers for institutions like this. You could provide incentives for professional volunteers: doctors, nurses, dentists, teachers, plumbers, electricians for their time that they donate. You could provide tax incentives for businesses which provide volunteer days for their employees, or to secunda professionals to a non-profit for an extended period of time.

You could encourage Federal employees to volunteer. Members of Congress should set the example. You could provide lists of Federal volunteer labor sources, for example Armed Services personnel, prisoners, and how to contact them to get them involved. You could provide subsidy for job training either to establish a new faith-based job-skills training, or to help with the cost of third-party educators. Open the Workforce Investment Act of 1998 to faith-based works.

You could provide new and used vehicles, and other equipment, materials and supplies. Instead of disposing of seized property—cars, trucks, land, etc.—at government auctions, give it to us. Give us facilities where we can run clinics, thrift stores, recreational activities and vocational training. Help us provide better transportation for the urban poor to camps, conferences and schools by giving us the use of government vehicles like buses on weekends. Provide mal-practice insurance for clinics. We would open clinics in every community where we minister if we could afford the insurance. In Kansas, the volunteers are covered under the Charitable Health Care Providers provision in the statutes. Without this legislative coverage, we could not involve volunteer professionals like we do.

You can provide books/resources for schools and camps among the poor, surplus food. You could allow non-itemizers to deduct charitable contributions. The government could subcontract work to us, which we would use for vocational training. Maintain and expand the enhanced deduction; that's the cost of the inventory plus half of its appreciated value when a company donates inventory for

"the care of infants, the ill, or needy." And then you could invite the Watts Christian School Choir to sing at the House of Representatives.

Chairman Souder, thank you for indulging me and for inviting me to appear before you. I would be pleased, of course, to answer any questions you might have.

[The prepared statement of Dr. Phillips follows:]

Field Hearing Testimony
Subcommittee on Criminal Justice, Drug Policy and Human Resources
Monday, January 12, 2004

Dr. Keith Phillips
Founder and President of World Impact, Inc.

Chairman Souder and Members of the Subcommittee, thank you for allowing me to appear before you today.

I am the founder and President of World Impact, a non-profit, faith-based organization designed to help transform the lives of the urban poor.

Our organization began right here in Watts in 1965 and now extends to San Diego, Fresno, San Francisco, Oakland, Wichita, St. Louis, Dallas, Newark, and Philadelphia. We have camps and conference centers in California, Colorado, Kansas and Pennsylvania. We offer housing for the homeless, job training for the unemployed, education and GED training to dropouts, health care to the sick, uninsured and impoverished, and food and clothing to the hungry, addicted and downtrodden. We provide assistance to single mothers, and youth clubs and camping experiences for at-risk and troubled kids and their families.

Our success can be attributed to four critical elements in our work:

1. Time-tested techniques and successful programs;

2. Committed professional staff, who actually live in the inner-city communities where they serve, and thousands of committed volunteers;

3. Our strong partnerships with churches, universities, hospitals, social-service organizations and agencies;

4. The spiritual component of our work, which is the very foundation of our dedication and commitment to helping others. It guides our mission and transforms lives.

World Impact prides itself on being financially responsible, efficient and honest. We have low administrative costs and a high volume of volunteerism. We significantly reduce the burden placed on state and local governments and public agencies by servicing a high volume of individuals and helping them become self sufficient, educated and tax payers, instead of tax recipients.

Let me give you three examples of World Impact's financial efficiencies.

1. In Wichita, Kansas, we operate the Good Samaritan Clinic that serves uninsured, impoverished patients seeking primary care.

> An emergency visit to the hospital in Wichita costs the hospital $600, plus $150 for the physician. There is an additional charge if a patient has called an ambulance, and the hospital even has to pay to return the patient home. Headache or other body pain is the number one reason hospitals give for patients visiting the emergency room. The primary medicine dispensed is Tylenol. This means getting Tylenol and your blood pressure checked costs more than $750, plus up to six hours of waiting time.
>
> World Impact's Good Samaritan Clinic charges an average of $26 per visit. Our actual cost is $45.
>
> This fiscal year, we billed $53,000 to patients without health insurance or any other kind of assistance. So far, we have received $5000. We operate on a sliding-fee scale. The uninsured represent 33 percent of the billable services (they get a sliding fee), but only six percent of our receivables.
>
> The bottom line is: $750 vs. $26 per patient.

2. The school we are having this hearing in today, the Watts Christian School, performs 50 percent better than the local elementary school in math, and three times the performance in the language arts. The Watts Christian School has half the classroom size and costs 75% of what the states pays per pupil (i.e. $4000 v. $6450).

3. In San Diego, our vocational-training business assembles sprinkler parts (we contract with Hunter Industries).

> We provide reliable employment for 30+ employees. Nearly 200 people have gone through our program, including the formerly incarcerated and/or addicted, single mothers and senior citizens with limited incomes, who do not qualify yet for social security. Approximately, 75 percent of our employees have been teens who otherwise would have joined gangs, turned to drugs or had a difficult time finding employment due to transportation challenges, lack of self confidence or other problems. The majority of our

employees have had little, or no, job experience.

Our program teaches entry-level job skills of coming to work on time, having a good attitude, being productive and getting along with your coworkers and supervisors. Our work is easily measurable. We track employees' production and compensate performers appropriately.

This program has a great success rate. Close to 90 percent of our employees find better jobs, finish high school, go to college and/or enter the Armed Forces.

Jose Moran worked for us for eight months in 1995. He came as a teen with little job experience, bored and looking for direction. We helped him secure employment with Hamann Construction, where he started as an apprentice carpenter. Today he is one of their supervisors. He is married and has two children and recently bought a home for his family.

Maria Saucedo began working for us in 1992. She dropped out of school in 7th grade and had her first child at 15. Today, she oversees our work and earns around $12 an hour.

Five of the eight Lira children who grew up in a two-bedroom apartment on National Avenue in Logan Heights, worked for us as teens. Two went to a Christian college to get degrees in education, one became a plumber, one works in shipping and receiving at a golf supply manufacturer and one got married, has children and stays at home caring for them.

Time prohibits me from sharing with you the great success we have had with our Jobs Alliance Program in St. Louis, family vacations for the urban poor nationally, conferences for survivors of senseless street-gang violence, vocational training for the Hmong and Ming in Fresno, and community breakfasts for the homeless in Newark, New Jersey, and Oakland, California. Our staff and volunteers are amazing people and are modern-day heroes.

I invite you all to arrange tours of our facilities and programs throughout the country to get a better sense of what we do and how our programs work.

While we have experienced great success, one element is missing. Imagine what could be accomplished for the urban poor if organizations like World Impact could partner with the federal, state and local governments to solve some of these deeply-rooted problems that confront us. But is it possible to partner with the government without fearing that we will lose our core values, our mission or our spiritual focus? Maybe you are in a better position to answer that question then I am.

From my perspective, the government can help us do the following:

1. Forgive student loans for teachers, doctors and other staff serving the inner-city poor.
2. Provide school vouchers.
3. Provide tax incentives for professional volunteers–doctors, nurses, dentists, teachers, plumbers, electricians–for their time.
4. Provide tax incentives for businesses which provide volunteer days for their employees; or to secunda professionals to a non-profit for an extended period of time.
5. Encourage federal employees to volunteer; Members of Congress should set the example.
6. Provide lists of potential federal volunteer labor sources i.e. armed service personnel, prisoners, etc, and how to contact them.
7. Provide subsidy for job training either to establish a new faith-based job-skills training, or to help with the cost of third-party educators. Open *The Workforce Investment Act* of 1998 to faith-based works.
8. Provide new and used vehicles, and other equipment, materials and supplies; instead of disposing of seized property (cars, trucks, land, etc.) at government auctions, give it to us.
9. Give us facilities where we can run clinics, thrift stores, recreational activities or vocational training.
10. Help us provide better transportation for the urban poor to camps, conferences and schools by giving us the use of government vehicles i.e. buses on weekends.
11. Provide mal-practice insurance for clinics. We would open clinics in every community–if we could afford the insurance (In Kansas, the volunteers are covered under a Charitable Health Care Providers provision in the statutes. Without this legislative coverage, we could not involve volunteer professionals like we do).

12. Provide books/resources for schools and camps among the poor.
13. Provide surplus food for our ministries and camps.
14. Allow non-itemizers to deduct charitable contributions.
15. Sub contract work to us, which we would use for vocational training.
16. Maintain and expand the enhanced deduction (the cost of the inventory plus half of its appreciated value) when a company donates inventory for "the care of infants, the ill, or needy."
17. Invite the Watts Christian School Choir to sing at the House of Representatives.

Chairman Souder, Members of the Subcommittee, thank you again for indulging me and for inviting me to appear before you. I would be pleased to answer any of your questions.

####

Mr. SOUDER. Thanks for a great list.

Next is Doug Gold, the executive director of the Jewish Big Brothers & Big Sisters in L.A.

Mr. Gold.

Mr. GOLD. Thank you, Mr. Chairman.

I was not exactly sure what to expect today showing up, but I think my comments are still relevant here.

Tikkun Olam. It is a phrase familiar to the Jewish people, but perhaps not to all of you. Now why would I share this with you? Because I think it speaks to the values and work that the Jewish community does. It is the essence of who we are. It is at the heart of everything we do as Jews.

What does Tikkun Olam mean? Now keeping in mind that I'm not a Rabbi or biblical scholar, there are actually multiple interpretations which have been debated for centuries. And it might seem odd that two short words could vary so widely in interpretation, but that's an entirely different subject, and I think there is actually a joke in there somewhere about a couple Jewish lawyers, but we won't go there today.

Loosely speaking, Tikkun Olam means "repairing the world" or "healing the world."

You will notice that nowhere does it make reference to race, color, creed or religion. That is the essence of what the Jewish community bases its values on. A non-discriminating approach to helping mankind.

And that is exactly what we are in the business of doing every day at Jewish Big Brothers Big Sisters of Los Angeles; repairing or healing the world one child at a time, to the tune of 1,500 children every year.

We have been in business for 88 years, serving our community irrespective of race, color, creed or religion. Certainly our program has its roots in serving the underprivileged children of the Jewish community in 1915. We were trying to save young Jewish men, who had no male role model in their lives, from taking on a life of crime. We plucked young men right out of the juvenile court system and began counseling them and showing them alternatives to the destructive lives they were leading by matching them up with Big Brothers. Business professionals showed a keen interest in supporting this cause and formalized our program over the next several years.

By 1936, we were seeing the needs of our community change slightly. The Depression had brought about severe economic challenges that left many of the kids in our community starving, not just for affection, but for food. Camp Max Straus began as a way of taking some of the most impoverished Jewish kids from Boyle Heights, a local community here, and shipping them off to camp for a couple weeks to fatten them up. Many of those kids ended up becoming a part of our Little Brother program.

Now if you flash forward to post-World War II, you see the demographics of Los Angeles community changing again. As many of the earlier settlers of the Jewish community began picking themselves up from economic despair and beginning to thrive, we saw a new community of need developing with the Hispanic and African-American influx in that same neighborhood of Boyle Heights. As

our community changed, so did our agency. While our Big Brother/Little Brother program retained its roots as a Jewish-only program, our Camp Max Straus operation flourished as we diversified.

Today, we run numerous non-denominational programs; our historic residential camp, a wilderness backpacking program, a sports mentoring program, college scholarships, and most recently, yesterday in fact, the launching of a new arts mentoring program.

In addition to our programmatic success, we have undertaken a significant organizational restructuring that began several years ago prior to my arrival. Non-profits have been under pressure and under attack, as any other industry, for greater accountability and transparency. Our Board of Trustees numbering 70 recognized the importance of taking on the 21st century with a new approach. They decided that the organization needed to be run like any other business; with focus on the bottom-line while still maintaining compassion through service delivery. They left no rock unturned as they completely reorganized the operation, including plucking me out of an 11-year software industry career to come run the agency.

Now why am I sharing this piece of information with you? I thought it was important before closing, that you see Jewish Big Brothers Big Sisters of Los Angeles is on the cutting edge of the changes occurring in the nonprofit industry. And I think it is important because it translates to survival and relevancy to the community that we serve.

In closing, I wanted to share that out of the 1500 children we serve every year, 80 percent are non-Jews. Now why is that an important statistic? Perhaps it is not. Perhaps it is only a byproduct of who needs the most help in our community. But that's not what I want you to walk away with today. The message I want you to walk away with, is the same message I urge my Board of Trustees to focus on, and that is the importance of our role in the Los Angeles community.

Our role is to foster Jewish core values. Our role is to provide a destination for Jews interested in serving the community and volunteering their time or money, irrespective of the constituency being served. Our role is provide the infrastructure necessary for passing on to future generations of Jews what Tikkun Olam means.

Thank you.

[The prepared statement of Mr. Gold follows:]

Jewish Big Brothers Big Sisters of Los Angeles

Tikkun Olam. A phrase familiar to the Jewish people, but perhaps not to all of you. Why would I share this with you? Because I think it speaks to the values and work that the Jewish community does. It is the essence of who we are. It is at the heart of everything we do as Jews. What does Tikkun Olam mean? Well, keeping in mind that I'm not a Rabbi or biblical scholar, there are actually multiple interpretations which have been debated for centuries. Yes, it seems odd for only 2 short words that the interpretation could vary....but that's an entirely different subject. I think there's actually a joke in there about a couple Jewish lawyers, but we won't go there today. Loosely speaking, Tikkun Olam means "repairing the world" or "healing the world".

You'll notice that nowhere does it make reference to race, color, creed or religion. That is the essence of what the Jewish community bases its values on. A non-discriminating approach to helping mankind.

And that's exactly what we're in the business of doing every day at Jewish Big Brothers Big Sisters of Los Angeles; repairing, or healing, the world one child at a time....to the tune of 1500 children every year.

We've been in business for 88 years, serving our community irrespective of race, color, creed or religion. Certainly our program has its roots in serving the underprivileged children of the Jewish community in 1915. We were trying to save young Jewish men, who had no male role model in their lives, from taking on a life of crime. We plucked young men right out of the Juvenile court system and began counseling them and showing them alternatives to the destructive lives they were leading by matching them up with Big Brothers. Business professionals showed a keen interest in supporting this cause and formalized our program over the next several years.

By 1936, we were seeing the needs of the community change slightly. The Depression brought about severe economic challenges that left many of the kids in our community starving, not just for affection, but for food. Camp Max Straus began as a way of taking some of the most impoverished Jewish kids from Boyle Heights and shipping them off to camp for a couple weeks to fatten them up. Many of those kids ended up becoming a part of our Little Brother program.

If you flash forward to post-World War 2, you see the demographics of the Los Angeles community changing. As many of the earlier settlers of the Jewish community began picking themselves up from economic despair and beginning to thrive, we saw a new community of need developing with the Hispanic and African-American influx. As our community changed, so did our Agency. While our Big Brother/Little Brother program retained its roots as a Jewish-only program, our Camp Max Straus operation flourished as we diversified.

Today, we run numerous non-denominational programs; our historic residential camp, a wilderness backpacking program, a sports mentoring program, college scholarships, and most recently (yesterday in fact) the launching of a new arts mentoring program. In addition to our programmatic success, we've undertaken a significant organizational restructuring that began several years ago prior to my arrival. Non-profits have been under pressure and under attack, as any other industry, for greater accountability and transparency. Our Board of Trustees recognized the importance of taking on the 21st century with a new approach. They decided the organization needed to be run like any other business; with focus on the bottom-line (while still maintaining compassion through service delivery). They left no rock unturned as they completely reorganized the operation, including plucking me out of an 11-year software industry career to come run the Agency. Why am I sharing this piece of information with you? I thought it was important before closing, that you see Jewish Big Brothers Big Sisters of Los Angeles on the cutting edge of the changes occurring in the non-profit industry. I think this is important because it translates to survival and relevancy to the community we serve.

In closing, I wanted to share that out of the 1500 children we serve every year, 80% are non-Jews. Why is that an important statistic? Maybe it isn't. Maybe it's only a byproduct of who needs the most help in our community. But that's not what I want you to walk away with today. The message I want to you walk away with, is the same message I urge my Board of Trustees to focus on. And that is the importance of our role in the Los Angeles community. Our role is to foster Jewish core values. Our role is to provide a destination for Jews interested in serving the community and volunteering their time or money, irrespective of the constituency served. Our role is provide the infrastructure necessary for passing on to future generations of Jews what Tikkun Olam means.

Mr. SOUDER. Thank you very much.

The third witness is Pastor John Baker, Celebrate Recovery of Lake Forest.

Pastor BAKER. Chairman Souder, I want to thank you for allowing me the opportunity to testify today. And I would like to give you a brief history of Celebrate Recovery program and its effectiveness in the community. It is part of Saddleback Church in Lake Forest, CA.

Celebrate Recovery started on November 21,1991, it has been going ever since.

I should have reintroduced myself. I would like to have the opportunity to do that to you as a believer who struggles with alcoholism. I have not always been a pastor. I was a successful businessman and also a functional alcoholic. To make a long story short, I abused alcohol for almost 19 years, I hit my bottom and almost lost my family. My family was attending Saddleback Church and asked me to go with them. It was there that I was reunited with my Higher Power of my youth. He has a name, Jesus Christ. God led me to start a Biblically based recovery program at Saddleback called Celebrate Recovery.

At that time, our church had about 5,000 members. Today we have an attendance of over 15,000 on a weekend. In the last 12 years over 6,000 courageous individuals have gone through the Celebrate Recovery program at Saddleback. Celebrate Recovery is the No. 1 outreach program at Saddleback Church. Over 70 percent of the 800 to 900 individuals that attend Celebrate Recovery each week come from outside the church family. They come from the community. But God had much bigger plans than that.

Rick Warren, Saddleback's senior pastor, and I wrote the Celebrate Recovery curriculum. It has been published and is

now being used by over 2,500 churches of all different denominations in the United States and internationally. The Spanish translation was just released last year.

What was really exciting is to see how the program has been successful in helping those in halfway houses, rescue missions, jails, and prisons.

Just a couple of specific examples. In halfway houses over the last 5 years recovery homes have been bringing their residents to Celebrate Recovery at Saddleback church. Attendance is voluntary for each individual. We have had individuals that have lived in the recovery homes, completed their program, returned home, find a local church, and help start Celebrate Recovery programs in their community.

Rescue missions. In December 2000, the Orange County Rescue Mission asked if we could supply them leaders and help start Celebrate Recovery program for their women's and men's facilities at the mission. After 2 years of multiple step studies, 82 of the residents have completed the Celebrate Recovery program.

The rescue mission chaplains went through the Celebrate Recovery leadership training. Today we have transitioned the running of the mission's Celebrate Recovery program completely over to the mission staff.

The following remarks are from Tommy, who completed the Celebrate Recovery step study at the mission this last April. "I was

homeless and a drunk. I tried a few AA programs but nothing could fill the empty spot in my soul. My year spent in Vietnam would keep coming back, so to put it out of my mind, I would drink. I got into a knife fight in a park and decided that I could no longer go on living that way. I came to the Mission. Celebrate Recovery gave me a chance to get right with God, work through the step study, and resolved my issues of the past. I am serving as a step study leader giving back to the Celebrate Recovery program that gave me so much to me." Tommy has completed welding school and is now working in his field.

And finally, in jails and prisons. In 1999, the State of New Mexico began testing the Celebrate Recovery program as an addition to their therapeutic treatment programs. It started at the Southern Correctional facility at Los Cruz, New Mexico. The inmates volunteered to be in the program through the prison chaplain. They were placed in separate faith-based recovery pods for 12 to 18 months. The program has now expanded to five additional New Mexico State prisons.

In the last 3 years, over 1,000 inmates have participated in the New Mexico Celebrate Recovery program. The recidivism rate in New Mexico is 78 percent. To date, 167 inmates who have completed the Celebrate Recovery program have been released for over 1 year.

Only 13 have returned into the system, which is an unofficial recidivism rate of 7.8 percent.

This is what the program has meant to Leticia, 1 of those 167, "During my incarceration, I began attending Celebrate Recovery. The program opened my heart and mind that got me on my way to the 'real' recovery and gave me hope. I found the courage to 'accept the things I cannot change,' but to use the time in prison to change the things I can. Upon my release, I continued applying the principles to life and of course continued reading the Scriptures. They have both helped me to maintain a drug free life, which in turn helped me obtain employment and become a productive member of society once again."

It is my opinion that Celebrate Recovery should be made available in all correctional facilities; not only for the residents, but for the staff also. We all have issues, whether we are behind bars or imprisoned in our minds and hearts.

Celebrate Recovery is just starting in the California State Prison system. At the Jamestown facility, 135 men have volunteered to be in one of the 11 Celebrate Recovery groups. This is just a drop in the bucket of the California State system. Currently there are 165,000 inmates in the system.

A unique advantage to the Celebrate Recovery program for prisoners is that while the inmate is getting recovery inside; their family can get recovery and support from a church in their area that has the Celebrate Recovery program. Also, when the inmate is released they can get immediate connection and support from a local Celebrate Recovery church.

Again, these are just a few of the specific examples that are being duplicated in communities all over the United States.

In closing, I believe that recovery from our life's hurts, hang-ups, and habits is a family matter. Our addictions and compulsions af-

fect not only our families, but all those around us as well. At Celebrate Recovery we provide groups not only for recovery from drugs and alcohol but from sexual abuse, sexual addiction, anger, adult children of the chemically addicted, financial recovery, codependency and eating addictions. We also currently have curriculum for elementary, junior high and high school ages.

If you would like to find out more information on Celebrate Recovery go to our Web site: www.celebraterecovery.com.

Thank you for letting me share.

[The prepared statement of Pastor Baker follows:]

Celebrate Recovery®

John Baker
Pastor of Celebrate Recovery

Saddleback Church
1 Saddleback Way
Lake Forest, CA 92630
949-609-8310

Written Statement for:

"Faith-based Perspectives on the Provision of Community Services"

January 12, 2004

Chairman Souder, members of the subcommittee, I want to thank you for allowing me the opportunity to testify before this committee. I am John Baker, Pastor of Celebrate Recovery at Saddleback Church in Lake Forest, California. I would like to give you a brief history of the Celebrate Recovery model and program and its' effectiveness in the community. I would like to begin with a story.

Recently, a father was trying to take his Sunday afternoon nap in his living room and his little boy kept bugging him saying, "Daddy, I'm bored." So his father, trying to make up a game, found a picture of the world in the newspaper. He ripped it up in about fifty pieces and said, "Son, this is a puzzle. I want you to put it all back together." He laid down to finish his nap, thinking he would get another two hours of sleep. In about 15 minutes, the little boy woke him up saying, "Daddy, I've got it finished. It's all put together." "You're kidding." He knew his son didn't know all the positions of the nations. He said, "How did you do that?" The boy said, "Dad, there was a picture of a person on the back page of that newspaper, and when I got my person put together, the world looked just fine."

It's amazing how much better your world looks when your person is put together in the right way. God has used Celebrate Recovery to help thousands of broken people put the pieces of their world, their broken lives, back together by learning how to make healing choices to overcome their life's hurts, hang-ups, and habits.

Celebrate Recovery is a ministry of Saddleback Church. Celebrate Recovery started on November 21,1991. I should have introduced myself as a believer that struggles with alcoholism. I have not always been a pastor. I was a successful businessman and also a functional alcoholic. To make a long story short, I abused alcohol for almost 20 years, I hit my bottom and almost lost my family. I started attending AA. My family was attending Saddleback Church and asked me to go with them. It was there that I was reunited with the Higher Power of my youth. He has a name, Jesus Christ. God led me to start a Biblically based recovery program at Saddleback. At that time, our church had about 5000 members. (Today our weekly attendance is over 15,000.) I knew that I could not be the only one there struggling with a hurt, hang-up, or addictive habit. So I wrote Rick Warren, our Senior Pastor, a short, concise, 13-page, single-spaced letter outlining Celebrate Recovery. The next thing I knew, I was in his office and he said, "Great John do it."

When I started Celebrate Recovery, I thought it was just for my church. In the last 12 years, over 6000 courageous individuals have gone through the program at Saddleback. Currently, 43% of those are serving in one of the church's 150 different ministries. **Celebrate Recovery is the number one community outreach program at Saddleback.** When Celebrate Recovery began in 1991, over 70% of those that attended came from the Saddleback Church family. Today, that has flipped-flopped, over 70% of the 800-900 individuals that attend Celebrate Recovery each week come from outside the church - **the community!**

But God had much bigger plans than that. Rick Warren and I wrote the Celebrate Recovery curriculum. It has been published and is **being used in over 2500 churches of all different denominations in the United States and internationally.** Over 150,000 individuals have participated in the program. The Spanish translation was released last year.

But what is really exciting is how the program has been successful in helping those in halfway houses, rescue missions, jails, and prisons. In the time I have remaining I would like to give you some specific examples.

Halfway Houses

If you ever have the opportunity to attend Celebrate Recovery at Saddleback Church on a Friday night, you will notice several white vans arriving around 6:00 pm. Over the last 5 years, recovery homes have been bringing their residents to Celebrate Recovery. Attendance is voluntary for each individual. They attend the entire program: the barbecue, the large group time, and the men and women's chemically dependent small groups.

We have had individuals that have lived in recovery homes, complete their program, return home, find a local church, and help start Celebrate Recovery programs in their community.

Rescue Missions

In December of 2000, the Orange County Rescue Mission asked if we could supply leaders to start the Celebrate Recovery program in their women's and men's facilities.

We started Celebrate Recovery step studies every Wednesday evening at the mission's facilities. At first, the residents were decidedly resistant to these "do-gooders" from Saddleback, feeling these church leaders had no idea about their lives and struggles, and were there to take them through "just another program". But week after week, share after share, we allowed God to do His work for this is His program. Over time, trust and relationships were built.

After two years of multiple step studies, eighty-two of the residents have completed the Celebrate Recovery program. The rescue mission Chaplains went through the Celebrate Recovery leadership training. **Today we have transitioned the running of mission's Celebrate Recovery Program completely over to their staff.**

The following remarks are from Tommy, who graduated from the Celebrate Recovery step study and was one of four graduates from the mission's New Life Program this last April 26.

"I was homeless and a drunk. I tried a few A.A. programs but nothing could fill the empty spot in my soul. My year spent in Vietnam would keep coming back, so to put it

out of my mind, I would drink. The Lord kept talking to me, and I kept putting Him off. I thought I did not need Him. I got into a knife fight in a park and decided that I could not go on living that way. I came to the New Life Program at the Mission, and I know that I got there because God wanted me there. Celebrate Recovery gave me a chance to get right with God, work through the Step Study, and resolved the issues of my past. God continues to heal my hurts and I am serving as a step study leader giving back to the Celebrate Recovery program that gave me so much."

Tommy has completed welding school and is now working in his field.

Jails and Prisons

In 1999, the State of New Mexico began testing the Celebrate Recovery program as an addition to their therapeutic treatment programs. It started at the Southern Correctional facility. The inmates volunteered to be in the program through the prison chaplain. They were placed in separate faith-based recovery pods for 12 to 18 months. The program has expanded to the following prisons: Los Tunas, Grants (women's prison), Hobbs, Roswell, and Santa Fe.

In the last three years, over 1000 inmates have been in different stages of the Celebrate Recovery program. The recidivism rate in New Mexico is 78%. To date, 167 inmates who have completed the Celebrate Recovery program have been released for over one year. **Only 13 have returned to the system; which is an unofficial recidivism rate of 7.8%!** This is what the program has meant to Leticia, one of those 167:

"During the years of my incarceration, I attended substance abuse classes, NA and AA meetings. Even though those programs may work for others, they didn't work for me. Finally, I began attending Celebrate Recovery. The principles used and brought to light through the Scriptures opened my heart and mind that got me on my way to "real" recovery. I say real because it opened my mind to change and gave me hope. The Scriptures and principles showed me that I still needed to admit that I was still in denial about many things, but at the same time the Word gave me courage to "accept the things I cannot change", but to use that time in prison to change the things I can.

Upon my release, I continued applying the principles to life and of course continued reading the Scriptures. They have both helped me to maintain a drug free life, which in turn helped me obtain employment and become a productive member of society again. I believe that the forgiveness lesson impacted my life most of all. I finally forgave myself and asked forgiveness from those I had injured during my addiction.

It is my opinion that Celebrate Recovery should be made available in all correctional facilities; not only for the residents, but the staff also. We all have issues, whether we are behind bars or imprisoned in our minds and hearts. Celebrate Recovery and the Word of God will definitely help."

Celebrate Recovery is just starting in the California State Prison system. At the Jamestown facility, 135 men have volunteered to be in one of the 11 Celebrate Recovery groups. This model is different from the one used in New Mexico. In New Mexico, the program is facilitated by volunteers from the outside community. **The California model is inmate led.**

These are just some specific examples. They are being duplicated in communities all over the United States.

A unique advantage to the Celebrate Recovery program for prisons is that while the inmate is getting recovery inside; their family can get recovery and support from a church in their area that has the Celebrate Recovery program. Also, when the individual is released they can get an immediate connection and support from a local Celebrate Recovery church.

In closing, I believe that recovering from our life's hurts, hang-ups, and habits is a family matter. **Our addictions and compulsions affect our families as well as all those around us.** At Celebrate Recovery we provide groups for not only drugs and alcohol but also the following:

Sexual Abuse
Sexual Addiction
Anger
Adult Children of Chemically Addicted
Financial Recovery
Codependency
Eating Addictions

We also have curriculum for elementary, junior high, and high school ages.
If you would like to find out more about Celebrate Recovery go to
www.celebraterecovery.com

Thank you for letting me share,

John Baker

Mr. SOUDER. Thank you.

Next to Mr. Allen, Steve Allen who is director of Social Services for the Salvation Army in Los Angeles.

Mr. ALLEN. Thank you, Chairman Souder. It is good to be here, and I have enjoyed listening to some of the discussion. Very interesting.

I am going to start by just reading the Salvation Army mission statement, if that is OK.

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

The Salvation Army is a very old organization, going all the way back to 1865. It started in England and came to the United States, this part of the world, in 1885. And I submitted to you a list of 16 of the programs that are operating in the Los Angeles area, 16 out of the 25 that we have here. And in a short amount of time I am hoping to just maybe touch on two or three of the programs and give you some of the highlights.

Any given night we have something in the region of 2,500 men, women and children sleeping in our facilities. And I would just like to draw attention to the Harbor Light program, which is on Skid Row. It's a 280 bed facility.

And reading the question about how faith-based organizations serve the people, comparing it to my time of 10 years as a probation officer back in England working for the government and then looking at the staff we have here, it is interesting making the comparisons.

One of the things I have noticed working here in the 9 years that I have held this position is the passion and the drive from some of the staff there, many of whom come through the program.

It is interesting to see the success rates. We have something in the region of 67 percent who successfully graduate from the program. That is after the 14 day primary phase. And it is really important to be clear on that, because statistics can be given a lot of ways. After that 14 day primary period, 67 percent successfully graduate from the program.

And I want to share a story of a man called Conrad Watson, who in 1982 came through the program. Lasted 2 weeks and flunked out. A year later he decided to come back again in 1983 and the same thing happened. He lasted about a month. And he was one that would be classed as a failure rate, but he is quick to share with us that on the third time that he came through in 1984 he successfully completed the program. He found employment with the Salvation Army. He gradually made his way through the ranks. And I am very happy to report today that after 20 years, he is now the executive director responsible for the 68 staff that operate in that center. And he is a real great testimony.

And I was on the phone to him this morning and I want to share his story. And he said absolutely. He thanks God every day for his blessings and what has happened in his life. He is one of many who have come through the programs, and probably about 65 percent of the staff that is incorporated in that program came through.

And it is wonderful that they can share their experiences and pass that on.

And I want to draw your attention to Bell Shelter, which is No. 2 on the list that I submitted. That's a 350 bed facility for men and women.

Bell Shelter is 75,000 feet in the city of Bell. It offers a comprehensive program which includes emergency shelter, skills acquisition, transitional housing and substance abuse recovery for 350 homeless men and women. Bell Shelter also offers medical assistance, counseling and weekly chapel services aimed at providing a recovery experience that ministers to the whole person, mind, body and soul.

It is interesting that we have had a new mental health program that provides onsite assessment and treatment for homeless men and women who are mentally ill or dual diagnosed with mental illnesses and substance abuse.

When talking again about the faith-based initiative, here we are with government money in a very large program, actually based on Federal property, and yet if I took you down on a Thursday night, I could take you to the service with 180 men and women. Very, very exciting, accelerating service, but it is voluntary. And I think that is where we see the success. It is very important that we give that option, and as long as it is voluntary, as long as there are other options to be able to participate in, we find that it is a very good way of reaching out to people. And as long as you make it vibrant and exciting and it connects, then we have found a lot of success in that area.

And we have a youth center, the Red Shield Youth Center in Pico-Union that has 4,000 members. We do a lot of intervention with gangs there. It's an oasis for the young people living out there. The primary focus at Red Shield is to encourage kids to stay in school and build skills for the future. Children participate in soccer, tutoring, basketball, baseball, karate, ballet, swimming, scouting, computer learning and arts programs. And all-day On Track program is also offered for students on break from year round school.

Again, we offer a voluntary Sunday school where we have about 400 who attend. We have a Bible study in Spanish for the parents, about 80 of them would like to attend. And this is another example of the way you can marry them up and there is never a problem with the programmatic part and also staying true to the gospel message that we want to deliver.

Finally, I draw your attention to Alegria, which is a residential care facility for homeless families with HIV/AIDS. The program provides housing and comprehensive services for up to 44 families, including a licensed child care facility for 70 children and 29 family apartment units, making it one of the largest of its kind.

This is a very interesting program. Its recently expanded. It is in Silver Lake, Hollywood. And, you know, a wonderful example of what can be done in a much needed area as the AIDS community.

I have still got a tiny bit of time so I will go on to one more program. Booth Memorial Center is over 100 years old. Its served pregnant and parenting young women. Now it is a 103 years, to be exact. Its name is in honor of the Salvation Army's founder, William Booth. And the center serves as a licensed group home facility

for 56 teenagers. It is now expanded. For babies as well as other trouble adolescent girls. And it is also located on site and is a licensed childcare center for more than 75 children. And what has really been helpful has been the high school which we brought on board about 5 years ago. Because you can imagine some of the problems we had when we are getting 56 girls ready for school in the morning, 15 different minibuses and someone would get suspended up to 2 weeks. So the problems that they experienced, being level 12 in a group home, were very challenging. And now that we have our own onsite school, we have seen huge success. And we had seven graduates last year. This is through the L.A. Unified School District. And a greater understanding between the residential staff and the school staff, and with the similar complexities that we have dealing with these girls. So that has been very successful.

I am confused. It says stop, but it has 2 minutes and 10 remaining. Is that still time to talk?

Mr. SOUDER. No. If you want to add something you can. I think that is the amount you went over the 5.

Mr. ALLEN. Just one quick thing. I am just going to talk about the two camps that we have in Malibu, Camp Gilmore and Camp Mt. Crags. This is kind of interesting because we have 2,500 children every summer that would use that. Like many other camps, it is very successful with the kids. But we tried one very interesting experiment and we took 150 men and women who are in substance abuse recovery to that camp for a 5-day program, which we have never tried before. We did this 6 years ago, and we have been doing since because the 5-day camp was so successful. I mean, these men and women, some of them have never seen the countryside, they have never seen the hills, the Malibu mountains. And we had like a recreational camp with an AA component to it, men and women's track and a strong gospel theme running through it. And I feel that was really instrumental when we analyzed the statistical data of that 150 men and women who came out who were all in recovery, the success rate from the 67 percent on completing the programs, went up to 81 percent. I thought maybe that was a fluke the first year. But every year we have monitored that and it is a very similar type of statistic. Interesting to see that kind of emphasis on a 5-day camp would have such an impact on so many men and women.

I will stop right there.

[The prepared statement of Mr. Allen follows:]

L. A. SOCIAL SERVICES PROGRAMS

Alegria/Bethesda House - 2737 Sunset Blvd., Los Angeles, CA 90026

A residential care facility for homeless families with HIV/AIDS. The program provides housing and comprehensive services for up to 44 families, including a licensed Child Care Facility for 70 children, and 28 family apartment units making it one of the largest facilities of its kind in the USA.

Bell Shelter - 5600 Rickenbacker Road, Bell, CA 90201

Bell Shelter having 75,000 sq. ft., offers a comprehensive program which includes emergency shelter, skills acquisition, transitional housing, and substance abuse recovery for 350 homeless men and women. Bell Shelter also offers medical assistance, counseling, and weekly chapel services aimed at providing a recovery experience that ministers to the whole person - mind, body and soul. A new mental health program provides on-site assessment and treatment for homeless men and women who are mentally ill or dual diagnosed with mental illnesses and substance abuse.

Booth Memorial Center - 2670 Griffin Ave., Los Angeles, CA Los Angeles, CA 90031

For more than 100 years, Booth Memorial Center has served pregnant and parenting young women. Names in honor of The Salvation Army's founders, William and Catherine Booth, the Center serves as a licensed group home facility for 44 teens and their babies as well as other troubled adolescent girls. Also located on site is a licensed childcare center for more than 75 children and a high school specifically designed to meet the needs of the young women who live at Booth.

Camp Gilmore and Camp Mt. Crags - 26801 Dorothy Drive, Calabasas, CA 91302

These (2) Salvation Army Camps are located in the beautiful Malibu Mountains. Each summer, approximately 2.500 kids between the ages of 7 and 12 spend up to six days at camp participating in arts and crafts, music, sports, drama and nature study. For many inner-city youth, their experience at camp is their first exposure to the great outdoors. There is also a Conference Center available to outside groups during the off-season that is equipped with 24 double and triple occupancy rooms, a main meeting area, dining room, and commercial kitchen.

Exodus Lodge - **11301 Wilshire Blvd., Bldg., 207, Los Angeles, CA 90073**

In March, 2000, The Salvation Army opened a new 90-bed, Board and Care facility for Veterans who are mentally and chronically ill, using a two step phase approach that includes providing short term housing and a board and care program. P.T.O. one of the goals for veterans participating in the Exodus Lodge program is to secure long-term housing and to develop to their highest level of functioning.

Family Services (Social Services) - **832 West James M. Wood Blvd., Los Angeles, CA 90015**

Family Services provides the following basic human necessities: food, shelter, clothing, local transportation, crisis counseling, Christmas Assistance program, Adopt-A-Family and Angel Tree programs, utility assistance, Easter basket distribution and an annual job fair. These necessities are provided to homeless families, single people and those at imminent risk of becoming homeless. Referrals to shelters, residential addiction, and recovery services are also provided, as well as, Medi-Cal care and other specialized assistance. The program provides a safety net for all people in crisis, and has Satellite offices in Hollywood, South Central as well as Los Angeles.

Los Angeles Day Care Center - **836 Stanford Ave., Los Angeles, CA 90021**

This program is one of the oldest daycare facilities in Los Angeles. Opened in 1920 for mothers working to assist the war effort, L. A. Day Care now serves up to 250 children each day of parents employed in the downtown L. A. garment and produce districts. An after-school program is also operated on site for as many as 100 children per day.

Los Angeles Harbor Light Center - **809 East 5th Street, Los Angeles, CA 90013**

Located in the heart of Skid Row, this program serves up to 280 men with a residential rehabilitation and substance abuse recovery program and meals for those who make the streets their home. An in-house school provides classes aimed at improving literacy and high school completion.

Los Angeles Harmony Hall Center - 3107 South Grand Avenue, Los Angeles, CA 90007

Harmony Hall was opened to provide continuing support for men and women who have successfully graduated from Salvation Army recovery programs. Because of its downtown L. A. location, most of the residents come from the Harbor Light and Safe Harbor Centers. The goal of the Harmony Hall program is to help men and women continue their recovery from drug and alcohol abuse and prepare them for re-integration back into mainstream of society.

Los Angeles Safe Harbor Center - 721 East 5th Street, Los Angeles, CA 90013

Situated across the street from Harbor Light, Safe Harbor has as many as 53 residents who participate in substance abuse recovery programs, counseling, life skills and job readiness classes. Drop-in and referral services are also offered to women living on Skid Row.

The Haven - 11303 Wilshire Blvd., Bldg., 212 - 2nd Floor, Los Angeles, CA 90073

This program is designed specifically to assist homeless veterans. With space for up to 200 veterans, the Haven is operated on the campus of the West Los Angeles Veterans Administration complex. Short-term housing is available at the Alpha Center and transitional housing with a focus on substance abuse recovery, is offered at Victory Place. Women veterans live at Naomi House and those who suffer with mental illness live in the board and care facility known as Exodus Lodge. Since veterans make up approximately one-third of our nation's homeless population, the Haven is committed to providing them housing and supportive services.

Los Angeles Red Shield Youth Center - 1532 West 11th Street. Los Angeles, CA 90015

Known in its Pico-Union neighborhood as an "oasis for youth" the L. A. Red Shield Youth Center serves a membership of 4,000 children and their parents. The primary focus at Red Shield is to encourage kids to stay in school and build skills for the future. Children participate in soccer, tutoring, basketball, baseball, karate, ballet, swimming, scouting, computer learning and arts programs. An all-day On Track program is also offered for students on break from year-round school.

Santa Fe Springs Transitional Living Center - 12000 E. Washington Bl., Whittier, CA 90606

Affectionately known as "TLC" - it is a 124-bed facility that provides comprehensive services for families in transition. The target population is families headed by one parent and women escaping domestic violence situations. The program includes a childcare center licensed to serve 57 children, a learning lab complete with computers, a library and a job readiness program that helps residents build skills for the future. Upon completion of the program, more than 80% of the residents find employment that pays on average $10.00 an hour, and 90% move on to permanent, independent housing, making the program one of the most successful of its kind.

South L. A. Youth and Community Center - 7651 South Central, L. A. CA 90001

The Southern California area offers specialized services that meet year-round needs of the community. They offer church services, bible study and emergency and seasonal social service assistance to low-income families, seniors and at-risk youth.

The Way In Youth Center - 5939 Hollywood Blvd., Los Angeles, CA 90028

Hollywood provides a refuge for homeless youth. The residential program can house up to 20 adolescent children, many of whom are placed in the program by the Department of Children and Family Services (DCFS). The Independent Living Program has four apartments for youth ages 18 - 22 who are emancipated from the foster care system or are of legal age with no family or other option available to help them become independent and self-sufficient. A Drop-In Center provides hot meals, showers, clean clothes and other support services.

Westwood Transitional Village - 1401 South Sepulveda Blvd., Los Angeles, CA 90025

Since 1989, this transitional housing program provides residential housing and support services for veterans and homeless families in Los Angeles County. Families can spend up to 2 years at Westwood Transitional Village while they stabilize and acquire the skills they need for independent living. The Bessie Pregerson Childcare Center provides licensed childcare on site.

Mr. SOUDER. All right. Thank you very much.

Our last witness, our cleanup batter for the two panels is Tim Hooten, executive director, Office of Ministry and Service at Azusa Pacific University in Azusa, CA.

Mr. HOOTEN. Thank you, Chairman Souder.

Let me tell you a little bit about who we are. Azusa Pacific University is a private Christian liberal arts university. Now we have grown very quickly in the past 10 years. We have roughly 9,000 students and that includes our satellite campuses here in southern California. But our undergrad is roughly around 3,500.

And I represent the Office of Ministry and Service. And at APU we have a requirement, like it sounds like you had out at Notre Dame, that all of our students get involved in the community. And so that means I have a student staff of 20 and a volunteer force of 3,500 to work throughout the San Gabriel Valley. The burden we carry, or the joy, is to connect those students to ministry opportunities or outreach opportunities throughout the San Gabriel Valley and especially in our neighborhood there in the city of Azusa that is 60 percent Latino and there is a majority of people who live at or below the poverty level.

It is very different than its neighboring community Glendora. Just when you cross the street, and we are right at that border. And so in the last 10 years we have established many initiatives to become more acquainted with the city of Azusa than the city of Glendora. And our students tend to represent the demographic of Glendora rather than the city of Azusa, too. So in some ways we are a fish out of water and because what we believe about what the New Testament says and what it means to be a Christian, and we feel that there are many Christian groups out there, churches and otherwise who have not quite understood the message of Christ, that what the church is is a group of people who are community oriented. Not about itself. If its about itself, then it is not about the community. And so we try to teach our students that, and we do that in practice by getting them out there.

You know, we do not have the traditional student quite as much as we used to. We used to alway says four semesters, or 4 years and now that becomes 5 or 6 years because of the cost of education. But every semester, basically, that they are in school they are out in the community doing ministry. And we also encourage them to get involved whatever their academic choices are, the major that they choose, really they have a minor of community justice and social activism, because it is required.

There are only three things that are required at APU. And those are going to class, which you've got to do to get a college degree. Going to chapel and then also to do community service.

So in my office, we think of ourselves as a catalyst, a conduit, a motivator and mobilizer. I have a staff of 18 students who oversee community development, but then they also mobilize students to other agencies that we just support. And the local ones that we are involved with. There's a counseling center started by the university, a health clinic, and the Foothill AIDS project is an agency that we send students to.

Also something that we started called Day of Champions. Because we have so many young people in the city of Azusa who love

soccer but they cannot afford an expensive 1 week long soccer clinic, we bring in a semi-professional soccer team and do a free one for them on a Saturday. And then the following Saturdays after that we followup with them with our mens and womens soccer team.

And we also try to connect those types of ministries to local churches.

Way is Walking with Azusa's Youth. It is sort of a big brother/big sister but it is academic mentoring. And so we teach them how to use computers. It's relational as well as academic support. And that was started by an APU student last year who works in my office.

Cerritos Kids is a big win for us. We purchased a property. We did not want to displace the people who lived in those apartments, we being the university. We did not want to displace the people living there. And so we have increased their standard of living there, but we took a social work class over there to do a needs assessment to find out how can we support them outside of just giving them a place to live, that we are actually not giving them, they are paying rent for. But they said we need an after school program for our kids. So they are in the middle of this big apartment complex. We have between 50 and 150 children who are getting academic support after school, and that is all done, I joke about this, but we have mandatory volunteers. And so on a voluntary basis, once the students get involved, their hearts really get into it and I see that with the feedback sheets that we get from those students from semester to semester.

Peach Factory is a 30 year old after school program. It is very similar to the one I just described. We also have Gateway for teen moms. And these are mentoring programs.

And then City Links is something I am really excited about that we started only a few years ago. And I think somebody else described in the last panel something very similar to it, where we get all of the social agencies locally together and we have a big celebration of the ongoing service that is happening. And the morning we spend out at the community at 20 to 30 different sites where we are doing work projects. And then we come back together to celebrate it with free food and give aways and music, etc.

We have urban outreach down here in L.A.

How am I doing on my time? I am over already.

This weekend I spent down here in Los Angeles with my student staff in some teen development and training, but also to work there at Union Rescue Ministries at the mission there. And it reminded me, my students are so excited about what they are doing and they understand that at the university we are training them for their future, but we want to put them on a trajectory no matter what their professional choices are, that their vocation is going to be service. No matter what they do, whether they are teachers or lawyers or doctors or in public policy, that no matter what, it is service and that should grow out of their love for Christ and their faith. Because not all students at APU are Christians.

I also was reminded of a few years ago, our urban program is Hope for the Homeless and it's one that another agency runs but we send a bunch of students, like 50 to 150 students every week-

end down to Hope for the Homeless where they pass out food and clothing, etc. and have relationships with the homeless people.

And it was right before Thanksgiving and this gal put a sign on the door. It was the student mobilizer for this. Because she was going out of town and she wanted to let all of her volunteers know that it was not happening. And so without thinking, she put a sign on the door that said "There will be no hope for the homeless this Thanksgiving" and signed her name.

And I saw that, and I just laughed so hard when I saw that. You think about what the meaning of the sign that you put on the door. But what that reminds me of, though, is that without agencies, without a university like APU and others like it and these agencies represented today, I believe there is no hope for the homeless. And I believe there is no hope for the fatherless and the voiceless and the powerless. And I feel that because we are there, because we are present, because we are doing what we are doing and we do it at a foundational level that there is hope for the homeless and there are surrogate fathers for the fatherless and there are children who are getting excited about the possibility of even going to college where in their families the idea would never be supported.

And so it is a privilege to share that little bit. And I wish I had a written statement, but I just got the call. So I am glad that I could even be here.

Mr. SOUDER. Yes, thank you very much.

I want to thank each of your for your testimony. Now I want to go through some questions and followup.

I have a question for Pastor Baker. Your basic thrust is alcoholism but you deal with drug addiction, and also other drug addictions such as marijuana, cocaine, heroin?

Pastor BAKER. Yes. Yes. All of them. Every one of them.

Mr. SOUDER. Are your programs different for the different drugs?

Pastor BAKER. No. We found that, like in the secular recovery models of AA and NA, they separate them out. We call our groups chemical dependencies. It is all really basically that you are addicted to a chemical and so we put them together. Because a lot of our guys and ladies have been multiple. They are in different stages of some use drugs and alcohol, and some just use one or the other. So we have combined them and it seems to have worked well over the years.

Mr. SOUDER. Have you talked to Director Walters? Do you know what ONDCP is, Office of National Drug Control Policy and Director John Walters, who is commonly called the drug czar.

Pastor BAKER. OK.

Mr. SOUDER. Barry McCaffery was and Bill Bennett. You have never been in touch with their office?

Pastor BAKER. No, sir.

Mr. SOUDER. One of our other main projects for this 2 year cycle in addition to the faith-based efforts is drug treatment.

Pastor BAKER. Right.

Mr. SOUDER. Our committee, as you may have heard me mention, is the primary narcotics committee, which means I have been to Colombia 10 times in the last 7 years. And we spend a lot of time down in Central and South America with those countries, which leads us into immigration questions, trade questions and

those things as well as narcotics questions. But we spend a lot of time with intradiction, but we are trying to focus more on treatment and how clearly to the degree we can get drugs eradicated before they start and catch them before they come here and then at the border, and then by the big dealers before they get down to the street user, that's preferable. But at the same time there is a percentage that if we could get them off the addiction, we would address the drug problem, too.

Pastor BAKER. Right.

Mr. SOUDER. I am not a believer that is the only way. I think there is a lot of mythology that is the primary way, because for every new addict a certain percent of those will be long term addicts. But those long term addicts in addition to helping them as individuals, are a very high risk to society if you look at from the taxpayer's side in addition to the individual.

The President has a proposal which will be hotly debated this year as one of the legislative branches of the faith-based argument to allow groups that are faith-based to be eligible, and this is what has prompted the kind of renewal of the argument this year. It is in my opinion absolutely legally clear that unless there are choices in a community, that is not going to be allowed.

In other words, if you are in a small town and you have a mix of Muslim, Buddhists, Christian and there is only one Muslim group there or one Christian group, you cannot force everybody else to do it. But in most places in drug treatment that are multiple options. And the question is can faith-based organizations be included in drug treatment.

With such a large effort, I would definitely like to do a followup. Nick Coleman is one person you will get a call from on our staff, but we need to get you matched up with ONDCP. Our committee has both authorizing and oversight. We are redoing their legislation now. The Senate has passed a bill or is coming up with a bill slightly different than ours, mostly on border control issues.

Pastor BAKER. That is exciting.

Mr. SOUDER. But we need to get you matched up with your program.

The second thing is Congressman Frank Wolf from Virginia. If you have any video of your programs in the New Mexico prison. I don't know how far along, how far along is the California prison?

Pastor BAKER. It actually just began.

Mr. SOUDER. But particularly in New Mexico?

Pastor BAKER. Right.

Mr. SOUDER. Chairman Wolf heads the appropriations on the Justice Committee. He is very interested in innovative programs and we have worked with Chuck Colson for years in Prison Fellowship. At our San Antonio hearing we had the people in from Sugarland in Texas and worked with some of their prison initiatives. And they were at one of our earlier hearings like this in Nashville. I do not remember the name of the group that is in all those prisons around the country. They are in 28 States. Theirs is not as direct of a faith-based, but they have character programs, literacy programs. And both he and I are particularly interested on the majority side in what we are doing in the prison population,

purely voluntary, but we have seen just dramatic changes in recidivism.

Also a Democratic member of this committee, Danny Davis, I'm the Republican lead on a housing bill for prisoners.

But with those two programs we are going to have some followup with in particular, but I wanted to because of the scale of your program and some of your recidivism rates questions, and it is a little bit different than what we have seen.

The Salvation Army has a tremendous range of programs here in Los Angeles. Is this one of the largest, obviously, Los Angeles is one of the two largest cities. Chicago is a big one.

Mr. ALLEN. Yes. Los Angeles, New York and Chicago.

Mr. SOUDER. Is this a similar diversity of the programs that you would have in the——

Mr. ALLEN. Absolutely. Yes. Yes. I mean, I have given you 16 here outlined. There are far more. I just wanted to be fairly concise in this. Probably about 25, 26 just in L.A. County alone. Very diverse. All the way from child care going up to senior housing.

Mr. SOUDER. If you could as a supplement give us, any of you, your different programs to kind of see what we are talking through supplement with that. And give us a little perspective. I think what would be helpful, you never know how these hearing records are going to be viewed over the years. Because this will be published in about 6 months in a hearing booklet form.

What I know, having worked with this issue from the start from the early 1980's when I worked for then Congressman Daniel Coats with the Children Family Committee through the Senate as a staffer and now as a House member, that there are only about two or three substantive hearings in 15 years, other than the legal debate. And so this bank of hearings people are going to go through.

And we have had a pretty good debate at every single hearing. And, Mr. Gold, I hope you didn't feel at all intimidated. This is probably the most overtly evangelical total panels of the two we have had. We usually have a mix, but we have had the Catholic, Jewish, Lutheran; pretty much the diversity at the different groups. Although clearly the thrust of this is toward more flexibility in faith-based organizations in these hearings. We want to make sure we air the debate. Our committee is very diverse on both sides.

And in our final report we will probably have the things we agree on, and that is the importance of serving everybody, the importance of reaching to the poor. Probably we have been able to work out the tax credit or deduction part. The training part, where we will probably have the majority and minority views, is whether any direct government funds should go in. And then the whole range of questions that I am going to get into in a minute.

Let me ask Mr. Gold, one of the things that has been very interesting for me to hear articulated in different ways are different religious traditions and how they approach in their motivation for getting involved. And certainly the Jewish tradition has had probably the longest of social support in the community, not only their own but beyond that.

At the end it was real interesting because in your definition of your agency, you are clearly serving mostly non-Jews but you de-

fined it as a role to provide a definition for Jews interested in serving the community. Are non-Jews on your board or allowed to volunteer in your organization, too?

Mr. GOLD. No and yes. There are not currently any non-Jews on our board, but with the exception of our Big Brothers, who have to be Jewish to be a Jewish Big Brother, but for our other mentoring programs there is no limitation. We accept everyone and everything, however we certainly try to promote within the Jewish community, hey, if you are Jewish and you want to volunteer, this is a place where you can do it. But we do not limit.

Mr. SOUDER. Would it change the nature of your organization if it became 50 percent protestant?

Mr. GOLD. I do not think so.

Mr. SOUDER. It would not change the service to the individuals?

Mr. GOLD. No.

Mr. SOUDER. But would Jews then view it as much of a place for a Jewish person to go to volunteer?

Mr. GOLD. That's a very interesting question.

Mr. SOUDER. You have entered into a zone, and what it got me to thinking about, because you had a very unusual wording that would be different than kind of a fundamental type approach that I would have.

Mr. GOLD. Right.

Mr. SOUDER. Or it would not be an orthodox Jewish approach? It is also does not appear to be a liberal Jewish approach to it. Because it was an identification of a community. When we have asked this question in the African-American community, for example, one of the fundamental questions is to what degree do you mandate that you have to hire people of like mind or, as we got into an even more explosive question, indigenous population? Which is another way of saying if it is in a poor neighborhood, do most of your employees have to live in the poor neighborhood? Do they have to be poor? If you are an African-American community, what community has to be through affirmative action? Can it be African-American? And at what point if an organization does not reflect that group, will it cease to be the Jewish boys and girls or Big Brothers/Big Sisters and not be an identified place for that group to go volunteer, even if there is philosophical opposition?

Mr. GOLD. Yes.

Mr. SOUDER. One way people get around it is, they would say like on the first panel there was a statement of mission. And to some degree, you would think for example if you were a hard core fundamentalist Christian you probably would not volunteer to be part of the Big Brothers/Big Sisters that has Jewish in its name. You would not necessarily feel comfortable. On the other hand, that is kind of a cop out type question because the real fundamental question is how much is the Jewish identity part of it and is it a historical faith-based organization? In other words, we were founded by Jews.

Mr. GOLD. Sure.

Mr. SOUDER. Or is it something that is really because of the Jewish identity and part of their faith is an outreach out of their faith, and that is a critical component of which at least a majority, if not

everybody, has to share or it no longer is a Jewish boys and girls organization.

Mr. GOLD. Yes.

Mr. SOUDER. It is just boys and girls.

Mr. GOLD. That is a great question. This is obviously a very difficult issue that has been debated within the Jewish community and the community at large.

Mr. SOUDER. Almost as much in Israel as who is a Jew?

Mr. GOLD. Exactly. I mean, you are asking me to define how Jewish you are, and the latest demographic studies that have been done on how Jews are defined continues to evolve. And then if you get into a room with, you know, 12 Rabbis, you will get 24 opinions.

And, unfortunately, I have a lot of Jewish attorneys on board. So I have even a bigger issue.

But I think fundamentally our agency certainly started as very much a Jewish organization; Jewish people, Jewish constituents served. It has grown over time because our society has changed.

If you ask some of the more significant Jewish communal leaders in this town, the non-religious, the non-rabbinic, right? They will tell you that we are probably about 10 percent of the L.A. population, the Jewish people. That has changed over the last two or three generations.

We see a need for serving the greater community as of utmost importance. Because as we continue to become a smaller and smaller portion of the community at large, we feel as though it secures our place in history by helping the community grow. And as the definition of a Jew changes, we are in essence investing in ourselves.

If a person, for instance, is raised in a household where the mother was a Christian and the father was a Jew, depending on who you ask, some people will tell you that person is Jewish, some people will tell you that they are not.

So as our religion has evolved, and there has always been again a divisive issue of whether religion or culture or race in and of itself, we see the need to serve all. But I could go back to Biblical stories of Moses and things taking care of the community at large and not just Jews. That is why Moses was chosen as the leader, because he just did not take care of himself. He took care of the community at large.

So I think there is a little bit of historical significance to who we are as a culture. There is also a current communal issue and demographic issue that is occurring within the Los Angeles community alone, I cannot speak to the larger movement, that I think is pressing. Does that erode who we are as our identity? Does it make us any less Jewish and does it blend us with Big Brothers/Big Sisters of Greater L.A? Because there are actually three of us here. There is Big Brothers/Big Sisters of Greater L.A., Catholic Big Brothers/Big Sisters and Jewish Big Brothers/Big Sisters.

Catholic actually does not really have any religious affiliation.

So would we blend over time? Maybe I am not a predictor. I am very new to the Jewish community here. I am very new to the nonprofit world, as I said earlier. I spent my career in software. I have been at this 18 months and I am learning a lot as I go. But as I

talk to many communal leaders, and most importantly to the people that are involved in our agency, I think the most important thing to us is doing good for our community. Again, Tikkun Olam has no boundary on it. It is just repairing the world, healing the world.

So does that not mean then if you are doing that you are kind of Jewish?

Mr. SOUDER. Well, you have touched on something that I want to followup a little with Dr. Phillips. Because you have touched on what is really a deeply philosophical and motivational question.

Let me give you an illustration in drug treatment. Well, let me use another illustration first.

One of the dilemmas we have when we approach this whole legal question about hiring and firing is because there is still so much bigotry and prejudice in the country that whenever you talk about hiring practices, you get people up like this. But there are often double standards in our society, with all due respect, and I know I am even in touchy ground even to raise this subject.

But for example, Sorenstam going in the men's PGA tournament. Is it substantially different than if the men went over in the LPGA? And is it because there has been past discrimination against women that is seen as an advance, whereas if you had boys going into little girls soccer leagues or basketball leagues conceivably they would dominate?

And as a whole in Congress the Jewish Members of Congress are much more skeptical about faith-based for fear it is going to come up with some type of discrimination that is oriented toward them.

And Blacks are confused. On the one hand they have been historic discriminators on race, but they are supportive in many cases of Black churches becoming Black churches and not being overtaken by White boards. And so it is kind of a dilemma.

For example, on adoption, do you think that Black kids are better off in families with Black parents if you have a choice, and should that be mandated by government? All of a sudden, yes, you see sides splitting a little bit differently.

As discrimination goes down, presumably people will be less threatened and as there are more options by people who choose to associate in subgroups if in fact you are not condemning the other subgroups. But in your statement, you inadvertently, I think in a sense of entering into the debate, raised something. And that is are there things that motivate certain people to volunteer that if you took the uniqueness out, they would not volunteer?

So, for example, to go to Dr. Phillips for a minute, your organization is presumably mostly privately funded. Do you get any Federal dollars?

Mr. PHILLIPS. Not now.

Mr. SOUDER. Do you believe that the people who give to your organization predominately give because you are an unabashed, unapologetic Christian organization?

Mr. PHILLIPS. I would say that is right, although one of our largest donors to the Watts Christian School happens to be Jewish.

Mr. SOUDER. It is not uniformly that way?

Mr. PHILLIPS. No, it is not uniformly that way. But we are very careful to share with people exactly who we are. And, obviously, it

is very hard to hide that the Watts Christian School is Christian because of the name. And then if you walk into this room and you see "Jesus Christ, the same yesterday, today and forever," perhaps you would have a hint. "Jesus is Lord," "Rejoice in the Lord." It is hard to hide who we are, and we do not make an attempt to do that.

I will preach in a church and I will preach out of Isaiah, Jeremiah, Amos and talk about the need for God's people to care for the poor. I will point out that there are more Scripture dealing with how God's people relate to the poor and the oppressed than any other subject in Scripture. And so if you really believe the Bible, then you have to go back to Isaiah 58 where it talks about feeding the hungry, caring for the homeless. And if, in fact, you do those things, then God will shed His own glorious light upon you.

Over and over Scripture says, "if you care for the orphan, the widow, the stranger, the alien, the prisoner," then God will bless you. And, frankly, many churches desperately want to be involved in doing that and do not know how. And so we can provide a bridge.

The Watts School has volunteers from all over southern California that come and not just give money, but give of them themselves, as all of our ministries across the country do.

I was mentioning earlier the Good Samaritan Clinic where we have, I think, 25 or 30 doctors and dentists who on regular basis volunteer their time. And they do that because if they choose to, they can also share their faith with a patient who comes in who might say "Why are you doing this?" And they can, as it says in the New Testament, "give a cup of cold water," but do it in the name of Christ.

Mr. SOUDER. Let me ask you a question that actually, I do not know that I have ever heard it asked in Washington, but we get around the edges of it. Do you believe that what you were just saying there and your teachers, do you believe they are helping the poor because they are Christians or that they are helping the poor because they want to help the poor?

Mr. PHILLIPS. I think that the Christian does not have a Biblical alternative. And I cannot judge the motives of people, but I do know that the believer in Christ needs to have a relationship with the poor. You just cannot ignore that. It is what is commanded.

Mr. SOUDER. Where this gets into it is some people say well can't you do the same thing without Christ?

Mr. PHILLIPS. I think people do. I think people do come and care for the poor and feed the hungry.

Mr. SOUDER. In other words, I agree that people do. We can argue whether those are remnants of the Judeo-Christian teachings in the Old and New Testament or whether in fact secular humanism over time can sustain itself.

Mr. PHILLIPS. Yes.

Mr. SOUDER. But what I would hypothesize, and I am trying to see whether you would agree and would it also be true of the college and others, is that if you drain out the motivation, would private Christian schools really be as effective if the teachers could not share their faith, if you did not have your symbols or is part of your effectiveness part of your faith? It is not to say that there

are not some groups that are secularly effective, and we could argue why and what their histories are and so on. But the question is, is your ministry unique in part because people believe in Jesus Christ and believe that is a requirement? And if so, if that were taken out, what would happen to your ministry?

Mr. PHILLIPS. Yes, I believe the ministry is unique because we fear God and obey His commandments. And I think that if you take the salt and light, God-fearing people, out of a community, that it disintegrates. I think their very presence adds a preserving factor as salt does. I also think that without the moral values that you find in Scripture that talk about treating your neighbor as yourself, loving your neighbor as yourself, loving the Lord your God with all of your heart, mind and soul and your neighbor as yourself; without that, I think a community disintegrates.

And so I think that to take the Christian aspect out of our ministry would destroy it. I think that the motivation for most people is probably not deeply thought out before they come. I think there is an emotional and then a willful determination that this is something that they ought to do. And because we fish among believers to get volunteers and to get missionaries and staff members who come and live here, I think that they realize that this is a very Biblical thing to do.

You know, when Jesus announced that He was the Messiah, He quoted Isaiah 61 and He said He has come to preach the gospel to the poor, to heal the broken hearted, to set the captive free. And then a little later you find John the Baptist getting a little bit concerned about whether or not Jesus was the Messiah. John finds himself in prison about ready to lose his head, and he sends his disciples to Jesus and says, "Are you really the Messiah," because I am about to die for this message. And Jesus tells John's disciples to go back and tell him that the poor have the gospel preached to them, the blind see, the lame walk, the deaf hear. That was all John needed to know, that Jesus was the Messiah because that was the messianic fulfillment of the Old Testament.

And so someone comes and says "Well, Representative Souder, are you a believer in Jesus Christ as your Lord and Savior?" You could respond, "The poor have the gospel preached to them, the blind see, the lame walk, the deaf hear." And that is good enough.

And so I think that it is so integral in the Judeo-Christian tradition that if you took that out, you would lose the effectiveness.

Mr. SOUDER. So your basic argument is not that we have too much faith-based, but that we have too many faith organizations that do not practice their faith?

Mr. PHILLIPS. Absolutely. I think a lot of Christians and a lot of churches are not quite sure how to, you know, we live in a society that separates different segments of society and they do not know how to become involved.

Mr. SOUDER. I wanted to followup on your specific list, which I really liked having a specific list. Let me see if I can find it here. On your list of 17, there are a couple of particulars. The school vouchers, an ongoing argument. The forgiving student loans for teachers, doctors and other staff working with the poor is an interesting wrinkle. We have tried to deal with this in underserved areas with tax incentives.

Mr. PHILLIPS. Well, let me address No. 1 because that is a very key thing. Azusa Pacific is a great university. How much does it cost for a student to go there each year?

Mr. HOOTEN. Right now it is creeping up to $30,000.

Mr. PHILLIPS. OK. So you have a student that after 4 years of going to this great university, and I mean that sincerely, comes out with a debt of $40,000 to $60,000. So they want to come and work with a faith-based organization. Azusa has equipped them to do that. They have motivated them. They have thrown them out into the world. They invite me to come to chapel. People come and say I want to come, but the problem is I cannot afford it. They want to come and teach in the Watts Christian School. They want to work in a vocation, but they cannot afford it. That is the major, or a major, recruiting problem that we have today.

At the Good Samaritan Clinic in Kansas, our first doctor had graduated, was it the University of Kansas or K State. Don, do you remember? KU. And they had some sort of a provision in Kansas that if you worked in a rural area, they would forgive debt. But when the State legislature saw what she was doing, they forgave all of her medical school debt, which enabled her to come and live on a missionary salary and serve the community. And actually, it was a great economic decision if you would refer to the former testimony.

And so, anything that we can do to help people who are motivated but who are prevented from ministering to and living among the poor would be a great assistance to us because of the tremendous amount of debt they come out of schools with. And so I underscore that if you put some sort of a condition that if you lived and ministered among the poor for 5 years or something or a year for each school year, that your debt would be forgiven. That would greatly expand what we could do at this facility right here.

You are sitting in a housing project. There are children all around. The limitation to the size of this school has to do with faculty who are willing to move into the community and teach here.

Mr. SOUDER. Basically we have some bills in Congress and we need to see which ones are there, but in looking at the student loan, which is mostly focused on a merit goal, but there has been some look at the education question. I guess on the pay question, the differential would not be as great a question there.

The tax incentives for volunteers and businesses which provide volunteer days, those are I think really strong proposals that if we do not have them, we will see that they get into the debate.

Mr. PHILLIPS. Let me tell you that No. 3 is not in the tax law. And let me explain to you what that could mean to an organization like us. If the roof goes out on this building, if a roofer donates the materials, he can write that off. If he comes and donates his labor, he cannot. And there are God-fearing good people who have a heart for the ministry that you are sitting in who would donate both materials and labor if they could afford it.

Mr. SOUDER. Let me tell you one of the things that I have heard. The similar thing on malpractice, which on the surface looked so logical to try to deal with.

My friend George Miller from California, without putting words in his mouth and not saying he would oppose this. And I say my

friend, honestly he was Democratic chairman of the Children, Family Committee when I worked there. But we do not agree on a lot of policies.

When we propose things like the malpractice or giving tax incentives for some types of volunteers, what he would say is so you are saying that the poor should have more legal protections than the rich.

Mr. PHILLIPS. Yes.

Mr. SOUDER. Similar for volunteers. Why should a doctor be able to deduct that and not somebody who works at a gas station who goes and donates their time?

Mr. PHILLIPS. Well, that is why if you read this, and I probably should have done even more of it, I started off with doctors, nurses and dentists and teachers and then I said and plumbers, electricians and other professionals who are donating time that they normally bill. And this could probably be an improved point if I wanted to.

In other words, if in fact you bill for your time and you are willing to donate that to a non-profit that is helping the poor, it does seem to me that the time ought to be tax deductible as well as the materials.

Mr. SOUDER. So you are going to turn it into a billing——

Mr. PHILLIPS. So an optometrist can come down to this school and donate his time and check your vision and could write off the glasses that he gives, but not the time for the examinations. That is the point of No. 3.

Mr. SOUDER. I will tell you that the slippery slope here is that a laborer working on an assembly line really is only selling his time as well, and he could take a second job in the evening. The practical thing, and this is what we have to sort through in public policy, is that yes but the fact is we do not have enough doctors and nurses. So is our goal here to get the community served or is our goal here to reward certain people at the expense of other people?

Mr. PHILLIPS. Exactly.

Mr. SOUDER [continuing]. Because this is the classic equity question. Do we want to lift all votes if it means some get richer and poorer. And that is one of the challenges here. But it certainly needs to be looked at because we do not know what to do with these underserved areas.

Mr. PHILLIPS. That is right.

Mr. SOUDER. You have a number here that are very interesting because they involve Federal Government actions, which become much more explosive because these criteria would need to be available to all nonprofits, not just faith-based. But then we will zero in on the faith-based portions.

I assume here in L.A. there is a lot of Federal property where there has been a lot of shifting and the question is, and you mentioned about vehicles, too, about putting them for sale and allowing faith-based groups to in effect—I have one bill, I will show you my diverse interest. I have a bill on lighthouses. And one of the things on lighthouses was as the Coast Guard is getting rid of all these lighthouses and the Department of Interior, who should get first crack at them? And if there have been volunteer groups that have

sustained the lighthouses, they should get first crack, they should not go up for sale.

And this is a similar type concept because I know we did it in lighthouses, therefore it is not impossible to do in other Federal property. But you would then get into do you really want, are we going to change the environmental liability? There are lots of questions with it, but you have raised a whole series of things that are fascinating, particularly in areas where you have a lot of government such as the buses to go to camps.

Mr. PHILLIPS. Exactly.

Mr. SOUDER. Because we have buses everywhere.

Mr. PHILLIPS. Yes, you do.

Mr. SOUDER. Mr. Allen, do you have any comments on these or any other suggestions you would want to add? I mean, it is fascinating to actually have a list to work off of, because part of the goals of these hearings are to say what can we do as a practical matter to forward the debate beyond where we have been stuck on just kind of traditional cash funds. Because in fact, if we donate buses, if we give tax incentives we are not saying, look, the local welfare department is not doing well enough, we are going to transfer it over to this faith-based group. We are trying to expand the pie rather than argue over how to divide the pie.

Mr. PHILLIPS. That is exactly right.

Mr. ALLEN. I would agree with Dr. Phillips on those comments as well. Absolutely. And I would like to see you take that discussion even further. There are a lot of points. We could be here for the rest of the afternoon just discussing some of those.

Mr. SOUDER. We are looking hard for ways where we can expand. If we get a beachhead in one or two of these. The tax revenue side is the hardest. We have fought this kind of, what I would term, baby-step fight over non-itemizers below a certain income being able to take $50. And you would think we were asking for some kind of huge—it is an asterisk in the Federal budget. And you would think it is like some huge thing and yet it is even blocked right now.

And so I have been willing to take whatever low number they have. Because once we get our foot in the door——

Mr. PHILLIPS. Exactly.

Mr. SOUDER [continuing]. We will work for that forever to expand it. And I personally believe we should have gone for a tax deduction that broadened to more groups to build a broader base rather than just for, even though I believe the primary target should be the poor, quite frankly there just is not a big enough lobby. You have to have the environmental groups and the union foundations, and all that arguing for this, too, because there is just not enough constituency right now. And I am telling you, even in my district which is very religious where they know I have made this faith-based organizations and how to help them a primary thing, I will get 50 letters on that. But, man, you have one thing on taxing insurance buildup and I will get 3,000 letters on that. It is just a different dynamic in fighting for this, and that is why it has to be constant.

Mr. Hooten, have you run into any problems with the statement of faith as you go out to do volunteering or different things?

Mr. HOOTEN. No. Because of how ecumenical we are in our work in the community and also with the different kinds of outreaches that we start with the students with entrepreneurial vision and a desire to serve. They include community members in pulling these outreaches off and they do not ask. They just see that they have energy to be a part of it, and we do background checks to make sure that they are going to be safe with kids. But we do not ask them what their faith orientation is.

Mr. SOUDER. Do you tell the students that they have to be cautious about sharing their faith while they are volunteering for another organization?

Mr. HOOTEN. No. We do not say that they need to be cautious about that. We talk to them about what their personal motivation is in being out there. But we leave it up to them to be sensitive. We want them to go out, and this is a big point for me everywhere that I speak. That they need to go out as learners. And so they should not be there first to speak, whether it is about their faith or anything. They should be there first to listen and find out what the needs are and not assume that they know what the needs are in any given situation.

Mr. SOUDER. Have you ever had any complaints from any organization that any of your students started sharing the faith and did not represent the organization?

Mr. HOOTEN. No. Quite the opposite. Especially Foothill AIDS project, for instance. I had a phone call with their executive director recently and I just asked how are things going there. My question was with concern, like the concern that I am hearing behind your question, like are students causing a problem there. And he said, you know what? Your volunteers are my best volunteers because they really have a heart for these young men and women who are dying.

Mr. SOUDER. And why do you believe they have that heart?

Mr. HOOTEN. I believe because they feel that they are there to serve the Christ within the people that they are seeing. As far as my perspective on the New Testament, as a response to the Old Testament, is that when I serve someone, I am actually getting to serve Christ. So it is incarnational in that they be the presence of Christ as they serve Christ.

Mr. SOUDER. What did you think of my comment in the first panel in responding to the question of grant writing? Have you ever looked at any of your department providing any kind of assistance on a systematic way to these groups as they seek funding?

Mr. HOOTEN. Yes, sir. There are a couple of issues that we are dealing with at the university right now. You mentioned the issue of homosexuality. That is one that our board of trustees and president and other different schools are talking about. Because every employee of the university does have to sign a statement of faith. The students do not, but the employees do. And that is including faculty and staff.

But I know, for instance, there was one grant that we were denied recently, and I believe that it was a State grant. And it had been transferred along with the professor who moved from one of the Cal State schools to Azusa Pacific University. And the Cal State school, they did not want it because she is the one who

dreamed it up. They wanted her to take it with her, so when she moved to APU, she lost the grant because the school having a faith orientation. And all it was was to provide health services to the homeless.

Mr. SOUDER. So it was not anything necessarily relevant to that, but they are basically saying a statement of faith that violates a civil rights issue in a local community or State makes you ineligible for that grant?

Mr. HOOTEN. Yes, sir.

Mr. PHILLIPS. That is happening more and more to us, too. Not just grants with foundations, but even businesses.

Mr. SOUDER. The Salvation Army in Chicago, obviously, has had a big issue with this. Has that happened in Los Angeles at all?

Mr. ALLEN. Yes. We have had issues relating to the domestic partners and, obviously, we have had to pull out from certain contracts within the city because of that. So we have lost out on a lot of funding in respect to certain programs pertaining to the city.

And, you know, we also face an uphill battle. I mean, when we first started in Bethesda House, which is a facility for families with AIDS in Los Angeles, at the time it was about 1992. And in the AIDS community it was obviously predominately the gay men who were involved in this. And to come up with a Christian family model, it did not sit particularly well when we first showed up, as it were. And there was a lot of suspicion. But over the years, I think it was in 1997 it won the city award for excellence. And I guess they had to recognize the fact that the program spoke for itself. And gradually there has been an acceptance. So it can work both ways around as well.

And it was important to be a presence there. It really did effect families. And, you know, it is important as we heard about salt and light, we have to be where we have to be. And that was a really important move to be involved in that process. And like I say, we expanded that facility about 2 years ago into Silver Lake where we now provide services for up to 44 families at any one time.

Mr. SOUDER. Pastor Baker, in New Mexico when you are in the prisons, have you run into any of these types of debates?

Pastor BAKER. No, sir. New Mexico, I have made nine trips in the last 3 years. I sat down with the Secretary of Corrections all the way down to the people who receive the drug programs in prisons. And it has been accepted without any battle to date. And I keep praying that it will continue that way.

I sat down with wardens who are not Christians and are glad to share that with me, but they also share what the program has meant to their facility and wish it could be expanded to more pods.

Mr. SOUDER. With hoping not to open up a can of worms, why do you believe that we have run into less resistance in the prisons?

Pastor BAKER. Because I think everything else they have tried has failed. I think they have turned into warehouses. And I think if you really talk to somebody in the industry they will tell you that is what they have become. And they have looked at everything else. As a matter of fact, I won't give a name on this, but I have had a high ranking official tell me that we have tried everything else. The only thing left is Jesus Christ.

Mr. SOUDER. There has also been a tradition of different faiths being able to go into the prisons.

Pastor BAKER. Yes.

Mr. SOUDER. And in trying to look at that kind of model, because it is volunteer.

Pastor BAKER. Yes.

Mr. SOUDER. No body is forced to go in.

Pastor BAKER. Right.

Mr. SOUDER. You have a pattern of any faith who chooses to go in, can go in.

Pastor BAKER. Correct.

Mr. SOUDER. So it is not exclusive. But in trying to figure out why that model is there is really fascinating as we plunge into other categories. Because clearly there is less resistance. Almost every State is experimenting with this because it is just miserable.

Mr. ALLEN. Well, my experience with the sheriff in L.A. County jails is he wants to reduce the population. And he can see that programs, particularly faith-based programs, really work and really make an impact. And we have just recently established a program where we are actually picking up inmates now. Literally, when they come out of that jail, they have to make a decision whether they go this way or whether they go back to what they have known. And we have a great relationship with the Sheriff's Department where we can actually pick them up in a minibus and actually take them straight away to a program.

It has even been taken further than that the Sheriff's Department have started preliminary work with these inmates knowing that if they are going to go to a certain program, they can start that process.

So we have no resistance either. We have the same experience, particularly with the jail system and correctional services.

Mr. SOUDER. I am going to take a couple of minutes, because I want to pursue this just a little bit farther.

A couple of things. In recidivism, Pastor Baker you used some numbers, do you track them for some period of time after they have been out? How long?

Pastor BAKER. Basically after a year. And we have been doing it for 3 years. So we have had them go through the program. And probably the longest term of someone being outside has been about 18 months. So we do not have 10 years and seeing what is happening in 10 years. But we do know, and I believe pretty strongly in those numbers I gave, I said again they were artificial, but I got those from the States that——

Mr. SOUDER. Do you know whether there is any kind of Federal effort? Because one of the frustrating things having worked with this for a long time is you never meet anybody whose recidivism is high. Now, you usually only get to meet a small percentage of the people.

Pastor BAKER. Right.

Mr. SOUDER. But one of the things I wanted from the Federal standpoint, are you tracking them on an individual name-by-name basis?

Pastor BAKER. Yes.

Mr. SOUDER. So if they go into another State system and not in New Mexico, you would still find them?

Pastor BAKER. We are not there yet, no. No, sir.

Mr. SOUDER. OK. So we need some kind of Federal oversight idea if we are really going to track recidivism.

Pastor BAKER. Right.

Mr. SOUDER. We need to know whether they are winding up in other States?

Pastor BAKER. Correct. Right.

Mr. SOUDER. That would be true, however, of programs existing as well.

Pastor BAKER. Right.

Mr. SOUDER. There is nothing like this. It is just when we try to zero in from the Federal level, we do not want to do this kind of like what we do in neighborhoods, is you jumped from one and then move over here. The goal is to change people.

Pastor BAKER. That is right.

Mr. SOUDER. Not to have numbers.

Have you at either the Salvation Army or in your programs, when somebody comes out of prison, do you also have: (a) followup programs for them after they have come out of prison, and; (b) what is your interaction with the governmental social service structure in matching?

Pastor BAKER. Well what we have been very successful in is because we have done two exercises for churches in New Mexico in the last 2 years trying to get more and more churches of all denominations to start Celebrate Recovery ministries in their church. Not just for their own people, they need them there, too, but also when the inmate is released, then they can immediately give them, if they are going to Hobbs, NM, some churches that have Celebrate Recovery programs so they can continue right on with their support system that they had in prison into the same program.

And the other thing that we are finding is one of the key contributors to the recidivism rate being so high is they go back to the family who has not had any recovery and the same neighborhood and the same individuals, and their same actions. So if we can get their families into a recovery program while they are inside going through a recovery program, we will have just a changed life in prison, we have a changed life on the outside when they come back. And that is kind of a unique concept that we have.

Mr. ALLEN. We did it slightly differently. It is not with primarily correction services. When they come out of the jail we would target, for instance, veterans groups which may make up something like a third of the homeless population. So we have a 200 bed facility in West L.A. on the VA campus which we work with. So we would be able to track certain statistical data, but it is not under the umbrella of the correctional services. They may go under the umbrella of the mental health program at Bell Shelter, and maybe with veterans it could be a substance abuse program. And so it is slightly different in the way we operate it. But, obviously, we keep good statistical data on that. And it could be tracked back, I guess.

Mr. SOUDER. How do we sort through, and just state for the record, I kind of know what your answers are going to be to this. How much do you think the success is the program in the prison

itself, and how much is the fact that you have the after care follow through because certainly we would improve recidivism if we just had organized after care follow through and the family recovery? Because we have programs for years that tried to deal with families, but we have not had kind of systematic. And then if you can also state for the record how much do you think the faith component of that is that?

In other words, if we had a secular-based program that taught people literacy in the prisons, had a follow through where some people were helping them and they were supporting them in the community, would you have the same recidivism or do you think this is also a head change? And how is that for a setup?

Pastor BAKER. That is OK. I believe it is a heart change. And it comes from they do have the therapeutic models that they go through, and that they have to go through in the State of New Mexico. However, when they get out they can go to AA or NA. But I think there is a part of the program that I have seen in New Mexico that the churches are doing. It is a connection. It is when someone is paroled, we give them where to go and there are people there waiting for them. And it is an automatic acceptance.

Where someone is coming out of prison, as someone shared earlier today, they still cannot find a job. And it is tough to come out with a record. And certainly to walk into a church, because it is pretty scary. So if they can walk in where people are waiting. Not walk in, but where somebody is bringing them to the church or to a facility like the Salvation Army does that they are going to get connected a lot quicker. And, of course, I believe the heart change is the biggest one. Because in prison you have heard a lot of conversion stories, but it is a conversion story and that is it. They go to a chapel service on a Sunday and some other group comes in on the next Sunday and they sit there for an hour and they go to church. But this is an actual program that if they work through it and if they are honest, it is going to allow Christ to change their life.

Mr. SOUDER. The tough part of being a legislator, and there is not any other way of saying this other than this on the record. As an individual, their heart change I believe is really important for their eternal salvation.

Pastor BAKER. Yes.

Mr. SOUDER. As a public figure what I am concerned about is when the taxpayers invest money is that important or not important? Because if it does not matter, then it would not matter in our public policy. But if in fact it does matter for a percentage, even if it is only 30 or 50 percent, then that ought to be a factor on how we do public policy.

Pastor BAKER. I think it is extremely important. Because I think what they did in the past they are not going to do today.

Mr. SOUDER. They have discovered a higher purpose, and that is what we are talking about.

Mr. ALLEN. Right. And I think the key is the radical change in lifestyle, may be a good way to put over. Because, you know, when you have been living on the streets or you're having substance abuse problems and we have men and women 20, 25 years and

then suddenly they make a faith commitment and that is huge. That is a huge factor.

And one of the reasons I demonstrated or talked briefly about the camp with 5 days which was a very strong gospel message right away through, that had a huge impact and you could actually trace that to the statistical change. And when you interviewed the men and women, that is what they will come out with. And, you know, we have to be honest about that, that is a huge part of the success rate.

Also, the relationship with the jail that we talked about earlier, that really helps to connect them at the time when they come out, when you have an understanding with the Sheriff's Department or the jail or prison facilities. That is another big factor in being able to work with them from day one. But I would still say that the faith-based initiatives and the radical change in lifestyle has a massive impact on the success rate.

And I have said before, when I was a probation officer we had very committed staff members, but in many cases we were sticking Band-Aids on situations. I wish we could have talked to them about our own Christian lifestyle and how that could impact them. We were prohibited from doing so by the government. But in this setting we are allowed to talk about that and we are allowed to offer voluntary church services and Bible studies which many of the men and women who are searching for a new way in life would actually participate in. And we see the effects and we see the results.

Pastor BAKER. I think another indicator of that would be, again, what I said about the wardens. They are seeing changes in prison in the way they act.

Mr. ALLEN. Right.

Mr. SOUDER. Yes. One of the more compelling testimonies that we have had, is that we had this young guy who is in Chicago who spent his earnings and his time, he has just decided to go out. And he goes out on the street and has done this for years with a few others. It's a Catholic ministry that tires to get men who are male prostitutes to change. And one of the Democratic Members just put him under heavy cross examination whether he had to have faith as a component. And finally he says if you do not change them, you know, what reason am I giving that they are doing is wrong to get them off the street if I do not have a compelling reason.

Now, that is one of the real value judgment things that those who agree with that are going to agree with. Those who do not believe necessarily it was wrong to: (a) be a prostitute or a male prostitute questioned the whole premise of the program. And it is just really interesting to struggle with.

Mr. Gold, I will let you have a word here. Because you come to all this, interestingly, because you came from outside the social service and went in and are looking at it more like a business guy. When I first went with the Children and Family Committee, I came out of the furniture retailing business and I wander in there, and the first thing I see is there is little outcome accountability, messy bookkeeping, people constantly still come up to me and say, yes, but if we invest this much into preventing the delinquency, we will save this much from going to prison. Yes, but the problem is

that many of those kids work it out. And if you spend it up front on 10 and 8 of them would have worked it out on their own, the fact that it costs the government more than if you put it in. But the math is bad.

The motives are wonderful. What do you see are some of the things as we look at the these type of organizations between faith-based organizations that we should be looking at from the standpoint of investing taxpayer's money in the most effective ways that you have seen come in?

Mr. GOLD. Well, let me first say that everyone on this panel does beautiful work, and I agree that in a lot of the programs that are being run, the carrot that is dangled to try to get these people to change has to be there. I would not ever disagree with that.

I, obviously, come from a little bit of a different perspective in Judaism that has never been one of evangelism and spreading the Word, so it is slightly different for me ideologically. But I am also sort of walking the line of running this organization, like you said earlier, there is your personal belief and then there is your role as a public servant.

My personal belief is that the government should not cross a very fine line. I do believe that programs like everything that is done here on this table need to exist to create a safety net in the fabric and infrastructure of society to keep us all sane and keep the world from crumbling. But I do believe that where the government should invest its resources and energy is in teaching how to fish and not doing the fishing. And I believe, and this could be quite controversial, that the minute the government begins investing too heavily in funding sources for organizations, whether they be faith-based or not, is the day we become entirely too dependent on them.

I think that there are several articles and several studies that have been done recently, and even there is significant rounding areas in these studies like McKinsey did one on the capacity that exists within America, I think it ended up in the hundreds of billions of excess capacity and it could convert to $40,000 for each child to go to college or something like that; of the waste that exists in the nonprofit industry. That is the biggest thing I have noticed in making this transfer into this nonprofit world is the lack of efficiency.

I think if some things could be done, there are some great ideas tossed around earlier about resources for nonprofits. I think if we could create an environment where nonprofits could focus on their core competency in terms of serving the program and not in the areas of administrative, HR benefits, learning how to write grants and all these things. Their areas should be focused on selling their program and raising money and in exchange for that I think those would be dollars spent better long term. I think it is fine to throw some money at it today. I think a couple generations from now if the government has crossed the line of funding a program in the prisons, for instance, while it may be working and I believe that the success rates have probably proven that it does, I am not sure that is where the government should invest its dollars.

Our organization does not get government funding. I think we have many success stories as well about investing in the life of a child. And one of the testaments to our program is having young

kids that come back, some kids of these neighborhoods right here in Watts and some very tough neighborhoods that come back for our program year after year and then end up getting up on the right track because we invested, and they only come to camp for 1 week over the course of a summer. But over the course of several years, they believe in themselves because we have built up their self-esteem and it is the one highlight of their year. They go on to college.

And one kid in particular came back last summer to be a counselor for us. He had put himself through college and got an aerospace engineering degree. And instead of graduating in May and taking a $80,000 a year job, he decided to come back and spend one more summer with us as a counselor to invest in the same kids that he used to be like. There is no faith involved in that from our perspective as an organization. We do not spread the Word of God. We do not work that way, that is just not the culture of our organization.

So I think that there are many, many organizations out there like ours, and many of these on our panel today as well, that could benefit better from resource efficiencies.

There is a huge issue that I am sure Congress is looking at now, the generation of wealth transference that is about to occur in the next 20 years and the trillions of dollars that if we deployed into our economy in the nonprofit world would be so better spent. I am from the State of Hawaii.

Hawaii has probably one of the worst State governments in the country. They got themselves so fixed, the economy got so bloated based on tax revenue requirements that they cannot get themselves out. It is like a heroin addict. They cannot get out of it. They just keep having to come back to the well. And they have taxed so many businesses out of the State.

So my only fear is that if you just put my own personal belief system aside of the separation of church and State, I see it more as an issue of efficiency and long term viability for many organizations and not tapping the government resources for funding today, but resources for tomorrow, infrastructure issues. Setting up—what was the name of that? Community Partners here in L.A. I had actually never heard of that. Doing some kind of a regionalized system similar to the regional neonatal intensive care units that exist for babies with birth defects. I mean, setting up a regionalized system of something like Community Partners for organizations to go to, I think that would free up millions and billions of dollars that the government would not have to tax or find tax credits or play cat and mouse games with.

Pastor BAKER. Could I respond to that?

Mr. SOUDER. Yes. And what I will do is if each of you have any concluding comments and then anything else you want to submit for the record.

Pastor BAKER. I would just like to thank you for being invited today. And just to kind of put my spin on that, is that the State and the Federal Government are already spending money when 8 out of 10 prisoners come back. It cost a lot of money to warehouse somebody in prison.

I will leave it at that.

Mr. SOUDER. Mr. Allen.

Mr. ALLEN. I would just like to respond and say I would agree about the teach the man to fish philosophy. I think we all sitting around this table are agreeing with that, very much in support of the continuing care. When people come into a program, we are looking to make a real impact and we want to see solutions, we do not just want to perpetuate the problem.

And it gets back to what you said earlier about possibilities of initiatives with faith-based programs where we would be looking out. I would very much support that. That if we can demonstrate through outcomes and through what we have achieved through the programs, I think that would be a huge step forward.

Mr. SOUDER. Dr. Phillips.

Mr. PHILLIPS. Well, I would even go a step further.

Mr. SOUDER. If you could come up with another 17 things, that would be great, too. I can see the staff panicking.

Mr. PHILLIPS. I can do that. Rather than just teach a man to fish, we would like to help him buy the pond. Because they buy into the system and there are entrepreneurial instincts and everybody in this neighborhood. If we can help that, it starts to turn things around.

The government can help, though, with some of these very specific things. And while you said it is really hard to measure preventative stuff, I would say in response to that to quote Christy Mathison, the great baseball player, "It is a lot easier to build a boy than to remake a man." And so when you are looking at schools, systemically, when you are looking at vocational training, especially with young people who are growing up today who want to work, but because of minimum wage laws, child labor laws and if they have not got an uncle or an employer friend or a mom or a dad who owns a business, it is pretty tough. There are things there that the government can grease the wheels, and allow us to do positive things, that in the long run is extremely cost effective.

I think there ought to be some sort of a partnership. Tax dollars are generated for most of us in this room. And to come back with efficiency in that in order to help touch the poor, to redeem, to empower, to equip the poor is not only a very Biblical thing, it is a very American thing.

Mr. SOUDER. Mr. Hooten.

Mr. HOOTEN. Yes, sir. I would like to respond specifically to the question that you asked about faith orientation if blatant faith orientation or a lack of it would impact the effectiveness of what we do. And I would say, yes, Azusa Pacific would not have the requirement that it has if it were not a Christian university. It was founded in 1899 as a training school for Christian workers. And that is how we maintain our identity is through that.

Also, on the subject of identity, Aristotle when describing virtue wrote that virtue means fulfilling one's intended purpose. And in that sense of the word or in that understanding of the word virtue, a virtuous knife is one that cuts well.

And so the question that we ask at APU and I can speak for Christian organizations that I work with, what does it mean for us to fulfill our intended purpose? And that is why I think we see changes in people, in prisoner's lives or the people that we work

with who are homeless who can get off crack and things that I think otherwise would destroy them is because they have discovered their intended purpose. And so not only in the community that we are serving, but the student population we have I work very hard to remind them of their intended purpose. Because many of them have come from Christian organizations that have not taught them the identity that we shared about, that who we really are meant to be. And that doesn't mean that we go out with words in my opinion first, but we go out with actions and love. And then when relationships are developed, we can talk about those things that sustain us and really give us purpose.

Mr. SOUDER. Well, I thank you all for taking time out of your busy schedule.

Let me just share a couple of closing thoughts here. You are kind of getting to see some of the sausage making of government. But when we had a meeting with Steve Goldsmith when George Bush was running for President with Senator Santorum, Congressman Pitts and I, and Steve Goldsmith said what he was having trouble figuring out is why we could not move this type of legislation through Washington. What is the problem? And my answer, which has proven to be true again as they have had to back up a little bit, is that there is no clear constituency. That the Republican Party is mostly suburban and rural base and it likes faith-based ideas as long as it seems to be transferring funds to those Members' districts. But when it goes to the urban poor, they are not as excited about the issue. The Democrats do not like the idea as much about the faith-based. And even though it gives more money to the urban poor, they are concerned about separation of church and State to a higher degree.

Therefore, this issue does not have a large constituency. But it keeps in the public debate.

And this is the one question that I believe is why we are able to make small incremental gains even if it is not going to be large. Because when I ask my Democratic colleagues, you know, it does not matter who is Governor of California, California is still broke. And there are only so many bonds they are going to be able to do. You can sit there and say we do not want to have faith-based organizations leveraging their funds in, but every juvenile probation officer is having their case load go up, everybody who is doing child abuse in the State is not putting in anymore money. And you can go across the whole nation and it does not matter if you have a Republican legislature or Democratic legislature, it does not matter what they ran on, the fact is that social service spending is flat and barely able to keep up at a time when we are having more family disorientation, huge immigration groups come in with the economy going up and down. So the question is how are we going to address is.

And that a segment of the faith community, whether those who disagree or not, are not going to come to the table unless there are some accommodations.

Now at the same time the faith community needs to understand what the target is here. And I want to pay personal tribute here to Dr. Phillips, because he has had a big impact on my life and

many others. Because there is a very small group of people who have kept these issues alive for a long time.

And when we were in Newark, Judith Kemp was with me whose Dad is Jack Kemp. And his mom for the record had as kids talked as a family discussion about giving money to World Impact and their importance of commitment to the poor in their family.

Now, it is not a surprise that when Jack Kemp became head of HUD, he was one of the first people that initiated from the Republican side some of the urban poverty questions and had this. And that he and that some of the people in the Bush administration who are implementing these programs have had some long interaction with this. And it is not whether it gets votes. It is not whether it is politically popular to do. It is a question of how else do you propose to do it if you are in the public sector. And then as individuals do you believe we in fact are commanded to help the rich or the poor?

And there is just not enough of a sentiment yet, and what I am hoping and if you have anything to add to these lists, the great advantage of specifics is that we have a bill out there that in actuality the three people, four people who were most opposed to the faith-based legislation, Congressman Bobby Scott from Virginia, Chet Edwards from Texas, Jerry Nadler from New York and I'm blanking on the fourth right now. And I and a couple of the primary advocates sat down, and once we took the direct funding out, they agreed to go along with training and building the ability to seek grants for faith-based organizations from foundations, for example, and training capacity things. I think we can maybe sell them on a couple of these type of things. Some of them they will not, some of them they will. But when the politics erupted, they got flak from the left even though they were all great ACLU card carrying members, and we got flak from the right. And the President basically tried to move forward the way it is. But I think they are open to some as we try to work this through. Because the truth is: one, it's working, and; two, we don't have a whole ton of other options. And you said it really well. You didn't even slip in what people really need is a purpose driven life.

Pastor BAKER. I didn't.

Mr. SOUDER. In fact, in trying to focus people, that is one of the things we do. And there is no way if you can communicate to each of the students who volunteer, your staffers, the people at the Salvation Army who are down there both volunteering and working everyday, the kids out being Big Brothers and Big Sisters to kids who do not have it and to all the people down in the prisons who are trying to help people from destroying their families with drugs and alcohol abuse, the thanks from the government which they do not often get.

I met a man from InterVarsity in Newark. I was visiting Carolyn Wallace I think who had an outreach there. But this guy was from InterVarsity and had spent, if I recall, nearly 30 years of life and had not had a day's vacation and basically ran this home for 30 years. And what he told me is I came here to save the East coast, then it was New Jersey, then it was Newark, then it was South Newark, then it was the neighborhood, then it was the block, then if I can get to one kid at a time. And it is people like that that

show how we can give them the incentives, how we can say thanks that really makes a difference.

So thanks for being part of this process. We would welcome any further input you have as we go through.

The hearing stands adjourned.

[Whereupon, at 3:24 p.m., the subcommittee was adjourned.]

[Additional information submitted for the hearing record follows:]

01/26/2004 10:14 FAX 310 898 3084 TOKICO HP 001

David Dunson
EMME
Tel. (323) 751-8332
Email emmeagency@yahoo.com

EMME

Fax

To:	U. S. House of Representatives	**From:**	David Dunson
Attn:	Elizabeth K. Meyer - Staff Member	**Pages:**	7
Fax:	202.225.1154	**Date:**	1/26/04
Re:	Faith-Based Perspectives Stmt	**CC:**	

☐ **Urgent** ☐ **For Review** ☐ **Please Comment** ☐ **Please Reply** ☐ **Please Recycle**

• **Comments**

Thank you for the opportunity to present my statement on the Faith-Based Perspectives which follows.

I am extremely grateful to be able to present to this council my statement on an indigenous program that could very well serve as a model solution towards addressing and improving our local and national economically impoverished communities.

In this brief moment given me, I speak on the behalf of numerous Watts residents regarding social services provision. I share with this council a mock comprehensive social service strategy towards economic empowerment as it relates to the development for social reform provision within America's metropolitan inner cities. This example method, after reviewed, perhaps could be the approach needed in solving our long-term community economic problem, especially among the urban poor. Charitable choice programs could accurately serve every ethnicity living in an urban perplexed environment. Should this council deem somehow to fund a new proactive 501C3 facility, please remember to incorporate the vision and interests of blue-collar folks during these uncertain times of social services reform. For the note, I think this council would like to have an accurate depiction for leveraging unstable inner city infrastructure.

Presently some of our current services providers aren't, or don't seem, ready or are just blinded by social ignorance, which would prohibit anyone from understanding the holistic needs that exist throughout America's urban ghettos. Minority citizens are desiring to have real social service empowerment. The average poor citizen living in Watts still finds

himself in an economically subservient position. The majority of urban minority poor feel that their decisions aren't counted among white-collar capitalist groups that welcome change within the inner city. Unfortunately, most of their purpose always leads to exploitation and company self interest for their own families with no real long-term employment outlets for residential volunteers. We need self empowerment program with new components for building healthy family social relationships with a real time approach.

It's time for reform. I am sharing my faith-based plan on the provision of community services as it relates to 501(c)(3). Currently EMME is not a legal 501C3 but we are pursuing the necessary procedures to secure this status. Please consider this from your corporate heart of judgment. Once upon a time three different visions of a young man's social dreams and vision of purpose were sent to three different companies in three separate years. Each still exist by one social uneducated minority man's dream. This man still awaits three calls from all three social friends (p.s. the list goes on. End of story). A humanitarian social services mathematical empowerment head start program could really help anyone desiring change. The program is designed to work with current existing businesses. However, please note for the record that the legitimacy of my statement I have written, along with visual plans, are true: even my hypothetical projection and community support teams

involved are true residents. Our community awaits funding. Come see this quietly kept, multi-culture dream.

For the record and respect to council procedures I, David Dunson, have shared some truths and promise to continue telling the truth, so help me God, for I find that there is no higher office by which to swear.

I met Ms. Elizabeth K. Meyer on January 12, 2004, at World Impact, Los Angeles, at a Hearing on Faith-based Perspectives on the Provision of Community Services. My statement was to be submitted after this hearing. I extend thanks to Ms. Elizabeth Meyer for awaiting and welcoming my statement.

Those present at the hearing included representatives of The Bresee Foundation, World Impact, Salvation Army of Southern California, and Azusa Pacific University, among others. I have had some interaction with some of the aforementioned organizations for several years. While reviewing the mission statement and purpose of some of the other organizations, I find them to be very impressive--outwardly busy. Unfortunately, among most urban poor within the inner cities of America, they were lacking services because they don't openly promote shared ownership of community economic development plans with their brother keepers--the community residents. Some of these social services providers have become an avenue of dependency instead of a pathway for social economic growth. This council probably knows that minorities

need to be encouraged (or any resident interested who wants to take ownership of their perplexed and broken environment, or whatever status of communities may be). They must be taught how to become the services providers for the community in which they live. A government charitable community chest should be set up to empower the small programs. This then leaves the responsibility to the citizen to apply at community chest approved locations for the choice of his or her social economic path of success--no matter their religious doctrinal creed. Governments grants are hard to get when you don't have a good education to apply for them. What is the ex-drug dealer to do, the mother former prostitute, and the victims born into unhealthy social perplexed environments and the host of others I interact with on a daily basis?

Please let's hear from them. They're the ones truly living in the inner city among the most depressed and hostile environments. They're the same people facing social economic injustice every day and are willing to make changes only if asked. Should this council consider the thought of empowering residents to share a kindship vision, along with current social services providers and funds to flow through the hands of the community, applicants will invite true social economic and psychological changes within our inner cities that truly empower urban minorities to restore their broken families.

I imagine one day an economic proactive program with financial dividends kick back to its participants, coupled with a direct family plan of investments strategies and career outlets. This is the foresight our inner city needs. Furthermore, social service dependency will decrease when support provision meets with residents' goals or anyone feeling the obligation and duty to help develop their geographic area in which they live. This kind of kinship promotes what we know as a paradigm shift as it regards those that would and should at a later date empower qualified residents participating in this sort of program hired to be the community entrepreneur future reform social services providers. Social services agencies are needed.

It's a great atrocity as it relates to minorities that are left with dreams, stolen ideals and dormant hopes from economic impoverishment and social discrimination. Frequently I see within some of our 501C3 organizations most minority urban poor have become physically, emotionally and psychologically subservient. Some never see the possibility of ownership. Forgotten potential leads many to illegal gain, unrelated extended family, teen pregnancy, suicides, drug abuse, etc. I call to remembrance the famous commercial about the hair loss restoration guy. This guy said, "I'm not only president but I'm also a client." In retrospect, I now know that my dreams count. I am one of those counted among the urban poor and I am also one of those who

desire change. For every one of us under this heaven hopes somebody would take notice to plant seeds of social economic growth so that our offspring will not have to grow up with low self esteem and lack of education and a lifetime of economic impoverishment.

Sincerely,

David Ramos

July 8, 2004

VIA FACSIMILE
202-225-1154
Total Pages: 01

The Honorable Mark Souder
Chairman, Subcommittee on Criminal Justice, Drug Policy and Human Resources
Government Reform & Oversight Committee
2157 RHOB
Washington, DC 20515

Dear Representative Souder,

It is a pleasure to pass along to you the stories of success that are part of a long tradition at the Union Rescue Mission in Los Angeles. Our rich history of 113 years has many more stories than you would have time to hear. We do these things for the least, lost and last as the Good Shepherd commanded us. We are grateful for the opportunity of telling the good news of URM and are equally grateful for your time and inclusion of us in your hearing and the report.

All the best.

Sincerely,

Cliff Bedzel
Director
Eimago, Inc.

VWIP participant

Since gaining a job at URM and A+ computer repair certification, Louis' next goal is to obtain his network certification and go as far as he can in the computer field through further education. At 50 years old, Louis is a member of URM Foundation's Veteran's Workforce Investment Program (VWIP).

When Louis arrived at Union Rescue Mission 14 months ago, he was ready to make some changes in his life. Now, he says, "The way I think is different." Before recovering from an addiction, Louis was prideful. Prior to his addiction, he did everything he set out for and he was prideful about what he accomplished. He worked as an aviation electrician for the Navy. During his nine years in the military, he worked on classified military weapons and laser range finders at Hughes Aircraft. He thanks God for humbling him and delivering him from a prideful attitude, resulting in more than recovery from addiction. "When you lose your selfishness," he says, "You gain true life with God."

Louis has accomplished many successes since his recovery. As part of VWIP's field program, Louis works part-time as the Learning Center Coordinator for URM. He teaches other students how to go through the same process he did to obtain A+ certification, and is developing an instructional guide for students to follow. Louis also plays percussion in the URM praise team and teaches music classes and clinics throughout Los Angeles. "I help where I'm needed," he adds.

Samuel

Samuel admits there are several mistakes he made that led him to homelessness on Skid Row, and eventually prison. When he moved from Louisiana to California in 1980, Samuel was amazed to see a liquor store on every corner. A functioning alcoholic, he paid bills and went to work. Then, he began to use cocaine, and says "I was hooked immediately; it wrecked everything."

Crack led to the fall of Samuel's marriage, until his wife finally made him leave the house. "I wound up downtown, on Skid Row," Samuel says of his first days of homelessness, "And so I got my bags and I think I was about the best-dressed bum downtown, but nevertheless, I was a vagabond. Soon, Samuel was involved with a robbery and sentenced to nine months in prison. Samuel believes, "I could have, in actuality, fought it and never been to prison a day before in my life. But I just thought, 'Well, let me check out prison so I can be a tough guy and see what it's like.' Biggest mistake I ever made in my life."

A nine-month sentence led to ten years in and out of prisons. Each time Samuel was released, instead of reporting for parole, he would feed his cocaine habit. The last time he got out, he decided, " 'Man, I'd rather be in prison than smoking cocaine again.' So I went to my parole agent." Knowing that reporting late for parole was likely to land him in jail again, Samuel was ready to do anything to stop using cocaine; he knew he couldn't keep doing what he what doing, but he also didn't know how to stop. " 'I'm going to take you down to the Union Rescue Mission,' " offered his parole officer, " 'You think you can stay there? For as long as it takes?' " Thankful for the break, Samuel began the Seeds of Hope program at URM. "And I haven't looked back since," he says.

"This place has so much to offer but it's up to the individual to apply himself and change," Samuel learned. "And so when they told me to change, I had to change the way I thought, the way I walked, the way I talked to people, the way I received people talking to me; I never thought about that stuff before." Four years of sobriety have given Samuel a new life. He is full time staff at Union Rescue Mission as Mental Health Coordinator, on the presidential advisory committee, assistant to the director of men's ministries, secretary for the CLDP Alumni Association, and a night supervisor of our men's transitional facility. He plans to return to school and take a drug and alcohol counseling class. Samuel knows he can lead by example "because when I saw somebody who I knew [before] who is sober and clean [now], it did so much for me. And that's all it took for me."

Alex

"My dad died July 4th and I didn't even know he was dead. But the last thing I did when I had seen him was to say, 'Bye, love you.' So July 5th I got arrested and I was calling home saying, 'tell him I want to go now. Tell them [Union Rescue Mission will] give me a drug program so I can get out;' they wanted to send me to prison."

Alex's father died three days after he graduated from URM's Christian Life Discipleship Program (CLDP). Raised in a community and family where drugs were so common that Alex thought of his childhood as normal, drugs became an easy addiction. When his father entered CLDP, Alex began to see a change in him. "He started to learn how to be a father," remembers Alex.

Hearing about the Mission, Alex could see that it was motivating change for his father. He saw that change, but making the change himself took a bit longer. Soon after his father's death, and a week before he was supposed to turn himself in to CLDP for a drug rehab program, Alex was arrested for drugs again. At that point, "I was kind of relieved that I got busted. It was a relief to me. I was tired," says Alex. Though he promised his dad many times before that he would come to CLDP, this time he did. "I don't care how good a church, pastor or counselor is. If the person is not ready to change, it's not going to happen," Alex believes.

Once he entered CLDP, he was welcomed with open arms and enjoyed learning from people who knew his dad. "A lot of people were telling me," says Alex, " 'your dad would be proud of you if he could see you now.' And I'm sure he would because it's the total big change. I mean, I'm the same personality but I just had different motives, which were no good. But now it's a lot of positive."

"Since I've been here, I've gone to computer school and graduated from a seven-month program. That really taught me just to be responsible and it got me in a business-like environment," Alex recalls about his training. An accomplished artist as well, Alex is learning to focus his goals at the Mission; "People have always told me in life, 'You can do things.' And I was like, yeah, OK, maybe I could, and never accomplished it. But now, I'm starting to accomplish things and people are giving me a lot of encouragement." Alex was recently hired as a Volunteer Assistant in URM's Volunteer Department. He is excited to join URM as staff, saying, "I love doing that. I love working with the people there."

Motivated by God and his family to remain positive, Alex sees himself as a role model for his family. He accepts this responsibility because "my dad died, my niece and nephew's dad died, and so now they're looking to me for an example as man of the house....My daughters and my niece and nephew see me doing something good. I take them to church and hopefully they get something to pass on—pass on the good things I'm doing because I'm not trying to do it for me, it's because it's what God would have me do. I'm trying to be a positive influence to them because they're who I want to pass this on to. They're looking at me to see what I'm doing."

Building stronger family relationships and being a stable role model are important goals that Alex has. He says, "I just see myself getting more and more stable in the family life. One of the goals in life that I have, and I don't know how long it's gonna take, but I want to actually have, at my house, a Thanksgiving dinner. A dinner where everybody sits at the table."

Shanna

Praying that he would get caught, Shanna sat with her child, watching her daughter's father steal a car. When the police came, she insisted that she knew the car theft, and knew him well. Thomas denied knowing Shanna; he feared she would share his violent history. Shanna informed the police that Thomas already had an arrest warrant for her attempted murder. Shooting at her was his response when Shanna previously left him, refusing to tolerate his violence.

With Thomas finally in jail, Shanna still lived in fear. Thomas was in a gang and sent her threatening notes from jail. He knew where she worked and where she went to school—people followed her. Thomas was always one step ahead of her. For four years, she stayed in Fort Lauderdale, always fearful of being alone. Between enrollment in college and a job, Shanna was becoming successful and caring for her children, but she grew weary of constantly fearing for her life.

Determined to begin a new life, she moved in with a relative in California, legally changed her identity, and taught her three children to use her new name. She had to tell them the truth about their dad. For a few years, Shanna held a job and cared for her daughters in Lancaster. In 2001, she became pregnant with her son, and wanted to go home to Fort Lauderdale to reconcile with her grandmother. Though pleased to see her, Shanna's grandmother begged her to leave, afraid of what Thomas' gang may do. Shanna wanted to stay with her family, but her grandmother reminded her that, "your children are your family now."

Shanna's children give her strength to live. "If it were not for [my kids], I would have hurt myself a long time ago," Shanna believes. "And I know that for a fact because I have been suicidal…and whenever those thoughts come across, I just look at my kids and just think, now if I do this to myself, where are they going to wind up at? Who's going to take care of them?"

Being at the Mission is difficult for her children. Shanna says, "I just tell my kids, 'Don't look to the left or the right, look straight ahead and just stay focused, and that's what I do." They're used to having their own space in Lancaster but after her grandmother passed away, feeling lost, Shanna decided to leave Lancaster.

Arriving at the train station in Los Angeles, Shanna called a few shelters and found that Union Rescue Mission was the only shelter that could help her and her children. After enrolling in Prototypes, an agency that supports victims of domestic violence, she began to see her anger turn around. Shanna's goal is to have a two or three bedroom home for her family, get a job, and go back to school to complete her A.A. in Accounting.

Stephin Booth aka Louis
VWIP participant

Since gaining a job at URM and A+ computer repair certification, Louis' next goal is to obtain his network certification and go as far as he can in the computer field through further education. At 50 years old, Louis is a member of URM Foundation's Veteran's Workforce Investment Program (VWIP).

When Louis arrived at Union Rescue Mission 14 months ago, he was ready to make some changes in his life. Now, he says, "The way I think is different." Before recovering from an addiction, Louis was prideful. Prior to his addiction, he did everything he set out for and he was prideful about what he accomplished. He worked as an aviation electrician for the Navy. During his nine years in the military, he worked on classified military weapons and laser range finders at Hughes Aircraft. He thanks God for humbling him and delivering him from a prideful attitude, resulting in more than recovery from addiction. "When you lose your selfishness," he says, "You gain true life with God."

Louis has accomplished many successes since his recovery. As part of VWIP's field program, Louis works part-time as the Learning Center Coordinator for URM. He teaches other students how to go through the same process he did to obtain A+ certification, and is developing an instructional guide for students to follow. Louis also plays percussion in the URM praise team and teaches music classes and clinics throughout Los Angeles. "I help where I'm needed," he adds.

Alex, a CLDP Graduate and Staff in Volunteer Department

"My dad died July 4th and I didn't even know he was dead. But the last thing I did when I had seen him was to say, 'Bye, love you.' So July 5th I got arrested and I was calling home saying, 'tell him I want to go now. Tell them [Union Rescue Mission will] give me a drug program so I can get out;' they wanted to send me to prison."

Alex's father died three days after he graduated from URM's Christian Life Discipleship Program (CLDP). Raised in a community and family where drugs were so common that Alex thought of his childhood as normal, drugs became an easy addiction. When his father entered CLDP, Alex began to see a change in him. "He started to learn how to be a father," remembers Alex.

Hearing about the Mission, Alex could see that it was motivating change for his father. He saw the change, but making the change himself took a bit longer. Soon after his father's death, and a week before he was supposed to turn himself in to CLDP for a drug rehab program, Alex was arrested for drugs again. At that point, "I was kind of relieved that I got busted. It was a relief to me; I was tired." Though he promised his dad many times before that he would come to CLDP, this time he did. "I don't care how good a church, pastor or counselor is. If the person is not ready to change, it's not going to happen," Alex believes.

Once he entered CLDP, he was welcomed with open arms and enjoyed learning from people who knew his dad. "A lot of people were telling me," says Alex, " 'your dad would be proud of you if he could see you now.' And I'm sure he would because it's the total big change. I mean I'm the same personality but I just had different motives, which were no good. But now it's a lot of positive."

"Since I've been here, I've gone to computer school and graduated from a seven-month program. That really taught me just to be responsible and it got me in a business-like environment," Alex recalls about his training. An accomplished artist as well, Alex is learning to focus his goals at the Mission; "People have always told me in life, 'You can do things.' And I was like, yeah, OK, maybe I could and never accomplished it. But now, I'm starting to accomplish things and people are giving me a lot of encouragement." Alex was recently hired as a Volunteer Assistant in URM's Volunteer Department. He is excited to join URM as staff, saying, "I love doing that. I love working with the people there."

Motivated by God and his family to remain positive, Alex sees himself as a role model for his family. He accepts this responsibility because "my dad died, my niece and nephew's dad died, and so now they're looking to me for an example as man of the house....My daughters and my niece and nephew see me doing something good. I take them to church and hopefully they get something to pass on—pass on the good things I'm doing because I'm not trying to do it for me, it's because it's what God would have me do. I'm trying to be a positive influence to them because they're who I want to pass this on to. They're looking at me to see what I'm doing."

Building stronger family relationships and being a stable role model are important goals that Alex has. He says, "I just see myself getting more and more stable in the family life. One of the goals in life that I have, and I don't know how long it's gonna take, but I want to actually have, at my house a Thanksgiving dinner. A dinner where everybody sits at the table."

George Potvin, IT Tech

In November of 2001, George took steps to turn his life around. He made the decision to come to Los Angeles, deal with issues he had been avoiding, and entered the Christian Life Discipleship Program. Born and raised Catholic, George rejected his faith in high school, and as an adult, felt it missing. He chose URM because it is a Christian Mission and he knew he really needed to "step into the fire," as he says, to stop putting off needed life changes.

With a degree in social work from Wayne State University in Detroit Michigan, George spent 13 years as social worker in Phoenix, AZ. When it came time for changes in his life, he wanted a career that was more straightforward. George always enjoyed computers as a self-taught hobby, so the position was a natural career fit. During his time in the CLDP, George had an apprenticeship in the IT department for six months, worked as a part-time employee for three months, and he now joins URM full time.

George's new hobby, video editing, fits well with his current job. Trained by Comcast, he has become the "official tech guy" for CLDP alumni and has produced some videos for alumni. He hopes to have video content posted to URM's website in the future.
George is glad to be at URM and he says, "I know I'm on the right track."

Samuel

Samuel admits there are several mistakes he made that led him to homelessness on Skid Row, and eventually prison. When he moved from Louisiana to California in 1980, Samuel was amazed to see a liquor store on every corner. A functioning alcoholic, he paid bills and went to work. Then, he began to use cocaine, and says "I was hooked immediately; it wrecked everything."

Crack led to the fall of Samuel's marriage, until his wife finally made him leave the house. "I wound up downtown, on Skid Row," Samuel says of his first days of homelessness, "And so I got my bags and I think I was about the best-dressed bum downtown, but nevertheless, I was a vagabond. Soon, Samuel was involved with a robbery and sentenced to nine months in prison. Samuel believes, "I could have, in actuality, fought it and never been to prison a day before in my life. But I just thought, 'Well, let me check out prison so I can be a tough guy and see what it's like.' Biggest mistake I ever made in my life."

A nine-month sentence led to ten years in and out of prisons. Each time Samuel was released, instead of reporting for parole, he would feed his cocaine habit. The last time he got out, he decided, " 'Man, I'd rather be in prison than smoking cocaine again.' So I went to my parole agent." Knowing that reporting late for parole was likely to land him in jail again, Samuel was ready to do anything to stop using cocaine; he knew he couldn't keep doing what he what doing, but he also didn't know how to stop. " 'I'm going to take you down to the Union Rescue Mission,' " offered his parole officer, " 'You think you can stay there? For as long as it takes?' " Thankful for the break, Samuel began the Seeds of Hope program at URM. "And I haven't looked back since," he says.

"This place has so much to offer but it's up to the individual to apply himself and change," Samuel learned. "And so when they told me to change, I had to change the way I thought, the way I walked, the way I talked to people, the way I received people talking to me; I never thought about that stuff before." Four years of sobriety have given Samuel a new life. He is full time staff at Union Rescue Mission as Mental Health Coordinator, on the presidential advisory committee, assistant to the director of men's ministries, secretary for the CLDP Alumni Association, and a night supervisor of our men's transitional facility. He plans to return to school and take a drug and alcohol counseling class. Samuel knows he can lead by example "because when I saw somebody who I knew [before] who is sober and clean [now], it did so much for me. And that's all it took for me."

Cheryl and Adam

"They [our kids] really like it over here," said Cheryl. "It's steady; they don't have to be embarrassed to tell their friends at school they live in a hotel or in a shelter for 30 days. They actually have somewhere to call home." Cheryl, her husband Adam, and their four children ages twelve, nine, one and newborn are all thankful to have a place they can call home. After moving from California to Texas and back to California, staying in hotels and shelters, the children were in need of stability. At URM's Family Together program, Cheryl says her children are content; "They were asking us, 'Where are we going to go next week?' We said, 'We don't know either.'"

During this time of transition, Cheryl hopes to attend nursing school and Adam hopes to pursue education. Here, they have a chance to prevent themselves from becoming homeless again, which happened after a series of events. When Adam couldn't find work in California, the family decided to move to Texas, where Adam worked as a freight loader. When he was laid off from that job because the company moved to Mexico, he found similar work. The same thing happened with that company, and Adam was laid off. The family was paying rent on an apartment leased to a former roommate, who was pocketing the rent money, so they lost their home as well. Staying with Adam's family in Texas for a while, when he lost his job again, the family moved back to California. "I think if I wasn't with him," says Cheryl, "My husband couldn't do it [survive homelessness] because it was really hurting him. I was telling him not to worry about it; things will get better....People were helping us."

When Cheryl and Adam moved into URM's Family Together program, they were surprised at what was offered. Cheryl says, "I think that anybody who came in here, would have been like, 'Wow, it's a really good opportunity.' It has everything; we didn't even expect everything." The opportunities that Cheryl and Adam have with URM's Family Together program keep them excited about the future and trusting in God. Cheryl says, "Maybe I haven't gone to church every day and you don't always see me reading a Bible...but I pray and ask God for help. I might not deserve it, but I always feel that God's not going to abandon me and leave me struggling. The reason things are occurring to me now are results of the choices I have made or the things I haven't done right. I'm trying to fix it so we can all get on a better path and I think that it's looking up. I have faith. I'm happy. I'm content."

LYLA ABERLE
MENTOR
(Deceased June 11, 2004)

The simple act of sharing life-skills through mentoring can change the future of a family. Lyla Aberle works for a local contractor by day, but in her evenings and weekends she spends many hours mentoring young parents who are trying to leave poverty.

Lyla began mentoring under the Family to Family pilot program at First Assembly of God in 1998. The Family to Family staff linked Lyla with several young women who were trying to escape a lifestyle of dependence upon welfare. Lyla began to meet weekly with these young women to share their journey toward a different kind of life. Using the curriculum and format provided to her she remembers beginning the process of getting to know each individual. "I could see in their stories something of my own life's history – I saw myself in each one of them."

That ability to empathize helped her to appreciate the individual personalities that she says "began to bloom during our mentoring." "When they began they were so negative about life and I could see the more positive person coming out in each one of them."

The young women responded to Lyla's efforts in some remarkable ways such as bringing their friends to the mentoring group. The group met around the weekly midweek dinner at First Assembly of God and discussed their lives and their struggles while Lyla listened and shared some of her own life experiences. She helped each young lady to work for a brighter future. They spent lots of encouraging time at swim parties, picnics, potluck's, movie watching and even in a workshop lead by Lyla discussing career planning.

Lyla reports that her biggest challenge was "not doing too much". While her Family to Family training had shown her ways to help by encouraging responsibility without doing all the work for a participant, Lyla had to fight against the tendency of "fixing" problems instead of partnering to build confidence. Family to Family trains each mentor to complete an action plan each week, so the responsibility is shared – the participant making an investment in their

own life, and the mentor multiplying that effort with their own. "I had to trust the process in their lives, and sometimes "just let go".

The reward of this mentoring effort, according to Lyla, is the privilege of watching people grow and change. On a personal level Lyla reports that mentoring forced her to confront her own prejudices about the value of people and how we judge them from the outside. In addition to getting new jobs, taking hold of their finances and making good choices about relationships, "it was watching a new life taking shape." She saw them leave a pattern of depression and negativity and individually blossom. Although they , "still stubbed their toes," they knew that they could never go back to the place they had come from.

People who work with their mentors to improve their lives have great stories to tell. Deborah Bracamonte is no exception. Working with her mentor , Deborah helped both herself and her 11 year old daughter, Meaghan.

By 1997, Deborah found herself in a hold she couldn't get out of. She had moved onto the streets, didn't have a car, and was giving up on life. She found it difficult to do anything for herself. The negative influences she had surrounded herself with, such as drugs and drinking, had consumed her. And, she always had an excuse for being unemployed.

Deborah was sick of going nowhere and didn't want to let bad habits control her anymore. "I was tired of looking around me and saying 'what am I gonna' do?'" said Deborah. "It was a dead end, (and) I knew I wanted to change."

One evening at a Women's Conference, she heard about the help Family to Family could give those in need. She learned that mentors who have been trained through the Family to Family program can help families who are struggling with parenting, budgeting, career issues and al the other challenges that face families who are trying to overcome poverty.

Soon after Deborah signed up, she met several mentors who just wanted to help her. She started going to Family to Family meetings at a church. She became great friends with her mentors. Deborah describes the support group as non-judgmental, always having positive attitudes, making her not feel so alone, and always following through and helping out. Deborah described group, "It was more of laying back and being able to listen to others."

Deborah started to take things she learn at the meetings, and put them into practice at home. Her mentors helped her to explore all of her alternatives and she eventually got a great job as an office manager. She is now much happier, more consistent and active with work, owns her own car, can take vacations, and maintains close relationships with her mentors. "I know there's hope," said Deborah. "And I am still growing."

DIANNA HALLUM
MENTOR

Mentor Dianna Hallum is the mother of two grown children, Kendra, 23 and John, 19. She has been employed by the Kern County Superintendent of Schools Office in their Child Development Division for nearly 28 years and currently supervises 2 of their Child Development Centers. As an active member of Chester Avenue Community Church, Dianna responded immediately when the opportunity arose for Chester Avenue Community Church to participate in the new home ownership program with Family to Family.

After completing the mentor training, Dianna became a part of the Home Ownership group which began meeting at Chester Avenue Community Church in March of 2001. By the time the group had completed the curriculum, many changes had taken place both in the lives of the mentors and in the lives of the participants who completed the program. Each and every participant achieved life-changing success in the course of the mentoring process. Three couples and one single lady are already in their own homes. Another single lady is in escrow right now. One lady in our group whose children are grown, enrolled in a business college. (Our group made quite a cheering section at her graduation last June!) There was one participant who completed the curriculum but has not purchased a home yet. Hers was a choice not a lack of success.

Dianna says, "Mentoring with Family to Family has been a wonderful experience! Lives have been changed and blessed through this program. Relationships of great value have been built. I'm both proud and thankful to be a part of it."

A Family to Family Mentoring Success Story

Dorothy - Grandmother with Many Responsibilities

Dorothy, a grandmother and a single mother with a disabled son, came to Family to Family Mentoring seeking help to find a good job. Dorothy found herself supporting her daughter, granddaughter and disabled son. A task most grandparents never dream they will be faced with.

Dorothy was determined to take charge of her situation by finding a good job so that she could take care of herself and her family. She started attending Family to Family Mentoring group meetings and found her mentor to be an inspiration to both her and her daughter.

Her mentor was responsive to Dorothy's ideas and she encouraged Dorothy to work with CalWORKS training programs so she could prepare for employment. As a result of her efforts, she acquired a fulltime job and is finally on the path to a career of her choice. Due to her efforts and resolve, she has sent a message to her family to never give up, to keep trying until you achieve your goals.

During the 2003 holiday season, a local charity adopted Dorothy and her family. They were provided Christmas gifts and holiday food. The extra burden of holiday expenses would have been a tremendous burden on their family finances. Dorothy expressed her thanks for the Christmas assistance and said that is was a blessing and an encouragement to her to continue to strive for her goals.

ELOISE MITCHELL
MENTOR

"I feel the Family to Family organization is one of the answers to our community," said Eloise Mitchell, a dedicated mentor for the Family to Family program. "The concept of 'family to family' allows mentors to demonstrate family values and traditions. I praise the staff (of Family to Family) for their hard work and dedication."

Being able to get along well with people, Eloise started demonstrating family values and traditions feeling comfortable. When she started mentoring for Family to Family she felt her life experiences would enable her to teach, encourage, and build relationships, with direct contact.

Eloise was a single parent of three and is able to identify with women facing difficulties that make work seem almost impossible.

"Mentoring has given me a chance to show my own experiences and be helpful". Eloise has also worked in the Department of Human Services for 25 years, "(My) work experience provided me with knowledge of resources to help individuals".

Though connecting with the women has been difficult, Eloise has been able to improve women's confidence through mentoring them, as well as helping them to trust and accept others as their friends. "I notice needs of people and I desire to show compassion, love, and respect."

Through the Family to Family mentoring program, Eloise also can express God's love and will, and through living according to God's word, she is a good Christian example to those in need.

"I want to live according to the will of God. Following Jesus' admonition to love God with all our hearts and to love others as we love ourselves can be a pattern to follow for a mentor."

A Family to Family Mentoring Success Story
Elander - Dreams Can Come True

Elander, a single mother of four children ranging in ages of ten to one year old, dreamed of becoming a nurse. To make her dream a reality, Elander knew she needed to go to college. She sought out Family to Family Mentoring with the purpose of someday making her dream come true.

She attended the participant orientation where she learned about goal setting, problem solving, parenting, family relationships and how to achieve your dreams. After orientation, Family to Family Mentoring successfully matched her with a mentor. Her mentor was just right, she had formerly taught nursing at Bakersfield College.

Her mentor encouraged Elander to take it slowly and enroll in just one class at a time. While attending school, Elander was able to secure a fulltime job. To help her with her transportation needs so she could drive to school and to work, she was the recipient of a vehicle from Family to Family Mentoring.

During the Christmas holiday, a local charity adopted Elander's children and gave them a wonderful Christmas. With her new support system, Elander found the inner-strength to break away from an abusive relationship. Today, nothing stands in the way of her achieving her dream. As a result of her outstanding efforts, she will be entering the Bakersfield College nursing program. Her mentor has become a friend that has caringly guided Elander to success. Elander is doing well, is safe from an abusive partner and is happily pursuing her dream of becoming a nurse.

A Family to Family Mentoring Success Story
Vanessa - Keeping Her Family Together

Vanessa, a single mother of eight children, came to Bakersfield to keep her family together. She left an abusive relationship and wrote in her Family to Family Mentoring application that she did not have any goals and was going "no where". Vanessa lived in foster care all of her life and always dreamed of having a family to call her own. The thought of having her family broken apart by a broken home, was just too much for her. Her primary fear was that she would lose her children and her own children would be raised in foster care.

Vanessa brought these fears with her to Family to Family Mentoring. After completing the participant orientation, she learned about how she could become self-supporting and could learn how to keep her family together. She was successfully matched with a caring mentor who truly loved families. Her mentor immediately recognized Vanessa as a remarkable parent who deeply loved her children. Instinctively, her mentor knew that Vanessa was not going "no where" and that there was a happy future waiting for her and her children. Her mentor formed a strong friendship with Vanessa and recognized her outstanding parenting skills. The two of them are currently working on setting very realistic career goals so that Vanessa can support herself and her eight children.

During the 2003 holiday season, the thought of providing Christmas presents for eight children seemed an overwhelming task, but Vanessa's mentor found a local church that adopted all of them for Christmas. She was taken shopping and she was able to pick out presents for her children by herself. Vanessa received Christmas gifts too and her family was given a huge food basket so that the entire family could enjoy Christmas dinner together.

Currently, she and her mentor are working towards getting Vanessa a driver's license so that she will be able to apply for a better job, go grocery shopping on her own, and take her children to school. Vanessa is working hard and has achieved goals that she never were possible. She is an excellent example for all her children and for other moms who believe they are going "no where".

A Family to Family Mentoring Success Story Maria - Single Mom

Maria, a single mom, was homeless when she first moved to Bakersfield. She arrived during the heat of summer without a job, no transportation and no household items to set up home. On her own initiative, she sought out Family to Family Mentoring for help. In her own words, she said she needed "someone to talk to and help me reach my goals." This brave, single-mom, reached out for help and found a caring mentor who guided her through a rough time in her life.

She completed the Family to Family participant orientation where she was given healthy life-skill tools to help her change her life. After the orientation, she was successfully matched with a mentor. Her mentor was just the right match and was able to be "the someone to talk to help her reach her goals."

During the mentoring process, Maria worked part time at a local home improvement chain. But, her goal was to find a fulltime job so she could get her own place to live with her daughter and granddaughter. She wanted to be a family that shares in the joys of family life.

She was very determined and worked very hard. Eventually she found fulltime employment but also decided to keep her part time job. Today, Maria continues to work two jobs. As a result of her determination, she was able to save enough money to move into her own apartment and become the family of her dreams. Her next goal is to save enough money to purchase a car.

She was grateful for the encouragement her mentor gave her. Maria has truly turned her life around and is now headed toward a bright future. She has made tremendous strides and is even interested in mentoring other women in her situation. Family to Family Mentoring believes Maria's story will encourage other single moms to strive for a better life, and not give up in the face of adversity.

A Family to Family Mentoring Success Story
Shady - Enjoying Being a Mom

Shady, a young single mother with three sons under the age of six, was very shy and withdrawn. She was overwhelmed with the everyday stress of raising three small boys on her own. She described herself as feeling as if she had a "boulder tied around her ankles."

Shady was on assistance for three years and had little hope of changing her life and little self-confidence. After she attended a participant orientation where she learned about problem solving and successful life skills, she was successfully matched with a mentor. Her mentor has been a friend and a second mother to Shady.

Her mentor taught Shady how to enjoy raising her children. She has helped her improve her parenting skills and provided valuable information on nutrition and healthy habits. Shady was adopted by a local charity and they have been working with the mentor to prepare Shady for employment.

An important component of her job preparation is helping Shady get driving lessons and eventually her driver's license. Shady is on her way to providing for her family on her own. But, more importantly, she now has much more confidence and has a solid network of positive relationships that will continue to foster strong life-skills and build her self-esteem.

A Family to Family Mentoring Success Story Harmony - Going to My Future

Harmony, a single mother of two preschool-age children, moved to Bakersfield to establish a relationship with her mother and younger sibling. She is an emancipated foster care youth that went through an Independent Living Program in Los Angeles. Harmony also needed to escape an unhealthy relationship with her children's father. In her own words Harmony said she was, "leaving a ditch and going to my future."

Harmony showed excellent skill in the accounting field and was able to obtain temporary work with local employment agencies. She came to Family to Family Mentoring because she wanted to achieve specific goals, and needed a "sounding board" for ideas and thoughts and needed more access to resources.

After completing her participant orientation and learning how she can be in control of her life, she was successfully matched with a mentor. Her mentor soon discovered that Harmony was highly motivated and focused. Harmony knew what was important to her, and she was determined to succeed.

Harmony secured fulltime employment with a local radio station. She was such a great worker that the temporary agency called her mentor asking if they had any other workers like Harmony! She has her own apartment and dependable transportation. Harmony is now focused on her next goal, to repair her poor credit history and get more training in bookkeeping and computers. Harmony is a great mother and an excellent role model for her children and other single moms.

Success Story:

Lori Culberson-Moore is currently employed with Larry Wilson, Attorney at Law. She has successfully overcome drug dependency and a criminal background. FOTEP – Female Offenders Training and Education Program, a program provided by Family to Family Mentoring, delivered vocational training, career development, parenting classes and educational instruction to help her overcome her past failures.

Lori stated, "My life has totally changed since my participation with Family to Family Mentoring and FOTEP."

FOTEP helped her focus on her field of fascination in the world of employment. She was taught how to dress, speak, present herself, proper telephone etiquette and how to address her past failures. She also had classes in family nutrition, child neglect prevention and she took the first phase of classes about the disease of addition.

After three years of separation, she is slowly becoming involved in her seven-year older daughter's life.

Lori sincerely believes that a higher power works through Family to Family Mentoring to bring people to self-sufficiency and bright futures.

Lori stated, "I thank God everyday that I chose to enter the Family to Family Mentoring FOTEP program. I am looking forward to a full life without the fear of drug addiction or imprisonment. Believing and trusting in God has given me the inner strength to change and Family to Family has given me the life and career skills I need to make it all work."

Lori recommends that everyone continue to support Family to Family Mentoring – because you cannot go wrong helping people become strong, healthy, self-sufficient and happy.

Lori stated, "I am so happy that someone gave me the change to turn my life around. I am a living example of the good things they do and for the dramatic life change possible because of being reborn through Christ Jesus."

November 2003

6-8-04 Jim Read Catholic Rainbow
Outreach Christian Teens Home

Tom Bowers came to us out of the Chino State Prison. He was a former Hells Angel with a long history of failure. He heard of our program in prison and decided to give us a try.

He was a hard core biker who gave his life to Jesus Christ who softened his heart. He couldn't wait for his year to be over so he could leave. At graduation he decided to stay because he knew that he wasn't ready. He stayed 18 months, got a job on a trucking dock. He later became the dock forman, moved to his own apartment, bought a new car, made amends with his father. He started about 6 years ago and is still on fire for God.

Bob Valenzuela was a hopeless heroin addict from El Centro. He left his family for a year to come into our home. After his year was over he returned home but was not ready to take responsibility and started using heroin again.

He came back with the resolution that he would not return to El Centro until he knew he was totally recovered. His wife later joined him with his three children. Bob become our Director and remained with us for five years. He returned to El Centro and joined the assembly of God church there. His wife got involved in a womens group. His 18 year old son was chosen by Nancy Harmon to train for three years, he is now a Youth Pastor

Bob is still involved in his church. He was elected as a deacon and continues to minister to men who need recovery.

6-8-04 Bro. Ben Reed
Catholic Rainbow Outreach Mens Home

Ben Perry came to us sometime in the early eighties. Ben had been a hopeless alcoholic drug addict who had been in every state run recovery home in L. A. and often was using again the same day he left these programs. He had tried suicide several times and failed. He even jumped out of a three story building and fell into a trash can filled with mattresses.

He was half blind, no glasses without only enough clothing to cover his body. He was over $10,000.00 in debt. We shared God's plan of salvation with Ben and he decided to put his life in God's hands. He began to take responsibility for his past actions and got honest with himself. His dad had been a Parole Officer before he died. We took Ben to Rose Hill Cemetary where he made his peace with his dad. Ben began to blossom and in due time become our Director. Somehow his $10,000.00 debt was wiped out. We sent him to Bronly, La to Direct a home there for about two years where he met a widow that he later married. Ben moves on to work

for a church, Crow of Glory, as a custodian. He also taught classes there on recovery.

It was during this period that Ben lives gave out from the abuse he put his body through.

Ben had eight wonderful years before his death. He left behind his two year old son and his wife who loved him dearly

Home

CRISIS ON THE STREETS -Homeless Women and Children in Los Angeles, a summit to address one LAi¯s most pressing problems.

Current Date: July 8, 2004
Release Date: April 29, 2004

Union Rescue Mission
http://www.unionrescuemission.org

: CRISIS ON THE STREETS -Homeless Women and Children in Los Angeles, a summit to address one LAi¯s most pressing problems.

Los Angeles, CA 90013 April 29, 2004

CRISIS ON THE STREETS -Homeless Women and Children in Los Angeles, a summit to address one LAi¯s most pressing problems.

The pressing problem of growing numbers of homeless women and children on L.A.i¯s streets will be addressed at a summit meeting at USCi¯s Davidson Conference Center on Tuesday, May 4, 2004. The USC Center for Religion and Civic Culture (CRCC) will release a report commissioned by the Union Rescue Mission (URM) that focuses on the special needs of homeless women and children.

After a year of research and interviews, the study confirms and quantifies that the growing number of women and children on Skid Row has increased by more than 1,000 since 1990 and the percentage of homeless children has jumped from 1% to 15% of the total homeless population. Further, it reveals the large gap between the needs and services available for these women and their children.

The report provides URM, the only shelter on Skid Row with emergency services for women and children, with recommendations on how to better serve this growing segment of L.A.i¯s homeless population. The summit hopes not only to address these findings, but also to define collaborative solutions that will create integrated, powerful, and effective strategies.

Two moderated panel discussions will address the issue of how the community can respond to the growing need. The Crisis On The Streets summit comes only a few days after the scheduled release of the L.A. County sponsored blue ribbon panel, Bring LA Home: the partnership to end homelessness, and hopes to ensure key recommendations are part of L.A. Countyi¯s broad 10-year plan. Attendees at the summit will consider a number of carefully researched recommendations and potential solutions that can be applied in other cities.

i°These recommendations and the summit itself crystallize the urgency of the issue,i± says Ralph Plumb, president and CEO of URM. i°They foster a call to action and put women and children at the center of the discussion.i±

i°We cannot keep talking about the issue of homelessness and not dealing with it,i± said Grace Dyrness, associate director of CRCC. i°We decided to be much more

focused, to stick with L.A. Wei¯re saying, i®look, leti¯s all of us work together and bring our strengths to solve this problem, which is a huge one.i¯ The recommendations could be offered to service providers nationally.i¯i±

ISSUES RAISED BY THE STUDY:

1. Skid Row is an area that is heavily saturated with service providers, yet there is a disproportionate lack of services available for the increasing number of women and children seeking assistance.

2. The entire community must take ownership to help address the crisis of women and children forced to the streets as a result of economic conditions. The Union Rescue Mission should not be expected to shoulder the whole responsibility of providing emergency housing services. Business owners, government officials, and service providers must set aside competing interests and compromise their ideals to work toward sustainable solutions.

3. Is there a place for faith-based organizations to work with the government to assist the homeless and disadvantaged populations? That answer is yes; they comprise 50% of the shelters and meal programs in Los Angeles. Faith-based organizations are not just caring for the physical aspects of a person; they are treating the wholeness of that person. Faced with the crisis of homelessness, many people grasp for spiritual fulfillment.

4. While service providers have put programs in place for mothers, providing programs and services for children has not been the main focus of service providers, but rather an afterthought. Programs that focus on the special needs of these disadvantaged children must be implemented.

5. The Skid Row area of Los Angeles is devoid of green space and its current environment poses a possible health risk to those who reside in the area. Single Room Occupancy (SRO) hotels are crowded, often with common bathrooms and no kitchen to cook a healthy meal for families.

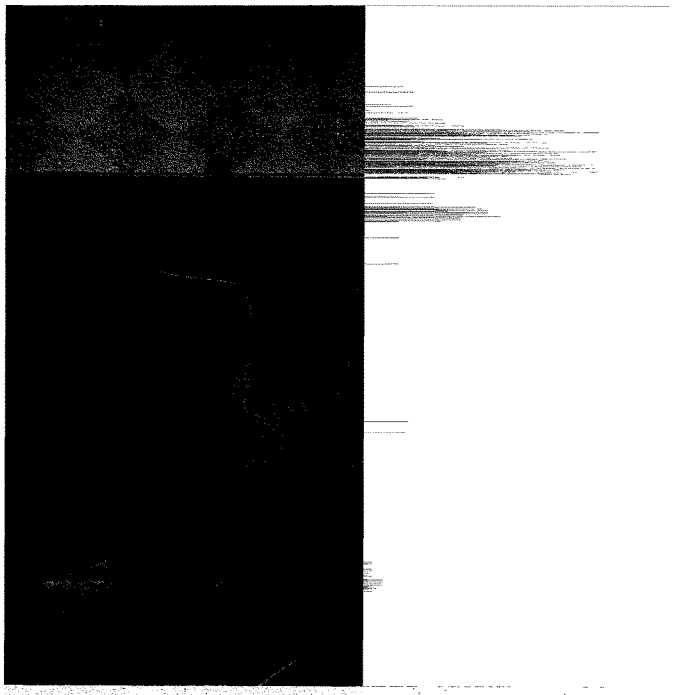
6. Homeless individuals have become non-participants in society. Homeless mothers and children are purposely making themselves invisible in society in order to avoid shame and danger. The homeless immigrant population is growing, including illegals who also make themselves invisible.

The summit is sponsored by the USC Center for Religion and Civic Culture, the Union Rescue Mission, the California Council of Churches, and the Los Angeles Coalition to End Hunger and Homelessness.

Karen Kilwein (kkilwein@urm.com)
Director of Public Relations
Union Rescue Mission
545 S. San Pedro St.
Los Angeles, CA 90013
Phone : 213-347-6319
Fax : 213-673-4857

Ask a question with InterviewNet℠

Click Here For A Printable Copy



BRIDGING THE GAP:

Strategies to Promote
Self-Sufficiency Among
Low-Income Americans

Recommendations of the
Neighborhood Leadership Task Force
on
GRASSROOTS ALTERNATIVES FOR PUBLIC POLICY
(GAPP)
A Project of the
National Center for Neighborhood Enterprise

GAPP
Task Force Report

National Center for Neighborhood Enterprise

1367 Connecticut Avenue, N.W.
Washington, DC 20036
(202) 331-1103
FAX (202) 296-1541

President
Robert L. Woodson, Sr.

©April 1995, National Center for Neighborhood Enterprise

National Center for Neighborhood Enterprise

Founded in 1981, the National Center for Neighborhood Enterprise (NCNE) is a nonprofit, 501(c)3 research and demonstration organization dedicated to assisting low-income Americans in developing and implementing solutions to the problems affecting their communities. Its mission is to help low-income people achieve economic empowerment through the application of self-help, market-oriented strategies. NCNE approaches social and economic problem-solving by studying and adapting innovative community self-help models. The Center brings together community groups, grassroots individuals, corporations, and local, state and federal government to examine issues confronting low-income people, to share ideas, and to develop policy recommendations.

Grassroots Alternatives for Public Policy Task Force

The national Grassroots Alternatives for Public Policy (GAPP) Task Force represents a cross section of the nation's foremost grassroots leaders and activist thinkers who have developed and applied solutions to the problems of poverty, including crime, teen pregnancy, welfare dependency, substance abuse, unemployment, and homelessness. GAPP Task Force members live in the neighborhoods they serve—urban centers, Appalachia, Native American lands, barrios, and inner-city public housing projects. Many of their programs are faith-based and guided by a clear standard of values, thereby enabling them to engender internal changes in those they serve so that capacity-building programs have a sustained impact. Leaders of some 25 neighborhood programs with thousands of constituents are members of the Task Force and represent the experiences of the hundreds of community-based programs that NCNE works with in networks throughout 38 states.

The Grassroots Alternatives for Public Policy Neighborhood Leadership Task Force

Patrice Muumba Abdullah
Haughville Community Council, Indianapolis, IN

Sarah Adeky
Ramah Navajo Weavers, Pine Hill, NM

Delores Beall
I Am That I Am Training Center, Dallas, TX

Ernest and Laverne Boykin
Capital Commitment, Washington, D.C.

Ruby Brunson
Oakland Licensed Day Care Operators' Association, Oakland, CA

Chloe Coney
Lee Davis Neighborhood Service Center Development Corp., Tampa, FL

Bob Cote
Step 13, Denver, CO

Freddie Garcia
Victory Fellowship, San Antonio, TX

Carl Hardrick
Upper Albany Neighborhood Collaborative, Hartford, CT

Alice Harris
Parents of Watts, Los Angeles, CA

Spyke Henry
Smart Activities for Fitness and Education, Washington, D.C.

Harriet Henson
Northside Tenants Reorganization, Pittsburgh, PA

Rita Jackson
Northeast Performing Arts Group, Washington, D.C.

William H. Lock
Community Enterprises of Greater Milwaukee, Ltd.,Milwaukee, WI

Samuel D. McGhee
Delray Beach Center for Technology, Enterprise and Development, Delray Beach, FL

Antonette McIlwain
Ravendale Community, Inc., Detroit, MI

Juan Rivera
Victory Fellowship, San Antonio, TX

Gerald Saffold
Foundation of Prayer Ministries, Milwaukee, WI

Jacqueline Sharpe
Victims Against Crime, Norfolk, VA

Craig Soaries
Victory House, Atlanta, GA

Martha Urioste
Family Star, Denver, CO

Maxine Waller
Ivanhoe Civic League and Volunteers for Communities, Ivanhoe, VA

Leon Watkins
Cities in Schools and Family Helpline, Los Angeles, CA

Olgen Williams
Westside Cooperative Organization, Indianapolis, IN

Esther Yazzie
Navajo Spiritual Land Recovery Project, Albuquerque, NM

BRIDGING THE GAP:

Strategies to Promote
Self-Sufficiency Among
Low-Income Americans

Editor
Heather M. Humphries

Contributors
Collette Caprara
Barbara Douglas
Donna Lewis Johnson
Sydney Stakley

Publication Assistants
Tricia Kinch
Hattie Porterfield

This project is made possible in part by grants provided by The Lynde and Harry Bradley Foundation, Scaife Family Foundation, The Chevron Companies, McDonald's Corporation, and Sun-Del Services, Inc. (Sunoco).

NCNE is grateful for the assistance of Don Anderson, Wilhelmina Bell-Taylor, Sam Brunelli, Stuart M. Butler, David Caprara, Pat Pagan, Robert Friedman, Thomas Gale, Robert B. Hill, Charles Hobbs, Thomas Massaro, Robert Moore, Robin Murphree, William Schambra, Thomas Wells, Robert L. Woodson, Jr., and Cicero Wilson.

To order additional copies of *BRIDGING THE GAP: Strategies to Promote Self-Sufficiency Among Low-Income Americans*, write:

National Center for Neighborhood Enterprise
1367 Connecticut Avenue, Washington, D.C. 20036
or call (202) 331-1103, FAX (202) 296-1541

Price $7.50 per copy. Bulk rates available.

TABLE OF CONTENTS

Foreword . . . ii
Introduction . . . 1
Key Findings . . . 4
A Bill of Opportunities for Low-Income Americans . . . 5
SECTION I. Community-Based Organizations . . . 6
A. The Opportunity for Grassroots Organizations to Strengthen and Expand Their Services . . . 6
1. Remove Barriers . . . 6
2. Empowerment through Funding . . . 7
3. Youth Intervention/Development Programs . . . 8
SECTION II. Asset-Building Anti-Poverty Strategies . . . 9
A. The Opportunity to Be Employed . . . 9
1. Job Creation . . . 9
2. Job Training and Placement . . . 9
B. The Opportunity to Build Assets . . . 11
1. Asset Development . . . 11
2. Homeownership . . . 11
C. The Opportunity for Communities to be Revitalized . . . 13
1. Enterprise Zones . . . 13
2. Micro-Enterprise/Business Incubation . . . 13
3. Public/Private Partnerships . . . 13
4. Public and Assisted Housing Programs . . . 14
SECTION III. Welfare Reform . . . 15
A. The Opportunity to Escape Dependency . . . 15
1. Remove Barriers . . . 15
2. Work Requirements . . . 16
3. Teenage Mothers . . . 16
B. The Opportunity to Invest in Our Children's Future . . . 17
1. Child Care . . . 17
2. Adoption and Foster Care . . . 17
3. Education Programs . . . 17
4. Other Welfare Programs . . . 17
C. The Opportunity to Escape Homelessness and Substance Abuse . . . 19
ENDNOTES . . . 20
SECTION IV. Appendices . . . 21
Appendix A. Members of the Grassroots Alternatives for Public Policy Neighborhood Leadership Task Force . . . 21
Appendix B. National Center for Neighborhood Enterprise . . . 24
Appendix C. The Columbia Heights Story . . . 25

FOREWORD

We have today an unprecedented opportunity to radically restructure our social welfare policies and improve the plight of low-income Americans.

The shift in the political center of gravity and the acknowledged failures of three decades of social welfare policy create a window of opportunity in which new ideas are being sought, and new faces can be brought to the policy table. We hope this means new ways of doing things.

Until now, our social policies have been the product of isolated deliberations of highly educated professionals on both the political left and right, many of whom have made a generous living writing about people to whom they never talk. In fact, social policy may be the only field in which experts become authorities without even speaking to those who actually are experiencing the problems.

These "experts" created a force field so great that policies that emanated from the grassroots could not break through.

Past policies have failed because the real experts were never sought. This Grassroots Alternatives for Public Policy (GAPP) Neighborhood Leadership Task Force breaks new ground. It brings to the fore people who actually have demonstrated they know how to reduce violence; to reduce teen pregnancy; to provide compassionate care for children and youth that will give them hope in life; and to redirect individuals from substance abuse and homelessness. In short, they have repaired damaged lives and revitalized communities.

Members of the Task Force have accomplished all these things. And there are others like them in every low-income neighborhood, no matter how troubled. These experts at social rehabilitation go unrecognized and, therefore, unutilized.

The GAPP Task Force aims to change this situation. The Task Force was formed in response to a request by House Speaker Newt Gingrich for policy recommendations. In addition, dozens of other policy-makers at the national, state, and local level have asked for input. A new body of experts is now being recognized.

Elitism from both left and right has prevented utilization of neighborhood groups. Elites have a fundamental assumption that people who lack education and live in low-income communities don't have the capacity or the intellect to make informed decisions for themselves. But untutored is not unwise, and certification is not synonymous with qualification.

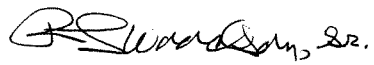
Elitism led to the assumption that low-income people just want rights and entitlements. The Grassroots Alternatives for Public Policy Task Force holds that what most poor people really want are opportunities and responsibilities. And that is the message of this report.

This report calls for a departure in the way this country administers its social welfare programs. It challenges public policy to depart from the practices of the past and reward outcomes and success, rather than dependency and irresponsibility—on the parts of both providers and recipients.

For too long we have had two sets of principles: socialism for the poor and the free enterprise system for the rest of society. Low-income people are now saying that the principles of the marketplace should dominate in the social welfare arena, with emphasis on measurable outcomes. Qualifications should not be determined by certification or education but by the ability to produce positive results. If we as a nation stopped funding unsuccessful programs and focused our resources on those that work, many of our problems would disappear.

The single most crippling barrier our groups face is that erected by the professional service providers' cartel, with its insistence upon professional credentials as the only criteria for who qualifies 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 they drive up costs. That is why we spend more and get less.

Congress and state legislatures now have an opportunity to change this. Through empowerment of successful grassroots programs; through asset-building anti-poverty strategies; and through programs emphasizing opportunity and personal responsibility, expenditures on poverty can be responsibly reduced, while the numbers of people who achieve self-sufficiency can be greatly increased.



Robert L. Woodson, Sr.
President, National Center for Neighborhood Enterprise
Chairman, Grassroots Alternatives for Public Policy Neighborhood Leadership Task Force

INTRODUCTION

Despite the expenditure of an estimated $5 trillion since 1965 for programs designed to alleviate poverty, the poverty rate in America remains virtually unaffected. Furthermore, social indices reflecting the problems of poverty have increased dramatically.

However well intended, most social welfare programs have failed, a fact no one seems to dispute, from President Clinton to House Speaker Newt Gingrich to Senate Majority Leader Robert Dole. Worse, some of these policies have caused increased long-term welfare dependency and undermined the institutions of family and community.

Voters in 1994 clearly expressed their desire for change. As a result, the debate rages between those who want to preserve the current welfare system and those who seek substantial change—either because they feel they have a mandate to downsize government and cut spending, or because they believe it is important to abandon the policies of the past and create a new welfare system that emphasizes opportunity, responsibility, and invests authority in non-governmental institutions.

What is missing from the public debate are new ideas or solutions to the very real problems of poverty. This is the gap in public policy. The problems of our inner cities and poor communities now affect every sector of society. If we are to turn this tide of social dissolution, we must find a way to bridge this gap.

Grassroots Solutions

What has not been recognized by most policy-makers at every level is that there are alternatives to the way anti-poverty programs have been designed by the federal government. **Solutions do exist** for the most difficult problems of poverty—solutions that have emerged from the most destitute neighborhoods, that have withstood the test of time, and that have proved successful where other programs have failed. These solutions have been and are being crafted by individuals and groups whose credentials rarely come from universities, but from their special knowledge of the problems, the people involved, and their needs, values and aspirations. Grassroots leaders know how to motivate the people they serve. They ask that their clients respond by accepting responsibility, and they hold them accountable.

Because these grassroots leaders lack sophisticated political or public relations skills, their efforts go largely unrecognized, except by the thousands of people whose lives they have changed for the better.

The residents of low-income neighborhoods throughout the nation have invaluable firsthand experience of their own communities' needs. They have knowledge of the indigenous resources that could be tapped to meet their problems, and they know how best to use funds that might be made available for their community. It is essential, therefore, that their input be incorporated in the design of any strategy to combat welfare dependency and to promote community revitalization.

Social Indices

- Since 1960, out-of-wedlock births have increased more than 400 percent, from a national rate of 5.3 percent to 28 percent in 1990. White out-of-wedlock births increased from 2.3 percent in 1960 to 21 percent in 1990. Black out-of-wedlock births went from 28 percent in 1965 to 65.2 percent 25 years later.[1]
- The pregnancy rate among unmarried teenagers has doubled since the early 1970's.[2]
- The rate of arrest for juvenile violent crimes has tripled over the past three decades.[3]

The plight of the nation's capital illustrates the national dilemma:

- Washington, D.C. ranks first in the nation in per capita public welfare expenditures, and in housing and community development spending. It also ranks first in the percentage of single parent families, unmarried mothers, infant mortality, and low weight babies. It ranks fourth in the nation for teen mothers.[4]
- D.C. ranks first among cities in per capita spending for police protection and corrections expenditures, and first for robberies, aggravated assaults, larcenies, motor vehicle thefts, murder, rape, total crime, violent crimes, and property crimes.[5]

Solutions to the problems of poverty must come from the bottom up; those involved in a problem and affected by it must be involved in forging its solution. Otherwise, the intended solution will likely fail, just as we have seen with countless programs over the past 30 years that were designed in Washington or at some other remote level of bureaucracy, and "parachuted" into low-income communities across America.

Removing the barriers that hamper the work of grassroots organizations, devolving funding and authority to them, and giving individuals a means of exercising choice through vouchers or personal support services accounts, will strengthen the providers that the people themselves prefer—families, neighborhood associations, and faith-based institutions.

These providers of first choice, which exist in almost every low-income community, act as antibodies to the illnesses that affect their neighborhoods.

To carry the medical analogy further, it is generally accepted that the best treatment is the one that is least intrusive to the body. Remedies that marshal the body's own defenses are to be preferred over radical surgery, and transplantation is the most desperate solution. Yet for decades we have tried to treat society's ills with the provider of last resort—government agencies.

Finally, economic development and community revitalization only can occur where there is a common, accepted set of civic values. Many individuals are not in a position to benefit from opportunities such as jobs or training unless they have the proper preparation. Grassroots leaders are experts at preparing people to make the most of their opportunities, by motivating them to morally and spiritually reclaim their lives. On this foundation, incentives can work.

Asset Development

The importance of asset development as an anti-poverty strategy is another major theme that has not received the attention it deserves from policy-makers. Policies that encourage savings and capital formation make it possible for individuals to acquire property, to invest in an education or training that will allow them to secure a job capable of supporting a family, or to capitalize a business. By these means, they have a chance of escaping poverty. Asset development is the key to community revitalization as well.

Enlightened policies that encourage the formation of assets potentially cost only a fraction of what is spent in maintaining people in dependency.

Welfare Reform

Will the empowerment of grassroots groups and asset-building anti-poverty strategies provide an immediate surefire safety net that would allow the elimination of all anti-poverty programs? That is not what the Grassroots Alternatives for Public Policy (GAPP) Task Force is implying. First, despite all the heated rhetoric to the contrary, devolving responsibility for welfare programs to the state level through block grants does not mean their elimination. It does create the opportunity to introduce effective new approaches to the problems of the poor. It would be a crime if policy-makers' response to the voters' mandate of 1994 was merely to create more of the same at the state level.

Secondly, it is not the GAPP Task Force's suggestion that private charities or community-based groups could replace, on a one-for-one basis, the current government-operated or government-funded service providers. It is not possible nor desirable for the private sector to step up and replace what has been done in the public sector. The issue is not to substitute bad public expenditures with bad private expenditures.

What we should be doing is identifying the best and most productive strategies to properly invest our money for programs in which there is an anticipated return. Instead of settling for perennial dependency and maintenance, we should be demanding a return for our tax and charitable dollars. The returns we should demand are in individuals recovered from substance abuse and homelessness, in the numbers of people restored to jobs, in the numbers of dysfunctional families helped, in homeownership and in revitalized communities.

Blind charity has no place in the War on Poverty. What we need are investments in the self-help efforts of low-income Americans. The GAPP Task Force seeks to create not a safety net, but a bridge that will allow the poor to join the mainstream economy.

Resisting the Tendency to Create Bureaucracy

Some critics charge that even greater bureaucracies will emerge if welfare responsibilities are devolved to states or local communities. This certainly is a danger, but not a necessity. The City of Indianapolis' example of direct funding and capacity building of neighborhood-based organizations through its grant administration provides an excellent model of a public/private partnership that works effectively without creating its own new expansion of government. Yet another concept is for state government to contract out the welfare "case management" responsibility to service providers already dealing with this population. Government bureaucracy would be reduced, and the welfare recipient would benefit from the resulting fewer places he/she would have to go for assistance. Society would benefit if incentives were provided so that private service providers were rewarded on the basis of their ability to uplift their clients to independence and self-sufficiency rather than the size of their caseloads.

Grassroots Alternatives for Public Policy

Because of the National Center for Neighborhood Enterprise's position as advocate for low-income groups, NCNE President Robert L. Woodson, Sr. was asked by House Speaker Newt Gingrich to form a task force to make specific policy recommendations to the 104th Congress. The national Grassroots Alternatives for Public Policy Task Force represents a cross section of the nation's foremost grassroots leaders and activist thinkers who have developed and applied solutions to the problems of poverty, including crime, teen pregnancy, welfare dependency, substance abuse, unemployment, and homelessness. GAPP Task Force members live in the neighborhoods they serve—urban centers, Appalachia, Native American lands, barrios, and inner-city public housing projects. Many of their programs are faith-based and guided by a clear standard of values, thereby enabling them to engender internal changes in those they serve so that capacity-building programs have a sustained impact. Leaders of some 30 neighborhood programs with thousands of constituents are represented on the Task Force. These neighborhood leaders are representative of the experiences of the hundreds of community-based programs that NCNE works with in networks throughout 38 states.

During February 1995, NCNE convened roundtable discussions with these grassroots leaders and policy analysts who translated their firsthand experience into specific policy recommendations. The GAPP Neighborhood Leadership Task Force addressed the areas of housing, community and economic development; job creation and training; rural America; substance abuse and homelessness; teen pregnancy, AFDC, and child care; and youth intervention and crime prevention.

The members of the GAPP Task Force identified barriers they have faced in carrying out their programs, and discussed how government at all levels could provide a climate for their success and the adaptation of their programs in other communities.

A New Era for Public Policy

The GAPP Task Force has been asked to testify before committees and subcommittees of the Congress, and to meet with individual Members. As the prospect of states' assuming the responsibility for welfare programs becomes imminent, legislators of several states have asked NCNE to form GAPP task forces at the state level.

The report of the GAPP Task Force is being presented to the Congress in individual meetings and in testimony before House and Senate Committees, as well as to state and local governments across the country.

It is the hope of the GAPP Task Force that this report will begin productive debate on how to empower the poor to create their own self-sufficiency and independence.

KEY FINDINGS

There are three principles fundamental to turning the tide of poverty:

- ***KEY FINDING #1. Funding and authority for designing and providing services to the poor should be devolved not just from the federal government to the state level, but to the community-based organizations that demonstrate success in dealing with the problems of poverty.***

- ***KEY FINDING #2. Individuals and communities must be empowered to create their own solutions through policies that emphasize personal and financial asset development.***

- ***KEY FINDING #3. The present maintenance-focused welfare system must be replaced by policies that promote strong families and emphasize personal responsibility and the development of self-sufficiency.***

The National Center for Neighborhood Enterprise (NCNE) and the Grassroots Alternatives for Public Policy (GAPP) Neighborhood Leadership Task Force believe that welfare reform can be achieved through the empowerment of successful community-based programs (Section I) and by asset-building anti-poverty strategies (Section II). The GAPP Task Force also has made a set of specific recommendations for welfare reform (Section III).

The Task Force stresses that to achieve success, programs must incorporate both incentives and sanctions. To express this another way, the best formula for assisting low-income people is through a combination of opportunities and responsibilities.

A BILL OF OPPORTUNITIES FOR LOW-INCOME AMERICANS

- **THE OPPORTUNITY TO BE EMPLOYED**

  Any effort to improve the plight of the poor must include strategies to enable them to permanently escape poverty and dependency through private sector employment as skilled employees or entrepreneurs. Strategies include tax credits to promote hiring of low-income individuals; the abolishment of the Davis-Bacon construction act; reforms of licensing and credentialing regulation; and support of privatized job training programs based on their effectiveness.

- **THE OPPORTUNITY TO BUILD ASSETS**

  Property ownership is one of the keys to independence. The ability to accumulate assets is critical to the process of achieving self-sufficiency because it allows individuals to invest in an education or training that will allow them to secure jobs capable of supporting a family, to capitalize a business, or to invest in a first home. Welfare asset limits must be raised, and tax benefits granted to stimulate savings by low-income people.

- **THE OPPORTUNITY FOR COMMUNITIES TO BE REVITALIZED**

  Community revitalization must be approached from the bottom up with a comprehensive strategy that incorporates housing, business, and employment opportunities and economic development, while assuring that the basic needs of residents are met. Enterprise zones, micro-enterprise and business incubation, public-private partnerships, and reform of public housing policies are preferred initiatives.

- **THE OPPORTUNITY TO ESCAPE DEPENDENCY**

  Programs providing social services must be designed with an assumption that the poor have a desire for self-sufficiency and personal responsibility. Perverse incentives to families and barriers to work must be removed. Service providers should be paid on their ability to raise their clients from dependency, rather than on the numbers processed. Neighborhood programs should be providers of first choice.

- **THE OPPORTUNITY TO INVEST IN OUR CHILDREN'S FUTURE**

  Stable families are critical to our children's future. Policies that penalize or create disincentives to the formation of families must be abolished. Children who must be removed from their own homes for their protection should be placed in the situation of first choice—with other family members or with the oversight of institutions within their own communities. Because churches and other neighborhood institutions can provide a child with the greatest degree of security and moral guidance, they should be empowered to be preferred service providers. Choice in education should be promoted through vouchers.

- **THE OPPORTUNITY TO ESCAPE HOMELESSNESS AND SUBSTANCE ABUSE**

  The homeless must be disaggregated on the basis of the root causes of their homelessness and directed to programs that address their specific needs. Regulatory barriers inhibiting faith-based organizations from treating substance abusers must be removed.

- **THE OPPORTUNITY FOR GRASSROOTS ORGANIZATIONS TO STRENGTHEN AND EXPAND THEIR SERVICES**

  Community-based organizations have a success record of solving the seemingly intractable problems of poverty. Public policy must support their efforts by removing barriers of certification, licensing, and regulation; by removing restrictions on faith-based organizations; and by allowing them to receive tax-empowered donations and compete for block grant and voucher funds.

SECTION I.
COMMUNITY-BASED ORGANIZATIONS

- ***KEY FINDING: Funding and authority for designing and providing services to the poor should be devolved not just from the federal government to the state level, but to the community-based organizations that demonstrate success in dealing with the problems of poverty.***

The best-kept secret in America today is that there are neighborhood groups which are successfully combatting the problems of poverty with programs that promote the independence and self-sufficiency of the poor. The following are but a few examples:

- In Philadelphia, San Antonio, Hartford, Denver, and Atlanta, there are substance abuse and homelessness programs that have freed tens of thousands of men and women from drug and alcohol addictions and helped them redirect their lives.
- In some of the most troubled urban centers of Los Angeles, Philadelphia, and Washington, D.C., there are programs that have prepared teenagers for the future with education, job training, and self-esteem.
- In urban areas of Milwaukee, Indianapolis, Tampa, and Washington, D.C., community groups are helping individuals start businesses and are training others for jobs.
- In rural Appalachia and in Native American communities, there are community-based programs promoting economic development while at the same time preserving heritage and cultural values.

THE OPPORTUNITY FOR GRASSROOTS ORGANIZATIONS TO STRENGTHEN AND EXPAND THEIR SERVICES

REMOVE BARRIERS

Community-based programs have always faced substantial government-imposed barriers and penalties that frustrate their ability to serve. For community service providers, these include licensing and certification requirements, unnecessarily burdensome procedural and programmatic regulation, and prohibitions on faith-based programs. Education does not always equate with qualification to give service. The most important criteria for evaluation should be a program's outcomes—its rates of success.

Certification/Licensing

- Requirements for eligibility should be expanded to recognize as legitimate service providers grassroots organizations led by people with successful track records but who might not have professional certification or academic degrees.
- States should not attempt to apply licensing or credentialing requirements to faith-based programs that do not administer drugs or medication in effecting life-style changes.
- In many cases, the most successful service providers are individuals who have personally overcome the problems they help others to confront. Government rules, regulations, qualifications, and codes should not prohibit the employment or certification of such individuals, despite criminal records, unless those regulations serve a compelling purpose. There are two reasons for this: (1) to utilize the rehabilitative skills of all qualified people; and (2) to avoid disenfranchising people, especially youth, who have been incarcerated but who wish to change their lives.

Regulations

- Regulations that prohibit faith-based programs from receiving funding for providing services must be made more flexible. Government fails to recognize that many problems faced by individuals result from an absence of values, self-esteem, and faith in the future. Faith-based grassroots programs have demonstrated the ability to address these problems at their root level. This is particularly true with homelessness, substance abuse, youth gang and adult criminal behavior. For foster care and child care, faith-based groups located in the neighborhood have a superior ability over government agencies to make placement decisions and to provide the oversight and support to ensure the security of a child.

- Government regulations in general must be more flexible and should, in some cases, be waived. However, we strongly support those that are generated to protect health and safety.
- Regulations that require unnecessary paperwork and requirements such as special group set-asides on government funded programs are especially chilling to small, community-based organizations that often do not have the staff or sophistication to comply. The set-aside provisions can lead to unwieldy contracting that is counterproductive to the efforts of the organization. These regulations should be streamlined and waived if they are not providing compelling benefits to the community.
- In general terms, government should be less prescriptive and categorical and should allow flexibility in the use of funds, for instance, between grant categories, or between administrative and program costs. Government should not dictate the process by which a program treats its participants; it should evaluate outcomes.

EMPOWERMENT THROUGH FUNDING

Many successful community-based programs have operated with little or no public funds. Many times this is by choice, since public money is usually tied to requirements for education, licensing, and certification that the leaders of these programs often cannot meet. However, if unnecessary regulatory burdens could be lifted, their successes could be enhanced if they could become recipients of tax-empowered donations, be eligible to receive vouchers or personal support service accounts accessed with debit cards, and receive block grant funds.

The GAPP Task Force believes that enacting measures that will allow individuals to choose how part of their tax dollars are to be spent will strongly benefit grassroots groups because of their high records of success.

Common Sense Welfare

- GAPP supports the concept of proposed legislation that would allow individuals and corporations to designate how part of their tax dollars are spent. The Common Sense Welfare Reform Act, introduced by Reps. Joe Knollenberg (R-MI) and Jim Kolbe (R-AZ) would allow taxpayers to receive a dollar-for-dollar tax credit for their donations of up to $100 to community-based non-profit organizations located in the United States. The organizations must have successful programs emphasizing the independence and self-sufficiency of the poor.

Personal Support Service Accounts or Vouchers

- Because it promotes empowerment, competition, and therefore improved services, the GAPP task force favors empowering needy individuals to choose service providers through vouchers or personal support service accounts that would be accessed with debit cards. Safeguards must be established against fraud and abuse.

Block Grants

- The funding and the authority for designing and providing services to the poor should be devolved beyond the state and even local government to those neighborhood-based organizations that have demonstrated success in dealing with the problems of poverty and have as their goal the independence and self-sufficiency of the poor.
- States receiving block grants should be held accountable by Congress to prove that they are successfully achieving welfare reform. This would ensure that the states would search out and utilize service providers who produce effective results.

Eligibility for Receiving Funds

- Eligibility for becoming a recipient of block grant funds, receiving vouchers or debit card payments, or to receive private donations under the Common Sense Welfare Reform Act should be based upon demonstrated successful outcomes and cost-effectiveness. Professional providers and neighborhood groups alike should compete for funds and their track records for the previous three to five years should be evaluated to determine which providers should be supported.
- Community residents should play a role in defining the standards for assessing what constitutes effective and successful service delivery. A community decision-making body comprising grassroots leaders, political leaders, policy makers and spiritual leaders should be established to oversee the expenditure of public funds.
- Because the most effective service providers fully understand the problems of their clients and have a stake in their solution, the selection process should take into account whether prospective grant recipients are from the same neighborhood (have the same zip code) as their clients.
- Bureaucracies should not be expanded at lower levels if federal program assistance is devolved to states and local communities in the form of block grants.

Encouraging New Ideas

- GAPP urges states to make block grant money available to community-based organizations in mini-grants of from $5,000 to $10,000 specifically for the development of new ideas and new initiatives toward developing solutions to the problems of poverty.

Encouraging Adaptation of Successful Programs

- In order to promote and replicate the successful work being done by individual groups, fellowships should be made available to grassroots leaders so that they can share their models with other communities.

Leadership and Management Training

- Fellowships should be made available for leadership training for leaders of grassroots organizations in the form of vouchers, so that educational and training institutions will compete to develop the most useful curricula.

Communication

- Notices of availability of block grant funding must be widely communicated so that community-based non-profit organizations will have timely access to the process. The application process should be thorough but uncomplicated.

YOUTH INTERVENTION/ DEVELOPMENT PROGRAMS

Neighborhood-based programs have been among the most successful intervention programs to reduce gang violence and youth crime and motivate young people to productive lives. Many are staffed by former gang members and others who have redirected their own lives to productive channels. Others involve local residents who are known by and have credibility with high-risk youth. Although they may not have college degrees or certifications, they are clearly qualified to work with young clients needing help.

- Regulations requiring education certifications or prohibiting employment of reformed criminals in youth intervention programs must serve a compelling purpose or be waived. Persons with invaluable first-hand knowledge of the problem should not be prohibited from working with young people, and young people who have been incarcerated but seek a new start should not be disenfranchised.
- Faith-based organizations serving youth which do not seek public funding and do not administer drugs or medication should not be subjected to the licensing or credentialing requirements as programs that do.

SECTION II. ASSET-BUILDING ANTI-POVERTY STRATEGIES

- ***KEY FINDING: Low-income individuals and communities must be empowered to create their own solutions through policies that emphasize personal and financial asset development.***

Any effort to improve the plight of the poor must include strategies to enable them to permanently escape poverty and dependency through private sector employment as skilled employees and/or entrepreneurs. In addition, the ability to accumulate assets is critical to the process of achieving self-sufficiency.

THE OPPORTUNITY TO BE EMPLOYED

Conventional policies treat low-income and/or jobless people as a monolithic group, without thought to the circumstances that differentiate them. However, to devise effective strategies for their assistance, it must be recognized that different groups of people have different needs. In terms of employment, low-income people who are otherwise able to work can be divided into three groups:

- *(1) The working poor receiving the minimum wage or only slightly more, despite the fact that they might get more benefits on welfare. This group is characterized by pride and a desire for self-improvement.*
- *(2) Able and skilled workers who have lost their jobs for one reason or another.*
- *(3) Those who do not want to work and may be involved in crime and substance abuse.*

Although it is assumed that most people want to work, there must be an incentive to prefer work over welfare. Simply put, work has to pay more than welfare. And government make-work programs, which themselves undermine the work ethic, should not be made more attractive than private sector employment. Individuals in categories (1) and (2) are a large untapped resource, willing to work if given the incentive and the opportunity, which includes effective training and placement programs. Those in the third category should be enrolled in programs that address the root problems of their condition, and should be then given opportunities and responsibilities that will provide a pathway to eventual employment.

JOB CREATION

Tax Incentives for Businesses

- The corporate tax structure should be amended to encourage the private sector to hire and retain employees from low-income communities. Incentives could include giving a tax credit to corporations and small businesses for each low-income individual hired.
- There should be tax incentives for all businesses for hiring high-risk individuals, especially youth.

Davis-Bacon

- The Davis-Bacon Act requires that all companies with contracts for government-funded construction must pay prevailing (union) wages. The act initially was designed to eliminate lesser skilled, cheaper laborers from competition for government-funded jobs, and this is still its impact today. The Davis-Bacon Act should be repealed to open the existing job market and to allow the residents of low-income neighborhoods to participate in the construction and rehabilitation that the government may be funding in their neighborhoods.

Regulatory Reform

Regulations governing licensing and certification have a profound impact on employment in low-income communities. The cost of licensing or certification for opening a small business and for employment can be prohibitive. Certification does not necessarily equal job qualification.

- The licensing regulations that currently hinder free enterprise should be reduced to permit low-income individuals to open small businesses in poor communities. The cost of licensing should be reduced and zoning codes amended to permit the establishment of businesses.

JOB TRAINING AND PLACEMENT

For low-income individuals, a key to escaping dependency is access to training that enhances existing skills or equips them to pursue new careers. But government job training programs do not have a good record. A September 1994 General Accounting Office report said:

> *GAO remains convinced that a major structural overhaul of the current employment training system is needed.*[6]

By the count of the GAO, there are at least 154 programs administered by 14 federal departments and agencies, providing about $25 billion annually in employment training assistance. According to the GAO, there is little effort to monitor the performance or impact of these programs.

> *Agencies lack the information they need to adequately track who is served or determine the results achieved by their programs...Most agencies do not collect information on participant outcomes nor do they conduct studies of program effectiveness or impact...[Some] even lack data on the number of participants served or their demographic characteristics.*[7]

On the other hand, leaders of neighborhood-based programs have shown remarkable success in training and finding employment for those they serve because they know the employment resources of the community and how to access them. Furthermore, their personal involvement and accountability within the community alleviates risks of hiring low-income individuals.

- Proven community-based job training programs should be eligible for block grant funding, and barriers restricting their operation should be removed.
- Effective training only comes from programs that are closely attuned to specific industries and companies. Training programs that are geared to a specific industry with a high probability for employment should be favored.
- Job training programs that are subsidized by the government should not be required to provide ancillary programs such as substance abuse counseling or health care. These functions should be separated and participants in job training programs given vouchers to select other community programs for these services.
- There should be tax incentives for businesses that offer paid apprenticeships and create training opportunities and internships for young people.
- Income earned by a dependent should be neither taxable nor included in family income in determining supplemental benefits so long as the dependent is enrolled in an accredited education or training program.
- Youth benefitting from a subsidized training or education program should be required, upon completion of that training, to return to the community to work for a specified period of time.

Job Placement

- Job placement programs should be privatized. Programs should then be evaluated with regard to successful placement records rather than on the basis of the numbers of people they process.

THE OPPORTUNITY TO BUILD ASSETS

In the past, under federal laws, welfare recipients were not only discouraged from saving money, but it was against the law to save more than $1,000. This is a barrier to rising out of poverty, because it is not possible to accumulate savings adequate to purchase a reliable automobile to get to a job or save for college education. Such regulations discourage the very behavior that should be encouraged. Furthermore, homeownership is an unreachable goal for many because of their inability to accumulate assets, despite the fact that they may be paying rents, even in public housing projects, that would equal or exceed a mortgage payment. The GAPP Task Force favors equipping low-income Americans with the tools necessary to accumulate assets that they can use to achieve self-sufficiency and to participate in the American dream of homeownership.

ASSET DEVELOPMENT

- The GAPP Task Force supports efforts like the "Assets and Enterprise Opportunity Amendments of 1995," which advocates (1) raising the general asset limitation from $1,000 to $2,000 or more; (2) increases the automobile limit in the Aid to Families with Dependent Children program to conform to the Food Stamp Program's $4,500 market value; and (3) allows AFDC and Food Stamp recipients to save up to $10,000 in an Individual Development Account (IDA) for education, business capitalization, a first home, or emergencies. The funds saved by an individual in an IDA would be matched or subsidized by government to allow the poor and working poor to enjoy the same incentives for savings that are offered to the middle class through asset subsidies like home mortgage deductions and the proposed American Dream Savings Accounts in the Contract With America.
- If the Congress sees fit to increase incentives for savings, such as proposed by the American Dream Savings Accounts, such incentives should be extended to the poor as well as to the non-poor.

HOMEOWNERSHIP

Homeownership

Although homeownership is part of the American dream and can provide a key stepping-stone for asset-based upward mobility, the federal government through the Department of Housing and Urban Development has been exclusively in the business of renting and does not incorporate a means of progression to ownership. Statistical surveys indicate that a vast majority of Americans, across all races and income strata, would like to own their own homes.

- Programs should be developed to provide bridges for public housing residents to become homeowners, through public-private partnerships and asset-building strategies.
- Programs incorporating "sweat equity" home purchases have been successful in private sector programs and should be incorporated into policy.
- Support should be provided for the Low-Income Housing Tax Credit. However, the current exclusive focus on rental production should be removed, and the program expanded to include opportunities for homeownership.

Mixed-Income Strategies

- Policies should be employed to promote mixed-income neighborhoods. Homeownership should be made possible for the working poor and lower-middle income households that have, to date, fallen into a "twilight zone" income bracket in which they cannot qualify for existing programs. Exclusive targeting of housing resources for low-income households should be broadened to accommodate a mixture of working families.

Abandoned Housing

In addition to its rental policy bias, HUD's counter-productive regulations resulted in a stock of vacant houses that are in need of rehabilitation and are unavailable for purchase. Some of these are owned by city governments, others by HUD. These houses, which have the potential to provide a base of affordable housing, are left vacant and soon become vandalized, gutted, and crime-ridden, often becoming "crack houses." Their very presence causes further deterioration in a neighborhood.

- Governments at all levels should make every effort to see that housing that has been defaulted to the government or abandoned by private owners should be put into use immediately. Housing that has stood abandoned and subsequently been vandalized or deteriorated should be assessed at its real value and community-based organizations should have the first option to purchase it for rehabilitation and re-sale to responsible low-income residents.
- Priority should be given to property disposition procedures to transfer HUD-owned properties in accordance with the objectives of neighborhood revitalization. The processing of other HUD applications regarding neighborhood properties, such as Public Housing Modernization applications, should be accelerated.

Self-Sufficiency Incentives

- The "escrow savings" provisions in HUD's Family Self-Sufficiency Program should be expanded into a universal savings mechanism available to all assisted housing residents. Under the HUD policy, a portion of rent attributed to increased employment is held in an escrow account for the resident, earmarked for specific categories of expenditures such as education and training or homeownership.

Section 8 Subsidies

- Section 8 should be converted from a "maintenance" oriented rental subsidy program to an asset-driven program that combines incentives for escrow savings, transition to self-sufficiency, and homeownership.

Training for Potential Homeowners

- Years of dependency on public housing have produced generations who do not know what is involved in buying a home. A program of training and preparation should be made available through community organizations or schools and possibly financed with the support of the mortgage industry.

THE OPPORTUNITY FOR COMMUNITIES TO BE REVITALIZED

Most inner-city areas are "disinvested communities," where businesses do not locate. Currently, as much as 97 percent of the income generated in these neighborhoods goes out of the community to businesses in the suburbs. The private market is all too often non-existent in the inner cities.

But there is reason for hope. An example is the Columbia Heights community of the District of Columbia, which was devastated by riots in 1968, and further isolated by federal housing policies for more than two decades. Revitalization is now underway through the combined efforts of community-based groups, private investors and government funding. (See Appendix C)

General Recommendations

- Community revitalization must be approached comprehensively with a strategy that incorporates housing, business, and employment opportunities and economic development, while assuring that the basic needs of residents are met.
- Because sustained and continually developing community revitalization is the goal, a strategy should be employed that restores a natural system of health and growth. It should seek to reinstate the authority of parents and homes, churches, and schools.

Rural and Native American Communities

As rural areas are developed, low-income residents face higher tax burdens on land or houses they may have had all their lives and do not wish to leave. GAPP recommends tax exemptions or abatements for low-income residents of redeveloped areas so they are not priced out of their own homes or land.

ENTERPRISE ZONES

- Businesses locating or investing in appropriate low-income areas designated as enterprise zones should receive incentives such as tax credits, tax abatements, and exemptions from impeding regulations (excepting those for health and safety).
- Reductions of capital gains taxes should include provisions for lower marginal rates for qualified investments in distressed enterprise zones. Such provisions should be coupled with "equity expensing" for investments and start-up of small enterprise zone enterprises.

MICRO-ENTERPRISE/ BUSINESS INCUBATION

- Support for micro-enterprise (self-employment) program initiatives should be encouraged and adapted in other locations based upon proven community models. Micro-enterprise assistance should be an activity eligible to receive state and local block grant funds. Partnerships between traditional private lending institutions and local micro-lending programs should be forged. An excellent example is the Commonwealth of Virginia's private sector micro-enterprise association that leverages state support with private financial institution lending.

PUBLIC/PRIVATE PARTNERSHIPS

- Narrowly focused programs such as public and assisted housing and tax incentives to businesses should be replaced by comprehensive programs of community development which are implemented through public/private partnerships. Such partnerships should create innovative opportunities for financing entrepreneurial ventures and homeownership, as well as strategies to attract private investment in what have been deserted and disinvested urban areas.

Building Secondary Financing Markets

- Incentives and strategies to rebuild the private market for housing and entrepreneurship in the inner cities should be developed, including a private secondary market for small business financing. Billions of dollars for investment are presently lying dormant and could be made available for business development in inner cities. These funds could be utilized for community investment through loan portfolio securitization initiatives in the private sector. HUD should support private research and development of these market opportunities for community investment.

Block Grants

- All grant assistance should be performance-based.
- The HOME and Community Development Block Grants should be consolidated into one block grant to reduce duplicative bureaucracy and regulations.
- Caps on administrative and services expenditures in Community Development Block Grants should be temporarily adjusted to enable planning and training activities as needed by community-based organizations.

Community Housing Development Organization

- The Community Housing Development Organization (CHODO) set-aside approach could be retooled with grassroots input to develop a new set-aside for community-based program administration and service delivery. This capacity-building assistance should be exempt from the administrative cap applied to the states and localities, in order to provide greater incentive for decentralized delivery mechanisms in the community.

Public and Assisted Housing Programs

The present approach to public housing has created areas of unlivable density for the urban poor. Public housing has been designed in a way that promotes continued dependence with little opportunity for upward mobility, ownership of assets, and the formation of stable families and solid community bonds. Public housing in most areas has driven out investment in private housing, creating neighborhoods plagued with society's worst problems and driving out low-income working families. These families in turn find themselves unable to rent or purchase affordable housing in other areas.

At the present time, rents for public housing are set at 30 percent of the total household income. Family formation is discouraged because a resultant increase in household income would drive up rents, sometimes above market rates.

- Ceiling rents should be established for public housing units. Penalties to work and savings should be removed for all federal housing and welfare programs so that they cease to act as disincentives for work, savings, and family formation.

Housing vouchers have the potential to allow public housing residents to have more choice and control over their lives. However, a number of safeguards must be employed with a voucher program. Some examples are:

- Information must be given to the residents that clearly explains their options and identifies the location of affordable alternative housing.
- Residents should receive training in household financial planning, home maintenance, tips on reducing utility bills, and community responsibilities. Community-based organizations should play a role in this training.
- The vouchers must be of sufficient value to ensure that residents have realistic options of alternative living situations. Vouchers should be time-limited and be eligible for use in homeownership down-payments or primary mortgage assistance.
- Government assistance should be deployed with greater emphasis on public-private partnerships, such as the Local Initiatives Support Corporation.

Federally funded public housing programs have been isolated from the mainstream of other community initiatives. The direct federal relationship with local housing authorities has circumvented the broader community and resulted in the breakdown of local accountability.

- Instead of the direct federal-PHA relationship, public housing vouchers and block grants should be administered through cities and states with greater input and accountability to the residents and the broader community.

Federally Assisted Housing

- Massive deregulation should be pursued in all federally assisted housing programs. As programs are devolved to state and local levels, excessive HOME regulation standards should be eliminated, including costly federal housing quality standards, narrow targeting requirements, excessive compliance paperwork, and consolidated plan mandates.

Multi-Family Assisted Housing

To date, assisted housing has created steadily deteriorating neighborhoods of continued dependency. The main beneficiaries of Section 8 housing have been absentee landlords who have reaped the benefits of "subsidy creep." Subsidies for Section 8 housing are typically far beyond market-rate rents, and through the lifetime of the subsidy amount to many times the market costs of purchasing the properties.

- GAPP recommends a one-time subsidy to producers of subsidized housing, rather than continuing subsidies. This could be given to property owners in the form of a 20-year mortgage loan at a very low interest rate (1 percent). This up-front support could be amortized so that it does not impact solely on one government budget cycle. Throughout a 20-year period, even a subsidy of two-thirds the purchase cost of the property would be a small fraction of the costs of continuing per-unit subsidies.
- A program should be instituted by which organizations of residents of assisted housing have the first option to purchase the property when a period of subsidization terminates.

Training

- Savings from a more efficient subsidization strategy should be used to award small grants to community groups or educational institutions to train subsidized housing residents in financial management and community organization. Residents of assisted housing who have effectively organized their own communities should be among the trainers.

SECTION III. WELFARE REFORM

- ***KEY FINDING. The present maintenance-focused welfare system should be replaced by policies that promote strong families, personal responsibility, and the development of self-sufficiency.***

The GAPP Task Force believes that most welfare recipients do not want to be in a state of dependency. Most low-income individuals have a desire for self-sufficiency and independence. Government programs, however, have tended to focus on process and custodianship. The service provider who is paid according to the number of people processed, rather than the numbers freed from dependency, has a clear incentive to keep clients in custody. This has been true across the welfare system, from foster care to teen mothers to the homeless.

The success of many community-based programs in part can be attributed to their insisting upon participants' assuming responsibility for their actions. These programs presume that everyone wants to live a better life and, if held to high expectations, will begin to make more appropriate life choices. The government's paternalism has been a tremendous barrier to their efforts. Requirements that participants give something (e.g., money, assistance to colleagues) in order to get something (shelter, food, clothing) are challenged by government, which views the responsibilities of recipients as "work" that justifies FICA payments. Such barriers must be removed.

THE OPPORTUNITY TO ESCAPE DEPENDENCY

Employment and asset formation are the tools necessary to escape dependency. Under the current welfare system, many able working age welfare recipients are not employed because they:

- *Have not been given the opportunity to become educated and trained in a field in which they can begin a career that will pay them more than the amount that they can receive from the "system."*
- *Are not made aware of employment opportunities that do exist for them.*
- *Do not have an incentive to work because the system encourages them to stay on the welfare rolls.*
- *Are not recognized as someone of value by either government or by private sector employers.*

These problems should be considered opportunities. Community-based groups have had significant success in creating training and placement programs geared to the specific opportunities that exist in the area; motivating those on welfare toward self-sufficiency; and instilling self-esteem and a sense of personal responsibility.

- All programs providing social services must be designed with an assumption that the poor have a desire for self-sufficiency and personal responsibility. Programs should be designed as stepping stones to independence, and not as perennial "maintenance" services. Service providers should be rewarded for their ability to lift their clients from their dependent states, rather than be paid (as they often are today) simply for the numbers of bodies they process, perennially treat, or warehouse.

REMOVE BARRIERS

Government has created perverse incentives to self-sufficiency and to families.

At the present time, an unmarried mother is better off financially if she does not work and if she does not marry an employed male.[7]

The Internal Revenue Service's marriage penalty on the Earned Income Tax Credit can cost as much as $3,717 if a $10,000 wage earner with a child marries another $10,000 wage earner, according to the National Bureau of Economic Research.

- The present tax structure of the Earned Income allowance serves to penalize those who work. This situation should be revised so that low-income individuals do not lose money by working.
- Government-imposed barriers and penalties that currently frustrate individual efforts to become self-sufficient should be removed, including barriers to asset formation, treatment of earned income, and asset limitations.
- Tax policies and eligibility criteria for receiving funds that punish two-parent families should be restructured or abolished.

- Community-based treatment programs that require some assumption of responsibility and service on the part of their clients should not be subjected to filing FICA or payroll deductions for those reciprocal services.
- Transfer payments, whether from block grants or from current programs such as Aid to Families with Dependent Children and Food Stamps, should be made flexible enough to permit them to be wage subsidies.
- Since child care plays such an important role in any welfare-to-work process, funding should be provided to community-based organizations to train child-care providers.

WORK REQUIREMENTS

- The American Legislative Exchange Council's demonstration program model legislation, which would test the effects of replacing certain welfare (AFDC and Food Stamps) and unemployment insurance benefits with guaranteed paid employment, should be pursued. The GAPP Task Force further recommends that the test focus on employment in the private sector and with community groups.
- All welfare transfer payments, except for minors, the elderly, and the disabled, should be accompanied by the requirement for job training or working.
- Welfare recipients should be allowed to mix work and welfare, and be permitted to keep a higher portion of their earnings.
- Welfare recipients should be able to receive job training from and be employed by grassroots groups that provide services to low-income people.
- Transportation and child care should be provided for recipients in training or working as part of any welfare-to-work program. Subsidies for child care should be on a graduated scale proportionate to the individual's earnings.
- The receipt of public funds must be reciprocated by demonstrations of personal responsibility.

TEENAGE MOTHERS

The rapid rise of teen parenthood is a major concern. According to data published by the Heritage Foundation, 70 percent of single parent families with children, and more than 80 percent of never married mothers receive government assistance.[8]

Aid to Families with Dependent Children (AFDC)

- Cash benefits should not be given to youths under eighteen years of age. Benefits should be paid to the youth's parents or to a teen motherhood shelter or support program designated by and used by the beneficiary.
- There should be a two-year limitation on cash benefits.
- Welfare benefits should be tied to job training or employment. Given the failure of government job training programs and the success of community-based organizations in helping teen mothers, the latter should be preferred providers of counselling and training.
- The paternity of the child must be identified as a prerequisite for receiving welfare.
- Just as parents of minors are fined for their children's graffiti, truancy, or curfew violations, parents of youths who father babies should be held accountable as well. They should be made partially responsible for the baby's care and upbringing.
- A welfare recipient who has another child should not receive additional benefits except in extreme circumstances such as rape.
- Substance abuse treatment should be required if necessary, as a condition of receiving benefits.

Parenting and Homemaking Skills

- Young people receiving public benefits should be required to take basic parenting, homemaking and life skills training. Neighborhood day care providers are a logical choice to provide this service.

Nutrition Training

- Training in good nutrition should be facilitated in every possible way. Children deprived of good nutrition may have attention deficit disorders and other problems that result in their requiring special education and other therapies, and/or create other problems that are costly to society.

Debit Card or Direct Payment

- Government voucher programs such as Food Stamps have been plagued by theft, resale, and fraud. Some welfare payment programs have required that recipients line up and wait to receive benefits—in itself a dehumanizing process. GAPP strongly urges that voucher allocations for each individual be placed in a personal support service account which can be accessed through "support service account cards" (debit cards). This card would allow flexibility in use of benefits and reduce administrative costs. Another option would have payments go directly to service providers designated by the voucher recipient.

Native American and Rural Communities

- Personal support service account cards may not be appropriate in rural and Native American communities where automation is not available. In these areas, a mechanism permitting individuals to choose their service providers might necessitate direct payments to service providers designated by the recipient.

THE OPPORTUNITY TO INVEST IN OUR CHILDREN'S FUTURE

CHILD CARE

Service Providers

- Regulations should be rewritten to reverse the order of preferred service providers. Family members should be first, and government should be last.
- Programs should be linked so that low-income people can be providers of services, and child care services can be provided locally.

Certification and Support

- Certification of child care providers should be based upon experience and performance, not amount of education.

ADOPTION AND FOSTER CARE

- Neighborhood organizations, such as churches and non-profits, should be empowered to make placement decisions since they, better than government, can make assessments of character and competence.
- People receiving welfare and housing benefits should be seen as resources for caring for abused and neglected children without penalty to their incomes.
- Family and extended family members should be seen as the primary resource for foster care and adoption.
- The practice of paying more for the care of children the further they are away from their families must stop.

EDUCATION PROGRAMS

Early Development Programs

- Recognition should be given to the importance of child development during the first six years of life, and programs that "front load" children should be encouraged.

Head Start

- Any school that can demonstrate that it can produce the desired outcomes for children should be eligible for Head Start (or the equivalent block grant or voucher) program money.
- Head Start program money should be made available for start-up and staff training so that successful programs can be replicated.
- For agencies such as Head Start, where there is a requirement that as many as half the board members be low-income representatives, some training is needed for effective participation. Funds for training should be factored into these budgets.

Quality Improvement

- "Quality improvement" funds for child care programs is a category that should be retained in block grant money.

Vouchers

- Vouchers for education services should be provided to allow public/private partnerships between schools (such as a Montessori preschool and public grammar school), so that children can get a continuous quality education in the same neighborhood.

Busing

- Busing children out of their own communities is not desirable. For Native American and rural areas where busing to large schools may entail hours of travel each day, a return to smaller community schools is recommended.

Drop-Out Intervention

- School drop-out intervention programs should be eligible for block grant funds as a small investment against the potentially large costs which may be incurred by society later because of the failures and high percentage of criminal activities among those who drop out of school at an early age.

OTHER WELFARE PROGRAMS

Food Stamps

- Any food stamp or food subsidy program should emphasize—even more strongly than in the past—the healthy nutrition of children.

Medicaid

- Medical care should be separated from welfare programs so that health benefits are not terminated when a welfare recipient becomes employed, thereby creating a disincentive to take a job. The working poor should have health benefits.

- Health care benefits should be provided to all low-income children up to age 18 and up to age 22 for those who continue their educations.
- Medical care should be privatized and provided through health maintenance organizations using personal support service account cards.
- Consideration should be given to providing dental and eye care.

THE OPPORTUNITY TO ESCAPE HOMELESSNESS AND SUBSTANCE ABUSE

There are many causes for homelessness. Perhaps 50 percent of the homeless are without shelter because of behavior choices, such as substance abuse. Another substantial segment of the homeless are mentally ill. Others are without homes because of factors beyond their control, such as a loss of a job or personal financial disaster, poor health, or death of a spouse. At the present time, most homeless shelters simply warehouse all comers, regardless of their root problems. If the problems of these people are to be effectively dealt with, each should be addressed individually. Some simply need temporary shelter; others need a job. For alcohol and drug addicts, the problem lies in overcoming addiction and developing the dependability that will allow them to keep a job. Addicts are not helped if they are simply admitted to a shelter each evening, given a meal, then released to the street the next morning with a donut and coffee.

For those who are homeless and are substance abusers, government and large charities seem to favor treatment programs that require no contribution by participants, set no minimum standards for acceptable behavior, and do not operate on faith-based principles. These programs are rewarded for documenting the number of people that come through their doors rather than for impacting the overall quality and duration of their lives. The current system promotes a collusion for cash payments between the homeless and large programs that supposedly serve them. Funding should not be based on numbers served but on the number of successes produced. A program that simply warehouses the homeless and provides no avenue out of this desperate situation only perpetuates suffering at a huge cost to society.

The government should reward programs on the basis of outcome rather than process. Many of the most successful substance abuse/homelessness programs are faith-based. Spiritual revitalization makes it possible for individuals to make the difficult and painful changes necessary to uplift their lives. Groups such as San Antonio's Victory Fellowship and Youth Challenge of Hartford are ministries which have extraordinary records of helping men and women escape dependency, without administering any medications. These programs should be made eligible for funding without being subject to barriers of government credentialing and licensing.

Disaggregate Homeless Persons

- The homeless must be disaggregated on the basis of the root causes of their homelessness. They should then be directed to programs that address their specific needs.
- Faith-based organizations must be allowed to compete for funding.

Redefining Addiction

- Public policy often absolves individuals of personal responsibility for their problems by defining them as "victims." This trend has led to the labeling of those who are debilitated by their addiction as "disabled." The GAPP Task Force disagrees with this definition and believes that addicts should be treated as troubled but not as handicapped, and they should be made to assume responsibility for their condition.

Addicts and SSI

The practice of giving Supplemental Security Income (SSI) benefits to addicts on the grounds that they are disabled has led to a situation in which addicts are subsidized at more than $500 a month with no requirement to get treatment. Further, the practice of giving retroactive SSI checks to addicts when they are first approved has resulted in the binge deaths of many.

- Substance-addicted applicants for Supplemental Security Income (SSI) benefits should be required to participate in programs of treatment, job training, and/or education, and benefits should be terminated if they fail to comply. Payments should be paid directly to these programs.
- The practice of giving retroactive cash payments to substance abusers upon their application for SSI should be eliminated. If necessary, these funds could be used to pay treatment facilities for services received. These funds should also be used to move individuals toward self-sufficiency through educational, vocational, or housing escrow accounts.
- Entitlements should be paid through a statewide debit card, facilitating tracking of individuals. At the present time, privacy laws make accountability for the use of entitlements almost impossible.
- Certain types of businesses, such as bars and liquor stores, should be disallowed from cashing SSI checks or receiving debit card funds.

Regulatory Barriers

- The testing of participants in substance abuse treatment programs for HIV/AIDS or substance abuse should be mandatory. At the present time, some community-based programs are prohibited from conducting such tests.
- Confidentiality laws should be revised to allow community treatment programs access to information (e.g. HIV/AIDS or mental illness) needed to effectively serve and protect all participants.
- Since faith-based programs have shown that they can engender new patterns of behavior necessary for breaking addiction and solving homelessness, faith-based organizations must be allowed to qualify for funding.
- There should be no requirement for credentialing or licensing of leaders of faith-based programs that do not administer medication.
- Unnecessary red tape and credentialing requirements should be eliminated to allow community-based organizations to establish facilities for homeless youth.
- Medicaid rules should be amended to ensure proper use of auxiliary services, such as transportation system vouchers, which should be used exclusively to get to and from medical appointments.

ENDNOTES

1. Bennett, William J., The Index of Leading Cultural Indicators (New York: Simon & Shuster, 1994).

2. *Ibid.*

3. *Ibid.*

4. Edmonds, Thomas N., and Keating, Raymond J., D.C. By the Numbers: A State of Failure (Lanham, MD: University Press of America, 1995).

5. *Ibid.*

6. "Multiple Employment Training Programs: Basic Data Often Missing." United States General Accounting Office, Statement of Clarence C. Crawford, Associate Director, Education and Employment Issues, Health, Education, and Human Services Division, before the Committee on Labor and Human Resources, U.S. Senate.

7. *Ibid.*

8. Ferrera, Peter J., Issues '94. (Washington, D.C.: The Heritage Foundation, 1994).

9. *Ibid.*

SECTION IV. APPENDICES

APPENDIX A.

MEMBERS OF THE GRASSROOTS ALTERNATIVES FOR PUBLIC POLICY NEIGHBORHOOD LEADERSHIP TASK FORCE

PATRICE MAUUMBA ABDUALLAH: Haughville Community Council, Indianapolis, IN

The Council was founded in 1969. Its primary mission is to make the community a better place to live and provide to it the integrated delivery of social services, housing and economic opportunity. The Council works with residents to develop a sense of community responsibility; promotes the idea of democratic living; and works to preserve the attractiveness of the neighborhood. Some of the Council's achievements include founding Haughville Park; starting a youth program at Christamore House; and developing a clean up program for streets and alleys. Council leadership has served on the Mayor's Task Force under Mayors Lugar, Hudnut and Goldsmith.

SARAH ADEKY: Ramah Navajo Weavers, Pine Hill, NM

The Ramah Navajo Weavers Association seeks to address problems in the small, remote, rural Ramah community caused by scarcity of community-based economic development successes and a century of forced dependency on government bureaucracies. The Association has six program areas: Navajo weaving/market development; sheep and wool improvement/market development; land development/protection; traditional cultural education; leadership development; and organizational/resource development.

DELORES BEALL: I Am That I Am Training Center, Dallas, TX

I Am That I Am is an after-school program for children that offers tutoring in math, reading, and computer skills, and a well-balanced meal each day. Beall also has founded a summer camp with classes in carpentry, horticulture, and wildlife. In 1992, 825 children under the age of 18 were served and 234 accepted into A and B honor rolls.

ERNEST and LAVERNE BOYKIN: Capital Commitment, Washington, D.C.

Capital Commitment is a training and job placement organization founded in June 1991, that prepares community residents for jobs in the telecommunications industry. Capital Commitment has a placement rate of more than 90 percent for the young people it has trained, most of whom were welfare recipients, in jobs earning an average of $22,000.

RUBY BRUNSON: Oakland Licensed Day Care Operators' Association, Oakland, CA

The Oakland Licensed Day Care Operators' Association was founded in 1974 to enhance the quality of child care provided in private homes. The Operators' Association membership is made up of more than 150 child care providers. It recruits low- and moderate-income eligible families to participate in its Alternative Payment Program (subsidized child care), and serves more than 1,500 children each day with its Association Child Care Program. Some of the goals of the Association are to create new child care methods; increase the efficiency of the providers; and assist in the development of child care facilities which respond to the needs of the multi-ethnic families they serve.

CHLOE CONEY: Lee Davis Neighborhood Service Center Development Corp., Tampa, FL

Founded in 1992, this organization has a number of programs to assist schools, families, infants, mothers, and abused females. The Center houses a full service health clinic, a police substation, county public assistance programs, and social work services.

BOB COTE: Step 13, Denver, CO

Since 1983, 3,000 homeless people have been served by Step 13, which unlike other shelters for the homeless, is open 24 hours a day and does not accept federal or state money. Residents must accept responsibility for themselves, doing their own cooking and working in the shelter. They pay a fee ($120 a month) from wages earned from jobs Cote arranges for them with area businesses. For all the thousands of men Step 13 has placed in jobs, there have only been two minor instances of difficulty on the job. At the present time, Cote has been able secure more jobs than he has clients to fill. Step 13 participants receive education and skills training as needed, and develop self esteem and dignity. There is a very effective substance abuse program. The center has started a recycling business, providing a source of income as well as jobs and training. The program is 60 percent self supporting and receives additional donations from foundations, corporations and individuals.

FREDDIE GARCIA and JUAN RIVERA: Victory Fellowship, San Antonio, TX

More than 13,000 men and women have been treated and freed from drug and alcohol addictions over the past 30 years through the faith-based Victory Fellowship program. Through a training program, recovered substance abusers have gone on to found 65 satellite centers in New Mexico, Texas, Puerto Rico, and Peru, and a team is in the process of establishing a center in Cuba.

RAUL GONZALEZ: Youth Challenge of Greater Hartford, Inc., Hartford, CT

Youth Challenge is a program of spiritual revitalization and drug and alcohol rehabilitation, and has salvaged thousands of former addicts' lives. Services include individual and group counseling, English and reading tutorial programs, recreational activities, resident and family liaison services, non-denominational spiritual sharing, complete nutritional care and living, and prayer. Some 70 percent of its graduates never return to drugs.

CARL HARDRICK: Upper Albany Neighborhood Collaborative, Hartford, CT

Carl Hardrick has been instrumental in defusing critical situations, negotiating peaceful settlements between gangs, and dramatically reducing violence in his neighborhood. He has worked since the 1960s with the South Arsenal Neighborhood Development Corporation (SAND), and more recently with the Upper Albany Neighborhood Collaborative. He has given youth an alternative to drugs, violence, and the streets, encouraging them to stay in school, get jobs, and make something of their lives. Many former gang members have turned their lives around because of his efforts, and some are now fulfilling the same roles he played, helping young men in the area turn from violence to productive activities.

ALICE HARRIS: Parents of Watts, Los Angeles, CA

Parents of Watts encompasses a number of programs for both youth and adults which have touched thousands of lives. Begun informally 30 years ago by "Sweet" Alice Harris in her own living room, POW was formally founded eight years ago. Over the years, Alice Harris has provided emergency food and shelter assistance to the homeless; food to needy families; counseling and drug abuse prevention; assistance and language classes for immigrants; and a job training program for parolees. The "Youth at Risk" program shelters young people and helps them with their education and job skills. There is a transitional home for pregnant women and young mothers, who are assisted with parenting classes, substance abuse prevention counseling, and in finding permanent housing and jobs. POW also operates a 24-hour Crisis Center where anyone in the community can call and get help. Alice Harris has brought together the Hispanic, Korean, and black communities, at times averting violence. POW provides all its services mostly with volunteers and on a budget of only $80,000 a year.

SPYKE HENRY: Smart Activities for Fitness and Education (SAFE), Washington, D.C.

Spyke Henry has worked for decades with disadvantaged youth, homeless, ex-offenders, teen mothers and dropouts, in crime prevention through programs focusing on organized sports, recreational, educational, social, and cultural enrichment activities.

HARRIET HENSON: Northside Tenants Reorganization, Pittsburgh, PA

The Northside Tenants Reorganization was formed by the residents of Northside (a HUD Section 8 development). The conditions of the property had deteriorated to such an extent that NTR brought a class action law suit against the owners. The suit forced the sale of the property to another owner with a Section 8 contract. A plan of action has been developed that incorporates resident management of the property and possible ownership when the present contract expires in 1998. The development comprises 333 units in 251 buildings scattered throughout Pittsburgh.

RITA JACKSON: Northeast Performing Arts Group, Washington, D.C.

Rita Jackson launched a dance and drama training institute for children in her public housing development to encourage their talents and enhance their self-esteem. The program helps reduce the potential for delinquency by giving youth a constructive alternative to street life and drugs. The training program has expanded to include tutoring, mentoring, college preparation, and training in entrepreneurial skills. Since 1987, hundreds of young people have attributed their academic success and positive direction in life to Rita Jackson's efforts.

WILLIAM H. LOCK: Community Enterprises of Greater Milwaukee, Ltd., Milwaukee, WI

Community Enterprises of Greater Milwaukee was founded in 1987 by the Community Baptist Church of Greater Milwaukee. Its principal function is to serve as a business incubator service for disadvantaged organizations—ones that cannot, on their own, fully contend with the immediate barriers to entry of a given industry. CEGM has been responsible for starting more than 20 successful businesses in the Milwaukee area.

SAMUEL D. MCGHEE: Delray Beach Center for Technology, Enterprise and Development, Inc., Delray Beach, FL

The Delray Beach Center addresses the concerns of housing, crime management, employment, and economic development by facilitating revitalization in the community. A "Model Block" project involves the physical rebuilding and/or replacement of the infrastructure, construction of affordable "in-fill" housing on vacant lots for qualified purchasers, rehabilitation of existing houses, and development of commercial spaces.

ANTONETTE (TONI) MCILWAIN: Ravendale Community, Inc., Detroit, MI

McIlwain's first effort was to start a club for her own block, distributing flyers and resorting to a bullhorn to draw her neighbors to a meeting at her house. Spurred by her enthusiasm, the group changed a run-down block to a livable one in three months. Then she started with neighboring blocks, and the process spread, until 35 block clubs were formed to revitalize the whole area. Among the benefits: a dramatic decrease in crime and the rehabilitation of abandoned homes (the Ravendale Community has worked to rehabilitate "crack" houses, making them available to needy residents). About 75 percent of the 4,100 residents in 1,500 homes became involved in cleaning and sprucing up streets, and more than 100 homes have been renovated in the Ravendale area. Residents also built a child development center, combining a preschool and a learning center for adults in need of skills to assist them in getting off welfare. Another building houses an entrepreneur program, operated by Joy of Jesus, an outreach ministry. This program teaches teenagers that their fate is in their own hands, and helps them seize opportunities such as starting their own businesses.

GERALD SAFFOLD: Foundation of Prayer Ministries, Milwaukee, WI

Since 1983, the ministry has reached out to more than 1,000 youths in an effort to imbue their lives with hope and an active belief in Christian values. What began as a community choir has become a comprehensive youth program. In 1989, Building Hope for the Future was launched to redirect the lives of at-risk inner-city youth. Through positive theatrical productions, including musicals, dramas and skits, Building Hope provides a forum for youngsters to express their aspirations and values; purge their frustrations and fears; and establish a basis for productive teamwork.

JACQUELINE SHARPE: Victims Against Crime, Norfolk, VA

Victims Against Crime's goal is to provide information, prevention strategies, and counseling services to youth and families who are at risk of violence and crime within their communities. Its services include adult and youth homicide support groups, in which families of murder victims can work through their difficult mourning period under the guidance of caring professionals, and emergency assistance for them when needed. VAC also provides services to educate the public on how the judicial system works.

CRAIG SOARIES: Faith and Missions, Victory House, Atlanta, GA

A homeless shelter for black and Hispanic men that feeds, clothes, shelters, counsels, and finds jobs for its clients. Men who have jobs pay room and board; those who can't pay work on the premises. The Biblically-based "Re-entry Program" has been very successful in turning men's lives around.

MARTHA URIOSTE: Family Star, Denver, CO

Founded in 1985, Family Star is a multi-ethnic grassroots organization in inner city Denver whose mission is transformation through education: to develop the potential of people of all ages, tiny infants to senior adults, to think for themselves, to do for themselves, and create better lives. Family Star was created when Martha spearheaded a campaign to purchase a crack house and turn it into a Montessori School. With the help of public officials and the private sector, Martha's vision became a reality. Family Star receives 100 percent of its funding through the private sector and from tuition.

MAXINE WALLER: The Ivanhoe Civic League and the Volunteers for Communities Program, Ivanhoe, VA

Located in the heart of Appalachia, the Ivanhoe Civic League mounts adult education and GED programs and youth programs including tutoring, employment and college and career search guidance. Volunteers for Communities helps low-income communities in Virginia and the Southeast region of the United States host student volunteers who work on projects identified by the community, and themselves benefit through an exchange of culture, experience, history and perspectives. During the past eight years, the Ivanhoe Civic League has hosted more than 500 students from all over the country and the world.

LEON WATKINS: Cities in Schools and Family Helpline, Los Angeles, CA

Leon Watkins presently works with Cities in Schools, an intervention program aimed at preventing youth from dropping out of school. He is the founder of Family Helpline, a volunteer effort which has assisted concerned citizens in solving serious family problems such as gang activity, substance abuse, teen pregnancy, child or spouse abuse, and needs for food, clothing, or housing. He has been called upon hundreds of times for crisis intervention during pressing violent situations. For the past 20 years Leon Watkins has committed himself to working with hundreds of young gang members in South Central Los Angeles, giving guidance wherever he could, from street corners to his bare-bulbed, makeshift office.

OLGEN WILLIAMS: Westside Cooperative Organization, Indianapolis, IN

Founded in 1974, WESCO's mission has been to strengthen the capacity of neighborhood-based organizations and neighborhood leaders to act as advocates for and instruments of positive change. WESCO is the beneficiary of three major federal grants: a HUD Hope 6 revitalization grant, a DOL Youth Fair Chance Program and a DOJ Weed and Seed Award. These awards represent over $33 million and have given the neighborhood the opportunity to create an oversight council to directly empower themselves.

ESTHER YAZZIE: Navajo Spiritual Land Recovery Project, Albuquerque, NM

The Navajo Spiritual Land Recovery Project was formed in 1987 to conduct a series of educational seminars to enlighten and explain to Navajo students and their families greater harmony, cooperation, loyalty, and understanding of one's own culture and Navajo history. The goal is to build positive self-esteem and promote a holistic approach to life without the use of drugs or abuse of alcohol.

APPENDIX B.

NATIONAL CENTER FOR NEIGHBORHOOD ENTERPRISE

The National Center for Neighborhood Enterprise (NCNE) is a non-profit research and demonstration organization founded in 1981 to assist low-income Americans improve their lives through innovative self-help approaches. During its 14-year history of "turning problems into opportunities," the Center has chronicled (and helped to create) success stories of low-income community strengths from all over the nation.

Through a combination of research and hands-on projects, NCNE applies market-oriented, self-help strategies, rooted in the spirit of free-enterprise, in its efforts to empower people.

As a research organization, NCNE:

- Locates and evaluates successful neighborhood self-help groups and programs;
- Identifies barriers — private and governmental — that impede social and economic development; and
- Determines what mix of public policies and neighborhood strategies is most likely to produce success.

As a demonstration organization, NCNE:

- Adapts successful models from one community to another by building on neighborhood strengths and resources;
- Promotes innovative approaches to development and revitalization using market-oriented strategies for problem-solving;
- Helps businesses and community-based organizations advance their common interests in low-income neighborhoods by building partnerships;
- Provides hands-on technical assistance and leadership training to local organizations and individuals; and
- Serves as an "honest broker" in representing the interests of low-income people and neighborhood groups.

APPENDIX C.

THE COLUMBIA HEIGHTS STORY

Columbia Heights in the early 1960's was a healthy, vibrant neighborhood with more than 400 businesses lining its 14th Street N.W. commercial corridor. Tragically, the riots that followed the assassination of Dr. Martin Luther King, Jr., in 1968 destroyed 275 business establishments and 4,000 housing units.

The federal government declared the community an Urban Renewal Area. At that time, the government's primary reinvestment tool was federal rental housing subsidy programs. More than 3,500 units of assisted rental housing were constructed, but the 9,000 new lower-income residents who were deposited into a variety of high-density assisted housing developments found themselves in an area with few basic retail services, few affordable housing choices, declining job opportunities, and few training resources and a deteriorating residential environment.

Today, a promising revitalization effort is underway, spearheaded by a local community development corporation, the Development Corporation of Columbia Heights. Its leaders provide firsthand knowledge of the problems to be solved and have a personal stake in the success of the project. Residents of the neighborhood are involved in the planning, design, and whenever possible, the execution of the projects undertaken. They are the first beneficiaries of the opportunities created, for homeownership, for business formation, and for jobs.

Others joining in are private lenders and intermediaries, such as the Local Initiatives Support Corporation (which provide front-end pre-development financing, subordinated low-interest debt and capacity-building support); private developers; and local government which utilizes federal housing and community development programs and city-owned land, reducing investment risk and attracting private investment.

Just one impressive project of the collaborative revitalization effort underway at Columbia Heights is the Nehemiah Project, a $15 million venture offering new homeownership opportunities and a shopping center, now fully contracted with tenant businesses, several of which will be owned by neighborhood residents including the first business owned and operated by neighborhood youth.

The Columbia Heights area, like so many other distressed urban neighborhoods around the nation, is rife with boarded and abandoned buildings, many owned by government. There are 48 units of vacant scattered site public housing in the area, a number of which have been empty for more than 10 years. The GAPP Task Force has recommended that such abandoned buildings be turned over to community organizations so that they can be rehabilitated to provide additional affordable housing and turn "monuments of blight" into functioning real estate.

One specific housing project, Clifton Terrace, includes 285 units of Section 8 assisted housing. With its environment of unlivable density—there are more than 600 children living there—it has contributed to the deterioration of the community with drug trafficking and high crime. This property could undergo a transformation if, as the local CDC advises, vouchers were to be utilized to decrease density and a program of education and training initiated to provide its residents with opportunities for advancement.

Columbia Heights is an excellent model of what communities can do in the way of revitalization if they work from the bottom up, and what other opportunities exist that enlightened public policies could develop into miracles.

"For some critics the danger of a person being proselytized is greater than the danger of losing his or her life. But when you talk to someone who has lost a child to suicide, prison, or drug addiction, they have a different perspective."

"We should stop dwelling on the question of money and focus instead on supporting secular outcomes."

Barriers to Faith-Based and Community Initiatives

Recommendations of the

National Center for Neighborhood Enterprise

Grassroots Alternatives for Public Policy
Neighborhood Leadership Task Force Number Two
(GAPP II)

With results from a nationwide survey of faith-based and community initiatives conducted by NCNE, The Empowerment Network, and the American Family Coalition

I. Information Gap
II. Regulations and Administrative Barriers
III. Problems in Doing Business with Government
IV. Funding Issues

This project was conducted in conjunction with the Institute for Contemporary Studies, with additional support from Paul Fleming

National Center for Neighborhood Enterprise
1424 Sixteenth Street, NW
Washington, DC, 20036
(202) 518-6500

FOREWORD

By Robert L. Woodson, Sr., President,
National Center for Neighborhood Enterprise

The nation has now had five years of experience with Charitable Choice legislation, which allows the states to contract with faith-based organizations in welfare reform, community development, and more recently, substance abuse treatment. Despite the presence of enabling legislation, it appears that relatively little has been accomplished to tap the significant resources of faith-based and small community-based organizations that exist in virtually every neighborhood in America.

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. For some critics, however, the danger of a person being proselytized appears to be greater than the danger of that person losing his or her life. But when you talk to people who have lost a child to suicide, prison, or drug addiction, they have a different perspective. We must provide opportunities for people who have had this experience to tell their stories and confront reality--faith-based programs do succeed where other approaches have failed. We need to be focusing our attention on secular outcomes rather than religious inputs.

An elitism that pervades both left and right also 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 direct our private-sector payments, philanthropic resources, and government support to those that work. We need to 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 should stop dwelling on the question of money, and focus instead on the real barriers that inhibit them from wider service. Faith-based programs, just as other service-providing organizations, 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.

While Charitable Choice legislation has removed barriers to faith-based programs, state licensing requirements remain a Berlin wall they cannot breach. This not only deprives many people of care that would be far more effective in dealing with their problems than they are receiving from traditional providers, but it drives up costs. In the substance abuse

treatment area, for instance, faith-based programs such as Victory Fellowship, Teen Challenge, and Youth Challenge, have costs of about $60 a day per person, compared with $600 or more for therapeutic programs. Under the present system, as individuals and as a nation, we spend more and get less.

The following report represents the views of the experts--the leaders of some of the most effective faith-based programs across the country. The National Center for Neighborhood Enterprise for 20 years has worked with community and faith-based groups that have demonstrated they know how to solve the problems of youth violence, substance abuse, homelessness, and teen pregnancy. They know how to provide compassionate care for children and senior citizens, to strengthen and restore families, and to revitalize their neighborhoods.

Past social welfare programs have been unsuccessful because the real experts have been ignored and unsupported. The current dialogue on faith-based initiatives affords us an excellent opportunity not only to improve the plight of low-income people, but to ensure that all Americans will be able to secure the services that will most effectively address their needs.

TABLE OF CONTENTS

Foreword 2

Executive Summary 4

Introduction 6

I. Information Gap 10
- Ignorance about Charitable Choice 10
- Misinformation about the law 10
- Hostility to faith-based programs 11
- Government can't find and assess faith-based programs 13
- Faith-based programs don't hear about contract or grant opportunities 14

II. Regulatory and Administrative Barriers 15
- Licensing 15
- Staff credentialing 16
- Staff training 17
- Hiring 18
- Administrative policies 18
- Medicare/Medicaid 18
- Youth program age limits 19
- Criminal records 19
- Facilities regulations 20
- Prohibiting work in return for service 21

III. Problems in Doing Business with Government 22
- Unfunded mandates 22
- Delay 22
- Failure to reimburse 23
- New programs can damage existing institutions 23
- Matching requirements 24
- Other cost burdens 24
- Paperwork 24
- Forced collaboration 25
- Government-mandated partnerships 25
- Perpetuation of the status quo 26
- Tendency to award fewer bigger contracts 27
- The procurement process 28
- Review panels 28

IV. Funding Issues 29
- Charity Tax Credits (Empower funders) 29

Third party payments 29
Empower individuals—Vouchers 29
Capital or overhead grants 30
Food stamps, Medicaid 30
Microloans 30
Training and technical assistance vouchers 31

V. Appendices 32
A. What is a Faith-Based Organization? 32
B. Standards for Eligibility 33
C. Evaluating Faith-Based Programs 34

VI. Summary of Recommendations 35

VII. Leadership Task Force Participants 43

Executive Summary

This is the report of well over 100 faith-based and community programs from across the nation. Leaders of 22 highly successful, well-established organizations also were brought to Washington, DC to report in depth about the barriers they face and the problems they encounter. Their comments are divided into three sections: Information Gap, Regulatory and Administrative Barriers, and Problems in Doing Business with Government.

Information Gap: After five years in which Charitable Choice has been the law, there still remains significant knowledge gaps among government officials at all levels. Many do not know that they can contract with faith-based programs under some circumstances and simply close the door. Others, armed with a little knowledge, come to wrong conclusions. Hostility to faith-based programs exists, and programs that have a right to participate but don't know how to go about it are shut out. Even motivated government officials usually have little background or training in identifying and locating effective programs, and thus the programs rarely hear about opportunities that might support their work.

Regulatory and Administrative Barriers: The roadblock that looms most mightily in the way of beneficial partnerships is that of state licensing, which in turn is driven by a professional industry that promulgates staff credentialing and training regulations. Unless this issue is addressed, Charitable Choice will remain out of reach for many faith-based and community organizations, particularly in the areas of substance abuse treatment, residential youth homes and community elder care. While Charitable Choice law removes the barriers of professional credentials and training curricula that have nothing to do with the way faith-based programs operate, state licensing boards put them back in place. State boards can prohibit programs from licensure on the very grounds that they are faith-based, notwithstanding the passage of Charitable Choice. In addition to staff credentials and training, regulations governing hiring, Medicare/Medicaid eligibility, criminal records, and rigid and unrealistic facilities regulations present major barriers. Some programs are told they cannot require participants to work as a condition of their treatment, unless the program pays minimum wage, FICA, unemployment and workman's compensation taxes. This undermines their ability to provide the first step toward responsibility and rehabilitation.

Problems in Doing Business with Government: The problems encountered by faith-based and community programs are suffered by for-profit businesses as well. But community programs are by nature often staffed by volunteers and dependent upon charitable donations, and far less able to cope. Grassroots groups complained about unfunded mandates--extensive audits, insurance, software, and other requirements that they were later told was a condition of their grants or contracts. Delay in payment is almost a universal complaint; even worse is the problem of government not paying for work that began before the contract was actually signed--which may not come until months after the program has been notified and activities began. There are horror stories, as well, such as the foster mother who took a baby in at the request of a child welfare

official; when the baby got sick and emergency care was required, the foster mother was billed by the hospital for more than $30,000. No government funds were available because the paperwork had not been done.

Government contracting practices, such as requiring collaboratives and forcing partnerships with what may be bigger but non-productive organizations, also pose major problems for neighborhood-based programs. Part of the latters' success stems from their knowledge of their own neighborhoods and the trust invested in them by the residents. Innovation and trust can be easily lost through unproductive, forced partnerships.

Grassroots programs all complain about the perpetuation of the status quo--the same programs tend to get funded—no matter what their success or lack of success--and the small newcomers are shut out. The process is often designed to reward those who write the best proposals. Recommendations are offered as to ways to open the process for programs that have a record of successful service, rather than successful proposal writers.

Funding Issues: The faith-based and community program leaders also expressed their preferences for indirect funding schemes. Although much focus has been put on whether the government should be giving direct service grants to faith-based programs, they themselves seem to prefer that individuals needing service should get vouchers that they can use at any program--faith-based or secular--thereby removing any church-state entanglements in the same way that was done by the GI Bill. They do favor capital or overhead grants, and would like to have restrictions removed that prohibit participants in faith-based programs from receiving food stamps or Medicaid. They also would like to see a fund established to make microloans to non-profit organizations, and to give vouchers for training and technical assistance. They believe that it is in the national interest to encourage non-profit service organizations just as it is to help small businesses.

The grassroots task force also suggested definitions for faith-based programs; recommendations for eligibility for participation in funding programs; and suggestions as to how to perform evaluations that can assess the effectiveness of faith-based programs vs. secular programs.

A complete listing of participants and summary of recommendations is attached.

INTRODUCTION

In early May, 2001, the National Center for Neighborhood Enterprise assembled leaders of some of the most effective faith-based and community programs in America to discuss the barriers they face and to elicit their recommendations for public policy. Each of the programs they directed had at least a decade's experience in creating innovative solutions to critical problems in their low-income neighborhoods. These included a wide range of issues: from substance abuse, lack of senior care, youth violence and gang activity, family dysfunction, failing education systems, joblessness, homelessness, to disintegrating neighborhoods.

The grassroots programs they represented exemplified the characteristics that NCNE has identified as marking effective community-based programs. They are:

- Program leaders come from and work in the neighborhoods they serve. They pass the "zipcode" test.
- Their programs were founded before funding became available.
- Their goal is the self-sufficiency and independence of those they serve.
- Most are faith-based, and they serve out of a commitment to their faith. Their work is not a job.

NCNE Role in Earlier Legislation: Many of the grassroots leaders who contributed to this report and who meet the foregoing criteria, had participated in an earlier initiative of the National Center for Neighborhood Enterprise, which had national public policy impact. In January, 1995, NCNE President Robert L. Woodson, Sr. was asked by the Speaker of the House of Representatives to assemble a task force of the most effective neighborhood and faith-based organizations across the country. NCNE brought about 25 leaders to Washington, DC, and for three days the National Center elicited their discussion of barriers they face, and their recommendations on how public policy could assist them in their life-saving work. The resultant report, "Bridging the Gap: Strategies to Promote Self-Sufficiency Among Low-Income Americans," laid the groundwork for such legislation as Charitable Choice and the Community Renewal Act, and made its way into housing and other legislation.

Substantial Barriers Still Exist: Many of the participants have been assisted through NCNE management training and technical assistance, and their programs have grown significantly. However, they still face important barriers to their work. The following report reflects their views, as well as those of more than 100 grassroots service providers across the country that participated in a survey conducted by the National Center for Neighborhood Enterprise, The Empowerment Network, the American Legislative Council, and the National Center for Faith-Based Initiative.

The issues in the following pages have been identified by faith-based organizations as serious barriers to participating in the process of government contracting. Those participating in this survey were not always clear about whether Federal, state, or local funding—or regulation—was involved in the incidents on which they reported. But they offer their recommendations to all levels of government.

The Bush administration has directed five departments of the U.S. government—Health and Human Services, Labor, Housing, Commerce, and Education—to report on the regulatory barriers to faith-based programs. But barriers fall into at least four levels: **Practices**, **Policies**, **Regulations**, and **Law**. All are equally important.

> *Laws* can be changed at the highest level, for example, the almost unanimous passage of Charitable Choice in 1996.
>
> *Regulations*, both federal and state, promulgated below the scrutiny of elected officials, remain a major roadblock. The issue of state licensing has put Charitable Choice completely out of reach of many programs for which the law itself was written to empower.
>
> *Policies*, particularly in the private sector, often shut out faith-based programs. In an informal poll at a meeting of about 300 heads of corporate foundations, more than 60% said their foundations had "policies" against faith-based programs. Conversely, only about 10% said they had a policy that required grantees to demonstrate successful outcomes.
>
> *Practices* both by government and private sector organizations that shut out faith-based programs are pernicious and hard to prove. They may stem from ignorance, lack of training among relevant staff, and even willful hostility to faith-based programs. There is a great deal of information, education, and vigilance needed to implement the new partnerships, if they are to succeed.

This report has been prepared at the request of the White House Office on Faith-Based and Community Initiatives, several of the agencies of government including the Departments of Health and Human Services, Housing and Urban Development, Labor, Education, and Justice. It also has been requested by members of Congress.

These recommendations are offered in the belief that if healthy relationships between government and faith-based organizations can be facilitated—without destroying the essence of the faith-based entity—individuals served by government programs will surely benefit and the welfare of the nation will be greatly enhanced.

I: Information Gap

Despite the fact that Charitable Choice has been in law for five years, there persists a great gap between the faith-based and community organizations it was intended to empower and the government agencies that need their services to achieve community goals. Lack of knowledge on both sides has led to considerable rumor and misapplication of the law in practice. In some cases, there is evidence of clear discrimination against faith-based programs. Whether this is because of ignorance of the new laws or actual hostility to religion may be a moot questions--the result is the same.

A. Lack of Information about Charitable Choice:

Many government agencies and staff don't understand the provisions of Charitable Choice. Lack of information or education about Charitable Choice among agents of government creates barriers at every level. An uninformed, low-level staff person in a government program who answers the telephone can thwart the process before it even starts.

> *Incorrect phone information: This apparently happened to the pastor of a Virginia church, who placed a call to a government agency to inquire whether his church could apply for funds for a job training program. The individual answering the telephone told him the government did not contract with churches. Since the pastor had no solid information to the contrary, he stopped pursuing it. The agency could have engaged in contracts with his church, but the staff had not been informed of this.*

> *Contracting office inadequately trained: In Milwaukee, the faith-based community development organization called CEGM (Community Enterprises of Greater Milwaukee) was able to help a faith-based program win a grant of $297,000 for a transitional living facility for homeless women. However, when the paperwork came down, there were restrictions about using funds for religious activities, and a Federal monitor came to tell the group that it could not have crosses on the walls or say the Lord's Prayer. It took two years, but CEGM finally was able to negotiate a pathway through the regulations by which the group could retain its religious nature on its own time, with the government agreeing to support eight hours of the day during which secular activities took place.*

B. Misinformation about the law:

Other knowledge gaps create barriers.

> *Wrong information about law: In Pennsylvania, a government staff member told a community-based drug and alcohol program that it could not hire anyone with a criminal record, and that those presently employed had to be fired if the program was to receive a government contract. This proved to be a myth. The Grassroots Advisory*

Panel brought the question to its contacts in the state legislature, and received an official answer: the rule applied only to residential senior citizen facilities, and in no way should have been applied to substance abuse programs.

Generally, the groups find a lack of understanding and agreement on the implementation of Charitable Choice from one Federal agency to another.

Recommendation: ***Funds should be allocated for training staff at all levels of government agencies about Charitable Choice and all that it entails, and specifically how it applies to the given agency's programs.***

Recommendation: ***Uniform Federal Guidelines for the application of Charitable Choice should be developed across Federal agencies.***

C. Hostility to Religion:

Government at all levels often seems to be in the schizophrenic situation of wanting the benefits of faith-based programs without the faith.

No religious terms to be used: In Indianapolis, a group of ministers has a program to counsel youth and families, and has an outstanding record of giving hope to troubled kids and transforming their attitudes and behavior. Yet government staff have told the ministers that they are not to use theological phrases in counseling or mentoring their clients, such as the name Jesus Christ or other religious terms.

Prayer created a controversy: In Georgia, a faith-based program for the homeless had been providing services for a decade and had taken literally thousands of men and women off the street and restored them to new lives of self-sufficiency. The program, started by a pastor, had been receiving a small government grant for several years. However, after an article about the program appeared in a local journal citing a powerful moment of prayer that had occurred during the reporter's visit, the program suddenly was subjected to a series of government audits and apparent harassment. This, despite the fact that proof and documentation for all purchases made under the grant had already been submitted for every reimbursement. The pastor finally took steps to sever the relationship with the agency, telling it, "You must need this money more than we do. It's not worth the time, the effort, or the paperwork. We aren't desperate for your money. If we were doing what we're doing for the money, we wouldn't be doing what we're doing.!"

Shut out of government briefings: A small organization that provided second tier services to organizations doing domestic violence prevention and intervention was refused admittance to a state advisory board briefing for contractors on the basis that 1) it was not a prime contractor, and 2) it was faith-based.

Faith ok inside but not outside prison: In San Antonio, TX, a faith-based substance abuse program that has a very active and successful jail and prison ministry has found that local public defenders refuse to send their clients to faith-based programs.

Abortion Issue: In Georgia, the Department of Health and Human Services gave the a major non-profit $2 million which it was to disburse for Second Chance Home programs across the state. A faith-based group that has been operating a pregnancy crisis center for 18 years tried to apply. However, it was told by the administering agency that it "would not work with any faith-based agency that did not believe in abortion and that would not refer for an abortion." According to the applying group, that was not stated in the grant and was in fact contrary to the requirement of the grant that applicants be agencies that offer adoption for pregnant girls.

Day care center closed: A North Carolina church that operates a variety of programs for the community including a daycare center applied to a program called "Smart Start," a public-private early childhood initiative designed to help children enter school healthy and ready to succeed. The local Smart Start chapter denied the program funding, saying it did not give to organizations with a faith-based component.

In June, 1999, the Subcommittee on Oversight and Investigations of the U.S. House of Representatives Veterans Affairs Committee encouraged both the Veterans Administration and Department of Labor to increase participation of faith-based organizations that help homeless veterans. The subcommittee noted that perhaps one-third of homeless persons are veterans, and despite federal investment rates of about $1 billion a year for homeless programs, the numbers do not improve. The subcommittee said that "this raises the question of whether homeless programs, particularly for veterans, are effective."

Veterans Program called "too religious:" Despite the Congressional committee's expressed direction, a Colorado program for veterans that sought to establish a health care system was unable to get a contract because it is faith-based. The case has been taken to court.

Many private sector organizations—from foundations to businesses—have practices and even policies prohibiting funding faith-based organizations, despite the fact that the private sector hardly has any church/state problems. An informal survey of about 300 leaders of corporate foundations at a national conference indicated that some 60% had policies regarding faith-based programs.

Bank funding denied: A North Carolina program called the Church of God in Jesus Christ provides many services in the community and is currently constructing a learning center for children up to five years old. The program applied to two local banks, and was turned down because of its faith-based element. The group was able to find an out-of-town bank to loan the funds.

Recommendation: ***Each agency at the federal, state, and local level should have a designated "ombudsman" to handle questions and appeals regarding the rights of faith-based and community programs.***

Recommendation: ***That law be enacted that makes it illegal to discriminate against an organization in applying for funds simply because it is faith-based.***

D. Government agencies lack knowledge about how to identify, assess, and work with faith-based and community programs:

As one policy expert has pointed out, "the qualities that make faith-based groups effective renders them invisible." The groups that quietly transform lives do not mount protest marches, they don't promote themselves, and they don't write fancy proposals. Both government and private sector funders have a problem in first finding them, and then determining in which group to invest.

It has been suggested by various entities--from members of Congress to the grassroots organizations--that there is a need for a national organization to take on the task of collecting data about effective grassroots programs, provide some screening or evaluation, and become a clearinghouse for exchange of information throughout the nation. This entity could provide some "due diligence" and give qualified, viable groups some sort of "seal of approval" or "Better Business Bureau" rating.

Recommendation: ***A national private sector entity, with a panel of grassroots experts, be empowered to act as a clearinghouse of information about effective faith-based and community organizations.***

E. Faith-based and community initiatives don't hear about contract or grant opportunities.

Almost all of the faith-based organizations surveyed said they do not know or hear about contract or grant opportunities. For the most part, the groups are unknown to government agencies, and further, the agencies don't know how to find them or assess them. Accessing the services of small community-based organizations will take considerable effort on the part of government--effort that many offices have been unwilling to exert, even when the law permitted their contracting with these groups. Further, there is danger that because of a lack of understanding about what constitutes a "faith-based program,"

government offices will go to the large churches (which may not be involved in providing services) or the large denominational agencies that have already given up their religious nature and are indistinguishable from secular organizations.

Recommendations: ***Government agencies will have to actively recruit and educate faith-based organizations if they want to use their services: Some techniques:***

--Advertise in community newspapers.

--Use the videoconference sites owned by government in many counties to hold interactive discussions between contracting officials and faith-based organizations. Invite experts to discuss such subjects as Charitable Choice; proposal writing; opportunities for grants and contracts; descriptions of programs; how to navigate the procurement process; how to use the Internet to get information, etc.

--Develop a list of Frequently Asked Questions about Charitable Choice and post these on the Internet.

II. Regulatory and Administrative Barriers

A. Licensing:

State licensure is the major roadblock to the utilization of faith-based programs. No matter how lofty the goals of Charitable Choice or how explicit the language allowing faith-based programs to receive government funds, some of the major programs intended to benefit from this legislation are totally blocked unless the problem of state licensing boards is solved. Programs that routinely require licensing include substance abuse treatment centers, programs for the homeless, community elder care facilities, and residential youth programs.

The barriers to licensing include requirements for professional staff credentials, high staff/client ratios, training requirements that have nothing to do with the way faith-based programs achieve successful results, and the presence of religious activities and symbols. Each state has its own requirements. State licensing agencies can and do discriminate against faith-based programs. Thus, although a program might be otherwise eligible to receive a government contract through Charitable Choice, it can be kept out of the competition because it does not hold a license. Further, the 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.

Agencies like the Texas Commission on Alcohol and Drug Abuse (TCADA) can do what the law doesn't do--shut out faith-based programs. State licensing boards have often proved to be very aggressive in their actions toward non-traditional and faith-based programs in their subject area.

> *Regulatory agency on the attack: In the early to mid-1990's, the Texas Commission on Drug and Alcohol Abuse (TCADA) actively threatened both Victory Fellowship and Teen Challenge in San Antonio, TX, telling the former that it had to have a license to remain operating, and revoking the license of the second because it did not meet the staffing requirements promulgated by TCADA for traditional programs. Faced with media outrage (e.g., a column by nationally syndicated columnist William Raspberry entitled "License to Save Lives?"), the agency backed off. Then-Governor Bush convened a task force and eventually passed legislation to exempt faith-based substance abuse programs from the regulations designed for the therapeutic industry.*

Even where programs are not actively opposed by state licensing agencies, participants in unlicensed programs are barred from receiving entitlements such as food stamps, Medicaid, and cash assistance. These entitlements, it should be noted, can be accessed by a drug addict or alcoholic living in a shack who cashes his checks and food stamps at a liquor or convenience store, but he or she can't use them at a Teen Challenge or Victory Fellowship treatment program.

> *Religious nature is the objection: In California, several Teen Challenge chapters were licensed and had been exempted from staff requirements and allowed to have healing prayer. This allowed their participants to receive food stamps. But new licensing regulations have since been passed, and licenses have been denied to new chapters holding religious services, and if the existing ones move to new locations, they will forfeit their licenses and therefore the participants Food Stamps and Medicaid. Teen Challenge, with 150 chapters in the U.S., reports it is almost completely closed out of Charitable Choice because of the licensing requirement.*

As noted, Texas removed this barrier creating a separate category for faith-based substance abuse programs, exempting them from the same kinds of staffing requirements governing therapeutic programs. Florida also provides a model of how an association of faith-based children's homes has been allowed to certify and hold accountable its own membership, based upon group standards.

> *Juvenile programs denied funding: In Florida, a Christian teen residential program was denied funding from Florida's Department of Juvenile Justice because the faith-based curriculum did not meet the criteria and standards established for other providers, despite the fact that funding came from the U.S. Substance Abuse and Mental Health Administration (SAMSHA), which has a Charitable Choice provision.*

> **Recommendation:** ***The White House use the "bully pulpit" to convene a national conference of governor's representatives to explore how state licensing might be brought into conformance with Charitable Choice laws.***

> **Recommendation:** ***All government agencies should look at the models in Florida and Texas of setting up separate categories for faith-based programs, whose modalities differ from those of the traditional providers.***

> **Recommendation:** ***Just as universities and hospitals are accredited by private peer organizations, faith-based service programs should be able to choose their own accreditation organization. Qualification could be based upon a peer review process. (Programs should be subject to reasonable health, safety, and financial responsibility requirements.)***

> **Recommendation:** ***State licensing should be waived in certain Federal funding if faith-based organizations meet the requirements for exemption.***

B. Staff Credentialing--Certification vs. Qualification

The insistence by the professional service providers' cartel on professional credentials as the only criteria for who qualifies to serve the poor and disadvantaged is a crippling

barrier faced by faith-based and community groups. 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. States have specific requirements for counselors that do not necessarily fit with what the faith-based program offers and what the programs have successfully provided. 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 for many, the most effective counselors are those who come from the same backgrounds and have themselves suffered and overcome the same problems. Further, programs such as Youth Challenge, Victory Fellowship, and Teen Challenge have very rigorous, formalized training programs and high standards for their counselors and staff.

> *Competition for the industry: A highly successful McKeesport, PA substance abuse rehabilitation program has been attacked by government regulators and representatives of Managed Care on the basis that the center's staff is not properly trained and can't properly treat recovering addicts. The PA organization believes that such faith-based programs, staffed by recovering addicts, are the most qualified to help others in the same circumstances, and that the industry is threatened by the competition.*
>
> **Recommendation:** ***Certification should be based upon qualification and demonstrated effectiveness. Peer review mechanisms should be investigated.***

C. Staff Training:

States may require so many hours of training in traditional therapeutic counseling, which may not have any relevance to the way faith-based programs successfully effect change. For Teen Challenge to be licensed in California, the state would require total retraining of all staff in the state's models of drug/alcohol instruction. In addition, staff would have to be trained in infectious disease recognition, crisis intervention, and to recognize physical and psychiatric symptoms—which Teen Challenge feels would be costly and unnecessary. Further, some of the HIV/AIDS and STD training that is required by the state is done in a way that is offensive to faith-based programs that have their own teachings regarding abstinence and homosexuality.

> **Recommendation:** ***The training curricula of faith-based programs be accepted in meeting training requirements.***

D. Hiring:

The 1954 Civil Rights Act made it national law for the past four decades that religious organizations can limit hiring to people of their own faith. State licensing bodies have thwarted this, however, by denying licenses to organizations that "discriminate" on the basis of religion, even for staff in ministerial roles.

> **Recommendation:** ***State licensing boards be brought into conformance with the law regarding the right of faith-based programs to require that their employees adhere to the religious practices of the organization, as provided in the Civil Rights Act of 1954.***

E. Administrative Regulations:

Even below the level of legislation or written regulation, administrative policies can effectively cripple such programs. Government bureaucrats, who often come from the industry, write the operating regulations. Administrative procedures dictate the ratio of patients to counselor and even prescribe hours that a program participant should be seen.

> *It's just the rules: One Teen Challenge chapter was prohibited from seeing patients outside their prescribed hours, no matter when or what their need. As one bureaucrat told the director of a Teen Challenge chapter, "I know you do it better than any other program. You just do it wrong."*
>
> *Parolee provisions prohibitive to service: In Denver, proposed regulations would have required a homeless empowerment program that has an outstanding record of returning individuals to useful lives to add extraordinary provisions if the individual served was a parolee. These would have included assignment of a case manager who should "obtain a written assessment of the offender's criminal risks, criminogenic needs, and responsivity to various supervision and treatment strategies from the referring agency using standardized instruments with recognized validity and reliability for assessing criminal risks and needs in the field of criminal corrections..." Other requirements were to "develop a written personal budget for the offender. The written budget shall provide for reasonable payment of any victim's restitution, fines and costs due under the offender's criminal correction action..." The proposed regulatory thicket led to at least one program's decision not to accept parolees in its program.*
>
> **Recommendation:** ***Further research is needed to determine how state regulatory practices can be reformed to meet national objectives.***

F. Licensing and Medicare/Medicaid:

The government's standards have a far-reaching effect beyond these programs, since they affect the standards set by private health insurers. Medicare or Medicaid will not pay for

group home care unless the facility is licensed and a "skilled care" nursing home, even though the community alternative may cost one-third the amount.

> **Recommendation:** ***A major review be undertaken to determine how Medicare and Medicaid set standards, including those for community-based care, and how individuals who would like to choose these programs might be empowered.***

G. Youth Program Age Limits:

Residential programs in Texas are prohibited from taking in young people unless they are diagnosed and a service plan is implemented. However, many of the youths coming to faith-based programs are running for their lives—from other violent youth or from abusive households.

In many states, programs that are not licensed because they cannot meet the professional degree requirements are prohibited from taking in young people under 18 years, no matter what the need.

> **Recommendation:** ***The White House convene a conference of state regulators to look at the staff credentialing of youth programs and to see what reasonable standards could be set that would allow successful youth intervention programs to become residential.***

> **Recommendation:** ***Provisions should exist so that emergency care for youth can be offered without violating regulations.***

H. Criminal records:

Many of the faith-based programs that are successful in low-income neighborhoods are effective because the leaders have overcome the same problems that they go on to help others overcome. Many have criminal records, but have achieved a personal transformation that is the basis of their desire to help others. However, the presence of a criminal record is a tremendous barrier—not only to mainstream employment but to work in the service of others. In Texas, individuals with a criminal record are prohibited from working with young people. State money is forbidden to programs whose staff members have criminal records. This automatically would rule out Victory Fellowship and its 65 parachurches in the U.S., despite the fact that Victory is recognized as one of the most effective transformational programs in America that has saved an estimated 13,500 men and women from drug and alcohol addiction.

> **Recommendation:** ***A major national review of statutes and regulations affecting employment of ex-offenders should be undertaken. Existing regulations should be evaluated as to their contribution to the common good.***

I. Facilities Regulation:

Unrealistic physical requirements are often imposed on programs, sometimes even retroactively.

> *Lack of flexibility, no matter the cost: In Wisconsin, the state examiners came to a residential eldercare facility and measured the size of the bedrooms after the facility was built. The director was told that she could not house two people in one room, because one was 7" too small, another 2" too small. "No one came by when we were putting up the buildings," the director said. Now she has had to remove some elderly black women who had asked to be roommates, because the room was 2" too small. "They came in with a ruler, a pen and paper. All I'd like to see is an open mind. No set of numbers can capture a person's life or the improvement we provide. I asked them, would you rather see these people on the street?"*
>
> *Double standard for government? In Hartford, CT, directors of a prison mentoring program charge that the state does not enforce the capacity rules in prison as it does in the private sector. "The fire department would not allow the kind of crowding you find in the prison," they point out. Overcrowding in prison has ramifications far beyond normal safety, with its effects on violence, rape, and inability of guards to adequately supervise prisoners' activity. They feel that government should apply the same strict standards to those in its own custody as it does to those in outside programs that are trying to help people.*
>
> *Facility is off limits to religious services: In Detroit, no religious services may be held in a building that is renovated with Community Development Block Grant Neighborhood Opportunity Funds, even when the dominant (95%) of the use of the facility is nonsectarian community service.*
>
> *Are these costs necessary? In Texas, a faith-based program operating a small "farm" and using a well was told that it had to hire an inspector at $550 a month to take the water samples to the same facility that program directors had already been going to. Then the county put a pipeline in next to the property, and charged the program $20,000 in impact fees to hook into the pipeline.*
>
> **Recommendation:** ***State and Federal agencies should get out of the building and safety business, and allow local fire marshals and health departments to determine the safe operation of facilities.***
>
> **Recommendation:** ***Consideration should be given to inserting into block grants sanctions against unrealistic requirements imposed at the local level.***

J. Prohibiting work in return for services:

Most faith-based programs have a goal of bringing individuals to assume personal responsibility and become self-sufficient. One way is to require that program participants help with housework and maintenance or to serve newcomers to the program. But government often says that the programs cannot require work in return for assistance. Or the programs are told that they must pay participants the minimum wage, withhold and file taxes, FICA, unemployment, and Workman's Compensation Act payments to the government. This becomes an impossible situation, and a valuable part of the program leading to individual empowerment is lost.

> **Recommendation:** ***A national policy should be instituted that allows community organizations that are trying to help individuals assume responsibility for their lives to require that they perform various activities as part of their treatment, without categorizing them as employees.***

III. Problems in Doing Business with Government

A. Unfunded mandates:

A number of the programs had experienced situations in which they were awarded grants, then found that the government required certain things for which it would not reimburse them. Among them were:

--Independent audits--which could cost as much as $35,000, even on contracts between $25,000 and $100,000;

--Tracking or other program software;

--Six month follow-up of program participants;

--Insurance costing $4,000 or more.

Recommendation: ***There should be every effort to make provision for all required elements of a government contract and requirements that are not funded must be stated clearly in the request for proposal. Especially, states should be prohibited from imposing unfunded mandates on groups otherwise eligible to get U.S. block grant funds.***

B. Delay:

Virtually all of the groups that have received government funding at any level spoke of delays resulting in impacts from annoyance to disaster.

Slow contract processing: A grassroots program in the District of Columbia, for instance, won a small grant to put on a community motivational event celebrating the achievements of its youth. Plans were made, posters were put out, invitations sent and supplies ordered, as the government official kept saying that the check was being cut and due in a few days. Several months passed, and the event date came with no check. The group had to borrow money to put on the picnic, or cause major disappointment and even havoc in the community.

Provider or participant approval gap: Day care providers in Milwaukee, who had contracts with in the welfare reform effort, routinely experienced a four month delay in their first reimbursement for services rendered. According to government officials, "It takes that long to get the names into the system." This was devastating to the already scarce pool of providers, especially to those women who sought to get off welfare by working in childcare and could hardly afford to go four months without pay.

No provisions for emergency situations: Also in DC, there are many cases in which children are brought to foster care providers in an emergency situation and care must begin before paperwork is processed. One warm-hearted woman took in a baby at the request of a social worker, only to have the child become ill a day later. She took the child to an emergency ward, and because the child was not officially in her care, she was billed by the hospital for over $35,000 in medical costs that were not covered by anyone's insurance. Incredible and horrendous as this may seem, her home is at risk as a result. Even in the best of situations, it is reported that foster mothers must wait six weeks for support for foster children, and it is not retroactive.

Recommendation: ***A series of meetings should be held in which actual service providers can meet with government program administrators in each agency to discuss some of the on-the-ground issues.***

Recommendation: ***Government payment procedures must be reformed. Thought should be given to setting up a financial intermediary or bridge agency that can hold funds, disburse them, and be reimbursed by the government.***

C. Failure to reimburse:

Most of the grassroots organizations also have found that government at all levels does not reimburse for services provided before the funding actually is awarded--even if a contract agreement was reached months before and service is rendered from that date.

Recommendation: ***Government agencies at all levels must be held accountable for payment for services rendered at their request—reimbursable to the time that service began.***

D. New programs can damage existing institutions:

Just as new development projects are required to do environmental impact statements, grassroots groups would like to see the government weigh the consequences of new initiatives it may parachute into the community. While well intended, some do considerable harm to the indigenous institutions that already are providing service.

Community group homes being put out of business: In Wisconsin, the Community Options Program provides funding so that low-income senior citizens can be cared for in the community. The program is 50% funded by the state, and 50% comes from Federal funds. Unfortunately, COP reportedly is putting a lot of group homes out of business, because there are insufficient funds for all the indigent elderly individuals in the central city. Nevertheless, if a group home has a contract with the county and has available beds, it is required to take patients who are eligible for COP. Payment to the group home, however, doesn't start

until the money is actually available for the patient--and that can be as long as 3 1/2 years! When funds do come, they are not retroactive. As Milwaukee's Cordelia Taylor, founder of Family House says, "the only reason my doors are open is because of the private foundation that understands my mission."

Recommendation: ***"Community impact statements" should be required as part of the approval process for new government-funded programs to determine whether they will do harm to existing institutions that are addressing neighborhood needs.***

E. Matching requirements:

Many government procurements require substantial matching of funds to qualify for funding. Grassroots groups especially find this a chilling barrier. While they find it easier to show volunteer hours, coming up with a substantial cash match is often beyond their abilities because it requires a significant fundraising effort without any guarantee that the program will ever be funded.

Recommendation: ***If the government really wants to avail itself of the benefits of the services of faith-based programs, it should reduce the requirements for cash matching funds.***

F. Other cost burdens:

High city fees: City licensing costs were another issue for some programs. The City of Denver, for instance, was requiring a $5,000 registration fee for homeless programs.

New taxes proposed for churches and schools: A proposal in the Indiana legislature would apply "user taxes" to churches and schools for any use of public emergency services. For instance, a church fire would result in the church being assessed all fire department, police, and other emergency costs. A single emergency could wipe out the resources of a church or school. This issue was believed driven by the social service industry, which saw competition in ministerial outreach programs.

Recommendation: ***The public interest in the viability of non-profit programs should be carefully weighed against a locale's desire to raise funds.***

G. Paperwork:

Paperwork required by government is legendary at all levels; for a grassroots organization whose orientation solely is to service, it can be backbreaking.

Cost outweighs benefits of grant: One faith-based program director received a $10,000 grant and was told when she received it that it required a 10 page report every 90 days. She simply didn't have the staff to do the paperwork. Rather than risk the reputation of her program, she returned the grant.

The Hospice of Northern Virginia also returned funds to Fairfax County. One report was rewritten 14 times. Hospice officials calculated it would take a full time employee six weeks to meet all of the county's filing requirements for a $15,000 grant that was supposed to cover nursing costs for 48 patients dying of cancer, AIDS, and other diseases.

Recommendation: ***Agencies streamline paperwork requirements.***

H. Collaboration:

Collaboration can be a good thing when programs complement each other and service gaps are filled. Grassroots groups that learn to work together and find natural collaborative arrangements can benefit by having a central bookkeeping function and sharing other responsibilities. But many forced collaborations have had disastrous results. Like many large foundations, government has increasingly demanded collaboration among service providers in a given area. As one observer put it, "In the marketplace, we call it 'antitrust.' We know that it stifles creativity and increases costs."

There may be good reasons not to collaborate. One of the reasons neighborhood groups are effective is that they know and respond to the particular needs of their own neighborhood. Forcing a single model on a larger area may not work. Another reason grassroots groups are successful is their constant innovation. The best practices of these social entrepreneurs can be adapted by other regions, but rarely can they be directly imported and applied. Further, faith-based groups fear being forced to collaborate with public or private entities that may not share their objectives, standards, and methods of achieving results.

While seemingly desirable in principle, there are often serious downsides to collaboration. This is clearly demonstrated in the history of some multimillion projects funded by major foundations.

Recommendation: ***Government should encourage communication and sharing of best practices without requiring unnecessary collaboration among programs.***

I. Government-Mandated Partnerships:

The multibillion dollar Welfare-to-Work program administered by the Department of Labor is an example of how a government agency can direct a procurement in a way that can thwart competition and involvement of neighborhood-based programs. Despite the apparent competitive framework, there was considerable rumor around the country that

the procurements were cast in such a way that the Private Industry Councils (PIC)s would take the contracts. The request for proposals stated that any organization submitting a proposal would have to first submit it to the local PIC, and secure a letter that the PIC had reviewed the proposal. At the same time, the PIC's were submitting their own proposals, so they had the happy situation of getting a look at all the competing proposals that might be coming from their regions. Unsurprisingly, many of the multimillion awards went to various PICs.

> *Directed procurements—Old Boy Network: In Ohio, an rfp said that proposals for a Department of Justice funded program were to be scored by the DOJ guidelines. A local faith-based employment program submitted a proposal, scored the highest, but found that the DOJ didn't use the scoring system and was mandated to contract with the local PIC and Urban League anyway. The faith-based group then subcontracted to the Urban League, and placed 275 participants in jobs, while the Urban League, which received the larger part of the funding, placed 15.*

> *Unhappy partnerships required: In Dallas, a faith-based group wanted to receive Department of Labor Empowerment Zone funds to provide jobs for some of the young men it has brought out of the gang and drug life. The program was told that it would have to partner with a Workforce Investment Act program, even though that program was viewed as ineffective by the grassroots group. Nevertheless, the requirement was that the faith-based group had to be certified by the WIA program, and give 10% of its funding for WIA's administrative costs. The faith-based program decided not to participate.*

J. Perpetuation of the Status Quo:

It is hard for grassroots groups not to believe that there is an active policy not to shut them out of government funding. This seems true at all levels. For many years, finding out about available grants depended upon being on someone's rollodex in a government office. While grant and contract rfps may be published in Commerce Business Daily and its state or local equivalents, grassroots organizations do not know about and are unlikely to be able to extract the information useful to them. In some cases, the fact that existing contractors are the only ones qualified to compete for new contracts actually is policy:

> *No newcomers need apply: A number of organizations said they are completely excluded as technical assistance providers for the SuperNOFA grants by the U.S. Department of Housing and Urban Development, and have been told by HUD officials that "only organizations that have done business with HUD before will be given TA contracts." This was confirmed in an answer given on the HUD faith-based listserv.*

> *Government says it doesn't have time to qualify new groups: In Wisconsin, a major fatherhood initiative was being mounted by the Department of Corrections*

under funding available in Welfare-to-Work for non-custodial parents. There already existed a number of faith-based programs ministering in the prisons and jails, and one in particular that had a very successful record in providing counseling, job preparation, and placements in jobs for ex-offenders reentering society. A meeting was secured with the DOC officials to discuss how the faith-based programs might partner in the program. However, they were told that since they had not previously contracted with the DOC (they had been privately funded volunteers), they were not on the "approved" list and would not be eligible to submit proposals.

Recommendation: ***Where time constraints actually make it necessary to limit competition to existing approved contractors or subcontractors, a portion of the grant should be deferred a month or two to allow new organizations time to become qualified.***

Recommendation: ***Any reason to exclude "new" organizations to compete for government funding, other than emergency, should be carefully scrutinized and require substantial justification and documentation.***

K. Government's desire to award fewer big contracts:

Government agencies have a natural inclination to award big contracts rather than many small contracts. Obviously this simplifies procurement and oversight, and large organizations are more skilled at writing proposals, filling out forms, and doing the tracking and required financial management. This has led to perpetuation of contracting with organizations that may be (but by no means are always) well run, but may be clearly ineffective and wasteful in delivering services.

Big is not always best: In one midwestern state, a local agency that had made headlines for months and was investigated by the state legislature for misappropriation, misuse of funds, and even fraud, was awarded a major services contract not more than a year later. The request for proposal required that the contractor would provide services for the entire county. Only two organizations had bid, and the other had no experience with a contract of that magnitude. Had the project been split into smaller areas such as townships or neighborhoods, and community-based organizations been empowered to apply, the people receiving services might well have been better served.

Recommendation: ***Government agencies endeavor to split up big contracts. Where it is necessary to have a single management entity, allow teams of grassroots organizations with a strong lead organization to compete.***

L. The procurement process:

The government procurement process rewards those who are skilled at putting writing proposals and gathering the information the government agency thinks should be in the proposal (such as demographic information about target populations, names, addresses, and contact names of agencies to coordinate with, etc.). These are things large organizations know how to do, and the government often already knows the answers even if small faith-based programs don't have this information at their fingertips. Yet the faith-based programs may know better how to save lives, and this is what the rfp process should focus on ascertaining.

> **Recommendation:** ***Simplify the rfp process. Focus on allowing programs to demonstrate their results—by submitting letters, videotapes, or interviews from people they have served and transformed. Use oral presentations wherever possible, in which each organization submits a written summary then is given an allotted time to present it.***

> **Recommendations:** ***Change the proposal evaluation process to value success over process, performance over staff credentials.***

M. Review panels:

Often the crux of the proposal process is who is doing the reviewing. Faith-based organizations do things differently than traditional social service providers. Their staffs may not have college degrees, and there may be transformed ex-felons and former addicts on their staffs. That may be part of what makes them effective. If the reviewers are predisposed by their own experience and background to look for Masters of Social Work or other credentials, and if they are not familiar with faith-based groups and don't understand and respect what they do, the deck will always be stacked against the faith-based groups.

> **Recommendation:** ***Ensure that review panels have representatives that do not give them a bias toward staff requirements that do not relate to success.***

IV. Funding Issues:

The issue of funding faith-based organizations inevitably gets embroiled in arguments over the proper relationship between church and state. The demand for the services provided by the grassroots groups surveyed by the National Center for Neighborhood Enterprise invariably exceeds their available resources. Still, they certainly are not willing to compromise the faith that is the very basis for their success. Nor do they want interference in their activities by government. For that reason, direct grants or contracts from the government are often the option of last choice by these groups.

A. Charity Tax Credit:

NCNE's grassroots panel first advocated the charity tax credit in its 1995 report to the Congress. A charitable tax credit that would empower lower income individuals, who do not now itemize deductions, to make donations to service-providing organizations would providing funding for many neighborhood groups and allow these groups to recruit funders within their own families, churches, and communities.

> **Recommendation:** ***Congress should enact the Charitable Tax Credit.***

B. Third party payments:

Most employees of private and public sector entities have insurance that would cover services such as substance abuse treatment. Insurance companies, after all, should have no "church-state" problem. Individuals in need of services should be able to have a choice of faith-based or secular treatment programs, and they should receive full reimbursement comparable to what the insurance program would pay government certified service deliverers.

> **Recommendation:** ***Determine to what extent government regulation and standards affects private insurance standards for care.***

> **Recommendation:** ***White House use its bully pulpit to assemble private insurers to discuss how their programs might allow policy-holders to choose faith-based as well as secular treatment programs.***

C. Empowerment of individuals--Vouchers:

Support for a system of vouchers, which would give individuals the power to choose their own social service providers, is virtually unanimous among grassroots organizations across the country. As with the G.I. Bill, individuals in need of services would be empowered to choose their own institution--whether faith-based or secular.

Recommendation: ***Government-funded services should be issued in the form of vouchers to individuals, which could be used at faith-based or secular programs.***

D. Capital or overhead grants:

The groups do support receiving direct grants for such things as vans, building construction or renovation, utilities, and non-religious supplies.

Recommendation: ***Allow faith-based groups to receive direct grants for vans, construction or renovation, utilities and other secular elements.***

E. Food Stamps, Medicaid:

There is considerable disparity among groups as to whether the participants of their programs are allowed to receive food stamps or Medicaid. Some of this is apparently due to misinformation; some is due to disparities in state laws. Part of the problem comes with the "Licensing" issue. If a program is not licensed with the state, it may be prohibited from having its participants receive these entitlements.

Recommendation: ***Allow participants in faith-based programs to receive food stamps and Medicaid if they meet other eligibility criteria.***

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 denied Food Stamps and Medicaid to individuals convicted of any felony connected with drug use after that date. This includes individuals in treatment programs and those who have been rehabilitated into society, and places them at further risk for criminal behavior.

Recommendation: ***Allow ex-felons who are in substance abuse treatment programs to receive food stamps and Medicaid. If the individuals remain in close contact with the program and the program can vouch for their recovery, allow them to continue to receive these benefits.***

In some states, eligibility for Medicaid is administered at the county level. Individuals who move from one county to another—such as those going from a Teen Challenge intake center to a training center that might be in another program—lose their Medicaid eligibility.

Recommendation: ***Medicaid should follow the recipient and not be limited to the county in which eligibility is determined.***

F. Microloans:

Many years ago the Congress decided that an important national objective should be to encourage and assist the development of small business entities. The grassroots panel

believes that it is equally of national importance to empower small service providing organizations, but to do it with a market-oriented approach that gives them assistance but strives for their independence. A major drawback is the inability of government to assess the groups, and the cost of processing a large number of small transactions.

> **Recommendation:** ***A national entity, with a grassroots review panel, administer a microloan fund for faith-based and community initiatives.***

G. Training and technical assistance vouchers:

Many faith-based programs, while very successful at saving lives, lack the management expertise they need to sustain and expand their programs. Government can play a role by making it possible for them to receive training and technical assistance. Further, agencies like the Small Business Administration could offer services to service-providing non-profits similar to those given small businesses.

> **Recommendation:** ***Each agency of government at national and state levels should set up a fund to provide training and technical assistance to community-based groups as part of block grant funding for major human services, housing, education, and labor programs.***

> **Recommendation:** ***The Small Business Administration or other agency provide the same services to non-profits as is provided to small businesses.***

Appendix A: What is a Faith-Based Program?

In the current national dialogue about the President's initiative, it is often assumed that "faith-based initiatives" and "churches" are synonymous. However, many effective faith-based programs are not affiliated with churches. Their leaders found their programs and they serve others because of their faith. They inspire others to faith through their example of how they live their lives.

Members of the National Center for Neighborhood Enterprise's Grassroots Alternatives for Public Policy (GAPP II) task force exemplify this kind of faith-based initiative. (See Appendix D for a list of task force members.) The following are definitions suggested by the GAPP II Task Force:

- Whatever is produced in the physical arena is motivated by and based on faith. The program exists for spiritual reasons.
- We have answered a call from the spiritual realm. Something other than material gain called us.
- A Christian faith-based program is a body of work that reflects the character of Christ--character, trustworthiness, humility, dependability, faithfulness, courage, compassion, non-partisan, and producing measurable change.
- It does not matter what the religion or denomination is, the criteria must be results. If the program is reaching the drug addict and the criminals, it should be supported. We should not care what it is that drives you, but we care that you are delivered.
- Faith is the instrument that produces transformation. Faith then provides sustainability.
- Faith-based programs accept people other programs do not want.
- Faith can be part of theory. It is the God theory. A methodology. Spiritual therapy changes people's lives. The theory is that as a spiritual component is added to people's lives, it causes an agent of change.

Appendix B: Determining Eligibility

What organizations should be eligible for funding as "faith-based and community initiatives?" These are some measures recommended by the Grassroots panel:

- A proven track record of at least a few years in the community the program seeks funding to serve. Neighborhood leaders have seen too many hustlers who have come in when the money comes in, who leave five years later when the money is gone and the community is still the same.

- The program should have demonstrated success, no matter what the size. A small program operating out of someone's house that has proven successful is better than a large program that has not shown any success.

- Evidence that the neighborhood supports the program. As grassroots panelists said, "If you can't quality with the people in your hood--then you shouldn't be able to come in and get money intended for your hood."

- Passes the "zip code test"--the leaders of the program come from or work in the neighborhoods they serve. They understand the neighborhood and have the trust and confidence of those they serve.

- Shows a willingness to cooperate and collaborate with other programs for skills it does not provide.

Appendix C: Evaluating Faith-Based Programs

How does government, with little experience in dealing with faith-based and community programs, now evaluate them? Here are some methods suggested by the National Center for Neighborhood Enterprise and members of its grassroots network.

- Go back retrospectively and find out what happened to people in secular and faith-based organizations.

- Set up a board with representatives from faith-based programs and secular programs to establish criteria as to what constitutes a successful outcome. Then take 100 people off the street with the same problem--e.g. drug addiction--and put 50 in a traditional therapeutic program and 50 in a faith-based program. At the end of one year, compare the results. The program that is most successful should reap the largest rewards.

- The "daughter" test: A few years ago Bob Woodson and his family were visiting Victory Fellowship in San Antonio, TX. One afternoon Ninfa Garcia called to two young women in the women's program, and told them to take the keys to the Garcia's car and take her three granddaughters and the Woodson's 12-year old daughter swimming and to get something to eat. "Don't worry, Bob," Ninfa said. "They're just former prostitutes, addicts, and thieves." In a Congressional hearing later, Woodson challenged several representatives of the psychiatrict profession. "I wonder how many of you would trust your daughter to patients you say you have cured?"

- Measurements of success used by Victory Fellowship of San Antonio, TX:

  --A visible change in behavior pattern, being witnessed by others, in which the individual ceases to use drugs, alcohol, methadone, and even cigarettes.

  --A noticeable betterment in the client's vocabulary and a wholesome, optimistic attitude, even when confronted with everyday problems and obstacles.

  --The client's acceptance of his responsibilities as a citizen, parent, spouse, and provider with respect to himself and to others.

  --A former substance abuser standing as a productive and contributing asset within our society, serving as an example to humanity.

Summary of Recommendations*

National Center for Neighborhood Enterprise
Grassroots Alternatives for Public Policy
Neighborhood Leadership Task Force

I: Information Gap (Practices)

Lack of Information and Misinformation about Charitable Choice:

1. Funds should be allocated for training staff at all levels of government agencies about Charitable Choice and all that it entails, and specifically how it applies to the given agency's programs.

2. Uniform Federal Guidelines for the application of Charitable Choice should be developed across Federal agencies.

Hostility to Religion:

3. Each agency at the federal, state, and local level should have a designated "ombudsman" to handle questions and appeals regarding the rights of faith-based and community programs.

4. That law be enacted that makes it illegal to discriminate against an organization in applying for funds simply because it is faith-based.

Government agencies lack knowledge about how to identify, assess, and work with faith-based and community programs:

5. A national private sector entity, with a panel of grassroots experts, be empowered to act as a clearinghouse of information about effective faith-based and community organizations.

Faith-based and community initiatives don't hear about contract or grant opportunities.

6. Government agencies will have to actively recruit and educate faith-based organizations if they want to use their services: Some techniques:

   --Advertise in community newspapers.
   --Use the videoconference sites owned by government in many counties to hold interactive discussions between contracting officials and faith-based organizations. Invite experts to discuss such subjects as Charitable Choice; proposal writing; opportunities for grants and contracts; descriptions of

programs; how to navigate the procurement process; how to use the Internet to get information, etc.
--Develop a list of Frequently Asked Questions about Charitable Choice and post these on the Internet.

II. Regulatory and Administrative Barriers

State licensing agencies erect barriers that keep Charitable Choice out of reach for many faith-based and community organizations.

7. The White House use the "bully pulpit" to convene a national conference of governor's representatives to explore how state licensing might be brought into conformance with Charitable Choice laws.

8. All government agencies should look at the models in Florida and Texas of setting up separate categories for faith-based programs, whose modalities differ from those of the traditional providers.

9. Just as universities and hospitals are accredited by private peer organizations, faith-based service programs should be able to choose their own accreditation organization. Qualification could be based upon a peer review process. (Programs should be subject to reasonable health, safety, and financial responsibility requirements.)

10. State licensing should be waived in certain Federal funding if faith-based organizations meet the requirements for exemption.

Staff Credentialing--Certification vs. Qualification

11. Certification should be based upon qualification and demonstrated effectiveness. Peer review mechanisms should be investigated.

Staff Training:

12. The training curricula of faith-based programs be accepted in meeting training requirements.

Hiring:

13. State licensing boards be brought into conformance with the law regarding the right of faith-based programs to require that their employees adhere to the religious practices of the organization, as provided in the Civil Rights Act of 1954.

Administrative Regulations:

14. Further research is needed to determine how state regulatory practices can be reformed to meet national objectives.

Licensing and Medicare/Medicaid:

15. A major review be undertaken to determine how Medicare and Medicaid set standards, including those for community-based care, and how individuals who would like to choose these programs might be empowered.

Youth Program Age Limits:

16. The White House convene a conference of state regulators to look at the staff credentialing of youth programs and to see what reasonable standards could be set that would allow successful youth intervention programs to become residential.

17. Provisions should exist so that emergency care for youth can be offered without violating regulations.

Criminal records:

18. A major national review of statutes and regulations affecting employment of ex-offenders should be undertaken. Existing regulations should be evaluated as to their contribution to the common good.

Facilities Regulation:

19. State and Federal agencies should get out of the building and safety business, and allow local fire marshals and health departments to determine the safe operation of facilities.

20. Consideration should be given to inserting into block grants sanctions against unrealistic requirements imposed at the local level.

Prohibiting work in return for services:

21. A national policy should be instituted that allows community organizations that are trying to help individuals assume responsibility for their lives to require that they perform various activities as part of their treatment, without categorizing them as employees.

IV. Problems in Doing Business with Government

Unfunded mandates:

22. There should be every effort to make provision for all required elements of a government contract and requirements that are not funded must be stated clearly in the request for proposal. Especially, states should be prohibited from imposing unfunded mandates on groups otherwise eligible to get U.S. block grant funds.

Delay:

23. A series of meetings should be held in which actual service providers can meet with government program administrators in each agency to discuss some of the on-the-ground issues.

24. Government payment procedures must be reformed. Thought should be given to setting up a financial intermediary or bridge agency that can hold funds, disburse them, and be reimbursed by the government.

Failure to reimburse:

25. Government agencies at all levels must be held accountable for payment for services rendered at their request—reimbursable to the time that service began.

New programs can damage existing institutions:

26. "Community impact statements" should be required as part of the approval process for new government-funded programs to determine whether they will do harm to existing institutions that are addressing neighborhood needs.

Matching requirements:

27. If the government really wants to avail itself of the benefits of the services of faith-based programs, it should reduce the requirements for cash matching funds.

Other cost burdens:

28. The public interest in the viability of non-profit programs should be carefully weighed against a locale's desire to raise funds.

Paperwork:

29. Agencies streamline paperwork requirements.

Collaboration:

30. Government should encourage communication and sharing of best practices without requiring unnecessary collaboration among programs.

Government-Mandated Partnerships:

31. Government should look cautiously at directed procurements that require organizations to collaborate with entrenched contractors, or that require their review and approval of proposals when they may be competitors for the same grants or contracts.

Perpetuation of the Status Quo:

32. Where time constraints actually make it necessary to limit competition to existing approved contractors or subcontractors, a portion of the grant should be deferred a month or two to allow new organizations time to become qualified.

33. Any reason to exclude "new" organizations to compete for government funding, other than emergency, should be carefully scrutinized and require substantial justification and documentation.

Government's desire to award fewer big contracts for the sake of convenience:

34. Government agencies endeavor to split up big contracts. Where it is necessary to have a single management entity, allow teams of grassroots organizations with a strong lead organization to compete.

The procurement process:

35. Simplify the rfp process. Focus on allowing programs to demonstrate their results—by submitting letters, videotapes, or interviews from people they have served and transformed. Use oral presentations wherever possible, in which each organization submits a written summary then is given an allotted time to present it.

36. Change the proposal evaluation process to value success over process, performance over staff credentials.

Review panels:

37. Ensure that review panels have representatives that do not give them a bias toward staff requirements that do not relate to success.

IV. Funding Issues:

Charity Tax Credit:

38. Congress should enact the Charity Tax Credit.

Third Party Payments:

39. A study should be undertaken to determine to what extent government regulation and standards affects private insurance standards for care.

40. White House use its bully pulpit to assemble private insurers to discuss how their programs might allow policy-holders to choose faith-based as well as secular treatment programs.

Empowerment of Individuals--Vouchers:

41. Government-funded services should be issued in the form of vouchers to individuals, which could be used at faith-based or secular programs.

Capital or overhead grants:

42. Allow faith-based groups to receive direct grants for vans, construction or renovation, utilities and other secular elements.

Food Stamps, Medicaid:

43. Allow participants in faith-based programs to receive food stamps and Medicaid if they meet other eligibility criteria.

41. Allow ex-felons who are in substance abuse treatment programs to receive food stamps and Medicaid. If the individuals remain in close contact with the program and the program can vouch for their recovery, allow them to continue to receive these benefits.

42. Medicaid should follow the recipient and not be limited to the county in which eligibility is determined.

Microloans:

43. A national entity, with a grassroots review panel, administer a microloan fund for faith-based and community initiatives.

Training and technical assistance vouchers:

44. Each agency of government at national and state levels should set up a fund to provide training and technical assistance to community-based groups as part of block grant funding for major human services, housing, education, and labor programs.

45. Recommendation: The Small Business Administration or other agency provide the same services to non-profits as is provided to small businesses.

Eligibility--Grassroots Leaders Suggested These Criteria:

- A proven track record of at least a few years in the community the program seeks funding to serve. Neighborhood leaders have seen too many hustlers who have come in when the money comes in, who leave five years later when the money is gone and the community is still the same.

- The program should have demonstrated success, no matter what the size. A small program operating out of someone's house that has proven successful is better than a large program that has not shown any success.

- Evidence that the neighborhood supports the program. As grassroots panelists said, "If you can't quality with the people in your hood--then you shouldn't be able to come in and get money intended for your hood."

- Passes the "zip code test"--the leaders of the program come from or work in the neighborhoods they serve. They understand the neighborhood and have the trust and confidence of those they serve.

- Shows a willingness to cooperate and collaborate with other programs for skills it does not provide.

Evaluating Faith-Based and Community Programs:

How does government, with little experience in dealing with faith-based and community programs, now evaluate them? Here are some methods suggested by the National Center for Neighborhood Enterprise and members of its grassroots network.

- Go back retrospectively and find out what happened to people in secular and faith-based organizations.

- Set up a board with representatives from faith-based programs and secular programs to establish criteria as to what constitutes a successful outcome. Then take 100 people off the street with the same problem--e.g. drug addiction--and put 50 in a traditional

therapeutic program and 50 in a faith-based program. At the end of one year, compare the results. The program that is most successful should reap the largest rewards.

- The "daughter" test: A few years ago Bob Woodson and his family were visiting Victory Fellowship in San Antonio, TX. One afternoon Ninfa Garcia called to two young women in the women's program, and told them to take the keys to the Garcia's car and take her three granddaughters and the Woodson's 12-year old daughter swimming and to get something to eat. "Don't worry, Bob," Ninfa said. "They're just former prostitutes, addicts, and thieves." In a Congressional hearing later, Woodson challenged several representatives of the psychiatric profession. "I wonder how many of you would trust your daughter to patients you say you have cured?"

- Measurements of success used by Victory Fellowship of San Antonio, TX:

  --A visible change in behavior pattern, being witnessed by others, in which the individual ceases to use drugs, alcohol, methadone, and even cigarettes.

  --A noticeable betterment in the client's vocabulary and a wholesome, optimistic attitude, even when confronted with everyday problems and obstacles.

  --The client's acceptance of his responsibilities as a citizen, parent, spouse, and provider with respect to himself and to others.

  --A former substance abuser standing as a productive and contributing asset within our society, serving as an example to humanity.

*** See Table of Contents, page 4, to find discussion of these recommendations.**

The preceding recommendations are offered by the members of the Grassroots Alternatives for Public Policy Neighborhood Leadership Task Force assembled by the National Center for Neighborhood Enterprise, with additional input from a nationwide survey of faith-based and community initiatives conducted by NCNE, The Empowerment Network, and the American Family Coalition.

The project was sponsored by the National Center for Neighborhood Enterprise in conjunction with the Institute for Contemporary Studies, with additional support from Paul Fleming.

Grassroots Alternatives for Public Policy (GAPP II) Leadership Task Force

Sarah Adeky, Executive Director, Ramah Navaho Chapter, Ramah, NM.

Pastor Hoffman E. Brown, III, Wayland Baptist Church, Baltimore, MD

Rev. John D. Castellani, President/Executive Director, Teen Challenge International

Bob Cote, President, STEP13, Denver, CO

Bishop Michael E. Dantley, Christ Emmanuel Christian Fellowship, Cincinnati, OH

Lewis Fields, Pennsylvania Grassroots Advisory Panel, Chester, PA

Pastor Freddie Garcia and Ninfa Garcia, Victory Fellowship of Texas, San Antonio, TX

John Henry Gregory, President & CEO, T.E.A.C.H.. Columbus, OH

Pastor Roy Gomez, Victory Fellowship Ministry of Dallas, Inc., Dallas, TX

Carl Hardrick, Executive Director, Hartford Youth Peace Initiative, Hartford, CT

Pastor Jim Heurich, Executive Director, Teen Challenge, San Antonio, TX

Rev. Melvin Jackson, President, Westside Community Ministries, Inc., Indianapolis, IN

Rita Jackson, Executive Director, Northeast Performing Arts Group, Washington, DC

Omar Jahwar, Executive Director, Vision/Regeneration, Inc. Dallas, TX

Tom Lewis, President, The Fishing School, Washington, DC

Carmen Matthews, Assistant Director, Hartford Youth Peace Initiative, Hartford, CT

Rev. Willie F. Peterson, Pastor & CEO, Gospel Temple Baptist Church, G.T. Community Empowerment Organization, Campbell, OH

Sandra Segrest, Administrator, Teen Challenge International, Riverside, CA

Pastor Craig Soaries, Victory House Evangelistic Temple, Atlanta, GA

Cordelia Taylor, Administrator, Family House Inc., Milwaukee, WI

Curtis Watkins, Executive Director, East Capitol Center for Change, Washington, DC

Rev. Gary Wyatt, He Brought Us Out Ministry, Akron, OH

○