

CONSIDERING CHARITABLE CHOICE

Theme Article to the Forthcoming 2001 *Yearbook of American and Canadian Churches*
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In 1996 the primary legislative basis for federal assistance to the poor was appreciably amended with the passage of the Personal Responsibility and Work Opportunity Act of 1996. Within this new and complex law section 104 was established which has become known as the “Charitable Choice” provision. At its heart this provision requires states to permit faith-based organizations (FBO’s) to be eligible, along with other nonprofit organizations, in providing contracted social services. Moreover, the section forbids the states from requiring such a faith-based organization to “alter its form of internal governance or remove religious arts, icons, scripture or other symbols” as a condition for serving as a contracted provider of social services.

The political climate which nurtured the development of this Charitable Choice provision; the experiences of FBO’s which have taken place under this provision; and, the initial research that has been undertaken to analyze various aspects of the consequences of this provision, together are the focus of this theme chapter. The *Yearbook of American & Canadian Churches* seeks annually to identify trends, directions and degree of changes observable within the American religious landscape. From its inception Charitable Choice has demonstrated an unusual potential to affect such changes. The brief treatment of Charitable Choice which follows is intended to be suggestive about some of the issues at stake and about the ways in which research has begun and continues to inform the myriad discussions that will be occasioned by the decision of FBO’s to choose Charitable Choice. This modest contribution to the national debate owes much to the labor of a number of investigators who have pioneered in exploring various aspects of the aftermath of this welfare reform provision. The discussion which follows, it is hoped, will serve to quicken and deepen the interests particularly of church agencies in assessing the consequences, intended and otherwise of choosing Charitable Choice.

A Peculiar Lineage

The political will to formulate and enact the Charitable Choice provision of the welfare reform law came from a somewhat unexpected quarter. University of Arizona sociologist, Mark Chaves, writing in the *American Sociological Review* in 1999 noted: “The Charitable Choice section of the Welfare Reform Legislation was sponsored by Senator John Ashcroft, Republican of Missouri, and initiatives inspired by this legislation have been actively promoted by prominent conservative organizations such as the Christian Coalition and The Family Research Council.” (p. 843)

Chaves and others have suggested that this support was motivated, at least in part, by a desire to see broader church involvement in meeting the needs of the poor as well as an interest in “redirecting public resources to religious organizations.” (Ibid, p. 837)

Such potential motivating factors must be located historically in the context of discussions of welfare reform in the wake of the Newt Gingrich years in Congress and the concern for a private – public partnership with a resultant decrease in the overall size of governmental structures. The enduring legacy of the Bush Administration with its emphasis on the “Points of Light” and the unbridled enthusiasm for the potential of

voluntary service contributed more than a little to the move toward Charitable Choice. In 1996 the divisive mood within the nation made a rightward movement by the Clinton Administration a political necessity for the passage of the welfare reform legislation. The President was thoroughly criticized by liberal organizations concerning the bill as a whole with many condemning its provisions as punitive toward the poor. FBO's which are generally considered liberal leaning criticized the Charitable Choice provision of the bill in particular. Mainline churches and their allied religious liberty groups sounded a shrill warning note concerning the possibility of Charitable Choice's corrosive impact upon the wall of church-state separation.

More than one observer has remarked on the ironic nature of the sponsorship of and opposition to the Charitable Choice provision. The very subset of American Christians whose life experience and theology have predisposed them to be wary of entanglement with government urged the provision's passage. Those mainline churches which have long, and until recently, enjoyed religious cultural hegemony were most persistent in their cautions concerning the dangers of public monies being expended through private sectarian channels. Thus it was, with this confusing political and ecclesial lineage that the Charitable Choice provision became law.

Choosing Charitable Choice

The origins of the Charitable Choice provision might well have led one to predict that religious conservatives would enthusiastically give leadership to congregational participation in local social service provisions while liberal leaning congregations demurred. Such a prediction emerging would have been roundly repudiated by the experience now observable in the first four years of operation. Not only is a pattern contrary to the prediction but it is now clear that other factors beyond church-state theory and liberal vs. conservative social thought is determinative. While no nationwide study to date has thoroughly investigated the demographic profile of all participating congregations much less examined the correlation of belief and practice, some compelling early work has been done.

Mark Chaves' work, reported by The Urban Institute, concluded that "large congregations and especially predominantly African American congregations are most likely to seek public monies." This finding is corroborated by the work of Arthur E. Farnsley updated through The Polis Center of Indianapolis.

At least two other studies confirm and extend the findings that while many congregations provided some form of social service ministry only a small percentage do so in a manner and degree sufficient to obtain public monies and conform to the requirements thereof. Susan Grettenberger, a Michigan State University investigator, studied 400 United Methodist Churches and found the type and extent of social services provided to be limited in scope and directed particularly to specific populations. The work of Robert Wuthnow who examined "Linkages Between Church and Faith-based Nonprofits" found that congregations' capacity to provide social services were enhanced and often made possible only through their association with nonprofit agencies possessing the requisite financial and administrative capacities congregations often lack.

Amy Sherman's overview of the early years of implementing Charitable Choice was published in July 2000 in "The Christian Century." Her own conclusion that opponents' worst fears about Charitable Choice have not been realized might well have been

accompanied by similar assertion that neither have its proponents greatest hopes been fulfilled. Provisions in the law itself contain potentially confusing directives concerning FBO's which only time and greater experiential learning are likely to correct. Even with such evolving clarity few observers doubt that a host of church-state implications will ultimately require attention.

Re-financing Mission

The early research which has been published gives ample evidence of the importance of careful analysis of the consequence of the now five year practices of the state. Through this provision and its aftermath local congregations, or FBO's, as social science describes them have been "discovered" by governmental agencies, philanthropic foundations and researchers alike. It is not certain that they will ever be the same again.

The investigations of Ram Cnaan and his colleagues at the University of Pennsylvania contribute much to the discussions at this point. In a superb summary of extant research Cnaan draws many of the implications from this major shift in governmental approach to religious based organizations. In particular Cnaan points out the lack of knowledge regarding FBO's on the part of the social work profession, Cnaan calls for a new engagement across the professional disciplines of social work, clergy, researchers and governmental agencies. In an earlier study of nearly 900 congregations in Philadelphia, Cnaan found only 7% of clergy were familiar with the Charitable Choice provisions while nearly two thirds thought their congregations would be willing to apply for such funds. (Cnaan, "Keeping Faith in the City") Mark Chaves similarly found three quarters of clergy unfamiliar with the Charitable Choice provisions in the law with only about 36% expressing the willingness on the part of congregations to apply to use such governmental funds. The difference in the findings of Chaves and Cnaan may be attributable to several factors especially method of sampling, geographical spread and the difference in the timeframe of each sample.

More significant than research methodology is the essence of what both investigators are studying, namely the willingness and capacity of local congregations to respond. While most churches take pride in their commitment to serve the indigent at their doorstep they lack the capacity for sustained work with larger numbers of persons on an indeterminate basis. The present research points up the need for government planners to take cognizance of these congregational realities when projecting the ultimate capacity of FBO's to provide services. In 1998, the scope of Charitable Choice was extended to include community services block grants and broad range governmental programs with further expansion projected. The governmental expectations may well outstrip FBO's willingness and capacity for such service.

A number of conferences called either by governmental or religious organizations have sought to sharpen the national debate concerning Charitable Choice. At New York's Riverside Church conference HUD Secretary Andrew Cuomo enthusiastically announced an increase in HUD assistance administered by FBO's to \$1 billion in 2001. At the same conference the Reverend Calvin Butts, Pastor of Abyssinian Baptist Church noted the difficult balancing act churches face when they try to carry out community ministries within the bounds of governmental programs. With Abyssinian's extensive involvement, Reverend Butts' cautions should be heeded by both FBO's and governmental agencies.

Putting Faith in Faith Based Organizations

The changes wrought by the Charitable Choice provisions are apt to have long-term consequences for governmental agencies, FBO's, and the poor themselves for some time to come. Careful longitudinal research should be initiated to gauge the very real consequences that may result from this public – private partnership. So too should research be designed and implemented to shed light on various aspects of the extent of changes in church state relationships which may occur.

The Yearbook of American & Canadian Churches believes the national debate concerning Charitable Choice will best be served by sound research. Among other elements which warrant study are the following:

- Further examination and measurement of the willingness and capacity of local FBO's to provide services; and identification of such FBO's by socio-economic status, geographical distribution and faith tradition.
- Study of FBO's which begin and later cease to provide contracted services.
- Financial analysis of FBO's providing services (pre and post).
- Longitudinal comparative studies of clients served at/by FBO's and those receiving services in traditional settings.
- Pre/post Charitable Choice studies of outcomes of FBO sponsored programs which are not eligible for funding. Do such programs increase, decrease or remain constant?
- Finally, closer identification and examination of church state relationships and case law arising thereunto must be undertaken.

Such research and the studies presently underway will contribute much to our national debate in seeking to provide the most effective services. So too would such research inform churches and other FBO's as they weigh the merits of considering Charitable Choice within the larger context of religious faithfulness.

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