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Leveling the Playing Field: Epitomizing Devolution through Faith-Based Organizations

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The original New-Federalism agenda that emerged with the Reagan administration weakened federal programs and transferred power to states and localities. While Ronald Reagan and George Herbert Walker Bush's years were characterized by block grants and dismantling public assistance, the Clinton years will be remembered for the dismantling of AFDC. Recruiting faith-based organizations to provide social services epitomized the second Bush presidency. In this article, we demonstrate how the seeds for recruiting faith-based groups were planted before and during the Reagan years, and how two waves of devolution chipped away at our national commitment to welfare. These first two waves provided both the ideological and practical means for faith-based social service delivery, which epitomizes the third wave of devolution. We also briefly review the incorporation of religion in social services as part of the neo-federalist trend of the Reagan legacy.

Keywords: faith-based organizations, devolution, welfare, social service delivery, New Federalism
Philosophical and Historical Background

One has to go back to the pre-New Deal era to fully understand how the American welfare system changed from Ronald Reagan's presidency to the present. Before the New Deal, any government welfare program was perceived as an unwanted intervention in the market and detrimental to its smooth functioning. Four strong forces kept the type of welfare state growth seen in Europe from capturing the American social imagination. A strong Lockean sentiment of distrust for government, and a pervasive capitalist ideology, kept government limited and weak compared with other modern democracies. The American distaste for government assistance was held in the national palate by the ideology of working one's way up by his/her bootstraps and was buttressed by the fears and disdain cast at each new wave of immigrants by former immigrants who objected to the new arrivals receiving government aid while they often had to suffer hardship on their way to the "American Dream." Assistance for the downtrodden was supposed to come from family, community, and the church. Success through individual sacrifice and struggle, with garnishes of suffering, were the keys in American conservative thought, to both character development and economic success. The result of these social forces was that the desired federal government's role in individual lives was deemed as limited to nonexistent. It took conservatives 72 years from the passage of the New Deal legislation but they persisted, and today's American welfare is a modern version of that which existed in the pre-New Deal era.

Only the threat of capitalism's collapse in the Great Depression brought the federal government, albeit reluctantly, into assuming welfare responsibilities. The American version of the welfare state began in earnest in 1935 with the passage of the Social Security Act (Handler & Hasenfeld, 1991). From 1935 through the 1970s, government expanded social services and provided general welfare dollars to the young, old, disabled, mothers with young children, ethnic minorities, and unemployed. However, this era of welfare expansion was small in scope compared to European countries; and it was short lived.
Three processes, driven by the same conservative forces that kept government out of social assistance prior to the Great Depression, reemerged in new forms to undercut and minimize welfare in America. The New Federalism showed its head in the Nixon years with revenue sharing, a plan to send federal tax revenue back to the states so states would have more discretionary money to address social concerns. The concept took the shape and the form it has today with Reagan’s presidency, as did New Federalism’s partner, devolution of service responsibility. If the first wave was to move responsibility and execution from the federal to the state and local government, the second wave called upon the use of numerous local nonprofit as well as for-profit providers. Almost as a natural by-product of local responsibility, came the privatization of social services, or what has been called government by proxy—a process where government buys mandated services from private nonprofit and for-profit providers (Kettl, 2000).

New Federalism

Reagan’s New Federalism put conservative philosophical principles into action. Federalism implies that states, not the federal government (and then counties and cities, and not the state) ought to provide for specific welfare services not spelled out in the U.S. Constitution. Since states and counties, not the federal government, establish their own school systems, have their own police forces, their own national guards, and their own laws regarding daily life (ranging from insurance regulation to licensing marriage); the states and counties, in Reagan’s policy approach, would be the entities to develop and administer domestic programs at their own discretion. They were viewed as close to the needy and able to tailor services to meet their specific and often idiosyncratic needs. As such, programs were supposed to be more effective and less costly. Today, for example, federal health policies are implemented differently from state to state (Holahan, Weil, & Wiener, 2003).

Reagan’s New Federalism folded over 150 federal grant programs into 11 block grant programs, cut the administrative revenue used to administer the programs from Washington, and returned the remaining money to the states with few
strings attached. The term “block” simply meant that each portion of money returned to the states could be spent on services within the loose parameters of the mandated allocation. Maternal and Child Health Block Grant allocations could not be spent for transporting the elderly to meal sites. The block grant is for children. Yet, in keeping with the spirit of limited federal involvement, there has been restricted federal oversight constraining what states could do with the money to address different social concerns in or across block grants.

The 12th block grant, in existence since 1975, was the twentieth amendment to the Social Security Act of 1935; it was referred to as Title XX before Reagan’s changes and today is known as the Social Services Block Grant. States had the discretion to do much more with the money after Reagan’s election than they ever had in the pre-Reagan years, when spending was strictly directed from Washington. Realistically however, the 2.5 billion dollars allocated in 1975 is just above four billion dollars today. To fully understand the trend, in 1975 2.5 billion dollars had the purchasing power that 9.36 billion dollars has today.

Reagan revived the ideology of the limited role of federal government in solving local problems. His 1980 campaign promise was to cut taxes, increase the size of the military, and balance the budget by 1984. These policy themes would evolve in a strong way and dominate the discourse and policy actions of George W. Bush’s presidency 20 years later. In conservative discourse, causes of social problems were simply reduced to personal responsibilities, while solutions were ultimately state and local matters; not national responsibilities. The central government would not interfere with local issues, nor would it promote policies, like minimum wage increases, because they constrained state initiatives and interfered with local businesses (Ferejohn & Weingast, 1998; Walker, 2000). The renewed emphasis on federalism is the focus of the new right and long time conservatives in the Republican Party. Devolution is a key practice of the New Federalism in the welfare arena.
The Changing Political Arena: 
The Reagan Years and Cultural Shift

The history of devolution in the United States as a viable policy option originated in 1964 and was first practiced in the early 1980s. Democratic president John F. Kennedy's "New Frontier" domestic plans were highlighted by his community mental health agenda. His agenda was expanded on greatly by Lyndon Johnson's "Great Society" and "War on Poverty" programs, the most commonly known being Medicare and Medicaid.

Barry Goldwater's 1964 Republican bid for the presidency was built on a strong military platform, as America, during that time, was in a nuclear arms race with the former Soviet Union. While the Senator from Arizona lost badly to Johnson, his campaign focused on the evil "omnipotent government" and the need to lower taxes, shrink the central government, and allow local organizations to run local affairs.

A newcomer on the American political scene at the time was a former actor from California, who, at the 1964 Republican convention, gave what today is simply know as "The Speech." Reagan not only burst onto the Republican stage with his speech, he also laid out the tenets of the conservative agenda for the foreseeable future.

The quote that follows shortly captures many of the themes that wove their way through both public discourse and policy processes during the last three decades. Social policy is hardly ever a straight course from an idea to implementation, but if one were to pick out the major welfare policy initiatives from the end of Lyndon Johnson's presidency, but more importantly from Reagan's presidency to George W. Bush's Faith-Based Initiative and his attempt to privatize Social Security, it would be difficult to miss the footprints left by "The Speech" in 1964. Nixon not only implemented revenues sharing, but he also attempted to shift federal social service responsibility to the states in a failed attempt to consolidate grant programs into six block grants. Gerald Ford's administration implemented Title XX, and Jimmy Carter's last welfare budget in 1979, actually reduced the growth expenditure from the previous year's budget. While Carter had to combat economic stagflation, for
Reagan, cutting welfare was an ideological mission.

By 1980, the country was relatively receptive to Reagan’s budget cuts and block grants due to years of shaping discussion on welfare and incremental shifts toward federalist programs that gave states slow but increasing responsibility for service development. The country was shaken by high inflation and the impacts of the oil embargo of 1973 and was ready for “tough measures.” In this small clip it’s fairly easy to see the embodiment of the conservative ideology that formed the framework for today’s devolution.

The President [Johnson] tells us he is now going to start building public housing units in the thousands where heretofore we have only built them in the hundreds. But FHA [Federal Housing Administration] and the Veterans Administration tell us that they have 120,000 housing units they’ve taken back through mortgage foreclosures. For three decades, we have sought to solve the problems of unemployment through government planning, and the more the plans fail, the more the planners plan (Reagan, 1964).

Reagan’s eight years of moving programs to the states was also sprinkled with attempts to involve the religious community in more service provision, a strategy of devolution that would almost seem natural by January 29, 2001 when George W. Bush launched his White House Office of Faith-Based and Community Initiatives. Two important articles appeared in *The Washington Post* within less than three weeks of each other in March and April of 1982. From the start, what seemed just below the surface of the articles was an emerging policy agenda designed to reshape the welfare state in such a way as to cut programs, change the discourse from a language of “entitlement” that characterized the New Deal, and sharpen a moral language of “personal responsibility.” The new agenda would then be grounded in the notion that social ills were the results of a fall from grace. Such rhetoric made it easier to push congregations of all stripes into service.

The two news stories in *The Washington Post* may have also kicked off what we now know as the Faith-Based Initiative. On March 26, 1982 the headline of the first article read: “Reagan Is Host to Black Ministers; Reagan Defends His
Policies to Black Ministers" (Wynter, 1982). The article said that President Reagan played host to 75 friendly Black ministers from across the country, including a dozen recent “converts” to the Republican Party from Prince George's County, MD. Reagan defended charges that his administration did not care about minorities and the poor. Reagan also used the occasion to welcome the newcomers to the GOP. White House press spokesman Larry Speakes said, in what has become fashionable political doublespeak, that there was no connection between the invitation of the Prince George’s ministers and hopes of the party for increasing its showing among Blacks in the Fall 1982 elections. “I don’t link it to a strategy for the elections,” Speakes said. “Certainly we welcome Republicans from wherever they come—and we’ll welcome their votes in the fall” (Wynter, 1982, p. B1).

Less than three weeks later, in an article titled “Reagan Urges More Church Aid for Needy” (Denton, 1982 p. A3), President Reagan, speaking to a group of more than 100 mainly white religious leaders, further crafted the discussion now so central to current social policy. He said “churches and voluntary groups should accept more responsibility for the needy rather than leaving it to the bureaucracy” (Denton, 1982 p. A3). He also told his version of the story of the Good Samaritan. His vignette provided a caricature of what was later to become the not-so-veiled subtext that sits right below the surface of the language that shaped the discourse of faith-based policy, that voluntarism and religious self-help are Godly and government social services are demon-like.

The story of the Good Samaritan has always illustrated to me what God’s challenge really is. He crossed the road, knelt down, bound up the wounds of the beaten traveler, the pilgrim and carried him to the nearest town. He didn’t go running into town and look for a caseworker to tell him that there was a fellow out there that needed help. He took it upon himself (Denton, 1982, Reagan Presidential Library, 2006).¹

Thus, while Reagan championed his New Federalism he was also planting the seeds for a system of devolved service provision that would see congregations, through national policy initiatives of George W. Bush, play greater service roles.
In the seventeen years between the time of “The Speech,” and when he became president in 1981, the other administrations noted above softened the environment that gave Ronald Reagan the wedge to implement the system of block grants and start to bring congregations to the policy table. George H. W. Bush and Bill Clinton followed the Reagan agenda with their own rhetoric and policy initiatives. George H. W. Bush’s campaign rhetorical strategy on the social front was to separate himself from Reagan’s draconian-like rhetoric and programs that filled the atmosphere with overblown stories of welfare queens and cheats and saw the streets littered with a sudden rise in homeless people. He promised a “kinder, gentler” nation while promising to enlist volunteers to solve social problems in the form of a “thousand points of light”—a conservative euphemism for voluntary action that took the policy form of shifting even more government money to the private nonprofit sector and thus expanding government by proxy at the state and local level (O’Connell, 1989). Clinton, on the other hand, seized on the conservative momentum and borrowed its rhetoric and policy initiative by signing welfare reform legislation in 1996 to “end welfare as we know it” by returning the design and delivery of welfare programs in the “centralized” Social Security legislation, Aid to Families with Dependent Children, back to the states and localities.

Devolution

By the time the second George Bush won the 2000 presidential election, devolution had become central to the federal system of government. As previously discussed, the sovereign federal government delegated power to state and local governments and the execution of welfare was delegated to nonprofit organizations. It is this type of administrative decentralization that underlies most political decentralization (Conlan, 1998; Liebmann, 2000).

Overall, the Reagan, George Herbert Walker Bush and Clinton administrations managed to institutionalize the new federalism into first and second waves of devolution that decentralized service provision, while the administrative authority was handed down to lower tiers of government, outsourced
nonprofits, or even for-profit providers. What seemed like a bold step in the revenue sharing principles of the Nixon years became a blip by the end of the Clinton years, when we saw the Federal government only maintaining a supervisory function regarding the production of public goods (Fryklund, 1994; Moore, 2003; Nightingale & Pindus, 1997; Smith & Lipsky, 1993; Wineburg, 2001). The door was left wide open for the third wave of devolution, church-based social service provision.

The Third Wave of Devolution: The Armies of Faith

Little known precursors to the broad Faith-Based Initiatives of George W. Bush’s presidency were the large expansion of faith-based nonprofits like Catholic Charities, Lutheran Social Services, Salvation Army and Jewish Family Services receiving substantial portions of their budgets from federal and state sources. By 1981, 47 percent of private social service expenditures were associated with religiously affiliated organizations (U.S. Bureau of the Census, 1981). This large percentage of expenditure represents entirely privately raised money earmarked for social services. The 1980s also saw the expansion of community development corporations, most of which were spun off from Black churches, receiving considerable federal assistance to solve local problems. We provide this data as a means to show that religious organizations have a rich history of social services provision in the United States. During the Clinton presidency, Henry Cisneros even opened a small faith-based unit in the Housing and Urban Development (HUD) office (Wineburg, 2001).

It is not surprising that, in a country where about half the population attends places of worship regularly and more than 80 percent of residents believe in God (The Barna Research Group, 2000; Gallup, 2001), religion would be considered the next frontier for helping those in need. After the first two waves of devolution, public goods (from prison administration to vocational training) have gone private. Through the election of George W. Bush in 2000, the stage had been set for implementing the next phase of the framework laid out in “The Speech,” the third wave of devolution. A new set of private players had
to be harnessed to provide public goods at a lower cost without stirring up public outcry.

This wave of devolution has two critical junctions; each merits special attention. The first is the introduction and legislation of "Charitable Choice" in 1996 and the latter the establishment of the White House's Office of "Faith-Based and Community Initiatives" in early 2001.

Charitable Choice

Bill Clinton's "ending welfare as we know it" took legislative form through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). The door to fund churches and thus broaden the third stage of devolution came in the shape of a small provision in the thousand plus pages in welfare legislation, section 104, commonly referred to as the Charitable Choice provision. The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) brought about numerous changes in the American welfare field and was the first dramatic cut in the Social Security legislation of 1935. Its sharpest impact was ending the entitlement of permanent support for single mothers and reducing it to 60 months of federally supported assistance, with 24 months of maximum continuous benefits. The emphasis on women moving from welfare-to-work was as dramatic in the change of language as it was in its shift from a federally directed to a state directed program.

Temporary Assistance to Needy Families (TANF) replaced Aid to Families with Dependent Children, with the emphasis squarely on "temporary." Weil and Finegold, (2002) analyzed six years of TANF and concluded that among its key characteristics were work requirements and the end of unconditional welfare support; marriage promotion and discouragement of out-of-wedlock childbirth; variability between counties as to how TANF is implemented; welfare caseload changes; and state budget choices. They also noted that the faith-based community was introduced as a means of delivering support for the public good. Job training and especially job retention were left up to states, localities, employers, and any other mechanism of private support that could be mustered (Weil & Finegold,
The Personal Responsibility and Work Opportunity Act (PRWORA) thus contained a less trumpeted but equally important aspect in section 104 Charitable Choice, which opened the door for a new wave of devolution and privatization through increasing reliance on faith-based providers. By downsizing the federal government’s role in delivering subsidiary welfare services like job training, child care, transportation, medical and housing support, there was increased opportunity for private sector social service providers. With few other resources and little discretionary money, states and localities were encouraged to rely on the one set of institutions at the local level that had discretionary human capital to provide that support—faith-based organizations. This expanded role of faith-based organizations, while reminiscent of the dominant role religious organizations played in social services from the mid-colonial era (1850s) to the Progressive era (1920s), was a major departure from 50 years of post New Deal era (1930s-1980s) government social programs and entitlements (Cnaan, Bodie, Handy, Yancey, & Schneider, 2002; Cnaan, Boddie, & Wineburg, 1999; Holifield, 1994).

Charitable Choice, as this section is now known, was introduced by the then Senator John Ashcroft (R-MO). He proposed the Charitable Choice provision to enlist the aid of religious institutions in the war on poverty. The idea was to introduce faith as a means to transform needy people into productive members of society. Ashcroft was influenced by Marvin Olasky’s (1992) book, *The Tragedy of American Compassion*. Reared in the Assemblies of God faith (Haddock, 2002), a Pentecostal religion, Ashcroft used the lenses of his own faith to seek a less costly and, according to his beliefs, a more consistent method of eradicating need and poverty. Olasky’s book resonated with conservatives who favored private interventions over big government. Charles Murray, an anti-welfare state policy pundit who gained prominence in conservative circles in the Reagan era, wrote the preface to Olasky’s (1995) paperback edition of *The Tragedy of American Compassion* and captures the spirit of the conservative movement’s belief that government services should ultimately be replaced through private and religious efforts:
What is required is no more complicated, and no less revolutionary, than recognizing first, that energy and effective compassion that went into solving the problems of the needy in 1900, deployed in the context of today's national wealth, can work wonders: and secondly, that such energy and such compassion cannot be mobilized in a modern welfare state. The modern welfare state must be dismantled (Murray, 1995; p. XVI).

Against that backdrop, Olasky emphasized the importance of affiliation, bonding, discernment, employment, freedom, and belief in God as keys to successful anti-poverty programs. Olasky also argued for putting compassion into practice:

[Governmental welfare programs need to be fought not because they are too expensive—although; clearly much money is wasted—but because they are inevitably too stingy in what is really important, treating people as people and not as animals. At the same time, the crisis of the modern welfare state is not just a crisis of government. Too many private charities dispense aid indiscriminately and thus provide, instead of points of light, alternative shades of darkness. The century old question—Does any given “scheme of help...make great demands on men to give themselves to their brethren?”—is still the right one to ask.... Most of our twentieth century schemes, based on having someone else take action, are proven failures (1992; p. 132-233).

Charitable Choice is federal legislation that encourages public/private arrangements with nonprofit organizations without discrimination against, or even with preference to, pervasively sectarian or explicitly religious organizations. This legislation removes the barriers that prevent congregations and other pervasively religious organizations that are capable of providing social services from competing for government contracts. While religious organizations have a history of cooperation and collaboration with the government, that was not the case for congregations and explicitly religious organizations (Cnaan et al., 2002). This section of PROWRA primarily exists to: (1) encourage states and counties to increase the
participation of religious nonprofit organizations in the provision of federally-funded welfare programs, with specific mention of faith-based organizations; (2) establish eligibility for faith-based organizations as contractors for service on the same basis as other organizations; (3) protect the religious character and employment exemption status of participating faith-based organizations; and (4) safeguard the religious freedom of participants (Kuzma, 2000). Ultimately, the goal is to level the playing field to include all social service providers that can achieve the expected programmatic outcome measures and fulfill the fiscal accountability requirements set by the government regardless of the religious affiliations of the organization competing for the social service public grant. Notwithstanding among the powers that pushed for this legislation were Christ-centered groups that hoped to transition welfare into a deep Christian enterprise and stretch the boundaries between church and state (Kuo, 2006; White House, 2001a).

Before the 1996 legislation, the prevailing normative conditions for contracting with the government were that a faith-based organization had to suppress its religious character by removing all religious symbols from the room where service was provided; foregoing any religious practices or rituals (such as prayers at meals); accepting all clients, even those opposed to the beliefs of the providers; hiring staff that reflected society at large and not the organization's spirit and belief system; adhering to government contract regulations that restrict the organization's religious expression; and incorporating separately as a 501(c)(3) designated nonprofit organization (Esbeck, 1996). These stipulations were perceived as barriers for some religious organizations interested in greater involvement in social service provision. Some religious organizations were reluctant to contract with the government because they feared losing their religious character and independence (Esbeck, 1996; Monsma, 1996). As such, a strong discourse was created so that it was assumed in the public's mind that faith-based organizations could only apply for public funds for social service delivery if they were willing to minimize the appearance of faith and mimic the organizational behavior of secular providers. Alternatively, the discourse made it clear that the faith spirit could be preserved and celebrated if social services were
exclusively financed from private sources, presumably from members of their faith group.

The Charitable Choice provision, along with Bush's White House Office of Faith-Based and Community Initiatives, is an organized attempt to remove the barriers that previously excluded some faith-based organizations from contracting with the government. Like most large scale policy initiatives that shift responsibility to local levels, the idea of Charitable Choice is burdened by implementation problems, especially around matters of compliance with state, county and municipal accountability requirements. Not nearly the number of small churches became involved as architects had hoped for, even though many more new church agencies received federal money. Instead, the larger and mostly Christian organizations with the organizational capacity to handle reporting and evaluation requirements enrolled. Organizations like Reverend Pat Robertson's Operation Blessing are welcome to apply for and receive government grants. Operation Blessing is a religious organization run by one of America best-known evangelical clergy and is providing food and necessary goods to poor and hungry people worldwide, while spreading their beliefs as well. Prior to 1996, the government could not have practically subsidized the work of Operation Blessing. Under this law, the government cannot curtail the religious expression or practice of a faith-based service provider by requiring them to change their internal governance or remove from their property any "religious art, icons, scripture, or other symbols" [subsection (d)(2)]. This legislation specifically states:

A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs [subsection (d)(1)].

Faith-based organizations are also allowed discretion in hiring only those people that share their religious beliefs or
traditions and to terminate employees that do not exhibit behavior consistent with the religious practices of the organization. The exemption from compliance with employment policies mandated by section 702 of the Civil Rights Act of 1964 has also been preserved for congregations and faith-based organizations under this provision [subsection (a)(2)]. These provisions have been and continue to be challenged in the courts, though they have easily withstood most legal challenges thus far.

Faith-based organizations contracting with the government to provide services are no longer required to establish a separate 501(c)(3) nonprofit organization. While creating a separate 501(c)(3) may be prudent to protect the primary faith-based organization from legal and financial liabilities, it is now acceptable for service providers to simply maintain a separate accounting system for contracted services. Faith-based organizations are fiscally accountable for using government funds for the intended social service purpose and not for religious worship, instruction, or proselytization [subsection (h) (1-2); subsection (j)]. Faith-based organizations that offer religious activities with social services must cover the cost of these activities from nongovernmental funding. By mandating that the funds be used solely for contracted social services, this law seeks to maintain the separation of church and state but also provides the opportunity for further blurring the lines simply because the further federal dollars move into the pipelines of local community funding streams, the more difficult it becomes to determine who is and who isn’t playing by the rules. Eliminating the need to establish a separate 501(c)(3) and allowing faith-based organizations to maintain their religious character broadened the opportunity for congregations and other explicitly religious organizations to increase the number of faith-based organizations providing publicly supported services (Kuzma, 2000). However, the much hoped for groundswell of religious solicitation and the consequent mass reduction of welfare state programs have been elusive.

The Charitable Choice provision enacted in 1996 applies to services contracted under Temporary Assistance to Needy Families (TANF) as well as food stamps, Medicaid, Supplemental Security Income (SSI), and a wide array of other...
services to assist recipients of TANF to become self-sufficient. The range of services that faith-based organizations can contract with states or counties to provide includes: food programs (e.g. subsidized meals, food pantry, nutrition education, food budgeting counseling, or soup kitchen); work programs (e.g. job search, job-skills training, job readiness training, vocational education, GED preparation, and ESL programs); community service positions; domestic violence counseling; medical and health services (e.g. abstinence education, drug-and-alcohol treatment centers, health clinics, wellness centers, and immunization programs), and maternity homes (e.g. residential care, second-chance homes, and supervised community housing) (Wineburg, 2007). Government funded programs, once offered by secular nonprofits or secularized religious organizations, can now be offered by pervasively religious organizations. By encouraging faith-based organizations to partner with the government to provide social services, the type of private sector service involvement has expanded to include those services that incorporate some aspect of the religious character of the organization.

Since 1996, Charitable Choice has been included in other federal legislation. In 1998, the scope of Charitable Choice was expanded to include the Community Services Block Grant to establish individual development account (IDA) demonstration projects for individuals and families with limited means to accumulate assets through a savings program (Community Services Block Grant: Department of Health and Human Services). At least ten other bills have been introduced to the U.S. Congress in an effort to expand Charitable Choice to include programs such as: mental health and substance abuse, literacy, adoption, children’s health, juvenile delinquency services, drugs and violence prevention, marriage promotion, parenting and fatherhood, housing programs, child support, and community renewal (Boddie & Cnaan, 2007).

In 2001, the Charitable Choice Expansion Bill (S.1113) was also introduced to expand coverage of Charitable Choice to all federally-funded social, health, and community development programs (Wineburg, 2007). In the wake of the September 2001 attack on the World Trade Center, the momentum behind this provocative legislation withered and it became evident that this bill would not pass. This resulted in the December
2002 presidential executive order that expanded the scope of charitable choice to the entire federal funding system (White House, 2002). Using the administrative rule changing process, President George W. Bush bypassed Congress and opened for public bidding all federal government units to all faith-based organizations.

White House Office of Community and Faith-based Initiatives

The second George Bush entered office after a period of public uncertainty about the results of the presidential election. His time to prepare his administration was cut in half because it took Supreme Court intervention to finally decide that Bush was to be president. The second George Bush is both a deeply religious person and a strong proponent of devolution and the free market system. As such, he found Charitable Choice in congruence with his political and religious philosophy and embraced it. In his second week in office, long before most appointments were made, he announced the creation of the White House Office of Faith-Based and Community Initiatives. An added benefit to shaping the discussion about poverty in religious terms was the opportunity to implement the strategy to get more Blacks under the Republican umbrella through a courtship of Black ministers set in motion in the Reagan years (Wineburg, 2007).

President Bush established a means to implement the Charitable Choice legislation enacted under the Clinton administration by signing executive orders that established the White House Office of Faith Based and Community Initiatives (OFBCI) and five corresponding units in the Departments of Labor, Justice, Housing and Urban Development, Education, and Health and Human Services (White House, 2001b). A faith-based task force was also created at the Corporation for National and Community Service, the office that administers AmeriCorps, VISTA, and the Peace Corps. Executive Orders issued in 2002 have established centers in the Departments of Agriculture and Commerce and in the Agency for International Development. The key purpose of this new administrative unit was twofold: To use civil rights language embodied in the phrase “level the playing field,” to justify the shift of
money to sectarian organizations, and to further the agenda of welfare state reductions by bringing in publicly accepted service providers and holding them responsible for the country’s neediest.

The creation of OFBCI and its extension was a means to ensure that all government organizations using federal funds to contract out for services are open and hospitable to faith-based organizations. Furthermore, it was created to increase the number of public contracts awarded to faith-based organizations. While no one can be sure as to the efficiency and cost-effectiveness of faith-based organizations, they are an essential ingredient in the complex partnerships that make up social service delivery in every community; this partnership has been strengthened as a result of a concerted effort by the Bush administration (Boddie & Cnaan, 2007).

A different question is how prevalent is the implementation of the faith-based initiative and charitable choice? Some new policies are slowly or never actually implemented while others are faster to be adopted. Religious organizations are now legitimate actors in our nation’s public welfare system. There are a few studies that assess the rate of implementation of charitable choice and they are summarized by Lupu and Tuttle (2003), who found the preferred treatment of Charitable Choice by the Bush administration sped up its implementation by more than a decade. Most new laws are gradually incorporated and decision makers, as well as front line administrators, need time to absorb them and reorient them to modern accounting and evaluation practices that ensure accountability. In this instance, the inspectors from the White House Office of Community and Faith-based Initiatives ensured that all levels of government were aware of the laws, and applicants have been encouraged to report lack of compliance. However, this has been done in the same spirit that a chamber of commerce might encourage fair business practices—leaving the actual implementation to self-policing by locals. Being both at the core of devolution and putting the blame on the broken spirit of the client, something only faith can mend in this policy framework, is exactly where the administration wanted to be and was a fulfillment of the Reagan agenda. Interestingly, on May 19, 2007, in an interview with the Arkansas Democrat-Gazette,
former president Jimmy Carter, who doubles as a preacher and Bible teacher, blasted the Bush administration and offered a harsh assessment for the White House’s Office of Faith-Based and Community Initiatives, which helped religious charities receive $2.15 billion in federal grants in fiscal year 2005 alone. He also accused Bush of eliminating the line between church and state and of abandoning “America’s basic values.”

Devolution and Evolution in Religious Lobbying in the Post-Reagan Era

In the post-Reagan era, we have seen a broadening of opportunity for faith-based organizations to pursue federal funds. At each stage of devolution, the opportunity for securing financial support for faith-based initiatives has increased. As previously stated, the most dramatic changes in opportunity to secure funds for faith-based organizations occurred in the third, and most recent, wave of devolution.

Through the process of devolution, and the resultant increased access of faith-based organizations to federal funds, structural change has occurred that allows faith-based organizations to pursue funds not only for the provision of social services but for a variety of purposes. The traditional view of the role of faith-based organizations in the nation’s capital is one of attempting to influence policy to ensure consistency with certain organizational objectives, be they moral or social (Hofrenning, 1995). This influence has historically been achieved through the use of religious lobbyists.

Historically, these lobbyists have taken a grassroots bottom-up approach. Most religious lobbies in Washington have typically valued the articulation of their faith-based message as more important than achieving any given political outcome (Hertzke, 1988). Hence, if any conflict occurred between the message and the desired objective, it was of paramount importance that the ideas supported by faith-based organizations not be compromised in efforts to achieve an objective. To maintain the purity of their messages, many religious organizations have taken an outsider approach and have traditionally relied upon persons of faith, rather than the insiders, to lobby for their sacred causes (Hertzke, 1988; Hofrenning, 1995).
A recent New York Times article entitled “Religious Groups Reap Federal Aid for Pet Projects” (Henriques & Lehren, 2007) noted the relatively recent dramatic increase in federal funds earmarked for religious organizations. Funds secured through earmarks may be used to provide social services but they may also be used for explicitly non-service based activity. Earmarks are used by parties for specific projects and these funds are approved without going through the normal appropriations process (Henriques & Lehren, 2007). With the aid of lobbyists, these requests are added to bills put before congress. These lobbyists are decidedly different from those used by faith-based organizations in earlier times.

While many religious lobbies in Washington continue to concentrate on influencing policy and public opinion, an increasing number are more focused on securing specific financial objectives and less on influencing policy. The New York Times article noted that “as the number of faith-based earmarks grew, the period from 1998 to 2005 saw a tripling in the number of religious organizations listed as clients of Washington lobbying firms and a doubling in the amount they paid for services…” (Henriques & Lehren, 2007, pp. A1).

Whereas many congregations and faith-based organizations have traditionally been reticent about accepting government funds to serve the needy, changes in the recent Bush administration have shifted religious organizational members’ attitudes about not only pursuing federal funds but doing so aggressively.

This unprecedented shift in lobbying, both style and objective wise, on the part of faith-based organizations is a result of changes in policies over the past few decades. Reagan set the stage for the greater integration of religious organizations into the public sphere. Clinton supported and signed Charitable Choice into law and George W. Bush established the White House Office of Community and Faith-Based Initiatives. The opportunities which have emerged as the result of Reagan and his successors' policies have truly allowed congregations to assume greater responsibility in serving the needy.
Summary

Under Reagan’s administration and onward, the federal government’s roles in the design, funding, and monitoring of public services shifted to setting policy agendas and monitoring the services of private sector social service organizations (Wineburg, 2001). Devolution in the United States set a course for reforming welfare from government guaranteed programs and entitlements based on need, to limited benefits that emphasize instilling virtues and improving the character of the client.

In 1980, when Reagan won the presidential election, the political scene had been set by his predecessors for the dismantling of federal service provision. Reagan’s New Federalism provided the ideological push needed to buttress the idea of devolution among the undecided. This course of action appeared to be a job for which Reagan was ideally suited, given the tenacity with which he pursued this objective. Over 150 federal programs were condensed into 11 block grants, thereby creating savings in the administrative cost associated with the provision of these programs. Reagan brought back a language more in tune with conservative principles that dominated the American scene before the New Deal. While “first-order devolution,” with the transfer of public services from federal to state government began before Reagan’s election, it was President Reagan’s discourse and actions that solidified the base for an escalation in the dismantling of federal service provision.

When George H. W. Bush came to the presidency in 1989, he, too, showed an interest in the New Federalist agenda of decentralizing public services from the federal government to states. His focus upon the “thousand points of light” emphasized a community actively engaged in voluntary activity or the provision of social services. George H. W. Bush also accelerated first-order devolution through encouraging states to apply for AFDC waivers.

President Bill Clinton’s (1993-2001) approach sought to create a service and cost efficient system for U.S. taxpayers. Under Clinton’s administration, welfare reform law allocated block grants from the federal government and allowed states to have the discretion to disburse funding through cost
reimbursement contracts, performance-based contracts, and vouchers (Etindi, 1999; Sherman, 2000). This “second-order devolution” grants states and counties the authority and funding to develop programs in accord with local culture and constraints. Much of the success in reducing welfare rolls and assisting people in their shift from welfare-to-work can be attributed to a strong economy, coupled with the discretionary power given at the local level (Nathan & Gais, 1999, Wineburg, 2001). The formation of multiple welfare regimes in each state and often across counties dismantled the principle of legal eligibility for service. A successful legal challenge of a welfare rights violation no longer carried any impact outside the small jurisdiction in which it was filed. Hence, social services lost their ability for national unity and collective political influence. Clinton’s PROWRA aimed at instilling work values and family values among welfare recipients, most of whom where unmarried mothers.

The outsourcing of public services by the state government to private sector organizations is second-order devolution. At this stage, devolution fosters the creation of numerous models of welfare systems and a variety of public-private partnerships that include secular nonprofit organizations, for-profit organizations, coalitions, religious organizations, and congregations. The second-order devolution spanned from the Reagan years to the current administration. In 1996, Clinton signed into legislation the Charitable Choice provision, which further encourages faith-based social service providers to play a key role, through federal and state grants, in providing the community-based services necessary for recipients of Temporary Assistance for Needy Families (TANF) to transition from welfare to work. This paved the way for the “third-order devolution,” the massive use of faith-based organizations for social welfare provision.

With conservative George W. Bush at the helm of government after his election to the presidency in 2000 and the Reagan framework firmly in place, the faith-based sector became a desired partner for both practical service delivery and political patronage. As such, a sector that was largely decentralized, independent, informal, and voluntary is now encouraged to participate in public-private partnerships that
extend the reach of government services (Lynn, 2002). Under this new public policy, faith-based partners are being sought to provide the moral influence and holistic services that not only promote behavioral changes but personal transformation that leads to self-sufficiency. Personal transformation is a term that means making a change in one’s life; yet to those on the religious right—which supports Bush’s welfare changes and other moral issues like the marriage initiative, abstinence, and religious-based prison programs among others—it means accepting Jesus Christ as a prerequisite to making that personal change. The Charitable Choice provision marks the federal government’s support of a distinctively religious approach in the privatization of public social services. This support became fully manifest in 2001 when the White House’s Office of Faith-Based and Community Initiatives was created. This office was created to ensure that all faith-based organizations would be able to apply for federal funds funneled through organizations and state governments that contract out for service provision.

These devolutionary trends have been supported as a part of the national agenda to reduce public spending for social services by shifting to private sector solutions and redefining social problems as a product of an individual’s choices and behavior. Ultimately, it is hoped that Charitable Choice and support for the faith sector increases local civic participation and strengthens civil society (Dionne & Chen, 2001). Given recent trends, it is likely that civic participation through the provision of services rendered by faith-based organizations will indeed be strengthened. The question remains, however, as to whether the current escalation of support for religious-based services will ultimately usher in a fourth wave of devolution, which will provide yet again new opportunities for faith-based organizations to address the huge social problems faced by the people of this country.


Endnotes

1We cited two references here because in the Denton’s 1982, Washington Post piece, he quoted only part of Reagan’s Good Samaritan Speech: “The Story of the Good Samaritan has always illustrated to me what God’s challenge really is...He didn’t go running into town and look for a caseworker to tell him that there was fellow out there that needed help. He took it upon himself.” We took the liberty to cite the remaining portion of the speech as we presume it was delivered and not put into the Washington Post article, as President Reagan gave the same Good Samaritan speech at the Annual National Prayer Breakfast two months earlier, on February 14, 1982.