

Grants to Faith-Based Organizations Fiscal Year 2005

Based on a Review of 130 Competitive Programs and 28 Program Areas at Seven Federal Agencies

March 9, 2006

White House Office of Faith-Based and Community Initiatives

Faith-Based Organizations Receive Over \$2.15 Billion in Funding — 10.9% of Total

Federal Competitive Funding for Select Agencies in FY05

	Available Funding	Amount to FBOs	Percentage to FBOs
HHS	\$10,512,377,721	\$780,491,043	7.4%
USAID	\$4,152,560,232	\$591,047,452	14.2%
HUD	\$2,170,576,000	\$520,961,223	24.0%
USDA	\$1,848,453,584	\$153,687,577	8.3%
DOJ	\$638,471,000	\$70,029,600	11.0%
DOL	\$189,393,063	\$20,346,578	10.7%
ED	\$203,830,208	\$17,682,773	8.7%
TOTAL	\$19,715,661,808	\$2,154,246,246	10.9%

Grants to Faith-Based Organizations Increase by 22% from FY04 to FY05 Funding Increases by 7%

	<u>GRANTS</u>				<u>FUNDING</u>			
	FY04	FY05	# Change	% Change	FY04	FY05	\$ Change	% Change
HHS	908	881	-27	-3%	\$680,821,864	\$780,491,043	\$99,669,179	15%
USAID	235	347	112	48%	\$521,872,579	\$591,047,452	\$69,174,873	13%
HUD	835	1110	275	33%	\$544,834,982	\$520,961,223	-\$23,873,759	-4%
USDA	55	163	108	196%	\$148,694,487	\$153,687,577	\$4,993,090	3%
DOJ	120	114	-6	-5%	\$59,275,674	\$70,029,600	\$10,753,926	18%
DOL	43	74	31	72%	\$34,362,075	\$20,346,578	-\$14,015,497	-41%
ED	62	71	9	15%	\$14,629,888	\$17,682,773	\$3,052,885	21%
TOTALS	2,258	2,760	502	22%	\$2,004,491,549	\$2,154,246,246	\$149,754,697	7%

Notes:

FY04 data based on a review of 151 competitive programs at HHS (73), HUD (11), DOJ (17), DOL (24), ED (7), USDA (19), and 17 program areas at USAID.
 FY05 data based on a review of 130 competitive programs at HHS (67), HUD (11), DOJ (14), DOL (12), ED (6), USDA (20), and 28 program areas at USAID.

Funding to Faith-Based Organizations Continues to Increase

	FY03			FY04			FY05		
	Available Funding	Amount to FBOs	Percentage to FBOs	Available Funding	Amount to FBOs	Percentage to FBOs	Available Funding	Amount to FBOs	Percentage to FBOs
HHS	\$10,874,318,385	\$567,875,824	5.2%	\$10,183,609,134	\$680,821,864	6.7%	\$10,512,377,721	\$780,491,043	7.4%
HUD	\$2,197,738,326	\$532,073,257	24.2%	\$2,338,904,225	\$544,834,982	23.3%	\$2,170,576,000	\$520,961,223	24.0%
DOJ	\$791,700,000	\$51,592,369	6.5%	\$756,239,680	\$59,275,674	7.8%	\$638,471,000	\$70,029,600	11.0%
DOL	\$512,362,317	\$11,342,124	2.2%	\$180,460,540	\$34,362,075	19.0%	\$189,393,063	\$20,346,578	10.7%
ED	\$134,699,000	\$6,817,999	5.1%	\$214,394,689	\$14,629,888	6.8%	\$203,830,208	\$17,682,773	8.7%
Sub Total	\$14,510,818,028	\$1,169,701,573	8.1%	\$13,673,608,268	\$1,333,924,483	9.8%	\$13,714,647,992	\$1,409,511,217	10.3%
USAID				\$3,686,179,114	\$521,872,579	14.2%	\$4,152,560,232	\$591,047,452	14.2%
USDA				\$2,096,926,386	\$148,694,487	7.1%	\$1,848,453,584	\$153,687,577	8.3%
GRAND TOTAL				\$19,456,713,768	\$2,004,491,549	10.3%	\$19,715,661,808	\$2,154,246,246	10.9%

Notes:

FY03 data based on a review of 140 competitive programs at HHS (75), HUD (12), DOJ (22), DOL (28), and ED (3).

FY04 data based on a review of 151 competitive programs at HHS (73), HUD (11), DOJ (17), DOL (24), ED (7), USDA (19), and 17 program areas at USAID.

FY05 data based on a review of 130 competitive programs at HHS (67), HUD (11), DOJ (14), DOL (12), ED (6), USDA (20), and 28 program areas at USAID.

USAID and USDA did not report data in FY03.

Grants to Faith-Based Organizations Increase by 38% from FY03 to FY05 Funding Increases by 21%

	<u>GRANTS</u>				<u>FUNDING</u>			
	FY03	FY05	# Change	% Change	FY03	FY05	\$ Change	% Change
HHS	680	881	201	30%	\$567,875,824	\$780,491,043	\$212,615,219	37%
HUD	765	1110	345	45%	\$532,073,257	\$520,961,223	-\$11,112,034	-2%
DOJ	125	114	-11	-9%	\$51,592,369	\$70,029,600	\$18,437,231	36%
DOL	26	74	48	185%	\$11,342,124	\$20,346,578	\$9,004,454	79%
ED	38	71	33	87%	\$6,817,999	\$17,682,773	\$10,864,774	159%
TOTALS	1,634	2,250	616	38%	\$1,169,701,573	\$1,409,511,217	\$239,809,644	21%

Notes:

FY03 data based on a review of 140 competitive programs at HHS (75), HUD (12), DOJ (22), DOL (28), and ED (3).

FY04 data based on a review of 132 competitive programs at HHS (73), HUD (11), DOJ (17), DOL (24), and ED (7).

FY05 data based on a review of 110 competitive programs at HHS (67), HUD (11), DOJ (14), DOL (12), and ED (6).

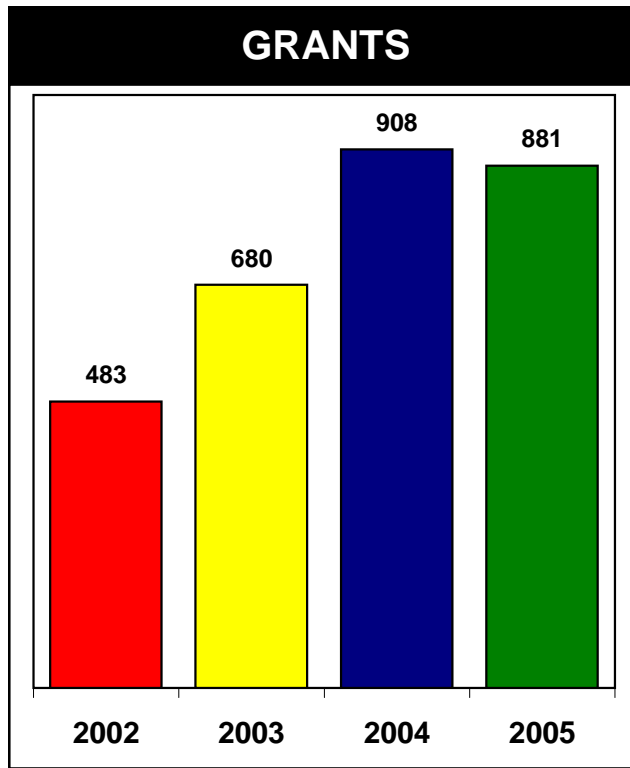
Secular Non-Profits Receive Nearly Six Times More Than Faith-Based

FY05

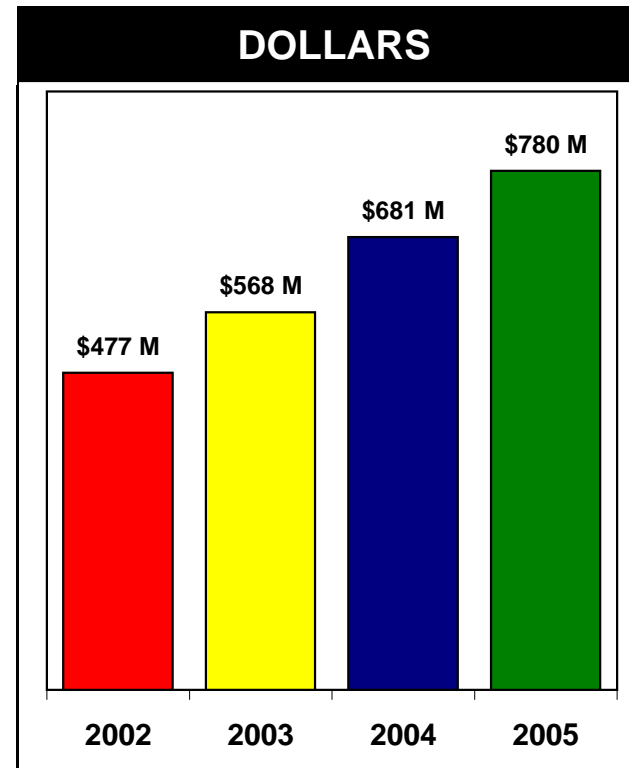
	Available Funding	Amount to SNPs	% to SNPs	% to FBOs
HHS	\$10,512,377,721	\$6,940,177,233	66.0%	7.4%
USAID	\$4,152,560,232	\$3,206,735,977	77.2%	14.2%
HUD	\$2,170,576,000	\$1,255,597,257	57.8%	24.0%
USDA	\$1,848,453,584	\$641,072,684	34.7%	8.3%
DOJ	\$638,471,000	\$444,944,143	69.7%	11.0%
DOL	\$189,393,063	\$130,722,515	69.0%	10.7%
ED	\$203,830,208	\$72,241,602	35.4%	8.7%
TOTAL	\$19,715,661,808	\$12,691,491,411	64.4%	10.9%

History of Grants and Funding to Faith-Based Organizations at HHS

FY02 to FY05



82% increase ('02 - '05)



64% increase ('02 - '05)

A First-Ever Sample of State and Locally-Administered Federal Programs Shows Low Funding to Faith-Based Organizations

Programs sampled were selected by the agencies as likely to have significant faith-based participation. However, this study revealed that in five of the grant programs surveyed from FY04, religious charities fared poorly—well below levels seen in select Federally-administered non-formula social service programs administered by the same funding agencies that year.

Percent to FBOs Grant Program

- 2.3% WIA Youth Programs (DOL)
Among the 419 of 658 state and local Workforce Investment Boards (WIBs) nationwide that reported, WIBs awarded 2.3% of WIA Youth funds (or \$12M of \$524M) to FBOs.
- 2.9% 21st Century Community Learning Centers Program (ED)
Funding to FBOs totaled 2.9% (or \$12M of \$425M). NCLB opened this program to non-profits for the first time in 2002.
- 1.7% Special Supplemental Nutrition Program for Women, Infants and Children (USDA)
A review of awards made by 22 states in FY04 showed that FBOs were awarded 1.7% of funding.
- 2.2% Community Development Block Grant (HUD)
\$86M (or 2.2%) of the more than \$4B in total funding was awarded to FBOs. The participation was higher in the public service activities area of the program, where FBOs won \$81M (or 8%) of the more than \$1B awarded.
- 5.5% Juvenile Justice Part II, B Formula Grant Program (DOJ)
Among the 45 states and territories that reported, funding to FBOs totaled 5.5% (or \$2.4M of \$44M).

In the one program reviewed where individual choice is permitted, FBOs successfully competed for Federal funds administered at the state and local levels:

- 33% Child Care Development Block Grant Fund (HHS)
A representative survey of this approximately \$4.5B voucher program found that FBOs comprise 33% of the more than 100,000 center-based providers participating.

Note: Data gathered from States responding to agency surveys.

Faith-Based Applications-to-Grants-to-Funding

For the first time, the OFBCI data review looked at applications by FBO's and their correlation to grants awarded.
The following examples show a variety of ratios.

FY05

Some Programs Where Faith-Based Organizations Successfully Compete

Agency	Program	Applications			Grants			Funding		
		Total	FBO	FBO (%)	Total	FBO	FBO (%)	Total	FBO	FBO (%)
DOL	Prisoner Reentry Initiative	550	204	37.1%	30	9	30.0%	\$19,840,000	\$5,942,814	30.0%
HHS	Compassion Capital Fund Demonstration Program	403	93	23.1%	19	6	31.6%	\$16,805,113	\$5,628,418	33.5%
HHS	Compassion Capital Fund Targeted Capacity Building (mini-grants)	1,529	552	36.1%	310	110	35.5%	\$15,192,810	\$5,395,429	35.5%
HHS	Community-Based Abstinence Education Program	453	159	35.1%	65	19	29.2%	\$38,169,492	\$10,478,102	27.5%
HUD	Section 202 Housing for the Elderly	316	119	37.7%	130	56	43.1%	\$574,806,700	\$264,928,700	46.1%

Some Programs Where Faith-Based Organizations Fare Poorly

Agency	Program	Applications			Grants			Funding		
		Total	FBO	FBO (%)	Total	FBO	FBO (%)	Total	FBO	FBO (%)
HHS	Abandoned Infants Assistance	58	9	15.5%	14	1	7.1%	\$4,430,073	\$150,000	3.4%
HHS	Runaway and Homeless Youth Basic Centers	242	55	22.7%	105	15	14.3%	\$14,135,293	\$2,142,021	15.2%
HUD	Housing Opportunities for Persons with AIDS	73	12	16.4%	20	2	10.0%	\$22,512,266	\$1,620,326	7.2%

Note: All figures exclude continuation awards.

Notes on the FY 2005 Report

The data included in this report reflect a review of more than 23,000 awards from 130 Federally-administered programs at six Federal agencies (HHS, HUD, ED, DOL, DOJ, and USDA), and 28 program areas at USAID. It includes only those programs that utilize competitively awarded funding for which faith-based and community organizations (FBCOs) were eligible to apply and historically had applied.

The White House does not distribute any Federal social service dollars. Instead, Federal agencies distribute social service dollars through both formula grants to State and local governments and their own competitive processes. The various program offices that distribute competitive funds often use independent peer review panels to evaluate and score grant applications. No Federal program limits funds only to faith-based organizations (FBOs). FBCOs compete for these funds along with all other applicants, such as educational institutions, for-profit entities, and State or local governments.

This report provides a snapshot of the competitive, non-formula grants process. We anticipate that with each year our identification methods will continue to improve. In compiling this data, the Federal agencies made good-faith efforts to identify FBOs based on information gathered from a variety of sources, including an optional survey distributed with Federal grant applications. These surveys allowed applicants to identify themselves as faith-based. While the self-identification method was the preferred approach to identifying FBOs, it was not the only method used. In cases in which applicants did not fill out the survey, agencies relied on other methods of identification, such as administrative reports, web sites, and phone inquiries. Some groups have religious names, and may be affiliated with a place of worship or certain religion, and yet do not consider themselves "faith-based." When this was brought to our attention, we did not designate such groups as FBOs in our data.

Federal application and granting procedures vary based on statute and governing regulations. For example, in the Continuum of Care program at HUD, local governments may apply on behalf of the organization that administers the funds and provides the service. Such awards are included as a grant to a FBO if it administers the funds and provides the service.

Many FBOs received Federal dollars indirectly, as sub-grantees—that is, they were not awarded the grant dollars by the Federal government but by intermediate entities. These sub-grants are not included as grants to FBOs in this data. In addition, grants to "faith-inspired" social service projects run by

secular organizations—such as the Amachi Big Brothers, Big Sisters programs in Philadelphia and elsewhere—were not counted as grants to FBOs.

There were changes in 2005 to the number of programs from which agencies collected data. For example, DOL reported on 24 grant programs in FY2004 but only 12 in FY05. DOL consolidated reporting on certain Bureau of International Labor Affairs grant awards under a single program name, while other agency programs were either not competed in 2005 because of normal year-to-year grant cycles or became new programs. Conversely, USAID expanded its collection this year to include programs that do not always report funding to FBOs. With these exceptions noted, and because the pool of programs and amount of funds are virtually unchanged from previous years, comparisons from year to year are valid.

There are many reasons why the percentages of funds granted to FBOs may vary among Federal agencies. For example at DOJ, Congress often "earmarks" funds for particular organizations. This means the Federal agency administering certain programs must award these funds to organizations chosen by Congress. In other cases, particularly at HHS, statutes often favor automatic grant extensions, thus limiting the competition and funds available for new grantees.

Finally, while this report provides a detailed account of awards to FBOs in FY05, it does not reflect the full extent of Federal funding won by them. Indeed, the majority of Federal social service funding is not open to competition at the Federal level by individual organizations, but rather is distributed through formula grants to State and local governments. For the first time, the agencies this year attempted to retrieve data from State and local governments administering six Federally-funded programs. Because the majority of Federal social service dollars are awarded by these governmental agencies, such a review is critical to understanding the extent of FBOs participation. The programs chosen—one from each Federal agency that funds domestic programs—were selected based on program history of FBO participation in providing funded services. While this sample is by no means representative, it does provide a glimpse into State and local grant-making practices and the barriers that faith-based charities appear to encounter. Data from the six programs are reported separately in a single chart. Next year's report will look at additional programs.