

**STATEMENT OF JOHN WEICHER
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**BEFORE THE
UNITED STATES HOUSE
COMMITTEE ON FINANCIAL SERVICES**

APRIL 28, 2003

Chairman Oxley, Ranking Member Frank, Distinguished Members of the Committee:

Thank you for the opportunity to join you this afternoon to discuss a major initiative of President Bush and Secretary Martinez: their commitment to battling social distress by redefining the role of government in helping Americans in need. Because of our long history of partnering with faith-based and community organizations to provide housing and other important services, the initiative is especially relevant to the work of the U.S. Department of Housing and Urban Development (HUD).

I am here on behalf of the Department to present our views on the role of faith-based organizations. With me are Ryan Streeter, Director of the HUD Center for Faith-Based and Community Initiatives, and HUD Chief of Staff Frank Jimenez. With the Committee's permission, I will be deferring to them as the principal persons with the most detailed knowledge on this subject.

The Administration's goals are clear and achievable: to provide the best possible quality in government-funded service; to support the essential work of all charities, whether secular or religious, regardless of their size; and to ensure a level playing field that embraces every group or organization working to transform lives through their compassionate service.

These community caretakers fulfill a critical need in this country. As President Bush said in October of last year, "An America without faith-based organizations caring for people in need is an America without hope."

One of the President's first official acts was to sign Executive Order 13199, which created the White House Office of Faith-Based and Community Initiatives. He directed the Office to lead a "determined attack on need" by strengthening and expanding the role of faith-based and community organizations in addressing the nation's social problems. The Office reaches into every community of need, while giving special attention to homeless individuals, prisoners, at-risk youth, addicts, impoverished senior citizens, and families moving from welfare to work.

Through Executive Order 13198, the President created Centers for Faith-Based and Community Initiatives in seven federal agencies, including HUD. The HUD Center coordinates the work of the entire Department as we seek to eliminate the obstacles that hinder faith-based and community groups from competing for federal funds on an equal footing with other charities.

We now realize that some of our programs operate under obstacles are unnecessary and persistent. In far too many instances, they have caused the federal government to ignore or impede the efforts of faith-based and community organizations to serve individuals in need. We are taking steps to correct these issues.

By order of the President, HUD – and the six other agencies that comprise the faith-based and community initiative – conducted exhaustive reviews of our internal regulations to identify the barriers to the participation of faith-based and other community organizations in our programs. We discovered a number of common obstacles, the most frequent being a prevailing perception among federal officials that close collaboration with religious organizations is legally suspect.

Some federal programs essentially bar religious organizations from applying for funding, creating a second barrier to partnering with HUD. For instance, funds under HUD's HOME program, which communities around the country use to construct affordable housing, may not be granted to religious organizations "for any activity including secular activities."

These obstacles that we have identified, including inappropriate and excessive restrictions on religious activities, create another barrier that restricts faith-based organizations from receiving HUD funding. A recent case involved the St. Francis House homeless shelter in Sioux Falls, South Dakota – a Catholic facility that provides meals, shelter, and other services to homeless persons. The shelter was denied a HUD grant simply because voluntary prayers were offered before meals. The Department informed the city that there was no violation, and that funds could appropriately be used for St. Francis House, and this was done.

As another example, HUD regulations governing Community Development Block Grants and other programs require religious organizations to agree to not only avoid giving religious instruction or counseling but also to certify that they will exert no religious influence at all in providing federally funded assistance. Other organizations are not required to make similar certifications, and such a requirement unnecessarily reflects an unwarranted presumption that, without provisions specially aimed at faith-based organizations, these organizations will fail to follow the law. Moreover, such vague language may have the effect of chilling the participation of many faith-based providers in HUD programs. These providers will have no intention of using government funds to support religious activities, yet they are uncertain what these unclear regulatory phrases mean. Again, we are taking steps to correct these problems.

President Bush and Secretary Martinez are working to tear down the barriers that lead to unjust discrimination.

The President took decisive action when he signed Executive Order 13279 on December 12 of last year. The Order sets out clear principles ensuring that all eligible social service organizations are able to compete on an equal footing for federal financial assistance. Under the Order, federal programs must be implemented in such a way that they do not violate the Establishment Clause and the Free Exercise Clause of the First Amendment to the Constitution.

HUD is actively implementing the Order to ensure that our policies and programs create a level playing field for faith-based organizations. In doing so, we are improving the ability of these groups to work with us in expanding homeownership, increasing the supply of affordable housing, ending chronic homelessness, and strengthening communities.

I am pleased to report that we are making notable progress in removing the barriers to participation in HUD's grant programs.

As a first step, Secretary Martinez is actively encouraging the participation of grassroots organizations in all grant applications. These organizations touch many lives on the local level, and yet are frequently overshadowed during the grant-making process by their larger and more visible cousins. We are ensuring that

grassroots groups have every opportunity to expand their reach and touch more lives through their good works.

Our Super Notice of Funding Availability (SuperNOFA) now clearly states the eligibility of faith-based and other community organizations. We are conducting web casts specifically designed to educate these providers about the SuperNOFA and the application process. We have installed a toll-free telephone number to help them understand the application process. And we continue to make grant applications easier to understand for potential new partners by removing instances of duplication, mixed messages, and other problems that put first-time applicants at a disadvantage.

Education is key to helping faith-based and other community organizations successfully navigate the grant-making process. HUD is reaching out to these groups through educational initiatives that communicate an important message: we welcome their partnership and will give them the fullest opportunity permitted by law to compete for federal funding.

To ensure that this message is heard, we have appointed faith-based and community liaisons in each of HUD's 10 regional offices and all 81 field offices. Their job is to reach out to faith-based and other community groups that lack experience in working with HUD. HUD is including faith-based and community initiative components in many of our conferences and seminars, and HUD staff appear regularly at conferences to educate community leaders.

Today, we have more than 5,000 faith-based and other community organizations in our database. We plan to reach thousands more this year through mailings, informing them of HUD resources and tools that would be of interest to them.

HUD is coupling educational outreach with administrative reforms that are tearing down the barriers to effective partnerships with America's community of faith.

We have reviewed each of HUD's major program offices to determine the degree to which they do or do not comply with the requirements of Executive Order 13279. Specific programs are currently undergoing a detailed review; our goal is to remove the undue burden often placed on grassroots organizations, particularly those who are newcomers to HUD.

The examples I have cited represent just a sampling of our efforts. In the months ahead, we will continue working to make it easier for faith-based and other grassroots community organizations to join in HUD's mission.

To tie these efforts together, HUD issued a proposed rule on January 6, 2003, that would revise our regulations in eight programs and remove unwarranted regulatory barriers to the equal participation of faith-based organizations. The intent of the proposed rule is to ensure that HUD programs are open to all qualified organizations, regardless of their religious character. The rule would also clearly establish the proper uses of grant funds.

The public comment period for the proposed rule closed March 6. We are in the process of carefully reviewing each of the comments we received.

No matter how big or small the organization, no matter its level of experience in competing for federal grants, no matter its religious affiliation or secular nature, HUD wants every potential partner to have the opportunity to compete for federal resources. If a faith-based or other community organization wants to work with us – and they can do the job – then we will welcome them with open arms and do everything we can to help them succeed in their communities.

In this way, we will provide the best possible service to those who suffer in poverty and despair. And we will help to expand society's capacity to respond with compassion to human needs.

Thank you, Mr. Chairman.