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The Compassion Capital Fund: Brief Facts and Current Developments

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Summary

The Compassion Capital Fund (CCF), a Bush Administration initiative, was created in appropriations law (P.L. 107-116; enacted in January 2002) and has since been operated under the authority of successive annual appropriations acts and the general research/demonstration project authority contained in section 1110 of the Social Security Act. It is intended to help build service capacity and knowledge among faith- and community-based organizations and encourage replication of effective approaches to better meet needs of low-income persons and families. To date, the Department of Health and Human Services (HHS) has spent over \$112 million through the CCF: (1) \$91 million in matching grants to “intermediary” organizations that aid and make sub-grants to local providers in order to help them improve their services; (2) almost \$8 million in capacity-building \$50,000 “mini-awards” given directly to faith-based and community organizations; and (3) just under \$14 million for research grants and other types of support.

S. 6, the Family and Community Protection Act of 2005 (introduced January 14, 2005), contains provisions that would provide underlying law supporting Compassion Capital Fund activities. The Administration’s FY2006 budget requests \$100 million for the CCF and indicates that some \$50 million would be spent on activities supporting youth-oriented “anti-gang” programs.

This report will be updated for new data and budget figures, major program changes, and legislation.

What Is the Compassion Capital Fund (CCF)? The CCF is a federal program (it is not a “trust fund”) that (1) provides grants to match private giving with federal dollars to help small faith-based and community groups better serve social needs; (2) gives startup funding directly to smaller groups to expand or emulate model programs; and (3) provides technical assistance and other support for these efforts. It is a key element of President Bush’s faith-based initiative, announced in January 2001, to expand

the use of faith-based and community groups as providers of social services.¹ Its expenditures depend on how much Congress chooses to appropriate for any given year.

Just as important, many federal departments (e.g., the Departments of Agriculture, Health and Human Services, Housing and Urban Development, Justice, Labor, Veterans Affairs) make grants to faith-based and community-based organizations as part of their regular activities. These can “look like” CCF grants in that they provide money to faith-based and community groups (as well as others), but are not CCF-funded.

In addition, a number of specific activities closely associated with the Administration’s faith-based initiative (and faith-based and community providers) receive federal money: a prisoner re-entry program, a project for mentoring children of prisoners, the “Access to Recovery” substance abuse treatment program, an initiative supporting maternity group homes, abstinence education, support for healthy marriages and responsible fatherhood, and assistance for the homeless and in resettling refugees.

How Much Has Congress Appropriated for the CCF? To date appropriations for the CCF have been: \$29.9 million (FY2002, the fund’s first year), \$34.8 million (FY2003), \$47.7 million (FY2004), and \$55 million (FY2005). The Bush Administration requested \$89 million for the first year and \$100 million annually for each subsequent year (including FY2005).

How Does CCF Operate? The CCF is administered by HHS’s Administration for Children and Families (ACF). The CCF program consists of three parts: grants for a “demonstration initiative,” grants for a “targeted capacity-building initiative,” and various technical and support services provided by the federal government (e.g., research, information technology support, printing services). The ACF determines the balance of spending among these three objectives, and demonstration and targeted grants are made through the ACF, not states or, except in the case of the demonstration initiative (see below), other entities.

What Are the Rules of the CCF Demonstration Initiative? This effort offers matching funds (typically through three-year competitive grants) to “intermediary” organizations having established relationships with faith-based and community organizations. Funding is aimed at helping small faith-based and community organizations improve their effectiveness, management, training, and other skills; it generally does not support the actual provision of services. Intermediary grantees (1) use the majority of funding to provide technical and other assistance to small faith-based and community organizations and (2) make sub-awards to faith-based and community organizations for training, technical assistance and capacity-building. Eligible groups for demonstration awards include units of government, institutions of higher education, federally recognized Native American tribal governments, non-profit organizations, small businesses, and faith-based organizations. Grantees must provide 20% of the total cost of the project. The program announcement for the second round of grants to intermediaries (68 *Federal Register* 38055, June 26, 2003) elaborated on rules for making sub-grants. It said intermediaries must use at least 25% of their grants for sub-awards and

¹ For related information on the President’s faith-based initiatives, see CRS Report RL32736, *Charitable Choice Rules and Faith-Based Organizations*, by Joe Richardson.

give priority to organizations meeting priority social service needs (such as the homeless, elders in need, at-risk youth, families and persons in transition from welfare to work, those in need of intensive rehabilitation) and to organizations that help couples who choose marriage for themselves to develop the skills and knowledge to form and sustain healthy marriages. Other sub-grant rules: participation must be open to faith-based and community-based organizations; grantees must be chosen through a competitive process and may not be pre-selected; selection criteria must not include consideration of the religious nature of a group or the religious nature of the program it offers, but the approach must include outreach to both faith-based and community organizations.

What Are the Rules of the CCF Targeted Capacity-Building Initiative?

The targeted capacity building initiative makes direct, competitive, one-time (typically \$50,000) “mini-grants” to small non-profit groups and faith-based groups. The purpose is to assist grantees to improve their program effectiveness and sustainability, access funds from various sources, and replicate model programs and best practices. These awards, which are 100% federally funded, are for social service priority areas (see below). The first year’s mini-awards (FY2003) required that a grantee have at least one year’s experience in working with at-risk youth or homeless persons. In the second program year, grantees were required “to be working in” one of four priority areas: at-risk youth, homeless, marriage promotion, and rural community services. The program announcement (69 *Federal Register* 20890-20895, April 19, 2004) said mini-awards could not be used to support inherently religious practices and that grant recipients, therefore, “may not and will not be selected on the basis of religion.”

What Has CCF Spending Been? The table below summarizes CCF grant awards and other spending (obligations) to date. The bulk of the money has been spent for three-year grants to intermediaries. HHS says that as of September 30, 2004, some 1,900 organizations have received CCF aid. Nearly 200 organizations received direct grants and about 1,700 got sub-grants through intermediaries. Grants are typically announced near the end of a fiscal year (e.g., August 2004 for FY2004 awards). For additional details on grants that have been made and newly announced grants, see the [<http://www.acf.dhhs.gov/programs/ccf>].

CCF Spending: FY2002-FY2004 (in millions)

	FY2002	FY2003	FY2004	Total
Demonstration matching grants to intermediaries (new and continuing grants)	\$24.8	\$28.4	\$38.0	\$91.2
Targeted capacity-building mini-grants to small organizations	0	2.6	5.0	7.6
Research grants, information technology support, grant/review panel costs, printing costs	5.1	3.8	4.7	13.6
All spending (appropriations)	\$29.9	\$34.8	\$47.7	\$112.4

Sources: Budget justifications for Department of Health and Human Services, ACF: FY2003, FY2004, and FY2005; ACF news releases announcing grant awards for FY2002, FY2003, and FY2004; the ACF Office of Legislation and Budget (OLAB).

How Can One Apply for a CCF Grant? For details about the CCF and how to apply for CCF grants, see [<http://www.acf.dhhs.gov/programs/ccf>]. Also see the regulations cited above. The *CCF Catalog of Federal Domestic Assistance* (CFDA, [<http://www.cfda.gov>]) number is 93.647.

Current Developments. On January 24, 2005, Senator Santorum introduced a bill — S. 6, the Family and Community Protection Act of 2005 — that includes provisions intended to provide underlying authorizing law for Compassion Capital Fund activities that would be administered under the aegis of several federal agencies. Title III of this bill proposes to authorize the Departments of Health and Human Services, Housing and Urban Development, and Justice, as well as the Corporation for National and Community Service, to award grants (and enter into “cooperative agreements” with nongovernmental organizations) that provide: technical assistance to small community-based groups, information about and assistance in “capacity building,” information about and assistance in identifying/using “best practices” for delivering aid (and encourage research on these practices), information about and assistance in utilizing regional “intermediary organizations” to boost community-based organizations’ capabilities, and assistance in replicating effective programs. Appropriations totaling \$150 million in FY2006 (and “such sums as may be necessary” for FY2007-FY2009) would be authorized. This bill effectively replicates the Compassion Capital Fund provisions of the CARE Act of the 108th Congress — contained in H.R. 7 (passed by the House) and S. 476 (adopted by the Senate).

The FY2006 budget asks for \$100 million for the CCF, with some \$50 million set aside for youth-oriented “anti-gang” projects. According to the White House website of the Office of Faith-Based and Community Initiatives, the President’s budget includes a “three-year, \$150 million initiative to help youth at risk of gang influence and involvement” funded through the CCF.²

² The Office’s website is available at [<http://www.whitehouse.gov/government/fbci/>].