



**CITY OF KIRKLAND**

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**MEMORANDUM**

**To:** Marilynne Beard, Interim City Manager

**From:** Carrie Hite, Deputy Director, Parks and Community Services, City of Kirkland  
Colleen Kelly, Human Services Manager, City of Redmond  
Jennifer Schroder, Director, Parks and Community Services, City of Kirkland

**Date:** May 25, 2010

**Subject:** Joint City Council Meeting: Kirkland/Redmond Human Services Funding and Needs

The purpose of this paper is to inform Kirkland and Redmond City Councils of the current status of human services funding, challenges, trends, and current collaborative efforts.

**Current Funding**

Currently, both Redmond’s and Kirkland’s budgets for Human Services have been stable over the past several years even in the face of recession. This has been of tremendous value to continue to meet the human services needs in the community. However, for funding cycle 2011-2012, the requests for funding represent an increase in the need for funding and the need for services. The table below demonstrates the current funding from both Redmond and Kirkland for 2009-2010, and the requests for funding for 2011-2012. As is evident, there is much more requested than we will be able to fund. This will be a challenge in the upcoming budget to find the resources to fund the represented need in the community.

	<b>2009-2010 Current Funding</b>	<b>2009-2010 Programs Funded</b>	<b>2011-2012 Requested Funding</b>	<b>2011-2012 Programs Requesting Funding</b>
<b>Kirkland</b>	<b>\$1,128,789</b>	<b>46</b>	<b>\$1,753,206</b>	<b>72</b>
<b>Redmond</b>	<b>\$1,314,000</b>	<b>48</b>	<b>\$2,126,000</b>	<b>70</b>

**Challenges**

There are several challenges that we will face in addressing the current human services needs and trends. Most of the challenges are financial or policy related. Following are these challenges:

- In 2007, the King County Office of Management and Budget conducted a detailed econometric analysis which identified a **county-wide gap of \$83 million per year** for regional human services. While the Veterans and Human Services Levy and the Mental Illness and Drug Dependency sales tax subsequently generated some funding to address this gap, the County has since eliminated 85% of its general fund support for regional human services. In addition, drastic cuts have been taken at the state level, and at

the local level, cities are struggling to maintain flat funding support. Currently, the County is facing another deficit this coming budget year. They are currently considering putting forth a 2/10ths of 1% sales tax to the voters to help balance the budget.

- The impact is that the gap continues to widen as demand for services has increased during the past two years in the midst of an economic meltdown. We know our communities value having access to critical human services. We know that investments made in addressing needs early prevent far greater expenditures later when law enforcement and emergency health care become necessary. We know that the solution will not be found by focusing only on new public funding (tax) options.
- In addition to local, county and state government, there have also been some projections that philanthropic and corporate giving will decrease as well. According to a survey conducted by *The Chronicle of Philanthropy* as the economic recession continues, many of America's largest corporations have decreased their giving, and plan even more reductions in 2010, with many deciding to stop supporting charitable causes that are not related to their businesses. Looking ahead to 2011, foundation giving appears likely to decline further.<sup>1</sup> Locally, foundations have seen a significant decrease in their portfolios, resulting in a decrease in funds available for grants. For example, a decrease in The Seattle Foundation's assets could translate to a 20% reduction in grant funds available in the Community Grantmaking Program.

### **Current Status and Trends**

Based on staffs' research the following are some of the issues and trends that we are facing on the Eastside:

- East King County continues to have the least housing affordability in the County. Even with the recession, and housing values dropping, many who work on the Eastside cannot afford to live here. The median home and condo price has increased over \$100,000 since 2001. Almost 25-30% of households pay more than the recommended 30% of their monthly income. The East King County Plan to End Homelessness was created in 2007, and identified the need for over 1800 homeless housing units for the Eastside.<sup>2</sup> We are finding with the increase in immigrant and refugee families, there is an increase in multiple families sharing apartments, or single family residences.
- Requests for basic assistance have increased dramatically over the past two years. For example the calls to 2-1-1 for assistance with basic needs are up overall and have nearly doubled for rent assistance. The Washington State Department of Social and Health Services (DSHS) provides financial, medical and food assistance and has seen a number of changes in demand for their services. Applications for financial assistance through the Temporary Assistance for Needy Families (TANF) program rose 25% during 2008, leveled off in the first six months of 2009, and increased in the third quarter of 2009. Case-loads rose even more sharply than applications and continue to rise because people are staying in the program longer. The Eastside office of DSHS reports that the number of adult TANF recipients rose between January 2007 and January 2009, after being reduced by about half between 1997 and 2007. The increased case-load has been the result of fewer clients exiting the system as the economy worsened.<sup>3</sup>
- Poverty is increasing. The poverty rate in East King County doubled between 1990-2000. It went from 3,500 to over 7,000 Eastside households living below the Federal poverty line.<sup>4</sup> In addition, our community agencies that provide emergency living assistance (food, heat, shelter) have reported an increased need in each year since 2000. Hopelink saw a 32% increase in food bank participation from

April 2008 to April 2009. Between late 2007 and April 2009, this figure is a 47% increase.<sup>5</sup> There are eight schools in Lake Washington School District that report over 20% population qualifying for free and reduced lunch. The highest percentage is John Muir at 44%, then Rose Hill Elementary at 36%.<sup>6</sup>

- Our population demographics are changing. There is a dramatic increase in foreign-born residents in our community. There is an average of 30% ethnic minorities that make up the population in Lake Washington School District. Of this, a majority are Asian, and Hispanic, and first generation to the United States.<sup>7</sup>
- In addition to our ethnic diversity increasing, there is a growing need by our elderly residents. By 2025, older residents (age 60 and over) will make up 23% of the Eastside population.<sup>8</sup> Currently, 6% of the Eastside's elderly residents live below the Federal Poverty Level.<sup>9</sup> As the number of elderly residents grows, services for seniors (including transportation, chore services, meal delivery, home health assistance, and care giving) will need to be significantly expanded.
- Job Growth still hasn't recovered from 2001-2002. King County lost more than 60,000 jobs during 2001-2002. Nearly 25% of these came from the Eastside. According to the City of Seattle, mid 2005 economic update, the Eastside still has not recovered from that. Over the past two years in the midst of the recession, the jobless number has increased even more. Layoffs in King County increased in 2008 over 2007. Seattle work sites had a disproportionate share of layoffs compared to other parts of the county. The large number of layoffs in the first quarter of 2009 is due to the Seattle based Washington Mutual Bank purchase by New York-based JP Morgan Chase.<sup>10</sup>

### **Kirkland/Redmond Efforts**

- Both Kirkland and Redmond have been actively involved in the Eastside Human Services Forum (EHSF). This East King County effort affords us the opportunity to be visible, be part of decision making for funds, assisting in regional policy that affects our citizens, and directly impact our community. Both City Councils have representation on the Executive Board, and staff have been in leadership roles. Some examples of the EHSF work include:
  - Advocating with both King County Human Services Coalition, and Alliance of Eastside Agencies to compete for both MIDD and Vets and Human Services Levy funding for the Eastside, and continue county funding.
  - Adopting and disseminating an annual legislative agenda of issues that impact citizens on the Eastside.
  - Representing the Eastside on boards and committees for United Way, assuring the visibility of needs in East King County.
  - Sponsoring a coordinated food drive in East King County beginning with the Mayor's Day of Concern for the Hungry on September 26<sup>th</sup> and running through October 24, 2009 to benefit area food banks and emergency feeding programs, e.g. Hopelink, World Impact Network Renewal Food Bank, Emergency Feeding Program, Issaquah Food Bank, Mercer Island Food Bank, and ARAS (Acceptance, Respect, Affection, Support) Foundation. Over 77,000 pounds of food were collected this past year.
  - Launching EastsideHelps, a community initiative in collaboration with the cities of Kirkland, Bellevue, Redmond, Issaquah, and Mercer Island. This website, launched in mid-June 2009, seeks to provide information and resources, encourage local action, and to help local citizens make connections to "Get Help and Give Help".

- Planning and developing an Eastside Time Bank. Another program in response to the recession, the EHSF is working with Hopelink to add this valuable tool to the Eastside. It is a program that will allow people to volunteer, earning time bank credits. They can then turn around and spend their time bank credit to receive services, or donate their credits to a local nonprofit to use for clients in need.
  - Adopting an annual work plan that includes efforts to seek long term funding solutions for human services, complete efforts toward the 10-Year Plan to End Homelessness, work with our local elected officials to inform and educate about human services issues in East King County, among other issues.
  - Each year, EHSF plans an educational event that helps to raise the visibility of human services in East King County. This year, EHSF is currently planning a June educational event entitled ***“The Economic Argument for Investing in People: What Eastside Leaders Need to Know.”*** This event will be held June 3<sup>rd</sup>, 7:30-9:30 a.m. at Mercerview Community Center. All elected officials, policy and decision makers are invited to help consider that building a healthy economy and responding to those in need are not mutually exclusive efforts. It would be valuable to have Council participation at this event. Also, if Councils could reach out to their counterparts that are not well-versed in Human Services to encourage their participation, it would be helpful for East King County to be more influential in this process.
- The Human Services Commissions of the Cities of Kirkland and Redmond have been implementing quarterly roundtable discussions to continue to stay on the leading edge of human services needs in our community.
  - Both Kirkland and Redmond participate in a regional funding model through the “pooled” funding regional based allocation process. This creates efficiencies for both the cities and agencies.

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<sup>1</sup> The Chronicle of Philanthropy. (2009, July2).

<sup>2</sup> King County Plan to End Homelessness,2005.

<sup>3</sup> City of Bellevue, Human Services Needs Update, 2009-2010.

<sup>4</sup> King County Consortium Consolidated Housing and Community Development Plan for 2005-2009, Appendix A Needs Assessment, p. 70.

<sup>5</sup> Hopelink, Fall 2009 statistics.

<sup>6</sup> Washington State Office of Superintendent of Public Instruction, Student Demographics, 2008-2009.

<sup>7</sup> Lake Washington School District, Ethnic Enrollment Report, October 2009.

<sup>8</sup> Area Agency on Aging And Disability Services, *2008-2011 Area Plan on Aging, Seattle-King County.*

<sup>9</sup> Area Agency on Aging And Disability Services, *2008-2011 Area Plan on Aging, Seattle-King County.*

<sup>10</sup> City of Bellevue, Human Services Needs Update, 2009-2010.