



MEMORANDUM

To: Kurt Triplett, City Manager
Tracey Dunlap, Director of Finance & Administration

From: Jennifer Schroder, Director
Michael Cogle, Deputy Director
Sharon Anderson, Human Services Coordinator

Date: September 14, 2012

Subject: HUMAN SERVICES BUDGET BRIEFING REPORT

This report has been prepared to inform the City Council of the current state of Kirkland's human services funding as well as a review of emerging issues impacting future budget decisions.

The City funds human services activities in multiple ways. The Human Services funding summary (see **Attachment A** for 2013-2014) in the biennial budget document summarizes the many direct and indirect ways that the City supports human services for citizens. The City's overall funding commitment for these activities has totaled at least \$2.35 million for each of the past several years from the combined budget allocations managed by various City departments and is proposed at almost \$2.5 million per year for 2013-2014.

Current Human Services Grant Funding

The City supports human services by providing leadership, facilitation and funding regionally. This regional approach to funding and providing human services allows the City to act as a catalyst for improving the quality of life for Kirkland residents and makes the City's dollars go farther. Kirkland has worked with other King County cities to help agencies access regional funding more easily by:

- ✓ Participating in a pooled funding program where cities' funds are placed in a common account to streamline the application and reporting process for each program the cities jointly fund;
- ✓ Providing an on-line joint funding application with 17 other King County cities;
- ✓ Launching a regional online data collection system that allows for consistent information and a better alignment of programs and funding.

Within its overall human services funding commitment, the City allocates funds to outside agencies to provide a variety of human services programs. The total amount budgeted for human services granting was \$1,234,081 for the 2011-2012 biennium (\$577,137 in 2011; \$656,944 in 2012).

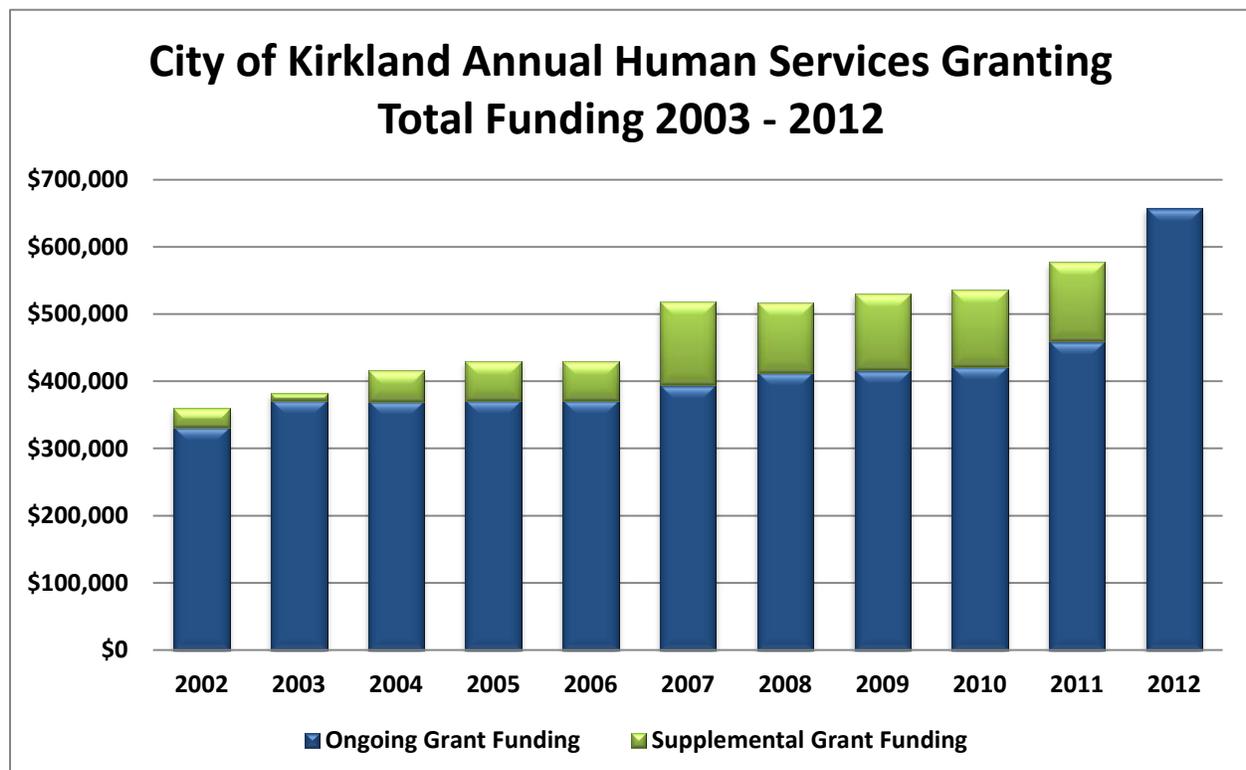
City funding for grant programs has been derived from both ongoing funds approved in the Parks and Community Services Department’s base budget as well as one-time supplemental funding as authorized by the City Council during each budget cycle. The following table provides overall approved funding amounts made available for granting over the past decade:

City of Kirkland Funding for Human Services Grants 2003 – 2012

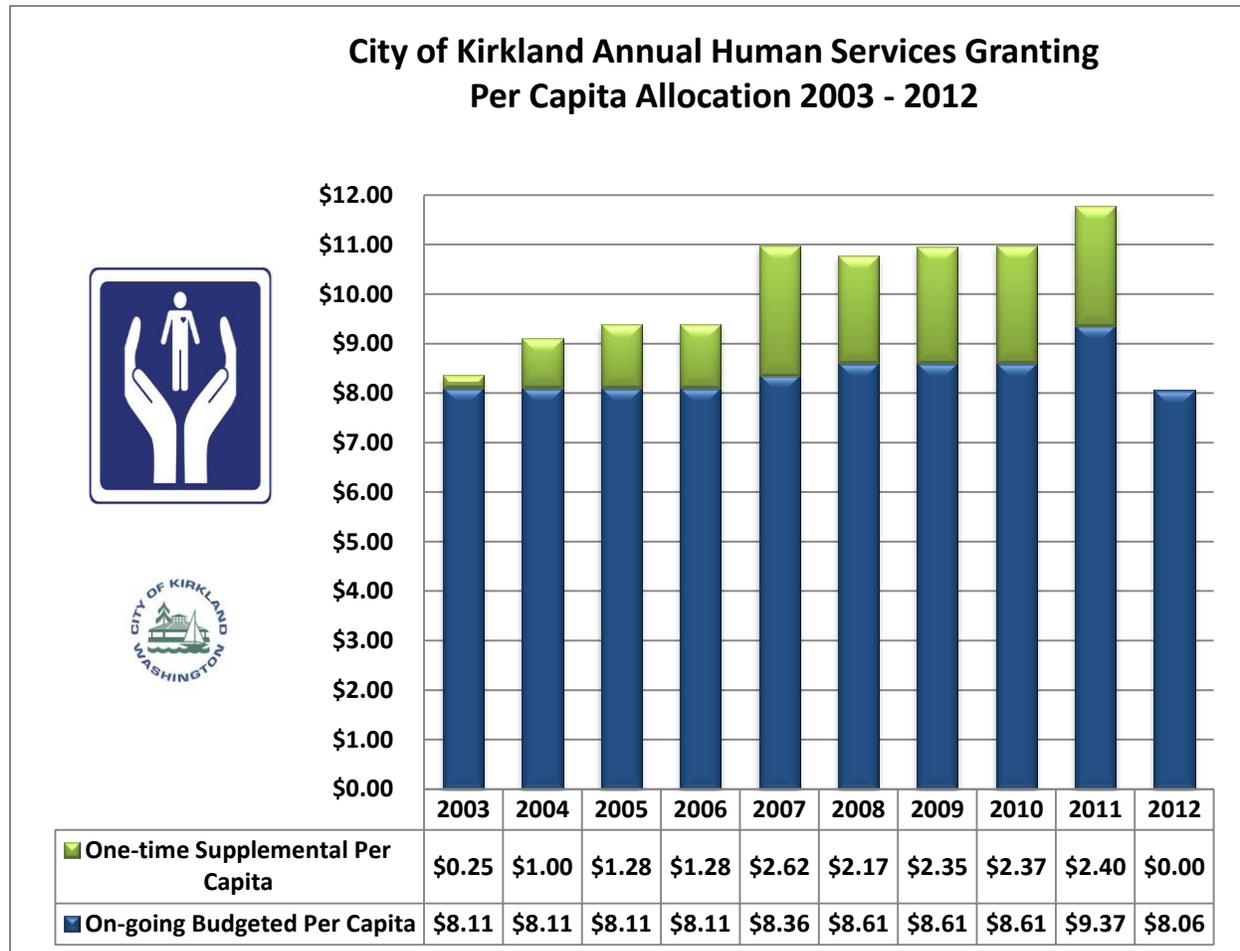
Year	Population	Ongoing Funding Base Budget	Supplemental One-time Funding	Total Approved Funding
2003	45,786	\$371,324	\$11,448	\$382,772
2004	45,630	\$370,059	\$45,791	\$415,850
2005	45,800	\$371,438	\$58,503	\$429,941
2006	45,800	\$371,438	\$58,503	\$429,941
2007	47,180	\$394,425	\$123,528	\$517,953
2008	48,000	\$413,280	\$104,173	\$517,453
2009	48,410	\$416,810	\$113,780	\$530,590
2010	48,790	\$421,890	\$113,781	\$535,671
2011	*49,020	\$459,481	\$117,656	\$577,137
2012	81,480	\$656,944	\$0	\$656,944

*Kirkland 2011 population prior to June 1 annexation

Kirkland’s total funding amount for human services grants has increased annually, as shown in the graph below.



However, Kirkland has traditionally expressed its grant funding as a per capita amount. From 2008-2010, the per capita amount was \$8.61. During the 2011-2012 budget deliberations, the Council discussed whether to keep the per capita rate at \$8.61 in the face of annexation and the on-going recession. The Council elected not to keep the \$8.61 rate, but still increased the overall grant funding to \$577,837 in 2011 and \$656,944 in 2012, resulting in a 2012 per capita rate of \$8.06. The City Manager’s proposed budget keeps the grant funding at \$656,944 in both 2013 and 2014. If the Council wished to return to a per capita rate of \$8.61, the new amount would be \$701,758, an increase of \$44,814 each year.



As Kirkland’s population has increased, so have the basic needs of its citizens, particularly during the recent economic recession. This is reflected in the number and amount of requests for funding from the many agencies serving Kirkland residents. Funding requests since 2005 have increased by 42% and Kirkland’s funding available grew by 43% during the same period. During the most recent budget period, Kirkland funded about 70% of the program funds requested.

**Comparison of Funds Requested to Funds Available
2003 - 2012**

Budget Period	Kirkland Funds Requested	Kirkland Funds Available	Percentage of Requests Funded
2003	\$ 488,658	\$ 382,772	78.33%
2004	\$ 560,195	\$ 415,850	74.23%
2005-06	\$1,245,812	\$ 859,882	69.02%
2007-08	\$1,234,168	\$1,035,406	83.90%
2009-10	\$1,474,052	\$1,066,261	72.34%
2011-12	\$1,772,826	\$1,234,081	69.61%

In May of this year, the City received 75 applications with requests for \$1,794,800 (\$897,400 annually) for the 2012-2013 biennium. This summer the Human Services Advisory Committee (HSAC) held a series of roundtable discussions with agencies the City currently funds and conducted three public hearings that included all applicants. The HSAC will present its funding recommendations to the City Council in October.

Comparison with Neighboring Cities

Attachment B provides a comparison of our neighboring cities' funding allocations for human services grants. Kirkland's funding level on a per capita basis is in the middle range of our regional counterparts. Note this compares grant funding allocations only, and does not reflect the total dollars devoted by each city towards human service activities. The HSAC closely aligns Kirkland's needs and demographics to Bellevue and Redmond, and recommends using these two cities as the most relevant comparable communities.

State of Human Services in King County

Last year United Way of King County convened a group of governmental and private funders to consider the changing state of human services in King County. The group's findings have been compiled into a State of Human Services in King County report (**Attachment C**). Some key statistics:

- 90% of support for health and human services in King County comes from local, state and federal government and 10% from philanthropy.
- Between 2007 and 2009, the percentage of children (under age 18) in poverty in King County rose from 9.9%¹ to 11.8%.
- The cost of living in Washington increased on average by 8.4% across Washington counties while wages rose only 2.7% on average.
- Usage of food banks rose by 44% between 2007 and 2010.
- Health and social service providers account for more than 80% of all non-profits in the state. Of those organizations with government grants and contracts, roughly 90% are health and social service organizations.
- Nearly half of all Washington human services non-profits have frozen or reduced employee salaries, drawn down on reserves, or reduced the number of employees, while

one fifth have reduced staff benefits and the number of programs offered. See **Attachment D** for a brief assessment on nonprofit organization resiliency in King County. Key findings include:

- Most organizations receive government support, accounting for nearly half of their total budgets. Unfortunately, most organizations reported significant reductions from this funding source since the onset of the recession.
- Despite revenue shortfalls, most organizations have modified service provision to meet increased demand. Rather than increase costs to clients, this was achieved largely through staff-related cutbacks.
- The current organizational resiliency of nonprofits in the face of consistent budget reductions, increased service demands, and staff cutbacks may not predict future outcomes.

Positive Steps

Despite fiscal challenges and economic obstacles, some encouraging steps have been taken over the past couple of years. These steps include:

- The burgeoning hyper-local grassroots Nourishing Networks and Time Banking initiatives invoking neighbor-helping-neighbor actions;
- King County voters approving both the 2011 Veterans and Human Services Levy and the 2012 Children and Family Justice Center Levy;
- United Way of King County raising more money in 2011 (\$103 million) than any other chapter in the country - for the 4th year in a row;
- A successful lobbying effort in Olympia to offset further massive budget cuts and to maintain funding for basic needs (Housing and Essential Needs Program and Medical Care Services, for example) and to support ending homelessness (\$67 million for Housing Trust Fund and Document Recording Fee bill);
- Eastside cities (including Kirkland) maintaining funding level commitments for human services grants despite budget cutbacks in other areas.

Attachments

CITY OF KIRKLAND HUMAN SERVICES FUNDING

Funding for Human Services is incorporated into a variety of operating and non-operating budgets. It is important to note that budget reductions and annexation related service level changes, which impact 2012, make direct comparison difficult. The following summary provides an overview of Human Services funding for 2013-2014.

Program/Funding Source	2009-2010 Budget	2011-2012 Budget	2013-2014 Proposed
Human Services Program (includes per capita allocation)	1,033,620	1,234,081	1,313,888
Human Services Forum and Other Regional programs ¹	4,450	35,450	23,450
Human Services Coordination	31,258	256,437	276,009
Senior Center Operations	1,317,381	995,103	1,046,969
King County Alcohol Treatment Programs	24,500	39,342	6,885
A Regional Coalition for Housing (ARCH)--Operations ^{2,3}	554,525	694,525	805,000
Community Youth Services Program/Teen Center	847,613	607,587	620,395
Teen Mini Grants	20,000	17,000	17,000
Domestic Violence Programs	577,959	499,532	515,458
Police School Resource Program	207,576	241,765	259,205
Senior Discounts for Utility and Garbage Services	70,842	70,429	78,967
Kirkland Cares (assistance with utility bills from utilities customer donations)	10,000	8,000	8,000
Specialized Recreation Program	14,408	14,000	14,000
Recreation Class Discounts	2,000	2,000	2,000
Total Human Services Funding	4,716,132	4,715,251	4,987,226

TOTAL SPENDING PER CAPITA 2009-2010: \$97.00

TOTAL SPENDING PER CAPITA 2011-2012: \$57.87

TOTAL SPENDING PER CAPITA 2013-2014: \$61.21

¹ 2011-2012 includes one-time contribution from the Council Special Projects Reserve for Eastside Severe Winter Weather Shelter (\$15,000)

² 2011-12 ARCH funding reflects the ongoing base budget amount of \$122,525, a one-time service package request for 2011-12 of \$432,000. An annexation service package request increased the ongoing base amount by \$65,000, along with a one-time contribution of \$75,000 in 2012.

³ 2013-14 ARCH funding reflects the base budget amount of \$175,000, and a service package request for 2013-14 of

North & East King County Cities Human Services Grant Funding Levels 2010 - 2012



The State of Human Services in King County



Assessment of Impacts

Working Document



Compiled by United Way of King County in partnership with the members of the State of Human Services Steering Committee in King County

Without a Net? Human Services in King County

Executive Summary

The Recession's Long Shadow

The economic recovery following the Great Recession has been slow and halting. Few have escaped the effects of the downturn, and some have suffered reversals from which they will rebound only slowly, if ever. All have gained a new appreciation of our interconnectedness. We are coming to see that it is no longer possible to talk about sectors or special interests independently and in isolation. Rather the poor are connected to the actions of the affluent, the European economy to the U.S., nonprofits to business and government, capital projects to jobs, jobs to homelessness.

Undoubtedly, we will emerge from this recession a different community from the one that entered it in December 2007.

Gauging the State of Human Services

Since the start of the recession, declining Washington state revenues have resulted in more than \$10 billion in cuts in order to balance the budget. In late November 2011, legislators convened in special session to slice an additional \$2 billion from the overall \$30 billion state general fund budget for FY 2011-2013. Since two-thirds of the budget is dedicated to public education and other legal and constitutional mandates, this \$2 billion budget reduction must come from the remaining one-third discretionary dollars — in other words, the dollars that primarily support health and human services, higher education and corrections.

What are the implications of the cuts that have been made already as well as the cuts that are coming? With changes coming in rapid succession over the past three years and the cuts creating multiplier ripples in other areas, it has been challenging to capture all the implications. More importantly, what cannot be easily predicted is the point at which systems begin to crumble because cuts to the infrastructure can no longer support and sustain the services delivered.

In mid-2011, a group of governmental and private funders (listed below) began monitoring the changing state of human services in King County. This document — intended to be updated when major changes occur— presents the findings from the past year. We hope it will better illuminate the effects of the choices being made, and spur discussions that identify new ways to meet needs which, if left unaddressed, will begin to affect the very fabric of our community.

The Economic Backdrop

Today's cuts in human services play out against an economic backdrop that makes them much harder for those already in difficult or risky circumstances to withstand. A few statistics set the context:

- *The poverty rate is increasing, the middle class is shrinking and economic disparities are growing*

Census data show that the percentage of households earning the middle strata of income has decreased dramatically since 1967, while the portion of households with the highest income levels has ballooned. Between 2007 and 2009, the percentage of children (under age 18) in poverty in King County rose from 9.9%¹ to 11.8%.²

- *It is increasingly harder for an individual to find and keep a job and families to remain self-sufficient*

The cost of living in Washington increased on average by 8.4% across Washington counties while wages rose only 2.7% on average.³

- *People who used to volunteer at and donate to service organizations are now becoming recipients of those services themselves*

As more middle income people lose their jobs and homes to foreclosure, they seek help to meet their basic food and housing needs. This is particularly true at food banks where usage rose by 44% between 2007 and 2010, reflecting an increase in people without adequate food, a portion of them previous volunteers.⁴

- *Non-profit service providers are having an increasingly difficult time serving the growing number of people in need as their budget are shrinking*

Health and social service providers account for more than 80% of all non-profits in the state.⁵ Of those organizations with government grants and contracts, roughly 90% are health and social service organizations.⁶ As government revenues decline, non-profits have needed to adjust: nearly half of all Washington human services non-profits have frozen or reduced employee salaries, drawn down on reserves, or reduced the number of employees, while one fifth have reduced staff benefits and the number of programs offered.⁷

- *Philanthropy and the faith community are not able to replace the lost public funding*

90% of support for health and human services in King County comes from local, state and federal government and 10% from philanthropy.⁸

Some of the Impacts

The impact of budget cuts on individuals in King County three years into the recession is proving devastating. Past federal, state, and local budget reductions as well as current proposed cuts fall heavily on the most vulnerable in our community: those who cannot find work or who are temporarily unable to work and those who rely upon others to care for them -- children, the frail elderly, people with disabilities and communities of color. Some of the more significant cuts include:

- Reduction, then elimination of cash assistance for 6,200 people who are temporarily disabled and unable to work, resulting in increased homelessness and lack of money for housing, food and basic needs.⁹
- Elimination of dental health coverage to tens of thousands of Medicaid beneficiaries.¹⁰
- Loss of a housing stipend for about 3,500 low-income people receiving state-funded drug and alcohol treatment.¹¹
- Loss of child care for more than 1,100 families through Working Connections Child Care (WCCC) program.¹²
- As a result of reductions in the Basic Health Plan, almost 39,000 King County residents are now on the waiting list for this low cost health insurance coverage.¹³
- 13,748 low income families currently on welfare (TANF) had their monthly income support reduced impeding their efforts to stay in school and obtain job training and employment.¹⁴ For a family of three, this means living on \$478/month instead of \$562/month.¹⁵
- Loss of \$1.2 million in direct federal funds from the Emergency Food and Shelter Program that in 2010 supported 949,813 meals and 215,692 nights of shelter.¹⁶ While a small portion of these services will be covered with \$224,000 of state set aside, there is no ability to cover the major losses.
- Only a third of the 150 students with developmental disabilities who graduate from high schools in King County annually will be able to receive case management and other services leading to employment.

These reductions could have serious consequences for the broader community such as increased poverty,¹⁷ homelessness,¹⁸ crime,¹⁹ and a less healthy, productive society.²⁰

Developing a Response

Even if the economy and state revenues were to quickly recover, which few think likely, many of the cuts discussed above would not be fully reversed, or reversed at all. So while we work for some public funding restorations, there is other work to do: help the community and non-profits develop new approaches to meeting human service needs that address the effects of the cuts throughout the community.

What is urgently needed in the months ahead is a conversation about community priorities, how to direct resources and ways to become more personally involved in helping those around us who are in need. United Way of King County will be helping to organize conversations in various sectors throughout King County and we hope that this document can serve as a shared point of reference and platform for discussion. As insights and ideas emerge from the conversations, we will share them on the United Way website.

This much we already know: there will need to be a new creativity, commitment and personal involvement from everyone in King County. New priorities, new efficiencies, new approaches and new resources will all play their part. But possibly more important than all of these will be a rededication to the concept of community.

If you would like to join the conversation, please contact Doug Whalen, Community Impact Manager, at (206) 461-5078 or dwhalen@uwkc.org.

Sincerely,



David Okimoto, Senior VP, United Way of King County
Convener of State of Human Services Policy Group

State of Human Services Policy Group:

City of Seattle Department of Human Services

City of Bellevue Human Services Division

*City of Kent Housing and Human Services
Department*

City of Redmond Human Services Division

City of Renton Human Services Division

*City of Shoreline Community Services Division,
Department of Human Services*

Eastside Human Services Forum

Seattle Human Services Coalition

*King County Department of Community and Human
Services*

Public Health – Seattle & King County

United Way of King County

The State of Human Services in King County

Table of Contents

Introduction to the State of Human Services	6
Food Assistance	7
The Current State of Hunger in King County	7
Impact of Reductions to Food Assistance	8
Potential Ways to Respond to the Reductions.....	9
Affordable Housing and Homelessness	10
The Current State of Housing and Homelessness in King County.....	10
Impact of Reductions to Housing and Homelessness Programs	11
Potential Ways to Respond to the Reductions.....	13
Health Care	14
The Current State of Health Care Access in King County.....	14
Impact of Reductions to Health Care Programs	15
Impact of Reductions to Other Health Related Services	16
Potential Ways to Respond to the Reductions.....	17
Employment and Income Support	18
The Current State of Employment and Income Support in King County	18
Impact of Reductions to Employment and Income Support	19
Potential Ways to Respond to the Reductions.....	21
References	22

The State of Human Services in King County

Introduction to the State of Human Services

We all want our community to be a healthy and vibrant place to live, work and play – a place that offers abundant educational, employment and business opportunities. Since the Great Recession began in December 2007, “temporary belt tightening” has gradually given way to the dismantling of the basic infrastructure for health and human services. Overall, reductions in these services disproportionately affect our most vulnerable populations, including children, the elderly, people with disabilities, and communities of color.

With these reductions, a growing number of our community members are challenged to access food, shelter, jobs and health care and the overall livability of our community is diminished. As people lose access to these vital services, we as a community can expect to see increases in poverty, homelessness, unnecessary use of emergency rooms, and public safety concerns, as well as decreases in children’s readiness for school success, graduation rates, workforce preparedness, and overall public health. People will defer attending to their basic needs now, which often requires more serious and costly attention and care later.

While we hear about the economy’s effects on people who are poor and disabled, many are not aware that a growing number of previously stable middle class individuals and families have fallen upon hard times. Foreclosures have forced many middle class people from their homes into couch surfing with friends and relatives or outright homelessness. People who previously donated or worked at food banks are now clients. And those who believed that the safety net was wide and deep are finding there are few resources available when they need them.

The deep cuts made to health and social services since 2008 are just the tip of the iceberg. Because the majority of the state and local budgets is “protected” by legal mandates and the Constitution (e.g. debt service, pensions, K-12 education), health and human services have received repeated and disproportionate cuts over the last four years. Cuts proposed by the federal and state government in the upcoming sessions no longer just “trim” programs and incentivize them to be more efficient and effective: they eliminate whole programs that address life-

threatening issues. The magnitude of these proposed cuts requires that all sectors of the community – business, government, labor, non-profit, faith and philanthropy – begin a conversation to envision a new approach to helping our community and its members survive the protracted recovery from the recession.

The vast majority of health and human services are supported or provided by government; private philanthropy funds only a small proportion of these services. Both philanthropy and nonprofits have stepped up their efforts, but private donations, charity and volunteerism cannot replace the loss of public funding. Even with an improved economy and additional revenue support, major policy changes and a powerful, coordinated community response will need to occur.

Therefore, a group of local governments, funders, and providers in King County are challenging all sectors to participate in a public discourse to

- Understand the scope of the problem and the impact of the cuts
- Suggest policy changes that will help re-envision how government prioritizes, delivers and supports services
- Discuss how cities and sub-regions in King County can respond to their unique community needs.

You can participate by actively thinking about real solutions, scheduling time to talk, and taking the discussion to your larger constituency. The results of these discussions will be posted on the United Way of King County website at <http://www.uwkc.org/our-focus/public-policy/state-of-health-and-human-services.html> along with any updates on future budget reductions. We hope that this provides a vehicle to mobilize positive action, new ways of looking at needs and populations, and policy changes in our community.

Food Assistance

The State of Human Services in King County

Summary

A healthy, vibrant community is one where people are able to grow, purchase or trade sufficient food to meet their nutritional needs. Food that maintains good physical health and psychosocial well-being is one of the most basic human needs. Unfortunately, many adults and children in King County do not have enough nutritious food to eat and are uncertain about when and where their next meal will be.

Food assistance takes a variety of forms, from growing nutritious food for food banks and mini-marts to being the recipient of food donations, food debit cards or prepared meals. Unfortunately, food assistance for King County residents is facing significant budget cuts. These cuts come at a time when increasing numbers of people in the community are losing their homes and falling into precarious housing situations. These newly poor are finding that there is only a thin safety net keeping them from hunger and homelessness.

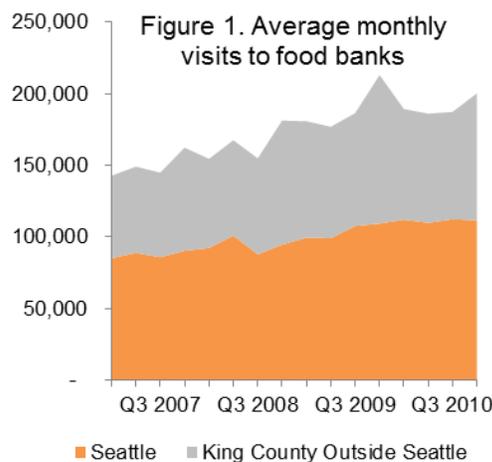
When adequate, nutritious food is not available to everyone, all King County residents pay the cost of hunger through:

- Children who do not have the resources to learn²¹
- A less healthy, able-bodied society²²

THE CURRENT STATE OF HUNGER IN KING COUNTY

Food insecurity has increased during the economic recession and recovery

Nationally, only 23.5% of households who could not meet their basic food needs visited a food bank in the last year.²³ In Washington, with its 9% state unemployment rate and reductions in other safety net programs, more people continue to rely on their local food banks for assistance. Between 2007 and 2010, total food bank visits increased by 44%.²⁴ Some food banks saw a 22% increase just in unduplicated visits.²⁵ This means that more people are visiting food banks more often to get their nutritional needs met.



Food banks are doing their best to meet the increasing demands for services, but the erosion of food assistance and other safety net programs has put more families in economic peril.

The faces of those standing in line at food banks are familiar yet different. Joining the long lines of regular customers are those who have been long time friends to food banks—their volunteers and donors who in these tough economic times now find themselves in need of assistance. “I’ve always been on that side of the church,” said a customer at a food bank located in a church in south King County. “Now I’m on the food bank side. I’m not sure what to do.”

Unfortunately, that former volunteer is not alone. The lack of jobs combined with exhaustion of unemployment benefits have sent more and more middle class people to the doors of food banks. Even households with at least one employed family member have sought help from food banks as their budgets get eaten up by mortgage payments, utility bills, and soaring gas prices. Food banks regularly report ever increasing numbers of clients served, despite dwindling supplies of food due to decreases in food donations, loss of foundation grants, and cutbacks in governmental subsidies. As one food bank manager said, “What used to be a busy month is now a normal month.”

THE CURRENT STATE OF HUNGER IN KING COUNTY

Demand for food assistance continues to grow

More than one in six Washingtonians currently rely on Basic Food (the state name for the federal food stamp program or SNAP), a more than 80% increase since 2008.²⁶ In 2010, the average monthly benefit per household was \$243.²⁷ These benefits are integral to helping low-income individuals and families obtain a more nutritious diet.

King County caseloads for basic food assistance have nearly doubled since 2007.²⁸ However, even this dramatic increase does not represent the total need, as in 2010 32% of eligible households facing food insecurity and potentially eligible for did not participate in the Basic Food Program.²⁹

Children are some of the hardest hit by food insecurity

In 2010, nearly 1 in 4 families with children - and 1 in 7 Washington households without children - couldn't afford enough food during the year.³⁰ Children with inadequate access to nutritious food are more likely to miss school, repeat a grade, and drop out, leading to other negative outcomes like reduced lifetime earnings.³¹

More than 500,000 Washington and 258,074 King County children qualified for free or reduced-price school meals last year.³² These meals, along with those provided in summer, afterschool and child care programs, help keep kids healthy and ready to learn.

More than one-third of Washington students participate in the free or reduced-price lunch program,³³ but this number does not adequately represent those who need nutritious food. Nearly 30% of income-eligible households with school-aged children did not participate in the programs.³⁴

Figure 2. King County Basic Food Program caseload

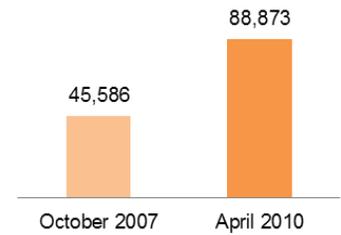
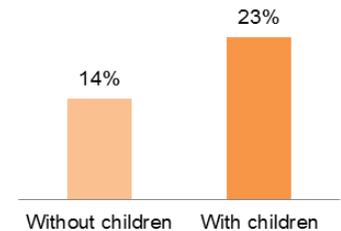


Figure 3. WA households that could not afford enough food in 2009-2010



IMPACT OF REDUCTIONS TO FOOD ASSISTANCE

Traditionally, the state's food support assistance programs have provided vital nutritional support to low income children and families. Even with these vital programs, many people still lack access to healthy food both because the programs do not fully meet the food needs of individuals, and because many of those eligible do not apply for benefits. Now, additional cuts and budget reduction proposals to these already underfunded and inadequate programs threaten people's access to sufficient food and further stress already overburdened food banks.

Cuts to food assistance programs mean even fewer people can access nutritional support

- More than **1.5 million Washingtonians** visited food banks supported by Emergency Food Assistance Program funds in 2010, a **32% increase** from 2007.³⁵ However, upcoming budget revision proposals could cut these food programs by up to 10%,³⁶ seriously hindering food bank customers' access to food.
- In 2011, King County lost **\$1.2 million** in direct Federal Emergency Food and Shelter Program (EFSP) funding, which supports food purchase for food banks and meal programs as well as shelter.³⁷ This lost funding, coupled with increased demand at food banks, means fewer people will receive the nourishment they need.

Potential ways to respond to the reductions

What's working now:

- The emergency food system provides food and hot meals to thousands of families each month.
- Basic Food: each \$5 in benefits spent in local grocery stores results in a total of \$9 in local economic activity; the benefit increase provided in the American Recovery and Reinvestment Act resulted in a small, but significant, drop in food insecurity. The program grows when times are tough and more families need help putting food on the table, then it shrinks when times get better and fewer families apply.
- Child Nutrition programs: provide 1/3 to 1/2 of daily nutrition to participating kids; participation is linked to reduced tardiness and school absences.

Ideas for Community Response:

- Raise money to purchase food for food banks
- Develop community gardens that support low income people and local food banks

Policy Issues to Address:

- Ensuring that federal programs such as SNAP (which funds the Basic Food Program) and TEFAP (which supports local food banks) are able to grow and respond when needed most.
- Ensuring that WIC funds are not slashed in federal debt reduction plans so that pregnant women, infants and children have access to nutritious foods and nutrition education at critical times in child development.
- State funds strategically invested to leverage federal nutrition funds (particularly valuable to expand access to school lunch and breakfast and summer meals) or provide assistance to legal residents of Washington when federal help is not available are critically important, particularly now when hunger continues to rise in Washington.

The sections titled "Potential ways to respond to the reductions" reflect discussions among and input from a number of different groups and do not necessarily represent recommendations from the State of Human Services Policy Group.

Homelessness and Affordable Housing

The State of Human Services in King County

Summary

King County aspires to provide affordable housing for all low-to-moderate-income households, and to eliminate homelessness for all residents. There was significant progress in reducing homelessness (11% decline) between 2010 and 2011.³⁸

Unfortunately, recent budget cuts threaten to undermine the gains King County has made in reducing homelessness, providing supportive services for those with mental health and substance abuse issues and providing sustainable subsidized and market rate housing.

When safe, affordable housing is not available, the entire community suffers. Lack of affordable housing:

- Forces more residents to live on the streets, in their cars or on the couches of friends and relatives
- Affects the health and well-being of displaced renters and homeowners and their families³⁹
- Impacts children's success in school⁴⁰
- Results in longer term problems and higher public costs as people remain homeless longer⁴¹

THE CURRENT STATE OF HOMELESSNESS AND HOUSING IN KING COUNTY

The recession has many low and moderate income individuals and families struggling to maintain their housing. Many more children and families are joining the ranks of the homeless because they no longer have the resources to pay rent or mortgages. King County has 2,465 emergency shelter beds and 4,313 transitional housing beds that serve homeless individuals, families, unaccompanied youth and young adults.⁴² Most nights, these units are filled to capacity, and people in need of shelter are routinely turned away because demand consistently outweighs supply.

Homelessness is persistent for many populations

- Almost 9,000 homeless people were living on the streets, in emergency shelters, or transitional housing at the time of the 2010 King County One Night Count.⁴³
- Nearly two-thirds of the homeless are people of color, though they only account for 28% of the total King County population.⁴⁴
- Up to 21% of all homeless single adults in King County are veterans,⁴⁵ and youth/young adults between the ages of 18 and 25 account for 10% of the homeless.⁴⁶



Unemployed and homeless, Monica was completely exhausted from moving around night after night while trying to keep her 3 year old daughter and a 5 year old son safe with a roof over their heads. Monica was devastated when laid off from a restaurant job she really enjoyed. Unable to find another job quickly, she couldn't keep up with her rent. After spending a cold night in a friend's unheated garage, Monica realized she needed to reach out for help: "I could really see the toll this whole situation was taking on my children."

Monica's case manager noticed her determination and concern for her children's welfare, and issued a motel voucher for Monica and her family. Upon moving into the motel, Monica reported that she and the children were sleeping better and that she was able to drop her son off at kindergarten consistently and found a childcare center for her young daughter.

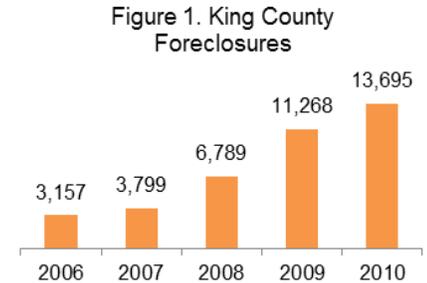
Once the immediate crisis of finding temporary housing was resolved, Monica was able to focus on her goals, applying for jobs and completing housing applications. Monica moved into housing in May 2011, proud of what she was able to achieve in a short period of time with the help of Wellspring Family Services. The interim shelter provided through the use of motel vouchers was the foundation upon which Monica was able to re-build her life and attain permanent housing.

THE CURRENT STATE OF HOMELESSNESS AND HOUSING IN KING COUNTY

The recession has forced more families and children into homelessness

Nearly 14,000 households lost their homes to foreclosures in 2010, a more than 300% increase in foreclosures since 2006.⁴⁷ This coincides with an increase in the number of homeless families in King County.

Between 2006 and 2010, there was an 18% increase in the number of families with children in emergency shelter and transitional housing.⁴⁸ More than half of those in emergency shelters and transitional housing during the 2010 One Night Count were families with children.⁴⁹ Children make up 34% of all individuals living in shelters in King County.⁵⁰



Affordable housing is limited.

Housing is considered affordable when it costs no more than 30% of one's household income. In King County, the Fair Market Rent for a two-bedroom apartment is \$1,176, which means a household must earn \$47,040 annually in order for the rent to be affordable.⁵¹ The median single family home price in King County in 2009 was \$399,950, but an affordable home price for a middle-income household was only \$284,900.⁵²

As a result, many pay more for housing than they can afford.

In 2009, more than a third of home owners and nearly half of renters paid more than 30% of their income for housing costs.⁵³ This gap between income and affordability is especially evident for lower income households: only about one third of market rental apartments in King County are affordable for households making \$35,000 or less, or half the median income.⁵⁴

Figure 2. King County renters in unaffordable housing

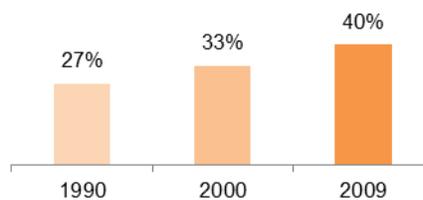
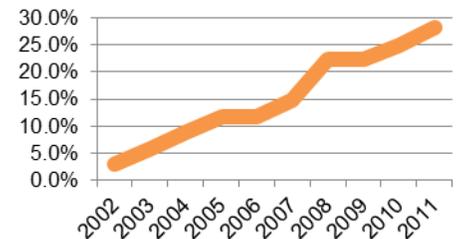


Figure 3. Severely low-income homes with severe rent burdens



Subsidies help keep housing affordable.

Subsidized housing includes both public housing properties as well as vouchers for private-market housing. The three local housing authorities (Seattle, King County and Renton) provide housing to more than 50,000 low-income households annually. Approximately 18,000 of these households receive Section 8 housing vouchers, which help people find fair market rental housing close to schools, work or other community supports. The King County Housing Authority received 25,000 applications for their Section 8 waiting list when it opened for two weeks last May, but only 2,500 households were accepted due to lack of funding.⁵⁵

IMPACT OF REDUCTIONS TO HOUSING AND HOMELESSNESS PROGRAMS

Affordable housing will be even more difficult to access

- Vulnerable low-income populations, including veterans, immigrants and refugees, individuals with disabilities and senior citizens will no longer be able to find affordable housing units or rental and homeownership opportunities because of significant cuts to the federal Community Development Block Grants (CDBG) and the Washington State Housing Trust Fund. The Housing Trust Fund was cut by 75% to \$50 million statewide this last legislative session.
- Despite an existing gap in affordable housing, King County will lose an additional 30 to 60 units. The federal HOME program, which provides grants to King County for building, buying, and rehabilitating affordable housing and for direct rental assistance to low-income people, was cut by \$500,000.

IMPACT OF REDUCTIONS TO HOUSING AND HOMELESSNESS PROGRAMS

Significantly less support for the vulnerable

- King County lost more than \$1 million in federal funding for emergency food and shelter due to recent changes in how the federal formula was calculated, significantly impacting the ability of human services organizations to feed hungry people and provide shelter to the homeless and housing stability for those at-risk of losing their housing. In 2010, this funding provided 949,813 meals and 215,692 nights of shelter to the King County community.⁵⁶
- Two federal programs that prevent homelessness and rapidly re-house the homeless through short-term rental assistance, the American Recovery and Reinvestment Act (ARRA) and the Homeless Prevention and Rapid Re-Housing Program (HPRP), are expiring without renewal, a loss of more than \$6 million. 24,700 people were served statewide in 2011 through this funding.⁵⁷
- Funding for the state Home Security Fund has been cut by nearly 29% and \$12 million of homelessness prevention programs supported by the Fund will expire without renewal.
- The Transitional Housing, Operating and Rent (THOR) program was cut by \$1 million statewide, reducing rental assistance and case management for families at a high risk of becoming homeless.
- 3,753 homeless students were identified as attending public schools in King County during the 2009-2010 school year (1.43% of the total student population in King County).⁵⁸ Mapped onto daily classroom life, this means that a teacher in a King County district class with 35 students stands a 50-50 chance of having one pupil in that class saddled with the kinds of problems typically caused by homelessness — absenteeism, chronic health issues, anxiety, friendlessness, and lack of a place to play or do their homework.⁵⁹
- Prior to 2010, people temporarily disabled and unable to work received some cash assistance that could be used for housing. After a series of reductions, cash assistance for 6,200 people in King County was completely eliminated as of November 1, 2011.⁶⁰ Although there is a new program that will provide housing for a subset of these 6,200 people, the program's future is uncertain given its size, total state support, and size of budget shortfall.

KCHA Helps Keep People Independent:

Quinton Jimerson lives on his own because of programs King County Housing Authority administers.

That wasn't always the case for Quinton. After being diagnosed with multiple sclerosis in 2007, the disease progressed rapidly. He either needed a walker or had to brace himself up against walls or on friends' shoulders. A few months later, he had to get a wheelchair.

Quinton stayed with various family members and slept on their couches. Then in November 2010, thanks to KCHA's Housing Access and Services program, he was able to get his own apartment in Kent. He also has a caregiver who, among other things, buys him groceries, cooks his meals, and takes him to the hospital.

"There are so many disabled families and individuals throughout greater King County," said Jennifer Woodhouse, the HASP program manager. "There is such a great need for these HASP vouchers. KCHA's Supporting Housing Team really enjoys being able to assist these clients with their housing needs."

"I can be me," said Jimerson, about living on his own.



Potential ways to respond to the reductions

What's working now:

- Subsidized housing with supportive services is a best practice to prevent homelessness and create strong communities. The three local housing authorities (Seattle, King County and Renton) provide housing to over 50,000 low-income households annually.
- The approval of a Ten Year Plan to End Homelessness in 2005 helped to strengthen our regional planning and response to homelessness, resulting in the creation of more than 4,500 units of housing in the first five years and enhanced prevention programs that are assisting about 5,000 local households annually to sustain their housing. A recently completed mid-plan review has helped to prioritize regional activities for the next five years.
- The nationally recognized Committee to End Homelessness Funders Group has brought together all of the major local funders of housing and homeless services to establish regional priorities and collaboratively fund housing projects and supportive services. The 2010 combined Notice of Funding Availability (NOFA) included 22 different resources totaling \$56 million.
- Housing First, the practice of placing people who are homeless immediately into housing rather than imposing "housing readiness" requirements, has been embraced in King County, resulting in significant reductions in chronic homelessness.
- A new Client Care Coordination system is prioritizing for housing the most vulnerable in our community, particularly those who are the highest users of costly emergency medical or criminal justice interventions.
- Approval by local voters of the Seattle Housing Levy and the King County Veterans and Human Services Levy, along with State Legislature-approved document recording fees and the King County Mental Illness and Drug Dependency sales tax initiative are all contributing funds toward the development of regional affordable housing and homeless supportive housing. While together they cannot make up for lost state and federal funding, they offer critical funds to implement the Ten Year Plan.

Ideas for community response:

- Capitalize on vacant foreclosed properties and work to determine if there is a way to use them to temporarily house individuals and families

Policy issues to address:

- Develop incentives for private market rate landlords to rent to low-income individuals and families
- Advocate for the extension of the document recording fees to support ten year plans to end homelessness

The sections titled "Potential ways to respond to the reductions" reflect discussions among and input from a number of different groups and do not necessarily represent recommendations from the State of Human Services Policy Group.

Health Care

The State of Human Services in King County

Summary

The health and vibrancy of a community is due in large part to having adults and children who are healthy, ready to learn and work, and focused on building a bright future. However, the recent economic crisis has led to increased poverty, a de-funding of prevention and severe cuts in eligibility and benefits for health services, all of which take a heavy toll on the health of the individual and the community.

Access to affordable, preventative health care:

- Avoids costly emergency room use for conditions that could have been treated in primary care⁶¹
- Helps identify and treat health issues before they become more serious, more expensive, and life-threatening⁶²
- Keeps adults and children healthy, able to work⁶³ and attend school⁶⁴

In addition, even when individuals have health care coverage, it rarely meets the need for mental health and substance abuse issues. Unable to access treatment, these individuals become at highest risk for homelessness, incarceration, hospitalization, victimization and crime.

Even before the recession, it was clear that rising health care costs were unsustainable. Health care costs currently represent 17% of the national GDP and expenditures are expected to rise by 6% for the next several years. Committing this level of resources means that other community priorities cannot be addressed.⁶⁵

High costs, unequal access, and resulting patterns of use have serious consequences for the quality of life for the individual, family and community, now and far into the future.

THE CURRENT STATE OF HEALTH CARE ACCESS IN KING COUNTY

Low-income and uninsured people often can't get the care they need because:

- **Publicly funded health services are threatened.** More than 200,000 people are seen in community health centers and public health centers, where the ability to serve them is being eroded. Nearly 90,000 of those seen are covered by state programs (e.g. Basic Health Plan and Disability Lifeline) or Medicaid, while 87,000 have no insurance at all.⁶⁶ Across the region, other health care practices with a mission to serve the uninsured and those on Medicaid also face increasing financial stress.⁶⁷



Franklyn's Story: The Impact of Adult Dental Services

Franklyn, a Seattle native and veteran, spent more than 10 years addicted to drugs. He drifted in and out of homelessness, eventually landing in prison. Here, he began turning his life around, earning an associate's degree in business administration.

Franklyn was now ready to embark on a new life and a new career, but years of neglect had taken its toll on his oral health. His dental problems so affected his appearance that he had difficulty finding a job. He needed extensive dental work he could not afford to restore his mouth and smile. That's when he learned he qualified for adult dental care through Medicaid.

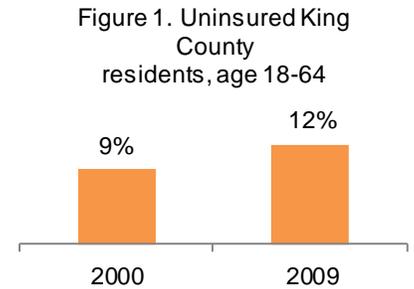
At a local community clinic, Franklyn received the dental care he needed, along with referrals to other services to help him in other areas of trouble in his life. As he puts it, he received "services with a dash of hope."

Today, Franklyn is a budding entrepreneur working to open transitional housing units for homeless men looking to change their lives -- just like he did with help from the Adult Dental Program

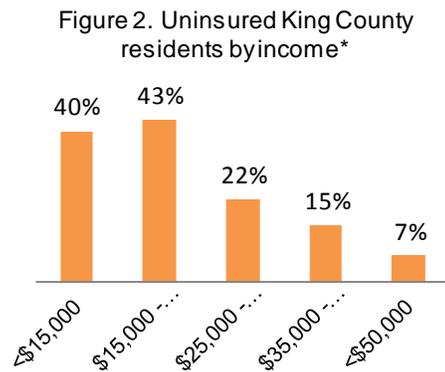
Unfortunately, stories like Franklyn's probably wouldn't happen today. Budget cuts mean adult dental care and other clinical services at Public Health and community health centers may be eliminated, leaving hundreds of thousands of King County residents with nowhere to go for care.

THE CURRENT STATE OF HEALTH CARE ACCESS IN KING COUNTY

- **More people are uninsured.** The majority of the population receives health insurance through the workplace, but when people lost their jobs during the recession, they also lost their health benefits. In 2009, approximately 158,000 uninsured adults aged 18-64 years in King County could not adequately access important physical and behavioral health services.⁶⁸
- **Even with insurance, the price of care is above some people's ability to pay.** In 2008, 143,000 (about 10%) King County adults did not seek medical care because of the cost.⁶⁹

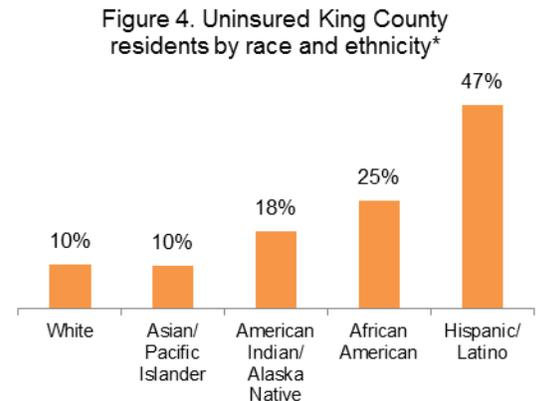
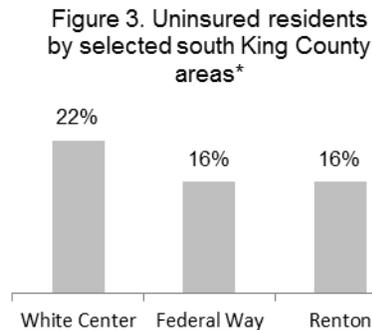


Low-income adults and families are most often uninsured.



Marginalized populations have limited access to healthcare.

People of color and residents living south of Seattle are most likely to be uninsured.



* All figures are for adults (age 18-64), between 2005 and 2009⁷⁰

IMPACT OF REDUCTIONS TO HEALTH CARE

Health care budget cuts negatively impact our entire community and disproportionately impact our poorest and most vulnerable residents including low-income working adults, pregnant women, newborns, and people with disabilities.

- There are currently 8,500 King County adults enrolled in the Basic Health Plan. Enrollment was frozen in 2011 with a statewide wait list of 151,000 people (38,972 in King County).⁷¹ With the program slated for elimination in 2012, these working, low-income adults will not be able to afford health care and will rely upon emergency rooms and community health centers to provide uncompensated care.
- Tens of thousands of King County Adult Dental beneficiaries and elderly and disabled personal care beneficiaries statewide will no longer receive coverage due to Medicaid reductions.⁷² Both dental services and at-home care strongly impact overall health and these cuts will lead to increased ER visits, greater strain on families and other caregivers, and potential loss of jobs for their family caregivers.
- Care for more than 17,000 pregnant women in King County will be endangered by deep cuts to Maternity Support Services (MSS); over 90% of MSS clients are low income and 66% are people of color.⁷³
- Hundreds of low-income families in King County will face increased health care premiums of 200% due to cuts to Apple Health for Kids. Some families will be unable to pay and children will lose care important to their growth and development.
- Cuts to medical interpretation services endanger the lives of 240,000 non-English speaking patients who need the program to effectively communicate their health care problems and avoid misdiagnosis/treatment.⁷⁴
- Loss of direct funding to clinics, lower reimbursement rates to health care providers, and fewer people with insurance threatens the public and community health centers that serve more than 200,000 low-income King County residents. These people often have jobs without paid sick leave, and absences for illness can lead to job loss, housing instability, and the need for public benefits or charity.

IMPACT OF REDUCTIONS TO OTHER HEALTH RELATED SERVICES

The need for mental health and substance abuse services continues to grow. . .

- One third of King County's adult non-institutionalized population experiences a diagnosable mental condition or episode of substance abuse each year.⁷⁵
- Involuntary psychiatric commitments have gone up by over 18% in each of the last two years, from 2,367 in 2009 to a projected 3,340 in 2011.⁷⁶ Over half the people being committed are held in emergency rooms and non-psychiatric treatment settings for an average of two to three days waiting for a psychiatric treatment bed to open up.
- The countywide waiting list for methadone, a drug addiction treatment, grew from 59 people at the beginning of 2009 to more than 500 in June 2011.⁷⁷
- Up to 19% of Iraq and/or Afghanistan veterans experience a mental health problem. Studies also show that as much as 70% of homeless vets suffer from substance abuse problems, with considerable overlap between mental illness and substance abuse disorders.⁷⁸

But access to mental illness and substance abuse treatment is becoming more limited.

- Due to budget reductions in mental health funding in 2009, 2010 and 2011, King County has already cut mental health services to 325 people who are not covered by Medicaid and reduced a range of other services including crisis appointments, residential treatment and homeless outreach.⁷⁹ These, plus additional cuts, would reduce or eliminate funding for programs and services that serve as alternatives to jail and emergency services and result in even more people with mental illness ending up hospitalized or incarcerated.
- More than 1,443 clients per year receiving state-funded drug and alcohol treatment are at risk of losing the services that keep them out of jails and hospitals and help them achieve recovery.⁸⁰
- Effective November 2011, about 3,500 people receiving drug and alcohol treatment in King County will lose their stipend for sober housing.⁸¹ With no means to pay for that housing, not only is their sobriety greatly jeopardized, but they are also at very high risk for homelessness.

Magan's Story: The Impact of Maternity Support Services



As a coordinator at a local nonprofit who helped families with special needs children, Magan never suspected she'd be looking for the kind of help she usually provided to others. All that changed when her youngest daughter, Sophie, was born. Unable to juggle full-time employment with caring for a special needs baby of her own, Magan had to leave her job. She became uninsured for the first time in her life, along with her family.

That's when she turned to Maternity Support Services (MSS). Through MSS, Magan and Sophie were connected to a Public Health Nurse (PHN) who visited their home twice a week to check on Sophie's health. Because they were working with a PHN, Magan was able to limit the number of visits Sophie

made to physician's offices, where the vulnerable infant was exposed to potentially life-threatening germs.

Magan turned to MSS when Sophie pulled out her feeding tube. Magan and her husband were told there were two options: surgery to insert a more permanent feeding tube into Sophie's stomach, or monitoring Sophie's ability to feed on her own. With her PHN's support, Magan chose to monitor Sophie's ability to feed on her own. Baby Sophie held her weight the first week and is now a healthy and thriving three-year-old. Today, Magan tells anyone who asks how invaluable MSS was to her daughter and her family: as a result of the guidance and care provided by the PHN, a fragile infant avoided an invasive and risky procedure, and the state saved the cost of an unnecessary surgery.

Potential ways to respond to the reductions

What's working now:

- Community and public health centers serving low-income people provide important preventative services; offer comprehensive care; coordinate referrals for substance abuse, mental health and dental care; and are cost effective.
- Evidence based early learning programs help improve children's cognitive, social and behavioral health and reduce their risk factors as adults thus avoiding costly health care.
- King County's Mental Illness and Drug Dependency sales tax revenues and the voter-approved Veterans and Human Services Levy provide limited but crucial funding for some mental health and substance abuse services, youth suicide prevention efforts, specialty courts and alternatives to costly incarcerations and hospitalizations, and supportive services for individuals who are chronically homeless. Both fund sources have established priority populations and King County Council-approved service plans that direct all expenditures. While they have helped to forestall what would have been even deeper cuts to services in recent years, they do not offset the new proposed state budget cuts.

Ideas for community response:

- Create a network of private dental providers who will take a certain number of uninsured patients.
- Engage the community to create and implement ways that encourage preventive behavior around exercise, healthy eating, responsible drinking, up-to-date vaccinations, etc.
- Make greater use of schools and other community facilities as a base for community health partnerships e.g. homeless health care, nutritional education targeting families along with food programs for children
- Have each community organize an essential needs bank to help the homeless

Policy issues to address:

- Change benefit package for the Basic Health Plan so more people can be served.
- Create strategies that preserve vital elements of current state funded health programs in order to establish a "bridge" to health care reform
- Have a combined government, non-profit, philanthropy effort to help programs convert to electronic health records so they'll be better prepared for health care reform

The sections titled "Potential ways to respond to the reductions" reflect discussions among and input from a number of different groups and do not necessarily represent recommendations from the State of Human Services Policy Group.

Employment Services & Income Support

The State of Human Services in King County

Summary

A strong, vibrant community has a high proportion of individuals and families with incomes that allow them to be self-sufficient.

Since 2008, the Great Recession has brought soaring unemployment rates to King County. The response from the federal and state government has been to focus on providing funding for capital projects, incentives for businesses to hire, and extending unemployment benefits. While these responses have temporarily helped a large number of workers, they have been counterbalanced by reductions in government funded income support programs (that help purchase housing, food and child care) and shrinking educational and training opportunities that help unemployed and marginally employed people move into self-sufficient wage jobs. Without a living wage income, more people are seeking assistance from non-profit organizations and their faith communities who struggle to meet the volume or range of requests.

When unemployment rates are high and employment opportunities and/or income supports are not adequate, the entire community suffers from increasing:

- Poverty⁸²
- Homelessness⁸³
- Theft crime as a way to meet basic needs⁸⁴
- Gang involvement⁸⁵

These effects fall most heavily on communities of color, people with disabilities, at-risk youth, older adults, the working poor and children.

THE CURRENT STATE OF EMPLOYMENT SERVICES AND INCOME SUPPORT IN KING COUNTY

King County unemployment rates have more than doubled

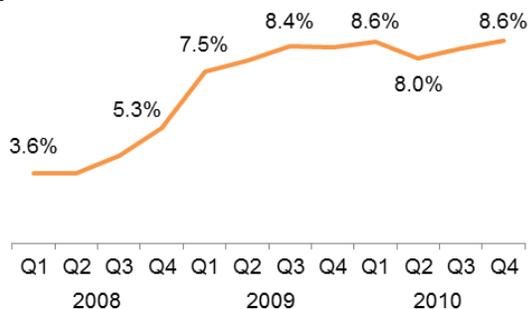


Figure 1. King County unemployment rates 2008-2010



Sharon's Story: The Impact of King County's Dislocated Worker Program

In 2008, I was laid-off from a job that I had been in for over 20 years. My age was 63.

Craig Riggs, with the Dislocated Worker Program within the King County Work Training Program, talked to me and my husband (he was laid off, too) about a program through King County that might pay our tuition to go to school and learn a different skill set.

We were both approved for training and went to Bellevue College through the Graphic Design Program. It was a two-year course that we completed in one year.

In 2008, we also lost a large portion of our retirement monies, so we really needed to go back to work. I think Craig is an angel. If it hadn't been for him giving us hope, encouragement, and help along the way, I don't know what would have happened to us.

We are both 65 now. Using the skills we learned through school, we are now able to support ourselves. Thank you everyone... especially Craig.

Federal Workforce Investment Act funding reductions resulted in significant cuts to the King County Work Training Program this year. With the unemployment rate continuing to hover around 9%, and an increasing number of workers maxing out their unemployment benefits, King County worked to preserve as many client services as possible by streamlining the management of the program. Still, with the loss of some positions, an estimated 220 dislocated workers in need of new jobs will not be able to receive training, job placement and career counseling this year. Additional federal and state cuts loom, and the unemployment rate remains high, so the gap will likely increase.

THE CURRENT STATE OF EMPLOYMENT SERVICES AND INCOME SUPPORT IN KING COUNTY

Some vulnerable populations have even higher rates of unemployment

Refugee unemployment rates are higher and increased more quickly.

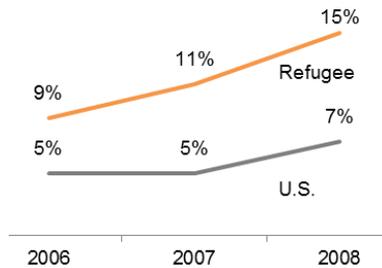


Figure 2. U.S. and Refugee unemployment rates, 2006-2008

Nationally, the unemployment rate for people with disabilities rose while falling for those without.

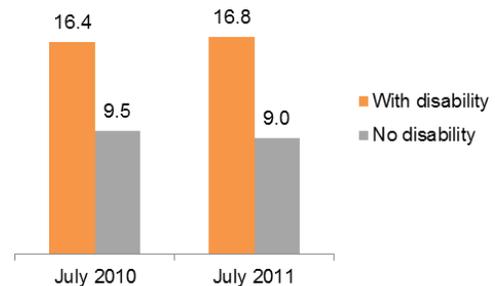


Figure 3. Unemployment rates for people with and without disability, 2010-2011

Those in minimum wage jobs or unemployed are unable to meet their basic needs

Newly published data from local self-sufficiency studies shows that a family of three in Seattle needs to have \$56,904 a year to cover basics like housing, food, child care, transportation, taxes. In East King County, the same family would need \$65,690 a year, the highest self-sufficiency cost in the state. Even though Washington State has the highest minimum wage in the nation, a three-person family with one minimum wage earner would only have enough income to cover less than half of its living expenses.⁸⁶

Social programs and tax adjustments help families survive economically. Ultimately these income supports make our communities a better place to live. For instance, the child who has stable housing, gets sound nutrition and a good start in school is more likely to grow up to be a productive adult than the child who lacks those basics.

Youth have high unemployment rates

- Large numbers of youth are leaving school before they get their high school diploma and are entering the workforce with no skills and limited education. King County's 2010 on-time graduation rate was 83%. They are not equipped to compete for adult employment and are therefore vulnerable to poverty and criminal activities.
- Unemployment rates for youth and young adults (ages 16-29) are the highest they have been since World War II. Studies show that when people experience unemployment at a young age, it depresses their earning power over a lifetime.

IMPACT OF REDUCTIONS TO EMPLOYMENT SERVICES AND INCOME SUPPORT

Low income individuals and families suffer from lack of support

- As of July 2011, 13,748 low income families in King County with no other means of cash support had their monthly income support reduced by 15% (Ex. \$562/month to \$478/month for a family of three) as they try to go back to school, move toward job training and employment and move off "welfare."^{87,88} In addition, 5,500 families lost income support through Temporary Assistance for Needy Families (TANF) due to stricter enforcement of time limits.
- 6,200 individuals in King County who are temporarily disabled and unable to work saw their monthly Disability Lifeline income support reduced from \$339 to \$197 over the past year, and then completely eliminated on November 1, 2011.⁸⁹ This monthly income supported housing, food, and basic needs.
- More than 1,100 families lost their subsidized child care benefit when the eligibility level for Working Connections Child Care (WCCC) changed from 200% to 175% of the FPL. In addition, more than 20,000 low-income families saw their program co-pay increase. WCCC enrollment is now prioritized for families receiving TANF and families of children with special needs. Other eligible families receive child care on a first come, first serve basis, but enrollment is capped at 35,200 and there currently is a wait list.⁹⁰

IMPACT OF REDUCTIONS TO EMPLOYMENT SERVICES AND INCOME SUPPORT

Decreased employment services

- Each year, about 120,000 people (including 700 at-risk youth) visit the King County WorkSource system for employment resources. However, funds supporting King County WorkSource have been reduced by nearly half since 2002, including significant reductions this year. As a result, WorkSource centers may be forced to serve fewer clients overall, reduce one-on-one career support, limit training vouchers, and reduce support for at-risk youth and immigrant and refugee programs.
- A 14% cut to the King County Work Training Program that helps adult dislocated workers find new employment after being laid off will mean a loss of services to more than 200 people this year.

Vulnerable populations disproportionately affected

- Proposed elimination of Refugee Employment Services, which, between July 2010 and June 2011, helped 5,471 unduplicated low-income refugees and immigrants to find jobs and contribute to the economy.⁹¹
- As a result of a \$750,000 reduction in state funds for employment and day program services in King County, that took effect July 1, 2011, an estimated 110 adults with developmental disabilities who are waiting for services will not be served.
- Additionally, a change in state funding and program rules that took effect July 1, 2011 resulted in 191 King County adults with developmental disabilities faced with a choice of selecting between employment and adult day health services. Out of this number, 35 individuals opted to retain adult day health services and they lost their employment services.
- It is estimated that only a third -- of the 150 students with developmental disabilities who graduate from high schools in King County annually -- will be able to receive case management and other employment services leading to employment, as a result of state funding reductions in 2011. Moreover, restrictions to these services may worsen if additional funding reductions occur in 2012.

EITC: An Important Form of Income Support

Each year, United Way of King County provides free tax preparation and access to the Earned Income Tax Credit and other tax credits to help working families increase their incomes and create savings. Volunteers working at these sites get to experience firsthand the importance of income supports like EITC in people's lives:

I helped several people this year that had only found work for a couple months out of the year, and were using a variety of services just to get by. To be able to help those folks often get several hundred dollars back was a huge help to them. One woman said that her \$800 tax refund from last year fed her and her daughter until May of this year, and that this year she was planning to use her refund to pay the back rent on her apartment so they could stay in their home.

Income supports like EITC help low-income families achieve financial stability and avoid homelessness. In another volunteer's words, "The power of EITC is amazing."



Potential ways to respond to the reductions

What's working now:

- The new Opportunity Center for Employment and Education at North Seattle Community College that opened this summer provides the assistance of the state Department of Social and Health Services, Employment Security, and community college education resources all in one location. It serves as a model for efficiency and streamlining services for people with multiple needs.
- Thanks to King County voters, the Veterans and Human Services Levy provides funding for a range of employment programs targeted to veterans, people coming out of the justice system, and others in need.
- Homelessness planning in King County is increasingly embracing the idea that economic opportunity is a pillar to ending homelessness. Providing opportunities for people to achieve self-sufficiency is key to exiting homelessness and maintaining long-term stability.
- Both Seattle and King County are embarking on initiatives to address gang involvement and youth violence, recognizing the need to offer at-risk youth pathways to safer and more productive futures.

Ideas for Community Response:

- United Way, in partnership with other community funders, is beginning work on looking at employment services targeting refugee and immigrant populations. This group will identify issues and come up with possible solutions.

Policy Issues to Address:

- With the instability of federal funds, it may be time to appeal to local governments to provide funding for employment and training services for their residents; this could be in the form of new municipal programs or partnerships with the state WorkSource system, through basic infrastructure or technology grants to enhance local WorkSource sites and increase access to services.

The sections titled "Potential ways to respond to the reductions" reflect discussions among and input from a number of different groups and do not necessarily represent recommendations from the State of Human Services Policy Group.

References

- ¹ Public Health – Seattle & King County. (2008). *Percent of all persons and number and percent of all children age 0-17 living below 100% of the Federal Poverty Line: King County and regions, 1979, 1989, 1999 and King County, 2007*. Retrieved from Communities Count: <http://www.communitiescount.org/index.php?page=popup&pageid=81&graphid=3>
- ² Public Health – Seattle & King County. (2010). *Communities Count data updates: November 2010*. Retrieved from Communities Count: <http://www.communitiescount.org/uploads/pdf/Data%20Updates/November%202010%20CC%20Data%20Update.pdf>
- ³ Pearce, D. (2011). *The self-sufficiency standard of Washington State 2011*. Retrieved from Workforce Development Council to Seattle – King County: http://www.seakingwdc.org/pdf/ssc/SelfSuffStandardReport_11_web.pdf
- ⁴ Food Lifeline.
- ⁵ Barber, P. (2010). *Nonprofits in Washington: A statistical profile*. Retrieved from Nancy Bell Evans Center on Nonprofits and Philanthropy: [http://evans.washington.edu/files/NPInWA2010\(2\).pdf](http://evans.washington.edu/files/NPInWA2010(2).pdf)
- ⁶ Boris, E.T., de Leon, E., Roger, K.L., & Nikolova, M. (2010). *National study of nonprofit – government contracting: State profiles*. Retrieved from Urban Institute Center on Nonprofits and Philanthropy: <http://www.urban.org/uploadedpdf/412227-National-Study-of-Nonprofit-Government.pdf>
- ⁷ Boris, E.T., de Leon, E., Roger, K.L., & Nikolova, M. (2010).
- ⁸ Proportions were calculated using the Washington Research Council's 2002 estimation of public sector services funding in King County and Philanthropy NW's sum of foundation gifts for Washington State. Calculations do not include nonprofit organizations' fundraising dollars or private dollars from individuals.
- ⁹ Washington Workfirst. (2011). Disability Lifeline and TANF data sheet. Retrieved from Washington Workfirst: <http://www.workfirst.wa.gov/resources/pdf/State%20County%20City%20Data.pdf>
- ¹⁰ K. Ross, Public Health – Seattle & King County. Personal communication.
- ¹¹ S. Hamilton, King County Department of Community and Human Services. Personal communication.
- ¹² Statewide Poverty Action Network. (2011). *2011 safety net report: Impacts of TANF and Disability Lifeline reductions*. Retrieved from Statewide Poverty Action Network: http://www.povertyaction.org/Home/documents/PovertyAction_BudgetCuts2011.pdf
- ¹³ K. Ross, Public Health – Seattle & King County. Personal communication.
- ¹⁴ Washington Workfirst. (2011).
- ¹⁵ Statewide Poverty Action Network. (2011).
- ¹⁶ D. Wentorf, United Way of King County. Personal communication.
- ¹⁷ Public Health – Seattle & King County. (2010).
- ¹⁸ Public Health – Seattle & King County. (2011). *Communities Count data updates: July 2011*. Retrieved from Communities Count: <http://www.communitiescount.org/uploads/pdf/Data%20Updates/July%202011%20CC%20Data%20Update.pdf>
- ¹⁹ Gould, E. D., Weinberg, B. A., & Mustard, D. B. (2002). Crime rates and local labor market opportunities in the United States: 1979-1997. *Review of Economics and Statistics*, 84, 1.
- ²⁰ Centers for Disease Control and Prevention (2011). *Worker productivity*. Retrieved from Centers for Disease Control and Prevention: <http://www.cdc.gov/workplacehealthpromotion/businesscase/reasons/productivity.html>
- ²¹ Cornell News. (2002, April 25). *Hungry young people are more likely to attempt suicide, suffer from depression and do poorly in school, studies at Cornell find* [Press release]. Retrieved from <http://www.news.cornell.edu/releases/April02/hunger.kids.ssl.html>
- ²² Cook, J.T. & Frank D.A. (2008). Food security, poverty, and human development in the United States. Retrieved from *Annals of the New York Academy of Sciences*: <http://www.blackwell-synergy.com/doi/full/10.1196/annals.1425.001?cookieSet=1>.
- ²³ Stone, L. (2010). *Hungry in Washington: November 2010*. Retrieved from Children's Alliance: http://wafoodcoalition.org/Hungry%20in%20Washington2010%20_FINAL_.pdf
- ²⁴ Food Lifeline
- ²⁵ EFAP grant food banks between 2007 and 2009
- ²⁶ Washington State Department of Social and Health Services. (2009). *Food Lifeline data* [Data set]. Available from Washington State Department of Social and Health Services Web site: <http://www2.uwkc.org/kcca/BasicNeeds/exceldataBN/FoodLifelineData.xls>
- ²⁷ United States Department of Agriculture. (2011). *Supplemental Nutrition Assistance Program: Average monthly benefit per household*. Retrieved from Food and Nutrition Services: [http://www.fns.usda.gov/pd/19SNAPavg\\$HH.htm](http://www.fns.usda.gov/pd/19SNAPavg$HH.htm)

-
- ²⁸ Washington State Department of Social and Health Service. (2009). *DSHS applications* [Data set]. Available from Washington State Department of Social and Health Services Web site: <http://www2.uwkc.org/kcca/BasicNeeds/exceldataBN/DSHSApplcations.xls>
- ²⁹ Stone, L. (2010).
- ³⁰ Food Research and Action Center. (2011). *Food hardship in America 2010: Households with and without children*. Retrieved from Food Research and Action Center: http://frac.org/pdf/aug2011_food_hardship_report_children.pdf
- ³¹ Shepherd, D.S., Setren, E., & Cooper, D. (2011). *Hunger in America: The suffering we all pay for*. Retrieved from <https://halfinten.peachnewmedia.com/EdutechResources/resources/bytopicid/29453/hunger2011.pdf>
- ³² Office of Superintendent of Public Instruction. (2011). *Washington State child nutrition programs*. Retrieved from Office of Superintendent of Public Instruction: <http://www.k12.wa.us/ChildNutrition/pubdocs/CNSProgram.pdf>
- ³³ Office of Superintendent of Public Instruction. (2011).
- ³⁴ Stone, L. (2010).
- ³⁵ Anti-Hunger and Nutrition Coalition (n.d.). *2011 legislative priorities*. Retrieved October 25, 2011, from <http://www.wsahnc.org/2011la/>
- ³⁶ Anti-Hunger and Nutrition Coalition (n.d.). *Vote on Coalition's voting priorities now!* Retrieved October 25, 2011, from <http://www.wsahnc.org/>
- ³⁷ Jones, L. (2011, January 10).
- ³⁸ Committee to End Homelessness in King County. (2011). *2010 One Night Count survey data*. Retrieved from Committee to End Homeless in King County: http://www.cehkc.org/DOC_reports/2010ONC.pdf
- ³⁹ National Coalition for the Homeless. (2009). *Health care and the homeless* [Fact sheet]. Retrieved from <http://www.nationalhomeless.org/factsheets/health.html>
- ⁴⁰ National Coalition for the Homeless. (2009). *Education of homeless children and youth* [Fact sheet]. Retrieved from <http://www.nationalhomeless.org/factsheets/education.html>
- ⁴¹ Diamond, P. M. & Schnee, S. B. (1991). *Lives in the shadows: Some of the costs and consequences of a "non-system" of care*. Austin, Texas: Hogg Foundation for Mental Health. Retrieved from: <http://www.eric.ed.gov/PDFS/ED338998.pdf>
- ⁴² S. Hamilton, King County Department of Community and Human Services. Personal communication.
- ⁴³ Committee to End Homelessness in King County. (2011).
- ⁴⁴ Committee to End Homelessness in King County. (2011).
- ⁴⁵ Committee to End Homelessness in King County. (2011). *Five year plan to end homelessness among veterans in King County*. Retrieved from Committee to End Homelessness: http://www.cehkc.org/DOC_plan/Vets-5YearPlan2011.pdf
- ⁴⁶ Committee to End Homelessness in King County. (2011).
- ⁴⁷ Public Health – Seattle & King County. (2011).
- ⁴⁸ Data from: 2006 & 2010 One Night Count
- ⁴⁹ Committee to End Homelessness in King County. (2011).
- ⁵⁰ Committee to End Homelessness in King County. (2011).
- ⁵¹ Bravve, E., DeCrappeo, M., Pelletiere, D., & Crowley, S. (2011). *Out of reach: Renters await the recovery*. Retrieved from National Low Income Housing Coalition: <http://nlihc.org/oor/oor2011/data.cfm?getcounty=on&county=3015&state=WA>
- ⁵² King County Office of the Executive. (2011). *Affordable home price vs. median home price in King County*. Retrieved from King County Office of Performance, Strategy and Budget: http://www.kingcounty.gov/exec/PSB/BenchmarkProgram/AffordableHousing/AH24_AffordabilityGap/AffGapSFvsCondoTable.aspx
- ⁵³ King County Office of the Executive. (2011). *Percent of income paid for housing*. Retrieved from King County Office of Performance, Strategy and Budget: http://www.kingcounty.gov/exec/PSB/BenchmarkProgram/AffordableHousing/AH22_IncomeForHousing.aspx
- ⁵⁴ King County Office of the Executive. (2011). *Existing housing units available to low-income households*. Retrieved from King County Office of Performance, Strategy and Budget: http://www.kingcounty.gov/exec/PSB/BenchmarkProgram/AffordableHousing/AH29_ExistingAffordable.aspx
- ⁵⁵ M.F. Hyla, King County Housing Authority. Personal communication.
- ⁵⁶ D. Wentorf, United Way of King County. Personal communication.
- ⁵⁷ M. Shaw, United Way of King County. Personal communication.
- ⁵⁸ Schoolhouse. (n.d.) *Homeless students in Washington State*. Retrieved from Schoolhouse: <http://www.schoolhousewa.org/research-and-data.php>

-
- ⁵⁹ Lightfoot, J. (2011, September 16). Homeless students: Rising fast, especially in rural areas. *Crosscut.com: News of the Great Nearby*. Retrieved from <http://crosscut.com/2011/09/16/k-12/21296/Homeless-students:-rising-fast,-especially-in-rural-areas/>
- ⁶⁰ Washington Workfirst. (2011).
- ⁶¹ Partnership for Medicaid. (n.d.). *Reducing inappropriate emergency room use among Medicaid recipients by linking them to a regular source of care*. Retrieved from Partnership for Medicaid: http://www.thepartnershipformedicaid.org/images/upload/ER_Use.pdf
- ⁶² Partnership for Medicaid. (n.d.).
- ⁶³ Centers for Disease Control and Prevention (2011).
- ⁶⁴ Levine, P.B. & Schanzenbach, D.W. (2009). The impact of children's public health expansions on educational outcomes. Working paper. Retrieved February 8, 2012, from http://www.nber.org/papers/w14671.pdf?new_window=1
- ⁶⁵ U.S. Department of Health & Human Services. (2011). *National health expenditure fact sheet* [Fact sheet]. Retrieved from https://www.cms.gov/NationalHealthExpendData/25_NHE_Fact_sheet.asp
- ⁶⁶ E. Hertel, Community Health Plan of Washington. Personal communication.
- ⁶⁷ E. Hertel, Community Health Plan of Washington. Personal communication.
- ⁶⁸ K. Ross, Public Health – Seattle & King County. Personal communication.
- ⁶⁹ Public Health – Seattle & King County. (2011). *Indicator: Percent with unmet medical need* [Data set]. Available from Public Health – Seattle & King County Web site: <http://www.kingcounty.gov/healthservices/health/data/chi2009/AccessUnmetNeed.aspx>
- ⁷⁰ All figures use data from Public Health- Seattle & King County
- ⁷¹ K. Ross, Public Health – Seattle & King County. Personal communication.
- ⁷² K. Ross, Public Health – Seattle & King County. Personal communication.
- ⁷³ K. Ross, Public Health – Seattle & King County. Personal communication.
- ⁷⁴ Mangaliman, J. (2011). *The color of cuts: The disproportionate of budget cuts on communities of color in Washington State*. Retrieved from Washington Community Action Network: <http://washingtoncan.org/wordpress/wp-content/uploads/2011/03/color-of-cuts.pdf>
- ⁷⁵ National Comorbidity Survey (2007). *The national comorbidity survey*. Retrieved from <http://www.hcp.med.harvard.edu/ncs/index.php>
- ⁷⁶ S. Hamilton, King County Department of Community and Health Services. Personal communication.
- ⁷⁷ S. Hamilton, King County Department of Community and Human Services. Personal communication.
- ⁷⁸ King County Department of Community and Human Services. (2011). *Five year plan to end homeless among veterans in King County*. Retrieved from Committee to End Homelessness: http://www.cehkc.org/DOC_plan/Vets-5YearPlan2011.pdf
- ⁷⁹ S. Hamilton, King County Department of Community and Human Services. Personal communication.
- ⁸⁰ S. Hamilton, King County Department of Community and Human Services. Personal communication.
- ⁸¹ S. Hamilton, King County Department of Community and Human Services. Personal communication.
- ⁸² Nichols, A. & Callan, T. (2011). *Unemployment and poverty* [Fact sheet]. Retrieved from <http://www.urban.org/uploadedpdf/412400-Unemployment-and-Poverty.pdf>
- ⁸³ National Coalition for the Homeless. (2007). *Employment and homelessness* [Fact sheet]. Retrieved from <http://www.nationalhomeless.org/publications/facts/Employment.pdf>
- ⁸⁴ Gould, E. D., Weinberg, B. A., & Mustard, D. B. (2002).
- ⁸⁵ Esbensen, F. (September 2000). Preventing adolescent gang involvement. *Juvenile Justice Bulletin*. Retrieved from <https://www.ncjrs.gov/pdffiles1/ojjdp/182210.pdf>
- ⁸⁶ Pearce, D. (2011).
- ⁸⁷ Washington Workfirst. (2011).
- ⁸⁸ Statewide Poverty Action Network. (2011).
- ⁸⁹ Washington Workfirst. (2011).
- ⁹⁰ Statewide Poverty Action Network. (2011).
- ⁹¹ J. Wendland, Asian Counseling and Referral Service. Personal communication.



Nonprofit Resiliency in King County

Understanding the recession's impact on local organizations

This brief was written Megan Farwell, MSW, MPA, for United Way of King County's special [Public Policy Update](#), which takes an in-depth look at local nonprofits and their resiliency during the economic recession.

As a result of the economic recession, the amount of public funds supporting health and human services has been severely reduced, prompting questions about the continued resiliency of the social safety net. Because nonprofits are critical to providing these services, it is increasingly important to understand the effect of the economic downturn on those organizations.

Until recently, these knowledge gaps have prevented local policymakers, researchers, and service providers from adequately understanding the specific challenges nonprofits are facing, as well as how these changes may influence client access to needed services. This study seeks to provide useful insight in both areas, in hopes that these results might help inform future discussions and decisions regarding the maintenance of King County's safety net sector.

THE STUDY

Data for this study came from two sources:

- Survey:** The survey gathered specific information about nonprofits' services and service populations, asked direct questions about their responses to the recession, and solicited feedback about how the recession changed service demand and provision. Eligible organizations: were registered as a food, housing, or multipurpose organization under their 501(c)(3) status; provided services in King County; and possessed a working email address. Using these criteria, 231 organizations were eligible to receive the survey.
- IRS 990 Filings:** IRS filings offer standardized financial indicators (like revenue, liabilities, and government support) across organizations and sector types. This information provided a more generalizable understanding of nonprofits' overall health and lent insight into closure rates over the course of the recession. This data set included all 508 food, housing and multipurpose organizations in King County who filed an IRS 990 form in 2009 (the most recent year for which data was available).

SUMMARY OF FINDINGS

- Most organizations receive government support, and public dollars account for nearly half of their total budgets. Simultaneously, most organizations reported significant reductions from this funding source since the onset of the recession.
- Despite revenue shortfalls, most organizations have modified service provision to meet increased demand. Rather than increase costs to clients, this was achieved largely through staff-related cutbacks.
- The current organizational resiliency of nonprofits in the face of consistent budget reductions, increased service demands, and staff cutbacks may not predict future outcomes

THE SURVEY RESPONDENTS

Of the 231 organizations that received the survey, 66 completed it, yielding a 29% response rate. The proportion of respondents from each category was roughly similar to the proportion of eligible organizations and the entire data set, although food organization respondents were more than proportionally represented (see Figure 1). Survey respondents represent nonprofits of varying size, with roughly half of the organizations boasting budgets of more than \$1 million (See Figure 2).

Figure 1. Proportion by Service Type

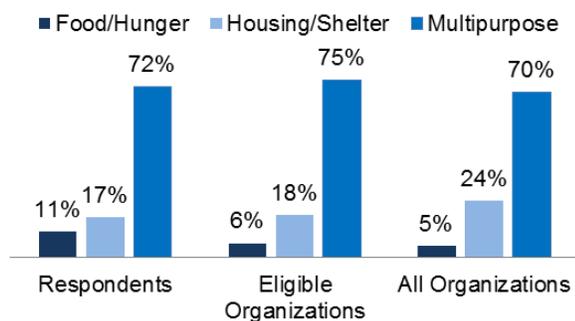
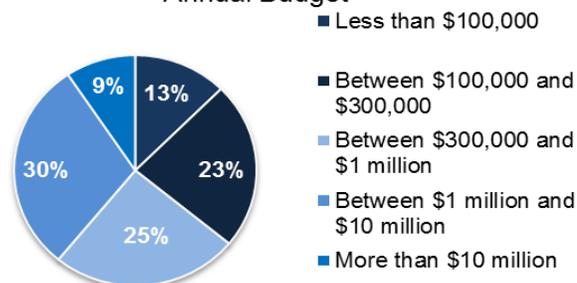


Figure 2. Survey Respondents by Annual Budget



THE RECESSION'S IMPACT ON SERVICE DEMAND AND ACCESS

The demand for safety net services in King County has grown . . .

- 84% of all respondents and 94% of all food and housing providers reported an increase in service demand
- The magnitude of these increases was evenly split: 48% of respondents reported a significant (more than 25%) increase in demand and 46% reported a moderate (between 10 and 25%) increase
- 100% of food organizations reported an increase in demand for services, with more than 70% characterizing that increase as significant

And organizations have met the challenge, but at what cost?

- 68% of all organizations reported increasing the number of clients served, and 53% expanded programs
- 70% of multiservice providers reported no cost increases to clients. All food and housing organizations reported raising costs to clients, although most raised costs only slightly (less than 10%)
- More than 50% of all organizations reported cutting staff, with most reporting a moderate (between 10% and 25%) decrease

THE RECESSION'S IMPACT ON ORGANIZATIONAL FUNDING

Overall, the data suggests that organizations use a diverse array of funding sources to support their activities, including government support, corporate/foundation philanthropy, and individual donations.

- Of those organizations receiving government funding (not Medicaid or Medicare), this revenue source composes 47% of their total budget
- 50% of food and housing providers and 46% of multiservice providers saw decreases in government funding since the onset of the recession, and more than half reported that their funding was decreased by 25% or more
- 97% of organizations received support from corporate or foundation philanthropy, and most (60%) reported that this source of funding had decreased over the past 5 years
- Most organizations receive individual donations, and this funding source accounts for approximately 25% of organizations' total budgets. More than one-third of organizations reported a loss in these donations since the onset of the recession

"Currently [our organization] is struggling just to keep one step ahead of financial ruin. It's not a matter of us not possessing fundraising acumen or sound financial management practices. We have a skilled staff and a talented Board of Directors. It is a matter of existing in a very economically disadvantaged community where few residents have disposable income. Our operating reserves are dwindling and I do fear for the future of our organization. Fundraising outside of the community is not feasible and we do work with all the area foundations to the extent that we can. It's just not enough."

-Survey respondent

RESILIENT NONPROFITS?

Overall, the study's findings suggest that although these organizations have suffered dramatic funding shifts over the past five years, most have continued to meet client needs despite increases in demand. However, consistent budget reductions from major funding sources raise questions about future resiliency. In particular, many nonprofits expressed concern about their continued ability to meet service demands, especially given staff reductions. Considering these issues, how do we define organizational resiliency? Is it:

- Simply keeping an organization's doors open?
- Adjusting service levels to effectively meet the community's needs?
- Fostering a healthy infrastructure to adapt to a changing environment?

The answers to these questions provide insight into what funders, communities, and the government expect from our nonprofit sector and how they can effectively support them. This conversation is essential to maintaining a healthy nonprofit system that meets client needs without causing burnout and damage to organizations and the individuals they employ.



This page intentionally left blank