



MEMORANDUM

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

From: Jennifer Schroder, Director
Michael Cogle, Deputy Director
Leslie R. Miller, Human Services Coordinator

Date: October 8, 2014

Subject: Human Services Budget Briefing Report

CITY OF KIRKLAND HUMAN SERVICES FUNDING

To provide the appropriate context, prior to focusing on the grant funding, staff has included a summary of the overall human services funding that the City has provided in the 2013-14 and 2015-16 budget cycles. Funding for Human Services is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of Human Services funding for 2015-2016.

Program/Funding Source	2013-2014 Budget	2015-2016 Budget
Human Services Program (includes per capita allocation)	1,428,516	1,440,796
Human Services Forum and Other Regional Programs	27,450	27,450
Human Services Coordination	306,383	318,945
Senior Center Operations	1,069,672	1,107,224
King County Alcohol Treatment Programs	6,885	35,370
A Regional Coalition for Housing (ARCH)--Operations ^{1,2}	846,817	999,200
Community Youth Services Program/Teen Center	621,395	629,008
Teen Mini Grants	17,000	17,000
Domestic Violence Programs	754,835	796,847
Police School Resource Program	259,205	279,792
Senior Discounts for Utility and Garbage Services	78,967	79,996
Kirkland Cares (assistance with utility bills from utilities customer donations)	8,000	8,000
Specialized Recreation Program	14,000	14,000
Recreation Class Discounts	2,000	6,000
Total Human Services Funding	5,441,125	5,759,628

¹ 2013-14 ARCH funding reflects the base budget amount of \$175,000, one-time service package funding of \$600,000 and one-time pass through funding of \$71,817

² 2015-16 ARCH funding reflects the base budget amount of \$ 209,200, ongoing service package funding of \$160,000 from Community Development Block Grant and one-time service package funding of \$630,000

TOTAL SPENDING PER CAPITA 2013-2014: \$ 66.78
TOTAL SPENDING PER CAPITA 2015-2016: \$ 69.74

Current Human Services Grant Funding

The City supports human services grants 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:

- ✓ Providing an on-line joint funding application with 15 other King County cities;
- ✓ Launching a regional online data collection system that allows for consistent information and a better alignment of programs and funding;
- ✓ Participating in a pooled funding program with some north and east city funders to streamline the invoicing process for some of the programs the cities jointly fund.

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 \$1,403,516 for the 2013-2014 biennium (\$701,758 each year).

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:

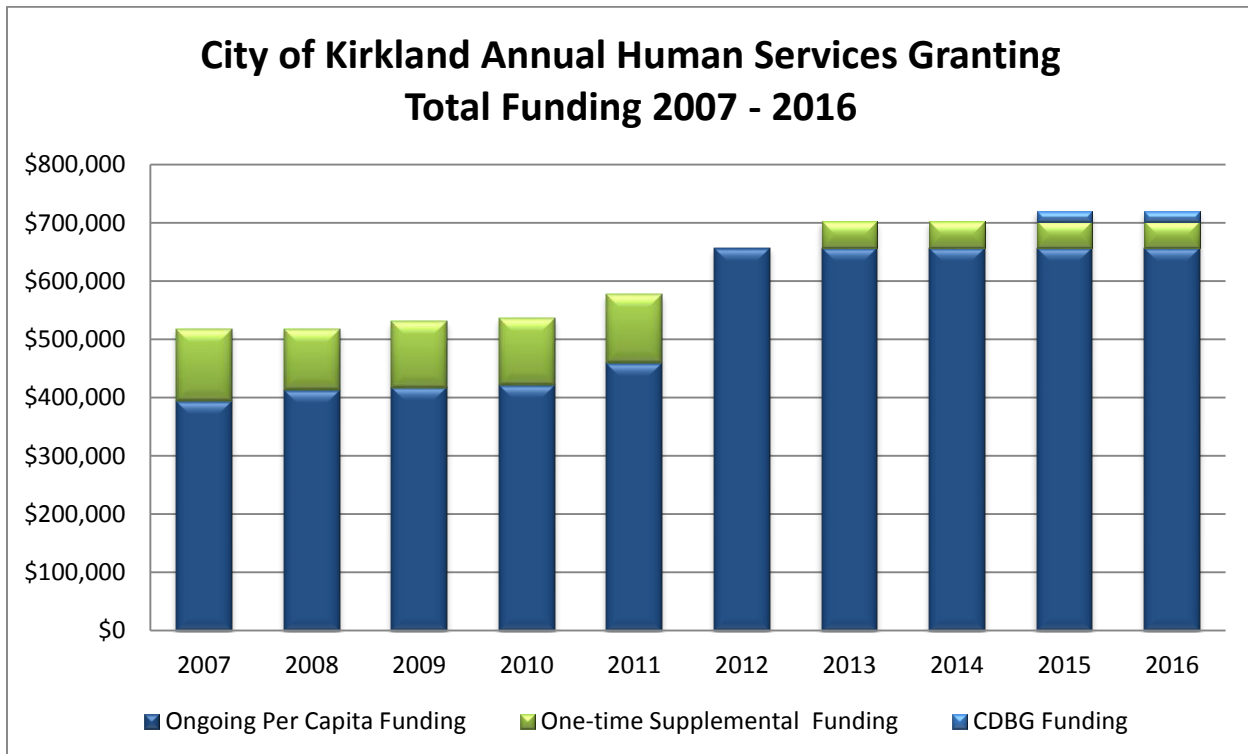
City of Kirkland Funding for Human Services Grants 2007 – 2016

Year	Population	Ongoing Funding Base Budget	Supplemental One-time Funding	CDBG	Total Funding
2007	47,180	\$394,425	\$123,528	\$0	\$517,953
2008	48,000	\$413,280	\$104,173	\$0	\$517,453
2009	48,410	\$416,810	\$113,780	\$0	\$530,590
2010	48,787	\$421,890	\$113,781	\$0	\$535,671
2011	49,020 ¹	\$459,481	\$117,656	\$0	\$577,137
2012	81,480	\$656,944	\$0	\$0	\$656,944
2013	81,730	\$656,944	\$44,814	\$0	\$701,758
2014	82,590	\$656,944	\$44,814	\$0	\$701,758
2015	82,590	\$656,944 ²	\$44,814 ²	\$18,640	\$720,398 ²
2016	82,590	\$656,944 ²	\$44,814 ²	\$18,640	\$720,398 ²

¹ Kirkland 2011 population prior to June 1 annexation

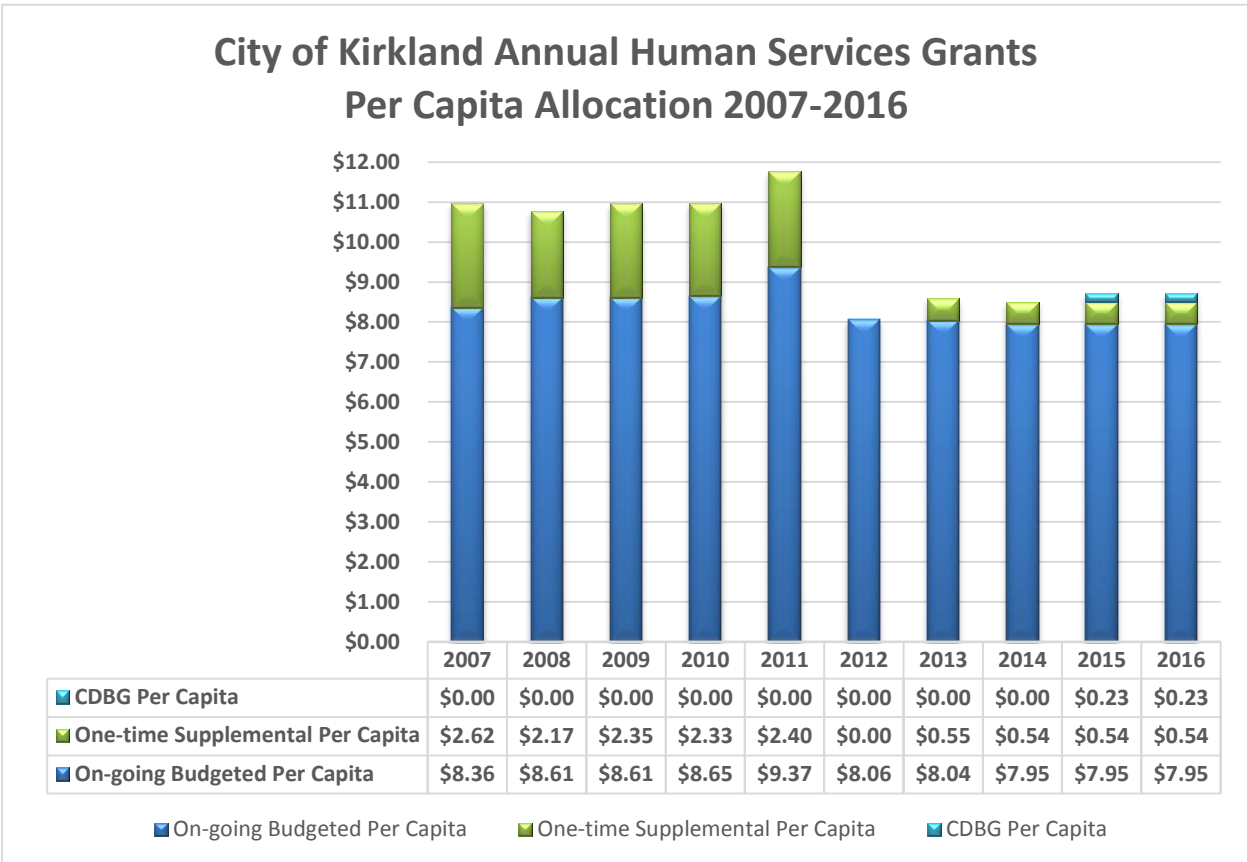
² Funding for 2015-16 as proposed

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



Note: 2015 and 2016 as proposed

While Kirkland's total funding for human services grants has increased annually, due to the 2011 annexation Kirkland's grant funding on a per capita basis declined beginning in 2012:



Note: 2015 and 2016 as proposed.

The economic recession and the scarcity of affordable housing in our community has led to an increase in the number of citizens with unmet basic needs. These trends are reflected in the number and amount of requests for funding from the many agencies serving Kirkland residents. Funding requests for the upcoming biennium have increased by 131% over the 2013-2014 biennium. The City received 71 applications with requests for \$2,354,298 (\$1,177,149 annually) for the upcoming biennium. During the most recent budget period, Kirkland funded about 78% of the program funds requested.

Comparison of Funds Requested to Funds Available 2007 - 2016

Budget Period	Kirkland Funds Requested	Kirkland Funds Available	Percentage of Requests Funded
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%
2013-14	\$1,794,000	\$1,403,516	78.23%
2015-16	\$2,354,298	\$1,440,796 ¹	61.20%

¹ As proposed in 2015-16 Budget Proposal, includes CDBG

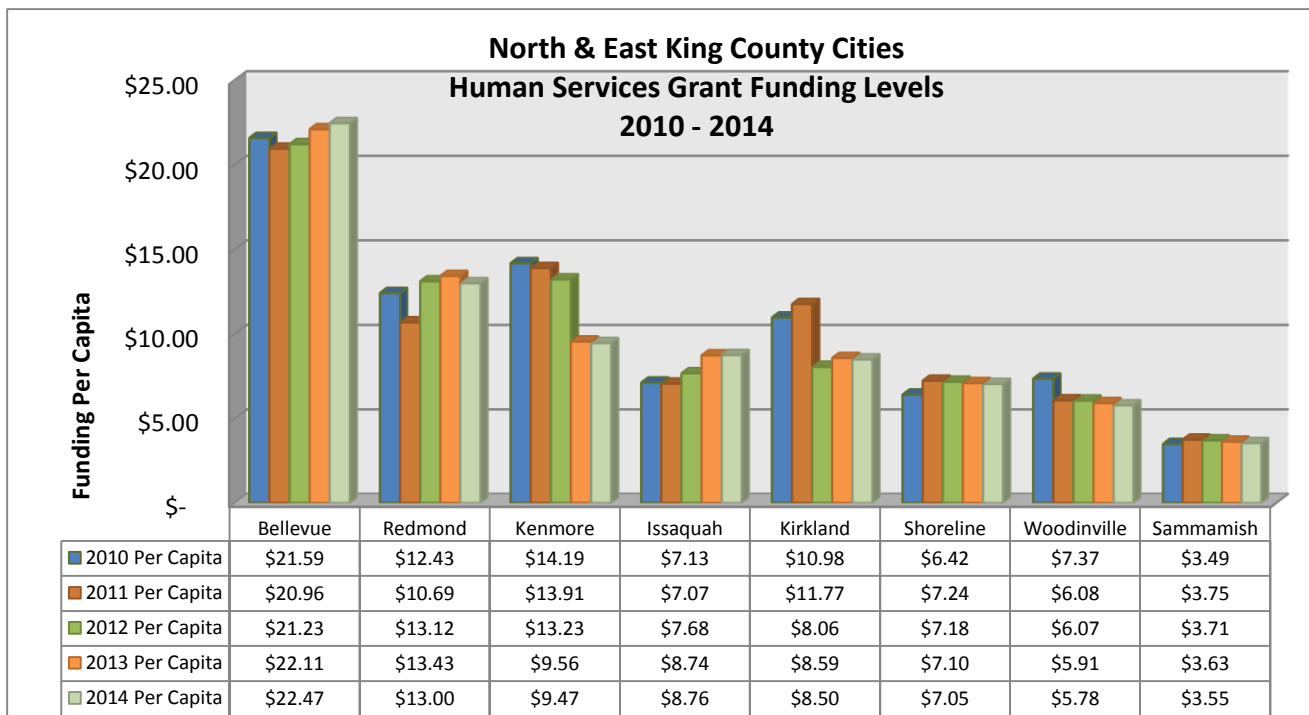
Community Development Block Grant (CDBG)—A New Funding Source

Traditionally Kirkland's residents benefited from these Department of Housing and Urban Development dollars as part of the King County Consortium. With Kirkland's decision to become a Joint Agreement City effective in 2015, the City will be able to directly allocate some of its dollars. Kirkland is projected to receive \$18,640 for human services program in 2015. These dollars serve as an additional revenue source that may not supplant any ongoing city funding.

Comparison with Neighboring Cities

The chart below provides a comparison of our neighboring cities' funding allocations for human services grants from each city's General Fund. These calculations do not include CDBG or other non-General Fund sources.

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.



The Human Services Advisory Committee presented their human services grant funding recommendations to the Council on October 7th. The City Manager's recommendation is to maintain General Fund funding for human services grants at 2013-2014 levels, which includes \$656,944 base budget and \$44,814 of one-time funding, for a total of \$701,758. The Committee also provided an additional option to augment funding by as much as an additional \$58,113 to better meet the increasing needs in the community.

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	2011-2012 Budget	2013-2014 Budget
Human Services Program (includes per capita allocation)	1,234,081	1,417,516
Human Services Forum and Other Regional Programs ¹	35,450	11,450
Human Services Coordination	256,437	276,009
Senior Center Operations	995,103	1,046,969
King County Alcohol Treatment Programs	39,342	6,885
A Regional Coalition for Housing (ARCH)--Operations ^{2,3}	694,525	775,000
Community Youth Services Program/Teen Center	607,587	620,395
Teen Mini Grants	17,000	17,000
Domestic Violence Programs	499,532	515,458
Police School Resource Program	241,765	259,205
Senior Discounts for Utility and Garbage Services	70,429	78,967
Kirkland Cares (assistance with utility bills from utilities customer donations)	8,000	8,000
Specialized Recreation Program	14,000	14,000
Recreation Class Discounts	2,000	2,000
Total Human Services Funding	4,715,251	5,048,854

TOTAL SPENDING PER CAPITA 2011-2012: \$57.87

TOTAL SPENDING PER CAPITA 2013-2014: \$61.96

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 a 2011-12 of \$432,000. An annexation service package request increased the ongoing base amount by \$65,000, along with 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 \$600,000