

**Overview and Initial Issues Identification  
HUMAN SERVICES DEPARTMENT**

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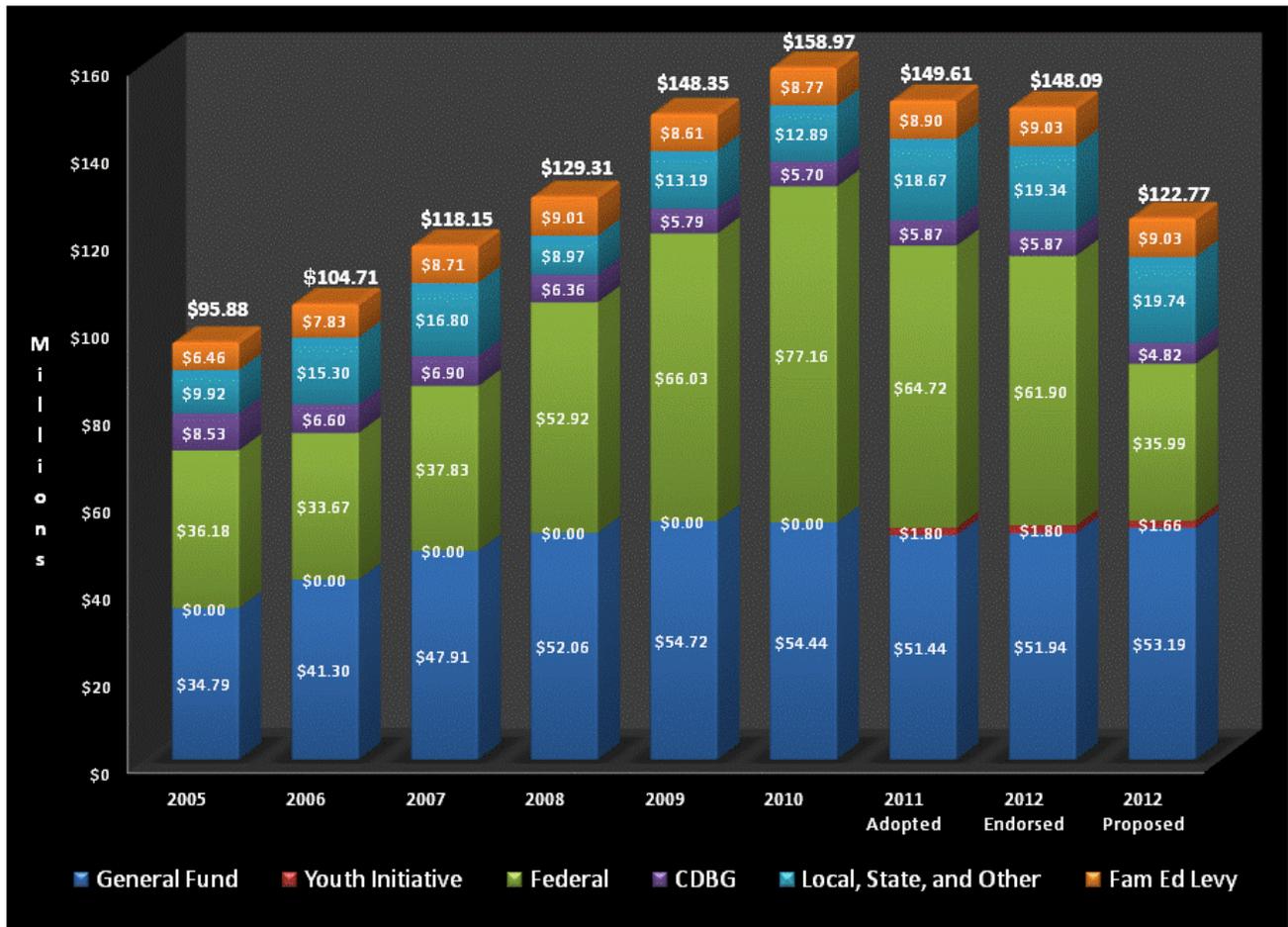
*Expenditures/Revenues*

<b>Budget Control Level</b>	<b>2011 Adopted</b>	<b>2012 Endorsed</b>	<b>2012 Proposed</b>	<b>% Change '12-'12 (Endorsed to Proposed)</b>
<b>Expenditures by BCL</b>				
Community Facilities	\$591	\$594	\$0	-100.0%
Domestic and Sexual Violence Prevention	\$4,583	\$4,238	\$0	-100.0%
Early Learning and Family Support	\$13,673	\$13,430	\$0	-100.0%
Self-Sufficiency	\$1,810	\$1,849	\$0	-100.0%
Youth Development and Achievement	\$10,477	\$10,625	\$0	-100.0%
Aging and Disability Services - AAA	\$58,474	\$58,776	\$32,801	-44.2%
CDBG - Human Services Department	\$5,875	\$5,875	\$4,823	-17.9%
Community Support and Self- Sufficiency	\$0	\$0	\$11,855	N/A
Leadership and Administration	\$7,739	\$7,320	\$7,296	-0.3%
Public Health Services	\$11,142	\$11,142	\$11,142	0.0%
Transitional Living and Support	\$28,430	\$26,857	\$28,372	5.6%
Youth and Family Empowerment	\$0	\$0	\$17,454	N/A
<b>Total Expenditures</b>	<b>\$142,794</b>	<b>\$140,706</b>	<b>\$113,743</b>	<b>-19.2%</b>
Total FTEs	322.6	323.1	315.1	-2.5%
<b>Revenues</b>				
ARRA Federal Grant	\$2,459	\$9	\$77	0.0%
Contributions/Private Sources	\$169	\$92	\$92	0.0%
Federal Grants	\$62,344	\$61,920	\$35,915	-42.7%
CDBG Federal Grant	\$5,875	\$5,875	\$4,823	-17.9%
General Subfund Support	\$51,963	\$52,122	\$53,189	2.0%
Interlocal Grants	\$1,063	\$716	\$580	-19.0%
Investment Earnings	\$62	\$62	\$80	29.0%
Miscellaneous Fines & Penalties	\$25	\$25	\$25	0.0%
Property Tax Levy (Housing)	\$0	\$850	\$850	0.0%
State Grants	\$15,887	\$16,185	\$15,276	-5.6%
Utility Funds	\$1,385	\$1,385	\$1,341	-3.2%
Use of (Contribution to) Fund Balance	\$1,563	\$1,465	\$1,496	2.1%
<b>Total Revenues</b>	<b>\$142,794</b>	<b>\$140,706</b>	<b>\$113,743</b>	<b>-19.2%</b>

All dollar numbers rounded to the nearest \$1,000;  
Percentages rounded to the nearest tenth percent

**INTRODUCTION AND DEPARTMENT REVENUES:**

The 2012 Proposed Human Services Department (HSD) Budget reflects a 19.2% reduction from the 2012 Endorsed Budget. The largest driver of this reduction is attributable to a \$26.4 million decrease in Washington State reimbursement funds for home health care agencies that had previously been administered by the department’s Aging and Disability Services Division. There are no service impacts related to this administrative change. Beyond this decrease in pass-through funds, HSD’s revenues are stable with a few exceptions related to modest declines in state and regional grants and anticipated reductions in Federal Community Development and Block Grant (CDBG) funds. The chart below depicts the department’s revenue sources over time. The trend suggests general stability in major revenue sources such as General Subfund (GSF) support, Family and Education Levy (Levy) dollars and local and state grants. In this chart, the levy funds reflect the same amount as in the 2012 Endorsed Budget (this figure will likely change if the levy is approved by voters and more detailed spending plans are developed).

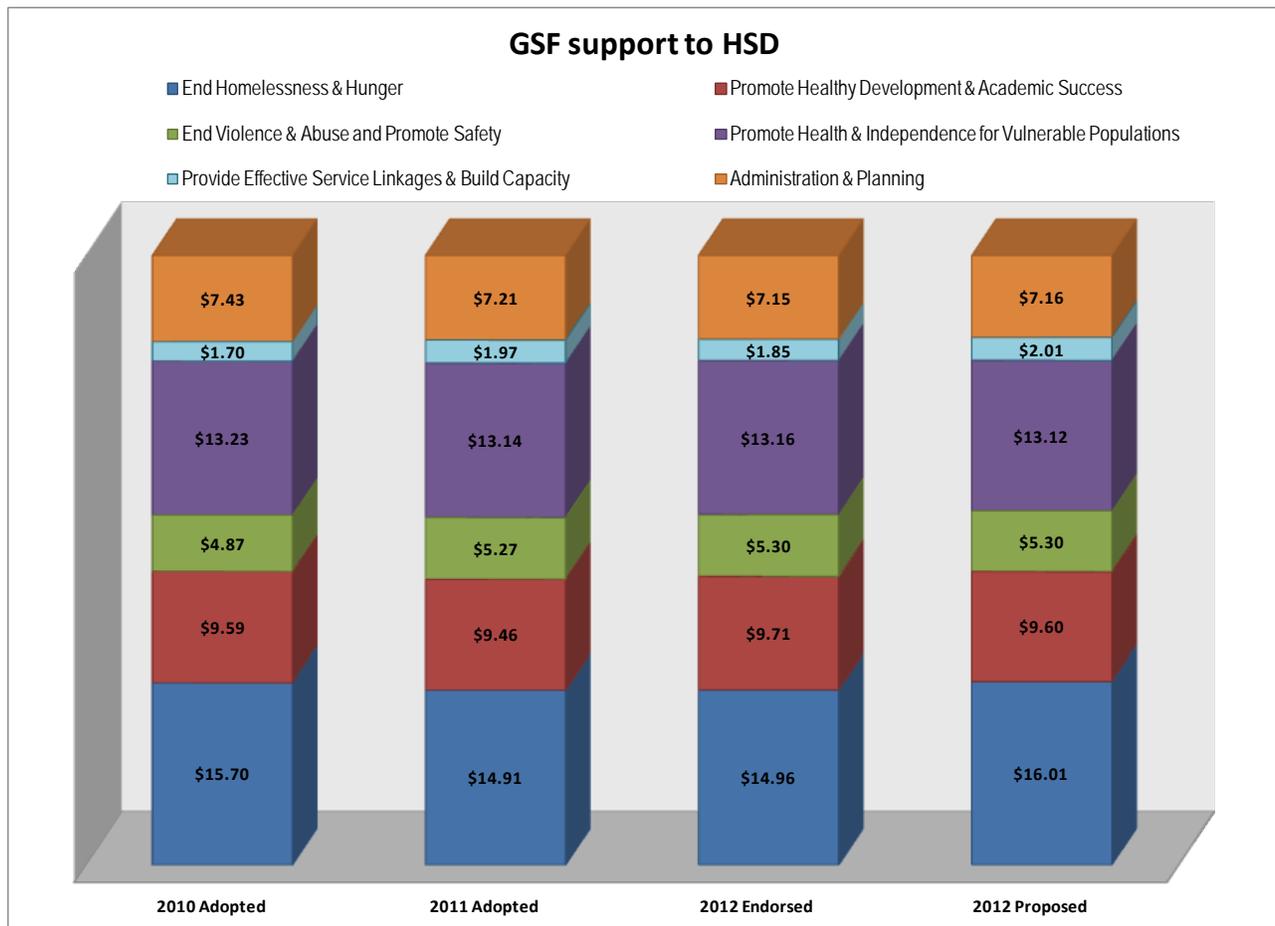


**INCREMENTAL CHANGES AND GENERAL SUBFUND EXPENDITURES SUMMARY:**

In the 2012 Proposed Budget there are two programmatic cuts and a staffing reduction that reflects a decrease of \$321,470 in GSF. There are also several programmatic increases and unbudgeted requirements (see list below for details) that account for a \$1,400,925 increase in GSF. The net effect is an approximate \$1.1 million (2%) increase in GSF support to HSD over the 2012 Endorsed Budget. Below is a summary of the department’s GSF changes (some of these items will be discussed in greater detail later in this issue paper):

<b>Budget Item</b>	<b>2012 Proposed GSF Increase (Decrease)</b>
Early Learning/Child Care Professional Development Reduction	(\$261,000)
Lettuce Link Program Contract Reduction	(\$17,000)
Staffing Reductions and Reallocations to Non-GSF Sources	(\$43,470)
Safe Harbors Homeless Management Information System	\$55,000
Community Organizing Support and Capacity Building	\$120,000
Immigrant and Refugee Youth Job Readiness Program	\$150,000
Community Development and Block Grant Back-Fill	\$875,000
Unbudgeted Requirements: Winter Weather Response; Encampment Outreach; Roy Street Shelter and Central Building Rent	\$200,925
<b>Net Increase in GSF</b>	<b>\$1,079,455</b>

The allocation of GSF funding to HSD’s Strategic Investment Plan (SIP) goal areas has remained relatively constant over the last several years. Nearly a third of GSF dollars fund programs and strategies that address homelessness and reduce hunger; a quarter is dedicated to enhanced public health and senior related services and the rest represents a mix of youth and family programs, domestic violence prevention, service linkages and administrative activities. The chart on the next page depicts HSD’s GSF allocation to the five SIP goal areas over the last couple of years as well as funding for leadership and administration.



In 2011, HSD has undergone a reorganization that also reflects changes to the department’s Budget Control Levels (BCLs). Several BCLs have been eliminated and budgets consolidated into a new set of BCLs intended to reflect the department’s new organizational structure. Information provided by the City Budget Office (CBO) confirms that there are no incremental programmatic reductions embedded within the transferring of funds to the new BCLs that were not already reflected in Table 2 of HSD’s budget presentation before Council on October 5. HSD’s reorganization is still to some extent ongoing and given that the names of the divisions within the department are in the Seattle Municipal Code, legislation is necessary to formalize the reorganization. A high level summary related to the reorganization of HSD will be discussed briefly later in this issue paper.

**IDENTIFIED ISSUES FOR DISCUSSION:**

**1. NEW FUNDING FOR IMMIGRANT AND REFUGEE PROGRAMMING (Fong)**

Job Readiness Training

The Proposed 2012 budget includes \$270,000 in new funding for programs aimed at meeting the needs of immigrants and refugees. Of this funding, \$150,000 was initially proposed by the Mayor last year to provide assistance to immigrant and refugee youth. Council adopted a Green Sheet budget action that reprioritized this \$150,000 in funding for 2011 and appropriated the 2012 funding

to Finance General pending HSD's response to a series of policy and programmatic questions. HSD was requested, among other items, to carry out additional community outreach and a more thorough needs analysis in 2011 to better develop the program goals and outcomes. Council requested the department respond by September, anticipating that this would inform consideration related to this funding during the 2012 budget process.

HSD submitted a response to the Green Sheet on July 22 and recommended the following key elements for the program:

- Focus on an integrated family-based approach to job readiness training for recently arrived immigrant/refugee youth ages 15-20 years old;
- Combine this new \$150,000 with \$315,000 in existing immigrant/refugee family support funding to implement the job readiness program through a new Request for Interest (RFI);
- Though job readiness training would be the primary emphasis, a major component of the program would engage families in an effort to strengthen parental involvement in their child's school and academic progress; and
- Target population would be families speaking one of nine most common languages spoken by English Language Learners (ELL) in Seattle Public Schools.

HSD's existing immigrant and refugee family support program currently funds five agencies focused on increasing parental involvement in their children's education and academic success. Agencies provide assistance to parents with children in school through in-home visits, case management and coordination related to school activities, parent education and information sessions. There are two key outcomes associated with this current program area:

- Parents report involvement in their child's school by participating in at least two school sponsored academic related activities;
- Parents report increased knowledge/ understanding about school issues and supporting their child's school success.

In 2010, 389 parents received assistance through the immigrant and refugee family support program. There is no specific age target of the children whose families receive assistance under this program area. However, HSD reports that a survey of information provided by contracted agencies found that approximately seventy-percent of families participating have children under the age of fifteen.

While the new program proposed by HSD would capture the two current outcomes tied to the immigrant and refugee family support program, there would be a shift in focus and the population being served. The new job readiness program is intended to provide services to youth ages 15-20 *and* their families. It would provide youth with summer employment and job readiness training while also providing parent education and school engagement support. In addition, self-sufficiency and career planning services would be provided by agencies to the entire family.

The department notes that their public engagement efforts suggested a shift to job readiness training meets an emerging need and is supported by the refugee and immigrant community. Furthermore, HSD believes that there are seven other HSD program areas (one of which is funded by the Families and Education Levy), providing family support services that could mitigate the loss of services provided to immigrant and refugee families, and in particular, those with younger children.

HSD's original timeline calls for the release of this new job readiness training program RFI in October. This would be prior to final Council action on the 2012 budget. The new RFI would make a total of \$465,000 available for direct service contracts.

**Council Options:**

- A. Approve transfer of \$150,000 from Finance General to HSD's budget for Job Readiness Program.
- B. Reallocate up to \$150,000 in GSF dollars to other Council priorities.
- C. Request additional clarifying information to review prior to Round 1 regarding:
  - a. existing support services for families with younger children;
  - b. coordination of this program with the Families and Education Levy programs;
  - c. how this program interacts with other City job training programs such as Seattle Jobs Initiative and other workforce development efforts; and
  - d. whether program outcomes are consistent with Council's expectations.

**Community Organizing Support**

In addition to the \$150,000 for job readiness training, the Mayor has proposed \$120,000 of GSF support for community organizing and leadership development for agencies serving communities of color and refugee and immigrant communities. These funds would be allocated as part of the scheduled RFI for Policy Advocacy and Technical Assistance programming in 2012.

Currently, HSD funds the Non-Profit Assistance Center (NAC) to provide technical assistance and capacity building for human service agencies. The NAC's contract outcomes are "aimed at improving organizational infrastructure, including financial, administrative infrastructure, program development, and board/leadership development." HSD believes this is a different scope than the leadership development, coalition building and civic engagement called for in this \$120,000 of new investment. The department notes that the community organizing and leadership development strategy emphasized for this newly proposed funding represents a different approach to encouraging low-income, people of color, and immigrants and refugees to more actively engage in public policy and programs. However, it may be worth exploring whether there is an opportunity for HSD and the NAC to renegotiate the terms of their current contract to include this additional body of work. Council has previously encouraged HSD to identify contracting efficiencies. Expanding an existing contract scope may be more cost-effective than contracting with multiple agencies.

Historically, HSD has rated Policy Advocacy, Technical Assistance and Capacity Building relatively low in its list of functional priorities. Given the current economic climate, Council may want to consider whether to prioritize new funding investments toward enhancing safety net services. In addition, Council may want to consider this proposed body of work in conjunction with an issue being raised during issue identification related to the Seattle Office of Civil Rights (SOCR). Several Councilmembers have introduced the concept of addressing immigrant and refugee affairs in a more centralized and holistic way through SOCR. To the extent the scope of this newly proposed HSD funding could be informed by or complement the work of SOCR, Council may want to address its approach to that policy question before providing direction related to this funding.

**Council Options:**

- A. Approve \$120,000 in new GSF funding for community organizing support.
- B. Approve \$120,000 in new GSF funding for community organizing support, and request that HSD examine alternatives to a new RFI, such as renegotiating its existing contract with the NAC or with another current service provider.
- C. Reallocate up to \$120,000 in GSF dollars to other Council priorities.
- D. Reallocate up to \$120,000 in GSF dollars to other Council priorities, and also request that HSD repurpose existing capacity building funds through a new RFI to focus resources toward leadership development, coalition building and civic engagement for agencies assisting people of color and refugees and immigrants. Alternatively, HSD could renegotiate its existing contract with the NAC or with another current service provider.

**2. LETTUCE LINK PROGRAM REDUCTION (Fong)**

Lettuce Link is a \$350,000 program operated by Solid Ground, a nonprofit agency, to provide access to fresh organic produce, seeds, and information to low-income families in Seattle. The Mayor's proposed budget includes a \$17,000 cut in City GSF support to the program which would reduce HSD's contract funding for Lettuce Link to \$15,000 in 2012. HSD intends to renegotiate its contract with Solid Ground to narrow the City's scope of work to delivery of produce to food banks and meals programs while eliminating City financial support for activities related to the distribution of seeds and information.

During HSD's budget presentation, the Council requested a list of agencies currently providing gardening information and seeds to Seattle residents. The department provided a list of six organizations and programs currently providing similar services including: Seattle Tilth, Washington State University (WSU) King County Extension, City Fruit, Seattle Public Utility's Garden Hotline, Department of Neighborhood's P-Patch Program and Department of Parks and Recreation's Parks Urban Food System Program. It does not appear that any of these programs have the specific low-income target population focus of Lettuce Link.

Staff has reviewed HSD's current contract with Solid Ground for Lettuce Link. The contract is based on unit costs rather than performance outcomes. HSD payments are made based on a set number of staffing hours associated with the Lettuce Link program. This contract is essentially silent on the deliverables and outcomes associated with those staff hours. As a result, the potential impacts of the proposed funding reduction are unclear.

What is known is that HSD funds about 1,000 hours of 6,700 total hours of staff time associated with Lettuce Link program. This is the equivalent of about a 0.5 FTE. Reducing the City's GSF support by \$17,000 would leave enough funding for the contract to fund the equivalent of roughly a 0.25 FTE. Regardless of whether City funding is reduced or maintained, this contract should be renegotiated. The new contract should provide more clarity and specificity with regard to what the desired investment outcome is for City funding.

**Council Options:**

- A. Approve \$17,000 reduction to Lettuce Link program.
- B. Restore up to \$17,000 to the Lettuce Link program.

- C. In addition to either Option A or B, adopt a Budget Proviso on any funding for the Lettuce Link program pending review by Council of a renegotiated contract with Solid Ground for services.

### **3. HSD REORGANIZATION (Fong)**

Under Director Smith's leadership, HSD has undergone an extensive reorganization and strategic planning process this year. The goals of this effort are to: 1) create a seamless service delivery system; 2) reorganize and redesign contracting infrastructure and processes; and 3) develop a data-driven environment that guides investments. This body of work will continue through 2012, but some elements have been completed. Most notably, HSD's divisions have been renamed and reorganized to reflect the director's vision for the department. Given that the previous divisions were codified in the Seattle Municipal Code (SMC), legislation has been proposed as part of the budget process to amend the SMC to reflect the new organizational structure as follows:

- "Transitional Living and Support" replaces the Homelessness Intervention and Block Grant Administration Division;
- "Youth and Family Empowerment" represents the merger of the Early Learning and Family Support Division and the Youth Development and Achievement Division; and
- "Community Support and Self-Sufficiency" is a new division that encompasses the former Domestic Violence and Sexual Assault Prevention Division, and parts of other programs related to family support, the Mayor's Office for Senior Citizens and immigrant and refugee programming.

A major component of the reorganization effort includes changes to the procedures and practices related to contracting. HSD will move from a decentralized to a centralized contract unit responsible for RFIs, contract development, process management and auditing. The divisions will focus on service delivery, performance monitoring, evaluation and policy implementation.

Council has expressed interest in many aspects of HSD's reorganization. This includes actions from last year's budget process that encouraged the department to examine its contracting practices to achieve greater efficiencies and accountability. The Lettuce Link contract discussed earlier in this issue paper was negotiated prior to the changes currently underway in HSD related to contracting. However, it does suggest further review of contracting procedures and details may be warranted. More recently, during HSD's 2012 budget presentation, many questions were asked related to data management. Council has also emphasized the importance of clear service area outcomes and the need for strengthening program evaluation. As HSD continues its reorganization, Council may want to include a specific item on its 2012 work program to monitor this ongoing process.

#### **Council Options:**

- A. Approve proposed legislation amending the SMC to rename HSD divisions. Add Council work program item to monitor ongoing HSD reorganization in 2012.
- B. Do not approve the proposed legislation, and include review of HSD's reorganization as an item for 2012 Council work program.

### **4. HSD PUBLIC HEALTH ADVISOR POSITION (Lee)**

Public Health-Seattle King County (Public Health) has responsibility for core public health services. The City contributes \$11,141,644 in GSF annually for enhanced public health services benefitting

Seattle residents. In 2005 the City changed its funding mechanism and instead of allocating funds directly to Public Health, allocated funding to the Human Services Department (HSD) which then contracts with Public Health. In 2005 a health policy advisor position was established in HSD to oversee the City's investments in public health, staff City Councilmembers who serve on the Board of Health, and serve as the City's policy lead on health issues. A 0.5 FTE was added to assist in managing the City's contracts with Public Health. However, that position was eliminated in the 2011 mid-year reductions and the contract work absorbed by existing HSD staff.

The Mayor's office has hired a senior policy advisor to work on various policy issues including health, human services, education and other issue areas as assigned. This person was hired into an existing vacancy and started their new position October 17.

Defining the work the health policy advisor in HSD will do and the work the policy advisor on health in the Mayor's office will do has been an evolving discussion. The Mayor's office advises they are not absorbing any work currently performed by HSD.

HSD is currently seeking to fill their Strategic Advisor II position which is listed as a Public Health & Legislative Strategic Advisor. Key responsibilities listed in the job announcement include: guiding the investment of City funds in Public Health, evaluating and providing solutions to a wide range of public health investment strategies that have citywide significance, developing the City's public health investment strategies in connection with the department's strategic plan, and in coordination with OIR and the Mayor's staff, developing legislative initiatives and strategies at the state and federal level.

In addition, HSD advises "The Public Health liaison plays a key role in many ways: staffing the Board of Health for the City, acting as a point of contact within HSD on public health policy and funding issues, and looking at ways to enhance our collaboration with Public Health and other related partners in the form of new funding opportunities, partnerships and joint programming. This role will continue in HSD as our work with Public Health is key to our Strategic Plan implementation and our interest in a seamless service system for families and other vulnerable individuals." HSD does not believe this body of work can be absorbed by existing staff.

**Council Options:**

- A. Reduce or eliminate vacant SA2 position in HSD.
- B. No action.

**5. NURSE FAMILY PARTNERSHIP (Lee/Pape)**

The Nurse Family Partnership (NFP) is a national evidence-based program that helps break the cycle of poverty by working with first time low-income mothers to improve their pregnancy outcomes, their child's health and development, and the economic self-sufficiency of their family. Registered nurse home visitors work intensively with their clients, from pregnancy through the first two years of a child's life, to help them access and improve their prenatal care, strengthen their parenting skills and plan for their economic and educational future. The program serves first time low income mothers under age 24 with priority given to those under 18.

The Washington State Institute for Public Policy ranked NFP highest in terms of return-on-investment—a \$2.88 benefit return for every \$1 spent—when compared to other pre-K, child welfare, youth development, mentoring, youth substance prevention and teen pregnancy prevention programs. A New York study found that the community recovered the costs of the program by the time the child reached age four, with additional savings throughout the life of the mother and child. NFP in Seattle has consistently met and exceeded performance objectives and expectations in its contract with the City of Seattle, as well as the National NFP program office. Participant outcomes from various national clinical trials include:

- 48% reduction in child abuse and neglect
- 56% reduction in emergency room visits for accidents and poisonings
- 59% reduction in arrests among children
- 67% reduction in behavioral and intellectual problems among children
- 72% fewer convictions of mothers

Public Health – Seattle & King County administers the NFP, which is known locally as Best Beginnings. Due to funding constraints only 26% of the eligible mothers in Seattle are currently enrolled. The program serves 169 mothers and their babies annually at a total cost of \$1,480,546. The City of Seattle provides \$526,650 (general subfund) or 36% of the annual program cost. Other sources of funding are listed below.

Increasing the number of FTE nurses from 6.75 to 12.75 in 2012 would allow the program to nearly double the number of mothers/babies served from 26% to 50% of those in Seattle who are eligible. If approved by Council, HSD recommends implementing the extended reach of the program by phasing in six FTE nurses, two nurses every four months, to allow for the necessary nurse recruiting and training.

Assuming that additional City funds will leverage additional Medicaid funds to help cover expansion costs, this phased increase would need to be supported by an additional \$550,000 general subfund in 2012. This would bring the City’s total investment in 2012 to \$1,076,650. Because of the phasing in approach that is recommended in 2012, the City’s total cost will increase to \$1,375,650 in 2013. Below are the current funding sources for the NFP program locally, reaching 26% of eligible mothers.

<b>Nurse Family Partnership Seattle Team Funding 2011</b>	
NFP Reproductive Health Study	\$15,737
Maternity Support Services (MSS) Fee for Service Patient-Generated Revenue	\$98,965
Federally Qualified Health Center (FQHC) Portion of MSS Patient-Generated Revenue	\$238,917
Medicaid Administrative Match	\$254,279
Maternal Child Health Block Grant (federal and state)	\$110,246
Public Health Local Capacity Fund (state)	\$53,297
Other miscellaneous Public Health Revenue	\$21,982
<b>Seattle General Fund Contribution</b>	<b>\$526,650</b>
County General Fund Contribution	\$10,473
Veterans & Human Services Levy	\$150,000
<b>Total</b>	<b>\$1,480,546</b>

**Council Options:**

- A. Add 6 FTE nurses, 2 FTE every four months, and approve an increase of \$550,000 in GSF support to the NFP Program in 2012 and \$849,000 in 2013.
- B. Add some smaller number of FTE and ramp up this program more slowly while evaluating the potential for leveraging additional external funding and the outcomes of the program. This would also avoid committing to a 27% increase in program costs in 2013 until the evaluation is completed.
- C. Request HSD to provide additional information in 2012 updating Council on NFP Program status, funding leveraged (if any or any funding reductions), and outcomes. (Could be in conjunction with Options A or B, or a stand-alone option.)
- D. No action.

6. **HSD PRIMARY CARE: MEDICAL AND DENTAL PROGRAM (Lee)**

City funding is for two main functions: a) to cover the cost of medical and dental services provided by community health care clinics operated by Public Health-Seattle King County and non-profit agencies to uninsured individuals, and 2) to facilitate access to medical and dental services by funding non-profits who provide this information and assistance. This funding is directed to community health clinics and non-profits that operate within the City.

Most individuals have health insurance benefits either through employment or enrollment in a Federal or State program such as Medicare or the Basic Health Plan. The City funding is designed to provide health and dental services to those who do not have private insurance or access to these various government programs. While we do not have exact figures on the increase in the number of uninsured individuals in Seattle, both the increase in unemployment and decrease in funding for Federal and State programs are real. Public Health Seattle-King County and King County's Department of Community and Human Services are leading a countywide community health system/health safety net planning effort. The City is represented in this planning effort. This group will be addressing the larger issues of health care reform changes and development of a coordinated system of care and not necessarily the effects of specific program reductions.

The 2012 Proposed budget of \$6,284,074 is the same level of funding the City has provided annually since 2010. In 2005 when the City began allocating public health funding to HSD rather than directly to Public Health City funding was \$5,385,215. City funding for primary care has increased approximately \$900,000, in small increments, over the last seven years.

**Council Options:**

- A. Add \$200,000 in GSF for uninsured medical and dental services only.
- B. Add \$200,000 in GSF for both uninsured medical and dental services and to facilitate access to these services.
- C. No action.

**7. LOW INCOME ENROLLMENT AND OUTREACH (Moorehead/Fong)**

*Should a formal follow-up be established for Human Services Department (HSD) 2011 work process improvements for utility low income enrollment and outreach?*

Despite years of effort to expand utility assistance to low-income customers, enrollment remains very low at less than 13,000 Seattle Public Utilities (SPU) customers, which is about 18% of eligible customers and approximately 14,600 customers for Seattle City Light (SCL). Enrollment for low-income programs is primarily done by HSD using more than \$525,000 per year of SPU funding and approximately \$516,000 per year from SCL. During review of the 2011-12 budget, the Council approved SLI 11-1-A-1 requesting HSD to assess its enrollment and outreach practices and recommend improvements. HSD began to implement the measures recommended in the SLI response in mid-2011. The Council could consider follow-up in 2012 to ensure the new measures are meeting enrollment goals.

**Council Options:**

- A. Council 2012 work program item or SLI could request a HSD report that reviews progress on work process improvements, lowering the cost per new enrollee, and achievement of enrollment goals.
- B. No action.