

HUMAN SERVICES FUNDING STRUCTURES

HISTORICAL PERSPECTIVES
CURRENT APPROACHES
PLANS FOR THE FUTURE

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Mercer Island City Council Study Session

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What are Human Services?

- Supports designed to help people, from birth through old age, achieve and maintain well-being and quality of life
- Includes planning, research, advocacy, prevention, direct service and community building



The field of Human Services is broadly defined as:

- meeting human needs
- through an interdisciplinary knowledge base
- focusing on both prevention and remediation
- committed to improving the overall quality of life for the people served and the community.

Why are Human Services Important?

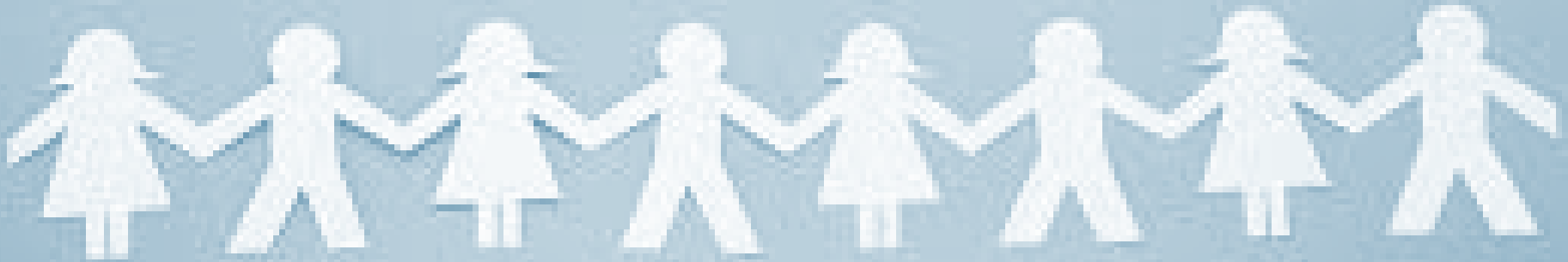
Human Services are designed to buffer the stressors and threats to well-being that everyone faces at some point in their life.

When we support well-being we ensure that everyone can reach their potential and fully contribute to our communities.

Maximizing everyone's potential helps our communities thrive.



Who needs Human Services?



Everyone!

Prevention Services

Elderly and Aging Services

Counseling Services

Grief

Relationships

Suicidal Ideation

Drug Use

Addiction

Stress

Anxiety

Shelter Assistance

Domestic Violence Support

Child Welfare Services

Food and Clothing Assistance

General Guidance and Life Planning

Community Integration Programs

Community Improvement Programs

Community Events

History of Human Services

United States:

Human Services began with colonial civic and religious organizations and continued to grow as the country grew. In the 1880s settlement houses (e.g. Hull House) were founded, based on a belief that instead of giving direct relief, charities should give resources to the poor so they could break out of the circle of poverty. United Way, a collective giving effort, was founded in 1887.



King County:

Created a network of human service organizations, the **Youth & Family Services Network**, organized around school districts throughout the County. Though a few have closed or become absorbed by other nonprofits, most still operate, collaborating in providing services from prevention, intervention and support for children, youth, young adults and families throughout the County.

Examples include Youth Eastside Services (Bellevue and Lake Washington SD), Friends of Youth (Riverview, Snoqualmie Valley and Issaquah SD), Renton Area Youth Services (Renton SD), Southeast YFS (one of four YFS areas for Seattle SD)



Mercer Island:

MIYFS is a part of the YFS network. Uniquely it is the only YFS embedded within local government, a decision that has given it a more robust infrastructure than its peer agencies, reducing reliance on philanthropy—but not completely transcending the need for community support, which is why the MIFS Foundation was founded.

How are Human Services Funded?

Government Contracts & Grants

- Often requires 'matching' dollars
- Usually does not pay full cost of service provided
- Relatively inflexible—outcomes, way services provided, ways work must be done are defined, leaving little ability to tailor to specific community needs
- Provides majority of human service funding in our country
- Time limited—reapplications required to continue the funding stream /work
- Requires grant writing expertise within the organization

Examples: King County YFS Network Funding; SAMHSA Grants

Human Service Work Embedded in Government

- Government provides the services as part of its governmental function
- Generally means that salaries and supports for workers are at a living wage, and provides more robust infrastructure than nonprofit partners

Examples: MIYFS; City of Seattle Homeless Navigation Team

How are Human Services Funded? (cont)

Earned Income

- Organization earns income to support its work or services
- Can be related to organization's mission, e.g. Fare Start trains its workforce by operating a full service restaurant

Example: MI Thrift Shop

Philanthropy

- Usually larger funders want to fund innovations, or specific projects, and most do not commit to general operating support or to multi-year grants
- Individual giving is down, despite a strong economy—Charitable giving by individual Americans in 2018 suffered its biggest drop since the Great Recession of 2008-09
- The number of people who gave in 2018 fell by 4.5 percent while the acquisition of new donors fell by 7.3 percent
- Inherently unstable as giving can vary each year and is dependent on many factors outside the control of the human service provider
- Requires fundraising expertise in addition to human service expertise

Examples: Fundraising Breakfasts, Major Grants from Foundations, Individual Giving

Human Services are Experiencing Significant Challenges in Meeting Their Mission

The Nonprofit Human Service business model is not working.

We are addressing the most urgent and compelling needs for our youth and families with:

- Underpaid and under-supported staff
- Inadequate investment in organizational capacity
- Inadequate investment in prevention or innovative practices
- Lack of funding for evaluation & quality control
- Reliance on inefficient fundraising to balance starvation level budgets
- Insufficient ability to focus enough on racial equity or the underlying causes of the challenges too many of our youth and families face.

The sector is emaciated.

<https://youtu.be/-gELZnORV4U>

<https://bloomerang.co/blog/video-what-if-pizza-shops-were-funded-like-nonprofits/>

KEY CHALLENGES

- **Government contracts don't cover full cost of services :**
Can be as low as 60%-70% of full cost, if contracts include overhead it is usually 10%
- **Philanthropy:** Nearly impossible to fill gap with fundraising year after year, even though most agency budgets are not adequately covering overhead, infrastructure and staff retention—budgets are built on hope
- **New Initiatives and Increasing Expectations:** Healthcare Integration, Performance Based Contracting, Staff Training, Compliance & Monitoring

OUR RESPONSE: BRAVE COMMITMENTS

WE ARE THE ONES WHO MUST RESPOND—moving from survival to action, strength and sustainability

Who is at the Table?

Our three areas of focus, grounded in racial equity:

- Finding new ways to do our work and accomplish our shared mission
- Defining the most effective youth system
- Advocating for changes in policy and funding to achieve the system we envision—human services as core to strong communities

Questions and Discussion
