Council Meeting Date: March 14, 2016 **Agenda Item:** 9(a)

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Human Services Funding Review and Discussion
DEPARTMENT:	Community Services Division- Human Services
PRESENTED BY:	Rob Beem, Community Services Manager
ACTION:	____ Ordinance ____ Resolution ____ Motion
	__X_ Discussion ____ Public Hearing

PROBLEM/ISSUE STATEMENT:

During development of the 2016 budget, Council expressed an interest in reviewing the way in which the City sets the overall level for its competitively allocated funding for human services. Some Councilmembers have expressed a desire to establish a process to add to or adjust human services funding in a more predictable manner than considering amendments during the budget adoption process.

Later this year, the City will begin setting its human services funding plan for the 2017/18 biennium. Tonight, staff is seeking Council's guidance on the level of funding that Council would like to allocate for the competitive human services program, whether this funding level should be derived by a formula tied to a percentage of General Fund revenues, and whether funding for the operations of the Shoreline Lake Forest Park Senior Center should be taken out of the competitive human services program, as is done in most other jurisdictions that fund senior centers.

RESOURCE/FINANCIAL IMPACT:

As human service funding has already been set for this year, there is no fiscal impact in 2016. If Council adopts the staff recommendation to set the level of human services funding at 0.75% of General Fund revenues minus use of fund balance and grants, there will be an increase of $43,291 in funding for 2017. If Council adopts staff's recommendation to increase human service funding by 0.05% of General Fund revenues minus use of fund balance and grants each year for five years, beginning in 2018, staff estimates that human service funding would increase $28,301 on average each year through 2022. After 2022 with the funding level set at 1.00% of General Fund revenues, staff estimates that human service funding would increase an average of $9,731 per-year through 2026, the last year of projections in the current 10 Year Financial Sustainability Plan Model. Implementing the above recommendations will provide an estimated total of $1,511,284 in additional support to human services in Shoreline from 2017 to 2026 over the base allocation of funding.

This additional funding has not been factored into the 10-Year Financial Sustainability Plan to project its full impact on future revenue gaps. Moreover, there have been no

additional revenue sources identified to cover the proposed increase in competitive service funding, other than implementation of the revenue strategies in the 10-Year Financial Sustainability Plan. Therefore, staff recommends implementation of the competitive human services funding formula and 1.00% funding target be contingent upon the passage of the Levy Lid Lift in November 2016. Staff also recommends that this funding be incorporated into the 2017 budget process and the 2017/2018 human services funding plan.

RECOMMENDATION

As this is a discussion item, no formal action is required. However, staff is seeking Council direction on the following recommendations:

- Staff recommends that ongoing funding for the operations of the Shoreline-Lake Forest Park Senior Center, which totaled $95,708 in 2016 funding, be transferred from the competitive human services program to the Parks, Recreation and Cultural Services operational budget, starting in 2017.
- Staff recommends that the Council use a formula to set the City's level of funding for competitively allocated human services funds, with the 2017 level set at 0.75% of General Fund revenues. Staff also recommends that Council increase human services funding by 0.05% of General Fund revenues each year for a total of five years until the target of 1.00% of General Fund revenues is reached in 2022. Both of these recommendations would be contingent upon passage of the Levy Lid Lift in November 2016.
- Staff recommends that the increase in human services funding in 2017 and beyond be targeted to address homelessness and other needs in the funding categories of 'Basic Needs' and 'Counseling'.

Approved By: City Manager ***DT*** City Attorney ***MK***

BACKGROUND

Many cities in King County, including Shoreline, allocate funding toward human services as a way to support their residents in order to address both temporary and chronic circumstances. Shoreline's human services funding consists of local General funds, federal Community Development Block Grant (CDBG) funds, and state liquor tax revenues. A portion of the overall support is allocated competitively and a portion is allocated non-competitively. The non-competitive category includes funding as directed by state statute or by specific purpose as established by Council. In Shoreline, non-competitive funding is spent on domestic violence intervention through New Beginnings, utility assistance through Hopelink and substance abuse treatment through the Center for Human Services.

Most cities established a base level of funding when their human services programs began and have adjusted it either by formula and/or in response to need. Shoreline does not have a formulaic process to review or adjust the allocation or level of funding for services. Shoreline has made adjustments over time, growing the total human services allocation from just under $240,000 in 2001 to $460,650 in 2016, including one-time funding.

Over the past five years, Council has adjusted the overall level of support to human services agency funding during deliberations on the City's annual operating budget. In developing the 2015 and 2016 annual budgets, Council allocated one-time funding for human services in response to shifts in funding from other agency supporters and increases in demand for services. The 2016 budget contains $48,850 in one-time funding for an expansion of support to human services funding. In adopting this increase, Council asked the City Manager to bring forward recommendations for a predictable process that will allow for consideration of the full range of human services and agencies.

Establishing the Base Level of Human Services Funding

Prior to 2000, the City allocated funds from a number of revenue sources to support human services. These included a portion of its federal CDBG funds and pass-through state funding for substance abuse treatment and for domestic violence services. In 1999, the City Council reviewed the City's role in human services. A result of this review was the implementation of a competitive grant process to allocate human services funding that included the use of the City's General Fund. The overall goal of this change was twofold: to ensure that Shoreline residents had access to strong local services and that by contributing to regional specialized services, the City would enhance these agencies' awareness of Shoreline residents' needs, therefore expanding residents' access to services.

The competitive human service funding allocation process that was established in 2001 prioritized applications for funding based on a set of desired outcomes at the time. The result was funding for 14 programs (Attachment A) using $56,994 of CDBG funds and $183,000 from the General Fund. In addition, the City provided funds to support

domestic violence services through New Beginnings and substance abuse treatment through the Center for Human Service outside this new process.

Since that time the City has added funding to this base funding level four times, in addition to making one-time investments an additional three times (see table below). Beginning in 2012, the City also allocated General Fund dollars to keep the overall funding level constant as CDBG funding declined. This amount fluctuates depending on the expected CDBG allocation. For example, it was $4,011 in 2012 and $9,328 in the 2016 Budget.

Additions to Base Level Human Services Funding

2000	Youth Services Plan Enhancements	$25,000
2005	General Funding Level Increase	$62,000
2006	Senior Center Request	$18,000
2008	Utility Assistance	$25,000
2012	Response to Youth Suicides	$27,000*
2015	Youth Mental Health	$15,000*
2016	Core Agencies' Requests	$48,850*

*One-Time Funding

In 2016, the City's funding for human services totals $460,650. This figure is composed of:

- $345,981 - Competitive applications, including $95,708 for the Senior Center
- $ 65,819 - Non-competitive grants
- $ 48,850 - One-time funding in 2016

Changes in Human Services Need

Human services needs are dynamic and growing. The factors that affect this change include overall economic and social trends, population changes, demographic shifts and increases in the cost of providing services.

As Shoreline has grown, particularly since the recent recession, the numbers of residents in need of support services has also grown. Council heard of the impact of these growing needs at last August's dinner meeting with local agencies: the Center for Human Services, Hopelink and the Shoreline Lake-Forest Park Senior Center. The demand for services has increased, as has the depth of services and the costs of services. A few data points illustrate this growth.

- Overall population in Shoreline increased by 1,670, or 4%, from 2006 to 2015.
- Poverty has increased and near poverty is rising[1]:
  - Shoreline's poverty rate now stands at 12.8% (2011-13), $19,530 for a 3 person household; this figure is up from an 8.2% poverty rate in 2005-7;
  - 29% of Shoreline's population, or 14,018 people, lived at 200% of poverty in 2011-13, up from 10,267 in 2005 -06;

[1] Additional detail on these estimates can be found in Attachment B.

    - Poverty for children under 18 increased 8.8% to 16.3% between 2005-2007 and 2011-2013; seniors in poverty stayed relatively flat at 8.7%; and
    - Participation in Free and Reduced Price Meals increased from 25% in 2010 to 27 %, or 2,527 students, in 2014.
- Homelessness has increased:
    - The 2016 One Night Count increased 134% in North King County, with fully half of that increase in Shoreline; and
    - In the 2014-15 school year, 369 students were homeless; a figure that has more than doubled since 2010-11; as of mid-February 2016, the School District reports surpassing that number already.
- Large proportion of seniors: Shoreline has the second highest percentage, population of seniors of all King County cities with 15.8% of the population over 65.
- Increasing numbers of languages: Shoreline Schools report their students speak upwards of 60 languages, and the number of students enrolled in transitional bi-lingual programs has risen from 5.4% in 2007 to 7.3% in 2014.

Current Human Service Providers in Shoreline

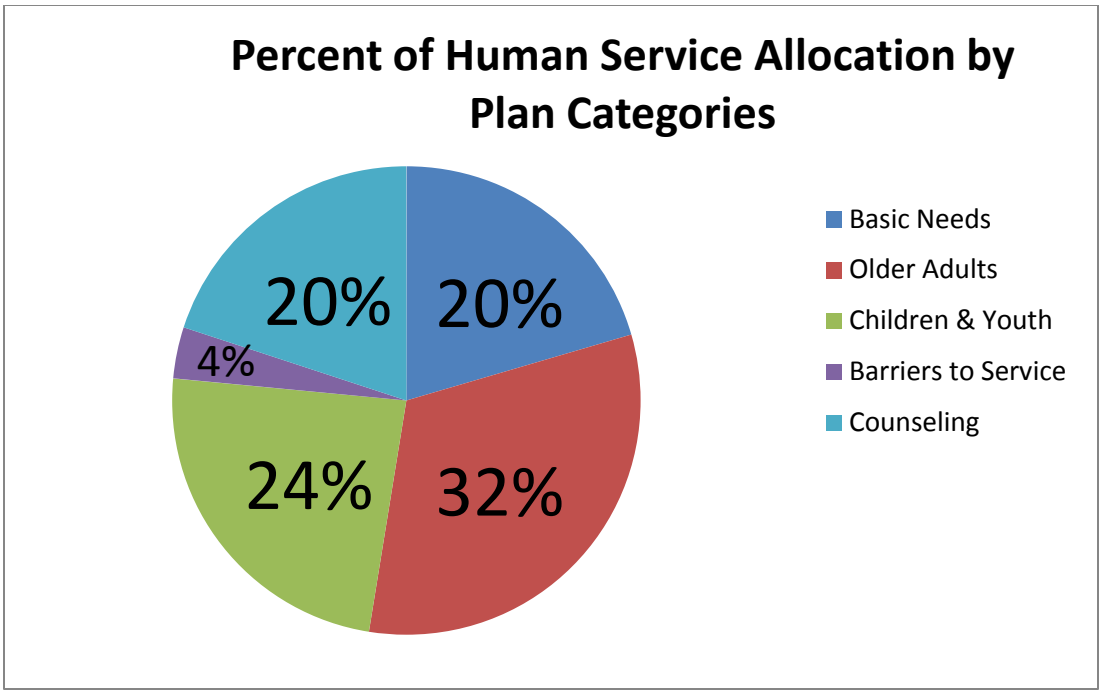
Since 2006, the allocation among, and the number of agencies receiving City of Shoreline human services funding has remained very stable, with modifications only when an existing provider has ceased operation in Shoreline or altogether. The City's current competitive human services funding supports three (3) local agencies (Center for Human Services, Hopelink and the Shoreline-Lake Forest Park Senior Center) and nine (9) regional agencies, delivering a total of 23 programs. Attachment C to this staff report provides a list of currently funded agencies/programs and their level of funding.

The three local agencies receive 76% of the City's overall competitive funding. Combined, all agencies funded by the City report providing services to a duplicated count of 90,562 Shoreline residents. These services range from an hour of counseling to a night of shelter, to a meal, a phone referral, and/or financial assistance.

The human services programs that the City supports are organized into five service areas. They are:

- Basic Needs,
- Older Adults,
- Children and Youth,
- Barriers to Service and
- Counseling.

Attachment C and the graph below indicate the distribution of funding across these categories. While a majority of competitive human services funding is currently spent in the Older Adults category (32%), a majority of this funding is made up of the $95,708 allocation to the Shoreline-Lake Forest Park Senior Center.



DISCUSSION

During development of the 2016 budget, Council expressed an interest in reviewing the way in which the City sets the overall level for its competitively allocated funding for human services. Council discussions and budgetary allocations over the years suggest that there is a desire to increase the City's support for human services to address growing and changing community need.

In setting a funding level it is instructive to see how Shoreline's current level and method of funding compares to other cities. Seven of 19 cities surveyed in King County have adopted a formula to keep their competitive human services funding in balance with changing needs. The components of these formulas include an inflation/CPI adjustment, a set amount of funding per capita and a percentage of the city's general fund. Attachment D provides a table that highlights the variety of ways cities across King County address this question. This comparison captures funding available for competitive human services grants.

As can be seen on the table, Shoreline's current level of funding at $6.41 per capita (competitive funding including the Senior Center, but not including 2016 one-time funding) sits below the median for these cities, which is represented by the City of Bothell's per capita funding level of $6.98. The average per capita funding level for these cities is $9.29.

However, as the table indicates, Shoreline and Kenmore are the only cities that include the operations of their senior centers as part of their human services funding programs. Most of the cities operate their own centers and older adult programming as an element of their park and recreation function. Removing the current ongoing funding ($95,708)

for the Shoreline-Lake Forest Park Senior Center from this comparison gives a truer picture of how Shoreline compares to other cities. Similarly, as the $48,850 in 2016 one-time funding for human services was allocated as one-time, this amount of funding has also not been included. Thus, with Shoreline's allocation for Senior Center operations factored out in this comparison, the City's total per-capita support drops to $4.64 per capita.

Review of Human Services Funding Formulas

In looking at options for how the City could establish a funding formula for human services funding, the following formula models were reviewed:

Per Capita/Population-Based Formula

The cities of Bellevue, Kent and Redmond use a per capita or population based formula. These cities also apply an inflation adjustment to their funding formula. This formula model reflects population shifts and accounts for increases in demand placed on local agencies by expansions of population. When these cities established their human services policies and programs, each of them anticipated significant population growth from annexations. Using the per capita method is consistent with other budgeting measures used to plan and implement changes in services and service levels due to annexations. This method also adds a factor for inflation and accounts for the increased costs of operations for contractors/agencies over time. The main drawback to per capita adjustments is that they do not bear a close relationship to fiscal capacity. Additionally, this model does not reflect the growth of non-population based aspects of the city.

Cities as large as Bellevue are able to use the additional funds generated by formula-driven growth to add or expand programming year to year. Other cities, even ones with formulas, periodically review and reset their budget for human services based on an assessment of need and within their fiscal capacity. Shoreline did such a reset in 2000 and 2005. The City of Redmond provides another more recent example. While Redmond's funding adjusts automatically with population growth and inflation, just this past year, their Human Services Commission proposed and the Council endorsed a more than 50% increase in their base funding as a response to growing need, particularly in the area of housing and homelessness.

While staff does not recommend using a per capita/population-based formula for determining the appropriate level of funding for Shoreline, using per capita funding for measurement and comparison purposes may be useful.

Percent of General Fund

The cities of Auburn, Burien, Covington and SeaTac each set their level of competitive human services funding by using a percentage of their General Fund. This method generally uses a General Fund level net of the use of fund balance and grants. The benefit of this formula model is that it tracks closely with fiscal capacity for a city and provides predictability for the City and its agencies. The downside is that using this metric decouples the level of support from the drivers of need. At times, where need

typically grows fastest, such as a recession, percentage of General Fund may track in the opposite direction or remain flat compared to the need and will possibly contract the City‘s ability to respond.

The following chart displays the calculation of both the percentage of General Fund revenues, minus use of fund balance and grants, and per capita funding over time for the City’s competitive human services funding, with operational Shoreline-Lake Forest Park Senior Center funding and one-time funding removed. This figure has ranged from a high of 0.91% of General Fund revenues in 2007, to a low of 0.68% this year. Over this same time period, the level of per capita spending has ranged from a high of $4.73 in 2007 to a low of $4.42 in 2006.

City of Shoreline Competitive Human Services Allocations

Year	Annual Competitive Allocation (less Senior Center Funding)	% of General Fund Without Use of Fund Balance and Grants	Funding per Capita
2006	$233,703	0.87%	$4.42
2007	$251,343	0.91%	$4.73
2008	$242,049	0.81%	$4.53
2009	$250,628	0.80%	$4.61
2010	$248,751	0.84%	$4.69
2011	$249,993	0.78%	$4.70
2012	$249,867	0.76%	$4.70
2013	$250,173	0.76%	$4.70
2014	$250,173	0.74%	$4.66
2015	$250,273	0.71%	$4.64
2016	$250,273	0.68%	$4.59

Impact on Services from Additional Funding

In considering any adjustments to funding levels, it is instructive to see what kinds of results will follow from differing levels of funding. Using the needs discussed earlier as examples, the following discussion identifies what is possible at varying levels of additional support.

As outlined in the section on changing needs, housing and homelessness, basic needs, mental health and lastly enhancing the overall support to agencies serving Shoreline, are all pressing needs in Shoreline. The City currently has agencies serving Shoreline addressing each of these need areas; all with the capacity to expand services if funded to do so.

The impact of any new funding ranges from simply solidifying the fiscal soundness of a service to attracting a whole new program to the City. In between, there are increments of program enhancement or expansion. At the low end of the spectrum, adding even 5% of funding to an existing provider’s budget will make a meaningful improvement to the service’s fiscal sustainability. To attract a new service or program generally requires

that an agency devote at least one quarter (0.25) to one half (0.5) an FTE to the program. Funding for this kind of staffing expansion is in the range of $25,000 to $40,000 of additional funds. Expanding an existing service on the other hand can be accomplished with an increment of $5,000. The following information provides an illustration of what three levels of funding would accomplish:

- *New response to homelessness and solidifying mental health support: $40,000 - 50,000*. This would allow adding some new staffing in a provider with a base of operation in Shoreline to address homelessness. It would also allow the addition of hours of mental health services through an existing contractor or a new contractor with a presence in the Shoreline area.
- *Expand current services to homeless/housing and mental health: $20,000 - $40,000.* An expansion at this level could make more than 200 hours of mental health services available and sustain the 2016 addition of rent and utility assistance.
- *Enhance support for existing services: $5,000 - $20,000.* Depending on the number of programs and services funded, this level of additional funding will allow two to six existing programs to meet their current level of service demand.

Human Service Funding Recommendations
Staff proposes four recommendations regarding human services funding, which would be implemented beginning with the 2017-2018 funding biennium:

1. Transferring Senior Center Funding
Staff recommends that funding for the operations of the Senior Center ($95,708 in 2016 funding) be split off from the competitive allocations of human services funding and be funded through to the Parks, Recreation and Cultural Services (PRCS) operational budget. Funding through PRCS would begin in the 2017 budget and would be provided via a service contract, similar to the service contracts currently provided to the Arts Council, Historical Museum and the Kruckeberg Garden Foundation.

As noted earlier, with the exception of Kenmore, other cities across King County budget for their senior center operations outside of their competitive human services funding allocations. Typically this is an element of the city's community center or recreation programming. Staff strongly recommends that Shoreline remain a strong supporter and funder of the Shoreline-Lake Forest Park Senior Center. Staff is aware that the Senior Center's support from traditional sources, particularly philanthropy, is changing. Separating this funding for basic operations from competitive pressures will allow the City and the Senior Center to explore a long term financial relationship without affecting other human services funding.

2. Establishing a Funding Baseline Using the Percent of General Fund Formula
Staff recommends that the City establish competitive human services funding levels by using the percent of General Fund revenues formula. If the Senior Center is funded through the PRCS operational budget as noted above, for 2016, Shoreline's competitively allocated human services funding amount would be $250,273. This figure

is derived from the total 2016 human services allocation of $460,650, with the following allocations factored out:

- 2016 One-time Allocation: $48,850
- Shoreline-Lake Forest Park Senior Center Operations Allocation: $95,708
- Non-Competitive Funding Allocation: $65,819

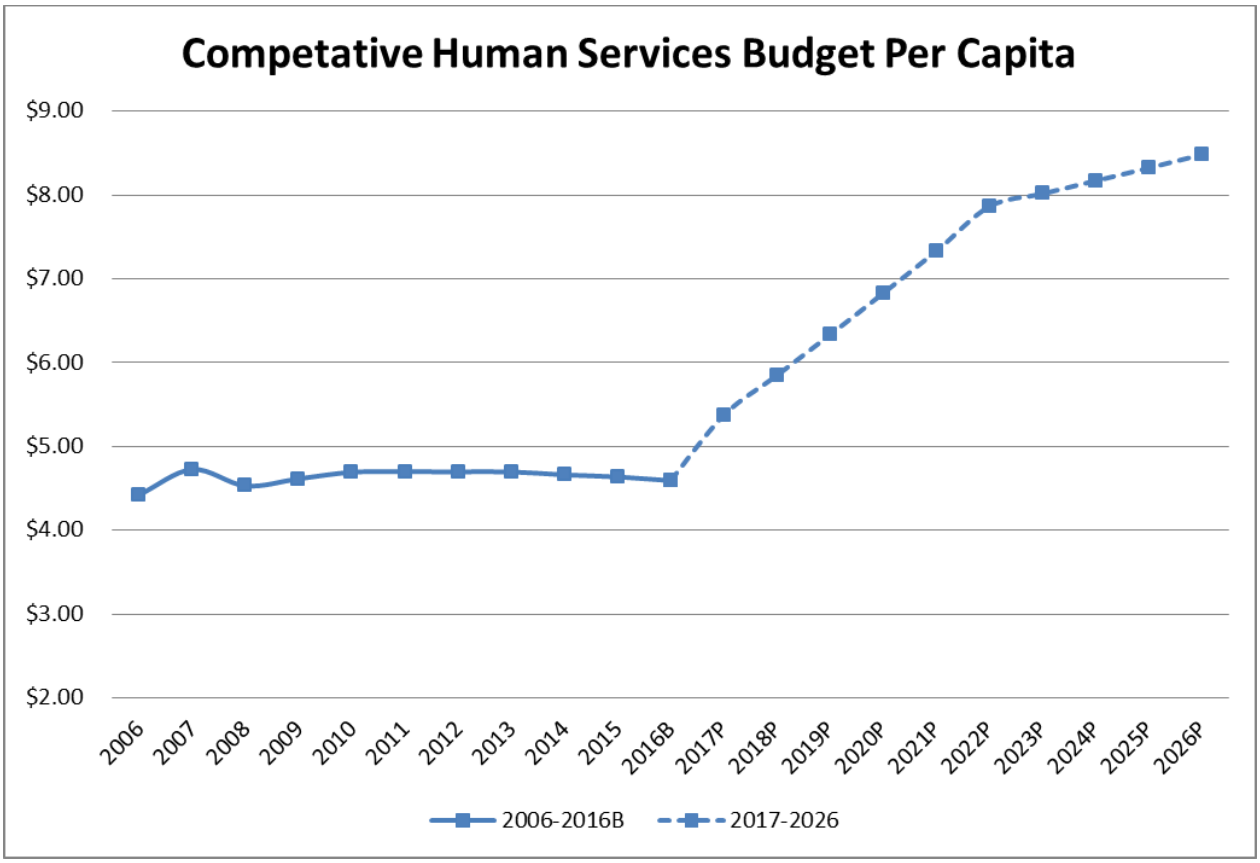
As shown in the table above, the competitive human services allocation of $250,273 equates to 0.68% of General Fund revenues, minus use of fund balance and grants. Staff recommends that for 2017, a baseline is set at 0.75% of the City's General Fund revenues. This would be a projected increase of $43,291 over the 2016 competitive allocation, for a total of $293,564 for 2017. This amount is roughly equivalent to the $299,123 in 2016 funding for competitive human service funding ($250,273) plus one time human services funding ($48,850).

Using any formula provides a level of predictability that is useful for the City and the City's human services providers. It makes program planning more productive, as the level of resources projected to be available is known and efforts can be sized appropriately. The percent of General Fund revenues formula also has the advantages of being straight forward to calculate, it matches funding with the City's ability to provide that funding, and is projected to grow at meaningful levels over time, providing the City with the capacity to respond to growing and changing needs.

3. Establishing a Funding Target

In addition to establishing a funding formula, staff also recommends that 2017 become the baseline from which the City uses a phased-in approach to reach its target allocation of 1.00% of General Fund revenues for competitive human services funding. To reach this target from the 2017 level of 0.75%, staff recommends increasing this percentage by 0.05% per year for five years until 2022. Using projections from the 10 Year Financial Sustainability Model, this approach would result in the following projected increases for competitive human services funding:

Budget Year	Percentage of General Fund	Projected Total Dollar Amount	Projected Increase over Previous Year	Projected Dollar Amount Per Capita
2016B	0.68%	$250,273	$0	$4.59
2017P	0.75%	$293,564	$43,291	$5.37
2018P	0.80%	$320,343	$26,779	$5.85
2019P	0.85%	$347,746	$27,404	$6.33
2020P	0.90%	$376,000	$28,254	$6.83
2021P	0.95%	$404,550	$28,550	$7.33
2022P	1.00%	$435,070	$30,520	$7.86
2023P	1.00%	$444,535	$9,465	$8.02
2024P	1.00%	$454,276	$9,741	$8.17
2025P	1.00%	$463,938	$9,662	$8.32
2026P	1.00%	$473,994	$10,056	$8.48



Moving to both a funding formula based on a percent of General Fund revenues and reaching a target of 1.00% of General Fund revenues over five years will provide for a projected total of $1,511,284 in additional competitive human services funding over 10 years over the 2016 annual allocation of $250,273. To implement this funding increase, the City would need to rely on the three remaining revenue strategies in the 10 Year Financial Sustainability Plan. Therefore, staff recommends implementation of the competitive human services funding formula and funding target be contingent upon the passage of the Levy Lid Lift in November 2016.

4. Establishing Funding Priorities

Recent increases in street homelessness, numbers of homeless students in our schools and the increasing levels of economic stress on households all point to the increasing need to respond to threats to our residents' ability find suitable housing or to sustain their current housing. Programs that address this need are elements of services provided in the categories of Basic Needs and Counseling. Staff recommends that the increased funding for 2017 and beyond be allocated to address homelessness and other needs through the categories of Basic Services and Counseling. Thus, staff recommends that human services applications for programs that meet the needs addressed in these categories would be given priority for the increased human services funding in 2017-2018 biennium allocation process.

FINANCIAL IMPACT

As human service funding has already been set for this year, there is no fiscal impact in 2016. If Council adopts the staff recommendation to set the level of human services funding at 0.75% of General Fund revenues minus use of fund balance and grants, there will be an increase of $43,291 in funding for 2017. If Council adopts staff's recommendation to increase human service funding by 0.05% of General Fund revenues minus use of fund balance and grants each year for five years, beginning in 2018, staff estimates that human service funding would increase $28,301 on average each year through 2022. After 2022 with the funding level set at 1.00% of General Fund revenues, staff estimates that human service funding would increase an average of $9,731 per-year through 2026, the last year of projections in the current 10 Year Financial Sustainability Plan Model. Implementing the above recommendations will provide an estimated total of $1,511,284 in additional support to human services in Shoreline from 2017 to 2026 over the base allocation of funding.

This additional funding has not been factored into the 10-Year Financial Sustainability Plan to project its full impact on future revenue gaps. Moreover, there have been no additional revenue sources identified to cover the proposed increase in competitive service funding, other than implementation of the revenue strategies in the 10-Year Financial Sustainability Plan. Therefore, staff recommends implementation of the competitive human services funding formula and 1.00% funding target be contingent upon the passage of the Levy Lid Lift in November 2016. Staff also recommends that this funding be incorporated into the 2017 budget process and the 2017/2018 human services funding plan.

RECOMMENDATION

As this is a discussion item, no formal action is required. However, staff is seeking Council direction on the following recommendations:

- Staff recommends that ongoing funding for the operations of the Shoreline-Lake Forest Park Senior Center, which totaled $95,708 in 2016 funding, be transferred from the competitive human services program to the Parks, Recreation and Cultural Services operational budget, starting in 2017.
- Staff recommends that the Council use a formula to set the City's level of funding for competitively allocated human services funds, with the 2017 level set at 0.75% of General Fund revenues. Staff also recommends that Council increase human services funding by 0.05% of General Fund revenues each year for a total of five years until the target of 1.00% of General Fund revenues is reached in 2022. Both of these recommendations would be contingent upon passage of the Levy Lid Lift in November 2016.
- Staff recommends that the increase in human services funding in 2017 and beyond be targeted to address homelessness and other needs in the funding categories of 'Basic Needs' and 'Counseling'.

ATTACHMENTS

Attachment A – 2001-2002 HS Allocations
Attachment B – Snapshot of Poverty - 2015 Poverty Update
Attachment C – 2015-2016 Human Services Funding to Agencies
Attachment D – King County Cities 2015 Human Services Competitive Grant Funding Level and Adjustment Process

Attachment A

2001-2002 Human Services Funded Programs and Agencies

Senior Services of Seattle/King County:	
Shoreline-Lake Forest Park Senior Center	$ 67,329
Center for Human Services	$ 83,925
Teen Hope	$ 15,000
Crisis Clinic—telephone services	$ 5,000
King County Sexual Assault Center	$ 4,000
Senior Services of Seattle/KC	
Shoreline—congregate meals	$ 2,500
East/North Healthy Start	$ 9,000
Hopelink—emergency services	$ 18,000
Harborview Children's Response Center	$ 5,000
Hopelink—Kenmore Shelter	$ 8,000
The Homelessness Project of the	
Church Council of Greater Seattle	$ 5,000
Food Lifeline	$ 5,000
Emergency Feeding Program/Shoreline	$ 6,500
Crisis Clinic—Teen Link	$ 3,020
	TOTAL $237,274

CITY OF SHORELINE SNAPSHOT: POVERTY

Summary

The poverty rate, as determined by comparing three year estimates from the American Community Survey for the periods 2005-7 and 2011-2013 increased from 8.2% to 12.8% of the population. This 4.6% increase is statistically significant at the 90% confidence level.

Children under 18 experienced an increase in poverty from an estimated 7.5% in 2005-7 to 16.3% in 2011-13. The 8.8% increase is statistically significant at the 90% confidence level.

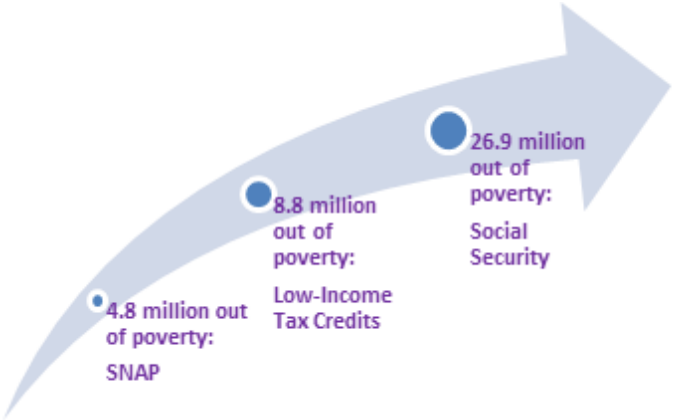
The number of people living below twice poverty increased. Twice poverty is an estimate of what it takes to provide for basic necessities. Between one in four and almost one in three Shoreline residents has an income of twice poverty or less.

BACKGROUND

Poverty levels are measured by family size and composition and are adjusted annually. The federal poverty guideline, established in 1964, was based on a USDA 1955 Household Food Consumption Survey that found that the average family spent one-third of their income on food. The food fraction was multiplied by three to calculate the poverty level. By 2012, food costs were about 13% of an average household budget, according to the U.S. Bureau of Labor Statistics, and a variety of other costs, not included in the original household budget calculation, such as childcare, transportation and health care, have increased substantially.

Few people can survive on a poverty income without outside public or family financial or in-kind supports. Major living costs such as transportation, health care, housing and child care are not factored into the poverty definition. Non-cash assistance such as Supplemental Nutritional Assistance Program (SNAP), housing vouchers and tax credits are also not counted in determining poverty status, but have been very important in keeping many people out of poverty.

The graphic below shows the number of people in the U.S. kept out of poverty by three key federal programs.



The poverty guidelines, shown below, are used for administrative purposes such as qualifying for benefits. The Census Bureau computes poverty rates using a different statistical measure called a poverty threshold.

2013 Poverty Guidelines for the 48 Contiguous States and the District of Columbia

Persons in family/household	Poverty guideline
1	11,490
2	15,510
3	19,530
4	23,550
5	27,570
6	31,590
7	35,610
8	39,630
For families/households with more than 8 persons, add $4,020 for each additional person.	

In 2005, the U.S. Census Bureau implemented the American Community Survey (ACS) which measures social, economic and housing characteristics of the population on a continuous basis. In North King County, minimum population thresholds (65,000) for one year estimates are not met, but three and five year estimates are available. Prior to the ACS, poverty data was collected once every ten years using a point-in-time sample that was part of the Decennial Census. For Shoreline, estimates of poverty and other social, economic and housing characteristics of the population are available for three year and five year periods. In comparing the American Community Survey, three year poverty estimates for 2005-7, 2009-11, and 2011-13 the poverty rate for Shoreline varied from 8.2 % to 12.8%. The 4.6% increase in the percent of people living below poverty between the 2005-7 and 2011-13 periods is statistically significant, meaning there is a 90 percent chance this is

a true difference, not caused by sampling error and that the true value falls within the margin of error.

For the 2011-13 estimate, the lower estimate (6856-1376 is 5,480 and the upper estimate is (6856+1376) 8,232 people living at or below poverty.

Poverty Status in the Past 12 Month American Community Survey 3- Year Estimates			
Year	Percent Poverty	Estimate	Margin of Error
2005-2007	8.2	4,203	+/-855
2011-2013	12.8	6,856	+/-1376

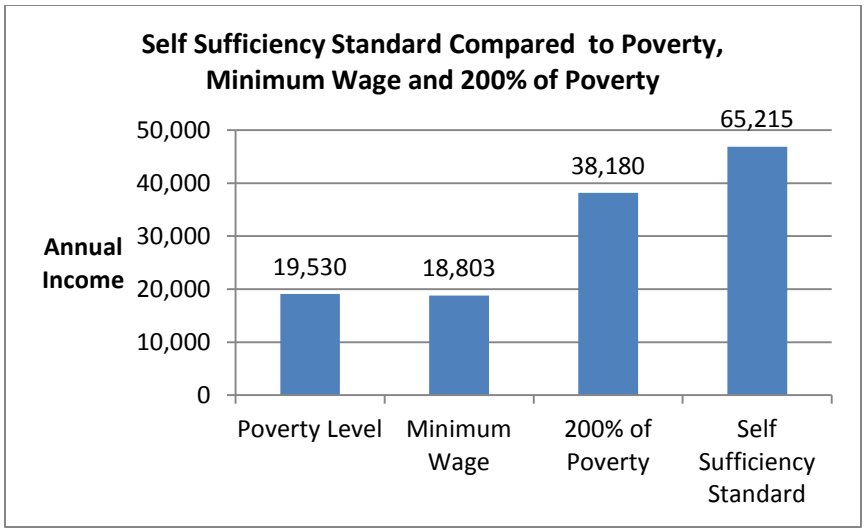
Other Measures of Economic Insecurity

Two other measures that describe the minimum income needed to purchase the basic necessities of life are the number of people living below 200% of poverty and the Self Sufficiency Standard. The number of people living below 200% of poverty, for two separate three year estimates, is shown below. The difference between the two period estimates is statistically significant, meaning the true value has a 90% probability of being between 13,495 and 16, 613 (plus or minus the margin of error) or between one in four and almost one in three Shoreline residents.

All Individuals Below 200 Percent of Poverty American Community Survey, 3-Year Estimates			
Year	Percent	Estimate	Margin of Error
2005-2007	NA	10,267	1,343
2011-2013	NA	15,054	1,559

People living at or below 200% of poverty have enough income for basic necessities but may lack assets to weather an employment gap, or unexpected financial emergency lasting more than 90 days and have limited to no capacity to save money.

The second measure, the Self Sufficiency Standard, measures the income required to provide for basic necessities without subsidies. A calculator (www.thecalculator.org) allows comparison of costs by city. In the Shoreline example, a one adult two child household, with one child pre-school age is shown. This family needs $5,435 per month ($30.88 per hour job) or an annual wage of $65,215 to meet basic expenses without subsidies. The largest expenses are child care $1,733, housing $1,409, and taxes $956. The chart below compares the three other measures of minimum income with the Self Sufficiency Standard. Compared to the Self Sufficiency Standard, the other three measures fall short.



- Poverty Level- 30% of Self Sufficiency Standard
- Minimum Wage -29% of Self Sufficiency Standard
- 200% of Poverty -59% of Self Sufficiency Standard

Poverty by Age

Shoreline residents 65 and older experience poverty at a lower rate than the overall population and the percent in poverty has remained stable. In comparing the 2005-2007 with the 2011- 2013 three year American Community Survey estimates, the number in poverty increased by 105 but the change is not statistically significant. The margin of error is large relative to the estimate size which further reduces the reliability of the estimate.

Population 65 and older, Poverty Status In the Past 12 Months American Community Survey, 3-Year Estimates			
Year	Percent Poverty	Estimate	Margin of Error
2005-2007	8.7	646	+/-391
2011-2013	8.7	751	+/-222

Poverty among children under 18 increased 8.8% between 2005-2007 and 2011-2013 and the increase is statistically significant meaning there is a 90% probability the true number in poverty is between 1,015 and 2,345 (plus or minus the margin of error).

Population under 18, Poverty Status In the Past 12 Months American Community Survey, 3-Year Estimates			
Year	Percent Poverty	Estimate	Margin of Error
2005-2007	7.5	759	+/-392
2011-2013	16.3	1680	+/-665

Poverty by Race

The rate of poverty increased for Asians by 7.1% between the 2005-7 and 2011-13 periods and during the same period for White's by 4.7%. The change is statistically significant for white's but not statistically significant for Asians.

Year	Percent Poverty White	Estimate	Margin of Error
2005-2007	6.8	2,581	620
2011-2013	11.5	4,303	1,091

Year	Percent Poverty Asian	Estimate	Margin of Error
2005-2007	6.7	490	293
2011-2013	13.8	907	571

No Shoreline poverty data was available for the 2005-2007 period for African Americans. In the 2011-2013 period an estimated 972 or 25% of the African American population in Shoreline was living below poverty. The percent of African Americans below poverty in King County increased from 28% for the period 2005-7 to 32% for the 2011-2013 period, an increase of 4% that is statistically significant.

No Shoreline data was available for the 2005-2007 periods for the Hispanic or Latino population. For the 2011-2013 periods, an estimated 610 people were living below poverty or 11.9% of the Hispanic or Latino population.

Poverty by Educational Level

The poverty rate for people who did not graduate high school decreased from 26.1% or 764 people in the 2005-2007 period to 22.1%, or 787 people in the 2011-2013 period. The change between the two periods was not statistically significant however the rates of poverty for those who do not finish high school are second only to African American rates of poverty.

Poverty by Family Type

Families headed by female householder with no husband and children under 18 had the highest poverty rates among families in poverty. The poverty rate was estimated at 59% in 2005-2007 and 40.9% in 2009-2011; however, the difference between the two periods was not statistically significant. This represents the highest rate of poverty among the population segments studied.

Chance of Becoming Poor

Nationally, it is estimated that the chance of becoming poor is roughly 4% a year. [1]However, this number does not include people who cycle through poverty. Based on national data, slightly more than half the population (51.4%) will experience poverty before age 65.

For more information contact:

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[1] Transitioning In and Out of Poverty, Urban Institute, Mary Signe-McKernan, Caroline Ratcliffe, Stephanie R. Cellini.

Attachment C

2015-2016 HUMAN SERVICE ALLOCATIONS BY HUMAN SERVICE PLAN CATEGORIES

	2016 Ongoing	2015 One-Time	2016 One-Time
Basic Needs			
Compass Housing	4,598		
Hopelink - Family Support Program	7,500		3,250
Hopelink - Emergency Shelter (Kenmore)	7,208		
Hopelink - Emergency Services	11,889		19,600
Hopelink - Emergency Feeding Services	16,867		
Hopelink - Adult Education	3,000		
Hopelink - Employment	9,762		
Health Point Medical Clinic	4,958		
Food Lifeline	5,000		
	$70,782		**$22,850**
Counseling			
Center for Human Services - Mental Health/Substance Abuse	58,722	15,000	
King County Sexual Assault Resource Center	10,288		
	$69,090	**$15,000**	
Older Adults			
Catholic Community Services` - Volunteer Chore	3,728		
Sound Generations - Community Dining	2,975		
Sound Generations - Meals on Wheels	4,958		
Sound Generations - Volunteer Transportation	3,728		
	$15,389		
Children & Youth			
Friends of Youth - Healthy Start	9,876		
Child Care Resource and Referral	4,958		
Wonderland - Developmental Screening/Preschool	4,958		
Center for Human Services - Family Support Center	63,042		
	$82,834		
Barriers to Service/Access			
Crisis Clinic - 24 hour Crisis Line	3,830		
Crisis Clinic - 2-1-1	3,470		
Crisis Clinic - Teen Link	4,958		
	$12,258		
Total Allocation	**$250,273**	**$15,000**	**$22,850**
Sound Generations - Shoreline LFP Senior Center Operations	$95,708		$26,000
Total 2016 Allocation with Senior Center	**$354,981**		**$48,850**

Attachment D

King County Cities 2015 Human Services Competitive Grant Funding Level and Adjustment Process				
City	**2014 Pop. Estimate**	**2015 Grant Funding**	**2015 Per Capita**	**Funding Formula for Grants**
Bellevue	134,400	$ 3,117,067	$23.19	Population Growth + Inflation
Tukwila	19,210	$ 365,170	$19.01	No Formula
SeaTac	27,620	$ 517,500	$18.74	1.5% of General Fund
Redmond	57,700	$ 750,191	$13.00	Per Capita ($12.10) + Inflation + DV
Mercer Island	23,310	$ 300,000	$12.87	No Formula; Capped Amount
Kirkland	82,590	$ 759,871	$ 9.20	No Formula
Issaquah	32,880	$ 291,000	$ 8.85	No Formula; Per Capita Target of $10
Kenmore	21,370	$ 161,000	$ 7.53	No Formula; Includes Senior Center
Kent	121,400	$ 872,866	$ 7.19	Per Capita + CPI Escalator
Bothell	41,630	$ 290,500	$ 6.98	Historically $7 Per Capita
Covington	18,480	$ 125,000	$ 6.76	Target is 2% of General Fund Budget
Auburn	74,860	$ 490,000	$ 6.55	1% of General Fund Expenditures
Shoreline	***53,990***	***$ 345,981***	***$ 6.41***	***No Formula; Includes Senior Center***
Woodinville	11,240	$ 70,000	$ 6.23	No Formula
Renton	97,130	$ 567,038	$ 5.84	No Formula
Federal Way	90,150	$ 516,000	$ 5.72	No Formula
Burien	48,240	$ 275,000	$ 5.70	1.25% of General Fund Expenditures
Shoreline	***53,990***	***$ 250,273***	***$ 4.64***	***No Formula; Without Senior Center***
Sammamish	49,260	$ 176,000	$ 3.57	No Formula
Des Moines	30,030	$ 81,100	$ 2.70	No Formula