

## MEMORANDUM

TO: Mayor and City Council

FROM: Housing and Human Services Advisory Board

DATE: May 7, 2012

SUBJECT: HHSAB Recommendation to Increase the FY 13 Human Services Funding, to remain level with FY12 allocations

### **Background**

On November 4, 2010, City Council approved a coordinated funding process for human services funding in partnership with Washtenaw County, the Washtenaw Urban County, the United Way of Washtenaw County, and the Ann Arbor Area Community Foundation.

This coordinated funding process includes a Coordination & Planning funding process (United Way and Ann Arbor Area Community Foundation funding), a Capacity Building funding process (United Way and Ann Arbor Area Community Foundation funding), and a Program Operations funding process (City, County, Urban County and United Way funding) in which each process is informed by the others and funders collaborate to ensure efficient and effective investment of both public and private human services funding. The final approval of funding recommended in each of these processes, however, remains under the authority of each partner's board.

The City's FY12 and FY13 General Fund investments in nonprofit entities for human services are included in the Program Operations component of this coordinated funding process. In FY 12, City Council awarded funding in the amount of \$1,244,629 for outside allocation to human services in this Coordinated Funding process. That full amount was awarded to 40 agencies (38 awarded competitively and 2 awarded through sole-source) for the delivery of 65 human services programs. This funding does not include one-time, supplemental awards made by Council to local nonprofits, as in the award to the Shelter Association of Washtenaw County for the Warming Center program in the winter of 2011-12.

The Administrator's FY13 Budget presentation to City Council included a "highlight" that indicated an increase to human services funding by \$10,000, however the allocation for human services in the proposed FY13 Budget is \$1,197,730, which is actually \$46,899 less than in FY 12.

The need for this funding continues in FY 13. Despite some promising economic conditions locally, many residents continue to struggle with basic needs. The most recent Census data indicates that nearly a quarter of all City residents are living in poverty. That accounts for a 3% increase over the past decade. Similarly, 14.8% of children under 18 are living in poverty – a 7% increase from 2000. Median household incomes have dropped (-9%), median gross rents have increased (+3.1%), and the rate of unemployment has increased (+4.1%) over that same period as well. Though many residents and businesses are poised to move beyond the recent recession, there are many residents who continue to face significant barriers to daily stability and security.

### **Recommendation**

The HHSAB recommends that Council increase the budget for human services funding in FY 13 by \$46,899 to ensure level funding for outside allocations to human services entities in the Coordinated Funding process. This increase would provide sufficient funding to ensure allocation of the \$1,244,629, which ensures level funding for nonprofits funded through the FY12-14 funding cycle. FY13 is the second year of this cycle.

Sponsored by: Housing and Human Services Advisory Board (Andrew Gilroy, Ned Staebler, Soni Mithani, David Blanchard, Anna Erickson, Ingrid Ault, Adam Zemke, Anthony Ramirez, Stephen Pontoni, Gary Hayden, Council Member Sandi Smith and Council Member Jane Lumm)

Prepared by: Mary Jo Callan, Director, Office of Community & Economic Development (OCED)  
Andrea Plevak, Human Services Policy Specialist, OCED