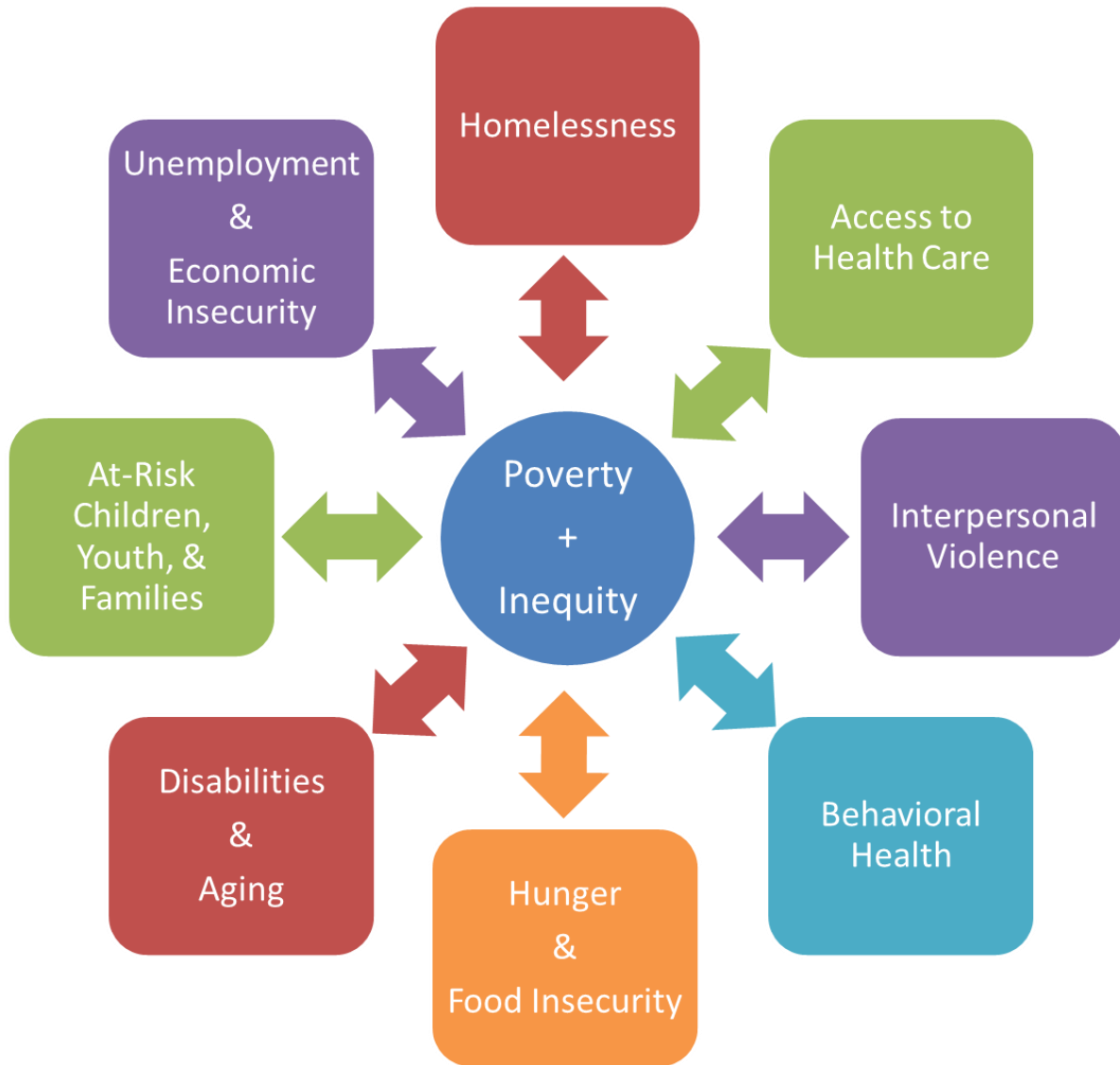


City of Columbia FY2019 Budget: Social Services Funding

For over 50 years, the City of Columbia has recognized that in addition to physical infrastructure and public safety, it must also make an investment in our community’s social infrastructure. To this end, the City has both provided and purchased social services to ensure that adequate levels of these services are available to low-income residents of the City.

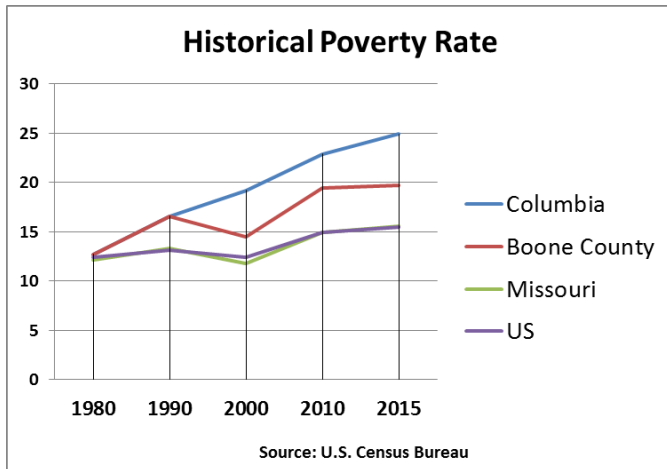
The social services provided and purchased by the City address some of our community’s most challenging issues, many of which are rooted in poverty and inequity.



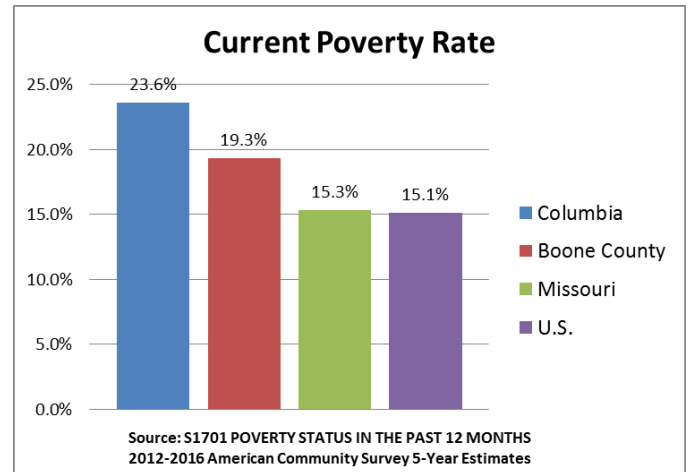
This report, from the Human Services commission, is intended to outline these issues and the critical role the City’s social services funding plays in addressing their causes and effects.

Poverty

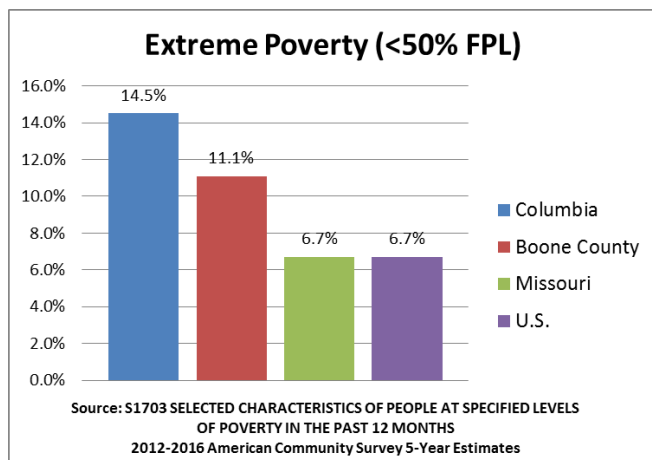
Poverty continues to be a persistent and growing issue in Columbia.



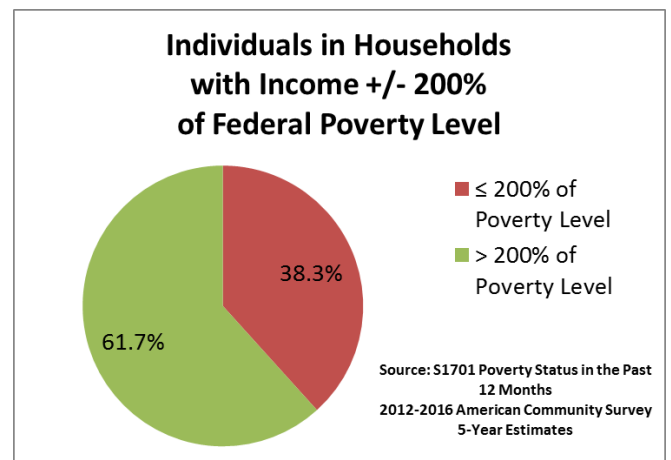
The poverty rate has increased steadily since 1980, when only 13% of Columbia residents lived in poverty.



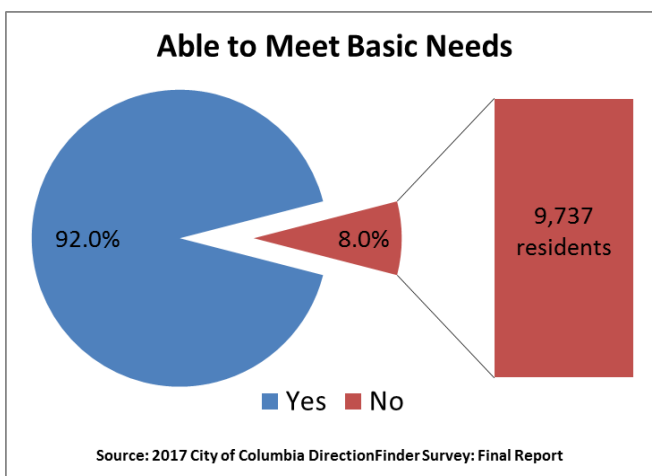
Currently, nearly 24% (27,651) residents live below the poverty level.



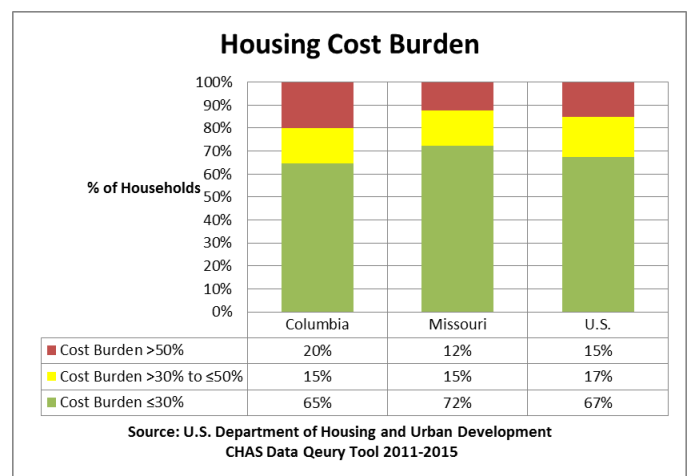
15% of Columbia residents are living in extreme poverty, meaning they are living in households with an income less than half of the poverty level.



39% of residents are living in low-income households. This includes many working people, with incomes above the poverty level, but who are still unable to meet their basic needs, and therefore need to utilize social services.

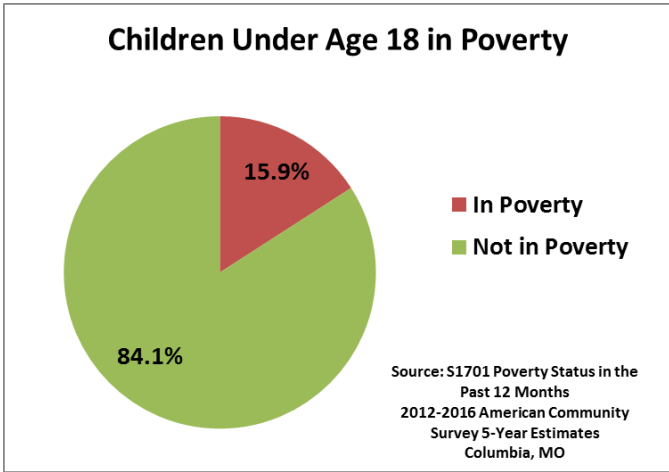


According to the City's most recent citizen survey, 8% of respondents reported being unable to meet their basic needs in the last 12 months.

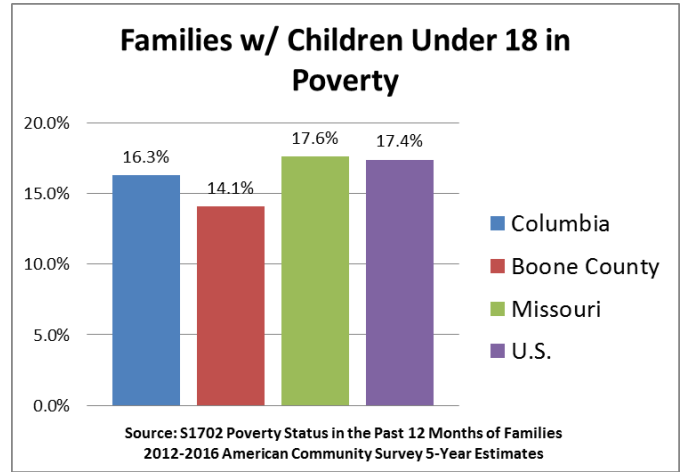


High rates of poverty and a lack of affordable housing have resulted in Columbia's high rate of housing cost burden.

In order to mitigate the effect of college students on the poverty rate in Columbia, and because they are important stand-alone indicators, we closely monitor the poverty rates for children and families.



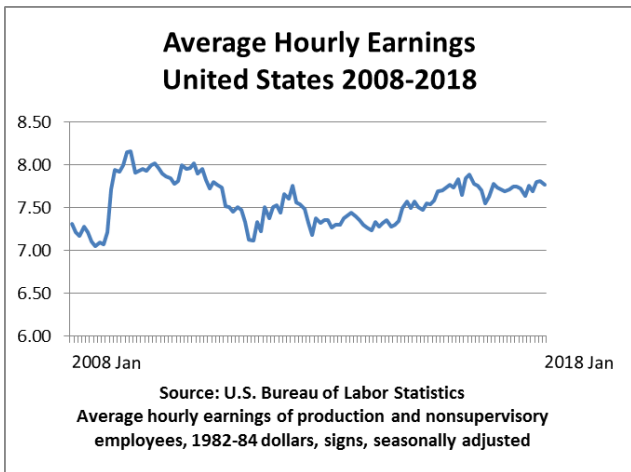
16% of children in Columbia are living in poverty.



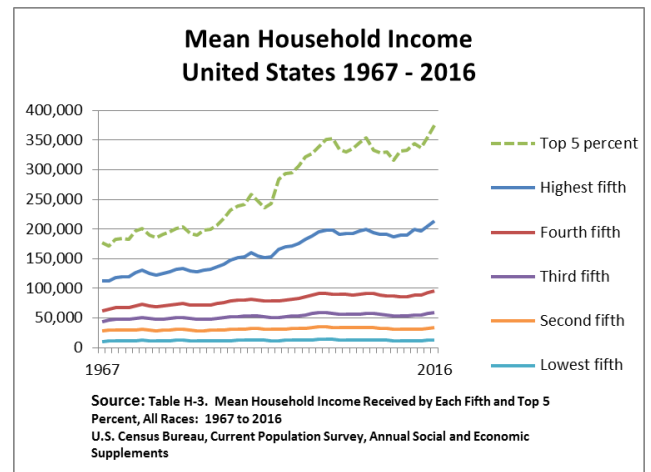
16% of families with children under 18 live in poverty.

Income Inequality

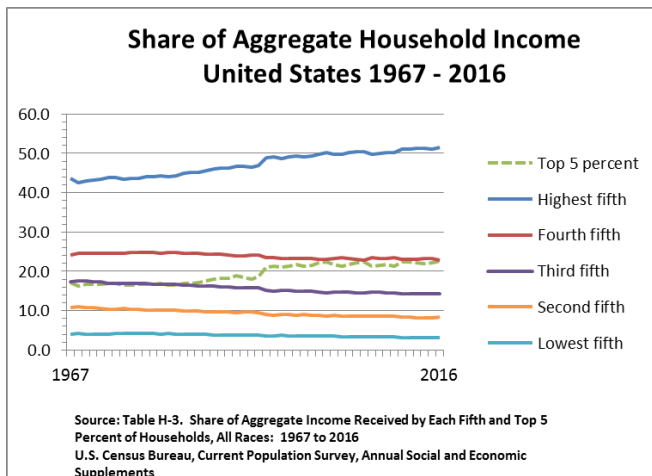
Growing income inequality has placed more people in or near poverty, and is keeping them there.



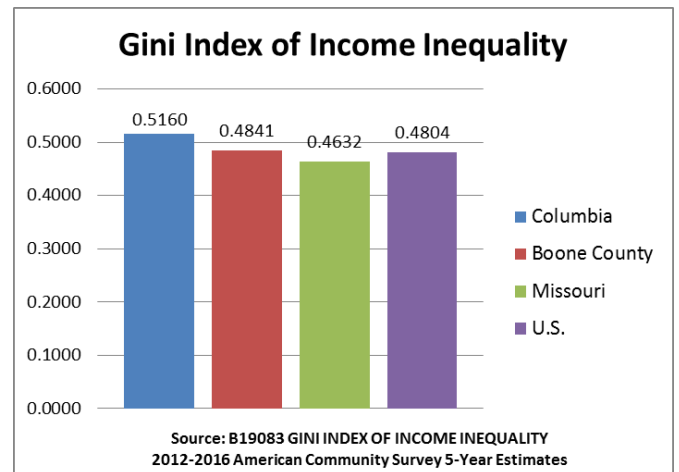
Despite the currently low unemployment rate, there have been no gains in hourly earnings over the past decade.



Household income for middle and low income households in has been very flat over the last 50 years.



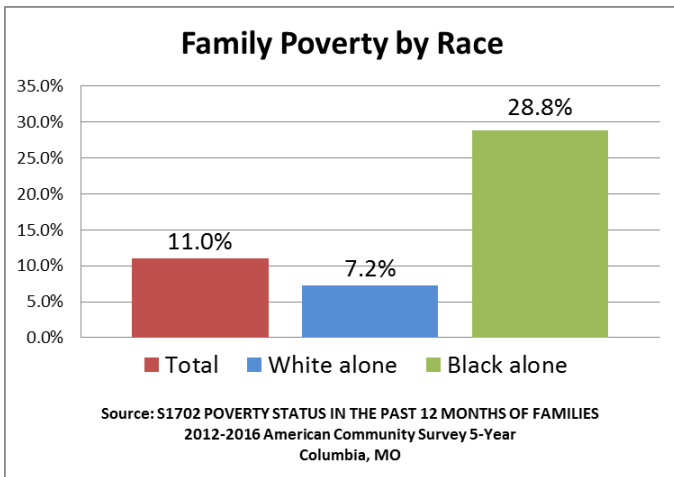
The share of household income has become increasingly unequal, with all gains since 1967 going to top 20%.



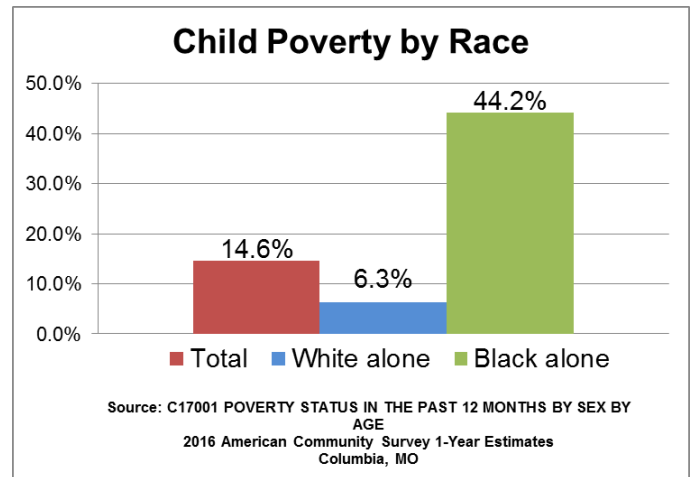
Columbia's rate of income inequality is significantly higher than state and national rates.

Disparities

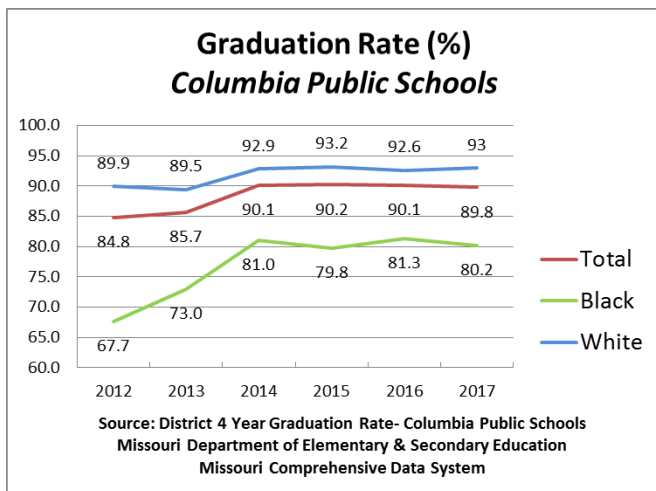
Social, economic, health, and educational disparities continue to be a significant issue in our community. African-Americans in Columbia experience disproportionately high rates of poverty, unemployment, and morbidity & mortality and disproportionately low rates of educational and economic attainment.



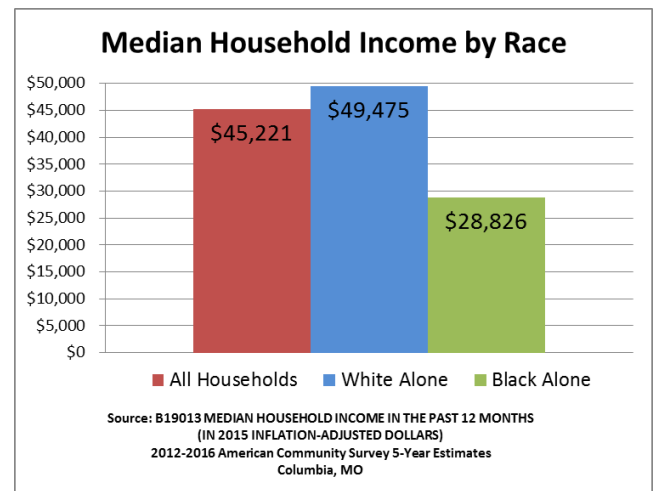
29% of black families in Columbia are living in poverty as opposed to only 7% of white families.



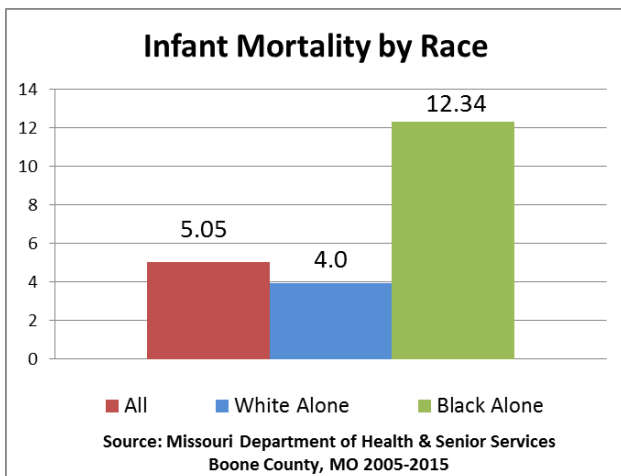
44% of black children in Columbia live in poverty as opposed to only 6% of white children.



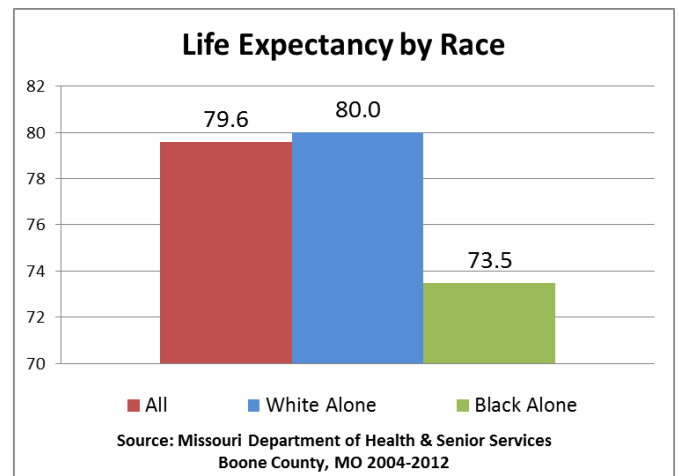
There is a persistent academic achievement gap between white students and black students.



Black household income is only 58 cents on the dollar of that of white households.



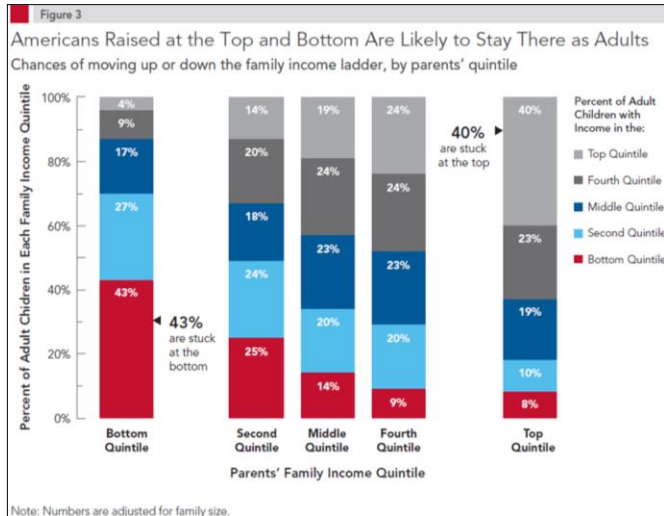
The infant mortality rate for black infants is 3 times that of white infants.



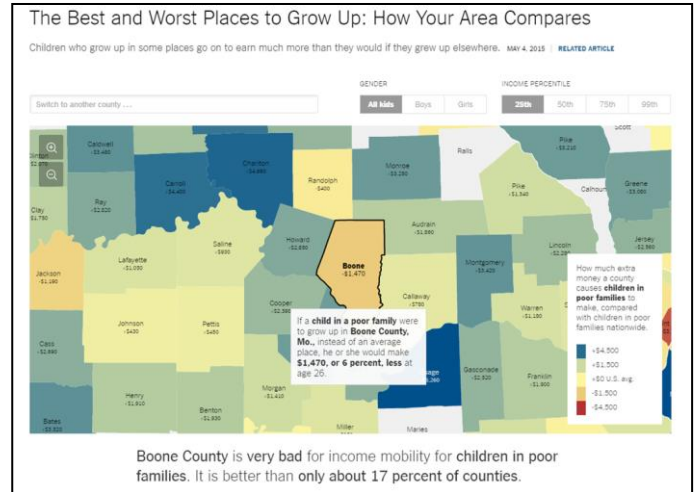
Life expectancy is significantly lower for African Americans in Columbia.

Economic Mobility

Additionally, we are learning that for persons born into poverty, economic mobility is highly limited, particularly in our community.



Moving out of the bottom income quintile is substantially less likely than in the upper quintiles.¹



The Columbia area ranks in the bottom 17% of communities in the nation when it comes to income mobility for children from low-income households.²

An Investment

Because the City does not have the capacity to provide all of the social services needed to address the causes and effect of poverty and inequality in our community, the Human Services Commission (HSC) and the Department of Public Health and Human Services are charged by the Columbia City Council to make annual recommendations for the purchase of social services, through professional services agreements with community-based providers, utilizing the City's social services funding.

The social services purchased by the City are a key component of our theory of change.

Vision: A thriving community of equal opportunity, free of disparities.

Goal: End poverty.

Outcomes: Every member of our community has...

1. Their basic needs are met.
2. An equal opportunity to be self-sufficient and to thrive.

In order to target limited resources, the City's social services funding is allocated to address five issue areas reflecting the funding priorities identified by the HSC and approved by the City Council. "Requests for Proposals" (RFPs) and the resulting purchase of service contracts are issued by these issue areas in a staggered, three year cycle:

Issue Area	Target Funding Parameter	Funding Cycle
Economic Opportunity	15-35%	2019 - 2021
Independent Living	5-25%	
Behavioral Health	0-20%	
Children, Youth and Families	15-35%	2018 - 2020
Basic Needs and Emergency Services	15-35%	2017 - 2019

For detailed information about the City's social services funding, please visit the [City of Columbia Social Services Funding web page](#).

A Strategic Investment

The social services contracted by the City are identified and prioritized through a data driven process, which also incorporates an ongoing assessment of community needs and resources. Contracted providers, along with the services purchased, are closely monitored for performance and impact at the individual and community levels.

The investment in social services also directly supports the City’s Strategic Plan, which includes as strategic priorities and questions:

- Economy: Jobs that support families - How do we create more living wage jobs?
- Social Equity: Improving the odds for success - How can we strengthen our community so all individuals thrive?

A Return on Investment

While the City’s investment in social services is not adequate to fully address the causes and effects of poverty and inequality, it does substantially increase the availability of services in Columbia. Examples of services the City purchases include:

- Employment readiness and support from Job Point
- Personal finance education from the Columbia Housing Authority
- Emergency shelter from Salvation Army, Welcome Home, Turning Point, and Rainbow House
- Positive youth development and tutoring from Boys and Girls Club, Columbia Housing Authority, Fun City, and Grade A Plus
- Domestic violence services from True North
- Nutritious supplemental foods from the Food Bank, Community Garden Coalition, and Meals on Wheels
- Behavioral health services from Compass and Phoenix Programs

Without funding from the City, many of these services would simply be unavailable to our community’s most vulnerable residents.

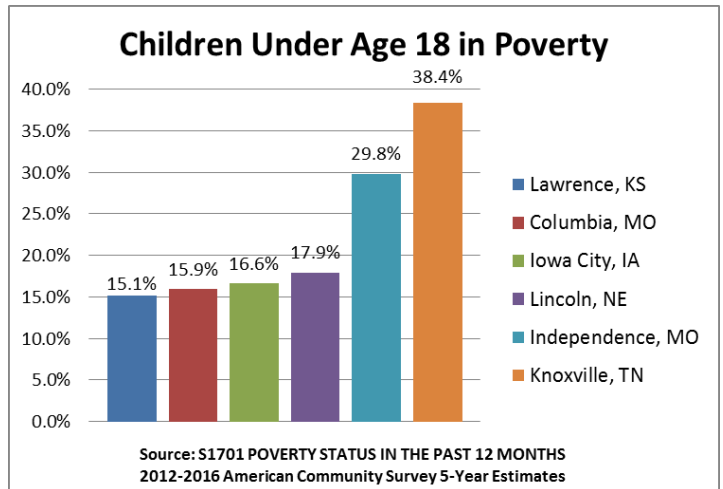
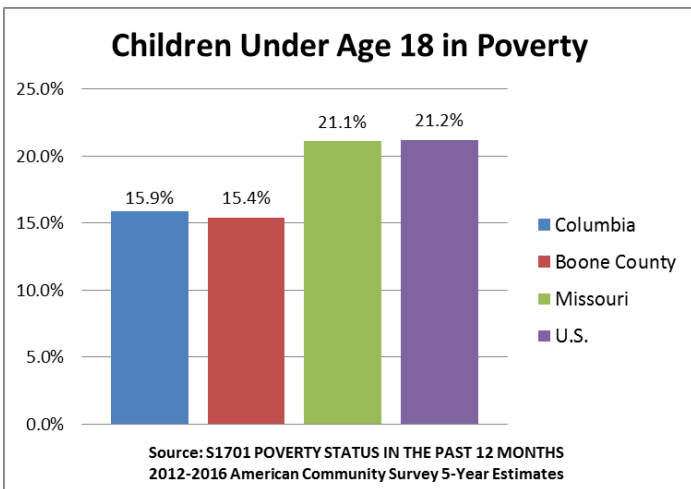
\$58:1

The City’s investment also allows our contracted partners to leverage additional, external resources which further increase the community’s capacity to deliver social services. In our most recent analysis, we found that for every \$1 the City of Columbia invests in local social services, our contracted providers generate \$58 additional dollars... a \$58/\$1 **return on investment**. In addition, a significant

portion of these revenues is obtained from sources outside our community. Our relatively small investment makes Columbia very competitive in obtaining shrinking resources from external funders which are increasingly requiring local matching funds.

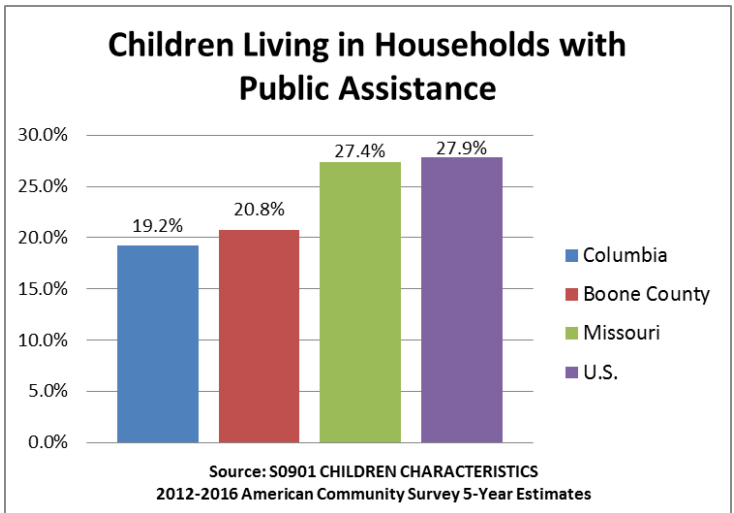
An Investment that Works

As an indicator that this investment works, the child poverty rate in Columbia is lower than state and national rates, and the rates of many of our peer communities.



As a result, we have a significantly lower rate of children living in households with public assistance.

These are critical measures because, as we have outlined above, it is particularly challenging to escape poverty in Columbia.



A Collective Investment

The investment in social services also empowers the City to be a leader in convening diverse stakeholders to address our community’s complex social issues. Because we are operating in a resource-scarce environment, we have embraced and led a collective impact approach, in the spirit of moving the needles together rather than in silos.

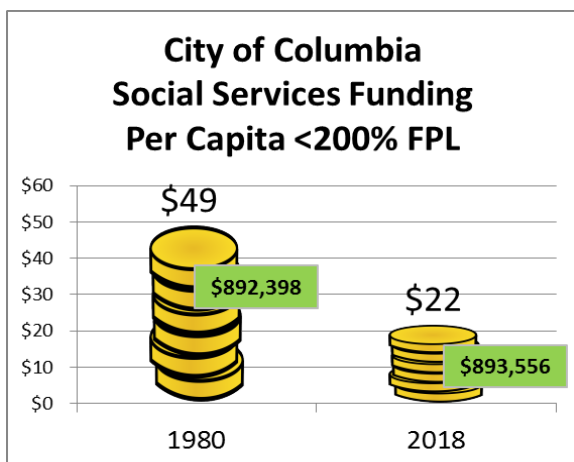
The City, County, and United Way, through a collective impact collaborative we are calling the [Boone Impact Group](#), continue to successfully align plans, policies, and practices in order to further develop our capacity to effect positive change at the community level.

In order to inform and align our work and to measure our progress in improving outcomes and narrowing disparities, we have further developed the [Boone Indicators Dashboard](#), a web-based, interactive platform which provides a broad array of socio-economic, health, education, and housing indicators, at both the City and County levels. The project makes community level data easily accessible to the City, our partners, and the community.



A Declining Investment

Unfortunately, the City’s investment in social services has not kept pace with the growing rate of poverty in our community. City social services funding was reduced from \$903,743 in FY2009 to \$893,556 in FY2010 (a reduction of 1.1% or \$10,187) and has been held flat since that time.



In 1980, the City’s investment in social services was the equivalent of \$892,398, in today’s dollars, or a rate of \$47 per low income resident, as compared to the City’s current investment of \$893,556, a rate of only \$22 per low income resident.

During this same period, state and federal resources have also declined. Also, private donations to community providers and the Heart of Missouri United Way have sharply fallen, and are experienced to decrease even further under the newly adopted federal tax code. As a result, in this fiscal year alone, three partner providers have been forced to close contracted programs due to a lack of resources.

Summary

As outlined in this report, the issues of poverty and inequity conspire to keep too many of our community members from realizing their true potential. The Human Services Commission applauds the City's strategic plan which seeks to better address these issues. We continue to hope this results in an increased investment in social services, which not only assist people in meeting their basic needs, but also build the skills and assets people need to move up and out of poverty.

The members of the HSC would like to thank the City Council for its longstanding support of the City's investment in the social infrastructure of our community. The HSC looks forward to the opportunity to present the FY2019 social services contract recommendations to the City Council on December 17, 2018.

Sources

¹ Source: *Pursuing the American Dream: Economic Mobility Across Generations* The Pew Charitable Trusts

² The New York Times: <http://www.nytimes.com/interactive/2015/05/03/upshot/the-best-and-worst-places-to-grow-up-how-your-area-compares.html?hp&action=click&pgtype=Homepage&module=second-column-region®ion=top-news&WT.nav=top-news&r=0&abt=0002&abg=0>