WHAT IF YOUR PAST WAS ALWAYS ON DISPLAY

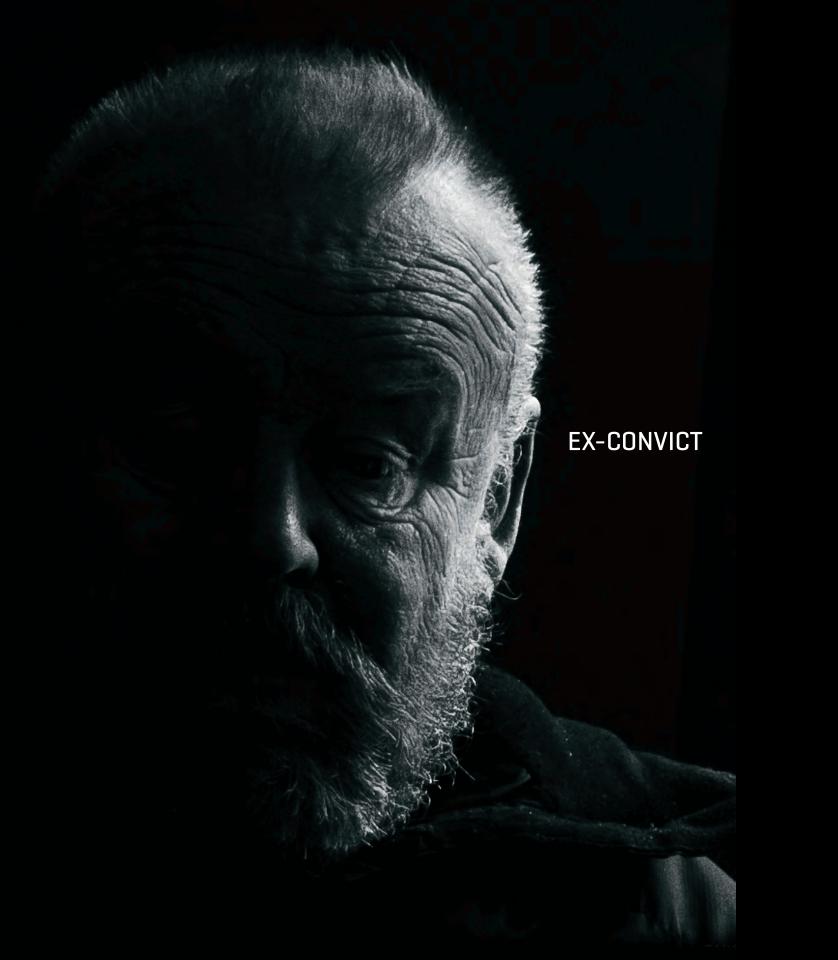
PIONEER HUMAN SERVICES | ANNUAL REPORT 2014



ADDICT







AT PIONEER HUMAN SERVICES WE HELP INDIVIDUALS WITH A PAST HAVE A FUTURE.

SOCIETY OFTEN LABELS PEOPLE BY THEIR PAST.

BETWEEN 70 MILLION AND 100 MILLION AMERICANS -OR AS MANY AS ONE IN THREE—HAVE SOME TYPE OF CRIMINAL RECORD.¹

For many this label can be almost impossible to shed and it can create a permanent barrier to employment, housing and economic security for individuals and their families. It can also create a revolving door back into the criminal justice system.

At Pioneer, we believe that people have the ability to overcome their past and every person deserves the opportunity to build a brighter future. Since the majority of women and men in prison have children,² the stakes for a successful reintegration are raised. A successful reentry affects not only the individuals who were incarcerated, but it touches their children, extended families, friends, neighbors and society as a whole. Our services are designed to support individuals at every step along their path to becoming productive members of our communities.

OVERCOMING ADDICTION

The connection between drug use and crime is well documented. In fact, it is estimated that about 70 percent of state and 64 percent of federal prisoners regularly used drugs prior to incarceration, and that 1 in 4 violent offenders in state prisons committed their offenses under the influence of drugs.³

Pioneer offers a full range of treatment programs to support recovery from addiction whether a person is just beginning this journey, has been sentenced to treatment in lieu of jail, or has been through multiple other programs and wants to try again.

¹ Rebecca Vallas and Sharon Dietrich, "One Strike and You're Out" (Washington: Center for American Progress, December 2014), available at https://cdn.americanprogress.org/wp-content/uploads/2014/12/VallasCriminalRecordsReport.pdf

² U.S. Dept. of Justice, Bureau of Justice Statistics Special Report, Revised 3/30/10, available at http://www.bjs.gov/content/pub/pdf/pptmc.pdf

³ Mumola, C.; and Karberg, J.C. Drug Use and Dependence, State and Federal Prisoners, 2004. Washington, DC: U.S. Department of Justice, Office of Justice Programs, Bureau of Justice Statistics, 2007. Available at http://www.bjs.gov/content/pub/pdf/dudsfp04.pdf

WHO WE HELP

69%	HAVE A CRIMINAL HISTORY
•••	HAVE RECEIVED CHEMICAL DEPENDENC
78%	
55%	HAVE RECEIVED MENTAL HEALTH SERVIC
45%	HAVE MINOR CHILDREN
31%	HAVE LESS THAN A HIGH SCHOOL EDUCA

SECURING HOUSING

Finding a place to live can be a significant barrier for people reentering the community. Many landlords will not rent to people with criminal histories and for those that are fortunate enough to find a place, saving enough to pay for first and last month's rent plus a deposit can be insurmountable.

Pioneer offers a mix of transitional and permanent housing options to help address this issue. Our 800+ units are available to people with criminal histories and those in recovery.

G Having a criminal history is like a modern-day scarlet letter. We have to do better as a society and as a community to support people and give them a real chance to be successful. **7**

KAREN LEE, CEO

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TRANSITIONING BACK INTO THE COMMUNITY

Reentering the community after incarceration can be overwhelming. Residential reentry facilities are designed to make that transition a little easier by giving individuals time to find work, reconnect with family, and begin navigating the outside world again within a safe and structured environment.

Pioneer is the oldest and largest provider of residential reentry in Washington State. We operate 10 of the 16 state work release programs and all three of the federal programs - and we help thousands of people transition back into the community every year.

"HE WHO FAILS TO PLAN, PLANS TO FAIL." THOSE WORDS RAN LIKE A LOOP THROUGH DERRICK'S HEAD FOR 42 LONG MONTHS...

Derrick grew up watching his father work hard, support his family and take an active role in his community. But he chose a different path when he began getting involved in gangs and drugs in high school. In his senior year, he found himself in prison rather than walking across the stage at graduation.

Derrick knew he had to make some changes. While in prison, he earned his GED and once he got to work relea he entered Pioneer's training program, graduating from both Roadmap to Success and the Manufacturing Academy.

66 One of the sure paths back to prison is getting frustrated when you can't find work or don't have a plan. Pioneer gave me the training and the chance to prove myself so I would never walk backwards again. 🤧

Today, Derrick is employed as a CNC laser operator at Pioneer Industries and is proud to be walking in his father's footsteps. He is succeeding at work - receiving a promotion in his first year – and takes pleasure in his ability to support his growing family.

"I always knew he had it in him," his father said proudly. "And I love seeing him this way." **ROLE MODEL**

PREPARING FOR WORK

Employment is fundamental to a person's ability to be successful in the community. It not only provides income and stability, it can be a source of pride and provide a sense of purpose. To prepare people to compete in today's job market, our training program offers a range of options to help meet their needs and position them for success.

> **ROADMAP TO SUCCESS** focuses on the skills needed to look for work and keep a job. Students learn job search strategies and how to address questions about their past. They also learn soft skills such as dealing with authority, time management, professional communication and conflict resolution.

> MANUFACTURING ACADEMY is a pre-apprenticeship program that teaches the basics in manufacturing and safety. Graduates earn a series of industry-recognized credentials that prepare them for entry-level jobs in manufacturing.

> FOOD SERVICES TRAINING provides hands-on training so that students can master the skills needed to plan and prepare food in a restaurant, catering company or other commercial kitchen. All graduates receive a ServSafe certification.

WAREHOUSE AND TRANSPORTATION LOGISTICS offers the basics in inventory and product management skills that are needed to successfully work in a distribution center environment, Students earn certificates in OSHA, First Aid/ CPR and forklift driving.

SUCCEEDING IN THE WORKPLACE

While getting a job is an important milestone, keeping it can be a challenge – especially if you haven't worked before or have been out of the workplace for awhile. That's why our training program includes skill-building exercises to help students learn to make better decisions, both within their personal lives and at work, and to maintain a clean and sober lifestyle.

Pioneer also provides case management to students for one year after their graduation to support them during this vital time. Case managers help students navigate issues that can present significant barriers to their reentry into the community – from housing to accessing treatment to paying child support and reuniting with their kids.

Almost half of all graduates from our training programs who secure employment land a job at Pioneer, where they gain valuable skills and work experience. In fact, over 65 percent of our manufacturing workforce has a criminal history and/or is in recovery from addiction. They are living proof that when offered a chance for change, people who might be overlooked by many employers based on their history cannot only create a better future for themselves, but can also contribute to a successful business. This was evidenced by Pioneer Industries' selection as 2014 Manufacturer of the Year in the nonprofit sector by Seattle Business Magazine.



Vicki (Left) and Marquita (Right)



"MY TRAINING AT PIONEER WAS THE FULL-MEAL DEAL," SAID MARQUITA. "THEY TOOK THE TIME TO REALLY WORK WITH ME EVERY DAY TO GUARANTEE MY SUCCESS."

Years ago when Marquita was in jail she told herself, "That's it," and she promised herself she was never going back. When she learned about the training available at Pioneer from a fellow inmate, she resolved to go straight there when she was released.

Once she got started, there was no stopping her. Over her fifteen years with Pioneer, Marquita moved up from entry-level work to quality assurance lead.

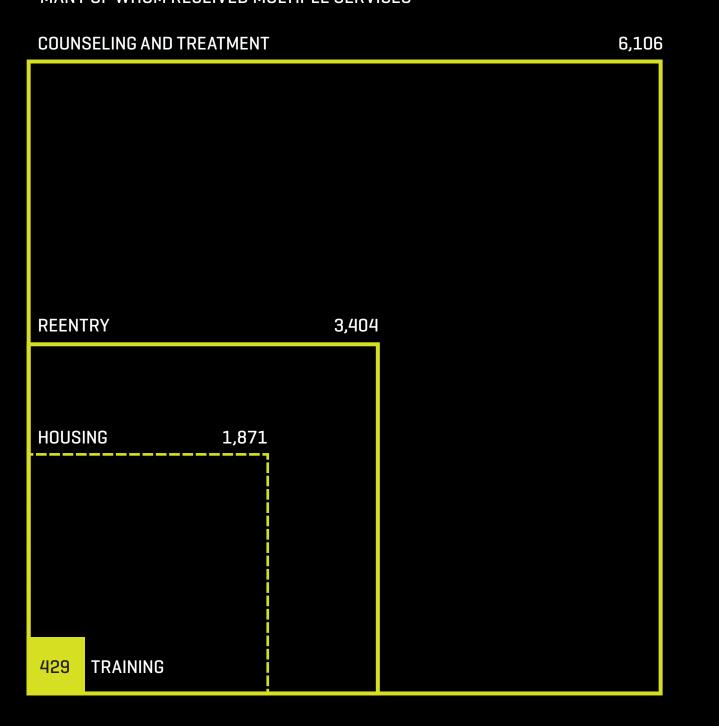
In that role, Marquita worked closely with Vicki, Pioneer's director of distribution, and the two became fast friends. When Marquita made the leap to accept a new job as a quality production specialist at The Boeing Company, she was excited to learn that Pioneer would be one of her accounts.

Pioneer has been like a second family to me," said Marquita. "They gave me a chance and taught me everything I needed to know to be successful in manufacturing. It means a lot to keep that connection as I move forward in my career. ⁹⁵

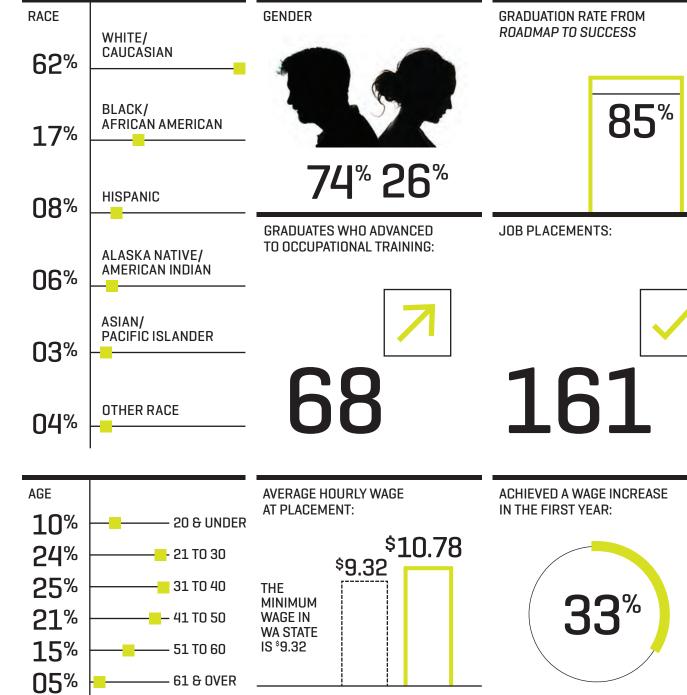
Vicki was equally excited when she heard they would still be working together. "We are a team again – but this time around Marquita is the customer!"

HOW WE SERVE PEOPLE

IN 2014, PIONEER SERVED 10,683 INDIVIDUALS ACROSS WASHINGTON STATE -MANY OF WHOM RECEIVED MULTIPLE SERVICES



A CLOSER LOOK AT **OUR CLIENTS**

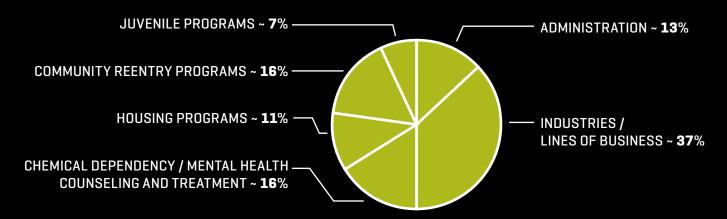




2014 FINANCIAL INFORMATION

REVENUE		2014	EXPENSES	2014
FEDERAL:	Bureau of Prisons Health & Human Services Veterans Affairs Probation Office	5,883,167 2,153,326 1,257,656 370,767	PERSONNEL: Includes salaries & benefits, development, recognition	49,218,873
	Other	499,220	MANUFACTURING:	8,043,347
STATE:	Social & Health Services Corrections	10,961,040 10,390,745	Training, shop supplies, cost of goods sold, freight & tooling	
LOCAL:	King County Skagit County Spokane County	2,553,221 1,847,285 1,351,125	OCCUPANCY: Rent, maintenance & utilities	7,888,442
	Pierce County Whatcom County Tribal Other	881,469 813,271 36,793 73,811	CAPITAL & FINANCING: Depreciation, amortization, interest, loan fees & gain/loss on assets	5,940,601
HOUSING:	Permanent Transitional	3,035,624 2,105,293	RESIDENT/CLIENT: Food, medical & other supplies	3,821,198
SERVICE SALES:	Manufacturing Food Services Distribution Services Construction	26,976,949 3,530,451 2,324,278 399,795	GENERAL EXPENSES: Vehicles, travel, supplies, taxes, etc.	2,244,413
MISCELLANEOUS:	Treatment Fees Contributions United Way Other	774,499 324,187 66,799 388,163	PROFESSIONAL: Legal, accounting, lobbying & publicity	1,978,711
TOTAL REVENUE		78,998,932	TOTAL EXPENSES & Impairment charges	79,135,584

FUNCTIONAL EXPENSES



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