



PIONEER  
HUMAN SERVICES

## Annual Report



## Pioneer Names Steve Schwalb New Chief Executive Officer



Steve Schwalb

Steve Schwalb began his career as a Personnel Management Specialist with the Federal Bureau of Prisons at McNeil Island, Washington. He eventually became Chief of Internal Affairs and Warden of a federal prison in Louisiana.

In 1990, he left the federal system to return to Washington State to assume the position of Assistant Superintendent with the state Department of Corrections at the Clallam Bay Corrections Facility and as Program Manager in Olympia. Subsequently, Steve served as Director of the Department of Adult Detention for King County.

Steve later returned to the federal prison system to serve as Deputy Regional Director in Philadelphia and Deputy Assistant Director, with oversight of budget development, capacity planning and prison site selection.

In 1993, he was selected as Assistant Director of the Industries, Education and Vocational Training Division. In this capacity, he also served as Chief Operating Officer of Federal

Prison Industries, Inc., with nationwide oversight of education, vocational training, recreation, parenting, transition preparation, citizen volunteers and industrial work programs. He oversaw over 100 factories that employ 21,000 inmates and 1,400 staff, and that generate \$800 million in annual sales.

Steve was appointed by the President of the United States to the Committee for Purchase From People Who Are Blind or Severely Disabled, and served as chairman for four of his twelve years on the committee.

Born in Leavenworth, Washington Steve grew up in Seattle. He attended Nathan Hale High School and received his B.A. in Business Administration from the University of Washington in 1972.

Steve and his wife, Susan, have two children. Jason, 31, is an Evergreen State College graduate and lives in Seattle. Their daughter, Jaime, 27, a graduate of Radford University, lives in Boulder, Colorado.

## Birthday Celebration

Lloyd Snider, who has served Pioneer for forty-three years (as executive director, board chair and board member), addressed Pioneer's employees this past November as part of the company's forty-third birthday celebration. For almost four and a half decades, the vision and passion of our founders have been kept alive by a dedicated board and employees who embrace Pioneer's mission to improve the lives of people on the margins of society through an integrated array of services.

Pioneer has not only been built to last, but it is worthy of lasting. Our communities are better places in which to live because of Pioneer's dedicated employees and Board.

Lloyd Snider

### About the cover



The cover this year focuses on the employees of Pioneer Human Services. The letter "P" in our logo not only stands for Pioneer, but for people standing proud and finding new pathways. Throughout this report are photos of people who produce our products and deliver services.

# Letter from the President and the Chairman

# Annual Report

Dear Friends:

A record \$63 million in revenue was achieved in 2006 and we significantly improved our balance sheet. Our net worth reached a new high of more than \$16 million. Most noteworthy is that we were able to improve the lives of 11,375 people on the margins of society.

Pioneer now operates forty-two separate programs/services at forty-eight locations throughout the state of Washington (see pages 9 and 10). Every group played a key role in our success this past year. Of special note are the following:

- Our Behavioral Health group opened four new programs (see pages 3 and 4).
- Our Enterprise group captured several new accounts and was selected by Boeing to operate their parts distribution warehouse (see pages 5 and 6).
- Our Re-entry and Corrections group opened a new program for youth (see page 7).
- Our Real Estate group narrowed its search for low cost housing units in the Spokane area for acquisition and development in 2007.
- *Fast Company* magazine recognized us for the second consecutive year as one of the nation's leading social entrepreneurial organizations (see page 8).

Corporate and government partners worked closely with us to provide the "Chance for Change" for the people we serve. We are making a difference in the lives of our clients through a focus on our mission and the unwavering dedication of our employees.

On behalf of the Board, Pioneer's employees, and its many partners, thank you for making 2006 a year in which we have strengthened Pioneer and broadened services to reach clients throughout the state. Our work has significance because we are helping people build new lives.

We are excited about the experience our new CEO, Steve Schwalb, brings to Pioneer. We know that he, like us, will find his work to be both meaningful and a special privilege.



Michael J. Burns  
President and  
Chief Executive Officer



Raymond A. Stewart  
Chairman  
Board of Directors





# Intervention, Treatment



## Pioneer DOSA West

In December, Pioneer celebrated the opening of a residential chemical dependency treatment program for eligible adult offenders. The first in the state; this ninety-day program serves up to fifty clients per day. Operating under a joint contract with the Washington State Division of Alcohol and Substance Abuse and the Department of Corrections, treatment emphasizes the use of evidence-based practices. Using cognitive-behavioral approaches, certified professional clinicians provide individual and group counseling, and case management services that motivationally stimulate each individual to take positive steps to physical, emotional, and spiritual recovery.



*Above: Cutting the ribbon to open DOSA West are (left to right): Terry Orphee, Program Manager DASA; Mike Burns, CEO; Ruth Kagi, State Representative; and Barry Antos, Senior Vice President, Behavioral Health.*

*Left: Pictured with Ruth Kagi at ribbon-cutting ceremony, are (left to right): Jeremy Harris, Residential Treatment Supervisor, Gene Whittey, Program Director; and Widian Nicola, Clinical Manager.*

State Representative Ruth Kagi, Seattle, commented, “We believe that the opening of this facility will have a significant impact on helping chemically dependent offenders and we expect to see prison recidivism rates drop following treatment. We look forward to working with Pioneer Human Services because of the organization’s long history of helping people overcome their addictions and Pioneer’s statewide leadership in providing chemical dependency treatment with successful results.”



### North Cascades Secure Detox

In April 2006, Pioneer opened the North Cascades Secure Detox in Sedro-Woolley. Under a two-year contract with Skagit County in conjunction with the North Sound Mental Health Administration, this pilot program serves five counties. It combines crisis response and involuntary treatment for persons with a chemical dependency significant enough to require a court order to secure treatment. Specially trained “crisis responders” investigate and have the authority to detain individuals up to seventy-two hours who are “gravely disabled or who present a likelihood of serious harm to self or others due to their chemical use, and have failed or refused to seek appropriate evaluation and treatment.” NCS staff has the authority to request an additional fourteen-day commitment of detainees in order to stabilize and engage the individual in the appropriate level of care.

Dick Jones, former Region 3 Administrator for the Department of Social and Health Services, Division of Alcohol and Substance Abuse, noted, “Pioneer has a history of helping people

overcome addictions and is recognized as a leader in providing chemical dependency detoxification and treatment.”

### Rainier Center (BiCoR)

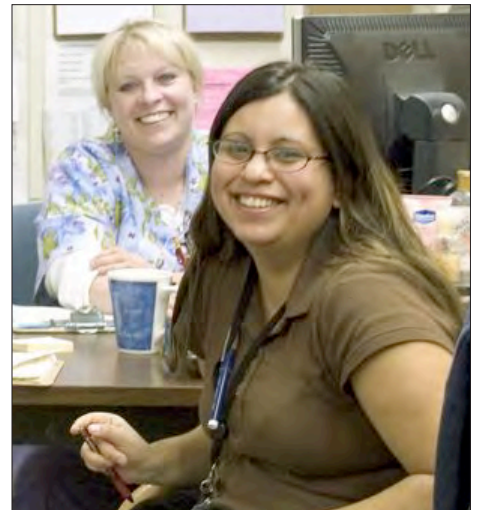
In June, a sixteen-bed residential co-occurring treatment center was opened in Kent. The center provides specialized residential treatment for chemically dependent and abusing individuals with co-occurring mental disorders or emergent medical conditions. The average length of stay is forty-five days. A comprehensive range of services geared to treatment-resistant individuals over a longer treatment period of time is provided to meet the needs of this population. An interdisciplinary team of licensed physicians, psychiatrists, nurses, chemical dependency counselors, case managers and other specialists coordinate service delivery.

### Triage Center

In early December, we opened the Whatcom County Behavioral Health Triage Center to provide detoxification, alcohol protective custody, motivational intervention, and respite for mental health clients provided by Whatcom Counseling and Psychiatric Clinic.



*Calls for consultation or admission come at any time, 24-hours a day – everyday.*



*Tonya Chandler and Maria Espinoza, counselors at North Cascades Secure Detox*





# Employment and Training

## Boeing Distribution

Throughout 2006, planning was conducted to open a new business - the distribution of parts to Boeing's production lines and manufacturing partners at the start of 2007. A 65,000 square foot facility in Algon, Washington, was leased and supervisory personnel and start-up staff were hired in the fall of 2006. Installation of racking systems and computer networks were completed by year-end. This operation will result in more than \$2 million in annual revenues for Pioneer and twenty-two new full-time positions.

The Boeing Company selected us to operate their parts distribution warehouse based on our record of outstanding quality and on-time delivery performance.



Boeing Distribution Warehouse in Algon, WA

## New Waterjet and Lasers

Investments in high technology equipment increased efficiencies and improved delivery times at Pioneer Industries. A new (\$500,000) Trumpf laser was purchased and another laser was leased. The lasers can cut 18 gauge steel at 400 inches per minute with a tolerance of +/-0.004". Also, a new waterjet (see photo below) was purchased (\$250,000). It can cut Kevlar at 300 inches per minute. These capacity and speed enhancements played a key part in our increased volume of business with existing customers and the introduction of some new product lines.

Pioneer Industries achieved recertification to ISO9000-2000 and AS9100. This warrants that we meet a standardized quality management system which is internationally recognized. There are only 126 companies in the state of Washington that are certified to AS9100.



Michele Hopson operates the new waterjet.



## Pioneer Selected by Senior Services to Provide Meals for Congregate Nutrition Program

In June 2006, Senior Services chose Pioneer Human Services' catering and institutional food division as its vendor to produce and deliver meals for its Congregate Nutrition Program (CNP). The nutrition program helps meet the dietary needs of adults sixty years and older by providing nutritionally sound meals in a warm and welcoming group setting at twenty-eight locations throughout King County. In addition to nutritious food and good company, the sites (many of which are senior centers) also provide a range of social, physical, and recreational activities. Pioneer was selected through a competitive bidding process with other for-profit and non-profit organizations. The contract will generate approximately \$1 million in annual revenues.

Approximately 1,100 lunch meals are produced and delivered each day. Menus developed by Pioneer in collaboration with Senior Services, are approved by a licensed dietician to assure freshness, quality, and appropriate rotation. Menus take into consideration nutrients and dietary requirements, seasonal food availability, and the need for variety.



*Kha Nguyen of Pioneer's Central Food Services, delivers to Issaquah Valley Senior Center.*



*Left to Right: Barbara Hinds, Karl and Ella Rodenstock and Margaret Riley, Senior Center participants.*





# Corrections and Re-Entry

## State Programs Accredited

All six of our state work releases (Bishop Lewis House, Brownstone Work Release, Eleanor Chase House, Helen B. Ratcliff House, Madison Inn Work Release, and Reynolds Work Release) were either accredited or recommended for accreditation by the American Correctional Association's Commission on Accreditation during 2006. The accreditation process requires the meeting of 250 standards, which encompass the documentation of programs, procedures, and the meeting of physical plant standards.

## New Federal Contract and Curriculum

The Tacoma Residential Re-entry Center was awarded a new five-year (\$4.14 million) contract with the Federal Bureau of Prisons. Our other federal program, Pioneer Fellowship House, was selected as the only federal residential re-entry center west of the Mississippi to pilot a new "Transitional Skills" cognitive behavioral curriculum.

## New Bridge Program

A new program, New Bridge, a residential program serving behaviorally disturbed youth, was opened under a contract with Behavioral Rehabilitative Services. It is operated adjacent to Touchstone Group Home in Olympia.

## Juvenile Offender Basic Training Camp

We successfully negotiated a new contract with the state's Juvenile Rehabilitation Administration to operate the Juvenile Offender Basic Training Camp in Connell. The 2007 legislature is considering a request for \$4.8 million to design and construct a new permanent building on our site.

According to a report issued in October 2002 by the Washington State Institute for Public Policy, "Washington's juvenile boot camp produces a substantial positive return on the dollar, unlike the generally poor results from boot camp evaluations in other states. JRA's boot camp includes a strong cognitive behavioral treatment component. Washington's boot camp generates in excess of 50 dollars of benefits per dollar of cost, while other boot camps in the nation barely break even. The large savings for Washington's camp are generated by reduced recidivism rates for boot camp participants and shorter total time confined in JRA."

*Photo on the right is a team-building exercise at the Juvenile Offender Basic Training Camp in Connell, WA.*





# Fast Company Award

## Pioneer Honored for Social Impact and Entrepreneurship



In October 2006, Pioneer Human Services was notified by Fast Company magazine and the Monitor Group that it had been selected as one of forty-three winners of the 2007 Fast Company/Monitor Group Social Capitalist Award. Pioneer was chosen from a field of 314 nominees.

Social Capitalists are social entrepreneurs that combine creativity and ingenuity with business solutions to address the most challenging social problems of today, ranging from homelessness and unemployment to substance abuse in the United States.

The selection board was comprised of: Beth Anderson, Center for Advancement of Social Entrepreneurship, Duke University; David Gergin, Center for Public Leadership, Harvard University; Thomas McLaughlin, Consultant, Grant Thornton; Bill Shore, founder and executive director of Share Our Strength.

Scores were calculated for performance in five categories:

- **social impact;**
- **entrepreneurship;**
- **innovation;**
- **aspiration and growth;**
- **and sustainability.**

In addition to being presented with the Social Capitalist Award, Pioneer was among the finalists for recognition of its corporate partnership with The Boeing Company. Finalists were selected by a board comprised of John Elkington, Chief Entrepreneur, SustainAbility; Bradley Googins, Center for Corporate Citizenship, Boston College; Jeffrey Hanaoui, founder, Origo Social Enterprise Partners, Inc.; and Jane Nelson, Kennedy School of Government, Harvard University.



Mike Burns accepting the Social Capitalist Award for 2007 from Mark Fuller, CEO, Monitor Group.



Tracey Groskost, Marla Gese, and Sandy Gibb, senior vice presidents, at the Social Capitalist Awards dinner on January 9, 2007, in New York City.



# Overview of Pioneer's

## Housing

**Real Estate Services** provides housing, property management and facility maintenance support to all properties of Pioneer Human Services. The portfolio consists of over 750,000 sq. ft. of real estate at a total of 48 locations. Operational responsibilities include 523 units of housing in seventeen apartment buildings and facility maintenance services for PHS.

**Housing**, with a budget of over \$2.8 million, partners with many local service agencies to provide a continuum of care, and a supportive environment to aid in the diverse needs of our residents. 366 of these units are *Residential Recovery Services*, a transitional housing program designed for single adults and families in drug or alcohol recovery. The remaining 157 units are for those in need of permanent housing, serving graduates of RRS, PHS employees and those released from various re-entry programs.

Additional real estate services performed include acquisition of new properties and property management support for leased properties. Among properties owned by PHS, are seventeen commercial spaces leased to other businesses.

**Pioneer Construction Services** has a budget of \$800,000 and employs Maintenance Technicians who perform routine repairs, facility maintenance and capital improvements. It also provides similar services to external customers consisting of Western Washington retailers and other providers of low-income housing.

## Counseling

**Behavioral Health Programs:** With a budget of over \$16 million, PHS operates treatment and intervention programs for adults and youth. *Pioneer Counseling Services* in Seattle and Tacoma provides outpatient mental health and chemical dependency counseling to youth and adults, with a special chemical dependency treatment program in the King County Regional Justice Center. *Rainier Center* (BiCoR), a sixteen-bed residential program provides treatment for adults with co-occurring chemical dependency and mental illness. *Spruce Street Secure Crisis Residential Center* provides family preservation, reconciliation, and transitional services to over 700 runaway youth and their families each year. *Snohomish County Youth Programs* provide residential treatment at three locations (Cypress, Tamarack and Gibson Houses), in addition to *In-Home, Intensive Wrap-Around*

Services for families with youth returning from out-of-home placement, or youth at-risk of placement. The *Whatcom County Behavioral Health Triage Center* provides sub-acute detoxification and protective custody supervision to hundreds of individuals annually. Also, the 141-bed *Pioneer Center North* and 16-bed *North Cascades Secure Detox* pilot program in Skagit County, and the 48-bed *Pioneer Center East* facility in Spokane, provide involuntary treatment services to persons with extensive histories of abuse and addiction. The newly developed 50-bed *Drug Offender Sentencing Alternative* (DOSA West) residential program in SeaTac provides multi-level chemical dependency treatment to qualified offenders court-ordered for at least ninety days.

## Re-Entry Services

With a budget of nearly \$12 million, over 500 community correctional beds are operated by PHS, including: **1) six state Department of Corrections work releases** – Bishop Lewis House, Helen B. Ratcliff House, Madison Inn Work Release, and Reynolds Work Release (all in Seattle), and Brownstone Work Release and Eleanor Chase House in Spokane; **2) two federal residential re-entry centers** – Pioneer Fellowship House in Seattle, and Tacoma



Residential Re-entry Center; **3)** Selma R. Carson Home in Fife serves youth pending federal immigration proceedings; **4)** juvenile offenders are served by Camp Outlook (the Juvenile Offender Basic Training Camp in Connell), and Touchstone Group Home in Olympia; and **5)** New Bridge, adjacent to Touchstone, serves behaviorally disturbed youth under contract with Behavioral Rehabilitative Services. The On-Call Program receives interns from South Seattle Community College who have been unemployed. They are provided classroom instruction, on-the-job-training, and are placed in Pioneer correctional units to provide intermittent staffing needs.

### Employment & Training

The total of all budgets for Employment and Training exceeds \$24 million.

**Food Operations:** PHS operates several retail food businesses. The Mezza Café and Pronto serve the Starbucks Coffee Company's employees and the general public. Mezza Café (Skyline) in Bellevue, Washington, serves the general public in the vicinity of this building. Central Food Services prepares and delivers over 900,000 meals annually to Pioneer programs and third party customers.

**Pioneer Distribution Services:** PDS, in its 90,000 sq. ft. warehouse, performs assembly, packaging, and warehousing for customers such as Nintendo, Scientific Explorer, Sasquatch Books and Smurfit Stone Container. In addition, a separate 65,000 sq ft. facility serves the Boeing Company by receiving, inventorying, packaging, and shipping a variety of raw materials and finished parts to Boeing's production lines and manufacturing partners in the greater Seattle area.

**Food Buying Service:** This unit distributes food to over 300 food banks and nonprofit groups in seven states.

**Pioneer Industries:** A turnkey operation, the two manufacturing plants produce cargo liners and machined parts for Boeing as well as a variety of precision sheet metal fabrications and finished products for several major customers. Over 8,000 different parts are manufactured for Boeing. A Training Program offers specialized classroom instruction and on-the-job training in sheet metal fabrication and machining.

**Training:** Both classroom and on-the-job training are conducted throughout Pioneer. Among the training programs are: Use of

Precision Measuring Tools, Blueprint Reading, Quality Assurance Training, Warehouse Operations, Forklift Operator Certification, Food Handling Permit, and the Operation of Sheet Metal Fabrication Equipment (including laser and waterjet cutting and CNC machining centers).

More than twenty "life skills" classes are offered ranging from Setting Life Goals, to Dealing with Stress. The focus of training is to increase the proficiency and productivity of employees and to enhance their employability and opportunity to earn competitive wages.

**Employment Services** partners with twenty-nine local agencies to place people in employment. External networking is conducted with community social service programs such as CAMP (Central Area Motivation Project) and REWA (Refugee Women's Alliance Service Center), ESD-WorkFirst, and CISC (Chinese Information and Service Center). 535 people were placed in positions with local employers.



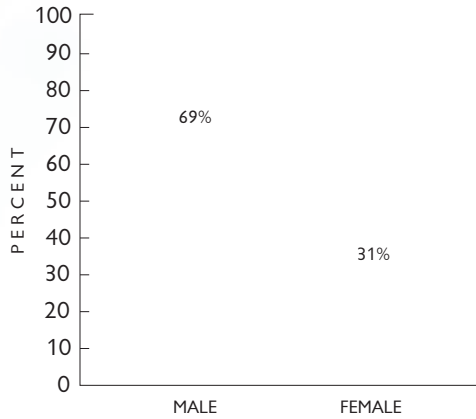
PIONEER  
HUMAN SERVICES



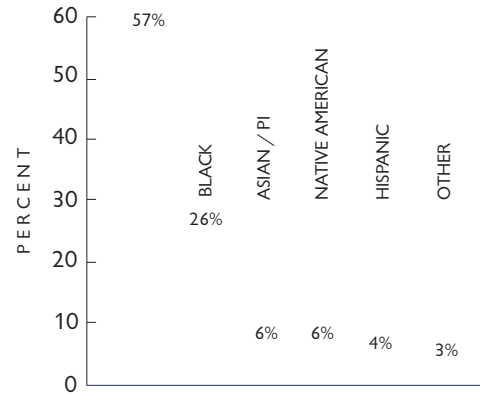


# Clients Served Demogra

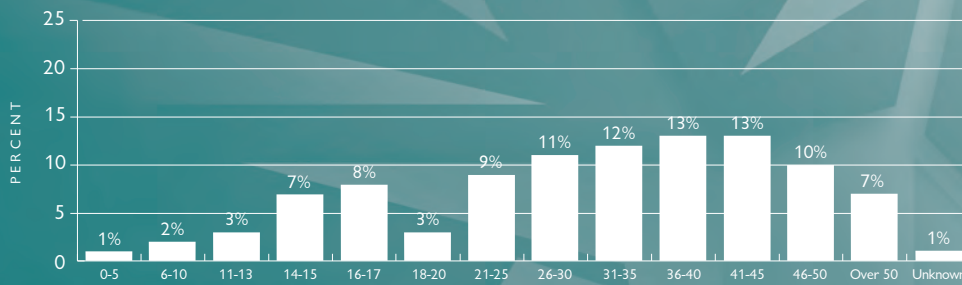
### Gender Distribution



### Ethnicity Distribution



### Age Distribution

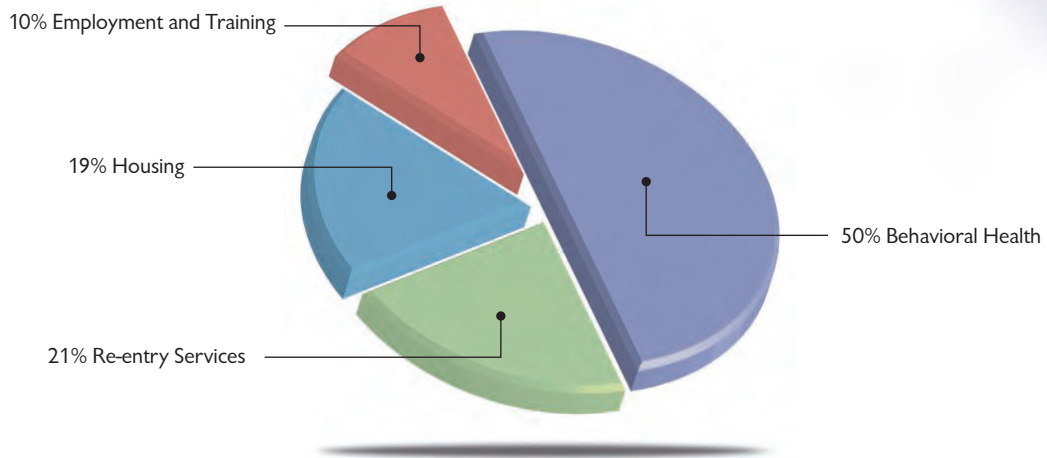


### Adopt-A-Child Program

During the Christmas season, our Adopt-A-Child program provided gifts to more than 300 children. The program, initiated in 1995, has been under the direction of Ahnetta Fields, Employee Assistance Coordinator, since its inception.



Of the 11,375 Clients Served:



## Drug and Alcohol Testing

Urinalysis/ Breathalyzer (UA/BA) Tests are administered routinely on randomly selected individuals.

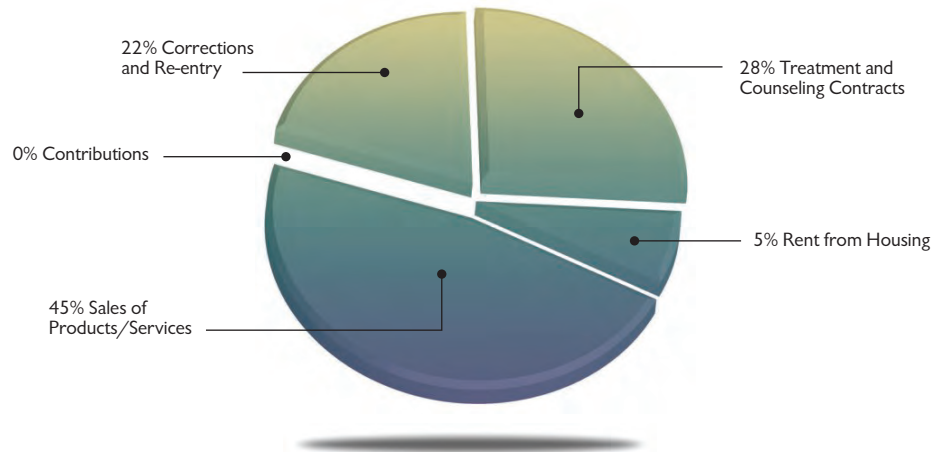
\* The PHS 2006 Average is the cumulative average percentage of positive UA/BA's for both clients and employees within the calendar year.

\*\* The National Average is based on a Quest Diagnostics Drug Testing Index.

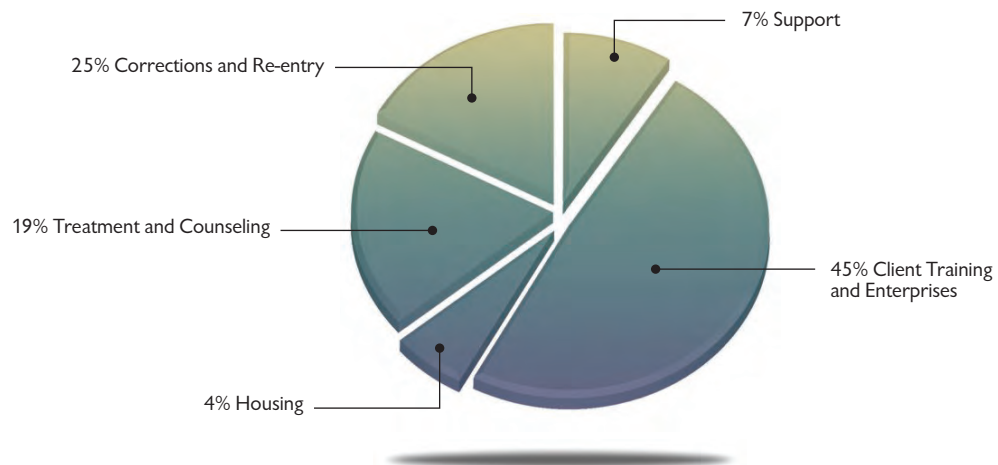


\$63 million was earned and distributed as follows:

### Revenue By Source



### Expenses By Area





## Board Executive Committee

Raymond A. Stewart	<i>Chairman</i>
Stuart D. Heath	<i>Vice Chairman</i>
Kari S. Kelly	<i>Treasurer</i>
Lauren C. Jassny	<i>Secretary</i>

## Board of Directors

James Andrus  
 Russell Davis  
 Leland Fish  
 Adrienne Gemperle  
 Kathleen Humphrey  
 William R. Kauppila  
 Kerwin R. Nicholson  
 Andrew M. Paalborg  
 Alice Paine  
 G. Lawrence Salkield  
 Catherine Silva  
 Lloyd G. Snider

## Board of Advisors

Ralph A. Bruksos  
 Vivian L. Caver  
 Norman F. Chamberlain  
 Lanora Churchill  
 Harold H. Heath  
 Hubert G. Locke  
 Larry D. Rea  
 The Hon. Charles Z. Smith  
 Raymond A. Stewart, Sr.  
 David H. Straus

## The Mission of Pioneer Human Services

is to improve the lives of people on the margins of society through an integrated array of services, including

- housing;
- employment / training;
- treatment;
- counseling; and
- re-entry services.

## Officers/Senior Management

Michael J. Burns	<i>President</i>
Barry P. Antos	<i>Senior Vice President</i>
Larry M. Fehr	<i>Senior Vice President</i>
Marla R. Gese	<i>Senior Vice President</i>
Alexander E. Gibb	<i>Senior Vice President</i>
Tracey A. Groskost	<i>Senior Vice President</i>
Jerry L. Williams	<i>Senior Vice President</i>
Timothy G. Boyer	<i>Vice President</i>
Judy Holman	<i>Vice President</i>
Robert O. Lowell	<i>Vice President</i>
Richard J. Pinney	<i>Vice President</i>



PIONEER  
HUMAN SERVICES

### Corporate Offices

7440 W. Marginal Way South  
 Seattle, WA 98108  
 (206) 768-1990 TEL  
 (206) 768-9757 FAX  
[www.pioneerhumanservices.org](http://www.pioneerhumanservices.org)





P I O N E E R  
H U M A N S E R V I C E S

