



The Power of Partnerships

Pioneer Human Services
Annual Report 2008



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Message to Our Stakeholders

Our annual report this year focuses on our community partners, without whom Pioneer could not be successful. As a result of our partners' support and collaboration, we're able to bring positive change to the lives of the people we serve and improve the fabric of our society. In the following pages, we highlight six of our partners and the impact they're making.

During the past year, the Board and management developed an ambitious new strategic plan, which includes the inspiring mission, vision and values statements presented on the next page of this report. The plan was enhanced by input from numerous subject matter experts within our community and will provide an excellent road map as we strive to serve more people.

We are gratified that we were able to add seven new programs in 2008: four new work release programs for the state Department of Corrections; two affordable, permanent housing properties; and one transitional housing program for homeless veterans. Several of these additions also expanded our geographic reach to communities in which we previously had limited or no presence. For the year overall, we increased the number of clients we served by 9%, to 12,362.

The Pioneer staff continues to amaze us with their hard work, dedication, and compassion. In our ongoing efforts to attract, retain and develop outstanding employees, we are pleased that over the past year we were able to enhance our compensation, retirement, tuition reimbursement, leave donation and suggestion programs, as well as to provide Intranet and Internet access for every employee.

We are proud to have finished the year with a positive financial margin. That this was accomplished through earned revenue, without relying on donated funds, is testament to the virtues of our social enterprise model.

As we work to improve the lives of the people we serve in this challenging economy, we look forward to the invaluable contributions of our partners and staff.



Stuart Heath
CHAIR, BOARD OF DIRECTORS



Steve Schwalb
CEO



A PIONEER WORK RELEASE, THE RAP HOUSE IN TACOMA

Core Values

RESPECT

We believe all people deserve to be treated with dignity, compassion and empathy regardless of their life circumstances.

ACCOUNTABILITY

We believe that all individuals must accept responsibility for their decisions and circumstances, that Pioneer must be accountable to all its stakeholders and that our employees must demonstrate ethical conduct in their actions.

POSITIVE CHANGE

We believe that every individual has the potential for personal improvement and we admire people who pursue the “Chance for Change.”

INNOVATION

We believe in taking a chance on the people we serve, being creative in the design and delivery of our programs and services, and being entrepreneurial in our pursuit of success.

RELATIONSHIPS

We believe development of strong, mutually beneficial relationships with the people we serve, our customers, community partners and employees is key to our success.

BALANCE

We believe it is essential to maintain the balance between successful client outcomes and financial sustainability.

Mission

We provide a Chance for Change to people overcoming the challenges of chemical dependency, mental health issues or criminal histories by offering an integrated array of housing, employment, training, reentry and treatment services, using earned revenue from our entrepreneurial activities.

Vision

We see a world where the people we serve overcome their challenges and become contributing, law-abiding members of the community. Our vision will be realized when the people we serve:

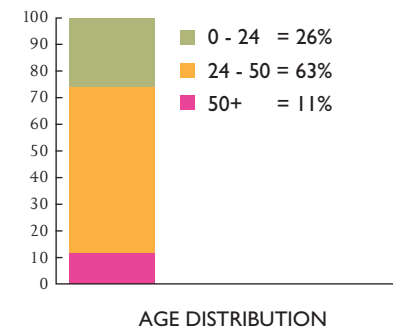
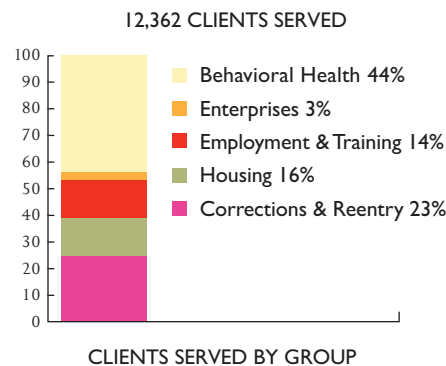
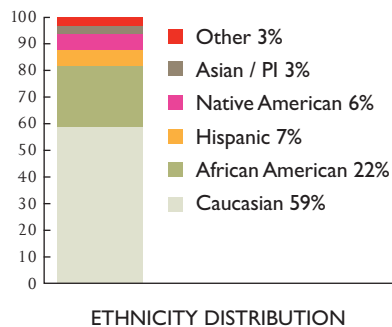
- Are valued for their potential, are provided opportunities equal to other members of the community, and are not stigmatized for their past.
- Are provided necessary treatment and counseling, maintain recovery, and achieve stability.
- Are able to secure stable housing that is safe, affordable and well maintained.
- Receive and complete necessary job training, resulting in steady employment at a family-sustainable income.

Year at a Glance



2008 was an exciting year for Pioneer. In addition to working with our community partners to help more clients than ever before, we had many other noteworthy achievements:

- We entered into a partnership with Seattle Jobs Initiative to provide case management and support services for 500 workforce development clients.
- We collaborated with Spokane Goodwill and Spokane Housing Authority to provide subsidized housing to people with criminal histories in Spokane County.
- We implemented an on-site, outpatient counseling program for our employees in Pioneer's Enterprise group.
- King County awarded us the contract for chemical dependency services at the Dutch Shisler Service Center.
- The Federal Bureau of Prisons awarded us the contract for a new federal residential reentry center in Bellingham.
- With Boeing's support, our Finish Line received NADCAP certification, qualifying us to finish metal parts for aerospace use.
- We added employer-match and auto-enroll features to our 403(b) program, increasing the percentage of employee participation from 18% to 52%.
- We obtained contracts for distribution services with four new customers.
- We expanded the number of areas we serve and further integrated our service delivery with the addition of programs in Auburn, Bellingham, Longview, Port Orchard, Spokane, Tacoma, and Yakima.



Behavioral Health

FEATURED PARTNER: WHATCOM COUNSELING & PSYCHIATRIC CLINIC

On any given day,

Pioneer Counseling and Treatment programs provide these services at 13 different locations:

- 171 adults receive residential treatment for chemical dependency;
- 21 inmates at the Regional Justice Center participate in chemical dependency counseling programs;
- 21 adults receive inpatient alcohol detoxification treatment services;
- 11 mentally ill adults receive long-term residential chemical dependency treatment;
- 12 children, ages 8-17, benefit from residential counseling services for their sexually aggressive behavior;
- 184 children and their families receive in-home counseling services designed toward family preservation and reconciliation;
- 6 children receive long-term residential treatment for mental illness; and
- 10 at-risk “street kids” are provided crisis intervention and safe haven from prostitution, homelessness and domestic abuse.

ANDREW BYRNE



Pioneer Human Services and Whatcom Counseling & Psychiatric Clinic (WCPC) have enjoyed an extensive working relationship in Whatcom County since 2004, jointly providing clients with housing, residential treatment, and outpatient services.

In November 2004, Pioneer was awarded a contract to operate Whatcom Community Detox. In addition to detoxification services, Pioneer processes involuntary commitment petitions with the court. We also provide assessment and treatment services to intoxicated individuals received at the St. Joseph Hospital’s emergency room, reducing both hospital and jail costs.

During the first two years of our partnership, Pioneer and WCPC worked with the county to develop the Behavioral Health Triage Facility. WCPC also co-located their respite services—mental health care for people in crisis needing help immediately—to the second floor of our building. Then in 2006, Pioneer and WCPC took the step everyone had been waiting for: the two organizations completely merged their operations by moving to one residential center, dramatically increasing our reach and impact.

“Moving Pioneer’s detox and WCPC’s mental health respite care and crisis response services into one facility provided a very necessary service to our community,” says Andrew Byrne, Executive Director of WCPC. The combination of Pioneer’s experienced chemical dependency treatment staff, WCPC’s mental health professionals, and a multitude of outreach workers, allows clients to take advantage of a full array of services in a safe, healthy environment.

In addition to managing the facility, conducting joint training, holding regular meetings, and addressing service overlaps and shortfalls, Pioneer and WCPC staff members work closely together to maintain a high level of client care. “Our partnership is very beneficial to our clients,” says Mr. Byrne. “In one place, they can have their multiple needs addressed without any barriers.”

In 2008, the Whatcom Behavioral Health Triage Facility served more than 800 individuals with chemical dependency, mental illness, or both.





Housing

FEATURED PARTNER: SOUND MENTAL HEALTH

Pioneer has a long history of collaborating with Sound Mental Health (SMH) to provide supportive services to our Behavioral Health clients and housing program residents. In 1998, we launched a program to provide 16 mentally ill, chemically dependent offenders with clean and sober housing, supported by intensive case management, treatment, and counseling. Since then, we've expanded to five specialized housing programs for chronically homeless offenders who are both mentally ill and chemically dependent.

CO-STARS (Co-Occurring Substance Abuse Treatment and Recovery) is one of those programs. Established in 2007 by Pioneer and SMH, the program serves 22 homeless, co-occurring offenders. Kevin St. Jacques, SMH's Department Manager of Integrated Services, says, "Pioneer's client-centered housing programs provide the support and structure our clients need. We knew Pioneer would be a good fit for the CO-STARS program."

Rodney is one of those residents. He has a long history of drug and alcohol abuse and homelessness. After spending over half of his life incarcerated, Rodney has maintained stable housing for more than two years. "I am more responsible," Rodney says, looking back to when he entered the CO-STARS program. "This program is awesome. I now have the resources and life skills I need to be successful."



MAIN PHOTO: RODNEY
INSET: RODNEY & KEVIN ST. JACQUES AT SMITH HOUSE

On any given day,

Pioneer Corrections and Reentry Group provide these services at 16 different locations:

- 535 former inmates reside in residential reentry centers, where they participate in programs and secure employment;
- 15 adult ex-offenders are supervised on home confinement or day reporting status;
- 21 non-criminal youth, who lack legal documentation to be in the country, reside in an alternative housing facility while a federal court determines their future status; and
- 12 juvenile offenders participate in an intensive skills building program in a basic training camp.

Jessica Piña

Addicted to illegal drugs and convicted of two felonies, Jessica was incarcerated at Pioneer's Juvenile Offender Basic Training Camp – Camp Outlook. Choosing to turn her life around, Jessica excelled while there and was subsequently discharged without incident. Reflecting on the impact the camp had on her life, Jessica, a full-time college student with a full-time job says, "I would be dead today had I not been sent to the BTC." Jessica received the Governor's Spirit of Youth Award in 2008 and in January 2009 was named to the Governor's Juvenile Justice Advisory Committee.

JESSICA PIÑA AND GOVERNOR CHRISTINE GREGOIRE



Corrections & Reentry

FEATURED PARTNER: WASHINGTON STATE DEPARTMENT OF CORRECTIONS

In 1971, a joint collaboration between Pioneer and Washington State resulted in the first "halfway house" for people leaving state prison. Thirty-seven years later, Pioneer operates the majority of Washington State's work release programs. According to Steve Johnson, Department of Corrections (DOC) Field Administrator, Pioneer has become "a vital part of DOC's reentry program."

2008 was an especially exciting year because, with the endorsement of DOC, Pioneer acquired four new work release programs: Ahtanum View Work Release in Yakima, Longview Work Release, Peninsula Work Release in Port Orchard, and Rap House/Lincoln Park Work Release in Tacoma. This last program supports a special needs population: Rap House serves 20 developmentally disabled offenders and Lincoln Park provides services to 30 mentally ill offenders.

Offenders in these programs receive supervision, drug and alcohol treatment, mental health counseling, job placement assistance, and case management support. To help offset the costs of their room and board, residents pay a daily fee to DOC out of their employment earnings. Residents also use their wages to pay any court costs, crime victim restitution or child support they owe.

"[Pioneer] provides the education, job training, and treatment that offenders need in order to return to society as hardworking, family-oriented citizens. We value our long-standing partnership with Pioneer Human Services in the delivery of services to work-release offenders," says Mr. Johnson, who oversees all work release programs in Washington State. Pioneer is proud that, in partnership with DOC, all 10 of Pioneer's state work release programs have been accredited by the American Correctional Association.





“We value our partnership with Pioneer,” says Kelsey Ruiz, Staffing Supervisor at Alaskan Copper & Brass Company. “The referrals we receive fit well into our positions.”



Employment

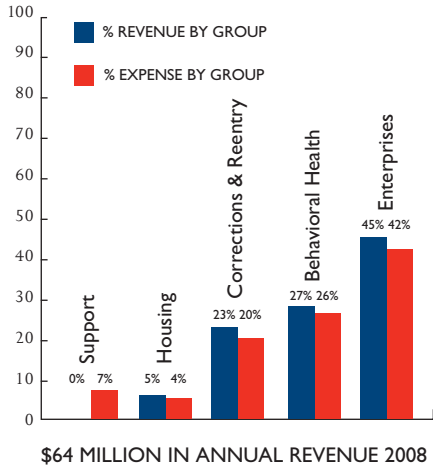
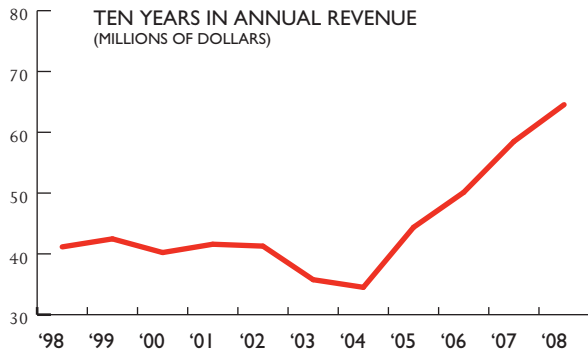
FEATURED PARTNER: ALASKAN COPPER & BRASS CO.

For more than 15 years, Alaskan Copper & Brass Company has provided livable wage jobs to our work release residents and to the graduates of Pioneer Industries’ Basic Training Program. Robin Murphy, Alaskan’s Human Resources Manager, says, “We know we can rely on the employees referred to us from Pioneer. We send every job opening we have to Pioneer.”

Frank is one of those referrals. He was hired by Alaskan Copper & Brass in 2004 after working successfully for a year in Pioneer Construction Services. “Pioneer was the turning point that allowed me to believe in myself,” says Frank. “They helped me transition from work release to Alaskan Copper & Brass. Then Alaskan gave me the opportunities that have led to my career advancement.” Frank is currently Lead Router Table Operator.

Pioneer’s valuable partnership with Alaskan Copper & Brass has helped offenders such as Frank transition back into the community and move toward self-sufficiency.

MAIN PHOTO: KELSEY RUIZ
INSET: FRANK OPERATING THE ROUTER TABLE.



BYRON RICHARDS



Finance

FEATURED PARTNER: U.S. BANK

Pioneer is one of the first and most successful social enterprises in the nation. As a social enterprise, Pioneer simultaneously provides social services and generates earned revenue. Pioneer’s ability to balance these dual bottom lines is the result of our unique entrepreneurial culture, which taps the power of the market to effect positive change in people’s lives.

However, the entrepreneurial spirit only goes so far. In order to acquire real estate, purchase new equipment and geographically expand our programs, a collaborative relationship with a financial institution that appreciates the social enterprise model is essential. For more than 20 years, Pioneer and U.S. Bank have offered a stellar example of such a partnership.

Byron Richards, Senior Vice President of U.S. Bank, says “Pioneer is self supporting; utilizing an earned revenue business model, instead of deriving their operating or capital funds from donations or fundraisers. Many for-profit businesses would consider themselves to have a social purpose, but social enterprises, like Pioneer, are unique because their mission is essential to their existence. That is what makes them so impressive.”

While focusing on serving as many people as possible and while generating sufficient revenue to sustain and grow our capacity, we remain nimble enough to take advantage of opportunities when they arise. For example, in 2008, with U.S. Bank’s support, Pioneer acquired state-of-the-art equipment for our sheet metal shop, and increased our housing portfolio by adding two affordable, permanent housing programs and one transitional housing program for homeless veterans.





Enterprise

FEATURED PARTNER: RANE CORPORATION

Pioneer's relationship with Rane Corporation started in 1999, when Pioneer Industries expanded its production capabilities with a significant equipment purchase. Today, Rane has become an integral part of Pioneer's manufacturing business. In turn, we're now Rane's sole supplier of sheet metal products, which gives our employees the opportunity to learn marketable skills in the metal fabrication field.

Paul is one of those employees. In 2007, his probation officer referred him to Pioneer Industries after he had missed several monthly probation appointments and could not find a job. "I was pulling my hair out," Paul says. "What could I do, where could I go?" As a trainee at Pioneer Industries, Paul learned basic work skills, metal fabrication, and blueprint reading. "Pioneer was a godsend," says Paul, who now works as a Tech I in Pioneer's sheet metal fabrication department, making products for Rane.

"We really rely on the team of knowledgeable professionals at Pioneer Industries. It's a pleasure working with a company that truly supports us in building the best products in the business" says Rick Burns, 2nd Shift Production Supervisor, Rane Corporation.



MAIN PHOTO: RICK BURNS
INSET: PAUL WORKING AT PIONEER INDUSTRIES

Partners

(in addition to the featured Partners)

Affiliated Health Services

Altivity Packaging

American Red Cross

AmeriCorps

Barcott & Christopherson

The Boeing Company

Common Ground

Community Mental Health

Community Psychiatric Clinic

Component Engineering

Davis Wright Tremaine

Fed Ex

Harborview Mental Health

Hartley and Marks

Hobart Bakery Systems

International Community Corrections Association

JanSport

King County

Committee to End Homelessness

Drug Court

Housing Authority

Mental Health Chemical Abuse and Dependency Services Division

Lockton

Maxim Staffing Solutions

NAVOS Mental Health

Nintendo of America

Northwave

Omnicare Pharmacy

Oregon Metal Slitters

Parker, Smith and Feek

Pierce County Human Services

Pierce County Alliance

Plymouth Housing

Recovery Centers of King County

Riddell Williams

Sacred Heart Medical Center

Sasquatch Books

Seattle Goodwill

Seattle Housing Authority

Seattle Jobs Initiative

Seattle University

Skagit County Health Department

Skagit Valley College

South Seattle Community College

Spokane Housing Authority

St. Joseph Hospital

Trautman, Maher & Associates

UBS Financial Services Inc.

United Way of King County

State of Washington

Department of Social and Health Services

Division of Children and Family Services

Division of Alcohol and Substance Abuse

United States Government
Department of Social and Health Services

Division of Unaccompanied Children, Office of Refugee Resettlement

Department of Veterans Affairs

Per Diem Programs

Medical Centers

Federal Bureau of Prisons

United States Pretrial Court Services

United States Probation

Washington State Coalition for the Homeless

Whatcom Community College

Whatcom County Health Department

Workforce Development

Council of Seattle - King County

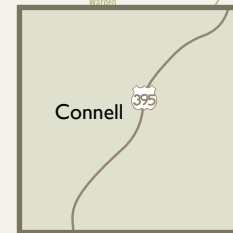
PIONEER CENTER NORTH IN SEDRO WOOLLEY



Pioneer Human Services Statewide



CITIES	CLIENTS SERVED
Seattle	6403
Sedro Woolley	1301
Tacoma	1148
Lynnwood	861
Spokane	823
Bellingham	560
Kent	455
Port Orchard	240
Yakima	221
Longview	141
Algona/Auburn	75
Connell	66
Olympia	40
Everett	14
Tulip	10
Bellevue	4



Board of Directors 2008

Stuart Heath

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President and Designated Broker
Elliott Bay Real Estate

Alice Paine

VICE CHAIR

Retired Executive Director
King County Bar Association

Sue Dunn

TREASURER

Vice President & Controller
Quadrant Homes

James Andrus

Attorney at Law
K & L Gates LLP

Margaret Curtis

Managing Partner
Wilson Engineering, LLC

Rollin Fatland

Consultant, RF&A
Corporate Public Affairs Consulting

Lee Fish

Retired Director, Spokane
County Corrections Dept.

Linda Grant

Executive Director
Evergreen Manor

Kathleen Humphrey

Director of Community Relations
Amara

Shaunta Hyde

Manager,
Local Government Relations
The Boeing Company

William Kauppila

Certified Public Accountant
Benson & McLaughlin

Kerwin Nicholson

Project Manager
Graybar Electric Supplies

Kenneth Stark

Director, Human Services
Snohomish County

This past year, several members departed the Board of Directors. The Board expresses its deepest appreciation for the service of Russell Davis, Adrienne Gemperle, Lauren Jassny, Drew Paalborg, and Catherine Silva.

SENIOR MANAGEMENT

Steve Schwalb

CEO

Barry Antos

Senior Vice President
Behavioral Health

Larry Fehr

Senior Vice President
Corrections & Reentry

Marla Gese

Senior Vice President
Real Estate

Sandy Gibb

Senior Vice President
Enterprises

Tracey Groscost

Senior Vice President
Finance & Administration

Cynthia Parker

Senior Vice President
Human Resources

LorieAnn Larson

Senior Management Associate



Looking Forward

A GLIMPSE OF OUR NEW STRATEGIC PLAN

Goal 1: Programs & Services

We will expand our capacity to provide, to as many individuals as practicable, the highest quality, most integrated programs and services possible, so that the people we serve become contributing members of our community.

Goal 2: Human Resource Management

We will continuously improve the competence and diversity of our workforce, enhance the professional environment in which they work, and prepare them to excel at the current and future opportunities within the organization.

Goal 3: Fiscal Stewardship

We will continuously improve our financial sustainability through earned revenue growth, prudent asset investments, and competent, effective financial management.

Goal 4: Asset & Facility Management

We will invest to enhance the value of our assets and to ensure our facilities are operationally sound and fully compliant with applicable safety, environmental and security requirements.

Goal 5: Community Outreach & Advocacy

We will develop new partnerships, influence public opinion and advocate for legislative and policy changes.



P I O N E E R
HUMAN SERVICES

CORPORATE OFFICES

7440 West Marginal Way South

Seattle, WA 98108

206.768.1990

Fax: 206.768.9757

Job Line: 888.920.7799

Counseling: 206.464.1684

Housing: 206.766.7940

Employment Services: 206.766.7046

www.pioneerhumanservices.org

