



Pioneering the Possibilities



PIONEER HUMAN SERVICES ANNUAL REPORT 2010

Board of Directors

Our 2010 Annual Report focuses on five Pioneer clients whose unique journeys move them toward awareness, acceptance, change, trust, responsibility and accountability. Their inspiring stories remind us of the impact Pioneer can have on the lives of individuals, families and our communities.

We are highlighting the core values of our organization – respect, innovation, positive change, accountability, relationships and balance. Our mission and core values comprise Pioneer’s framework, enabling us to be effective mentors, counselors and leaders to those we serve.

Our organization is on a journey as well. In 2010, the Board selected Karen Lee as Pioneer’s new CEO. A proven highly effective leader of the state’s Employment Security Commission, Karen left her position there to join Pioneer. In less than 100 days, she has had a real impact on the people she leads and clients we serve. She has also increased our public presence, allowing Pioneer to engage a broader audience of stakeholders and strategic business partners.

As a Board and organization, we are committed to sound business practices and financial stability, both of which are essential to our success as we enter our second half century. We are updating processes and working toward better results, while implementing our revised Strategic Plan. Change can be difficult, both for our clients and our organization, but our solid five-year plan is committed to addressing the needs of an underserved population.

We work hard to provide critical services to our community, but we are not immune to the effects of our country’s deep, economic recession. It was with significant effort from our talented staff that our businesses and programs generated \$61 million in revenue in 2010, allowing us to serve 11,954 clients. At this point in our history, we are evaluating our strengths, addressing our weaknesses, and looking for opportunities to expand our businesses, improve and create more programs, and serve even more clients in 2011.

Like our clients, we are pioneering the possibilities of a better future. We look forward to overcoming the challenges and celebrating the successes on the road ahead.

Sincerely,



Alice C. Paine
Chair, Board of Directors



2010 BOARD OF DIRECTORS

First row

James Andrus
Attorney at Law
Partner, K & L Gates, LLP

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Herb Lakefish
Risk Assessment Manager
Pacific Environmental Corporation

Shaunta Hyde
Director, Global Aviation Policy
Boeing Commercial Airplanes

Alice Paine
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Jill Wakefield
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Lee Fish
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Spokane County, Corrections Department

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SECRETARY
Project Manager
Graybar Electric Supplies

Rollin Fatland
Corporate Public Affairs Consultant
Rollin Fatland & Associates

Not shown

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Sue Dunn
TREASURER
Vice President & Controller
Quadrant Homes

Recovery

RECOGNIZING DESTRUCTIVE PATTERNS

“I am so ashamed of the terrible things I did to get drugs. In the process, I lost my kids, my home, and my self-respect. Recovery for me means that I need to overcome my drug addiction and manage my mental health issues. Pioneer is helping. They’re teaching me how to use powerful tools to deal with my problems. And they’re helping me find clean-and-sober housing. I never want to be homeless again, and I really miss my kids.”

Christine started drinking and using drugs when she was 12. Her abuse escalated as she got older, leading to a number of arrests, failed methadone treatment programs and occasional homelessness.

After completing an inpatient treatment program, Christine went home with a man who promised to take care of her, but instead physically assaulted her. Badly beaten, he threw her out. That night, Christine drank four bottles of booze and in a drunken rage, went back and destroyed the apartment. She also had a gun. Hearing police sirens, Christine hid in the apartment’s shared laundry room. When the police found her, Christine had the gun to her head. She threw a bottle at them and then blacked out. She woke up handcuffed to a hospital bed, then lost consciousness again. The next time she woke up, Christine was in jail.

Once considered a high-risk, violent offender, today Christine is methadone-free and actively working on her mental health and chemical dependency problems. Thanks to an inpatient Pioneer recovery program, she believes she can stay clean and sober this time because she’s also learning how to manage her mental health issues.

Christine has goals now. She would like to go back to school to be a massage therapist. And she’s looking forward to rebuilding her relationships with her children. She feels that her Pioneer health services counselor is someone she can trust, who really respects her for the person she can become – not like the people in her past who have used and abused her. Christine is learning to laugh again for the first time in a very long time.

RESPECT

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

Statewide, drug addiction statistics are staggering with almost 40,000 people entering substance abuse treatment centers in Washington State annually. Major drugs being used are heroin, cocaine, and

marijuana, with methamphetamine use growing at twice the national rate. The destructive ripple effects on the individual, their families and communities are well documented.

Pioneer Behavioral Health Services provides a variety of specialized recovery programs and offers support services including substance abuse and mental health counseling to

adults, youth and families. Offering a variety of programs throughout the state, Pioneer’s chemical dependency services include: intervention, outpatient and residential chemical dependency treatment. For those who live with powerful addictions, breaking the cycle of dependency is often the first step toward a healthy and more productive life.

Active guidance

BREAKING THE CYCLE

“In my community, I was surrounded by friends and relatives who were using and dealing drugs, running guns and in gangs. I thought that was the way the world worked. But I paid a price for that risky lifestyle and spent two years in juvenile detention. It was really hard. During my detention, I was recommended for Pioneer’s Camp Outlook, located in Connell. They really showed me how to turn my life around before it was too late. They gave me a second chance.”

Nico grew up on a Native American tribal reservation with his family. When he was five, his family suffered a devastating loss – the death of his father at the hands of a drunk driver. The reservation was a place Nico, his mom and four siblings received support; the environment was extremely unhealthy – full of crime, addiction and gangs.

Introduced to gang life by his cousin, Nico was charged with possession of a firearm and armed robbery. After spending a portion of his sentence in juvenile detention, he was given the opportunity to participate in Camp Outlook, a juvenile basic training camp. The program was intense. Run like the U.S. Marine Corps, the camp counselors teach many things, including how to be considerate of other people and how to be part of a team.

When he arrived at Camp Outlook, Nico wasn’t sure what to expect. He found opportunities to excel in individual competitions that demonstrated to the leaders, platoon mates and to himself that he was capable of doing both really hard and really good things. Earning his GED while there, the camp also taught Nico structure, organization, discipline and respect.

Since leaving the camp five months ago, Nico has enrolled in a local community college and hopes to work in an electronics store. Then he can share his passion for the latest in new music, video and photography equipment. Not only does Nico have dreams, but he also has a plan for how to get there. His long-term goals include a career in music production and photography.

POSITIVE CHANGE

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

A recent Washington State public policy report indicates the rate of juvenile violence in the state has more than doubled in the last six years. For repeat offenders, this

path is a downward spiral as they age out of juvenile systems. When charged as adults, they enter the correctional system uncertain that they will ever find a way out. This pattern can be broken with early intervention and a comprehensive assessment of physical, mental and behavioral issues.

One solution, Pioneer’s Camp Outlook, provides a safe, highly structured and disciplined military environment for boys and girls. Staff hold youth accountable for their own behaviors and responsible for learning how to make positive life choices through counseling, education and physical training.

Reentry

ACCEPTING HELP FROM OTHERS

“In prison, it’s about survival. Through God’s guidance, I learned to trust in His grace and to accept help from others. I now know that I can be helpful to my family and community. At Pioneer Fellowship House, they taught me how to use a computer and the Internet to search for employment. I applied for about 100 jobs, but no one gave me a chance. Pioneer was my light at the end of a long, dark tunnel.”

Until he turned 12, Mark had a typical family life. Then his mom unexpectedly died. Unable to cope with this sudden loss, Mark’s father snapped. He took Mark to a bank and committed armed robbery. His father spent five years in prison for the crime. Mark was convicted as a juvenile and received five years’ probation.

A smart guy, Mark tried to put his past behind him and follow his passion. He earned his pilot’s license, but his juvenile record prohibited him from becoming a professional pilot. Desperate for money, Mark turned to crime, earning thousands of dollars transporting drugs in his airplane.

Trying to be accountable to his wife and new daughter, he gave up drug smuggling. As was the case for Mark, criminal behavior and addiction often accompany one another. His severe alcoholism worsened. Money got tight.

Sadly, Mark used criminal behavior to solve his problems and committed another armed robbery.

After his conviction, Mark served 35 years in federal prison where he obtained a bachelors degree in ministerial studies and a masters degree in theology. He also worked for UNICOR, a Federal Bureau of Prisons work program. He studied Quality Assurance, ISO certifications, and became a UNICOR trainer.

His prison work experience helped Mark find work at Pioneer Industries. Mark says that he is “so grateful to Pioneer for the opportunities, their support and encouragement. I can now work to honor myself, my Maker and give back to the community I once destroyed.”

Now in his late 60’s, Mark plans to stay at Pioneer Industries, mentoring others and doing great work well into his retirement years.

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.

On any day, prison populations in Washington State total approximately 65,000. And annually, nearly 10,000 of these

prisoners are released with nothing more than a small stipend and a bus ticket. Work release programs and other support services help these men and women transition from offenders to responsible, law-abiding citizens.

Pioneer’s Reentry programs work with this challenging population. We reintroduce these men and

women back into the community by providing an array of integrated and ongoing support services including counseling, housing, workforce training and job placement. While our programs offer a productive pathway for their future, it’s ultimately up to them to do the difficult work it takes to be successful.

Trust

BUILDING ON A SOLID FOUNDATION

“I was lost. I was partying, drinking and stealing to support my addictions. It was time for me to break the cycle and find the right path. Even though it’s hard, I’m learning to depend on others in a healthy way. I don’t want to let down my sons, my husband and my mother-in-law because they mean the world to me. I’m really learning to trust my counselors, to rely on my Pioneer house manager and to practice what I learned from my Job Club instructors.”

Joy and her husband met at a six-month, recovery house program. After leaving the program, they moved into Pioneer’s Residential Recovery Housing for families. A violation of the visitor’s policy, a domestic violence incident and her husband’s drug use led them back to the streets. They both were in and out of jail, active drug users and homeless.

For her children’s sake, Joy knew things had to change. She decided it was up to her to rebuild her life and to restore her faith. Thanks to Pioneer, Joy and her boys found a safe and affordable place to live. And shortly after that, Joy’s husband successfully completed inpatient treatment and rejoined his family.

Their once chaotic life lacked stability and security resulting in fear in her two-year old son. Now every day is a chance for Joy to rebuild her bond with him. While he remains cautious, her son is starting to trust new faces.

Joy enjoys spending time with her sons, playing music and dancing around the larger apartment she was able to secure now that her husband is with them. She is learning to work within the system, not fight it all the time and is developing the inner strength to reach out and trust others. Joy has big goals for herself and plans to go to college. But she has even bigger dreams for her two beautiful boys. The Pioneer family of people and services are blessings that she is forever grateful for.

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.

Homelessness is a complex global issue. Doing our part to meet this basic human need, Pioneer Human Services operates nearly 700 statewide housing units and provides

“a place to call home” to more than 2,000 Washington residents.

Pioneer housing also offers relationship-building opportunities with management, housing staff, fellow residents and families. Restoring and maintaining the family unit fractured from substance abuse, incarceration and unemployment helps clients progress toward real,

long-term healing. However, after living on the streets or in cars, being in the community again can be challenging. Pioneer’s housing services are there to support and nurture this transition.

Staff members carefully connect each client’s unique needs with safe, affordable housing and provide vital wraparound services.

Purpose

CHOOSING A MEANINGFUL AND PRODUCTIVE LIFE

“I’ve been drinking since I was 16. Alcohol destroyed everything: my relationships, my family and even the lives of innocent victims. Incarcerated after a DUI, I knew this time I had hit bottom. When I got out of jail, I didn’t have money or a place to live. I was in big trouble. My life was a mess. I had to find a way to get back on my feet and get control of my alcohol problems.”

Kevin grew up on Army bases. When his father retired from the military, his family moved back to Washington State where his father became a deputy sheriff and his mother a registered nurse. At just 11 years old, Kevin remembers waiting alone in the car while his parents were drinking in bars – and then driving them home.

As a young adult, Kevin started running away from his problems – a pattern that would persist throughout his life. At 18, he dropped out of school and enlisted in the U.S. Army. He loved it, but it did not take long for his alcoholism to kick into high gear. He was arrested for driving drunk.

After being discharged from the Army, Kevin’s problems followed him all across the country. In 2009, back in Spokane, Kevin received another DUI. He was sentenced to home confinement,

probation and inpatient treatment.

He was done running away. After treatment, Kevin went to his VA counselor and asked for help finding a safe place to live. They referred him to Pioneer’s Victory House.

Today, Kevin attends the VA substance abuse program and continues to manage his chemical dependency. While at Victory House, Kevin went through the Veterans Integration Program, obtained a nursing assistant certification and found a job. Not one to rest on his achievements, Kevin is continuing his education and is enrolled in a phlebotomy certification program. Eventually he would like to be an RN or LPN.

“Victory House holds me accountable and is helping me regain my self-respect. They’re showing me the way to be responsible and put my life back together.”

BALANCE

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

The homeless veteran population in Washington State ranges from 4,000 to 6,800, according to U.S. Department of Veterans Affairs and the National Coalition for Homeless Veterans. Accustomed to the structure and discipline

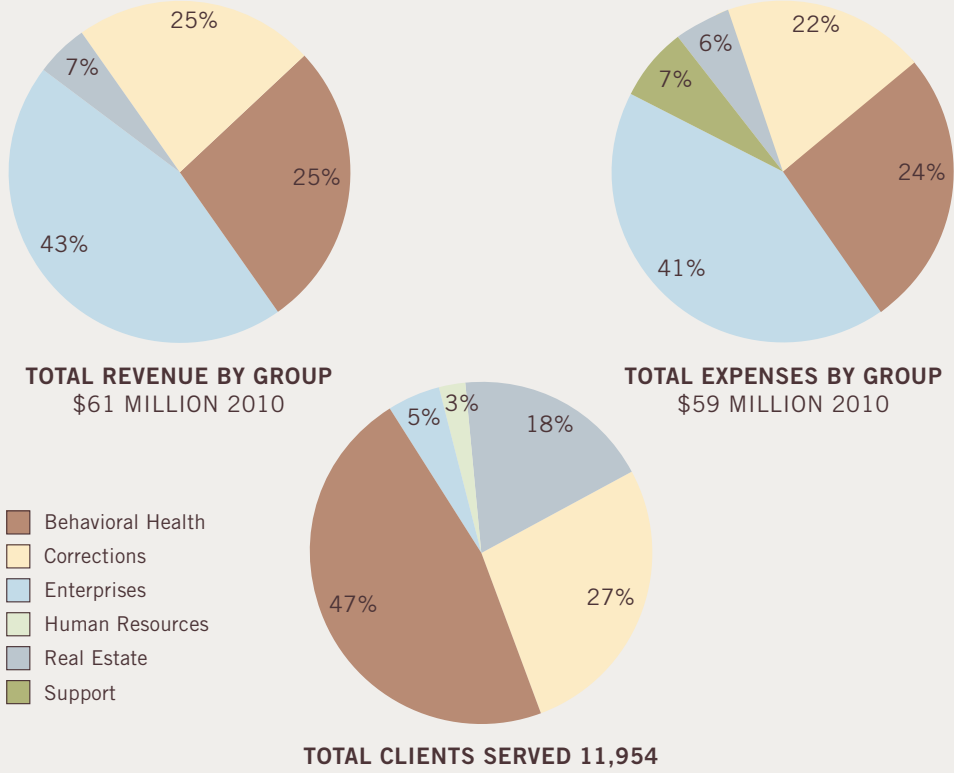
of military environment, some veterans have difficulties transitioning back to civilian life. They often need special support as they wrestle with addictions, job loss, homelessness and a breakdown of the family unit.

Working with the Veterans Administration, Pioneer has developed programs to meet the needs of

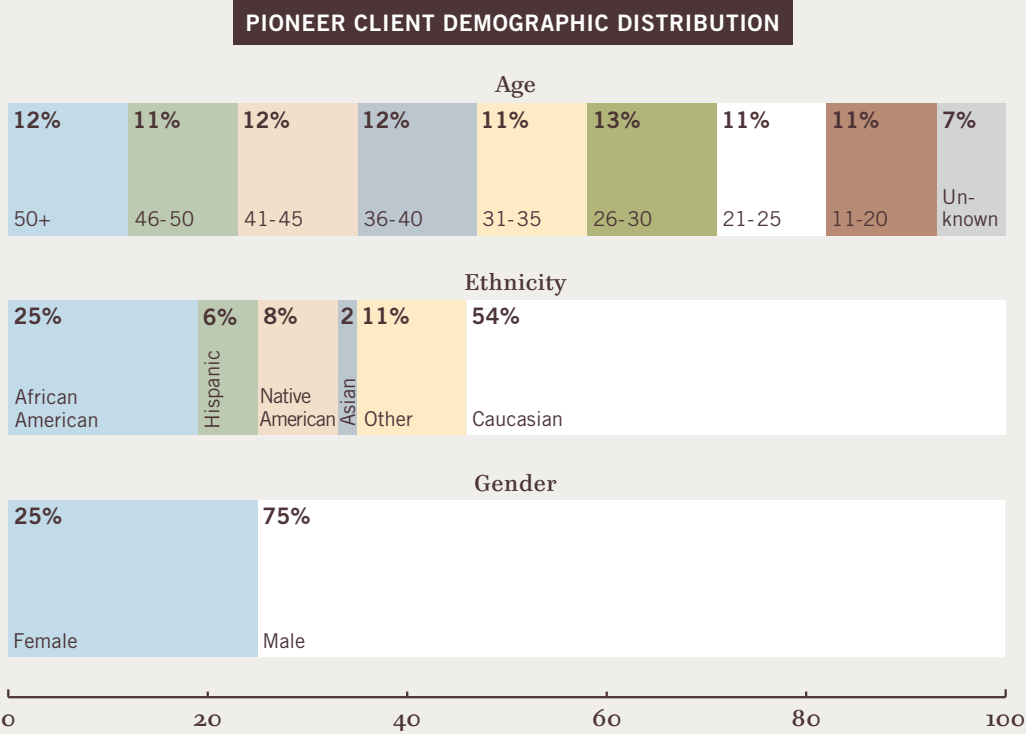
struggling veterans. One example is Pioneer’s Victory House in Spokane. In addition to a safe place to live, Victory House helps veterans secure counseling services, permanent housing, job skills development and career placement services. More importantly, they receive valuable guidance towards their own overall healing and realized independence.

Year at a glance

Last year was challenging for our national, state and local economy. Largely due to our steadfast principles of fiscal responsibility and conservative business practices, our 2010 revenues reached 61 million dollars with less than 1% derived from contributions to serve our nearly 12,000 clients.



Our clients represent a rich spectrum of ethnic and cultural backgrounds. Pioneer’s clients cover a broad range of ages, allowing our organization to serve youth, adults and seniors through our programming. For 2010, our basic demographic breakdown of clients is as follows:





CEO

In the brief time I've been at Pioneer, I've been humbled by the breadth and depth of the organization – distinct enterprises serving an array of customers and offering skills and job training opportunities for our clients. In my visits to our facilities and programs all over the state, I've seen firsthand how our full spectrum of wraparound services support our core values of respect, innovation, accountability, positive change, relationships and balance, and encourage our clients to take that critical step towards a Chance for Change.

As an organization, we continually pioneer new possibilities. Our size, scope of services and geographic footprint are all exponentially larger than they were at our inception almost 50 years ago. But we have not changed where it matters most – our mission, our core values and our advocacy on behalf of the people we serve.

Sadly, we said goodbye to our dear friend, Larry Fehr, who gave the Pioneer family 13 years of leadership, innovation and mentoring. His sudden passing left a void in our organization, but his legacy lives on in those he so faithfully served.

As for 2011, our state's fiscal shortfall will present challenges, but we'll work hard to limit any negative effect the overall economy might have on Pioneer. By adhering to best business practices, we will continue to build synergistic partnerships and raise the bar in service delivery. We will be tireless advocates for public policy changes in support of our mission. We'll boldly move forward and implement our five-year strategic plan by:

- Expanding our client employment opportunities
- Growing new business lines and partnerships
- Improving client services through innovation and best practices
- Telling our story through increased outreach
- Living the organization's core values

With your help, we'll renew our focus on performance and accountability – demanding from ourselves the same exceptional effort that we expect from our clients. Join us on this journey, as we all embrace the goal of providing a Chance for Change for those we serve.

Yours,

Karen Lee
CEO

LOCATIONS



2010 SENIOR MANAGEMENT

Karen Lee
CEO

Marla Gese
Senior Vice President
Real Estate

Sandy Gibb
Senior Vice President
Enterprises

Tracey Grosco
Senior Vice President
Finance & Administration

Cynthia Parker
Senior Vice President
Human Resources

Larry Fehr
Senior Vice President
Corrections & Behavioral Health

Barry Antos
Chief of Program Development

LorieAnn Larson
Senior Management Associate

2010 EMPLOYEE AWARDS

Norman F. Chamberlain
Leadership Award
Cynthia Parker

Elloween Henderson
Unsung Hero Award
Pam Welch-Moon

Hudson Award
Rose Ness

Supervisor of the Quarter
First Quarter: Rory Burns
Second Quarter: Linda Hadaway
Third Quarter: Vicki Cleveland
Fourth Quarter: Rebecca Judy



A FAREWELL TO A DEDICATED PIONEER

Larry Michael Fehr

Senior Vice President, Corrections and Behavioral Health Services
1952 – 2010

Last fall, the Pioneer family suffered the sudden loss of our friend and colleague, Larry Fehr. An outstanding leader and visionary, Larry was thoughtful, outgoing and greeted everyone with genuine warmth. He was well respected and known for always encouraging his staff, clients and peers to reach for their maximum potential.

Larry truly believed in a Chance for Change. He was a leader dedicated to making a positive difference in the lives of others. Since his passing, both staff and clients have told us how Larry's constant encouragement, support and belief in them helped them achieve a greater purpose.

PERSONAL INSIGHTS

Larry earned his undergraduate degree at Washington State University and his masters degree from the University of Washington.

Larry was a devoted husband, father and grandfather and an active member of his church. He volunteered with Seattle Rotary Club, American Correctional Association, International Community Corrections Association and many local boards.

His awards and honors included Phi Beta Kappa, Washington Correctional Association Professional Award, Washington Council on Crime & Delinquency Special Service Award, and Chamberlain Leadership Award.

Larry, you will always be in our hearts.



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.



P I O N E E R
HUMAN SERVICES

CORPORATE OFFICES

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Housing: 206.766.7940

Employment Services: 206.766.7046

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