

Maricopa Association of Governments  
**Draft** FY 2011 Human Services Funding Impact Study Survey Results  
Revised February 25, 2011

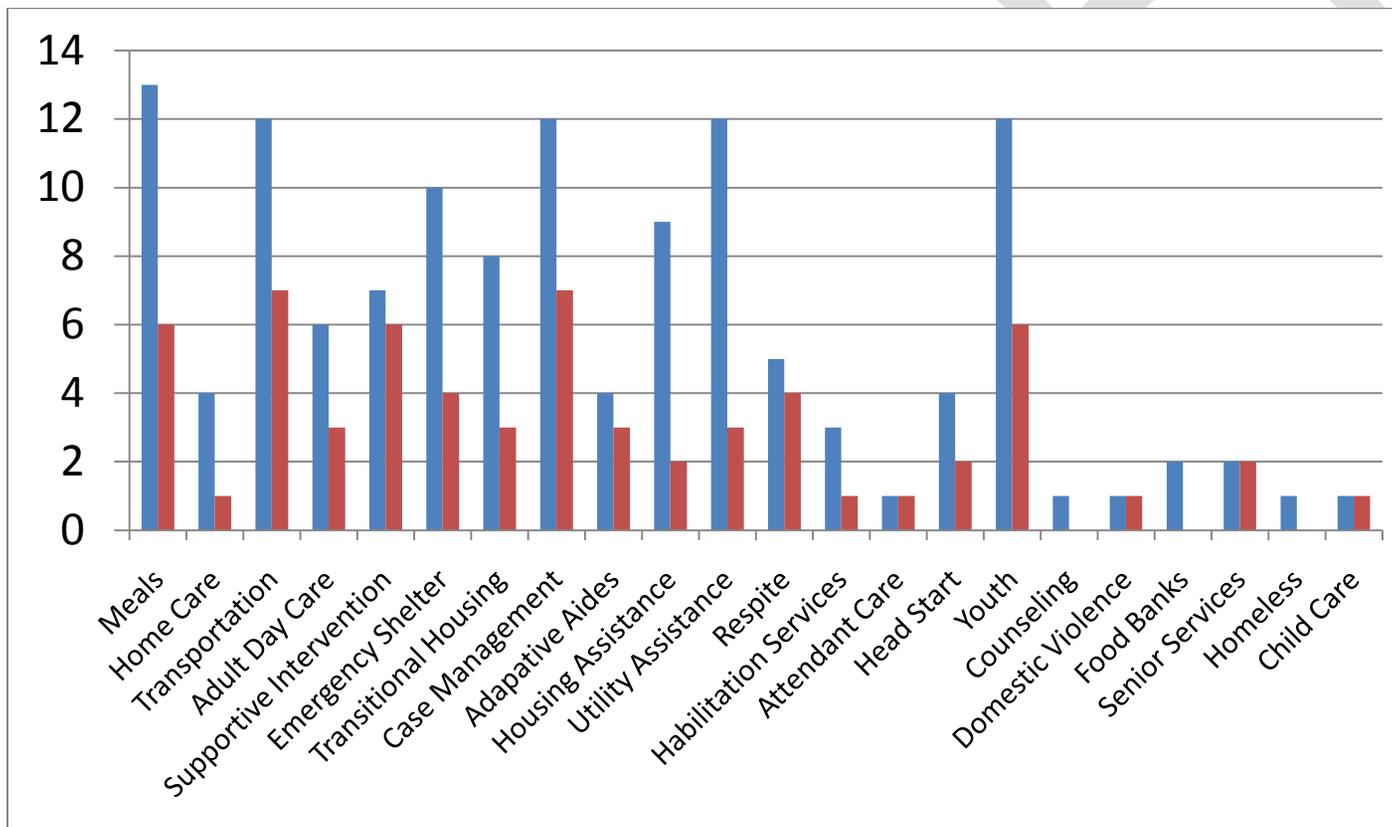
The Maricopa Association of Governments (MAG) is studying the impact of funding reductions made to human services programs in the MAG region. The goal of the study is to define the scope of municipal human services funding reductions, identify which area has been impacted the most, and to analyze whether costs have been shifted from human services to emergency services.

This report reflects the results of a survey administered to municipalities in the MAG region during the first quarter of FY 2011. Responses were received for 13 of the 25 municipalities. The survey results represent 86 percent of the region's population. In addition, results from the Alliance for Arizona Nonprofits survey to nonprofit agencies in December 2010 is included to give context. Nonprofit agencies are important partners for municipalities, and in some cases, receive funding directly from cities and towns to administer human services. Human services nonprofit agencies reported that 60 percent of their funding comes from government sources. Due to budget reductions from a variety of funding sources, the nonprofit sector in Arizona has lost 20,000 jobs or 15 percent of its workforce, according to the Alliance of Arizona Nonprofits. The capacity of municipalities and nonprofit agencies is shaped significantly by the capacity of the other. The following data demonstrate both public and nonprofit sectors are under to deliver the service people rely on in times of need.

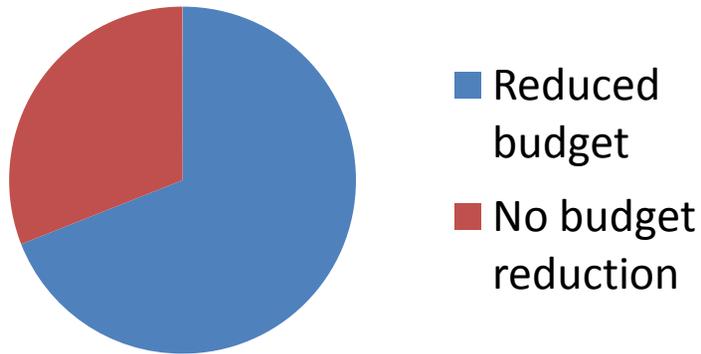
- Nearly 70 percent of municipalities reported funding reductions from FY 2009 to FY 2010. This ranged from a 16 percent reduction in the overall budget, to complete loss of administration funding, to a 46 percent reduction in human services funding.
- *Nearly half of nonprofit agencies reported a decrease in revenue in December 2010. This is down from nearly 60 percent in January 2010 reporting declines in revenue. In December 2010, more than half of nonprofit agencies reported government funding had reduced with an average decrease of 23.2 percent.*
- Thirty percent of responding municipalities eliminated jobs as a result of funding reductions. Of the 13 municipalities, four eliminated human services jobs with an average of 3.875 jobs lost.
- *Thirty eight percent of nonprofit agencies reported layoffs of one or more positions in 2010.*
- One city reported a five percent reduction in pay through mandated furloughs.
- *Forty percent of nonprofit agencies have instituted hiring freezes and more than a third have frozen salaries.*
- All municipalities surveyed fund home delivered meal programs. More than 90 percent fund utility assistance programs, case management, and youth programs.
- *The majority (92 percent) of nonprofit agencies estimate demand for services will increase in 2011. Three out of four agencies served more clients in 2010 than in 2009.*
- The group most impacted by funding reductions is people with low incomes, followed by older adults.

- Thirty percent of responding municipalities report shifting costs to accommodate the funding reductions. Shifts to emergency services were not noted. Costs were shifted as follows:
  - Departments within municipalities were merged.
  - Costs were shifted to federal funding sources.
  - Costs were shifted from prevention to crisis and basic needs.
- *Nonprofit agencies report the following activities to manage funding reductions:*
  - *Fifty four percent reported using volunteers more often to deliver services.*
  - *More than half had to use funding from their reserves and a third still ended 2010 with a deficit.*
  - *Sixty percent have created or expanded collaborations with other nonprofit agencies.*

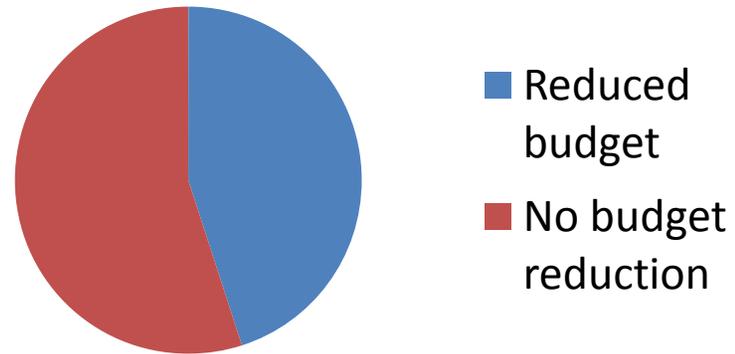
The blue columns in the chart below depict the number of municipalities currently funding the programs listed. The red columns indicate how many municipalities have reduced funding for these programs since FY 2009.



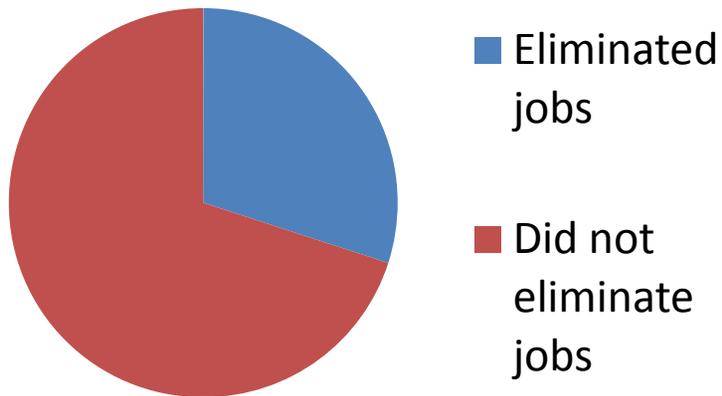
### Municipal HS Budget Reductions



### Nonprofit Budget Reduction



### Municipal Job Elimination



### Nonprofit Job Elimination

