

# Pennsylvania Council of Children, Youth and Family Services

## ECONOMIC IMPACT OF PRIVATE AGENCIES 2004 – 2005

- ◆ In addition to having a significant direct impact on the children, youth and families served, private providers contracting with county Children and Youth, Juvenile Probation, Mental Health and/or Behavioral Health MCOs have significant influence and impact on the economic stability and social well-being of the communities in which they exist.
- ◆ The following information is based on responses from 91 private provider agencies.

### Overall Operating Budgets and Numbers of Employees

<u>Description</u>	<u>Western</u>	<u>Central</u>	<u>Northeast</u>	<u>Southeast</u>	<u>Statewide</u>
Agencies Reporting Combined	25	16	13	37	91
Operating Budgets	\$262,625,637	\$53,464,043	\$96,834,681	\$348,994,640	\$761,919,001
# of Employees					
Total	5,427	945	1,842	5,965	14,179
Full Time	4,439	725	1,465	4,768	11,397
Part Time	988	220	377	1,197	2,782

### Total Payroll – As reported for the previous calendar or fiscal year

<u>Payroll</u>	<u>Western</u>	<u>Central</u>	<u>Northeast</u>	<u>Southeast</u>	<u>Statewide</u>
# of Reporting Agencies	25	16	13	36	90
Total Payroll \$	\$142,680,871	\$22,206,860	\$49,316,189	\$212,011,598	\$426,215,518

### Operating Deficits

Statistics below reflect only those agencies projecting an operating deficit at the time of data submission (1/05):

- This year, 34 (37.77%) agencies are operating at a mean deficit of \$123,164.
- Last year, 35 (40%) agencies were operating at a mean deficit of \$119,219.

Analysis: While approximately the same number of reporting agencies are projecting an operating deficit, the total deficit amount projected by agencies has increased.

### Private Dollars Included in Annual Operating Budgets

	<u>Western</u>	<u>Central</u>	<u>Northeast</u>	<u>Southeast</u>	<u>Statewide</u>
Total	\$2,615,294	\$2,576,967	\$2,036,010	\$20,850,193	\$28,078,464

### Additional Private Dollars Supplementing Payments Received for Contracted Services

	<u>Western</u>	<u>Central</u>	<u>Northeast</u>	<u>Southeast</u>	<u>Statewide</u>
Total	\$519,870	\$788,990	\$1,525,457	\$5,691,170	\$8,528,487

## 2004-2005 ECONOMIC IMPACT

### Staff Turnover

<u>Description</u>	<u>Western</u>	<u>Central</u>	<u>Northeast</u>	<u>Southeast</u>	<u>Statewide</u>
Overall Staff Turnover - Actuals	1,841	340	669	1,806	4,656
Total Turnover Rate	1 to 20	1 to 23	1 to 22	1 to 20	1 to 21
Reason for leaving:					
—Wages	15%	15%	24%	20%	18%
—Dissatisfaction	7%	11%	12%	9%	9%
—Personal	26%	33%	14%	21%	23%
—Termination	15%	16%	15%	27%	20%
—Other	36%	25%	34%	23%	30%

Analysis: The turnover rate of almost 5,000 individuals represents an additional cost of at least \$1,000 per employee incurred by private agencies.

### Populations Served

<u>Description</u>	<u>Western</u>	<u>Central</u>	<u>Northeast</u>	<u>Southeast</u>	<u>Statewide</u>
# of Reporting Programs/Services	64	172	205	214	655
# of Children Served	24,097	23,229	5,023	64,097	116,446
# of Families Served	14,200	9,273	1,670	79,868	105,011

### Expenses vs. Inflation

Expense calculations are based on average values (not median) of all members reporting a change in any of the selected areas. Only reported increases or decreases in expenses were taken into consideration when performing these calculations.

<u>Description</u>	<u>2002-03</u>		<u>2003-04</u>		<u>2004-05</u>	
	<u>% Increase</u>	<u>Actual \$ Increase</u>	<u>% Increase</u>	<u>Actual \$ Increase</u>	<u>% Increase</u>	<u>Actual \$ Increase</u>
General Operating Exp.	21.75%	\$63,476	32.58%	\$83,139	16.14%	\$77,118
Health Insurance	16.79%	\$209,780	16.44%	\$222,913	15.42%	\$240,853
Transportation Exp.	13.77%	\$79,799	17.61%	\$74,853	15.02%	\$75,919
Other	7.50%	\$1,305,377	8.85%	\$1,154,060	9.45%	\$1,352,637

### Comparison With National CPI

The Consumer Price Index (CPI) reflects the average yearly (in this case cumulative 02 - 04) affect of inflation on the cost of goods and services. For example, an item costing \$100 in 2002 with a cumulative CPI increase of 8% (2.6% annually over 3 years) can be expected to cost \$108 at the end of 2004.

<u>Description</u>	<u>Cumulative % Increase Since 2002</u>	<u>2002-04 CPI Inflation*</u>
General Operating Expenses	87.48%	3.90%
Health Insurance	56.95%	13.40%
Transportation Expenses	53.91%	10.80%
Other	28.07%	7.40%

*CPI data is provided by the United States Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov))*

Once again, it should be noted that these figures represent experiences of approximately one third of the estimated 350 private agencies providing services mandated by Pennsylvania's Child Welfare and Juvenile Justice System. These experiences reflect those of providers across the Commonwealth.