**Analyzing a System of Care Using a Unique Cost/Benefit Model**

In most traditional Cost/Benefit Models, a singular approach to determining the cost of administering a program starts with the money required to fund and maintain program over the span of a fiscal year. The approach sums up salaries and benefits, overhead, operating costs and other expenditures such as education and perks. Then, this cost is divided amongst service units to determine the cost of service delivery.

While this approach provides a solid foundation for determining operating costs, it is ill-suited for determining the merit and worth of service delivery. It is even less adequate in determining the cost/benefit ratio for preventive programs. The following model takes the philosophy of “Providing Youth/Family Stability” and follows this simple belief down to the cost of delivering this philosophy and then to the monetary benefits of this belief system.

Before starting this process, it is important to remember that the sum of the parts is not always equal to the whole. Simply put, it can be difficult to assign a monetary value to certain aspects of service delivery. However, we must make a concerted and conservative attempt. Our stakeholders demand this and our youth and families deserve the proof that their programs are efficacious and worth while.

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**STEP ONE: Describe Service Delivery**

**Providing Youth/Family Stability**

In basic terms describe what you do for your youth/family:

- Simple Example:
  1. “I call my youth every day after school.”
  2. “I make sure my mom gets a birthday card from the kids.”
  3. “I found a new pair of tennis shoes for my youth.”

- Complex Example:
  1. “I went to court with my youth and family.”
  2. “We talked about what his grandma’s death meant to him.”
  3. “I helped mom set up a chore schedule for the kids.”

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**STEP TWO: Describe Outcomes**

(The Result of Service Delivery)

This part of the Cost/Benefit analysis requires folks to engage in dialogue about what the results of their service delivery is. Some results are easy to name while other results may be hidden or difficult to connect to service delivery. More often than not, direct (immediate) results are listed while indirect (secondary or tertiary) results are not looked for or identified. The process of stating what results should be expected and what results are anticipated helps us evaluate our program and service delivery. Are we doing what we said we would and do we have the evidence to prove it?

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**Service Delivery:** “I call my youth every day.”

What is the result of this service delivery:

From the youth’s perspective: “Someone cares about me and what is going on in my day.”

From the parent’s perspective: “I have help with my child. Someone else is there that listens and helps me deal with my son.”

From the family advocate’s perspective: “I make sure that my youth has someone to talk with every day. I listen and help him stay clam – make good choices or at least better choices. I help him problem solve and stay out of trouble.”

From a program perspective: “This young man has not had a serious crisis – not threatened suicide, run away, or had a psychiatric hospitalization in three months. He used to have at least one hospitalization a month.”

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**Summary of Cost of Care**

**Cost of Operating KidsNet**

<table>
<thead>
<tr>
<th>Category</th>
<th>Operating Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$500,000.00</td>
</tr>
<tr>
<td>Psychiatric Inpatient</td>
<td>$54,417.00</td>
</tr>
</tbody>
</table>

**Additional State Cost**

- **Residential**: $499,654.93
- **Psychiatric Inpatient**: $54,417.00

**Total Yearly Cost**: $1,054,071.93

**Cost per Child**: $13,513.74

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**Direct Results**

Direct Results are the specific targeted outcomes of service delivery. These results are the products of our behavior. It is essential that a program demonstrate and name these results. Once those results are identified, the social and monetary values can be determined. The following list is an example of the direct results of behaviors associated with "Providing Youth/Family Stability":

1. Keeping our youth out of residential settings;
2. Keeping our youth out of psychiatric hospitals;
3. Keeping our youth out of juvenile detention centers;
4. Providing assessments and screenings for our youth and families;
5. Keeping our youth out of 90 day in-patient assessment facilities;
6. Maintaining stable living conditions for families and youth;
7. Organizing community donations for youth and families;
8. Helping caretakers keep or obtain a job.

**Indirect Results**

Indirect Results are often called unintended or unanticipated results of service delivery. These results may often be surprising and can become some of the most beneficial aspects of service delivery. It is important not to overlook indirect results -- it is often the data from these results that can change or support ongoing service delivery. The following is a list of some of the indirect results discovered within KidsNet System of Care:

1. Caretakers obtaining mental health and substance abuse treatment;
2. A reduced rate of contact with the juvenile justice system;
3. A reduction in the 'paper chase' between agencies servicing youth and families;
4. Avoidance in foster care placement;
5. Avoidance of homelessness of youth and families;
6. Maintaining stable living conditions for families and youth;

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**Summary of Benefits**

### Direct Savings

- **Residential**: $1,022,448.00
- **Multi-Agency Team for Children**: $266,206.00
- **Parental Jobs**: $133,250.00
- **Family Living Stability**: $58,500.00
- **Psychiatric Inpatient**: $61,364.00
- **Assessments**: $13,975.00
- **Community Donations**: $6,449.00
- **TOTAL DIRECT SAVINGS (Savings per child)**: $23,617.86

### Indirect Savings

- **Foster Care Savings**: $278,460.00
- **System of Care**: $164,795.00
- **Shelter Savings**: $82,223.00
- **TOTAL AVOIDANCE SAVINGS (Savings per child)**: $6,788.00

**TOTAL SAVINGS Per Child**: $30,405.85

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