

Economic Impact Report



ECONOMIC IMPACT REPORT PREPARED FOR THE YELLOWSTONE BOYS
AND GIRLS RANCH – JUNE 2019 –
THIS STUDY IS FUNDED BY A GRANT FROM NORTHWESTERN ENERGY

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General Project Description

This is an economic study for the Yellowstone Boys and Girls Ranch (YBGR) in Yellowstone County, Montana. The YBGR is a nonprofit organization that is trusted both locally and nationally for delivering high quality mental health care for children and their families.

Its mission, ‘caring people preparing youth for life’, its values are:

- **Faith** is being sure of successfully achieving our mission, based upon our trust in a loving creator.
- **Hope** is embracing uncertainty with confidence and trust.
- **Integrity** is doing what is right, putting the needs of others above your own, and living by the highest values.
- **Relationship** is being committed to one another in a mutually respectful, dignified, healthy, and honoring manner.
- **Respect** is an attitude of valuing others, caring about people and treating them with dignity.
- **Safety** is behaving in a manner that protects the physical, psychological, spiritual and emotional well-being of others.
- **Stewardship** is the use of any resource or talent entrusted to YBGR to fulfill the mission and vision.
- **Excellence** at YBGR is represented by the practice of Faith, Hope, Integrity, Relationship, Respect, Safety and Stewardship.

YBGR offers many programs that are provided across several disciplines, below is a listing of its key initiatives:

- ✚ Targeted Case Management
- ✚ Community Based Services Assessment
- ✚ Psychological Assessment
- ✚ Psychiatric Residential Treatment Facility
- ✚ Chemical Dependency
- ✚ Day Treatment and Education
- ✚ Home Support Services
- ✚ Therapeutic Foster Care
- ✚ Therapeutic Youth Mentoring
- ✚ Comprehensive School and Community Treatment
- ✚ Outpatient Therapy
- ✚ Supervised Visitation
- ✚ Medication management
- ✚ Educational Services at Billings Clinic Partial Hospitalization Program
- ✚ Individual Placement and Support – Supported Employment

The economic impact report that follows represents a broader view than direct expenditures or employment. For example, the analysis measures the economic “footprint” as dollars multiply inside and outside the market area and it includes calculations for both direct and indirect impacts.

Report Categories

The economic analysis is divided into six reports as described below. As an overview the Gross Economic Output report reflects the project's total economic benefit including all direct and indirect benefits. The Gross Economic Output reflects benefits that occur within and without of the project area.

The Gross County Product represents the economic benefit that is retained in the local area. Total Labor Income, Capital Income and Indirect Business Taxes are subsets of the Gross County Product. When added together, labor income, capital income and indirect taxes roughly equal the Gross County Product. The Total Employment report restates the benefits of Total Labor Income as the number of jobs and is not included as a subset of the Gross County Product.

1. **Gross Economic Output:** The aggregated market value of goods and services produced by businesses and government enterprises in the economy. It is essentially equal to the revenue collected by businesses (including indirect taxes) within the County or impact area.
2. **Gross County Product:** The total of value added created by the production of goods and services in the economy. It represents the sum of labor compensation, capital type income and indirect business taxes. Gross County Product is best described as new money added to the County as a result of the project.
3. **Total Labor Income:** The compensation to employees and self-employed proprietors including both wages and indirect payments such as retirement benefits, health insurance and other similar fringe benefits.
4. **Total Employment:** The number of jobs generated within the impact area including full-time and part-time positions, salaried workers and sole proprietors.
5. **Capital Income:** The sum of income such as business profits, interest and rental income. Capital Income is best described as non-labor benefits.
6. **Indirect Business Tax:** Taxes and fees not based in the businesses' income. It may represent sales taxes (if any) levied by the County and also property taxes levied against businesses as well as federal, state and local fees.

Methodologies and Assumptions

The Yellowstone Boys and Girls Ranch has a broad spectrum of programs available to mitigate adverse social and economic impacts of Montana's at-risk youths. All youths that reach YBGR programs are considered at-risk to themselves or society.

The challenge for this analysis was to study the various programs; gather input from directors and staff and develop assumptions and strategies to monetize the social benefits. Staff input helped to frame the key assumption "*that without YBGR programming an estimated 75% of the youths served by YBGR would continue in high-cost correctional or psychiatric programs for an average 10 years of their remaining lives*".

YBGR – key program delivery data points

- Of the 828 youths served in the last year, 100% are at risk to themselves or society.
- 15% of all youths entered into YBGR programs were diagnosed 'acute'.
- Through YBGR programs, 79% of youths were able to remain in home during treatments however a total of 91% of youths were cared for at home or transitioned back to home (*19% of YBGR youths received targeted care out of home and of those 12% returned home after care, 5% of total were placed in foster care and 2% were placed in corrections*).

YBGR – Assumption to help guide monetizing social impacts

This study includes the classical components for a nonprofit analysis; it also seeks to monetize YBGR's social impacts. Analyzing social impacts is designed to help readers recognize YBGR's greater extended program value to society. The process of monetizing social benefits often reflects society dollars saved vs dollars expended.

In this study, the direct impact and the social impacts are each separated to facilitate understanding. The 828 at-risk youths served by YBGR in the program year received a wide variety of services aimed at addressing emotional, behavioral, family and drug problems; all services are with the emphasis of keeping targeted youths in their homes and the educational system. Of the total served, only 2% were placed in corrections.

Core Assumption: Without the benefits of YBGR (programs listed above) it is estimated 75% or 621 of the at-risk youths served in the last 12 months would spend an average of 10 years of their lives in either a correctional or psychiatric care at a minimum cost of \$30,000 per year or a total cost impact of \$186.3 million. The social benefit is additional with each year of YBGR services.

Representative Analysis: Economic impact reports are typically based on either data sets that are specifically created for the project, or representative data sets that reflect what typically happens when a given amount is invested in a given industry sector and within a given community. A unique data set was not created for this study and the results and findings are modeled on representative data.

The following YBGR programs were reviewed as part of this analysis. From March 2018 to March 2019, YBRG served 828 youths. Service typically begins with an assessment. Youths are then entrusted to programs depending on their individual needs. The table below shows the numbers of youths benefiting and a description of each program.

Program Type	Number of Youth Served on 3/15/2019	Number of Youth Served - Last 12 Months	Program Benefits (Examples: Parents maintain employment, youth stays in home, reduction in hospitalizations)
CBS Assessment	601	828	Evaluates appropriate level of care and recommended treatment services. Determine clinical eligibility for CBS services. Provides the foundation of the initial treatment plan and crisis plan. Provides information to families to ensure appropriate levels of care. Matches right kid to right services. Manages cost on state level. Provides coordination and resources for families which may allow parents to keep working or provide care for other children, etc. Without this service: school problems, kids drop out, other psychiatric issues - increase in emergency room usage and hospitalization. Increase in juvenile justice involvement / law enforcement. 90% of youth would continue to struggle without this program. Psychiatric hospitalization costs approximately \$750/day, average length of stay (LOS) 3-5 days. Cost of residential stay - average \$350/day 4-6 mo. LOS. 90-95% would continue to be a cost to society without our program. Without this assessment, 75% or higher are at risk of not graduating high school. 40% of youth with mental health issues graduate high school; 32% go on to secondary education. Kids in community based services: goal to keep kids in community based; stop them from moving into a higher level of care. Residential services: step down a youth into a lower level of care and have them stay.
Home Support Services	64	117	HSS provides weekly home visits. HSS teaches families how to implement new ideas to improve home dynamics. HSS take a respectful, humble approach to honor the family's needs, desires, and dreams for their family. They build success and overcome challenges by identifying and utilizing the family's strengths. They often work on communication, healthy boundaries, healthy expressions of emotions, and parenting skills during home visits. The family completes weekly assignments and discusses family goals each week. HSS keeps the youth and family connected and works to avoid an out of home placement, keeping the family together. Keeps youth in the community. Keeps youth out of higher level, more costly services.

Chemical Dependency	65	176	Chemical dependency ranges from preventative services to ongoing addiction counseling. Prevention services are provided to any youth who is interested in learning more about the substance world and wanted to stay in sobriety. The youth may have parents, relatives, or peers who struggle with substance and they want to be educated on the effects. Ongoing addiction counseling is begun through a screening and evaluation process to determine the appropriate level of care and treatment approach. It is followed by an individualized treatment plan and recommendations for treatment. Ongoing counseling involves Individual, Group, and Family counseling. Chemical Dependency services can be in combination and coordinated with mental health services. Keeps kids in school.
CBS Day Treatment	57	86	CBS Day Treatment and YA Day school are interchangeable (see below).
Therapeutic Youth Mentor	38	93	TYM is a 1:1 mentoring service. They typically work in the community setting. TYM is therapeutic in nature making it a short term, typically 3 months, to avoid an out of home placement. TYM's incorporate therapeutic games and activities that help teach the child how to manage their moods, problem solve, develop social skills, increase self-esteem, practice following instructions, learn responsibility for their actions, and other healthy living traits. TYM's assist in taking the learned skills into the home by spending a portion of their outing with parents, siblings, or any other family member where the child's struggles occur. The focus in the home is to practice the skills they have learned with the support of the one on one worker. YM is a low cost service, which can divert youth from higher levels of care.
Psychological Assessment	37	58	Psychological Assessment helps determine differential diagnosis to ensure the correct treatment planning and services are being provided. PA can help determine a youth's cognitive level of understanding so the treatment team can adjust their approach with the youth and tailor services to their need and ability to understand. PA helps give recommendations to parent/guardian in how best to parent their child. PA reinforces the need for chemical dependency and/or mental health services.
Individual Placement and Support	40	58	IPS works with youth and the transitional age group who want to work. They help mentor the youth and young adults through the employment system: resumes, interviews, how to dress for success, proper hygiene. They work with employers to better understand our clients and coach and mentor employers on how to respond to youth and young adults from trauma backgrounds. They help find "competitive employment" not just volunteer opportunities. They help develop work skill sets.

SBS-CBPRS	14	76	SBS-CBPRS is the same as the youth mentoring program in regards to rules of the program. The difference is it is in the school setting and often is based on the youth not having Medicaid and/or not having a full CSCT team. See TYM box.
Therapeutic Foster Care	9	22	TFC provides weekly home visits. TFC teaches foster families how to implement new ideas to improve home dynamics. TFC takes a respectful, humble approach to honor the foster family's needs, desires, and dreams for their family. They build success and overcome challenges by identifying and utilizing the family's strengths. They often work on communication, healthy boundaries, healthy expressions of emotions, and parenting skills during home visits. The foster family completes weekly assignments and discusses family goals each week. TFC keeps the youth from experiencing multiple foster placements which either leads to permanency or reunification with their biological family. TFC provides foster families with the support needed and the training required meeting the needs of traumatized children and helping them heal through the love of a healthy family system. There have been instances of children being adopted by the TFC family.
Supervised Visitation			Supervised visitations provide a safe, nurturing environment for families who are working to get their child reunified. This provides security for the youth when this could otherwise be a difficult visit for them. Supervised visits provide information and recommendations to the Child Protection unit towards reunification.
SBS-CSCT	280	442	Youth are provided Individual, Group and Family Therapy within the school setting. Scheduling is coordinated with the youth's teacher in order to prevent missing core curriculum for appointments. Staff provides crisis de-escalation to youth. We aim to de-escalate the crisis before it becomes a discipline referral for the Principal, School Counselor, or School Resource Officer. Schools, kids, and families get a full time master's level therapist and a bachelor's level behavior specialist to provide services within the school/home/community settings. Average caseload is manageable to do true therapeutic work instead of running from youth crisis to youth crisis. Youth and families are provided individualized, quality services, support and encouragement. Staff bridges the communication gap between home and school. Our staff becomes a liaison with the school, increasing parental involvement. Keeps youth in community and out of higher, more costly level of care.

Targeted Case Management Services	188	364	TCM's have knowledge of services and resources that the youth and family may benefit from in the community. TCM's listen to concerns and are supportive in handling crisis. TCM's help identify strengths, needs, and goals of the youth/family. TCM's develop a plan around those identified strengths, needs, and goals. TCM's provide community resources and help navigate referrals for the family. TCM's empower families and help them to become more self-sufficient.
CBS Outpatient Therapy	69	248	Youth are provided Individual, Group and Family Therapy within the school or home setting. Our staff is willing to go to where the youth and family are instead of expecting the family to come to an office setting. This decreases the time for the parent and increases the youth's time at school instead of being pulled out for appointments. This program is also very similar to CSCT Therapists other than it is not bundled with a Behavior Specialist.
Psychiatric Residential Treatment Program	61	236	Provides psychiatric stabilization and intervention for the youth and family. Reduces in-patient hospitalization. Provides youth with coping skills. Through education programming, provides credit recovery to help youth graduate high school. Treatment focused on managing trauma and improving resiliency. PRTF also Provides Assessment Services to help identify children's needs for therapeutic care and facilitates aftercare plans. The Assessment Service helps children who are identified as 'difficult to place' and provides support to children presenting as subthreshold of need for acute care, and to children transitioning from an acute care placement, where the child and family are not prepared for placement back to the home until further plans and stabilization have occurred.
Day School (YA)	58	71	Provides educational services to youth that cannot be educated in their community school due to mental health or behavioral problems. Allows youth to remain on track educationally and receive individualized services. Significantly increases odds of graduating high school

About Circle Analytics

The principals of Circle Analytics have prepared hundreds of economic impact reports for state agencies, cities, counties, economic development districts and private and nonprofit entities. The company specializes in serving nonprofit organizations and generating reports that forecast economic impacts or that include monetizing social impacts.

Each report is based on datasets specific to the project's location and unique industry sectors. Robert Gilmore, the report's primary author, is the recipient of the Ford Foundation's Award for Innovations in American Government and the Council of State Government's Award for Innovation.

Executive Summary of the six reporting categories

This report measures the economic impacts of the Yellowstone Boys and Girls Ranch (YBGR), Yellowstone County, Montana. Included in the analysis is the organization's annual budget, a recently completed capital improvement project and estimates for future investments. Additionally, the study seeks to understand the broader impacts of more than three thousand volunteer hours and also the community's social benefits from the 829 at-risk youths that were served by YBGR programs. Assumptions and calculations have been made to value YBGR programs that help prevent long-term adult correctional and or psychiatric care. The study (attached) analyzed economic and social impacts separately.

Gross Economic Output: In this study YBGR's total economic benefit is \$297.4 million. The study scope includes YBGR operating budget, current and future capital improvements, plus monetized social benefits and volunteer contributions. The scope also includes \$263.0 million in monetized social impacts. The monetized benefits extend across the lives of YBGR youth clients and would be expected to duplicate annually with each new cycle of youths. The study highlights the importance and long-term community value of YBGR programming, however; it needs to be emphasized that YBGR's social impacts do not imply the immediate exchange of dollars; they best represent the estimated long-term community benefit. The study shows that every dollar invested in YBGR's operating budget returns \$13.90 in direct and indirect benefits.

Gross County Product: The gross county product seeks to measure the local economic impact of the direct, indirect and social programming. The study shows that \$174.1 million of the total benefits stay in the local community. A total of \$154.2 million of the Gross County Product are monetized social impacts.

Labor & Total Employment: YBGR direct programs produced \$12.2 million in local economic job impacts, benefiting a total 486 jobs (combining YBGR direct and indirect job benefits is on par with First Interstate Bank, Yellowstone County's 10th largest employer with 480 employees). When monetized benefits are added to the analysis, the total labor income of YBGR direct and monetized programs is estimated at \$103.9 million with benefits/savings equal to 2,259 full time and part time jobs.

Capital Income: YBGR direct and indirect Capital Income benefits total \$6.8 million and include profits, interest and rental income – note YBGR may not directly report profits or rental income, these categories measure indirect benefits as YBGR employee salaries, vendor spending and others monies are distributed throughout the economy. YBGR monetized capital income benefits total \$56.3 million and equal \$63.2 million when the direct and monetized capital income benefits are combined.

Indirect Business Taxes: YBGR direct and indirect benefits total more than \$798,000 in indirect taxes that include local, state and federal taxes – note these categories measure YBGR monies and monetized benefits that are distributed by employees and vendors throughout the economy. YBGR monetized capital income benefits total \$6.1 million and equal \$6.9 million when the direct benefits and monetized indirect tax benefits are combined.

2019 Economic Impact Report – Yellowstone Boys and Girls Ranch (YBGR)

Gross Economic Output

Represents the total economic impacts including direct and indirect benefits.

The aggregated market value of goods and services produced by firms and government enterprises in the County's economy. It is essentially equal to the revenue collected by businesses (including indirect taxes) within the County.

Direct Industry	Frequency	Direct Impact	Indirect and Induced Impact	Total Impact
YBGR Direct Programs				\$34,396,480
YBGR Annual Operations Budget	On Going	\$21,400,000	\$8,805,936	\$30,205,936
Recent Capital Improvements Program	One Time	\$2,500,000	\$1,345,538	\$3,845,538
Planned Capital Improvements	One Time	\$224,290	\$120,716	\$345,006
YBGR Programs that are Monetized for Social Impacts				\$263,087,446
Estimated Social Value of YBGR Programs and Services that mitigate the need for long-term correctional and psychiatric programming	One Time	\$186,300,000	\$76,661,021	\$262,961,021
Value of YBGR volunteer programming	On Going	\$89,568	\$36,857	\$126,425
Totals:		\$210,513,858	\$86,970,068	\$297,483,926

Gross County Product

Indicates the amount of economic impact that is retained in the local area.

The total value added created by the production of goods and services in the local economy. It is analogous to the concept of Gross Domestic Product at the national level. It represents the sum of labor compensation, capital type income (profits, interests and rents), and indirect business taxes (which are mainly sales taxes, but also include property taxes and government mandated fees).

Direct Industry	Frequency	Initial Purchase	Total Impact
YBGR Direct Programs			\$19,943,036
YBGR Annual Operations Budget	On Going	\$21,400,000	\$17,709,791
Recent Capital Improvements Program	One Time	\$2,500,000	\$2,049,383
Planned Capital Improvements	One Time	\$224,290	\$183,862
YBGR Programs that are Monetized for Social Impacts			\$154,248,616
Estimated Social Value of YBGR Programs and Services that mitigate the need for long-term correctional and psychiatric programming	One Time	\$186,300,000	\$154,174,493
Value of YBGR volunteer programming	On Going	\$89,568	\$74,123
Totals:		\$210,513,858	\$174,191,653

Total Labor Income

Is a subset of Gross County Product and shows the local benefit to salaries and wages.

The compensation to employees and self-employed proprietors including both wages and indirect payments such as retirement benefits, health insurance and other similar fringe benefits.

Direct Industry	Frequency	Initial Purchase	Total Impact
YBGR Direct Programs			\$12,270,700
YBGR Annual Operations Budget	On Going	\$21,400,000	\$10,528,032
Recent Capital Improvements Program	One Time	\$2,500,000	\$1,599,195
Planned Capital Improvements	One Time	\$224,290	\$143,473
YBGR Programs that are Monetized for Social Impacts			\$91,696,981
Estimated Social Value of YBGR Programs and Services that mitigate the need for long-term correctional and psychiatric programming	One Time	\$186,300,000	\$91,652,917
Value of YBGR volunteer programming	On Going	\$89,568	\$44,064
Totals:		\$210,513,858	\$103,967,681

Total Employment

This table restates the Labor benefit as the number of jobs.

The number of jobs generated within the County, and includes: * full-time and part-time positions * salary workers *sole proprietors.

Direct Industry	Frequency	Initial Purchase	Total Impact
YBGR Direct Programs			486
YBGR Annual Operations Budget	On Going	\$21,400,000	442
Recent Capital Improvements Program	One Time	\$2,500,000	40
Planned Capital Improvements	One Time	\$224,290	4
YBGR Programs that are Monetized for Social Impacts			1772
Estimated Social Value of YBGR Programs and Services that mitigate the need for long-term correctional and psychiatric programming	One Time	\$186,300,000	1,771
Value of YBGR volunteer programming	On Going	\$89,568	2
Totals:		\$210,513,858	2,259

Capital Income

Is a subset of Gross County Product and shows non-labor benefits including interests and profits and includes both direct and indirect impacts.

The sum of all property type income (such as business profits, interest income and rental income) generated within the County.

Direct Industry	Frequency	Initial Purchase	Total Impact
YBGR Direct Programs			\$6,873,440
YBGR Annual Operations Budget	On Going	\$21,400,000	\$6,472,370
Recent Capital Improvements Program	One Time	\$2,500,000	\$368,050
Planned Capital Improvements	One Time	\$224,290	\$33,020
YBGR Programs that are Monetized for Social Impacts			\$56,373,004
Estimated Social Value of YBGR Programs and Services that mitigate the need for long-term correctional and psychiatric programming	One Time	\$186,300,000	\$56,345,914
Value of YBGR volunteer programming	On Going	\$89,568	\$27,090
Totals:		\$210,513,858	\$63,246,444

Indirect Business Tax

Indirect business tax is a subset of Gross County Product and shows the direct and indirect local tax benefit including state, federal and local government taxes.

Are taxes and fees that are not based in the businesses' income. For the most part they represent sales taxes levied by the State and the county, but also include property taxes levied against businesses as well as fees imposed by federal, state and local governments.

Direct Industry	Frequency	Initial Purchase	Total Impact
YBGR Direct Programs			\$798,896
YBGR Annual Operations Budget	On Going	\$21,400,000	\$709,389
Recent Capital Improvements Program	One Time	\$2,500,000	\$82,138
Planned Capital Improvements	One Time	\$224,290	\$7,369
YBGR Programs that are Monetized for Social Impacts			\$6,178,631
Estimated Social Value of YBGR Programs and Services that mitigate the need for long-term correctional and psychiatric programming	One Time	\$186,300,000	\$6,175,662
Value of YBGR volunteer programming	On Going	\$89,568	\$2,969
Totals:		\$210,513,858	\$6,977,528