

2023

Cost-Benefit Analysis of Nebraska Casa Association Programs

Josie Gatti Schafer

Morgan Vogel

Laurel Sariscsany

Tara Grell

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OVERVIEW

The Nebraska CASA Association works to recruit, screen, train, and support Court Appointed Special Advocates to speak for the well-being of abused and neglected children. Nebraska CASA includes a network of 22 local programs serving 54 counties.

Nebraska CASA partnered with the University of Nebraska at Omaha Center for Public Affairs Research and Grace Abbott School of Social Work to execute a simplified cost-benefit analysis of the CASA program in Nebraska. The intent is to demonstrate some of the benefits of the Nebraska CASA program to both children and the public for which a monetary value could be estimated.

Monetizing the value is only one way to demonstrate the benefit of the Nebraska CASA Association. In January 2023, the research team compiled available data relevant to program benefits and estimated a monetary value to these benefits. Assumptions about these values are based on current data but are expected not to change significantly from year to year. Efforts were made to ensure the values estimated are conservative; however, it is important to recognize the larger social impact of the program as they support the most vulnerable Nebraskans.



COSTS FOR NEBRASKA CASA SERVICES

When a child is abused or neglected, they may enter the foster care out-of-home placement system. In 2022, the Nebraska Foster Care Review Office reported a total of 4,161 children in out-of-home or trial home placements.¹ Some of these children will have a CASA appointed to their case by a judge. The work of a CASA is to research the child's unique situation and share relevant facts to help the court make a sound decision about the child's future.

In fiscal year 2022, Nebraska CASA served 2,098 children. The annual cost of Nebraska CASA to provide services to these children is \$3,166,313. In other words, the per child cost of the program is \$1,509 annually. The average case length for a child assigned a CASA is two years. Thereby, the overall average cost per child for CASA services in Nebraska is \$3,018.

\$1,509

Annual cost per
child assigned
a CASA

2 years

Average case
length of a child
assigned a CASA

\$3,018

Average cost per
child assigned
a CASA for the
average tenure
of services

IMPACTS TO BENEFICIARIES OF NEBRASKA CASA

Reduced Number of Placements and Placement Costs

The placement of children out-of-home and the number of placements they may have when out-of-home have a significant impact on the child. Finding a stable and secure environment while the child is out-of-home is paramount. CASAs can have a positive impact on placement. For instance, previous research of the CASA program in Kansas found that the average number of placements of a CASA involved child was 3.9 compared to 6.6 among non-CASA involved children.ⁱⁱ Additionally, each time a child's placement changes it takes an average of 25 hours of casework, typically completed by the state, including staff meetings, court reports, identifying a new placement, and other paperwork.ⁱⁱⁱ

We can estimate that the CASA program reduces placement costs otherwise incurred by the state. In Nebraska, foster care specialists earn an average of \$17 per hour.^{iv} Therefore, the cost to the state of Nebraska for each child placement is \$425. Thus, the reduction in the number of placements that result from CASA saves taxpayers an estimated \$1,148 per child.

3.9

The average number of placements of a CASA involved child

6.6

The average number of placements of non-CASA involved children

\$425

The cost to the state of Nebraska for each child placement



The reduction in the number of placements that result from CASA saves taxpayers an estimated

\$1,148 per child

Adoption Benefits

Previous research indicates children involved in CASA have an increased probability of being adopted as compared to non-CASA involved children. For instance, among children who were not reunified with their birth family, CASA involved children were 17% more likely to be adopted as compared to non-CASA involved children.^v Increased rates of adoption result in a variety of benefits for children, including increased educational attainment resulting in increased future income for the child, a reduction in costs to the public, and improved health of the child.

Increased Future Income for the Child

Research has found that an adopted child is 23% more likely to complete high school (or the equivalent) than a child that remains in foster care.^{vi} The high school graduation rate in Nebraska for those who have experienced foster care, but not been adopted is 55%.^{vii} Applying these percentages

CASA involved children were **17%** more likely to be adopted as compared to non-CASA involved children

Benefits for Children:

- Increased future income for the child
- Reduction in costs to the public
- Improved health of the child

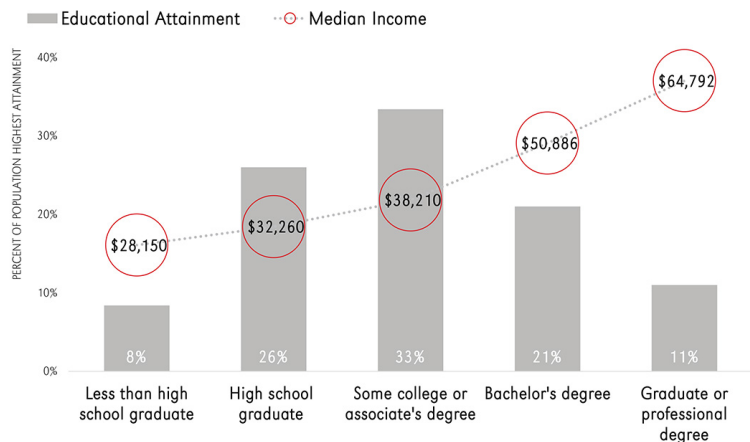
to the increased likelihood of a child being adopted as a result of the CASA program, we can estimate that for all CASA involved children in Nebraska the high school graduation rate increases to 57%. According to the Bureau of Labor Statistics^{viii}, an increase in education results in an increase in future earned income among children. The increase in income as a result of education can also be seen in the figure below for all Nebraska residents' population 25 years and over.

Note on Research Methods

In order to monetize the benefits of increased educational attainment and corresponding income as a result of adoption, a number of calculations were made. We assume that the resulting increased income occurs annually between the ages of 25 and 64 and that the child was nine at the time of adoption (the midpoint of childhood). Using a discount rate of 5%, results indicate that the Net Present Value (NPV) of the increased earnings that result from adoption is \$2,097 throughout the lifetime.

65% of Nebraskans have some higher education and higher education leads to a higher income

Population 25 years and over



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Source: U.S. Census Bureau, 2020, American Community Survey

Reduction in Costs to the Public

Previous research found that an adoption reduces the costs to the public by an average of \$75,000.^{ix} This substantial reduction in costs result from governmental savings in foster care reimbursements and administrative costs throughout childhood. These costs include, court personnel costs, case worker hours, a reduced need to recruit foster parents, and reduced need for independent living services. This benefit is realized by children who are adopted because of CASA intervention and would not have been otherwise. Therefore, in order to estimate the average benefit per child, we multiply the 17% increase in adoptions rates for children with a CASA by \$75,000. We conclude that the average per child benefit to taxpayers is \$12,750.

Improved Health of the Child

Adoption is also associated with improved health.^x Children who had been adopted were 4% more likely to report being healthy as compared to children in foster care. If these results are applied to the percent of children more likely to be adopted as a result of CASA, the health of the average child involved in CASA would improve 0.68%. We monetize this increase in health using Quality Adjusted Life Years and estimate the benefit of improved health as a result of adoption to be \$861 throughout the lifetime.

Note on Research Methods

Quality Adjusted Life Year's (QALY) quantify the impact of disease burden on health and longevity. A QALY estimate for a given year ranges from 1 to 0, where 1 represents one year of perfect health and 0 represents death. Consistent with prior research, we value one year of perfect health at \$126,628.^{xi} We assume the children's increased likelihood of reporting being healthy represents a 5% increase in QALY's. To be conservative, we assume the increased health only occurs in the year of the adoption.

Increased Safety of the Child

Finally, previous research indicates that children may experience increased safety as a result of being involved with CASA. A survey of Nebraska judges from 2015 found that nearly all participating judges felt children involved with CASA are somewhat or significantly safer than children without a CASA volunteer.^{xii} Although results are not causal, the results do point to an important benefit of CASA. Due to this importance, the cost-benefit analysis includes a conservative estimate of the monetary benefit of children's improved safety. We assume increased safety is the equivalent of a 1% increase in Quality Adjusted Life Years and monetize the benefit of improved safety for children with a CASA volunteer to be \$1,266.

SUMMARY

In summary, a simple cost-benefit analysis provides evidence for what many children across Nebraska already know – the Nebraska CASA Association has a considerable impact for children and families in the state of Nebraska. Based on an average case length of two years, the overall average cost per child for CASA services in Nebraska was \$3,018. The total benefit of CASA among child recipients is \$4,224. Additionally, taxpayers experience a per child benefit of \$13,898 as a result of decreased public costs. Therefore, the total per child benefit to society as a result of the Nebraska CASA Association is \$18,122. Each dollar invested in the Nebraska CASA Association has a return of approximately \$6.

TOTAL BENEFIT \$18,122	=	RETURN ON INVESTMENT For every \$1 invested in Nebraska CASA, \$6 are returned to the state of Nebraska.
<hr/> TOTAL COST \$3,018		

The table below provides a summary of the per child benefits and costs for Nebraska CASA as described above.

Per Child Benefits and Costs of Court Appointed Special Advocates in Nebraska

	Direct Beneficiaries	Indirect Taxpayers	Total Society
Reduced administrative costs		\$1,148	\$1,148
Increased future earnings of children	\$2,097		\$2,097
Reduced public costs		\$12,750	\$12,750
Improved health as a result of adoption	\$861		\$861
Increased safety	\$1,266		\$1,266
Total	\$4,224	\$13,898	\$18,122

ⁱ Nebraska Foster Care Review Office. (2022). *The Nebraska Foster Care Review Office quarterly report*. Retrieved from <https://fcro.nebraska.gov/pdf/FCRO-Reports/2022-q1-quarterly-report.pdf>

ⁱⁱ Litzelfelner, P. (2000). The effectiveness of CASA in achieving positive outcomes for children. *Child Welfare*, 79(2) 179-193.

ⁱⁱⁱ Price, J.M., Chamberlain, P., Landsverk, J., Reid, J.B., Leve, L.D., & Laurent, H. (2008). Effects of a foster parent training intervention on placement changes of children in foster care. *Child Maltreatment*, 13(1), 64-75.

^{iv} Glassdoor (2022). Foster care specialists salaries in Nebraska. Retrieved from https://www.glassdoor.ca/Salaries/nebraska-foster-care-specialist-salary-SRCH_IL.0.8_IS792_KO9.31.htm

^v Osborne, C., Warner-Doe, H., LeClear, M., & Sexton, H. (2020). The effect of CASA on child welfare permanency outcomes. *Child Maltreatment*, 25(3) 328-338.

^{vi} Hansen, M.E. (2007). The value of adoption. *Adoption Quarterly*, 10(1) 65-87.

^{vii} Kids Count. (2018). Youth transitioning out of foster care: Highest level of educational attainment in Nebraska. *Annie E. Casey Foundation*. Retrieved from <https://datacenter.kidscount.org/data/tables/10206-youth-transitioning-out-of-foster-care-highest-level-of-educational-attainment?loc=29&loc=2#detailed/2/29/false/1698,1697,1690/6287,6288,6289,5975,6290,6291,6292,6261,6262/19746,19747>

^{viii} Bureau of Labor Statistics. (2022). Education pays. *Career Outlook*. Retrieved from <https://www.bls.gov/careeroutlook/2022/data-on-display/education-pays.htm>

^{ix} Hansen, M.E. (2007). The value of adoption. *Adoption Quarterly*, 10(1) 65-87.

^x Hansen, M.E. (2007). The value of adoption. *Adoption Quarterly*, 10(1) 65-87.

^{xi} Garfinkel, I., Sariscsany, L., Ananat, E., Collyer, S., Hartley, R.P., Wang, B., & Wimer, C. (2022). The benefits and costs of a child allowance. *Journal of Benefit-Cost Analysis*, 1-28.

^{xii} West, A.C., O’Garam J.L., & Harder, H. (2015). Judges’ perceptions of the Nebraska CASA programs. *Social Work Faculty Publications*, 11.