



The Impact and Opportunity of Our Nonprofit Sector

## A Case Study Analysis

Nonprofits drive change, innovation, connection, and the economy in ways that many people outside of the sector may not fully realize, and that many within the sector find challenging to articulate. Nonprofit organizations supported one in every eight Texas jobs, and made up 5.4% of the total U.S. Gross Domestic Product in 2018. Nonprofits do work that no other sector is willing or equipped to take on, yet these organizations are often viewed as less valuable than the public and private sector industry.

To highlight the true and significant impact of the nonprofit sector, the RGK Center for Philanthropy and Community Service at The University of Texas at Austin LBJ School of Public Affairs, United Ways of Texas, One Star Foundation, and the Center for Nonprofits and Philanthropy at Texas A&M University came together to tell the economic story of nonprofit organizations in Texas. These partners curated data, delineated common sector practices, and crafted case studies to serve as tools to help those in and outside of the sector understand and explain the economic impact of each organization and the sector as a whole.

The following case studies highlight different nonprofit organizations across the state of Texas. Each is organized to align with one or more of United Way's impact themes: Connection, Intersection, Innovation, Foundation. These studies aim to be useful in sharing the work of the nonprofit sector with nonprofit and community leaders, policy makers, engaged citizens, and students interested in careers in the nonprofit sector.



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### Cal Farley's Boys Ranch

Nonprofit organizations take the liberty to ask simple, yet innovative, questions that lead to developing dynamic solutions. Cal Farley's Boys Ranch in Amarillo, Texas asks the deceptively simple question, "What do children need and how can we best meet those needs?" The widely accepted answer to that question in the child welfare system is: children need to be with their families and have their basic physical, emotional, and developmental needs met. In the words of Dan Adams, President and CEO of Cal Farley's, "Our model challenges basic assumptions of traditional child welfare," — and it seems to be working.

The child welfare system in Texas has been in a state of crisis for several years now. In 2011, a federal lawsuit was filed against child protective services. In 2015, a judge ruled Texas' foster care system "unconstitutional because it failed to protect [children] from an unreasonable risk of harm."<sup>1</sup> In January of 2018, a final order on the case called for almost 100 changes to the system on an ambitious timeline. This final order is currently stayed in light of the actions the state has taken to improve and re-envision child protection. One such change has been relying more on nonprofit organizations in a community-based care model. Nonprofit organizations support state efforts through foster parent licensure, child placement, foster care support, and in the case of Cal Farley's, direct service to children in need.

Cal Farley's Boys Ranch, a 12,000-acre trauma-informed community in the heart of the Texas Panhandle, serves at-risk boys and girls between the ages of 5 and 18. The facility is complete with its own special purpose school district and medical clinic. Cal Farley's receives up to 3,000 calls from families and state agencies, from which about 120 kids filter in annually. The facility houses a maximum of 296 children, with stays averaging 2 years. The children that come to Cal Farley's are frequently pre-delinquent. Some youth (usually sibling groups) come directly from CPS, while others are at risk of becoming collateral damage in failed adoptions. When they arrive, children are placed in one of twenty-eight homes grouped by age and gender. There are six to twelve children per home with two house parents.

**"Cal Farley's is its own delicate – and important – ecosystem. The whole community does all it can to collectively protect what we have here at every level"**

**- Michelle Maikoetter, Chief Program Officer**

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<sup>1</sup> "Sweeping Final Order Issued in Federal CPS Lawsuit; Stay Issued to Prevent Implementation," Texas CASA, January 31, 2018, accessed May 27, 2019, <https://texascasa.org/texas-cps-lawsuit-final-order-stay/>.

While at the ranch, children experience a community designed with their health, educational, social, and emotional needs in mind. Many of the children Cal Farley's serves come from tumultuous home environments with limited healthy relationships, and in the worst cases, severe abuse. Each child arrives at the ranch with different needs. Holding this knowledge, Cal Farley's is careful in every decision it makes from whom to hire to how to flexibly structure programming. While at Cal Farley's, children engage in therapy, attend doctor's appointments, go to school, and learn how to build healthy relationships with peers and adults through diverse enrichment activities.

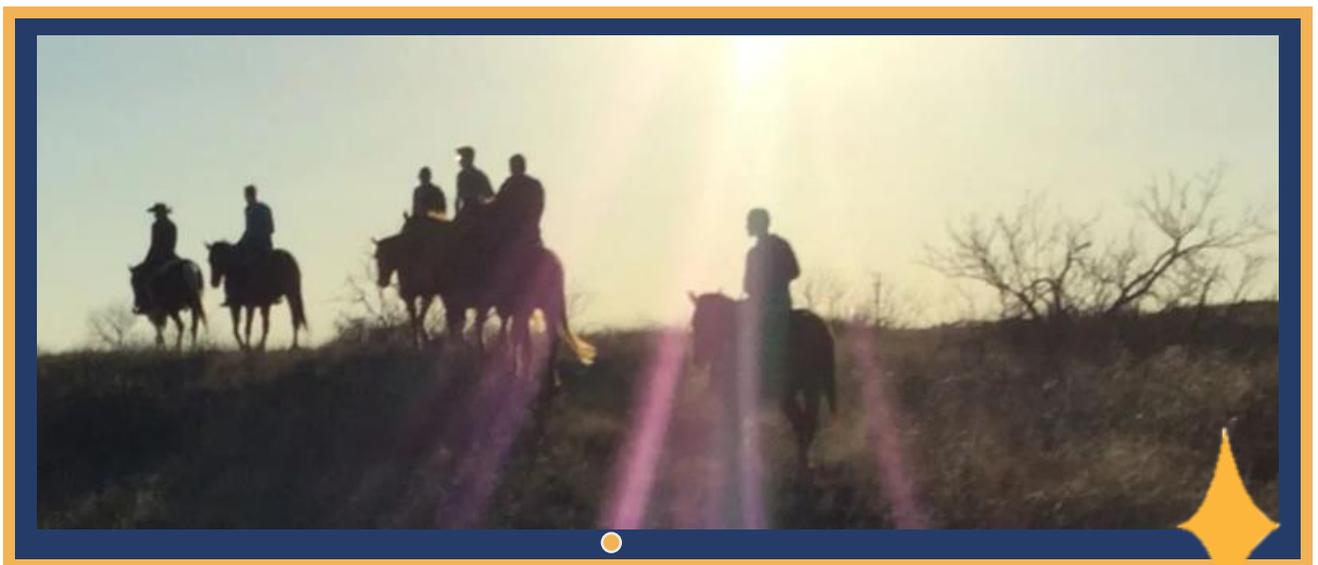
## Mental & Physical Health

Cal Farley's offers numerous therapies to students to address mental health, including Neurosequential Model Therapeutics, Trust Based Relational Intervention, and Equine Assisted Therapy, among others. Children may access one or multiple therapies during their time at the ranch as their needs evolve.

Cal Farley's also operates a 24/7 clinic for physical health care. The clinic is staffed with nurses, practitioners, and doctors. Dentists, optometrists, and other specialists visit regularly to tend to the varied needs of the children on-site. In 2018, the clinic conducted 4,090 visits, referred 47 children to therapists, hosted 223 optical appointments, ordered or replaced 400 eyeglasses, ordered contact lenses for 40 children, and hosted 221 dental appointments.

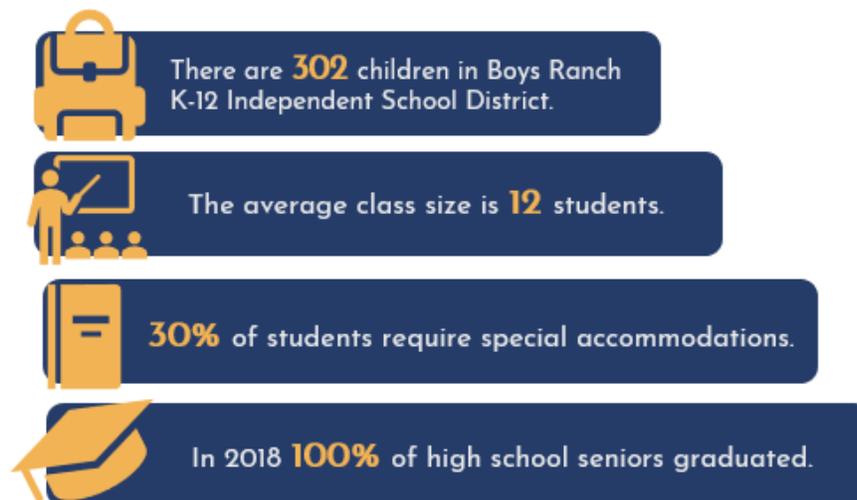
"It takes a significant amount of resources to be able to offer high quality, on-site medical care to our children. We make this a priority as we, probably better than anyone else, understand how important it is that children be physically well in order to begin the important work of healing in other areas."

- Robert Marshall, Vice-President



## Education

Cal Farley's operates its own special purpose school district that is funded 50/50 between state dollars and Cal Farley's private funding. The funding split allows for more spending per student, enabling small class sizes and instruction tailored to students who usually have a challenging relationship with formal education. Cal Farley's educational experience for its students is grounded in the principles of recovery and discovery. Students are able to recover credits they may have missed out on and discover what is possible for them academically and beyond. In addition to regular coursework, the Cal Farley school offers programs like rocketry, culinary arts, robotics, horticulture, and design. This may happen in a traditional classroom setting or around the ranch in experiential learning settings. The school at Cal Farley's graduated 100% of its students from high school and offered 80 students scholarships to pursue higher education in 2018.



## Social & Emotional Development

A large part of the work done by boys and girls at the ranch is personal growth and development. Cal Farley's facilitates this social and emotional development, in part, by providing outlets for adventure. Children have the opportunity to engage in numerous activities including horseback lessons, camping, hiking, biking, fishing, swimming, skiing, kayaking, outdoor survival, hunting, archery, rock climbing, and ziplining. There is also an annual cardboard boat race and gauntlet race, which are campus-wide competitions. These activities allow children to build skills in communication, teamwork, conflict resolution, trust building, and other social areas.

“Boys Ranch exists to help children to experience new things in a safe place. There’s something about doing a difficult thing — and succeeding — that gives a child a real sense of self-worth.”

– 2017/18 Annual Report

## Impact

Cal Farley’s operates on a \$43 million annual budget, funded with a 5% annual draw from a \$380 million foundation, with the help of philanthropy. It charges no fee-for-service and very little of its funding comes from public dollars. This makes it possible for Cal Farley’s to do what is best for children without strict per-child programming limitations. Cal Farley’s is engaged in innovative and comprehensive work in the child welfare arena and has consistently turned down funding that would limit the ability to innovate in real time.

“We set a pretty high bar and the kids always seem to exceed our expectations. We are constantly innovating programmatically to ensure we challenge our students.”

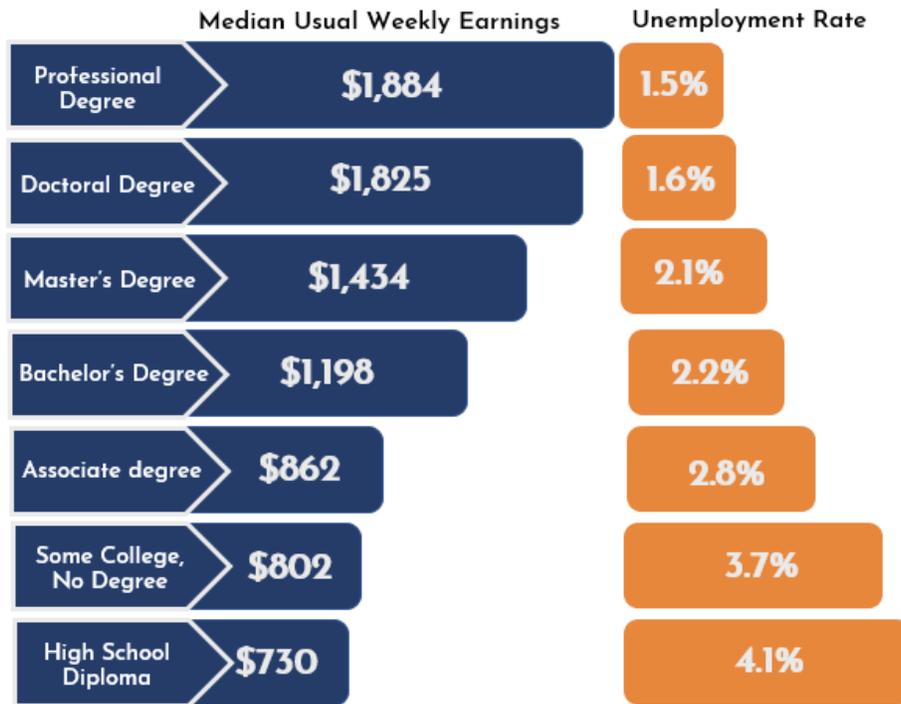
– Dan Adams, President & CEO

Using this approach, Cal Farley’s is disrupting the cycle of generational poverty, providing an alternative path to justice involvement, removing children from an overtaxed public welfare system, and reconciling and reunifying families. All this work creates substantial returns for individuals and families involved, as well as the larger community.



In 2019, Cal Farley’s graduated 50 students. Seventy-six percent of that graduating class went on to enroll in college or vocational school. This positions these graduates to be productive members of their communities once matriculated.

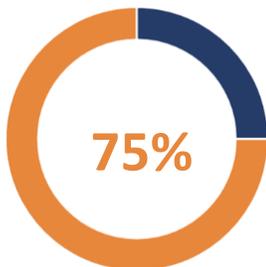
## Earnings & Unemployment Rate by Educational Attainment 2018



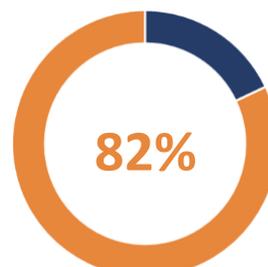
Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers. Source: U.S. Bureau of Labor Statistics, Current Population Survey.

Cal Farley's supports students to and through college by offering scholarships averaging \$2,000 per semester for junior college and \$4,000 per semester for 4-year schools.

Percentage of Average Texas 4-year Public School Tuition Covered by Cal Farley's



Percentage of Average Texas Community College Tuition Covered by Cal Farley's



Cal Farley's spends a minimum of \$270 per child per day. This is over seven times what the state pays per child per day for basic care in the foster care system. Cal Farley's also typically houses children for 2 years before returning them to safe families or preparing them for independence, while most children in foster care spend 5 years awaiting permanency. Others age out, never finding it. By investing early, Cal Farley's creates exponential savings for the children they serve and society

## National Statistics

The average daily amount spent on youth in foster care is \$52.34.

23,000 youth age out of foster care each year

After reaching age 18, 20% of aged out foster youth become instantly homeless

There is less than a 3% chance that youth who age out will ever obtain a degree

75% of women and 33% of men receive government assistance to meet basic needs after aging out

By providing high quality care early, Cal Farley's is preventing youth from aging out of foster care and the large personal and societal costs associated. Cal Farley's kids are completing high school, attending college, receiving support past the age of 18, and gaining the care they need to fight against the odds.

Nonprofit organizations, like Cal Farley's, innovate in large and small ways daily. The ability to identify needs and respond immediately is one thing that sets private nonprofits apart. Cal Farley's recognizes this strength. It works hard to protect the ability to meet the needs of the youth served by rejecting funding that would put limitations on how much is spent per child or limit the avenues of intervention that have proven successful. This nonprofit has built a healthy community for children, where innovation has become a way of being. Lives are changing because of this work and the impact is growing exponentially.

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<sup>2</sup> "51 Useful Aging Out of Foster Care Statistics | Social Race Media," National Foster Youth Institute, May 26, 2017, accessed May 27, 2019, <https://www.nfyi.org/51-useful-aging-out-of-foster-care-statistics-social-race-media/>.

