



Community Provider Survey Results

In response to questions asked by various stakeholders, the Cost of Providing Care (COPC) Coalition conducted a survey of not for profit community agencies who contract with the Department of Human Services and the Department of Children and Families. Answers to the often asked questions of whether or not community providers are good stewards of state's funds; where the contract increases in the past have gone; and, why fund raising doesn't solve the deficit issues were sought.

Method:

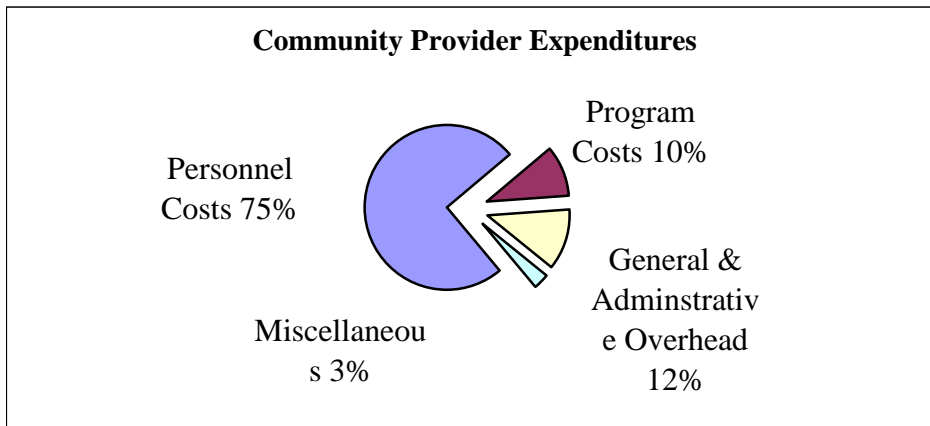
Not for profit community agencies were invited to complete the online questionnaire from the period January 16, 2007 to February 14, 2007. Respondents were asked to provide financial information from their most recently audited years. In total, 88 not for profit community agencies that provide a variety of services completed the survey. The majority of respondents provided financial information from Fiscal Year 2006, 85.4%, with the balance reporting information from Fiscal Year 2005, 14.6%. All data reported was culled from audited financial statements. As the majority of information is from FY'06, this report will show the data as a single year.

Key Findings

- The average community agency budget size is \$9.5 million with agencies ranging in size from \$109,000 to \$76.9 million. The median agency size is \$5.3 million.
- The 88 respondents employ 16,366 taxpayers while contributing the time and talent of over 12,000 volunteers to caring for New Jersey's vulnerable citizens.
- 48% of the respondents have a deficit caused by insufficient state contract funds that cover multiple programs. The average size of the deficit is \$565,000.00 and range from \$25,000 to \$2.6 million.
- The average deficit for community provider agencies is 5% of their overall budget. Approximately 14% of agencies reporting a deficit (6 out of 44) have deficits of at least 10% of their budget (several with 15% to 18% of their budget).
- Respondents have closed programs, laid off staff, raised funds, reduced the number of clients served, and increased waiting lists as a means of addressing the deficit.
- The actual average dollar amount in state contract funds received by agencies is:
 - FY'07 (1%) \$74,020
 - FY'06 (1.5%) \$132,087
 - FY'05 (3.5%) \$191,196

4.1% Care Costs + Cost of Providing Care Coalition

- 77.5% of respondents gave staff raises last year of on average 3%, using a combination of the contract increases and their own fundraising efforts. If raises were not given, the contract increase was spent on health benefits for staff or to offset other increased fixed costs of providing services including energy, business and liability insurances, etc.
- The average amount of General and Administrative Overhead is 12%. General and Administrative Overhead is defined as the cost of an agency's infrastructure and oversight, those key components that ensure the provision of quality services in a efficient manner. The following chart illustrates the average distribution of community provider expenditures:



- The following chart illustrates the revenue streams for the average community provider agency:

