

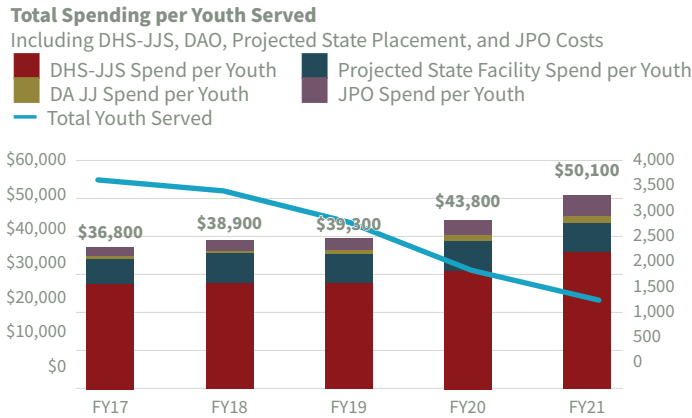


# Philadelphia's Shifting Juvenile Justice Paradigm

## An Economic Analysis

### Spending per Youth Increased as Juvenile Justice System Shrank Overall

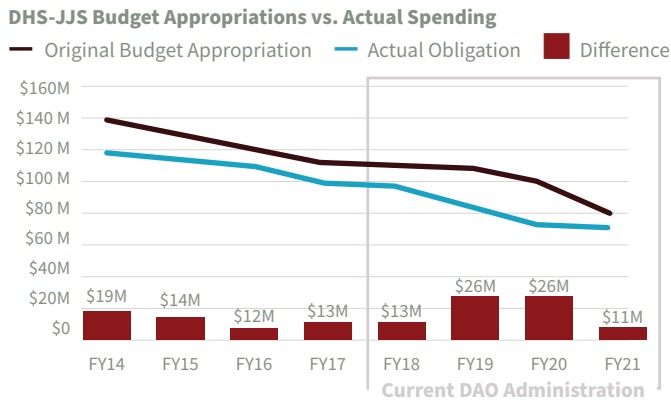
**\$99M**  
total projected spending FY2021



**Philadelphia's juvenile justice system has shrunk in size and cost during the current DAO's administration**—total spending has declined by 26 percent while the number of youth served has decreased by 46 percent. However, projected public spending per justice-system-served youth has increased by 36 percent over that same period to more than \$50,000 per youth in FY2021—more than double what the School District of Philadelphia spent per youth during the same year.

### Unspent Budget Appropriations Totaled Millions of Dollars per Year

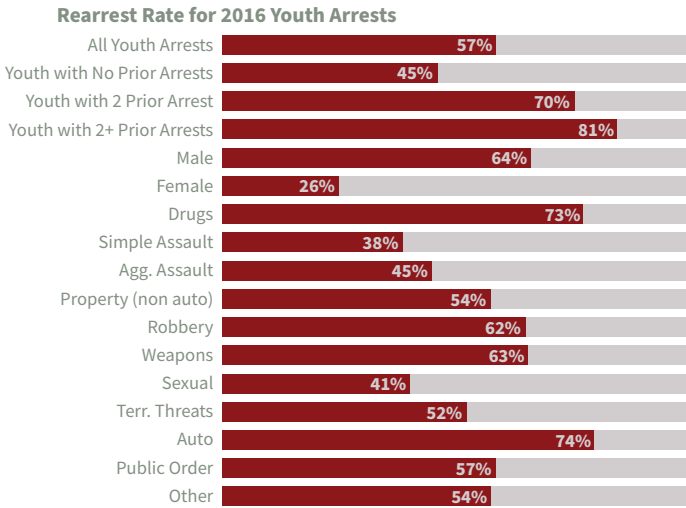
**\$17M/year**  
average of unspent funds



Over the past eight years, the City has budgeted \$133 million more for juvenile justice than what was actually spent by the DHS Juvenile Justice Services Department (DHS-JJS), the primary funder of juvenile justice services in Philadelphia. This means an average of \$17 million per year in appropriations to DHS-JJS is currently unspent, presenting significant opportunities for reinvestment.

### High Past Recidivism Rates Indicate Room for Improvement

**57%**  
of Youth Arrests  
in 2016 led to rearrest\*  
*\*as of 6/30/2022*



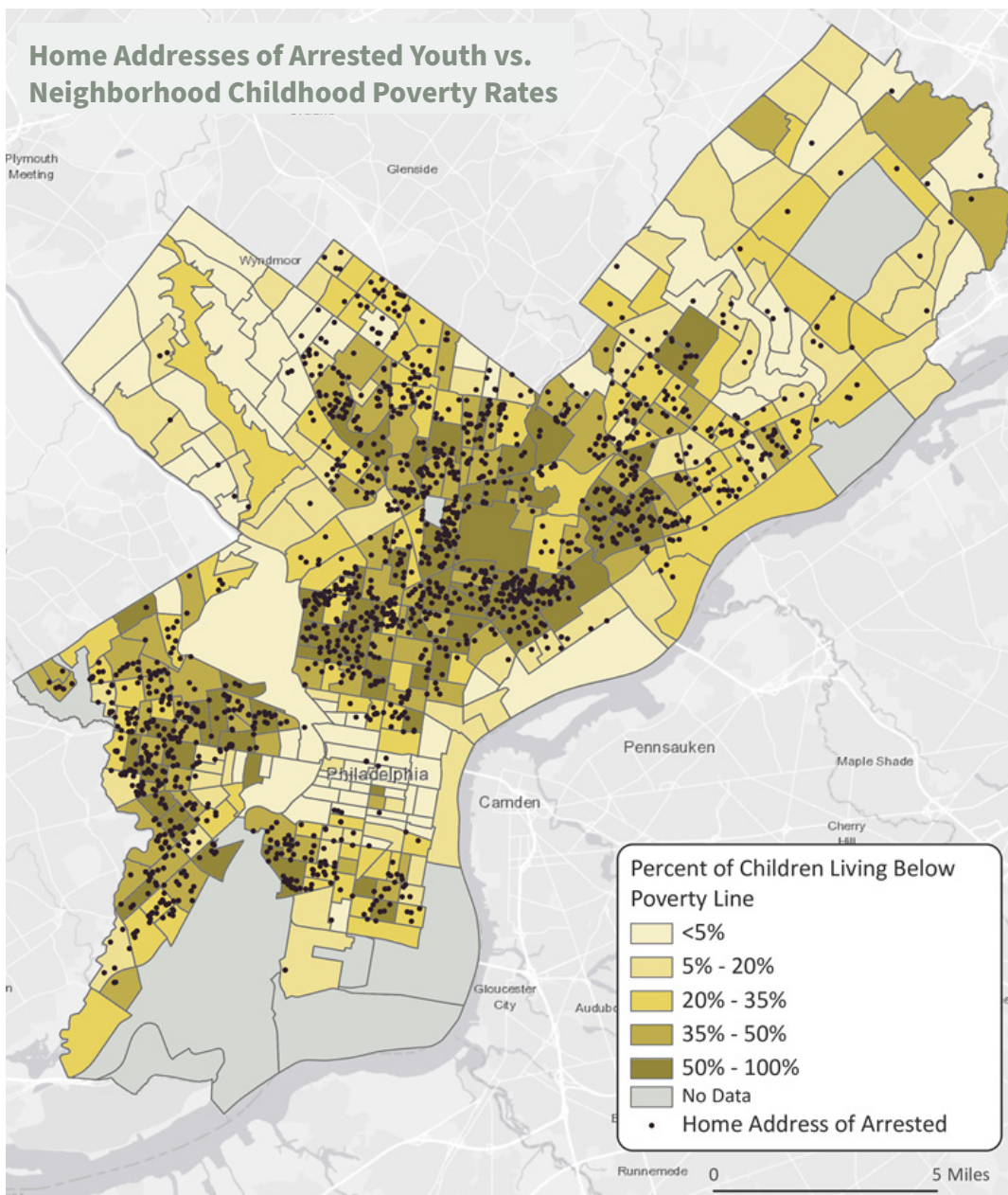
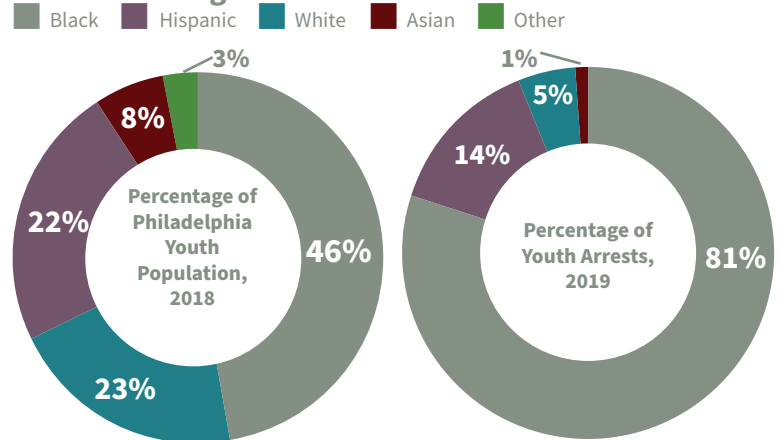
Over half (57 percent) of youth arrests formally charged by the DAO in 2016 have led to a rearrest in the juvenile justice or adult justice system. When looking at arrests of youth with two or more prior arrests, the rearrest rate jumps to 81 percent. This suggests that successful interventions to prevent youth from accruing additional juvenile arrests after their first referral to the juvenile justice system are imperative for improving long-term life course outcomes.

*\*2016 arrest data was utilized as this was the most recent year of arrest data for which five-year re-arrest rates were available at the writing of this report.*

## Disproportionate Impacts on Marginalized Groups

Substantial racial disparities are present among justice-involved youth. Arrests of Black youth specifically represent a drastic disproportionality to the racial and ethnic makeup of Philadelphia. Black youth in Philadelphia were arrested at nearly double their proportion of the general youth population. In other words, less than half of Philadelphia youth were Black, yet four out of five youth arrested in Philadelphia and charged with an offense in 2019 were Black.

### Percentage of Philadelphia Population Compared with Percentage of Youth Arrests



Plotting the home addresses of youth arrested in Philadelphia in a given 365-day period against childhood poverty rates in various city neighborhoods shows a near perfect clustering of justice-involved youths' homes in Philadelphia neighborhoods where at least half of all children live below the poverty line. This analysis shows socioeconomic disparities among justice-involved youth.

This reveals the importance of juvenile justice reform for socioeconomic equity, and the intersection of the juvenile justice system with a number of related social and environmental stressors that must be accounted for in the design of system supports to achieve better outcomes with public dollars. More broadly, the scarcity of tax revenue caused by Philadelphia's relatively high poverty rate makes it imperative that system leaders return value to underserved communities with economically efficient investments in evidence-informed juvenile justice strategies.

*Note: Data year not specified for privacy reasons.*

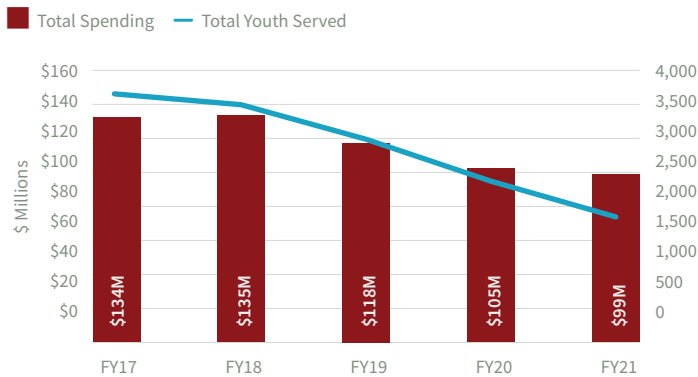
## Declining Aggregate Spending, but Rising Proportionate Costs

Public spending on Philadelphia's juvenile justice system is shrinking overall. Total projected spending has declined by about one-quarter (26 percent) over the past half-decade, from \$134 million in FY2017 to \$99 million in FY2021, and the number of youths receiving Juvenile Probation Office (JPO) services has declined by nearly half (46 percent) over the same period, from about 3,640 to about 1,970. However, examining spending *efficiency* tells a more complicated story; projected City spending

per youth receiving JPO services has increased by more than one-third (36 percent) over the same half-decade period, from about \$37,000 in FY2017 to about \$50,000 in FY2021.

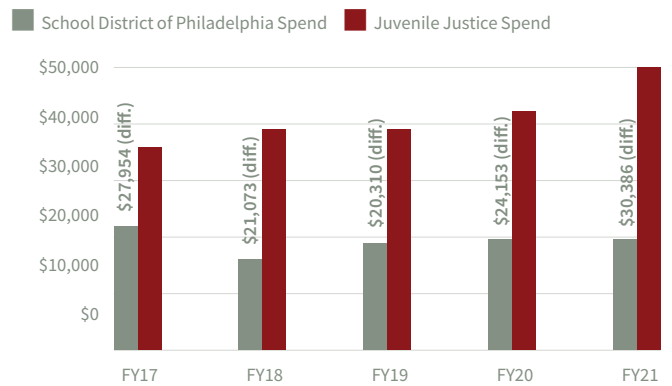
Even in FY2017, per-youth spending in the juvenile justice system far surpassed per-youth spending by the School District of Philadelphia, the primary public institution serving city youth. By FY2021, juvenile justice spending per-youth was more than double public school system spending per-youth.

### Number of Youth and Projected Overall Spending on Juvenile Justice Services, FY2017-FY2021



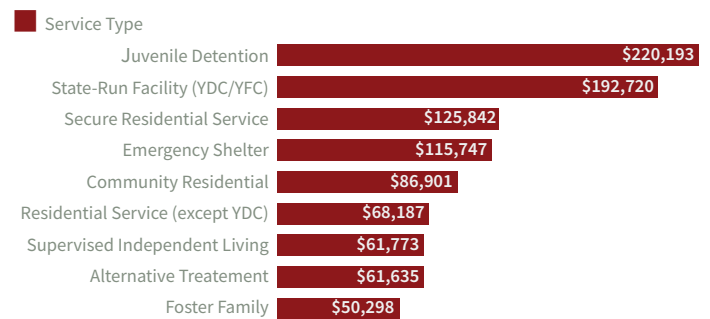
### Spend per Youth

by School District of Philadelphia vs. Juvenile Justice, FY2017-FY2021



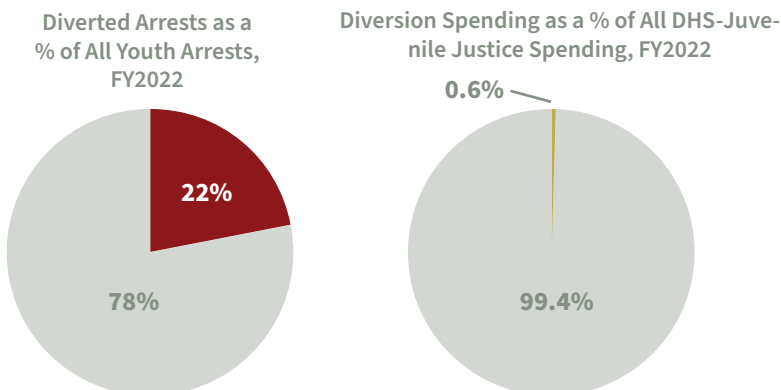
Residential juvenile justice facilities are a primary driver of juvenile justice costs, despite evidence showing a mixed record in preventing future arrests. Data from the Pennsylvania Juvenile Justice Task Force (seen at right) shows that state placement and secure detention facilities, often reserved for youth who have frequently reoffended or who have been accused of the most serious offenses, have yearly costs between \$193,000 (state placement) and \$220,000 (secure detention) per youth served.

### Cost Per Youth by Service Type, FY2019



### Diversion Utilization and Spending

Legend: Diverted Arrests (red), Not Diverted Arrests (grey), Diversion Spending (yellow), Non Diversion Spending (light grey)



In FY2022, over 20 percent of youth arrests were diverted by the DAO, while diversion funding accounted for less than 1 percent of total projected public spending on juvenile justice interventions. With an average public spend of approximately \$2,000 per youth served, this is in stark contrast to the approximate \$50,000 in projected public spending per youth receiving JPO services. While these figures are not indicative of an ideal funding ratio for juvenile diversion, they demonstrate that diversion represents an economically efficient strategy for serving justice-involved youth. Increased investment and utilization may likely yield even greater benefits.



## Diversion: A Key Opportunity for Major Impact

A District Attorney's Office (DAO) represents a unique position to catalyze system change for two primary reasons: 1) The DAO is the only office in the juvenile justice system with oversight over all arrests of youth charged with a crime, and 2) As elected officials, District Attorneys are ultimately accountable to the general public, a reporting structure which affords them sole discretion over a number of system decision points.

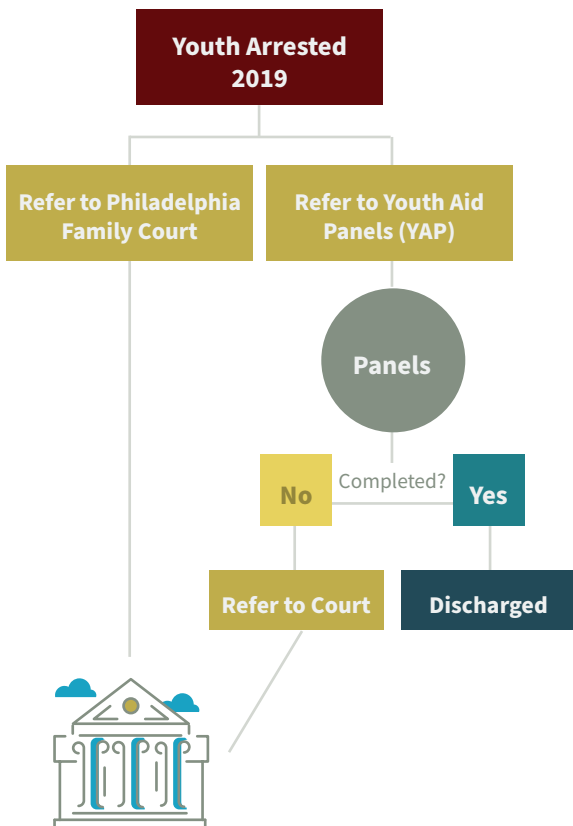
One of these decision points is that of pre-petition diversion, where a District Attorney can, at their own discretion, remove a youth's case from progressing to formal court proceedings and refer said youth for an alternate course of accountability. Restorative justice diversion programs, for example, have youth meet directly with victims and community-members and collaborate on ways in which youth may make meaningful amends for any harm caused by their actions.

A body of research has shown the effectiveness of diversion programs in preventing recidivism, particularly when they include wrap-around, family-involved, and multimodal aspects. Diversion also represents a unique opportunity to realize gains

in economic efficiency, as it removes two of the costliest aspects of a formal court involvement: staffing and preparing for court hearings, and contracting, delivering, and monitoring court-ordered supervision programs. This means that money allocated for juvenile diversion wholly bypasses staffing costs incurred by numerous City departments, including the First Judicial District and the Department of Human Services.

Prior to the election of DA Krasner, the sole diversion program available to youth post-arrest was the Youth Aid Panel Program ("YAP"), where diverted young people and their families appear before police-district-specific panels of trained community volunteers, who interview the youth and select three contract conditions they must complete for their cases to be closed and eligible for expungement. While YAP has been successful over the years in keeping a percentage of arrested youth out of the court system, existing approaches did not fully account for the unique needs of young people in different stages of their adolescence, nor did they have the structural supports to allow for the DAO to safely divert youth with more challenging circumstances.

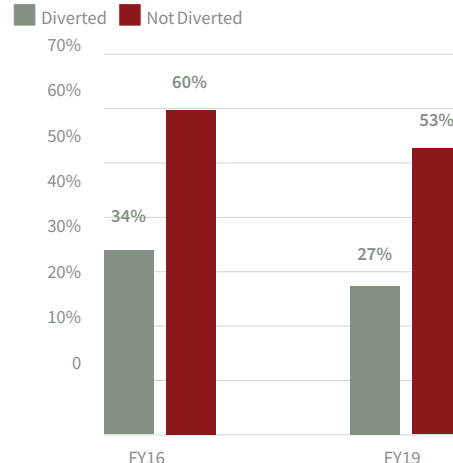
### Diversion Pathways before DAO Reforms



### Rearrest Rates Lower for Diverted Arrests

Historically, rearrest rates have been lower for diverted arrests than for non-diverted arrests—potentially because diverted youth are more likely to have lesser lead charges or delinquent histories. Despite this, declining re-arrest rates between 2016 and 2019 impacted diverted and non-diverted arrests roughly equally. This analysis suggests there is room for diversion expansion without presenting a significant risk to public safety.

### Rearrest Rates as of 6/30/2022 FY 2016 and FY2019 Arrests



## Diversion+: An Evidence-Informed Expansion of a Proven Strategy

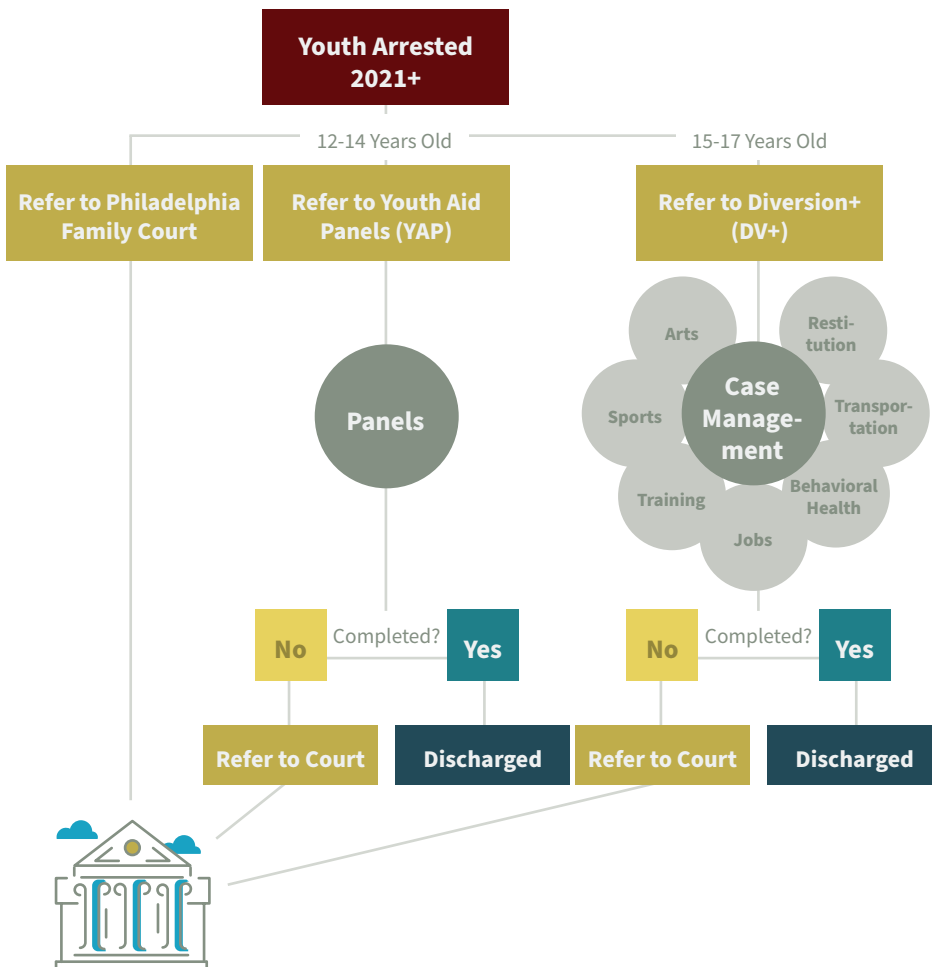
In response to the limitations of the previous diversion system, the DAO, under its current administration, undertook a full structural redesign of its juvenile diversion approach and began recruiting new mission-aligned partners accordingly. This redesign involved establishing two distinct diversion pathways:

1. YAP—which was retained, but was reconceptualized as an approach for younger and less-serious offenders, and
2. Diversion+ —a new pathway which involved the referral of youth to a primary case management agency better equipped to make appropriate resource referrals, as well as youths' self-selection into a series of secondary prosocial programs and supports.

Amongst many changes, this redesigned diversion initiative included the removal of a number of administrative exclusions that previously prevented otherwise low-risk youth from entering diversion. Our analysis found that many of these previous exclusions appeared arbitrary. For example, defendants who owed more than \$1,000 in restitution were previously considered automatically ineligible for diversion.

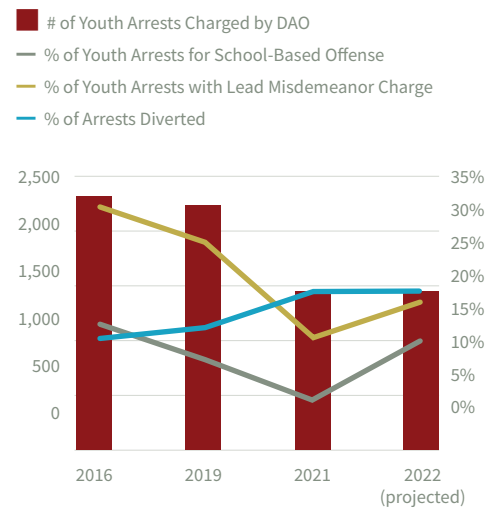
These changes have resulted in notable progress in expanding the use of diversion, but there is more work to be done. Diversion rates have increased by more than one-third following the initiative, an encouraging trend. Still, diversion rates remain at approximately 20 percent of total arrests. Further policy changes will be required if continued diversion expansion is desired.

### Diversion Pathways after DAO Reforms



### Benchmarking the Rollout of Diversion+

Following the rollout of DAO's new diversion policies, overall youth diversion rates increased. This was an even more impressive feat when considering that, during the same time period, a smaller proportion of youth arrests were for the sorts of misdemeanor and school-based charges typically eligible for diversion.



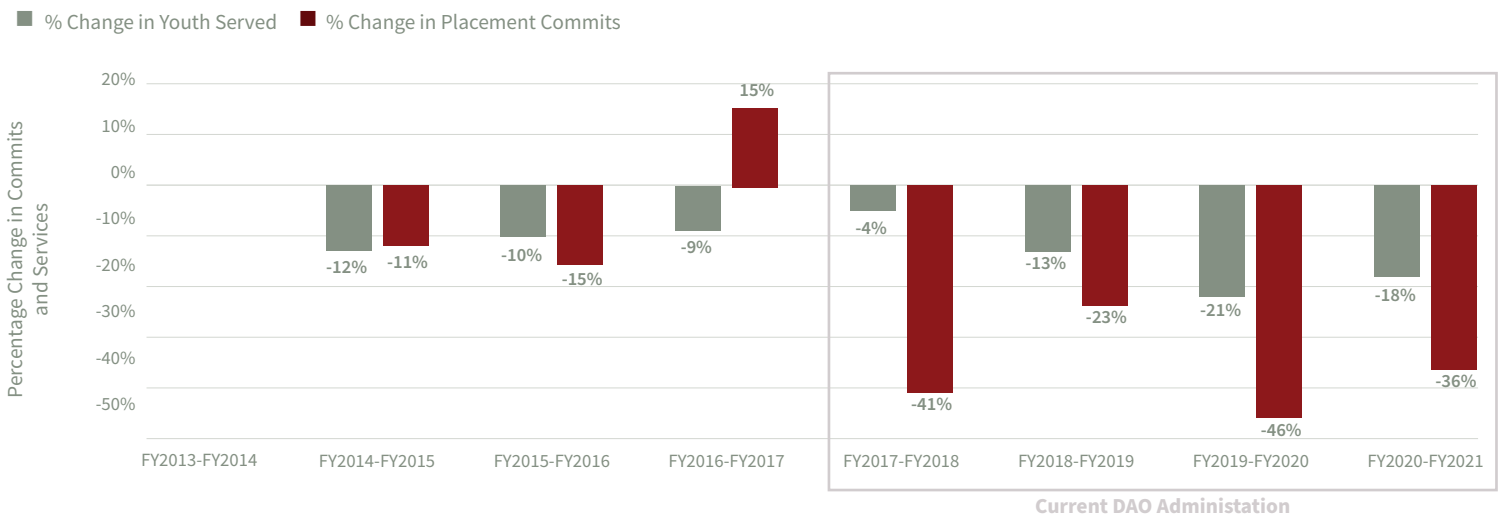
## A Shrinking System

Three major system shocks have led to a paradigm shift in Philadelphia's juvenile justice system in the past half-decade:

1. DA Krasner's election and rollout of a criminal justice reform policy platform after taking office in 2018.
2. A wave of media reporting on abuse in residential placement facilities that has led to the closure of numerous private/nonprofit placement facilities and mounting pressure in recent years to reduce the use of residential placement.
3. The onset of the COVID-19 pandemic.

As outlined earlier in this report, these three system shocks have coincided with declining juvenile justice budgets and a reduced number of youth served by the juvenile justice system. The data below shows that placement commits have declined faster than overall youth served by the system, likely due in significant part to the second system shock, the closure of many private placement facilities.

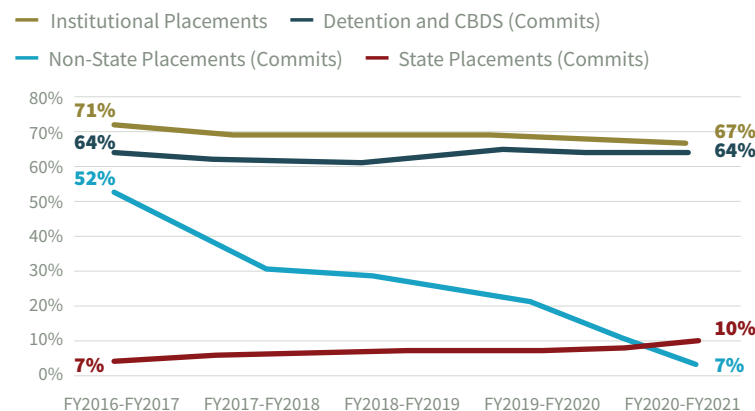
### Change in Youth Served and Placement Commits over Time



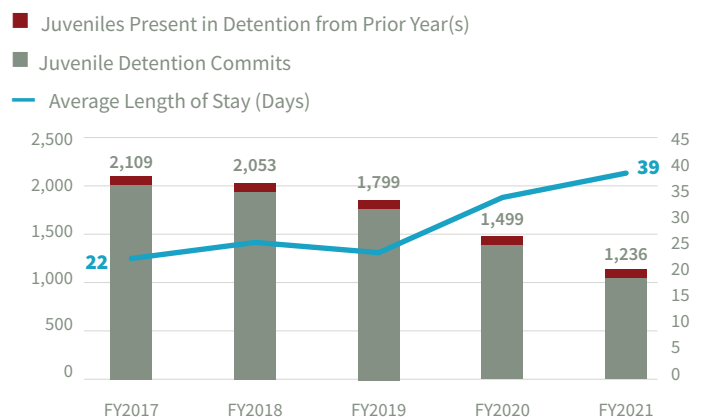
As nearly all private and nonprofit placement facilities have closed, those youth who are committed to placement are more likely to be committed to state placement and spend longer periods of time in secure detention awaiting limited state placement vacancies. The figures below show that despite declining placement figures, detention utilization has remained flat and lengths of stay in detention have increased.

### Rates of Institutional Commitment

Per Youth Served by JPO, FY2016-FY2021



### Youth Detention Commits vs. Average Length of Stay by Fiscal Year, FY2017-FY2021

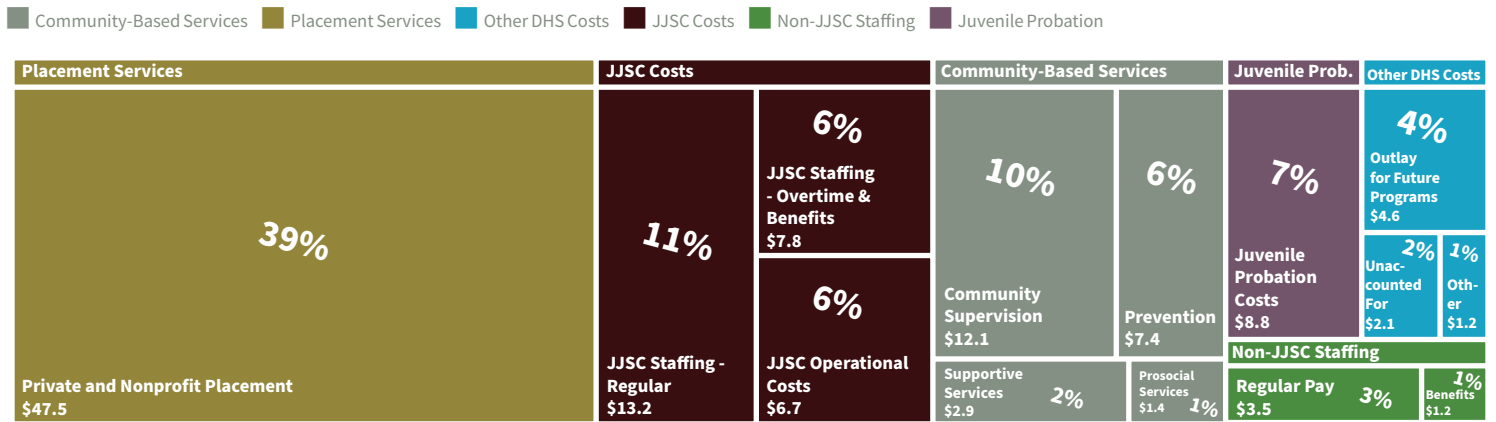


## Spending Strategy Remains Similar Despite Aggregate Spending Declines

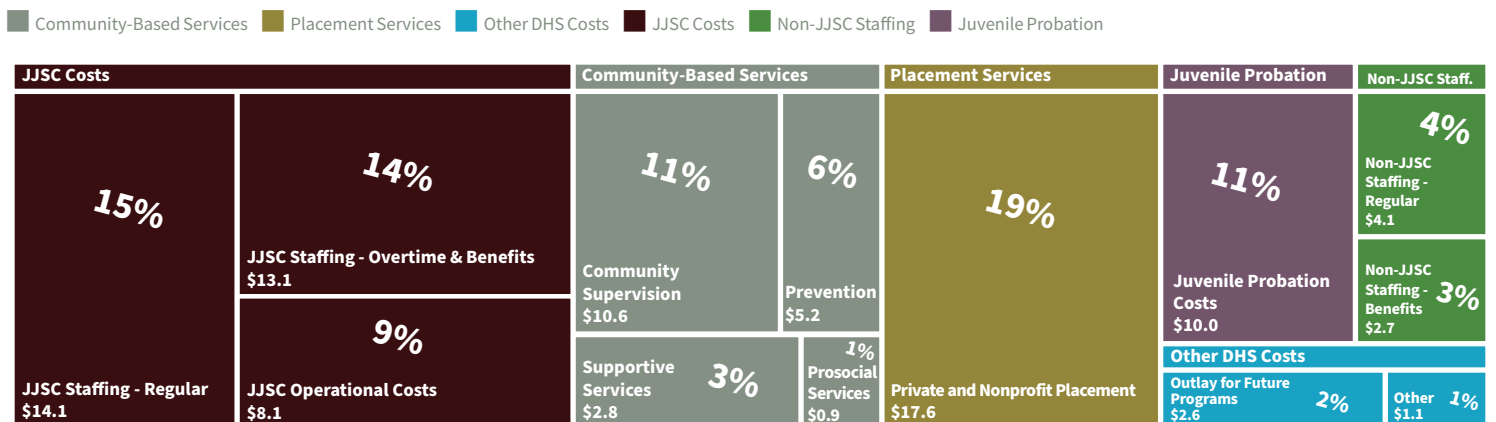
As discussed above, there has been a paradigm shift in Philadelphia's juvenile justice system. The recent reductions in youth served by the system have freed up millions of dollars per year that were once spent on placement and other services. It is important to understand whether these newly available funds have been reinvested in new, evidence-informed strategies (such as diversion) which prevent youth from entering the system and/or recidivating, or whether they have simply been allocated in a manner similar to what was seen previously—i.e., to ask to what extent the City's spending strategy has shifted in tandem with with the broader paradigm shift.

The figures below show the results of a line-item analysis of City juvenile justice budget appropriations in FY2017 and FY2021. As private and nonprofit residential placement facility appropriations declined in the wake of the aforementioned scandals and facility closures, secure detention appropriations grew proportionately to take their place, while there was little proportionate change in appropriations for community-based services. This trend indicates that, despite aggregate declines in spending and reductions in use of private and nonprofit residential placement, spending *strategy* has remained fairly steady. While state placement spending may have also increased, it was not included in the figures below as state placement costs are not made public in the Mayor's Operating Budget Detail.

### Mayor's Approved Budget Outlay for Juvenile Justice Services (\$M) FY2017



### Mayor's Approved Budget Outlay for Juvenile Justice Services (\$M) FY2021



## Recommendations

The traditional status quo approach to juvenile justice has proven costly to the City of Philadelphia and its taxpayers, with dubious results to show for all of that spending. With so much at stake, it is paramount to take a data-informed look at juvenile justice, which holds the promise for better outcomes as well as cost savings that can be reinvested in ways that further improve outcomes. This report is an initial attempt at data analysis to surface some preliminary findings to inform future explorations.

The purpose of this report has been to follow the evidence to understand the current state of Philadelphia's juvenile justice system. As such, the following are recommendations of evidence-informed policies and strategies which the City's juvenile justice stakeholders can adopt in light of the findings of this report—including ways to collect more evidence where it is needed.

### A More Youth-Centered Definition of Success

- Align budgetary principles and outcome metrics to notions of “success” that extend beyond recidivism metrics towards more targeted and youth-centered developmental frameworks.

### A More Detailed Budgeting Practice

- Develop a new set of juvenile justice budget codes aligned more closely with detailed service delivery and reclassify City budgets accordingly.
- Provide a public list of per diem costs (or any other cost reimbursement rates) of different juvenile justice services and interventions.
- Provide a regular accounting of results achieved with public dollars allocated to juvenile justice programming; examine returns-on-investment accordingly.
- Offer detailed explanations of rising City staffing costs despite rapid declines in youth arrested and served by the juvenile justice system.

### A Strategic Reinvestment of Funds

- Offer a public accounting of juvenile justice cost savings, and reinvest cost savings gained from juvenile justice reform back into youth-serving programs.
- Allocate substantial resources to ensuring effective approaches for youth at first system contact.

### A More Targeted Provision of Services

- Fund and contract with mid-level private placement facilities to offer lesser alternatives to state placement and secure detention.
- Fund and contract with new community-based services targeted specifically to treat youth at the highest-risk for serious offenses.
- Use data to examine high-impact populations of youth and invest in services accordingly.
- Shift budgeting priorities to allocate a greater percentage of juvenile justice funding to direct supports for youth, families, and community members.

### A District Attorney's Office with Maximum Impact

- Continue to explore safe and high-impact opportunities for diversion expansion.
- Expand data and performance management efforts to include a live accounting of all juvenile court dispositions; make findings public and expand innovation efforts to include an examination of interventions delivered to youth who enter the formal court system.
- Help create a third-party mechanism to examine the use of state placement and secure detention in instances where expressly not requested by stakeholders in court.

For more details, including information on data sources and methodology used for analysis, please refer to the full technical report: *Philadelphia's Shifting Juvenile Justice Paradigm: An Economic Analysis*.