

# Philadelphia's Shifting Juvenile Justice Paradigm: An Economic Analysis

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# Table of Contents

## Contents

1.	Introduction .....	5
1.1.	Rethinking Juvenile Justice.....	5
1.2.	About the Data .....	5
1.3.	About the Broader Effort.....	5
1.4.	Preview of Key Takeaways.....	6
2.	The Status Quo: A Poor Return on Investment .....	10
2.1.	Section Overview .....	10
2.2.	High Costs, Progressively Poor Outcomes in Philadelphia .....	10
2.3.	Disproportionate Impacts on Black and Low-Income Youth .....	15
2.4.	Residential Facilities Drive Costs Despite Limited Evidence of Effectiveness.....	20
2.5.	Case Study: A Closer Look at Youth Accused of Drug Offenses.....	22
2.6.	Key Takeaways.....	27
3.	Declining Aggregate Spending, But a Complicated Budget Story .....	29
3.1.	Section Overview .....	29
3.2.	Department of Human Services Spending: High Aggregate Spend, But Declining Over Time ...	29
3.3.	DHS-JJS Spending Per-Child: A More Complicated Story .....	31
3.4.	How Funds Are Spent: Private/Nonprofit Placement Costs Declining, But Other Costs Steady.	33
3.5.	Hidden Placement Costs: What About State Placement?.....	37
3.6.	A Larger Market Failure: An Unresponsive Placement Ecosystem.....	39
3.7.	Putting it all Together: DHS-JJS, State Placement, Juvenile Probation Office, and the DAO - The Additive Public Cost of the Formal Juvenile Justice System .....	43
3.8.	Case Study: A Closer Look at Secure Detention .....	47
3.9.	Key Takeaways.....	54
4.	System Shocks: An Acceleration of Change.....	57
4.1.	Section Overview .....	57
4.2.	A Shifting Paradigm Born from Rapid Changes .....	57
4.3.	Budgetary Impact: Appropriations v. Obligations .....	60
4.5.	Arrest Impact: A Smaller System With More Serious Offenses.....	63
4.6.	Case Study: A Closer Look at the Impacts of Diversion, A Key DAO Strategy .....	65

4.7. Key Takeaways.....	78
5. Money Saved or Money Reinvested?.....	80
5.1. Section Overview: How Do We Spend on Justice-Involved Youth?.....	80
5.2. Detailed Aggregate Budgeting Trends.....	81
5.3. Detailed Budgeting Distribution Trends.....	85
5.4. Case Study: A Closer Look at Youth Supportive Services.....	90
5.5. Key Takeaways.....	96
6. What’s Next: Recommendations for Reform.....	98
6.1. Section Overview: A More Efficient, Effective System.....	98
6.2. Recommendations.....	98
7. Appendix.....	114
A. About the Data.....	114
B. Case Study: Assessing Scale as a Consideration for Impact.....	116
C. Additional Figures.....	122
D. About the Authors.....	125

# 1. Introduction

## 1.1. Rethinking Juvenile Justice

The status-quo juvenile justice paradigm in the City of Philadelphia has led to high levels of public spending on juvenile justice, yet the system shows poor outcomes, including high rearrest rates. Given these trends, it has long been necessary to reshape the juvenile justice system into a more cost-effective model that can better serve impacted youth, victims of crime, and the broader community.

Philadelphia's current District Attorney's Office administration, led by District Attorney Larry Krasner, has focused its policy efforts on reimagining a more effective criminal justice system, including efforts in recent years to implement juvenile justice reform.

The following study, collaboratively authored by the Philadelphia District Attorney's Office ("DAO"), Independent Variable LLC, and Econsult Solutions, Inc. ("ESI"), will analyze City and Commonwealth juvenile justice budgets in conjunction with DAO juvenile justice outcome data, with the goal of better understanding the economic implications of a shifting juvenile justice paradigm in Philadelphia. The study that follows will (i) analyze the status-quo approach to juvenile justice and its pitfalls; (ii) assess changes in juvenile justice approaches, budgets and outcomes since District Attorney Krasner took office in 2018; and (iii) issue policy recommendations that juvenile justice leaders may consider to further efforts to reshape the juvenile justice system and more effectively serve Philadelphia's youth and communities.

## 1.2. About the Data

This study relies on two primary types of data: budget and court disposition data that is publicly available, and juvenile arrest and outcome data that is unique to DAO-created data systems. Note that these two sources use separate years: most public spending data uses the City of Philadelphia's Fiscal Year ("FY") of July 1-June 30, while DAO arrest and outcome data uses the standard Calendar Year ("CY").

*See Appendix A for further information regarding the dataset used in this study, including key limitations.*

## 1.3. About the Broader Effort

This report represents the first in a series of forthcoming attempts by the Philadelphia District Attorney's Office to partner with leading thinkers to bring increased transparency to Philadelphia's juvenile justice system. Prior to District Attorney Krasner's administration, there were extremely limited digital data collection and analysis processes in place for juvenile court records at the DAO. To enable such an effort, the DAO has undergone an intensive effort in recent years to redesign all of its juvenile justice data and technology systems, aiming to build the infrastructure necessary to align its policies and practices with evidence-informed performance management procedures. All DAO-compiled data from this report came from *DAO Perform*, a data and performance management platform designed by Independent Variable LLC in partnership with the office to drive more efficient juvenile justice reform efforts.

While this report will focus largely on the financial impacts of the juvenile justice system as a whole, future endeavors may utilize these same data systems to release more issue-specific briefs and reports. In service of broader reform efforts, data and technology tools associated with this effort will also be released as open source to aid other stakeholders who are interested in conducting similar analyses.

## 1.4. Preview of Key Takeaways

The following report is organized into five subsequent sections: “The Status Quo: A Poor Return on Investment,” “Declining Aggregate Spending, But a Complicated Budget Story,” “System Shocks: An Acceleration of Change,” “Money Saved or Money Reinvested?” and “What’s Next: Recommendations for Reform.”

A snapshot of key findings from each section is included below, excluding final recommendations:

### Section 2: The Status Quo: A Poor Return on Investment

- ❖ **Philadelphia’s juvenile justice system presents a high cost to local taxpayers, but poor outcomes for justice-involved youth.** Despite the City spending more than \$80 million on juvenile justice in FY2021, recidivism rates are high, with longitudinal data suggesting that more than half of all juvenile arrests may lead to re-arrests within five years of system referral.
- ❖ **The juvenile justice system has a disproportionate impact on youth from disadvantaged racial/ethnic and socioeconomic groups, with a particular impact on Black youth and youth from high-poverty neighborhoods.** Arrests of Black youth specifically are drastically disproportionate to the racial and ethnic makeup of Philadelphia’s overall youth population, and a vast majority of youth arrested reside in high-poverty neighborhoods. This adds heightened importance to the supports afforded to said youth with the public dollars allocated to the juvenile justice system.
- ❖ **In a system where data suggests that more than half of all juvenile arrests lead to re-arrest, re-arrested youth are at high risk for repeated recidivism and more serious offenses — revealing the importance of early intervention.** Youth who return to the juvenile justice system appear to commit progressively more serious offenses and receive progressively more intensive and expensive interventions. By the time youth accrue multiple arrests, their chances of re-arrest are extremely high - about four in five - and a large majority will be accused of felony offenses. As such, juvenile justice reform represents both a public safety and economic imperative and should focus on implementing successful strategies at initial system contact. These strategies do not necessarily require involvement with formal juvenile justice programming, however.

### Section 3: Declining Spending, But a Complicated Budget Story

- ❖ **In the aggregate, Philadelphia’s juvenile justice system is shrinking, with notable declines in both budget obligations and the number of youth involved in the juvenile justice system during the current DAO administration’s term.**

- ❖ **Aggregate juvenile justice costs have declined drastically over the last several years.** Total juvenile justice spending, including budget obligations by the Department of Human Services' Juvenile Justice Services Division, the Juvenile Probation Department, and the District Attorney's Office Juvenile Division, have declined from \$114 million in FY2017 to \$84 million in FY2021.
- ❖ **This dip in aggregate spending has corresponded with substantial declines in the aggregate numbers of youth arrests, petitions, adjudications, and residential placement commitments.** The annual number of children served by the Juvenile Probation Office has declined by nearly half between 2017 and 2021 – from about 3,600 in 2017 to about 2,000 in 2021.
- ❖ **At the same time, the spending per each youth involved in the juvenile justice system has increased.** As aggregate spending and the aggregate number of youth served by the juvenile court system has declined, *proportional* spending (or, the spending per child served) has *increased*, from approximately \$37,000 per youth served in FY2017 to approximately \$50,000 in FY2021. There are many possible explanations for this, including (but not limited to): 1) a high rate of fixed costs in the juvenile justice budget that prevent total spending from decreasing proportionate to the number of youth served, 2) changes to arrest and diversion policies resulting in only the highest-risk youth remaining in the system who require the most expensive interventions, and 3) allocation inefficiencies, where youth receive the most expensive services at greater rates or for longer periods of time regardless of if said services are warranted by their risk-level. These possibilities will be explored in-depth later in this report.
- ❖ **A closer look at juvenile justice outcomes reveals that private and nonprofit placement has declined dramatically, while secure detention and state placement have not seen similar declines.** Many metrics of aggregate utilization have seen large declines in recent years, but secure detention and state placement are exceptions. Total days spent by justice-involved youth in secure detention actually *increased* on aggregate by four percent from FY2017 to FY2021, even with drastic declines in overall youth served by the juvenile justice system over the same period. State placement and secure detention are two of the most expensive juvenile justice services (with estimated per-youth annualized costs of over \$190,000 and \$220,000, respectively), and they have traditionally been reserved for only the most high-risk youth. An examination of City budget documents and narratives as well as local media reporting establishes a connection between these utilization trends, where a lack of mid-level private/nonprofit placement options in recent years has led to an overreliance on state placement and longer stays in detention as youth await scarce placement beds.

#### Section 4: System Shocks: An Acceleration of Change

- ❖ **Three major system shocks provide context for the recent shifts in Philadelphia's juvenile justice paradigm: the election of DA Krasner, the closure of private and nonprofit residential placement facilities, and the COVID-19 pandemic.** While juvenile justice spending has been on the decline since at least FY2014, declines have accelerated from FY2018 – FY2021. Amongst the many potential contributing factors, three major 'system shocks' have converged in recent years to help shift the juvenile justice paradigm and fuel accelerated drops in cost:
  - DA Krasner's criminal justice reform efforts have reshaped the juvenile justice policies of the Philadelphia District Attorney's Office towards a more restorative framework.

- The closure of numerous private/nonprofit placement facilities due to public scandal has drastically limited the availability of residential placement beds and redoubled the focus of system stakeholders on reducing the use of residential placement.
- The COVID-19 pandemic has led to substantial declines in juvenile arrests, particularly for youth accused of less serious charges.
- ❖ **While actual juvenile justice spending has plummeted, beginning-of-year budget appropriations have not declined at the same rate – leading to millions of public dollars per year in unspent budget allocations that could represent an opportunity for reinvestment.** This has led to a total of about \$133 million of public dollars over the past eight years that was allocated (i.e., approved) for juvenile justice spending but was never actually spent. This unspent money represents a potential opportunity encountered by system leaders to reinvest funding to match a shift in juvenile justice philosophy towards more evidence-informed community-based practices and supports.
- ❖ **Pre-trial diversion represents an important opportunity for DAO reinvestment; while the current DAO administration has made important strides in this regard, further policy changes may be necessary to further encourage use of diversion.** A District Attorney's independent role within the juvenile justice system and sole discretion over pre-petition diversion decisions makes prosecutor-led diversion initiatives particularly efficient opportunities for public investment. Diversion programs, if implemented well, have also been shown by meta-analysis to have preferable effects compared to many in-system interventions. As such, the District Attorney's Office has undertaken policy changes to expand youths' access to diversion programming, increasing the proportion of total youth arrests diverted from about 15 percent to about 20 percent despite declines in the types of arrests entering the system that have traditionally been eligible for diversion (including arrests with a lead misdemeanor charge and school-based offenses). In FY2022, about 22 percent of all youth arrests were diverted, while just 0.6 percent of all public juvenile justice spending was allocated to diversion.

#### Section 5: Money Saved or Money Reinvested

- ❖ **While overall spending has declined notably in recent years, our careful line-item analysis of the City's juvenile justice budget appropriations shows that the investment philosophy of municipal leaders still financially prioritizes traditional approaches over evidence-informed reinvestment opportunities.** Budgeting distribution decisions can often reflect the priority systems of those who are distributing the money. For example, while prevention programming and community-based supervision services may both be viewed as high-impact areas for the reinvestment of dollars previously spent on residential placement, said budget categories occupied a near identical approximate share of total juvenile justice budget appropriations in FY2017 and FY2021 (six percent v. six percent, and 10 percent v. 11 percent, respectively). While less money has certainly been spent on residential services in the *aggregate* than was spent prior to the current administration, *proportionate* budget allocations for residential services appear to occupy a similar share of the City's approved juvenile justice budgets in FY2017 and FY2021: 62 percent v. 57 percent.



- ❖ **Spending on residential confinement, still the majority of the City's juvenile justice budget as of 2021, has shifted towards secure detention as private and nonprofit placement facilities have declined.** From FY2017 to FY2021, the distribution of budget appropriations for institutional care flip-flopped between residential service categories and fiscal years, with secure detention and not residential placement now occupying the greatest total share of all approved funding in FY2021. This trend is indicative of a system whose declines in aggregate spending are neither accompanied by gains in economic efficiency nor fueled by targeted funding strategies to reduce the proportionate use of residential services.
- ❖ **The paradigm shifts in Philadelphia's juvenile justice system represent important opportunities for reinvestment in evidence-informed prevention and diversion strategies, but these opportunities are not currently being fully realized.** Research outlines numerous ways that funding direct supports for youth, families, and community members may show favorable effects on juvenile justice outcomes and positive returns on public investment. Despite this evidence, the proportionate allocation on items categorized by ESI analysis as "supportive services" (inclusive of therapy, financial supports, etc.) continues to occupy a small proportion of the total approved juvenile justice budget, rising from approximately two percent in FY2017 to approximately three percent in FY2021. In contrast, there have been substantial increases in funding allocations for City staffing costs, where DHS "employee benefits," for example (interpreted in this context to likely represent non-mandatory overtime accrued at the local detention center) have ballooned by 115 percent in this same timeframe. This again is not indicative of a system whose investments are centered on the direct needs of youth, families, and community members.

Drawing from these takeaways, this report concludes with a series of recommendations as to how local leaders may adjust their budgeting, oversight, and service delivery strategies to meet the new realities of juvenile justice in Philadelphia and produce a more targeted, human-centered system that delivers better and more economically efficient outcomes.

To start, however, Section 2 (immediately to follow) provides some basic context for the status quo paradigm by addressing the following questions: Who are the youth most commonly entering the juvenile justice system in Philadelphia? How much is spent on their services? What are the results of this investment? And how are these results measured?

This exposition will set the table for more detailed economic analysis to follow.

## 2. The Status Quo: A Poor Return on Investment

### 2.1. Section Overview

The following section provides an overview of the status quo juvenile justice paradigm in Philadelphia as both costly and yielding suboptimal outcomes. Further, it examines a series of descriptive variables in relation to youth arrest and recidivism data to demonstrate how deploying successful strategies for youth the first time they are referred to the juvenile justice system is a socioeconomic, racial equity, and public safety imperative. It closes by demonstrating how juvenile justice professionals may take a closer look at arrest trends to design more targeted approaches than existing broad-based solutions.

### 2.2. High Costs, Progressively Poor Outcomes in Philadelphia

The Pennsylvania Juvenile Act, the guiding document of the state's juvenile justice system, defines the mission of the Commonwealth of Pennsylvania's juvenile justice system (at least in part) as such:

"...to provide for children committing delinquent acts programs of supervision, care and rehabilitation which provide balanced attention to the protection of the community, the imposition of accountability for offenses committed and the development of competencies to enable children to become responsible and productive members of the community."<sup>1</sup>

Broadly, these are the aims of any juvenile justice system. In Philadelphia, there are very few public metrics available to specifically benchmark the success of juvenile justice interventions in service of this mission. While the child welfare (or "dependent") system (responsible for youth with pressing family concerns) releases an annual review of its primary service providers in which said providers receive scorecards based on fields such as "Case Planning," "Safety Assessment & Plan," "Practice: Court," "Practice: Supervision," "Practice: Assessments, Health, & Education," and "Finance,"<sup>2</sup> no such report exists for juvenile justice service providers, and public information related to any system accountability metrics is often scarce and reflective only of aggregate figures.

A most recent "Quarterly Indicators" report from the Department of Human Services, for example, includes 40 slides displaying data related to the dependent system while only 11 are related to the juvenile justice system.<sup>3</sup> And while Child Welfare data includes metrics rating service providers on indicators such as "Percentage of Intact Sibling Group,"<sup>4</sup> as well as broader system performance ratios such as "Entry Rate of Children into Out of Home Care per 1,000 Philadelphia Children, by Federal Fiscal Year,"<sup>5</sup> juvenile justice data slides include nothing but figures related to the aggregate number of youth

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<sup>1</sup> Juvenile Act, 42 Pa.C.S. § 6301 et seq

<sup>2</sup> City of Philadelphia Department of Human Services. "Improving Outcomes for Children: City of Philadelphia Department of Human Services Community Umbrella Agency Scorecard, Fiscal Year 2020-2021". City of Philadelphia.  
[https://www.phila.gov/media/20220104134621/2021\\_CUA\\_Scorecard\\_final.pdf](https://www.phila.gov/media/20220104134621/2021_CUA_Scorecard_final.pdf).

<sup>3</sup> City of Philadelphia Office of Children and Families. "Quarterly Indicators Report, Fiscal Year 2022".  
[https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22\\_9.29.22\\_Full-Version.pdf](https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22_9.29.22_Full-Version.pdf).

<sup>4</sup> City of Philadelphia Office of Children and Families. "Quarterly Indicators Report, Fiscal Year 2022".  
[https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22\\_9.29.22\\_Full-Version.pdf](https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22_9.29.22_Full-Version.pdf).

<sup>5</sup> City of Philadelphia Office of Children and Families. "Quarterly Indicators Report, Fiscal Year 2022".  
[https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22\\_9.29.22\\_Full-Version.pdf](https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22_9.29.22_Full-Version.pdf).

served by various interventions, such as “Youth Receiving Evening Reporting Center Services,”<sup>6</sup> and “Juvenile Justice Involved Youth Placed Outside of Home.”<sup>7</sup>

While these aggregate counts may make it possible to spot certain large trends, it is nearly impossible from publicly provided data to understand these trends proportionally, or to tie them to any specific causal driver, such as quality of service provider or decisions made by court-based stakeholders.

Absent any information on justice-involved youths’ gains in competency or productivity, it is recidivism, while imperfect, that is often used as a benchmark.

As such, to examine the long-term impact of public spending on juvenile justice outcomes, Figures 2.1 and 2.2 (below) use DAO arrest data to examine the longitudinal rearrest rates for all youth arrests formally charged by the District Attorney’s Office (DAO) in the City of Philadelphia in 2016.<sup>8</sup> While certainly an imperfect measure, this figure asks the basic question: of all arrests of youth that were referred to the juvenile justice system in 2016 (the latest year for which five-year rearrest data was available at the writing of this report), how many have seen a youth subsequently rearrested for a new offense (either in the juvenile or adult justice systems)? Each row of this figure represents a separate subset of youth arrests, disaggregating the data to see if rearrest rates changed substantially along three categories of descriptive variables: prior arrest history, sex, and lead charge of initial arrest.

As a point of context with regards to public expense: in FY2017<sup>9</sup>, ESI calculations (outlined in detail later in this report) estimate that the juvenile justice system of Philadelphia spent \$134 million dollars on juvenile justice services across departments. Accordingly, Figure 2.1 may be thought of as a sort of rough snapshot of the return on said investment, albeit one with a discouraging prognosis: despite such substantial public investment, approximately 57 percent of all 2016 arrests have resulted in a youth being rearrested after their referral to the juvenile justice system (as of June 30, 2022). Outcomes appear particularly poor for youth the more times they return to the system, with rearrest rates of over 80 percent for arrests of youth with two or more prior arrests at the time of their referral to the juvenile justice system, as well as for males (64 percent) and youth accused of drug offenses (73 percent) and stealing cars (74 percent).

Girls, on the other hand, appear to represent a relatively low risk for rearrest, perhaps indicating their over-referral to an expensive juvenile justice system when a cheaper and less-intensive approach may have been equally effective.

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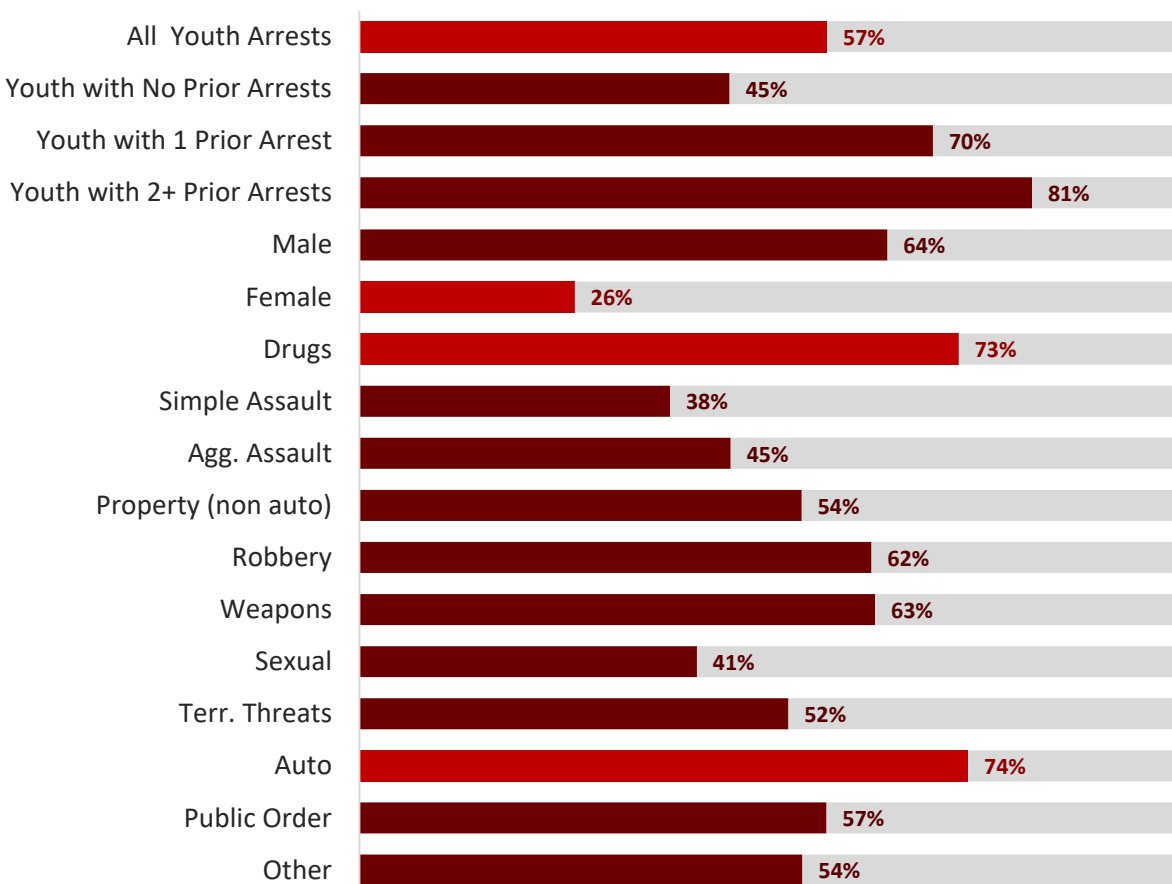
<sup>6</sup> City of Philadelphia Office of Children and Families. “Quarterly Indicators Report, Fiscal Year 2022”. [https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22\\_9.29.22\\_Full-Version.pdf](https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22_9.29.22_Full-Version.pdf).

<sup>7</sup> City of Philadelphia Office of Children and Families. “Quarterly Indicators Report, Fiscal Year 2022”. [https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22\\_9.29.22\\_Full-Version.pdf](https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22_9.29.22_Full-Version.pdf).

<sup>8</sup> The use of 2016 arrest data when analyzing rearrests allows this study to consider five and a half years of potential rearrests (through June 30, 2022).

<sup>9</sup> As the Philadelphia government fiscal year encompasses parts of two calendar years (running from July 1<sup>st</sup> to June 30<sup>th</sup>), this arrest data corresponds to fiscal data from both FY2016 and FY2017. For high-level spending estimations, FY2017 data has been utilized in this subsection to match the most recent five-year fiscal data available at the writing of this report.

Figure 2.1: Rearrest Rate for All 2016 Youth Arrests



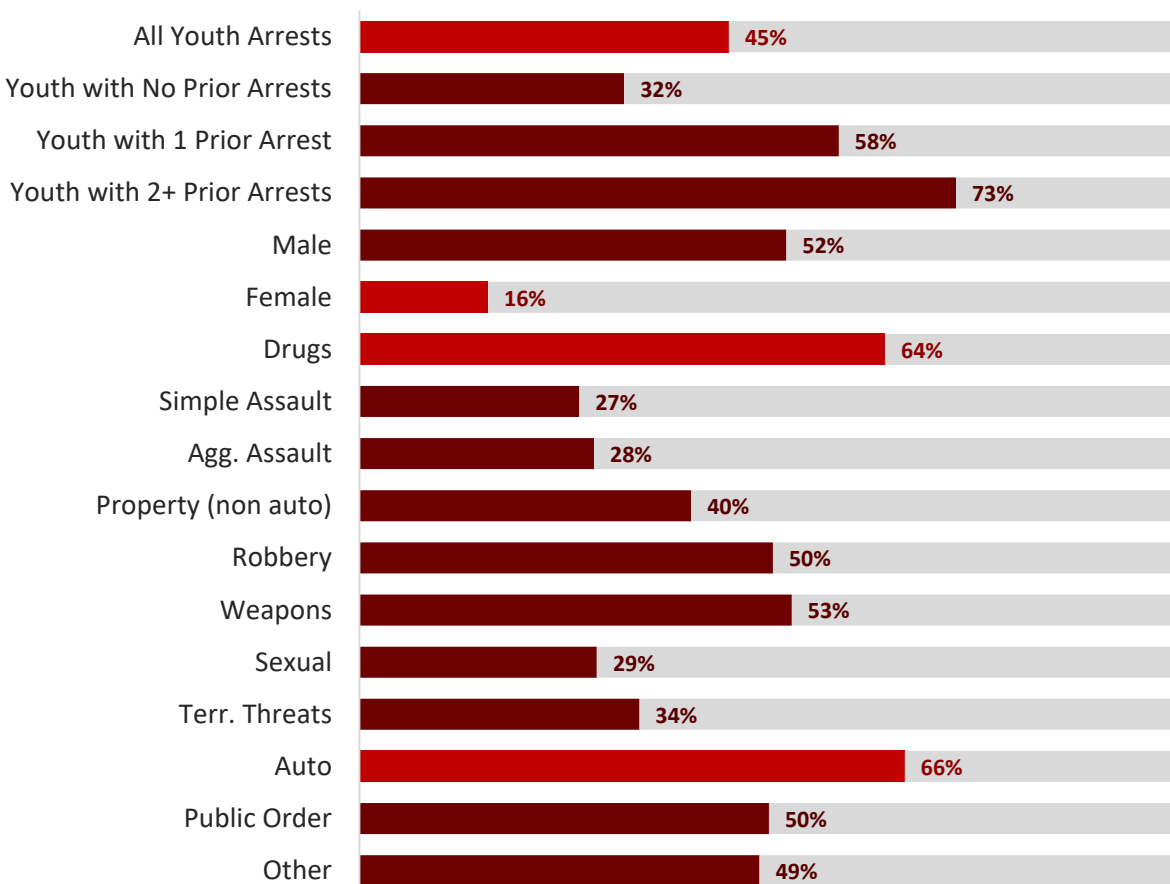
Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

Figure 2.2 (below) runs this same calculation but accounting for only *adult* rearrests, showing that nearly half (approximately 45 percent) of youth arrests formally charged by the DAO in 2016 have led to a later rearrest in the adult criminal justice system. Arrests of youth with two or more prior arrests at the time of their referral to the juvenile justice system showed particularly poor outcomes, resulting in a youth getting arrested as an adult in more than seven-out-of-ten instances (73 percent).

Youth accused of drug and auto theft offenses again had the highest rearrest rates, while girls again had the lowest.

With the cost of future justice involvement multiplied over many youth, these figures underscore the dramatic potential return on investment for strategies that achieve better juvenile justice outcomes and thus conserve significant dollars for other youth-centered investment opportunities.

Figure 2.2: Adult Rearrest Rate for All 2016 Youth Arrests



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

In total, these figures provide evidence for systemic concern: it appears that, despite substantial public investment, the status quo juvenile justice system succeeds in preventing rearrests in less than half of all cases, with declining chances for success the more times a youth returns. Two high-level takeaways from this evidence are as follows: 1) youth should be prevented from entering the juvenile justice system wherever possible, and 2) successful interventions that prevent youth from accruing additional arrests after their *first* referral to the juvenile justice system are imperative for improving long-term life course outcomes.

It should be noted that the figures above provide rearrest data for youth arrests in 2016 — before DA Krasner took office, and before the other “system shocks” that profoundly changed the Philadelphia juvenile justice landscape which will be described in detail later in this report. As such, these outcomes can be said to represent the pre-Krasner “status quo”; the impacts of recent systemic changes on rearrest outcomes will only be fully understood in the years to come.

Previous research also demonstrates how interventions that successfully prevent youth from entering the juvenile justice system can have profound economic impacts, including substantial cost savings to the public. For example, one study estimated that preventing a high-risk youth from entering the justice system would net public cost savings of \$2.6 million to \$4.4 million over the life course.<sup>10</sup>

Studies of specific prevention programming have also shown important benefits. One report on seven prevention programs funded by the Pennsylvania Commission on Crime and Delinquency (PCCD) found that all seven yielded cost-benefits, with some (such as the LifeSkills Training (LST) program) yielding a return of more than \$25 per dollar invested.<sup>11</sup> Locally, a study evaluating the Philadelphia School Police Diversion Program (a program designed to reduce the number of youth arrested in Philadelphia schools) found that the program yielded approximately \$1.6 million in net economic benefits in its first year of operation and about \$1.9 million in net economic benefits in its fifth year of operation (both figures adjusted for inflation).<sup>12</sup>

There are many ways that one may calculate these benefits. Reduced education levels associated with justice-system involvement, for example, can be shown to create a social cost. Research shows that only about one-third of justice-involved youth in Philadelphia go on to earn a high school diploma,<sup>13</sup> and that adults in the City of Philadelphia with a high school diploma are estimated to earn about 1.7 times as much as high school dropouts, with higher homeownership rates and more valuable homes.<sup>14</sup> Further analysis has examined tax contributions over the life course and projected a lifetime net negative fiscal impact of -\$357,000 for Philadelphia residents with no high school diploma compared to a lifetime net positive fiscal impact of \$48,000 for high school graduates.<sup>15</sup>

The data in this section has demonstrated that if the status quo approach to juvenile justice in Philadelphia measures success by the system's ability to prevent future arrests, said system is succeeding in less than half of all instances, and spending large sums of money to achieve said outcome. If system leaders hope to measure success by any other youth-centered developmental metric, there seems insufficient data to do so, as there do not appear to be any public documents clearly outlining non-recidivism-based deliverables of juvenile justice service provision.

Shifting this paradigm could provide better social outcomes for youth involved in the juvenile justice system and a better economic outcome for Philadelphia as a whole.

In the absence of such metrics, system avoidance may seem the wisest fiscal policy.

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<sup>10</sup> Cohen, M. A., & Piquero, A. R. (2009). New Evidence on the Monetary Value of Saving a High Risk Youth. *Journal of Quantitative Criminology*, 25(1), 25–49. <https://doi.org/10.1007/s10940-008-9057-3>

<sup>11</sup> Jones, D., Bumbarger, B. K., Greenberg, M. T., Greenwood, P., & Kyler, S. (2008). The Economic Return on PCCD's Investment in Research-Based Programs: A Cost-Benefit Assessment of Delinquency Prevention in Pennsylvania. In *Prevention Research Center for the Promotion of Human Development (NJ1)*. Prevention Research Center for the Promotion of Human Development. <https://eric.ed.gov/?id=ED502053>

<sup>12</sup> NeMoyer, A., Mai, C., Kreimer, R., Le, T., Pollard, A., & Goldstein, N. E. S. (2022). Reducing agency and social costs by keeping kids in school and out of the justice system: A cost–benefit analysis of the Philadelphia Police School Diversion Program1. *Policing: A Journal of Policy and Practice*, paac061. <https://doi.org/10.1093/police/paac061>

<sup>13</sup> Pollard, A., Kreimer, R., Brogan, L. & Goldstein, N. (2021). "Building a "Prison-to-School Pipeline" in Philadelphia and Beyond: Leveraging Research-Practice Partnerships to Successfully Reintegrate Justice-involved Youth into Schools." Stoneleigh Foundation. <https://stoneleighfoundation.org/building-a-prison-to-school-pipeline-in-philadelphia-and-beyond-leveraging-research-practice-partnerships-to-successfully-reintegrate-justice-involved-youth-into-schools/>.

<sup>14</sup> Fogg, N. P., Harrington, P.E. and Khatiwada, I. (2019). "Net Fiscal Impacts of Raising Educational Attainment in Philadelphia." Drexel University Center for Labor Markets and Policy.

<sup>15</sup> Fogg, N. P., Harrington, P.E. and Khatiwada, I. (2019). "The Fiscal Impacts of Increasing Philadelphia's High School Graduation Rate." Drexel University Center for Labor Markets and Policy.

This report does not make any claims or comparisons between Philadelphia's juvenile justice outcomes and those found in any other cities, states, or counties. Largely, this is because the data necessary to make such comparisons is also unavailable: it is not mandated that all states (let alone municipalities) in the country track recidivism data, and what recidivism data *does* exist often varies substantially based on differences in local definition, collection strategy, and reporting structure.

To this point, a 2015 report on juvenile recidivism produced by the Council of State Governments with support from the MacArthur Foundation, Office of Juvenile Justice and Delinquency Prevention, and Bureau of Justice Assistance included the following statement:

“It is not uncommon for rearrest rates for youth returning home from confinement to be as high as 75 percent within three years of release, and arrest rates for higher risk youth placed on probation in the community are often not much better. While there have been some promising advances in the field, few juvenile justice systems can point to significant and sustained progress in reducing these recidivism rates.”<sup>16</sup>

While findings like these may add relevant context to “rearrest” Figures 2.1 and 2.2 in that other locales may produce outcomes that are similarly discouraging, this report will not posit that the production of equally suboptimal results in Philadelphia is an acceptable return on large public investments.

It must also be acknowledged that recidivism reports compiled by the Pennsylvania Juvenile Court Judges' Commission (JCJC) define recidivism as a youth having committed a subsequent felony or misdemeanor offense that results in an adjudication of delinquency in juvenile court or criminal conviction in adult court within two years of the previous case's closure.<sup>17</sup>

Such adjudication-based metrics will render a completely different picture of youth recidivism, as a minority of cases that enter the juvenile court system in Philadelphia proceed to trial and end with an adjudication of delinquency. Many, however, may be disposed of after youth admit guilt (or otherwise accept responsibility for their actions) in court to receive a lesser order of accountability; an outcome that, while indicative of a substantiated offense, will be wholly excluded from recidivism counts.

By this methodology, Philadelphia was reported to have a 13 percent juvenile recidivism rate in 2018, slightly below the state average and identical to Allegheny County, home of Pittsburgh, its most comparable city.

### 2.3. Disproportionate Impacts on Black and Low-Income Youth

As discussed in section 2.2 above, the current juvenile justice paradigm is costly, yet has relatively poor outcomes. This section will explore two other factors related to specific inefficacies present in the status quo: 1) the current juvenile justice paradigm disproportionately impacts Black and low-income youth, and 2) both racial disparities as well as public safety outcomes appear to worsen when juvenile justice interventions prove to be ineffective.

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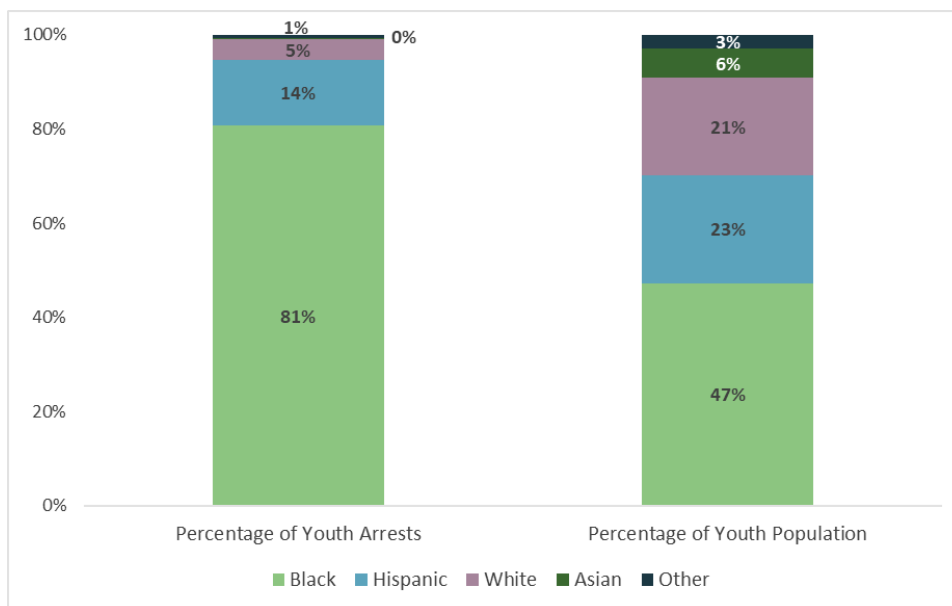
<sup>16</sup> Seigle, E., Walsh, N. and Weber, J. (2014.) “Core Principles for Reducing Recidivism and Improving Other Outcomes for Youth in the Juvenile Justice System,” p. 81. Council of State Governments Justice Center.

<sup>17</sup> Pennsylvania Juvenile Court Judges' Commission. “2021 Pennsylvania Juvenile Court Annual Report.” <https://www.jcjc.pa.gov/Research-Statistics/Disposition%20Reports/2021%20Juvenile%20Court%20Annual%20Report.pdf>.

The first inefficacy is displayed in Figure 2.3 below, which shows that in CY2019, Black youth in Philadelphia were arrested at nearly double their proportion of the general youth population. In other words, less than half of youth in Philadelphia were Black, whereas four out of five youth arrested in Philadelphia and charged with an offense in CY2019 were Black.<sup>18</sup>

Similar trends hold for all years' worth of DAO data; CY2019 was selected here to match later case studies included throughout this section.

Figure 2.3: Philadelphia Youth Arrests (2019) v. Philadelphia Youth Population (2018) by Race



Source: Philadelphia District Attorney's Office (2022), City of Philadelphia (2020), American Community Survey (2018), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

Any economic analysis of juvenile justice in Philadelphia must consider the socioeconomic context within which youth are arrested and referred to the juvenile justice system in Philadelphia; namely, the city's persistent struggle with a high poverty rate. Philadelphia has an estimated 23 percent poverty rate as of 2020; nearly double the national average. Philadelphia is among the nation's poorest major cities.<sup>19 20</sup> This poverty is geographically concentrated, with intergenerational effects: nearly 70 percent of "high poverty" neighborhoods in 1970 remained high poverty four decades later.<sup>21</sup>

<sup>18</sup> Note that, due to Philadelphia Police Department racial and ethnic classification standards, all youth who are both Black and Hispanic are classified as Black in the data below. The Hispanic category below includes only non-Black Hispanic youth.

<sup>19</sup> U.S. Census Bureau. "American Community Survey S1701: Poverty Status in the Past 12 Months". data.census.gov.

<sup>20</sup> Lubrano, A. (2015, October 1). Among the 10 largest cities, Philly has highest deep-poverty rate. *Philly.com*. [http://articles.philly.com/2015-10-01/news/67015543\\_1\\_poverty-rate-deep-poverty-philadelphians](http://articles.philly.com/2015-10-01/news/67015543_1_poverty-rate-deep-poverty-philadelphians)

<sup>21</sup> Cortright, J., & Mahmoudi, D. (2014, December). *Lost in Place*. [http://cityobservatory.org/wp-content/uploads/2014/12/LostinPlace\\_12.4.pdf](http://cityobservatory.org/wp-content/uploads/2014/12/LostinPlace_12.4.pdf)



Poverty rates are higher among Philadelphians of color than among non-Hispanic Whites, as seen below:

Figure 2.4: Philadelphia Poverty by Race and Ethnicity, 2020 U.S. Census 5-Year Estimates

<b>Race or Ethnicity</b>	<b>Poverty Rate</b>
White, non-Hispanic	13%
Hispanic or Latino	35%
Black	28%
Asian	23%

Source: U.S. Census Bureau American Community Survey (2020)

As in many cities, poverty is geographically concentrated in Philadelphia,<sup>22</sup> and carries with it numerous undesirable outcomes for youth, including exposure to elevated rates of violence, disinvestment in public schools, and lower academic achievement.<sup>23</sup> On the most elemental level, numerous studies have shown that poverty can have an impact on life expectancy, with a particularly troubling 2016 study revealing a 14.6 year difference in life expectancy between the richest and poorest 1 percent of Americans (between 1999 and 2014), with inequalities increasing over time.<sup>24</sup> In Philadelphia, specifically, a study from scholars at Virginia Commonwealth University showed similar trends, with as great as a 20-year difference in life expectancy between residents based on zip code.<sup>25</sup>

It is perhaps not surprising then that communities with the highest rates of childhood poverty tend to be the same communities where youth are most impacted by the juvenile justice system. This relationship is apparent in the figure below, which plots the home addresses of youth arrested in Philadelphia in a 365-day period against childhood poverty rates in various city neighborhoods, showing a near perfect clustering of justice-involved youths' homes in Philadelphia neighborhoods where at least half of all children live below the poverty line. (*Note: the dates associated with the data below have been obscured for privacy reasons*).

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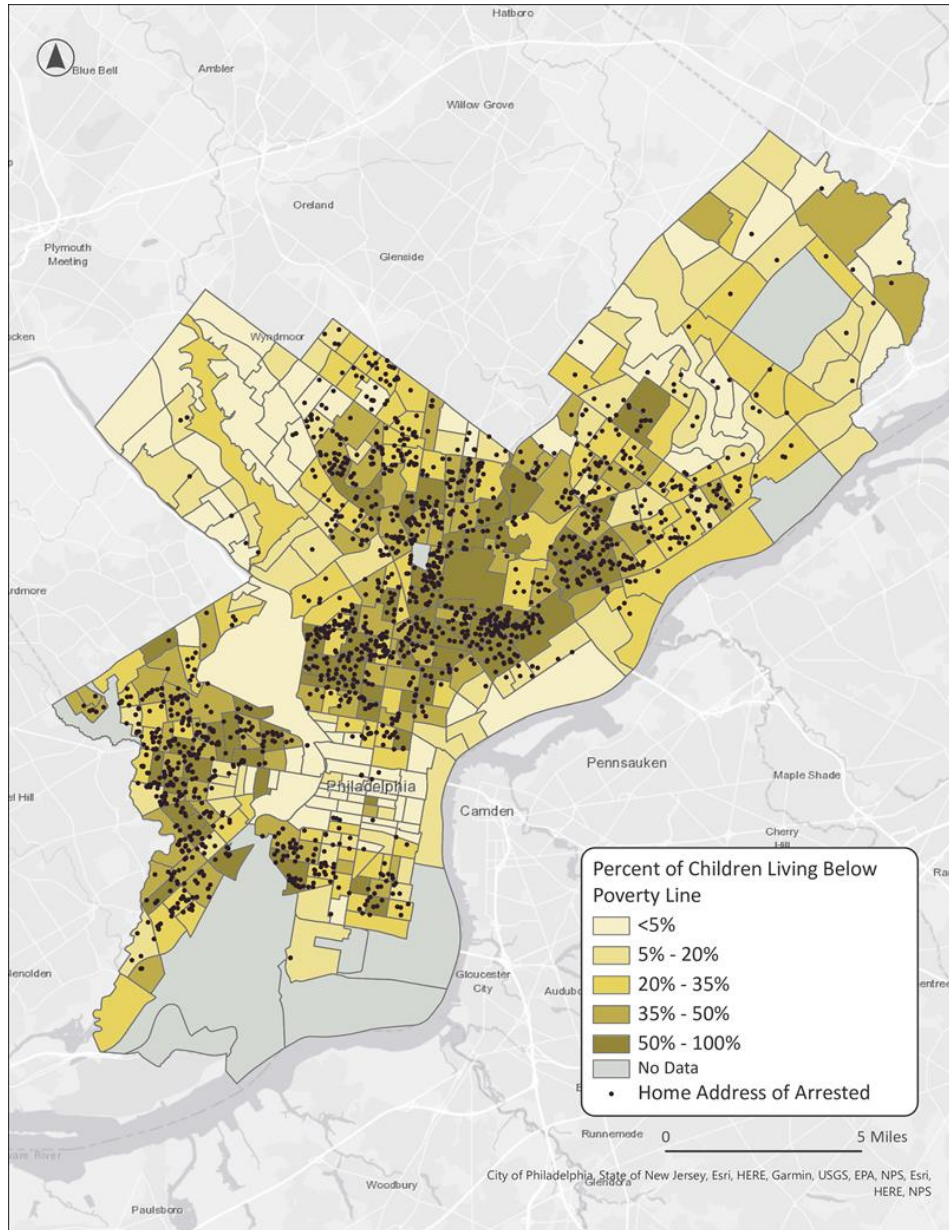
<sup>22</sup> Philadelphia District Attorney's Office. "Shootings and Poverty in Philadelphia." <https://phl.maps.arcgis.com/apps/StorytellingSwipe/index.html?appid=d3394c20f95d472b9038976c8791ecf5>.

<sup>23</sup> The Pew Charitable Trusts. (2018.) "Philadelphia's Poor: Experiences From Below the Poverty Line." <https://www.pewtrusts.org/en/research-and-analysis/reports/2018/09/26/philadelphias-poor-experiences-from-below-the-poverty-line>.

<sup>24</sup> Chetty, R., Stepner, M., Abraham, S., Lin, S., Scuderi, B., Turner, N., Bergeron, A., & Cutler, D. (2016). The association between income and life expectancy in the United States, 2001-2014. *JAMA: Journal of the American Medical Association*, 315(16), 1750–1766. <https://doi.org/10.1001/jama.2016.4226>

<sup>25</sup> "Philadelphia Life Expectancy Methodology and Data Table." Virginia Commonwealth University Center on Society and Health. <https://societyhealth.vcu.edu/media/society-health/pdf/LE-Map-Philly-Methods.pdf>.

Figure 2.5: Home Location of Youth Arrests and Census Tract Poverty Rate

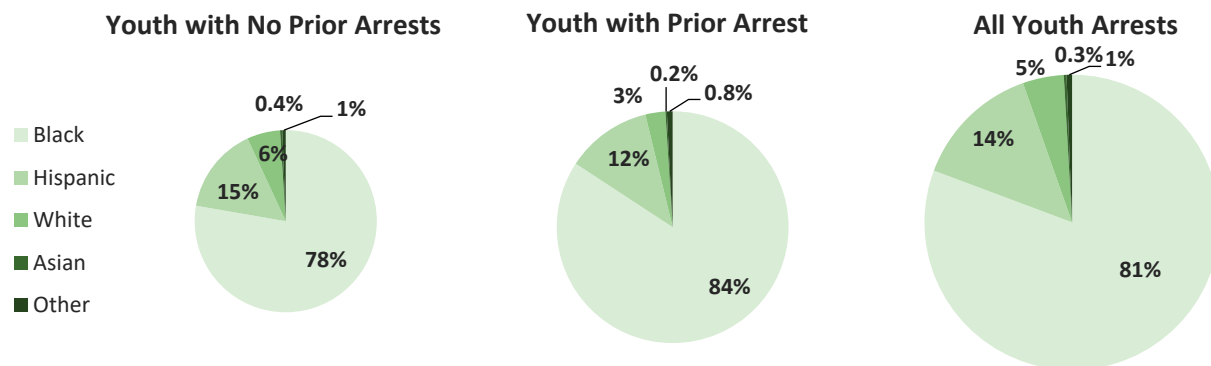


Source: Office of Philadelphia District Attorney, American Community Survey, Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

Given these descriptive breakdowns, employing successful strategies for justice-involved youth following arrest appears to be not only a question of best practice, but a matter of both racial and socioeconomic equity.

To the former point, Figure 2.6 (below) compares racial discrepancies between the populations of youth in a calendar year who were referred to the juvenile justice system with *no* prior arrests and those who were referred who *had* prior arrests. Here, it appears that racial disparities worsened slightly for the subpopulation of youth with prior system contact, as Black youth made up about 84 percent of this grouping compared to only 78 percent of arrests of youth with no priors. While a small escalation, this trend offers a glimpse at how applying successful interventions to youth after their first arrest may be part of a larger strategy to reduce racial and ethnic disparities inside of a juvenile justice system.

Figure 2.6: Arrests by Prior Arrest History and Race

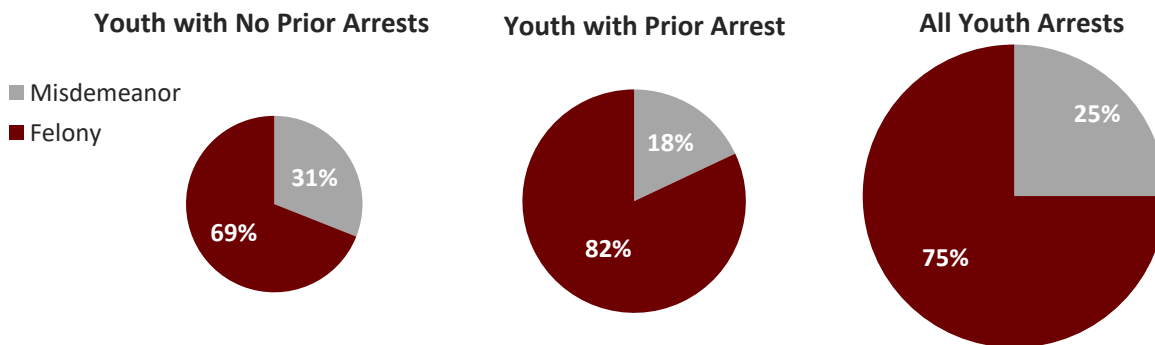


Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

A more pronounced trend relates directly to public safety, as Figure 2.7 (below) demonstrates that it is not only racial disparities that seem to escalate with youths' repeated system contact, but the severity of the alleged offenses for which youth appear to enter the juvenile justice system. Youth with prior arrests who were referred to Philadelphia's juvenile justice system in CY2019 were accused of committing more serious offenses, with 82 percent of arrests of such youth carrying a lead felony charge compared to only 69 percent of arrests of youth who had no prior system contact.

This again lends credence to the importance of a juvenile justice system getting it right with youth after their first arrest and system referral, for repeated arrests and referrals may carry with them not only greater equity concerns, but greater harms to the general populace.

Figure 2.7: Arrests by Prior Arrest History and Lead Charge Type



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

## 2.4. Residential Facilities Drive Costs Despite Limited Evidence of Effectiveness

Figure 2.8 (below) is derived from DAO data compiled through conducting case reviews of the full cohort of 2019 youth arrests as they proceeded through all aspects of the Philadelphia justice system.

Given the apparent escalation of behavior outlined in the previous figure, the data below provides evidence that youth who reenter the juvenile justice system appear to be at increasingly high risk of being held in *residential facilities* with each new system contact.

More specifically, youth who entered the juvenile justice system with more prior arrests in 2019 were held in secure detention at higher rates immediately following arrest, remained held in secure detention at higher rates after their first detention hearings (where it is determined if they are to remain held or be released to the custody of a guardian), were detained at greater rates for technical violations of their court supervision at later points in their case processing, and were committed to residential placement facilities at greater rates after an adjudication of delinquency.

This relationship in which both rearrest rates and residential commitment rates appear to escalate in tandem suggests that residential facilities may not be having their desired effect on preventing future system contact. This is in line with at least some research which indicates that incarceration may not only be poor at preventing future youth arrests, but may in fact be associated with *higher* rates of recidivism and adult incarceration.<sup>26</sup> Pretrial incarceration, specifically (represented by the first two clusters of bars in Figure 2.8) has also been associated with worse legal outcomes when controlling for other factors, including that youth who are incarcerated pretrial are more likely to be removed from the home at disposition and less likely to have their petitions dismissed.<sup>27</sup> In the educational domain, youth who are incarcerated have been shown to be less likely to ever return to school as well as less likely to complete high school.<sup>28</sup> Other research has found that youth incarceration impedes youths' psychosocial development and maturity by limiting their prosocial socialization and opportunities for advanced judgement and decision-making.<sup>29</sup>

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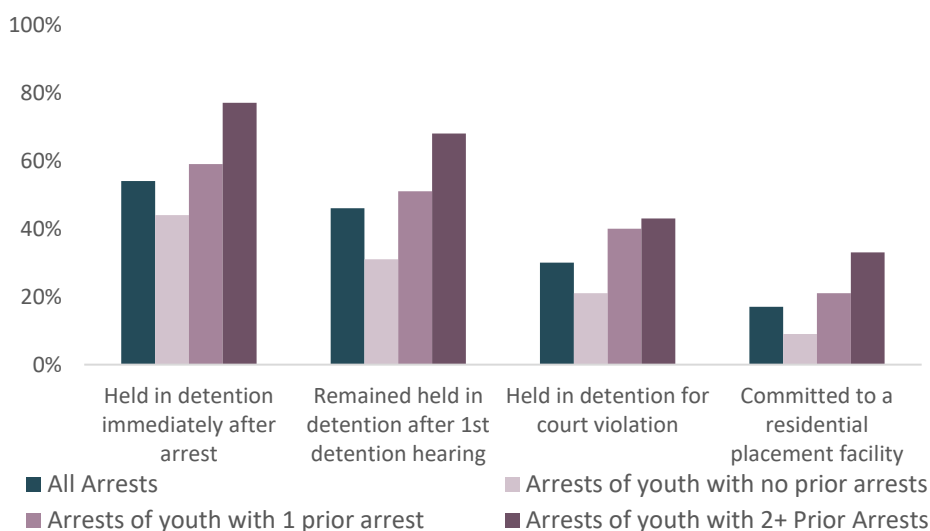
<sup>26</sup> Aizer, A., & Doyle, J. J., Jr. (2015). Juvenile Incarceration, Human Capital, and Future Crime: Evidence from Randomly Assigned Judges. *The Quarterly Journal of Economics*, 130(2), 759–803. <https://doi.org/10.1093/qje/qjv003>; Lambie, I., & Randell, I. (2013). The impact of incarceration on juvenile offenders. *Clinical Psychology Review*, 33(3), 448–459. <https://doi.org/10.1016/j.cpr.2013.01.007>

<sup>27</sup> Rodriguez, N. (2010). The Cumulative Effect of Race and Ethnicity in Juvenile Court Outcomes and Why Preadjudication Detention Matters. *Journal of Research in Crime and Delinquency*, 47(3), 391–413. <https://doi.org/10.1177/0022427810365905>

<sup>28</sup> Aizer, A., & Doyle, J. J., Jr. (2015). Juvenile Incarceration, Human Capital, and Future Crime: Evidence from Randomly Assigned Judges. *The Quarterly Journal of Economics*, 130(2), 759–803. <https://doi.org/10.1093/qje/qjv003>

<sup>29</sup> Dmitrieva, J., Monahan, K. C., Cauffman, E., & Steinberg, L. (2012). Arrested development: The effects of incarceration on the development of psychosocial maturity. *Development and Psychopathology*, 24(3), 1073–1090. <https://doi.org/10.1017/S0954579412000545>

Figure 2.8 Use of Residential Supervision, 2019 Youth Arrests<sup>30</sup>



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

From a strictly economic lens, as will be demonstrated throughout the remainder of this report, the utilization trends of various juvenile justice interventions (such as the residential facilities represented in Figure 2.8) also have a direct impact on aggregate public spending, as each intervention ordered for a justice-involved youth is associated with a different cost of service provision.

While there are no publicly available unit-level service rates that outline the costs incurred, *per child*, of sending Philadelphia's justice-involved youth to various community-based and residential interventions, data on the average yearly costs, by facility type, of various residential placement facilities was made publicly available from the Pennsylvania Taskforce on Juvenile Justice as part of its review of state-level policies and procedures throughout CY2020 and CY2021.

Figure 2.9 is repurposed from that data, and it shows that residential facilities are an extraordinary driver of juvenile justice costs. State-run placement and secure detention facilities—both often reserved for youth who have most frequently reoffended or are accused of the most serious offenses—are particularly costly, with costs ranging from \$192,720 per year for a single youth in state-run placement to \$220,193 per year for a single youth in detention.<sup>31</sup> Locally, the Philadelphia Department of Human Services' Needs-Based Budget for FY2023 lists a per diem rate of \$600 per night at the Philadelphia Juvenile Justice Services Center (PJJSC), the city's secure youth detention facility.<sup>32</sup>

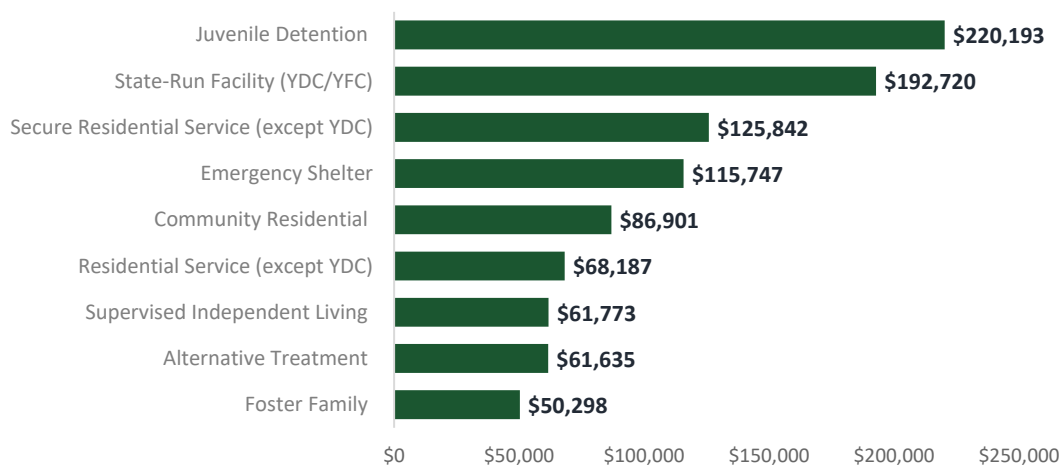
<sup>30</sup> As of 12/31/2021.

<sup>31</sup> "Pennsylvania Juvenile Justice Task Force System Assessment." <https://www.pacourts.us/Storage/media/pdfs/20210508/154427-file-9928.pdf>.

<sup>32</sup> Philadelphia Department of Human Services. "Fiscal Year 2022-23 Needs-Based Plan & Budget." [https://www.phila.gov/media/20210722074014/NBB51\\_-22-23\\_NT-07-21-2021-Public-Draft.pdf](https://www.phila.gov/media/20210722074014/NBB51_-22-23_NT-07-21-2021-Public-Draft.pdf)

These costs again highlight the importance of implementing successful strategies for justice-involved youth at first system contact, as those youth who return to the system multiple times and are committed to residential facilities can very quickly and disproportionately ratchet total public spending on juvenile justice services.

Figure 2.9: Cost per Youth by Service Type, FY2019



Source: Pennsylvania Juvenile Justice Task Force (2021), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

In total, the discussion in this section has highlighted a status quo paradigm marked by high costs and poor outcomes, with increasingly poor outcomes for youth who incur the highest costs. Further, descriptive and geographic data analysis reveals that justice-involved youth in the City of Philadelphia, are primarily Black and Brown youth who experience high levels of poverty, and who reside in neighborhoods that experience high-levels of intergenerational poverty and its associated impacts.

In practice, this makes the analysis of the value delivered to youth, families, and communities with the public dollars invested in the juvenile justice system all the more important. To this end, the remainder of this report will focus on delivering a better understanding of public spending patterns in recent years to help move juvenile justice to a better place for all participants involved. This concerns the prudent use of scarce public dollars, and it is also a matter of racial equity, social justice, and public safety.

## 2.5. Case Study: A Closer Look at Youth Accused of Drug Offenses

### Reason Selected

The success of a juvenile justice system hinges on its ability to apply successful solutions to any number of complex and adaptive human problems. Any endeavor to improve outcomes within such a system may hinge on the ability of its leaders to negotiate said complexity and continuously find new opportunities for impact.

Data displayed earlier in *Recidivism Figures 2.1 and 2.2* indicated that arrests of youth accused of drug offenses had some of the worst longitudinal rearrest rates. This case study takes a closer look at this specific subset of arrests and aims to provide a concrete example of how system leaders may explore their data to identify emergent trends that can help shape impactful policy.

Drug arrests (with the second worst offense-based rearrest rate) were selected over auto thefts (with the worst offense-based rearrest rate) due to the interesting nature of the findings. Drug offenses in this data include both drug-selling and drug-possession offenses, and the dataset is inclusive of a 365-day period in the City of Philadelphia; the specific 365-day period is not named here for privacy reasons.

### A Clear Outlier

Figure 2.10 (below) shows all youth arrests for a 365-day period in the City of Philadelphia, grouped by the arresting police district and the broad offense type for which youth were accused (*note: "violent" offenses are an indexed category of robberies, assaults, and lethal offenses*).

Here, the 24<sup>th</sup> police district represents a clear outlier: it has far more arrests than any other district, and this discrepancy appears to be clearly driven by a high number of drug arrests. Upon closer examination, the number of youth arrested for allegedly selling or possessing drugs in the 24<sup>th</sup> police district alone was higher than the total number of youth arrested for all offense types in any other single district in the dataset.

It follows that, in this specific timeframe, youth drug arrests in the 24<sup>th</sup> police district were a uniquely powerful driver of total youth arrests citywide. As recidivism figures show that youth accused of drug offenses also appear to drive some of the worst long-term juvenile justice outcomes, this data allows stakeholders to target their interventions to a clear location and offense type for maximum impact — in this case, drug arrests in the 24<sup>th</sup> district.

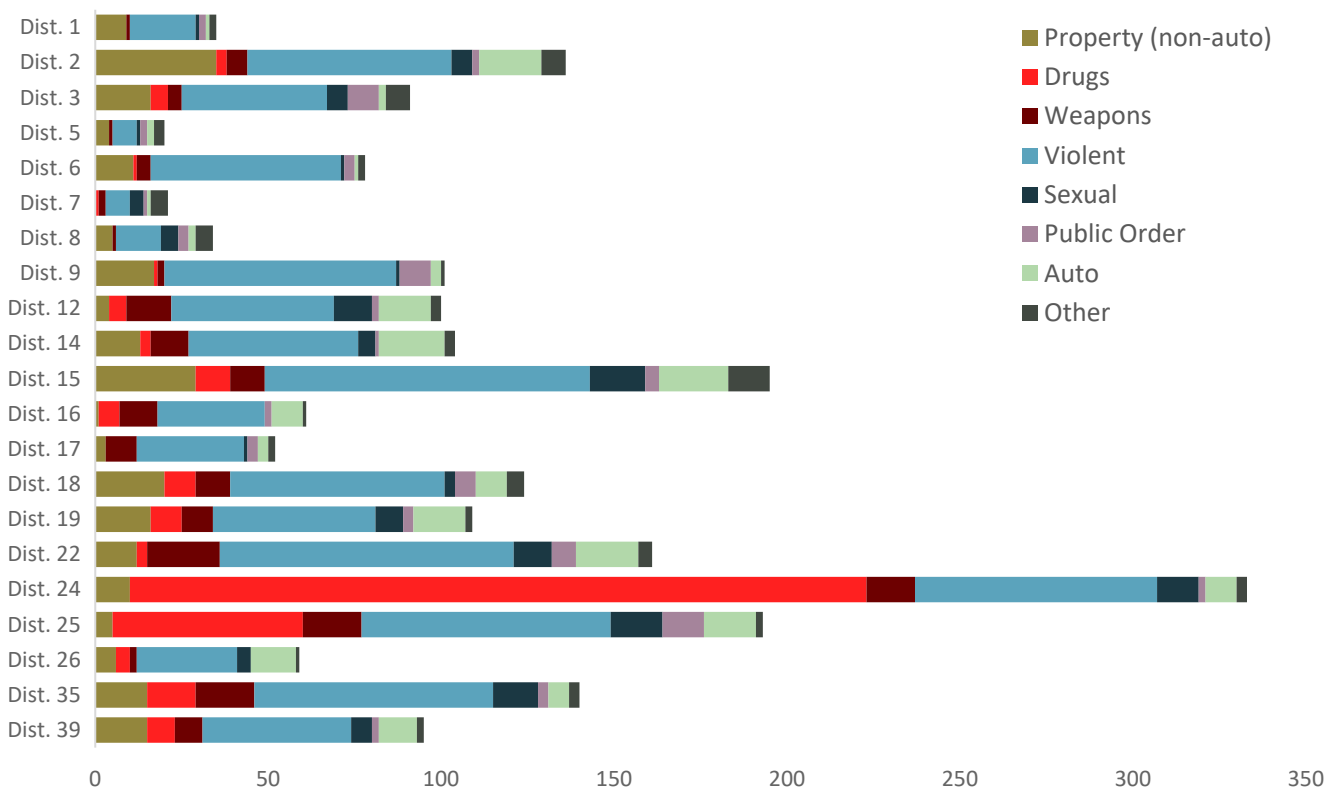
Local knowledge provides context for this trend: the 24<sup>th</sup> police district includes the Kensington neighborhood, which is considered to be the epicenter of city's drug trade.<sup>33</sup> This neighborhood includes an area frequently cited as the largest and longest-running open-air drug market on the East Coast.

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<sup>33</sup> See Appendix Section 7.C for map of Philadelphia Police Districts.



Figure 2.10: Total Arrests by Offense Type and Arresting Police District, 365-Day Period



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

### The 24<sup>th</sup> District: A Destination for Drug Offenses

As many youth do not have cars and spend a large portion of their days in neighborhood schools, one may assume them to be more likely than adults to commit crimes in and around the neighborhoods in which they live. This assumption has been supported by multiple research studies.<sup>34</sup>

However, Figure 2.11 (below) reveals that this may not be the case for drug offenses committed in the 24<sup>th</sup> district. While most drug-related youth offenses occurred in the 24<sup>th</sup> police district, the youth arrested for these offenses often were not from this district. Instead, in the poorest major city in the United States, it appears that youth arrested on drug-related charges travelled from all neighborhoods to Kensington, the economic center of the Philadelphia drug trade. Both data and anecdotal evidence indicate that a majority of these arrests were related to drug-selling and not drug-buying behavior.

<sup>34</sup> Bernasco, W., & Block, R. (2009). Where Offenders Choose to Attack: A Discrete Choice Model of Robberies in Chicago\*. *Criminology*, 47(1), 93–130. <https://doi.org/10.1111/j.1745-9125.2009.00140.x>; Drawve, G., Walker, J. T., & Felson, M. (2015). Juvenile offenders: An examination of distance-to-crime and crime clusters. *Cartography and Geographic Information Science*, 42(2), 122–133. <https://doi.org/10.1080/15230406.2014.963677>; Weisburd, D., Morris, N., & Groff, E. (n.d.). Hot Spots of Juvenile Crime: A Longitudinal Study of Arrest Incidents at Street Segments in Seattle, Washington. *Journal of Quantitative Criminology*, 25, 443–467. <https://doi.org/10.1007/s10940-009-9075-9>

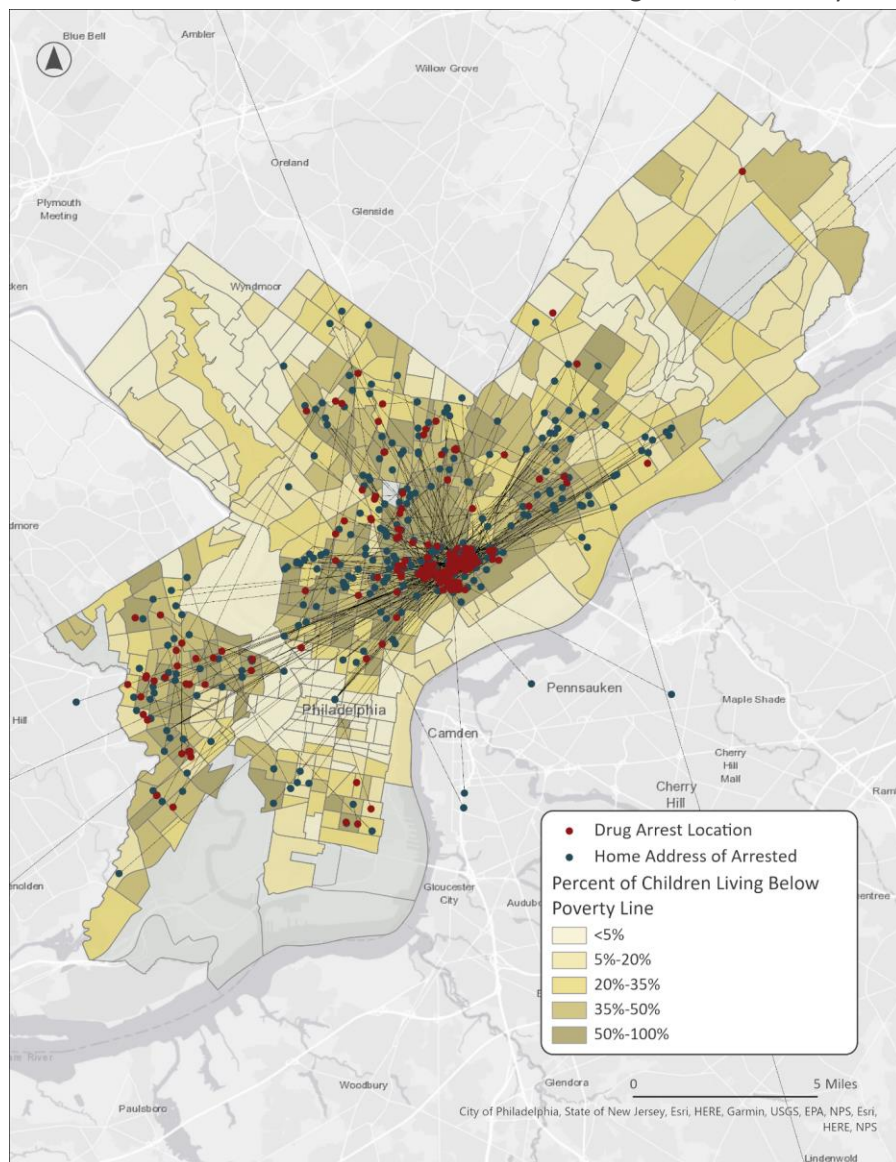


This figure has two direct economic implications.

First, for those interested in designing a more successful juvenile justice strategy for youth accused of drug offenses, this data may suggest that an intervention aimed to disrupt the economic forces drawing youth towards Kensington may prove more effective than those targeting behavioral health interventions like drug and alcohol treatment, which is more readily ordered by the courts. Employment programs and economic supports for youths' families may be examples of such strategies that could be tested.

Conversely, one might use this data to direct funding and attention away from policy proposals built on erroneous assumptions that are likely to achieve little impact with public dollars. For example, any intervention that aimed to reduce youth drug arrests by targeting outreach exclusively to youth who live in the 24<sup>th</sup> police district would not reach the numerous youth from other neighborhoods who travel to this area to participate in the drug trade.

Figure 2.11: Home Address and Address of Arrestable Incident: Drug Arrests, 365-Day Period



Source: Philadelphia District Attorney's Office, American Community Survey, Econsult Solutions, Inc., Independent Variable LLC (2022)

## A Persistent Behavior

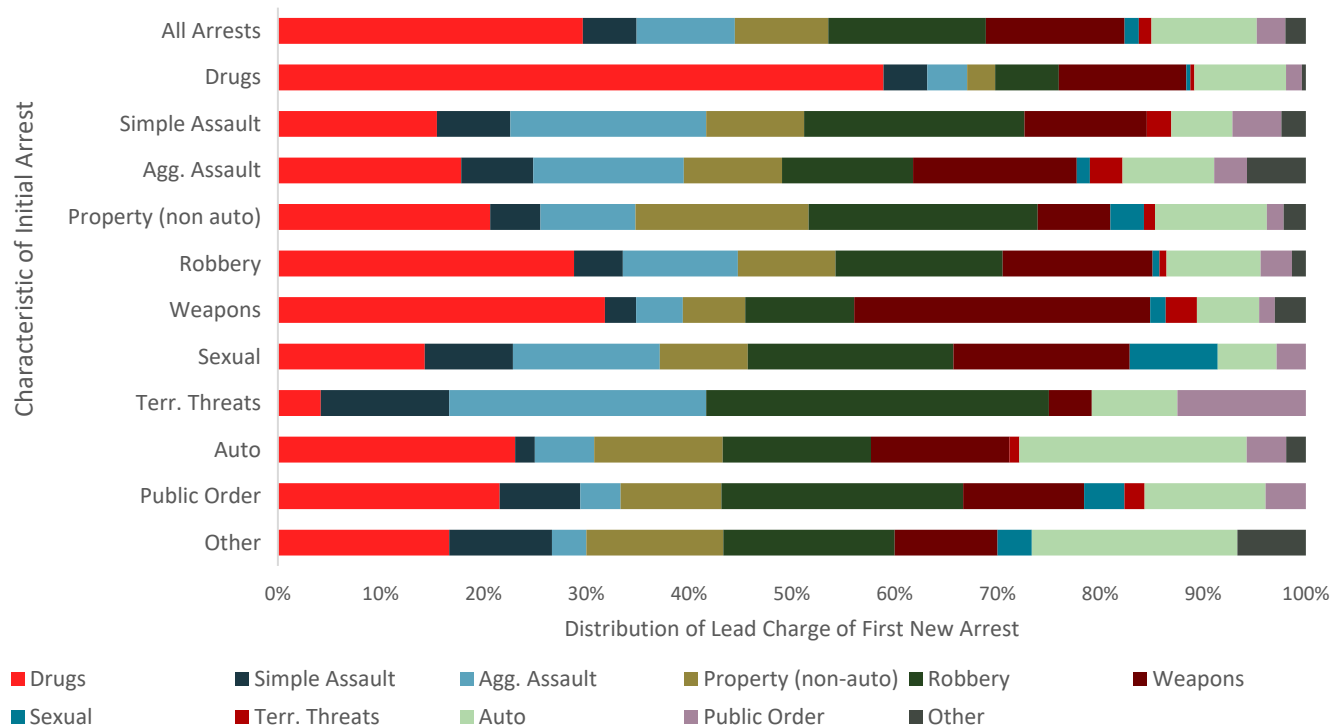
Finally, Figure 2.12 (below) takes a closer look at recidivism data to examine more closely the sorts of charges most commonly associated with rearrests. In this figure, each bar represents a sample of youth who were referred to the juvenile justice system and ultimately rearrested. The labels to the left of the bar represent the lead offense category for which said youth had last been referred to the system *before* being rearrested, and the colors inside of the bar represent the lead offense distribution of their first new rearrest.

This exercise reveals another unique failure of the status quo approach to drug offenses: of those youth arrested for drug offenses and then rearrested, 59 percent of said rearrests were for another drug offense. This distribution of repeated behavior was by far the greatest of all offense types.

This adds a new consideration of efficiency to any argument one might make for the prioritization of designing better approaches for youth accused of drug offenses as a particularly high-impact strategy for juvenile justice system improvement, as an intervention targeted at a single behavior, however difficult that behavior may be to curb, can yield massive returns if proven successful.

Alternately, if no new intervention is designed to improve the efficacy of services, any influx of youth arrested for drug offenses can be expected to lead to broader system failure, a cyclical upswing in future drug arrests, and rising long-term costs.

Figure 2.12: Lead Charge of First Rearrest by Lead Charge of Initial Arrest



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

These details aside, the broader purpose of this case study has been to demonstrate how a careful exploration of data may reveal emergent patterns inside a local juvenile justice system that are critical to the design of more targeted, human-centered, and responsive solutions for its long-term success.

Without the capacity for similar analysis, it is unlikely that stakeholders will make optimal investment decisions with public dollars and achieve optimal outcomes for youth and communities.

## 2.6. Key Takeaways

This section examined the status quo juvenile justice paradigm in Philadelphia. More specifically, data was examined to understand demographic characteristics of youth served, drivers of high juvenile justice costs, and the outcomes associated with high cost.

Research and data analysis led to the following key takeaways:

- ❖ **Despite substantial public investment in the juvenile justice system in Philadelphia, outcomes for justice-involved youth are poor.** An examination of rearrest rates indicates that more than half of youth arrests referred to the juvenile justice system may lead to a youth being rearrested within five years; approximately 45 percent of these arrests may lead to a youth being rearrested as an adult. This suggests that if the status quo approach to juvenile justice in Philadelphia measures success by the system's ability to prevent future arrests, said system is succeeding in less than half of all instances.
- ❖ **Youth appear to present a higher risk for rearrest and more serious offenses the more times they re-enter the juvenile justice system.** By the time youths accrue two or more arrests their chances for future arrest appear extremely high, with arrests of youth with two or more arrests resulting in a youth incurring a new arrest in over 80 percent of instances, and an adult arrest in over 70 percent of instances. Data also indicates that youth who enter the system multiple times commit a higher rate of felonies and receive the most intensive and expensive interventions. This suggests that it is both a public safety and financial imperative for the juvenile justice system to employ successful strategies for youth the first time they are arrested.
- ❖ **There are substantial racial and socioeconomic disparities among the youth involved in Philadelphia's juvenile justice system.** Youth who are arrested are disproportionately likely to be Black compared to the city's broader youth population, and they are also more likely to reside in high-poverty neighborhoods. This implies that funding spent to study *in-system* racial and ethnic disparities may be better spent focused on broader system improvements, as the substantial portion of all youth arrested are youth of color. Juvenile justice dollars may also be particularly well spent on programs geared towards economic development.
- ❖ **Recidivism rates vary by type of offense and gender, revealing the necessity for targeted interventions.** Youth who are accused of selling drugs and stealing cars appear to present a particularly high risk for rearrest. Alternately, girls appear to present a relatively low risk for rearrest. This suggests that any efforts to design a more efficient and effective system may be wise to focus on offering more targeted interventions to youth accused of drug and auto-theft

offenses while removing girls from potentially unnecessary justice-system involvement wherever possible.

- ❖ **Despite high costs and poor results, there is very little public accounting of juvenile justice services and their associated outcomes.**

In total, these takeaways are indicative of a system that may benefit from a careful examination of its returns delivered on public investment. In the following section, we begin this examination at its logical starting point: spending.

## 3. Declining Aggregate Spending, But a Complicated Budget Story

### 3.1. Section Overview

The following section analyzes City budget documents from FY2014 to FY2021 to assess public spending trends for Philadelphia's juvenile justice system. It begins with an examination of *aggregate* spending by the Department of Human Services' Juvenile Justice Services Division (DHS-JJS), considers additional costs incurred by other juvenile justice stakeholders (including other City departments and state-run placement facilities), then arrives at a *proportional* estimate of spending-per-justice-involved-youth.

The latter half of the section explores how juvenile justice budget documents are highly reflective of shifting residential placement trends, and how an increased representational share of state placement and secure detention "days of care" may highlight an economic inefficiency despite declining aggregate residential placement costs. Following this thread, the section closes by taking a closer look at the utilization rates of the city's secure detention center, demonstrating how rising lengths of stay in detention amidst a declining total arrest census may be indicative of a resource crisis.

All budget data in this section was sourced from one of two annual budget documents published by the City:

- The [Mayor's Operating Budget Detail](#): A detailed, line-item accounting of every cost item associated with each City department and approved by the Mayor's Office each fiscal year.
- The Department of Human Services' yearly [Needs-Based Plan & Budget \(NBPB\)](#): A narrative explanation of the budgetary ask made to Pennsylvania's Department of Human Services (DHS) by Philadelphia's Department of Human Services (DHS), inclusive of a joint plan established by Philadelphia DHS' Juvenile Justice Services Division (JJS) and First Judicial District's (FJD) Juvenile Probation Office (JPO) for the utilization of funds, as well as a summary of the results achieved through previous years' funded efforts.

The Operating Budget Detail was used as the official accounting record for costs incurred by the various City departments associated with Philadelphia's juvenile justice system. The DHS Needs-Based Plan and Budget, absent near entirely of cost figures but rich with narrative and data on system utilization trends, was used to add qualitative context and generate spending projections on items not specifically accounted for in the Operating Budget Detail.

### 3.2. Department of Human Services Spending: High Aggregate Spend, But Declining Over Time

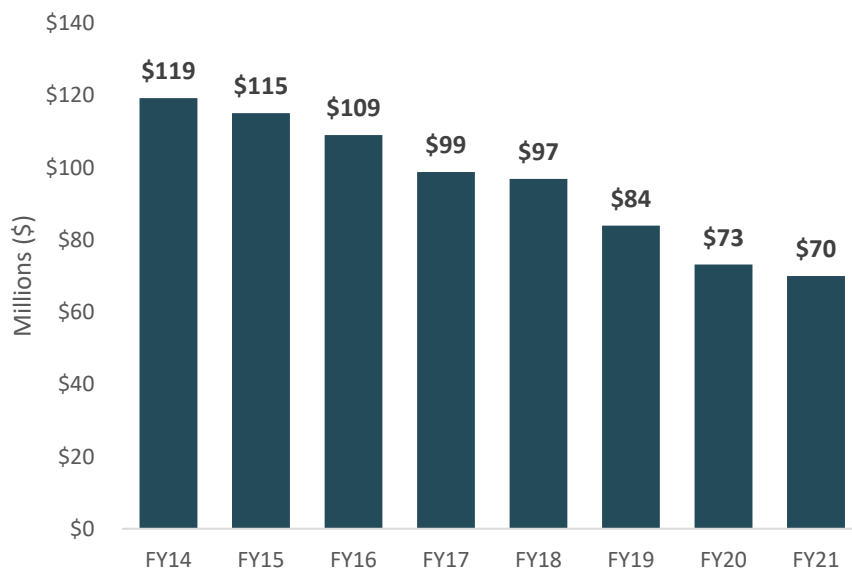
While numerous stakeholders incur costs related to juvenile justice services, by far the largest spending agency inside of Philadelphia's juvenile justice system is the Juvenile Justice Services Division of the City of Philadelphia Department of Human Services (DHS-JJS).

DHS-JJS is the City agency responsible for contracting with, funding, and monitoring all juvenile justice service providers as well as managing the City's youth detention center. The division also covers costs initiated by other City juvenile justice stakeholders, such as by purchasing the GPS ankle monitors utilized by the Juvenile Probation Office as an alternative-to-detention resource, or by funding a select number of diversion programs contracted by the District Attorney's Office.

Given the division's overwhelming share of juvenile justice costs, this section begins by examining DHS-JJS' aggregate spending totals as accounted for in the City's Operating Budget Detail over the last eight fiscal years (for which there was complete spending data).

As seen below, the division's total spending has steadily declined from FY2014 to FY2021. While this decline has been consistent over the eight-year period, it accelerated sharply after FY2018, consistent with the timing of systemic shocks that will be explored in much greater detail in Section 4. Despite this decline, DHS-JJS spending on juvenile justice remains high, totaling \$70 million in FY2021. Still, this represents \$49 million less than the costs incurred by DHS-JJS in FY2014, when the department spent \$119 million.

Figure 3.1: Department of Human Services' Juvenile Justice Services Division Total Spending (\$ Millions)



Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

### 3.3. DHS-JJS Spending Per-Child: A More Complicated Story

While aggregate spending declines on juvenile justice services are notable, they do not tell the full story of juvenile justice spending. Analysis of spending *efficiency*, rather than *aggregate* spending, requires the consideration of a different variable: any changes to the scale of Philadelphia's juvenile justice system in recent years. This consideration can be said to add a notion of *proportionality* to the equation, allowing one to examine juvenile justice system spending in relation to the number of youths served by said system.

While there are few indicators of scale included in the Mayor's Operating Budget Detail, some information may be sourced from the DHS Needs-Based Plan & Budget, which states that the number of youths receiving Juvenile Probation Office (JPO) services has declined steadily over the past five years, from 3,637 in FY2017 to 1,968 in FY2021, a decline of more than 45 percent.<sup>35</sup>

At a high-level, this means that both aggregate DHS-JJS spending and the number of youths served by the juvenile justice system have shown substantial declines; notable outcomes for those interested in juvenile justice reform. For any attempt to credit specific system stakeholders or policies for the economic gains realized from such declines, however, it is again essential to understand whether juvenile justice spending has in fact become more *efficient* in recent years, or if the system has simply spent less money because it is serving less youth.

Although either possibility delivers gains in total savings, attribution of ownership over these gains is likely different in each scenario. For example, if the juvenile justice system was shown to have gained operational efficiency in that the cost-per-youth-served had declined, then credit for aggregate cost reductions may rightfully be attributed to those stakeholders who served youth inside the system (i.e., probation officers and court-based service providers) as they will have found a way to do so more cheaply. If no reductions in per-youth costs could be established, however, then gains in total savings may likely be attributed to the efforts of those at the gateway of the system (i.e., police officers, prevention stakeholders, and diversion stakeholders) whose work prevented youth from entering said system to incur costs.

This question of attribution will be a topic of further discussion in Section 4. To help answer the first-order question on efficiency, Figure 3.2 (below) plots the total youth receiving JPO services in a given fiscal year (as outlined in the DHS Needs-Based Plan & Budget) against the average DHS-JJS spend-per-child in said fiscal year (calculated by dividing total DHS-JJS spending from the Mayor's Operating Budget Detail by total number of youth receiving JPO services from the Needs-Based Plan & Budget).

The result demonstrates that while aggregate DHS-JJS spending figures may have declined, proportionate spending has in fact increased over the past five fiscal years, from \$27,162 per-youth-served in FY2017 to \$35,567 per-youth-served in FY2021.

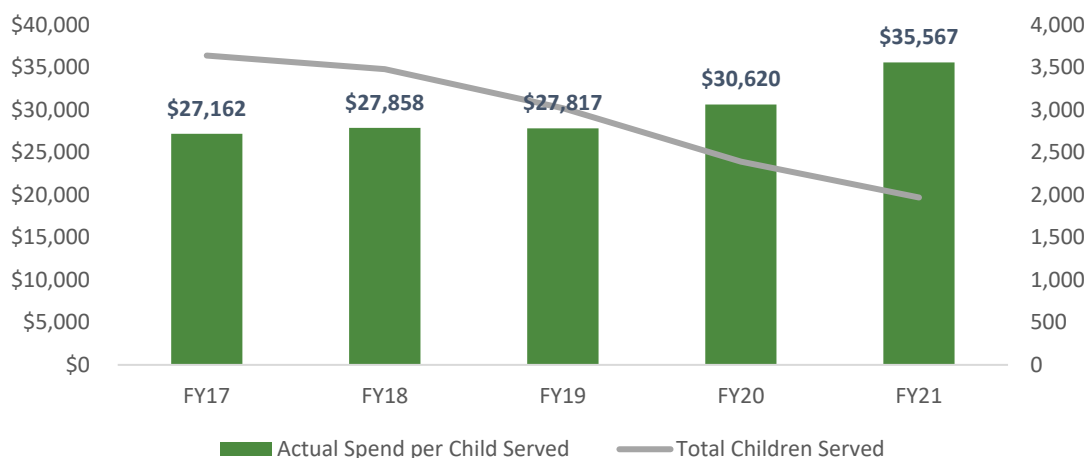
This is a cost increase of over 30 percent per youth receiving JPO services.

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<sup>35</sup> Despite a lack of clear definition in the Needs-Based Plan & Budget, "youth receiving JPO services" is interpreted here to mean youth served by the court system of Philadelphia who received a paid service from the DHS-JJS Division.



Figure 3.2: Number of Youth Receiving JPO Services and Projected Spending Per Youth - Department of Human Services' Juvenile Justice Services Division (DHS-JJS)



Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

While there are multiple potential explanations for this finding, most will likely fall under two broad categories:

*Services Received:* As the number of juvenile arrests has declined in Philadelphia, its juvenile justice system may be left to serve only the most high-risk youth; these youth are likely to require the most intensive, and therefore expensive, interventions. Alternatively, a greater percentage of all youth served may simply be referred to more expensive services regardless of their risk-level, may receive a greater number of services at the same daily expense, or may receive the same number of services at the same daily expense but for longer periods of time.

*Fixed Costs:* The DHS-JJS budget may have a high proportion of fixed costs that cannot be lowered by any further decrease to the number of youths entering the system. Costs attributed to the physical plant of the detention center, for example, would not change as long as the detention center remained open, no matter the number of youths held in detention.

As most juvenile justice services are funded through public tax revenues, the figure above can be considered an approximate representation of the cost-per-youth incurred by taxpayers for juvenile justice services rendered to Philadelphia youth and contracted by Philadelphia's largest manager of such services, DHS-JJS. High taxpayer costs per youth served give taxpayers another reason to expect a public accounting of outcomes and a high return on their investment. This is yet another reason why a data-informed approach to budget analysis is useful – it can help create public transparency around juvenile justice spending.



### 3.4. How Funds Are Spent: Private/Nonprofit Placement Costs Declining, But Other Costs Steady

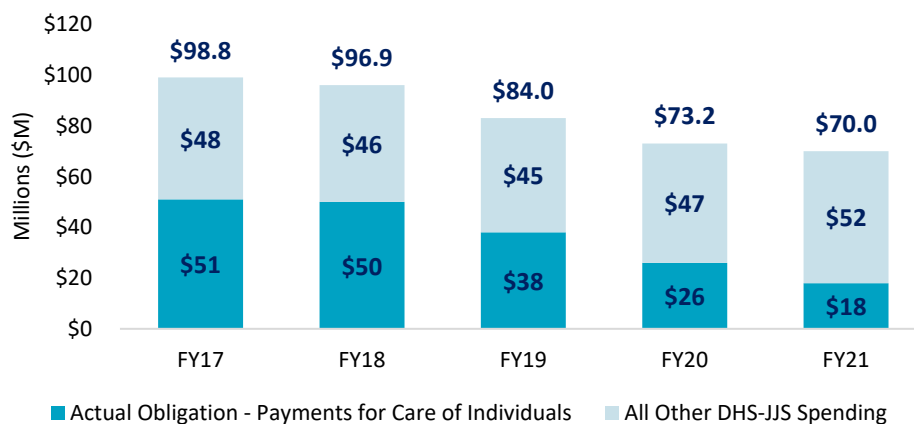
While more informative than aggregate spending metrics, spending-per-child figures still tell us nothing of how, specifically, public money is *spent* on juvenile justice services.

To get a better understanding of this trend, Figure 3.3 (below) divides all DHS-JJS spending accounted for in the Mayor's Operating Budget Detail into two broad categories: *Payments for Care of Individuals* and *All other DHS-JJS Spending*.

For quick context, in the Mayor's Operating Budget Detail, *Payments for Care of Individuals* is the budget code used almost entirely to quantify the cost of private/nonprofit residential placement facilities. While there are some minor exceptions to this rule (i.e., in-home detention, which appears to be the lone community-based program categorized under this budget code) for the remainder of this analysis, money labeled under *Payments for Care of Individuals* can be interpreted as synonymous with *Private/Nonprofit Placement Costs*.

*All Other DHS-JJS Spending* can be interpreted literally.<sup>36</sup>

Figure 3.3: Breakdown of Payments for Care of Individuals Spending and All Other DHS-JJS Spending by Fiscal Year



Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

As seen above, *Payments for Care of Individuals* (and, therefore, private/nonprofit placement costs) have declined drastically as a proportion of overall DHS-JJS spending in recent years. In FY2017, for example, *Payments for Care of Individuals* made up the majority of overall DHS-JJS spending; in FY2021, it occupied only about one-quarter.

<sup>36</sup> Note: Section 5 of this report includes an extensive exercise to recode the DHS-JJS budget into more illustrative categories and offers a far more in-depth analysis of spending distribution.

As discussed in Section 2, due to the extraordinary costs typically associated with committing a youth to placement, it is the FY2021, not FY2017, figure that is most likely to represent an outlier, as spending on residential placement facilities has traditionally occupied a large portion of the City's DHS-JJS budget.

Figure 3.3 then hints at a substantial shift in Philadelphia's juvenile justice paradigm in recent years, where private/nonprofit placement facilities no longer appear to represent a primary cost-driver for the City's largest juvenile justice funding agency.

Returning once more to the notion of attributability, a line-item review of the *Payments for Care of Individuals* tab of the Mayor's Operating Budget Detail documents in this timeframe offers further explanatory context, and hints that while it is certainly possible that some reduction in the aggregate usage of these private/nonprofit residential placement facilities is indicative of strategic changes to the daily practice of various juvenile justice stakeholders, a more basic explanation appears at least as plausible: there were simply less private/nonprofit placement facilities available with active contracts to receive Philadelphia youth.

Figures 3.4 and 3.5 (below) provide evidence of the latter possibility by showing all private/nonprofit placement facilities for which the DHS-JJS Division requested budget appropriations of at least \$250,000 in FY2017 and FY2021, respectively (*note: \$250,000 was utilized as a threshold to remove one-off facilities that never received a substantial investment, and budget appropriations were used instead of actual budget spending to indicate which facilities had contracts at the beginning of the year*).

Highlighted in gray are those facilities which either closed or stopped contracting with the City of Philadelphia between the budget cycles represented in this report. Those highlighted in FY2021 comprise two additional facilities that were dropped from the budget as of FY2022.

Figure 3.4: Private/Nonprofit Residential Facilities Receiving at Least \$250,000 in Allocations, 2017

#	Facility	Amount Requested
1	Glen Mills Schools	\$10,935,913
2	Catholic Social Services	\$10,154,185
3	Mid Atlantic Youth Services Corp	\$9,133,147
4	George Junior Republic	\$6,168,897
5	The Summit Academy	\$4,151,578
6	Adelphoi Village	\$1,285,483
7	Community Specialist Corp.	\$1,110,819
8	Alternative Rehabilitation Communities, Inc	\$971,393
9	Cornell Abraxas Group, Inc.	\$606,736
10	Vision Quest Non Profit Corporation	\$526,458
11	Children's Services Incorporated	\$281,729
<b>Total:</b>		<b>\$45,326,338</b>

Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

Figure 3.5: Residential Facilities Receiving at Least \$250,000 in Allocations, 2021

#	Facility	Amount Requested
1	Catholic Social Services	\$12,412,831
2	Alternative Rehabilitation Communities, Inc	\$1,011,865
3	Mid Atlantic Youth Services Corp	\$1,000,000
4	The Summit Academy	\$1,000,000
5	Adelphoi Village	\$955,715
6	Cornell Abraxas Group, Inc.	\$600,000
7	Community Specialist Corp.	\$250,188
<b>Total:</b>		<b>\$17,230,599</b>

Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

As seen above, while there were 11 private/nonprofit residential facilities at the start of FY2017 that were allocated at least \$250,000 by DHS-JJS on the Mayor's Operating Budget Detail, by the start of FY2021, there were only seven. This represents a 36 percent reduction in private/nonprofit placement resources.

By FY2022, there were only four such facilities, which represents a 64 percent total reduction.

Later sections of this report will lay out in further detail how this situation came to pass, including an accounting of the numerous private/nonprofit residential placement facilities that have closed in recent years amidst allegations of child abuse and/or financial hardship precipitated by declining referrals.

Figures 3.3, 3.4, and 3.5 have been included as together, they introduce a critical point of nuance to any attempt to quantify the *efficiency* of Philadelphia's spending on juvenile justice.

Due to its complexity, this point is outlined in a series of bullets below:

- While the topline number in Figure 3.3 indicated large declines in total DHS-JJS spending in recent years (from approximately \$99 million in FY2017 to approximately \$70 million in FY2021), these declines were driven largely by reductions in spending on *Payments for Care of Individuals*, or private/nonprofit placement facilities. The remainder of the DHS-JJS budget (coded as *All Other DHS-JJS Spending*) actually showed a slight aggregate *increase* in this period, rising from \$48 million to \$52 million. This makes establishing a detailed understanding of private/nonprofit placement utilization trends vitally important to any attempt at diagnosing the economic impacts realized by specific juvenile justice system policies or stakeholders.
- To better understand trends in private/nonprofit placement utilization across the last half-decade, Figures 3.4 and 3.5 outlined the DHS-JJS Division's beginning-of-year outlay for various private/nonprofit placement facilities in the Mayor's Operating Budget Detail in FY2017 and FY2021. These figures indicate that a reduction in the aggregate private/nonprofit placement cost does not appear to be the result of proportionate reductions in spending across all existing facilities, but the removal of approximately 55 percent of private/nonprofit placement facilities from the budget altogether. While some of this reduction may be reflective of decreased *demand* for private/nonprofit placement due to less total youth getting arrested or committed by a judge to residential placement, they are also reflective of a decreased *supply* of private/nonprofit placement facilities, in some instances due to factors wholly unrelated to demand, such as the closure of facilities due to allegations of child abuse (to be discussed in more depth later in this report).
- Private/nonprofit placement facilities are not the only residential placement option utilized by stakeholders inside of Philadelphia's juvenile justice system, however. State-run facilities, often referred to as "state placement," are operated by the Pennsylvania Department of Public Welfare, a public management structure which makes them less responsive to fluctuations in municipal supply or demand, as their existence as a finite resource is mandated and controlled by the state. These facilities are typically the most restrictive of placement options, and they are often reserved for only the highest-risk youth who cannot be served appropriately in lower-level facilities or those youth who are charged with the most serious offenses. As discussed in Section 2, these are some of the most expensive interventions in the entire juvenile justice system, costing on average \$192,720 per year compared to private/nonprofit residential facilities, which range from \$61,625 - \$125,842.

Given these factors, to understand whether reductions to aggregate juvenile justice spending are representative of efficiency gains precipitated by stakeholder strategy or simply reflective of aggregate reductions in the number of youth arrested, one key factor that must be explored is the interplay between private/nonprofit and state placement spending. An efficient interplay, for example, might see

the aforementioned reduction in private/nonprofit placement spending figures with no corresponding increase to state placement figures, as this would suggest an intentional policy shift by local leaders away from the utilization of residential placement writ large with enough private/nonprofit facilities remaining to meet necessary demand without displacing any placement costs to the state. Alternately, an increase in state placement spending that offsets gains made from reductions to private/nonprofit placement may indicate an overutilization of state facilities due to insufficient supply from the private/nonprofit sector. Given the elevated cost of state placement and its typical role in serving only the highest-risk youth, this would represent an economic inefficiency, even as total spending may continue to decline if less youth, on the whole, are sent to placement.

Conceptual complexities aside, such an exercise presents a more basic first-order challenge: if not itemized in the *Payments for Care of Individuals* tab of the Mayor's Operating Budget Detail, how might one account for the costs incurred by state-run residential placement facilities in local budget analysis?

### 3.5. Hidden Placement Costs: What About State Placement?

Philadelphia's public budget documentation accounts for much of the City's juvenile justice spending in several departments. However, a full line-item review of all cost items associated with DHS-JJS in the Mayor's Operating Budget Detail as well as a readthrough of multiple years' worth of DHS Needs-Based Plan & Budgets suggests that at least one relevant cost is not specifically accounted for (or at least easily found) in the local documents: the cost of state placement, or residential placement facilities operated by the Pennsylvania Department of Public Welfare.

As such, spending calculations tabulated from readily available public budget data are necessarily incomplete. Without actual spending figures for one of the system's most expensive services, effective economic analysis of Philadelphia's juvenile justice system requires estimation.

Fortunately, the DHS Needs-Based Plan & Budget offers a series of visuals related to "total days of care" provided by various types of residential service agencies in a given fiscal year, which—in a *per diem* billing system where said agencies are paid a rate for each day of service rendered to a youth—can be utilized as a useful proxy.

In an attempt to project the total amount of state placement spending in a given fiscal year, the authors of this report took the following steps:

1. Divide the average yearly cost of state placement provided by the PA Juvenile Justice Task Force by 365 to calculate an average daily rate for state placement
2. Multiply this average daily rate by the *total days of care* spent in state placement facilities in a fiscal year as accounted for in the DHS Needs-Based Plan & Budget documents

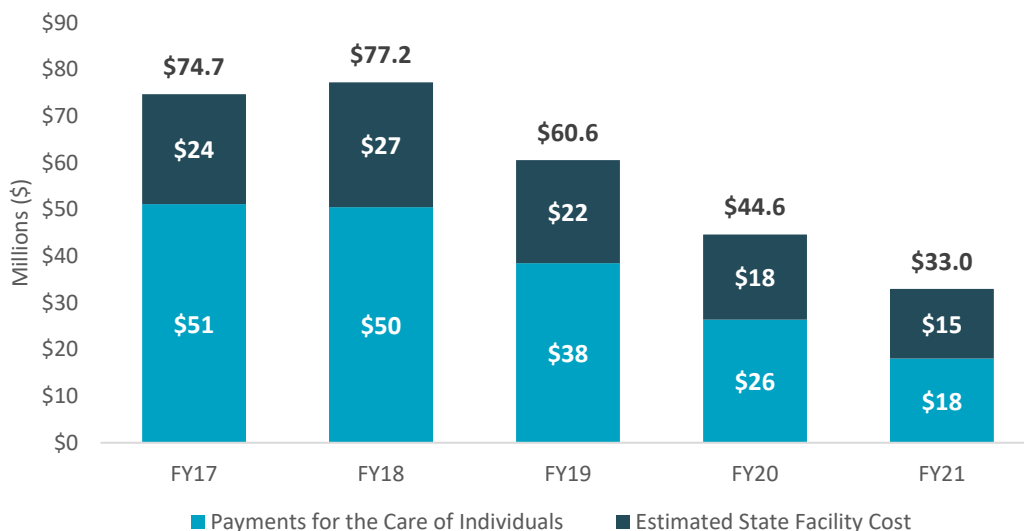
To estimate the total amount of public funding spent on *all residential placement facilities*, then, one may take the following additional step:

3. Add the projected cost of state placement (calculated from steps above) to the total spending figure in the *Payments for Care of Individuals* (i.e., private/nonprofit placement) tab of the Mayor's Operating Budget Detail for the corresponding fiscal year

Figure 3.6 (below) displays the results of these calculations from FY2017 – FY2021, showing that the addition of estimated state placement spending increases the cost of residential placement for Philadelphia youth by an average of \$21 million per year.

To add a sense of proportionality, these new cost considerations (when accounting for the number of youths receiving JPO services each fiscal year as reported in the DHS Needs-Based Plan & Budget) adds an additional \$6,500 to \$7,800 of total costs per youth served by the formal juvenile justice system.

Figure 3.6: Estimated Expenditures: Payments for Care of Individuals and State Placement



Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

Encouraging in the figure above is that even with the addition of projected state placement spending, *aggregate estimated placement costs* have declined substantially over a period of five fiscal years, from approximately \$74.7 million in FY2017 to approximately \$33.0 million in FY2021. This represents an aggregate reduction of approximately 56 percent. The sections of this report to follow will focus on determining where this money has gone, as well as examining some specific ways in which aggregate cost reductions may be strategically reinvested.

*Proportional considerations* again paint a much more complicated picture, however, as state placement costs appear to occupy a likely growing percentage of the overall spending on those youth who *are* ultimately placed. In 2021, for example, state placement cost estimations made up nearly half of *overall projected placement spending*, compared to about one-third in 2017.

This is a significant finding, as it represents a direct inverse of the desirable financial movements outlined in Figure 3.3, where private/nonprofit placement facilities showed a *decrease* in their proportional share of *total DHS-JJS spending* in Mayor's Operating Budget Detail documents.

Although a more complete understanding of the relationship between state and private/nonprofit placement costs would require access to data that is not currently made publicly available, together, these figures raise important questions regarding cost-savings or cost-displacement, and any accounting structure whereby *visible* cost savings may intensify by exposing youth to a more expensive intervention. Under this paradigm, multiple conflicting things may be true: a justice system can become both cheaper and more fair in the aggregate by sending less youth, in total, to residential placement facilities, while simultaneously becoming less efficient, less transparent, and less fair for those youth who *are* ultimately placed by sending a greater percentage of them to *state placement facilities*, a pricey option with low visibility and typically only reserved for the highest-level offenders.

All of this should be part of the public discourse given the system’s high costs and reliance on tax dollars.

### 3.6. A Larger Market Failure: An Unresponsive Placement Ecosystem

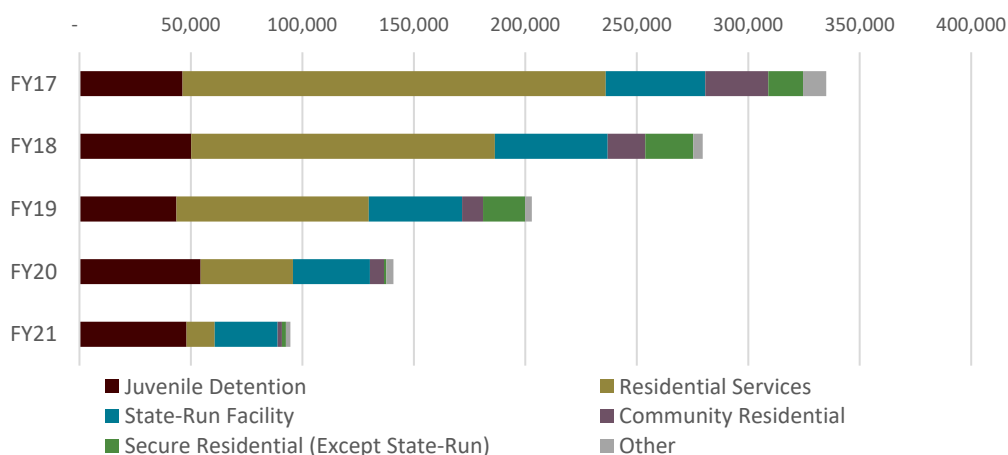
There is, of course, a larger ecosystem of residential facilities than the simple binary of “state” and “private/nonprofit” placement utilized as a conceptual framework by this report to this point.

Examples of these more specific categories included in DHS Needs-Based Plan & Budget documents include: “Juvenile Detention” and “Secure Residential (Except State-Run).”

To get a better understanding of the *total* residential placement picture, one can simply repeat the steps taken to produce Figure 3.6 (previous subsection), only using the *estimated per diem rates* for the various unique placement types (calculated from figures provided by the PA Juvenile Justice Taskforce) and multiplying them by the total days of care spent by youth in each unique placement type (published for each fiscal year in the DHS Needs-Based Plan & Budget).

Figure 3.7 represents the output from the latter half of this exercise, showing the proportion of *total days of care* spent by youth in residential placement in each fiscal year from FY2017-FY2021 that was spent in each of the various types of residential placement facilities.

Figure 3.7: Total Days of Care by Placement Type<sup>37 38</sup>



Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

<sup>37</sup> “Other” refers to the combined categories of Foster Care and Supervised Independent Living.

<sup>38</sup> For all budget figures below: due to data limitations, DAO juvenile division obligations for FY2019 were estimated based on the 2018-19 year-over-year percent change in total DAO obligations.

As per diem billing structures tie payments directly to days of service, it should not be a surprise that as total placement costs decreased substantially over this period (Figure 3.6, previous subsection), the top-level takeaway from Figure 3.7 is that the aggregated days of care provided by all residential juvenile justice programs has dropped by over 70 percent in the last five fiscal years, from nearly 335,000 days of care in FY2017 to less than 95,000 in FY2021.

This is an important outcome for those interested in juvenile justice reform, as research indicates that youth should be supervised in their homes and communities wherever possible.<sup>39</sup> Philadelphia's juvenile justice system leaders should be commended for efforts to reduce the use of residential placement, including concerted efforts by police to reduce unnecessary juvenile arrests,<sup>40</sup> prosecutorial policies mandating that placement only be sought as a last resort,<sup>41</sup> and the expanded use of alternative sanctioning and supervision strategies by judges and probation officers.<sup>42</sup>

A closer look at Figure 3.7, however, reveals once more a more complicated picture, as total days of care spent in various *types* of residential facilities has not decreased *proportionally*. Residential services (or, private/nonprofit, non-secure placement facilities) saw the largest drop in use from FY2017 to FY2021, from nearly 190,000 days of care in FY2017 to 13,000 in FY2021. This marks a 93 percent decrease. Similarly, supervised independent living and foster care (*marked as "other" in Figure 3.7*), secure residential (except state-run), and community residential facilities each saw decreases in days of care of over 79 percent.

Alternately, two other categories of residential placement have not seen such drastic declines, and as such, have become proportionately more important to the overall juvenile justice system: state placement and juvenile detention. Days of care spent in state placement facilities decreased by less than 40 percent over the period FY2017 to FY2021, and days of care at the city's juvenile detention center actually saw a *four percent uptick*, from 46,279 days in FY2017 to 48,005 days in FY2021.

These trends are closely related.

### Detention vs. Placement

Pertinent to the conversation here is a structural distinction:

While the DHS Needs-Based Plan & Budget documents categorize all residential facilities as "placement," in practice, residential placement and detention facilities serve very different functions inside of a juvenile justice system.

- **Placement** is analogous to *prison* in the adult criminal justice system; youth may only be committed if they are adjudicated delinquent (i.e., *found guilty* in the adult system), and they may be committed for a length-of-term. Placement counts as part of a dispositional plan to

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<sup>39</sup>Bontrager Ryon, S., Winokur Early, K., Hand, G., & Chapman, S. (2013). Juvenile Justice Interventions: System Escalation and Effective Alternatives to Residential Placement. *Journal of Offender Rehabilitation*, 52(5), 358–375. <https://doi.org/10.1080/10509674.2013.801385>

<sup>40</sup>Goldstein, N., NeMoyer, A., Le, T., Kreimer, R., Pollard, A., Taylor, A., and Zhang, F. (2022). "Evaluating Impacts of the Philadelphia Police School Diversion Program: An Alternative to Arrest Policing Strategy," p. 87.

<sup>41</sup> Philadelphia DAO. (2019). "Philadelphia DAO's Juvenile Justice Policy". Medium. <https://medium.com/philadelphia-justice/philadelphia-daos-juvenile-justice-policy-9c819fa6e0d3>

<sup>42</sup> Philadelphia Department of Human Services. "Fiscal Year 2020-21 Needs-Based Plan & Budget." <https://www.phila.gov/media/20191119093932/Needs-Based-Narrative-with-attachments.pdf>.



deliver youth “treatment, supervision, and rehabilitation.”

- **Detention** is analogous to *jail* in the adult criminal justice system; youth may be committed to detention at any point in their court proceedings (e.g., for technical violations of probation or community safety concerns) but cannot be committed for a set length-of-term. Detention does not count as part of a dispositional plan to deliver said youth “treatment, supervision, and rehabilitation,” and as such, there is no credit for time-served in detention for youth in the juvenile justice system.

After adjudicated youth are committed by a judge to placement, they are removed from their homes to be transported to a placement facility. If the placement facility to which they are committed has no available space, however, they are held in the local detention center to await transport. Adding a finer point of detail, while some youth committed to private and nonprofit placement facilities may be transported to said facilities “forthwith” (or immediately from the courtroom), nearly all youth committed to state placement will await transport in detention.

In the case study to follow - “A Closer Look at Secure Detention” - this report will offer a more detailed examination of detention, specifically, and show how rising aggregate days of detention care amidst a declining juvenile justice census are a warning indicator of ballooning lengths-of-stay in detention.

As a precursor, we include here a higher-level discussion of basic supply and demand economics with regards to residential placement trends in Philadelphia, where the closure of numerous private/nonprofit placement facilities (Figures 3.4 & 3.5) has reduced the total supply of placement “beds” available for Philadelphia youth who are committed to placement. This, in turn, has placed a higher demand on any given placement bed for every new youth committed to residential placement.

As state-run facilities remain the primary supplier of these beds, and youth await transport to state placement in secure detention, secure detention trends are, at present moment, intrinsically linked to the supply of state placement beds.

As discussed previously, however, while private/nonprofit facilities may have a business case to expand their services in response to local need, state placement beds are a finite resource controlled by the state’s Department of Public Welfare, which has little incentive to respond to any one municipality’s need for more supply. Simultaneously, Philadelphia appears to contract with progressively less, and not more, private/nonprofit placement facilities. This is encouraging if it is reflective of an intentional shift by system leaders to contract with only the number of high-quality facilities needed to meet a decreased demand for placement; it is troublesome, however, if existing supply does not match existing demand.

In this light, the rising proportion of days of care in detention and state placement (Figure 3.7) amidst the declining number of private/nonprofit placement providers allocated funding in the Mayor’s Operating Budget Detail (Figures 3.4 & 3.5) may be seen as indicative of a market failure, whereby the broader residential placement market has failed to meet the demand for service seen in Philadelphia, and Philadelphia has failed to properly incentivize said market to meet said need.

Figure 3.8 (below) demonstrates how these trends may be reflected in costs. Using the per diem rates calculated from figures published by the PA Juvenile Justice Task Force and the days of care counts published in Needs-Based Plan & Budget documents, Figure 3.8 estimates the percentage of total

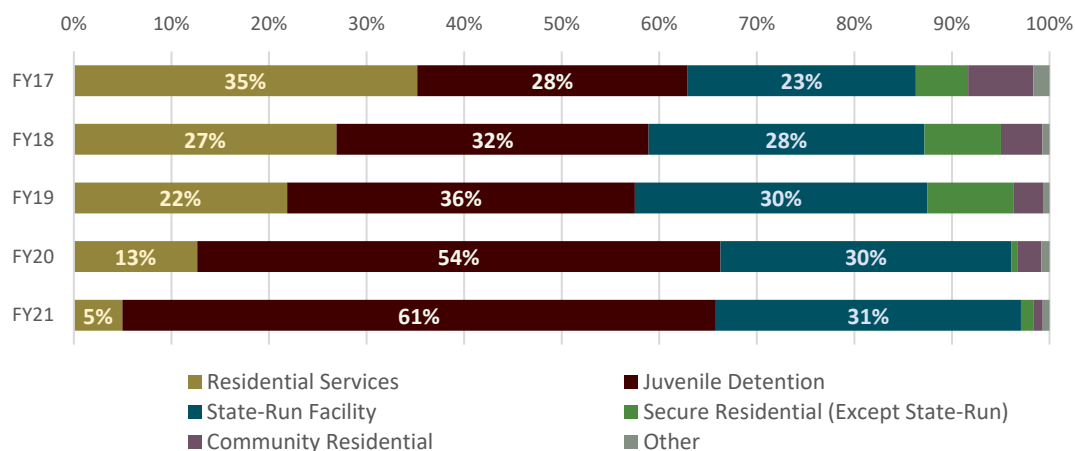
spending on residential juvenile justice services for Philadelphia youth that has been allocated to each type of residential facility in fiscal years FY2017 - FY2021.

Again, we see that while declining arrest rates and the intentional efforts of system actors may have led to estimated decreases in aggregate yearly placement costs by as much \$40 million in this period (Figure 3.6), the proportion of all residential spending *committed to detention and state placement facilities* has increased each year. As a result, ESI estimates that nearly 90 percent of all dollars spent on residential facilities in FY2021 were allocated either to juvenile detention or to state-run placement facilities. This marks a drastic increase from FY2017, where spending on detention and state placement occupied just over 50 percent of total residential spending.

As detention and state placement have the highest two costs and have traditionally been reserved for only the highest-risk youth, this is the least efficient and least developmentally appropriate of all possible spending matrices.<sup>43</sup> Any additional time spent in detention awaiting transport to placement and in state placement that may have otherwise been spent by low-to-moderate risk youth in less intensive facilities may be viewed as indicative of overly punitive services rendered to youth and dead-weight economic loss to taxpayers.

Of note, while the selection of years in this study represents a timeframe when system placement trends were certainly impacted by the COVID-19 pandemic, the case study at the end of this section will demonstrate that these trends have perhaps been exacerbated, not improved, in recent fiscal years. The most recent (FY2023-2024) Needs-Based Plan & Budget, for example, states that the City is down to “only three mid-level placement options with fewer than thirty to fifty (30 to 50) slots available to Philadelphia youth.”<sup>44</sup>

Figure 3.8: Estimated Percentage of Total Placement Spend by Facility Type per Fiscal Year<sup>45</sup>



Source: City of Philadelphia (2017-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

<sup>43</sup> Lambie, I., & Randell, I. (2013). The impact of incarceration on juvenile offenders. *Clinical Psychology Review*, 33(3), 448–459. <https://doi.org/10.1016/j.cpr.2013.01.007>

<sup>44</sup> Philadelphia Department of Human Services. “Fiscal Year 2023-24 Needs-Based Plan and Budget.” [https://www.phila.gov/media/20220725084732/NBB51\\_23-24\\_NT-draft-07-22-22.pdf](https://www.phila.gov/media/20220725084732/NBB51_23-24_NT-draft-07-22-22.pdf)

<sup>45</sup> “Other” category inclusive of Foster Care and Supervised Independent Living.

### 3.7. Putting it all Together: DHS-JJS, State Placement, Juvenile Probation Office, and the DAO - The Additive Public Cost of the Formal Juvenile Justice System

When considering the total cost of serving youth in the juvenile justice system in Philadelphia, one must also account for all costs incurred by system stakeholders. The analysis to follow will attempt to do just that, estimating overall taxpayer spending on Philadelphia's juvenile justice system by assessing the following juvenile justice expenses:

1. Total costs from DHS-JJS, the primary funder of juvenile justice services in Philadelphia, as discussed above.
2. State placement costs, seemingly excluded from DHS-JJS expenses included in the Mayor's Operating Budget Detail, but estimated using the methods described in the previous section.
3. Operating costs for the Juvenile Probation Office (JPO) of the First Judicial District of Pennsylvania, the City department largely responsible for supervising justice-involved youth.
4. Operating costs for the Juvenile Division of the District Attorney's Office (DAO), the City department tasked with representing the Commonwealth in the disposition of all juvenile arrests.

Note that Defender Association costs have not been included here, as public defenders may or may not still provide services to youth who are diverted from the juvenile justice system; as such, it is difficult to classify their services as a binary in-system or out-of-system cost. Given their modest budget, however, this exclusion should not impact any conclusions derived from the aggregate data.

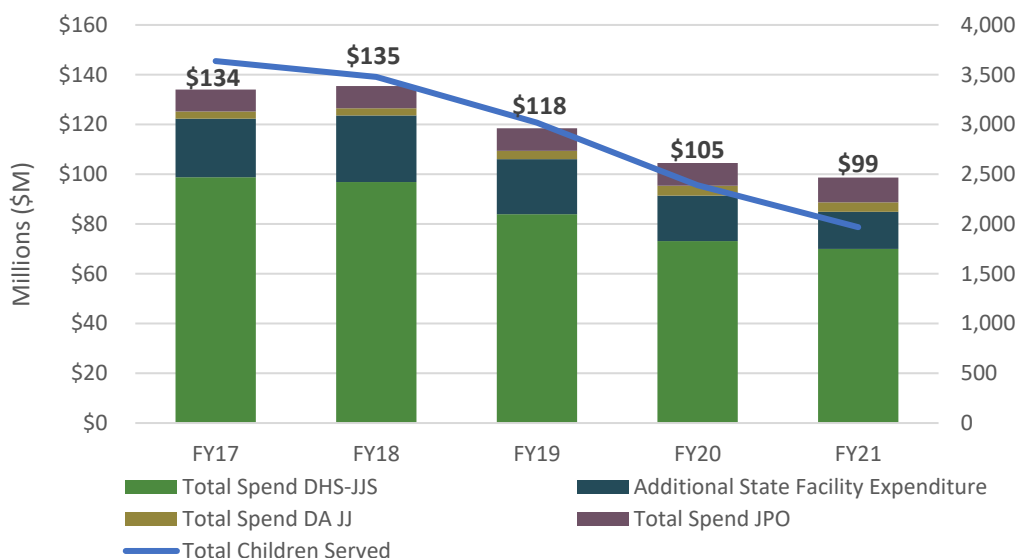
This section began with a visualization of a simple high-level takeaway: DHS-JJS spending has declined substantially in recent years, from \$99 million in FY2017 to \$70 million in FY2021.

Figure 3.9 (below) represents an identical economic analysis, only adding spending on state placement, as well as on DAO and JPO operational costs to the equation in order to reach an overall estimation of spending on Philadelphia's broader juvenile justice system by fiscal year.

As seen below, the inclusion of these additional funding categories increases total estimated juvenile justice spending by tens of millions of dollars per year. For example, FY2017 spending becomes \$134 million, an increase of \$35 million from figures that only examined DHS-JJS spending, and FY2021 becomes \$99 million, an increase of \$29 million.

All newly considered spending figures are represented in the stacked bar categories above "Total Spend DHS-JJS," the green bar at the base of each column.

Figure 3.9: Number of Youth and Total Projected Spending on Juvenile Justice Services, Including DHS-JJS, DAO, State Placement and JPO Costs



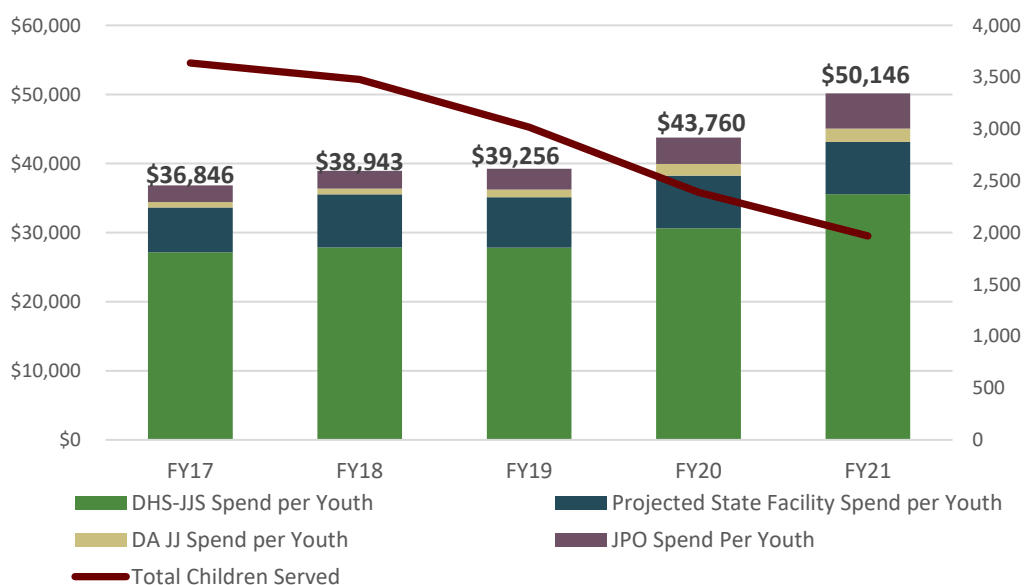
Source: City of Philadelphia (2017-22), Pennsylvania Juvenile Justice Task Force (2021), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

After discussing aggregate spending, this section moved on to a discussion of proportionality, demonstrating how despite aggregate spending declines, if one takes into account the rapidly shrinking size of the system, the cost to DHS-JJS *per youth served* inside of the juvenile justice system has actually increased, from approximately \$27,000 in FY2017 to approximately \$36,000 in FY2021.

Figure 3.10 (below) mirrors this earlier per-youth cost analysis – only with the addition of non-DHS-JJS spending added to the equation. As can be seen, these added costs increase projected per-youth spending amounts, taking the estimated total spend per youth from \$36,846 in FY2017 to \$50,146 in FY2021, an average increase of over \$10,000 per youth annually.

Much of the increase to additional per-youth costs in recent years appears to be driven by a rising proportional spend on probation and state placement.

Figure 3.10: Number of Youth and Projected Per-Youth Spending on Juvenile Justice Services, Including DHS-JJS, DAO, State Placement and JPO Costs<sup>46</sup>



Source: City of Philadelphia (2017-22), Pennsylvania Juvenile Justice Task Force (2021), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

With this total estimated cost per youth established, comparisons can now be made to other youth-serving systems in a manner that controls for any differences between aggregate budgets.

For example, one way to contextualize the magnitude of juvenile justice system spending is by comparing juvenile justice spending to the spending rates of the city's primary youth-serving public institution, the School District of Philadelphia.

In total, the School District of Philadelphia has an expenditure budget of \$4.4 billion,<sup>47</sup> drastically higher than any aggregate local juvenile justice figure that will be shared in this, or any other, report.

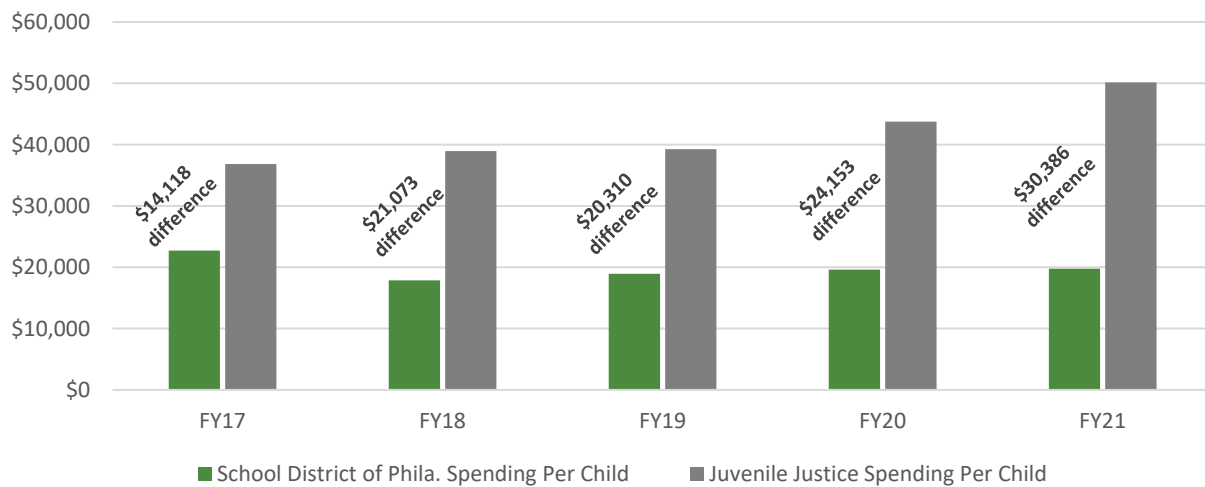
<sup>46</sup> Note: Court costs reflect staffing costs related to juvenile probation at the end of each fiscal year. Detailed court spending data for FY2019 was not included in the Mayor's Budget; juvenile justice court spending for FY2019 was imputed based on the percentage of personal services spending allocated to juvenile probation from the prior year.

<sup>47</sup> The School District of Philadelphia. "Quick Budget Facts." <https://www.philasd.org/budget/budget-facts/quick-budget-facts/>

In each year since 2017, however, the estimated per-child spending rate of Philadelphia's juvenile justice system has been far higher than that of its school district — and by 2021, the per-child cost of supervising youth in the juvenile justice system was more than double that of educating them in school.

As Section 2 demonstrated that youth who enter the juvenile justice system in Philadelphia frequently come from the city's most resource-constrained neighborhoods, figures like the one below should give pause to both taxpayers and juvenile justice stakeholders alike. All parties should take a hard look at the outcomes achieved at this hefty price tag, and if such a substantial investment may be better targeted towards other areas of youths' lives.

Figure 3.11: School District of Philadelphia and Juvenile Justice Spending Per Child



Source: School District of Philadelphia (2017-21), City of Philadelphia (2017-21), Pennsylvania Juvenile Justice Task Force (2021), Econsult Solutions, Inc (2022), Independent Variable LLC(2022)

### 3.8. Case Study: A Closer Look at Secure Detention

#### Reason Selected

This section has highlighted the difference between aggregate and proportionate metrics. While aggregate metrics (such as total spending) are certainly important for understanding the magnitude of any juvenile justice trend, there are decided dangers for any juvenile justice system that relies too heavily on aggregate figures for its performance management frameworks.

In her book *Lean Impact*, author and social innovation professional Ann Mei Chang refers to such aggregate metrics as “vanity metrics” and states the following:

“...vanity metrics tend to reference cumulative or gross numbers as a measure of reach. In the absence of any data on the costs entailed and ensuing impact achieved, they give no indication of whether an intervention is working or is better than an alternative.”

This case study will focus on Philadelphia’s secure detention trends and demonstrate how a hyper-focus on the positive declines in the aggregate number of youth committed to residential facilities in recent years might have masked a rising detention crisis that has come to a head in CY2022.

This crisis marks both an economic inefficiency as well as a treatment concern for Philadelphia youth.

#### A Flat Rate of Institutional Placement Despite Declines in Aggregate Placement Numbers

As discussed throughout this section, through an aggregate lens, the City of Philadelphia has delivered impressive declines in the use of all categories of residential facilities over the last decade.

For example, as shown in Figure 3.12 (below), according to data from Needs-Based Plan & Budget documents, the number of commits to detention (both secure and community-based) has decreased steadily over the past five fiscal years, from just over 2,300 in FY2017 to just over 1,200 in FY2021; a 46 percent total reduction.

As discussed throughout this section, there has also been a 93 percent reduction in total commits to non-state placements (from 1,883 commits in FY2017 to 138 in FY2021), and a 25 percent reduction in total commits to state placement (from 268 in FY2017 to 201 in FY2021).

This aggregate drop in the number of yearly commits to residential placement facilities has consistently been cited as an indicator of juvenile justice success by Philadelphia’s juvenile justice leaders. “Reduction in delinquent residential placements” has been named as a top-three system-level success in all Needs-Based Plan & Budget narratives since FY2021, where it was stated that, “Philadelphia continues to decrease congregate care for youth involved in the Juvenile Justice System. Since December 2014, there has been a 67 percent decrease in delinquent youth placed in congregate care settings.<sup>48</sup> In FY2022, it was stated that, “There has been a 72 percent reduction within the last four and a half years for youth in delinquent residential placements.”<sup>49</sup>

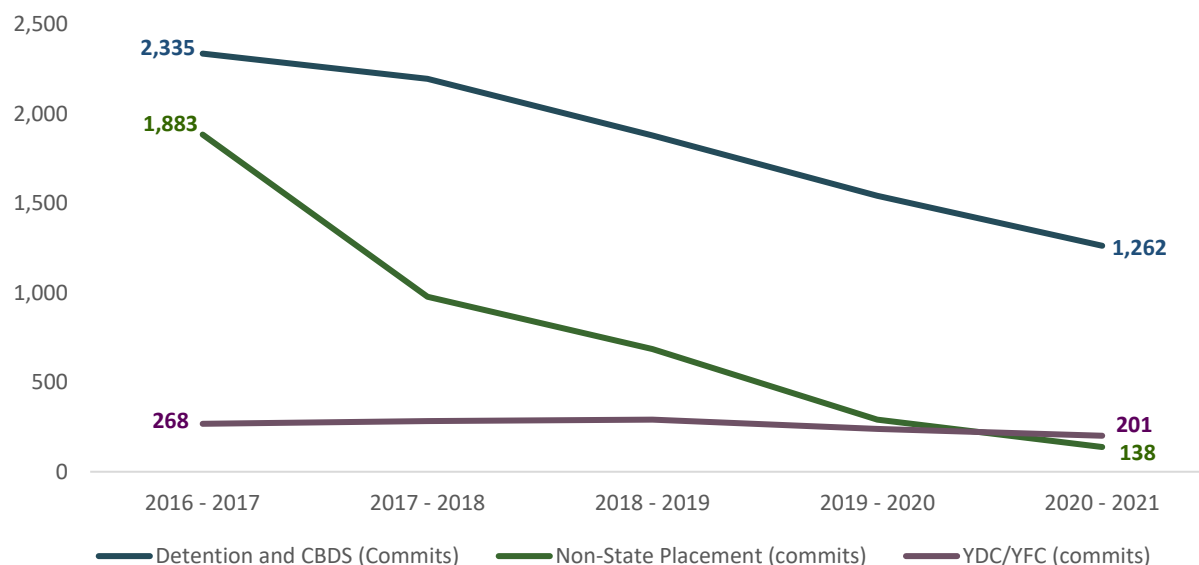
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<sup>48</sup> Philadelphia Department of Human Services. “Fiscal Year 2020-21 Needs-Based Budget.” <https://www.phila.gov/media/20191119093932/Needs-Based-Narrative-with-attachments.pdf>.

<sup>49</sup> Philadelphia Department of Human Services. “Fiscal Year 2021-22 Needs-Based Budget”, p. 7. <https://www.phila.gov/media/20191119093932/Needs-Based-Narrative-with-attachments.pdf>.

Reports from the city's multi-stakeholder Youth Residential Placement Task Force included similar findings, acknowledging that placement facilities needed to be improved, but stating that due to the hard work of local leaders, "These efforts have led to an approximate 50 percent decrease in the number of youth in residential placement over the past five years."<sup>50</sup>

Figure 3.12: Residential Commits by Fiscal Year by Facility Type



Source: City of Philadelphia (2017-2021), Philadelphia District Attorney's Office (2017-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

Importantly, these measurements for success are all based entirely on differences between *aggregate counts of youth*, which, absent any consideration of scale or impact, may classify them as vanity metrics.

To convert a vanity metric to an *actionable metric*, one must include an anchor to help deliver useful insight for one's endeavors. An ecommerce website, for example, should be less concerned with its aggregate number of unique visitors, and more concerned with what percentage of potential customers who visit the landing page click through and make a purchase.

Figure 3.13 (below) presents the output of an effort to help convert aggregate declines in residential commits to an actionable metric. Here, by dividing the aggregate number of placement commits, by placement type, in a given fiscal year (as published in the Needs-Based Plan & Budget) by the aggregate number of youth receiving JPO services in that same fiscal year (also published in the Needs-Based Plan & Budget), we have created a standardized ratio, or rate, of residential commits per youth receiving JPO services; a metric that controls for fluctuations in population size and may be used to spot any gains in system performance.

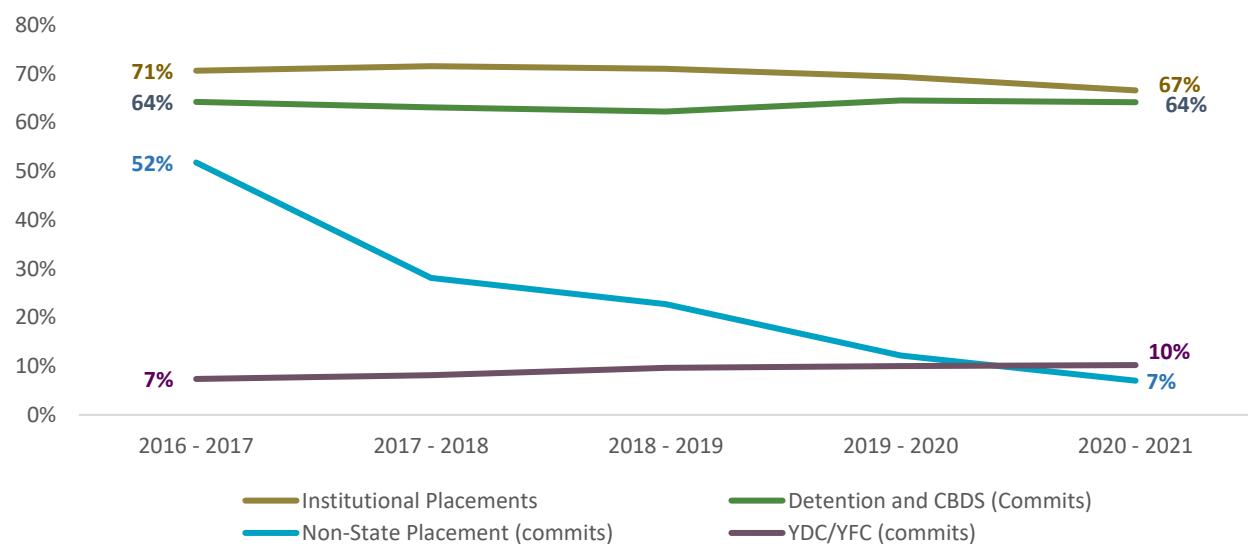
<sup>50</sup> City of Philadelphia. "Youth Residential Placement Task Force: Executive Summary", p. 1. <https://www.phila.gov/media/20210805122136/Youth-Residential-Placement-Task-Force-report-%E2%80%93-Executive-summary.pdf>.



For ease of understanding, in Figure 3.13, this rate was then multiplied by 100 to create percentage. This percentage may be interpreted as the percentage of all youth receiving JPO services who were committed to each type of residential facility in a given fiscal year.

It is also important to note that in addition to listing the individual types of residential facilities, the Needs-Based Plan & Budget also includes an aggregated category called "Institutional Placements," which appears to represent a single indexed count of all residential commits (including commits to both residential placement as well as detention facilities). This aggregate commitment ratio is represented by the "institutional placements" line at the very top of Figure 3.13.

Figure 3.13: Rates of Institutional Commitment Per Youth Receiving JPO Services



Source: City of Philadelphia (2017-2021), Philadelphia District Attorney's Office (2017-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

A quick glance at Figure 3.13 makes it clear that while the aggregate number of youth committed to residential facilities may have declined in recent fiscal years (as seen in Figure 3.12), the total *rate* at which youth were committed to institutions, as a whole, has remained relatively flat, declining from 71 percent in FY2017 to 67 percent in FY2021.

This flat rate of institutional commitment has clearly been driven by a steady use of detention by Philadelphia's juvenile justice system, with a detention commitment rate that remained entirely unchanged at 64 percent from FY2017 to FY2021.

Alternately, this graph shows what appears to be an immense success by the Philadelphia juvenile justice system in reducing the rate at which youth are committed to residential placement. This is driven by a massive drop in the estimated frequency of commitment to non-state placement facilities, with a commitment rate of upwards of 52 percent in FY2017 dropping all the way to seven percent in FY2021. And while the percentage of youth receiving a commit to state placement increased from seven percent to 10 percent over this same time period, this increase is largely nullified, with a combined state and non-state placement rate dropping from 59 percent in FY2017 to 17 percent in FY2021.

This figure again presents a more complicated picture of progress:

- For a system benchmarking itself on a reduction in the exposure of youth to residential *placement* facilities, specifically, this figure marks a resounding success.
- For a system benchmarking itself on a reduction in the exposure of youth to *incarceration*, as a whole, this figure marks very little change.

In practice, the difference between these findings hinges near entirely on the system's use of detention, a trend which appears from Figure 3.13 to be isolated from any changes to residential placement utilization.

And yet, as outlined in the previous subsection, in recent fiscal years, a declining supply of placement providers has made detention and placement trends increasingly interrelated. In the data utilized to produce the figure above, for example, it is not known at which point in a youth's court disposition timeline a placement "commit" is counted for data tracking purposes — a factor which may have a disparate impact on either trend. If counted at the point of order in court, for instance, then the above figure can be seen as painting a picture that is wholly representative of all youth technically *committed* to placement. If counted at the point of *transport*, however, then an insufficient supply of placement beds may increase the rate of detention (as more youth will be committed to detention as they await transport) while decreasing the reported rate of placement (as less youth in a given fiscal year may ultimately make it to their assigned residential placement facilities).

It is likely impossible to fully disentangle the many nuances of this relationship with the information provided. The key to a better understanding of their interplay, however, may reveal itself in another metric: the average-length-of-stay (ALOS) at the local detention center.

### Rising Lengths of Stay

Earlier in this report, fiscal data was used to support a narrative whereby a disconnect between Philadelphia's demand for residential placement beds and the supply of said beds on the residential placement market has led to a rising proportional rate at which state placement and secure detention beds are utilized for youth in need of residential placement.

In recent months, this narrative has been confirmed through public reports, both by local news stories describing five-to-six month waiting periods in secure detention for youth awaiting transport to state placement facilities,<sup>51</sup> as well in the recently released FY2023-FY2024 Needs-Based Plan & Budget, which lists "Lack of mid-level congregate placements" as a top-three juvenile justice system challenge and states that "JJS has lost 300-400 slots for youth and a significant degree of treatment and vocational programming. Subsequently, more youth are being committed to state institutions and oftentimes remain in juvenile detention waiting for available beds."<sup>52</sup>

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<sup>51</sup> Melamed, S. (2022). "Here's how Philly kids ended up sleeping in a DHS conference room for weeks on end." *The Philadelphia Inquirer*. <https://www.inquirer.com/news/philadelphia-dhs-children-offices-childcare-room-backlogs-20220804.html>

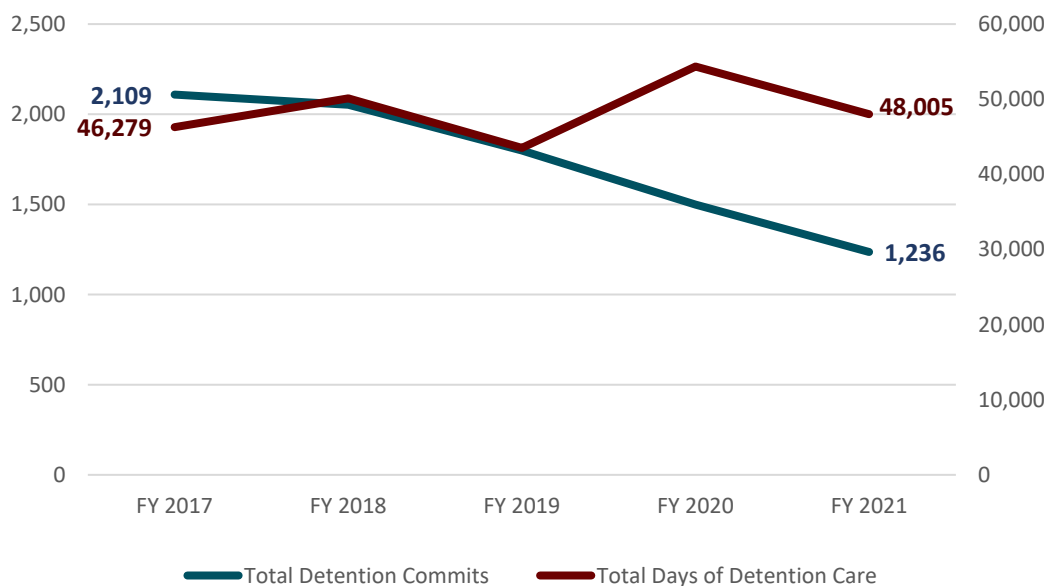
<sup>52</sup> Philadelphia Department of Human Services. "Fiscal Year 2023-24 Needs-Based Plan & Budget." [https://www.phila.gov/media/20220725084732/NBB51\\_23-24\\_NT-draft-07-22-22.pdf](https://www.phila.gov/media/20220725084732/NBB51_23-24_NT-draft-07-22-22.pdf)

Figure 3.14 (below) shows how this trend has been discoverable in City budget data for multiple years.

Here, we return to Needs-Based Plan & Budget documents from FY2017-FY2021 and plot the total number of secure detention commits in each fiscal year by the total days of care spent by youth in the city's secure detention facility in said fiscal years.

Immediately, we see a concerning trend: while the total number of commits to the detention center has decreased each year, the total number of days spent by youth in the city's secure detention facility has moved in the opposite direction over the past two fiscal years.

Figure 3.14: Total Detention Commits v. Total Days of Detention Care



Source: City of Philadelphia (2017-2021), Philadelphia District Attorney's Office (2017-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

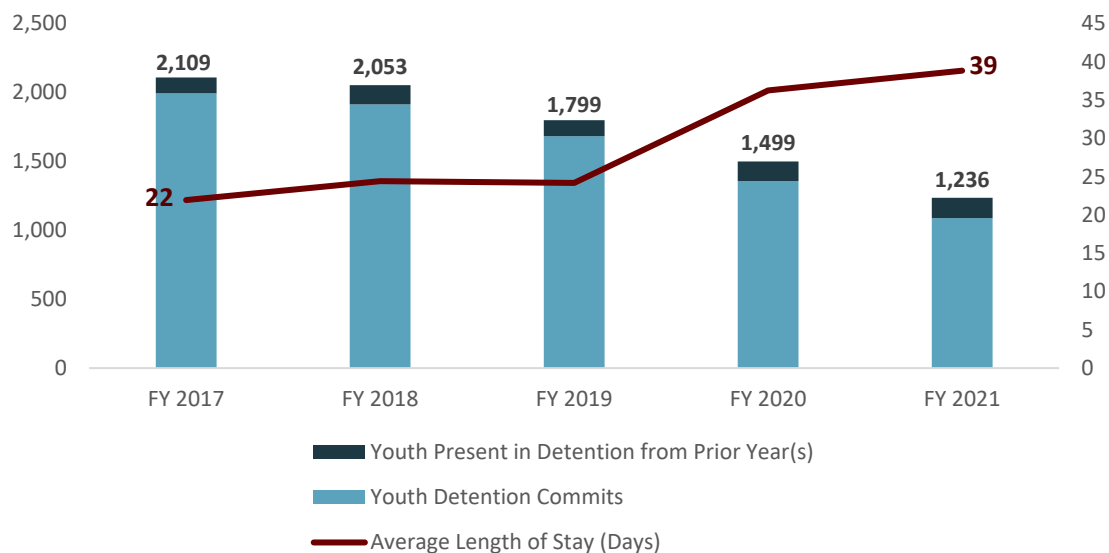
To project an *average length of stay* in detention from publicly available documents, then, one may simply divide the total number of days spent in detention by the total number of youth commits to the city's detention center.

Figure 3.15 (below) plots this calculation against yearly detention population figures and shows that while the number of youth detention commits has consistently decreased from over 2,100 in FY2017 to nearly 1,200 in FY2021, the estimated average-length-of-stay in detention appears to have increased from 22 to 39 days over the same five-year period.<sup>53</sup>

From both an economic and social service perspective, this is a trend of great public concern.

<sup>53</sup> While final figures for FY2022 have not yet been released, indications are that length of stay has continued to increase.

Figure 3.15: Youth Detention Commits v. Average Length of Stay by Fiscal Year



Source: City of Philadelphia (2017-2021), Philadelphia District Attorney's Office (2017-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

## Act 96

It must be noted that for juvenile justice leaders, all trends displayed above were present in the underlying data by the end of FY2021 (or, June 30, 2021).

In FY2022, another exacerbating factor was introduced to the picture: a piece of state legislation known as Act 96, which mandates that all youth detained pretrial must be held in youth detention facilities, including those awaiting trial in adult court who previously did so in adult facilities.

The projected effects of this policy change as described in the DHS-JJS portion of the FY2023 Mayor's Operating Budget Detail:

*"Effective in December 2021, a change in Pennsylvania state law now mandates that all youth, including those pending trial in adult court, be held in youth detention facilities unless specifically mandated by a judge. While the current youth population is very close to meeting our target, we expect that this change will increase the average population over the coming year. DHS is responsible for running this secure detention facility and maintaining state-mandated staffing levels. DHS is partnering with the Courts and Juvenile Probation to address the high volume of youth at the detention center, including taking an in depth look at who is being held and for what reasons."*<sup>54</sup>

The efficacy of efforts related to this latter partnership is vitally important, where two logical strategies to reduce capacity at the PJJC in preparation for the influx of Act 96 youth might entail:

<sup>54</sup> "Mayor's FY2023 Operating Budget Detail Proposed."

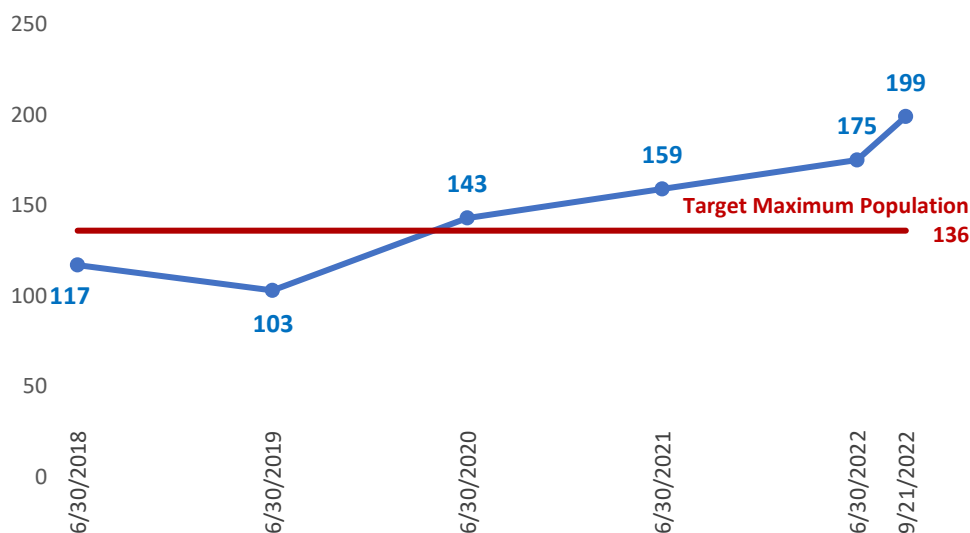
- 1) Reducing the *total number of youth* exposed to detention through strategic changes to juvenile justice stakeholder practices, such as ensuring that risk assessment tools don’t over-recommend detention for low-level youth or funding initiatives to reduce the number of technical probation violations that may result in a detention commitment.
- 2) Improving the *churn rate* (i.e., youth turnover rate) of the detention center by funding strategies to reduce average lengths of stay in detention, including running detention hearings seven-days-per-week instead of three-days-per-week, investing in both community-based and residential placement resources for high-risk youth, as well as in dependent resources for youth with family or housing instability.

Specifics aside, if cross-agency efforts to reduce the detention population in advance of any influx of Act 96 youth were proven unsuccessful, then a crisis of juvenile detention in Philadelphia would seem inevitable. Beyond basic capacity concerns, the arrival of Act 96 also added a second layer of urgency: lower-risk youth would now be housed in the same detention facility as youth charged with homicide and other of the most serious possible offenses, although the two populations are, by law, to be separated from one another by “sight and sound.”

### A Current Crisis

Figure 3.16 (below) plots trends in PJJSC census data included in the last Philadelphia DHS “Quarterly Indicators Report”<sup>55</sup> available at the writing of this report against the targeted yearly census at the PJJSC as published in the Mayor’s Operating Budget Detail at the beginning of each fiscal year. As can be seen, the local detention center is in a state of crisis. Philadelphia’s official 311 website has the PJJSC listed as a 184-bed facility.<sup>56</sup> If these patterns continue, the results appear untenable.

Figure 3.16: Single Day Count of Youth in Detention in Philadelphia, 2018-2022



Source: City of Philadelphia (2017-2021), Philadelphia Department of Human Services (2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

<sup>55</sup> City of Philadelphia Office of Children and Families. (2022.) “Quarterly Indicators Report.” [https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22\\_9.29.22\\_Full-Version.pdf](https://www.phila.gov/media/20221003103048/Quarterly-Indicators-Report-FY22_9.29.22_Full-Version.pdf)

<sup>56</sup> City of Philadelphia. (2021). “What is the Philadelphia Juvenile Justice Services Center (formerly Youth Study Center?).” <https://311.phila.gov/s/article/What-is-the-Philadelphia-Juvenile-Justice-Services-Center-formerly-Youth-Study-Center-1416901515764>

In total then, this case study has used budget data to show a juvenile justice system that has achieved great declines in the use of residential placement facilities in recent years, but simultaneously utilized secure detention at a near identical rate and with increasing lengths of stay. A closer examination of these trends reveals the current capacity crisis at the youth detention center to have been largely predictable, but only through the use of *actionable metrics* and not *vanity metrics* that focus solely on reductions in the aggregate number of residential commits.

If one examines these trends within the context of youth incarceration more broadly, and not simply youth *placement* (a specific type of incarceration), this case study makes interpreting the progress of Philadelphia's juvenile justice system in reducing total exposure to residential confinement more complicated. While Section 2 of this report outlined some of the more specific harms of youth incarceration (inclusive of both detention and placement), we close this case study with a summary of the evidence as written by the Annie E. Casey Foundation, which found that youth incarceration is: "(1) dangerous, (2) ineffective, (3) unnecessary, (4) obsolete, (5) wasteful, and (6) inadequate."<sup>57</sup>

All of these findings must be further contextualized with data presented in Section 2, which revealed that any negative impacts of unnecessary exposure to incarceration will be felt disproportionately by Black and Brown youth from the city's most impoverished neighborhoods.

### 3.9. Key Takeaways

This section began with the introduction of an important trend in Philadelphia's juvenile justice system: large aggregate declines in spending by the City's Department of Human Services – Juvenile Justice Services division ("DHS-JJS") over the last half-decade. We noted that this trend has been paired with a similar decline in the number of youths served by the court system. To get a better understanding of the implications of these trends on system efficiency, we added considerations of proportionality by examining the relationship between aggregate juvenile justice spending and the estimated costs per individual justice-involved youth. We then broadened our analysis to consider additional publicly funded youth services. We concluded our analysis with a detailed examination of residential placement and detention utilization and spending trends, which appear to be most directly tied to both reductions in aggregate juvenile justice spending and rising per-youth costs.

Research and data analysis led to the following key takeaways:

- ❖ **The juvenile justice system has downsized in recent years. Spending is down, and fewer youth are being served by the system.** There has been a drastic decrease in juvenile justice spending over the last decade. In total, actual spending by DHS-JJS, the system's largest funder, in FY2021 was \$70 million. This is \$49 million less than what was incurred in FY2014, when the department spent \$119 million; a 41 percent decrease. This decrease can potentially be attributed to several trends, including large declines in juvenile arrests that saw an approximate 46 percent reduction in the number of youth receiving court services from FY2017-2021, as well as large declines in the total number of youth committed to residential placement facilities, one of the costliest juvenile justice services.

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<sup>57</sup> Casey Foundation. (2011). *No Place for Kids*. Casey Foundation. <https://assets.aecf.org/m/resourcedoc/aecf-NoPlaceForKidsFullReport-2011.pdf>

- ❖ **Although aggregate spending has gone down, proportional costs — i.e. costs per child served by the courts — have increased.** When accounting for DHS-JJS, state placement, juvenile probation, and DAO costs, ESI analysis found the average projected public spend per youth receiving court services in FY2021 was more than \$50,000, up from nearly \$37,000 in FY2017. This is substantially higher than in other youth serving systems, such as the school district, where the average per-child spend is approximately \$20,000. There may be numerous hypotheses to explain this trend, including (but not limited to): a decline in arrests resulting in only the most high-risk youth entering the juvenile justice system, market inefficiencies resulting in expensive services being ordered more frequently regardless of youths' risk-levels, and/or a City juvenile justice budget with a high proportion of fixed operational costs that are unresponsive to reductions in the number of youth served.
- ❖ **Declines in aggregate costs are driven primarily by a reduction in private/nonprofit residential placement facilities.** In FY2017, the majority of all DHS-JJS spending was allocated to private/nonprofit residential placement facilities (as measured by the "Payments for the Care of Individuals" budget item); by FY2021, only about one-quarter of DHS-JJS spending went to private/nonprofit residential placement facilities. Our analysis in this chapter found that the number of major private/nonprofit residential placement facilities serving Philadelphia youth has declined dramatically; Chapter 4 will provide more context for this trend. **This reduction in private/nonprofit residential placement facilities is associated with the rising prominence of two other types of residential facilities:**
  - **State-run residential placement facilities have become increasingly utilized, although they are not clearly accounted for in public budget documents associated with the City's largest juvenile justice agencies.** State placement facilities have become increasingly important as many private/nonprofit placement facilities have closed. These state facilities, which are costly and have traditionally served only the most serious youth offenders, have become the primary placement option for all Philadelphia youth in need of residential supervision. Yet costs related to state-run residential placement facilities do not seem to appear on the portions of the municipal budget associated with the City's largest juvenile justice agencies. This suggests an economic and treatment inefficiency that is not easily discoverable in public financial documents.
  - **Secure detention spending is up on aggregate despite overall juvenile justice spending reductions, and lengthy stays in secure detention are becoming increasingly common.** While the use of residential placement, in the aggregate, has declined dramatically, the use of secure detention, specifically, has remained steady. In recent fiscal years, in fact, the population at the youth detention center as well as the average length of stay in detention have both *increased* substantially, with news articles as well as City budget documents attributing a prime cause of this trend to longer wait times in detention for increasingly sparse vacancies in state placement facilities. This overall narrative is supported by ESI budget projections estimating that by FY2021, over 90 percent of spending on institutional days of care was spent on secure detention and state placement, compared to just over 50 percent in FY2017.

- ❖ **A closer look at secure detention trends reveals a population crisis that has been years in the making.** A two-pronged strategy to avoid such a crisis could center on: 1) reducing the *total number of youth* exposed to detention, and 2) improving the *churn rate* of the detention center. Some examples of the former include ensuring that risk assessment tools don't over-recommend detention for low-level youth and deploying approaches to reduce the number of technical probation violations. Examples of the latter include holding detention hearings more frequently and investing in both community-based interventions and residential placement resources for high-risk youth, as well as in dependent resources for youth with family or housing instability. These approaches make both financial and social service sense given the established inefficacies of long stays in detention.

In total, our analysis reveals that Philadelphia's juvenile justice system has achieved substantial progress in reducing its total costs in recent years, while also reducing the total number of youths served by its most intensive treatments. However, the system's reporting frameworks — which are centered on aggregate, not proportional, metrics — may have masked certain systemic inefficiencies in the treatment of youth that have grown progressively more prominent. In the following section, we give further recognition to the fact that government spending does not occur in a vacuum, and that the large reductions in size and expense of Philadelphia's juvenile justice system outlined above were certainly affected by any number of political, bureaucratic, and societal factors. We explore these factors in light of their potential impacts on a shifting juvenile justice paradigm, with a specific focus on which policies and stakeholders may ultimately drive the greatest efficiency gains.



## 4. System Shocks: An Acceleration of Change

### 4.1. Section Overview

The following section examines the shifting landscape that was associated with the rapid declines in the aggregate size and cost of the juvenile justice system from FY2018 – FY2021. It begins with a discussion of three unforeseen shocks to the existing juvenile justice paradigm during this period, then moves towards a more in-depth analysis of their likely economic effects. While the previous section largely examined reductions in *between-year* spending figures, this section adds a more nuanced notion of cost-reduction, exploring efficiency gains as a function of the difference between what a city is *prepared to spend* on an activity in a given fiscal year and what it *actually spends* on said activity. The section then revisits an earlier question of how one might achieve maximum economic impact in a juvenile justice system with rising-costs-per-youth served and expounds upon the unique power of front-end gatekeepers within such a paradigm. Accordingly, the section concludes with an in-depth case study of the Philadelphia DAO's efforts to drastically expand its juvenile diversion programming in recent years, and outlines why this is a particularly cost-efficient mechanism for reform if implemented effectively.

Since the writing of this report was undertaken in partnership with the DAO to help the office best understand its potential impacts within the broader juvenile justice ecosystem, the figures throughout the following section will often include overlays indicating how the associated trends align with the start of DA Krasner's administration. This section, more than others, will focus largely on the unique role of a District Attorney's Office.

### 4.2. A Shifting Paradigm Born from Rapid Changes

In economic modeling, the concept of an "economic shock" may be defined as "an event that occurs outside of an economy, and produces a significant change within an economy."<sup>58</sup> As it relates to the economics of juvenile justice in Philadelphia, the period of FY2017 to FY2021 brought about three such unforeseen shocks that would drastically alter the juvenile justice paradigm:

1. First among these shocks was the unconventional election of District Attorney Larry Krasner in November 2017. Krasner, a defense lawyer and former public defender, was elected in an open campaign after the indictment of former District Attorney Seth Williams in 2017. Krasner campaigned on a progressive policy platform that centered criminal justice reform and represented a break from the status quo.
  - o After DA Krasner took office, he unveiled a sweeping juvenile justice reform policy program that prioritized reducing detention, increasing use of diversion programs, and using residential placement only as a last resort, among other reforms.<sup>59</sup> In 2021, he was re-elected to a second four-year term.
2. Also beginning in 2017 (but continuing over the following years), press coverage began to intensify around child abuse and other violent incidents in several of the most prominent

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<sup>58</sup> "Economic Shock." Investopedia. <https://www.investopedia.com/terms/e/economic-shock.asp>.

<sup>59</sup> Philadelphia DAO. (2019). "Philadelphia DAO's Juvenile Justice Policy." Medium. <https://medium.com/philadelphia-justice/philadelphia-daos-juvenile-justice-policy-9c819fa6e0d3>.

residential placement facilities utilized by Philadelphia's juvenile justice system.<sup>60</sup> In response, over the next few years, several of the largest placement facilities utilized by the City of Philadelphia were either closed entirely or ceased contracting with the local DHS-JJS; most were not replaced. Public and political pressure following these news articles mounted, and City committees were formed to encourage system leaders to reduce their use of residential placement.<sup>61</sup> This led to further closures of underutilized facilities.

- o The corresponding policy shifts and decrease in the number of available placement beds has led to both large declines in the usage of residential placement as well as a change in the placement landscape, with increased demand for beds at state placement facilities and increased lengths-of-stay in detention for youth awaiting placement (See Section 3).
3. In 2020, the COVID-19 pandemic further upended the juvenile justice paradigm. Courts temporarily closed their doors to slow the spread of the pandemic, while community-based and residential service providers all were forced to shift service models.
- o As COVID-19 policing policies mandated that police only take serious offenders into custody, youth arrests in the city plummeted.<sup>62</sup> This was furthered by a closure of schools, which typically account for approximately 15 percent of youth arrests. At the same time, the societal upheaval of the pandemic was associated with a spike in violent crime nationwide, with a similar impact on Philadelphia.

With these factors combined, as the City of Philadelphia emerged from the most severe phase of the pandemic in 2021-22, its juvenile justice system had undergone a series of dramatic changes.

The following subsections will examine the impacts that these (and other) changes have likely had on said system's outcomes and budgets.

A more detailed timeline of the events described above can be found in Figure 4.1 (next page). Of note, this timeline is constructed in the most accurate manner possible using public reporting and budget documents. As Philadelphia's decision to stop contracting with each residential placement facility was not reported publicly, certain placement closures are gleaned from when said facilities stopped receiving funding appropriations on City budget documents. As such, it is possible that some closures in Figure 4.1 are credited to the fiscal year after the facility in question first stopped receiving Philadelphia youth.

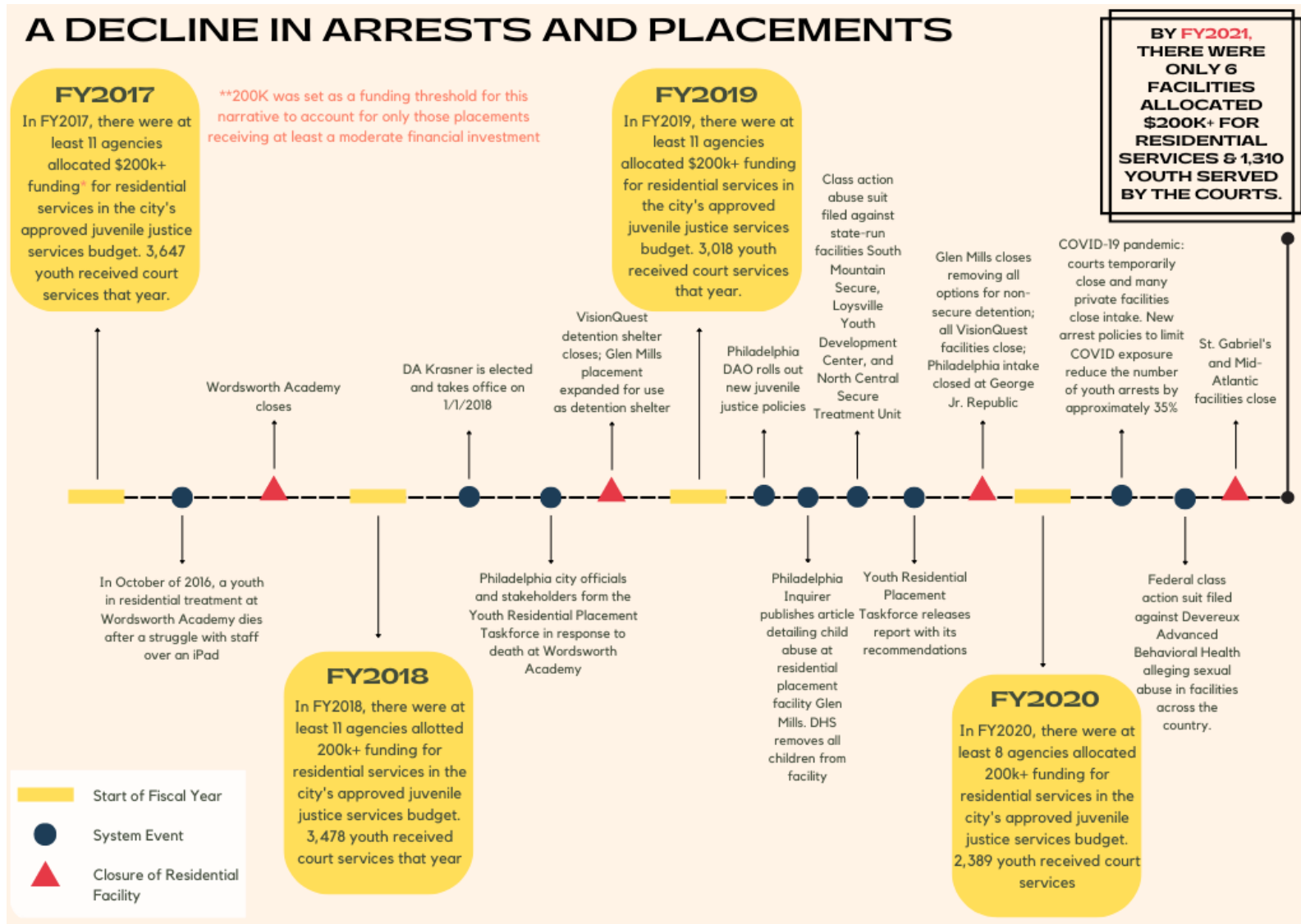
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<sup>60</sup> Phillips, N. and Palmer, C. (2017). "Death of teen at Wordsworth in fight over iPod ruled homicide." *The Philadelphia Inquirer*. <https://www.inquirer.com/philly/news/Death-of-teen-at-Wordsworth-was-homicide-Medical-Examiner-says.html>; Gammage, J. (2018). "Accused of harming children at its North Philly shelter, VisionQuest now plans to house immigrant youth here." *The Philadelphia Inquirer*. <https://www.inquirer.com/philly/news/visionquest-immigrant-children-philadelphia-shelter-abuse-20181026.html>; Gartner, L. (2019). "At Glen Mills Schools, boys are beaten, then silenced." *The Philadelphia Inquirer*. <https://www.inquirer.com/crime/a/glen-mills-schools-pa-abuse-juvenile-investigation-20190220.html>; Conde, X. (2020). "Philly removes children from Devereux facilities after sex abuse revelations." WITF. <https://www.witf.org/2020/09/24/philly-removes-children-from-devereux-facilities-after-sex-abuse-revelations/>

<sup>61</sup> Loeb, P. (2019). "Following death and abuse of youth in placement, Philadelphia task force recommends changes." KYW Newsradio 1060. <https://www.audacy.com/kywnewsradio/articles/news/philly-task-force-recommends-changes-in-youth-placement>.

<sup>62</sup> Yilek, C. (2020). "Philadelphia police stop some arrests to manage jail crowding during coronavirus pandemic," *Washington Examiner*. <https://www.washingtonexaminer.com/news/philadelphia-police-stop-some-arrests-to-manage-jail-crowding-during-coronavirus-pandemic>.

Figure 4.1: Timeline of System Shocks, 2017-22



Source: Independent Variable LLC (2022)

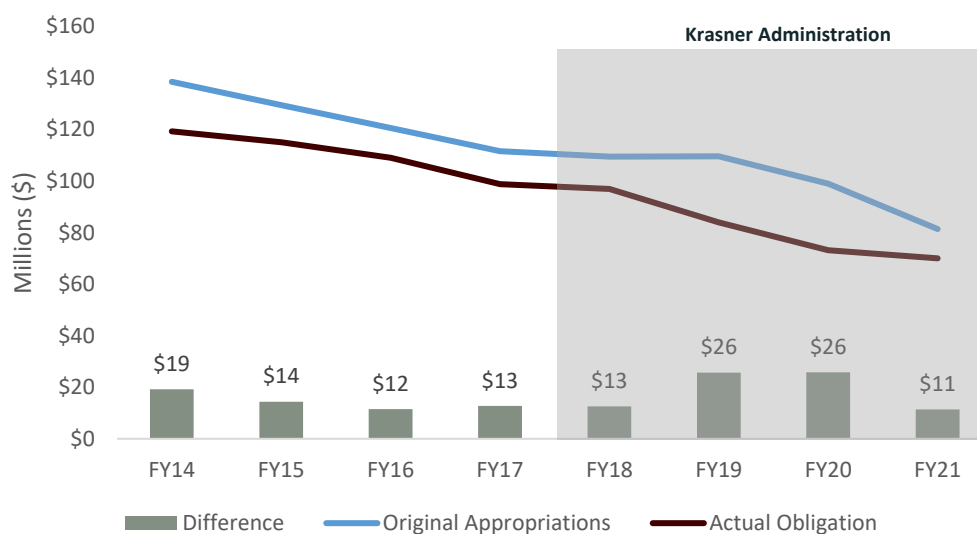
### 4.3. Budgetary Impact: Appropriations v. Obligations

In the Philadelphia Mayor's Operating Budget Detail, there is a difference between a City department's budget *appropriations* in a given fiscal year, and that department's actual financial *obligations* in said fiscal year. Budget appropriations for a department appear on the Mayor's Operating Budget Detail at the beginning of each fiscal year and represent money *approved* for spending through the City's annual budget-making process, while actual obligations typically appear on the Operating Budget Detail years later and memorialize the amount of money that was actually spent in practice.

As Section 3 looked at aggregate juvenile justice *spending*, it can be said to have examined the actual *obligations* of various juvenile justice stakeholders, beginning with a look at the obligations of DHS-JJS from FY2014-FY2021. Since DHS-JJS is the largest juvenile justice funder, these obligations were included to afford an initial snapshot of spending trends for the juvenile justice system at large.

In Figure 4.2 (below), we examine DHS-JJS budgetary data from the same timeframe, only now consider how the spending obligations outlined in Section 3 compare to the beginning-of-year *appropriations* afforded to the department each fiscal year. Here, the idea is that any economic impacts caused by the system shocks outlined in the previous subsection may show up in the following analysis as accelerated differentials between budget appropriations and obligations, with rapid system changes causing actual spending to decline faster than what system leaders could have anticipated in their beginning-of-year budgets.

Figure 4.2: Budget Appropriations v. Actual Spending by DHS-JJS by Fiscal Year (\$ Millions)



Source: City of Philadelphia (2014-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

As seen above, from FY2014 to FY2021, the appropriations for DHS-JJS in the Mayor's Operating Budget Detail exceeded DHS-JJS actual obligations by more than \$133 million. This indicates that over an eight-year period, DHS-JJS was prepared to spend an average of \$17 million more per year on juvenile justice services than what was ultimately spent.

In-line with the key takeaways from Section 3, a closer review of budget documents reveals that much of this drift from anticipated spending comes from declines in the use of residential placement, with \$97 of the \$133 million in unspent funds intended for Payments for Care of Individuals, the budget-line responsible primarily for private/nonprofit residential placement facilities.

The period of system shocks outlined at the beginning of this section corresponds roughly with a marked acceleration of yearly drift from expected spending in Figure 4.2, where the average difference between budget appropriations and actual obligations increased from approximately \$15 million per year in FY2014-17 to approximately \$19 million per year in FY2018-21.

A closer look reveals that this acceleration in savings was driven primarily by two large outlier years in FY2019 and FY2020, where this differential ballooned to \$25 million. While it is unclear if these relationships are causal, it is of interest that the first of these years aligns with the publication of a Philadelphia Inquirer article uncovering child abuse at a residential placement facility named Glen Mills (and subsequent closing of said facility) as well as the rollout of DA Krasner's new juvenile justice policies; the second year corresponds to the onset of the COVID-19 pandemic.

These specifics aside, from a strict economic perspective, the point here is a more basic one: juvenile justice spending has declined far more sharply than have juvenile justice budget appropriations in recent years, leaving substantial sums of money unspent that were approved for juvenile justice services.

We were not able to find any public accounting of how these funds may have been reinvested.

#### 4.4. Placement Impact: More Than Just a Decline in Arrests

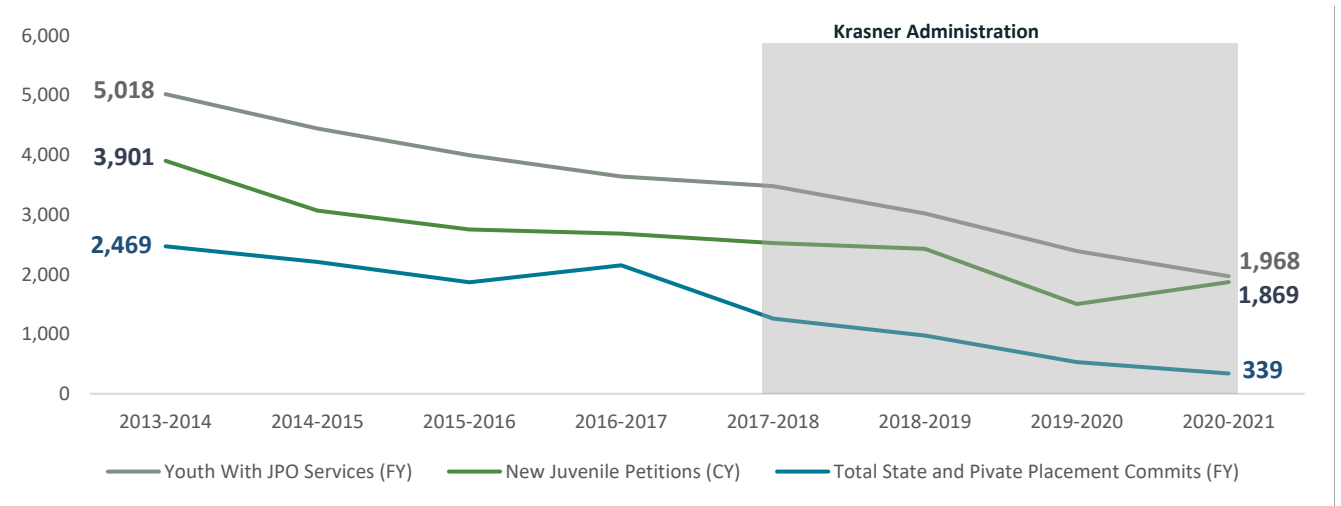
Section 3 discussed at great length the dangers of drawing conclusions solely from an examination of aggregate figures. Often, this discussion centered on the proper interpretation of residential placement statistics, as a reduction in the use of residential placement facilities has been both a unified goal of the broader juvenile justice system in recent years as well as one of its greatest celebrated successes, and yet very few of these public success metrics are expressed proportionally. This makes it very difficult to assess impact.

Figure 4.3 (below) shows why this is so. Here, we can see that since FY2014 (the first year for which we found the relevant publicly available local data), there has been a steady decline in the number of youths entering the Philadelphia juvenile justice system. This is reflected both by a decline in the number of new juvenile petitions reported by the Juvenile Court Judges' Commission (JCJC), and a decline in the number of youths receiving JPO services as reported in the Needs-Based Plan & Budget.<sup>61</sup>

Data from the Needs-Based Plan & Budget also shows a substantial decline in the aggregate number of commits to residential placement during this same time frame.

At a glance, while it is obvious that all trends are declining, it is very difficult to understand how these declines may relate to one another, and if any may be fueling the other. Is there a scenario, for example, where reductions in the aggregate number of youth in placement are driven solely by reductions in the aggregate number of youth served? Or an alternate scenario, where the number of youth in placement declines but not as fast as the number of youth served, which might indicate a system becoming increasingly punitive despite sending lesser total youth to placement?

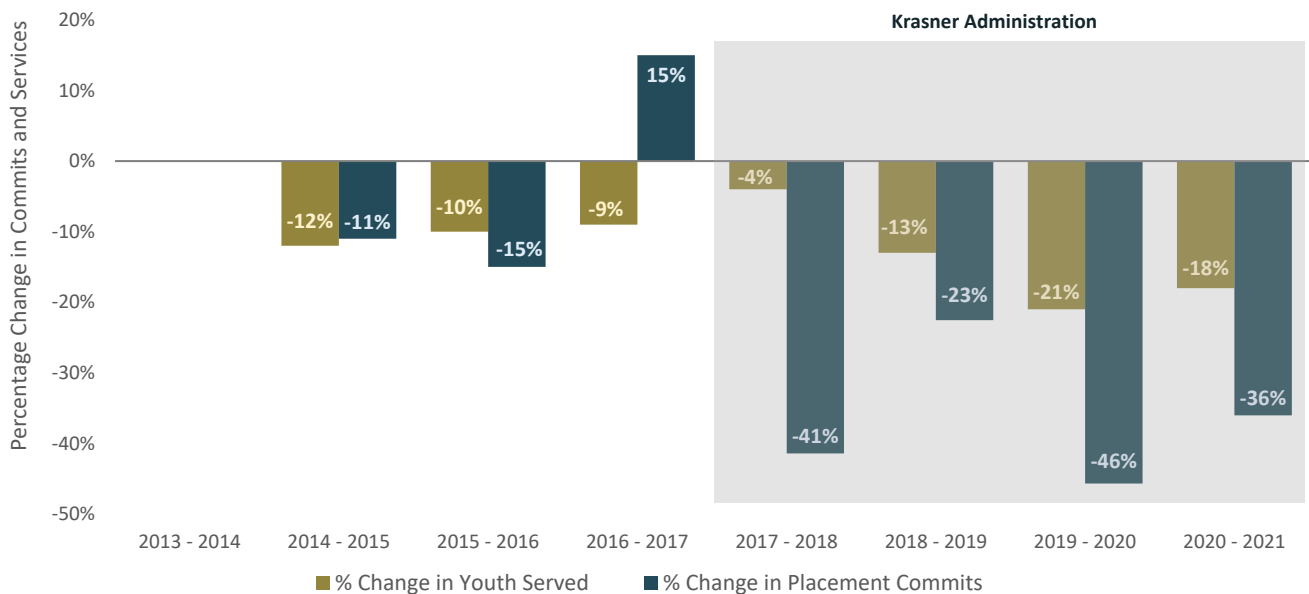
Figure 4.3: Declines in Youth Served, Juvenile Petitions, and Total Placement Commits



Source: Philadelphia District Attorney's Office (2013-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

Figure 4.4 (below) offers a much clearer snapshot of these relationships, and demonstrates, once more, a drastic acceleration of change in the period of system shocks discussed in this section. Here, the bar graphs represent the percentage change from the previous fiscal year to either the aggregate number of youth served (green bar) or the aggregate number of placement commits (blue bar) inside of Philadelphia's juvenile justice system. This relational metric allows us to see if declines in total youth and total placements are moving proportionally (which might suggest fluctuations in placements to be a downstream effect of fluctuations in arrests), or disproportionately (which might suggest the actions taken by system stakeholders post-arrest to have an impact on placement rates).

Figure 4.4: Percent Change in Residential Placement Commits v. Percent Change in Youth Receiving JPO Services



Source: Philadelphia District Attorney's Office (2014-22), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

As can be seen here, while there were certainly between-year declines in the aggregate number of placement commits in multiple fiscal years before FY2018, these declines were largely proportional to the decline in total youth served, with the biggest difference coming in FY2016, when the decline in total placement commits (15 percent) was 1.5 times the decline in total youth served (10 percent). This indicates that in these years, it is largely possible that fewer youth were committed to placement than in the previous fiscal year because there were simply fewer youth served by the juvenile justice system. This same holds true for FY2015, where declines in youth and declines in placement were near identical, at 12 and 11 percent.

A clear acceleration in this pattern can again be seen in FY2018, coinciding with the system shocks described throughout this section. Here, FY2018 saw the first of several dramatic year-over-year declines in residential placement, with a decline in total placement commits from the previous fiscal year (41 percent) that was roughly ten times the size of the decline in total youth served (4 percent), as well as nearly triple the highest decline in placement commits seen in any previous fiscal year.

FY2018 marks the fiscal year that DA Krasner took office. While it certainly cannot be said that this particular system shock can be credited in full with such a drastic impact, it can be said that Figure 4.4 makes clear that the decline in aggregate placement seen in FY2018 is both more pronounced than in any other year and cannot be explained as a simple downstream effect of declines in juvenile arrests. While it is certainly exaggerated by the uptick in placement commits the previous fiscal year, it is important to note that while the highest between-year decline in placement commits prior to DA Krasner's election was 15 percent, the lowest decline since his election has been 23 percent, with declines of over 30 percent in three of four fiscal years for which data was available at time of writing.

Of course, much of these latter declines may also be attributed to the second and third system shocks discussed in subsection 4.2: the closure of numerous placement facilities following public accounts of abuse and the COVID-19 pandemic. COVID-19 effects, specifically, may be seen in FY2020, where placement commits dropped another 46 percent and total youth served dropped by 21 percent; both the highest between-year declines in this figure.

The impact of COVID-19 on juvenile *arrests*, specifically, is discussed in greater detail below.

#### 4.5. Arrest Impact: A Smaller System With More Serious Offenses

Figure 4.5 shows available DAO juvenile arrest data from two years prior to the COVID-19 pandemic and two years following the COVID-19 pandemic (updated through start of analysis on September 30, 2022).

While the lack of continuous data is certainly a limitation, there are two immediate takeaways nonetheless:

1. Youth arrests went from approximately 2,340 and 2,240 in CY2016 and CY2019, to approximately 1,450 in CY2021 and a projection for 1,620 in CY2022. This marks an approximate 28 - 35 percent reduction in total arrests from available pre and post pandemic statistics.
2. The percentage of youth arrests with a lead felony charge have increased from approximately 69 percent and 75 percent in CY2016 and CY2019, to approximately 85 percent and 83 percent in CY2021 and CY2022 (projected). Felony offenses now occupy an approximate 13 percent greater share of the total youth arrest census, and over 80 percent of youth arrests in absolute terms.



In short, the post-pandemic juvenile justice system has shrunk substantially in size but is comprised of a greater percentage of youth charged with more serious offenses.

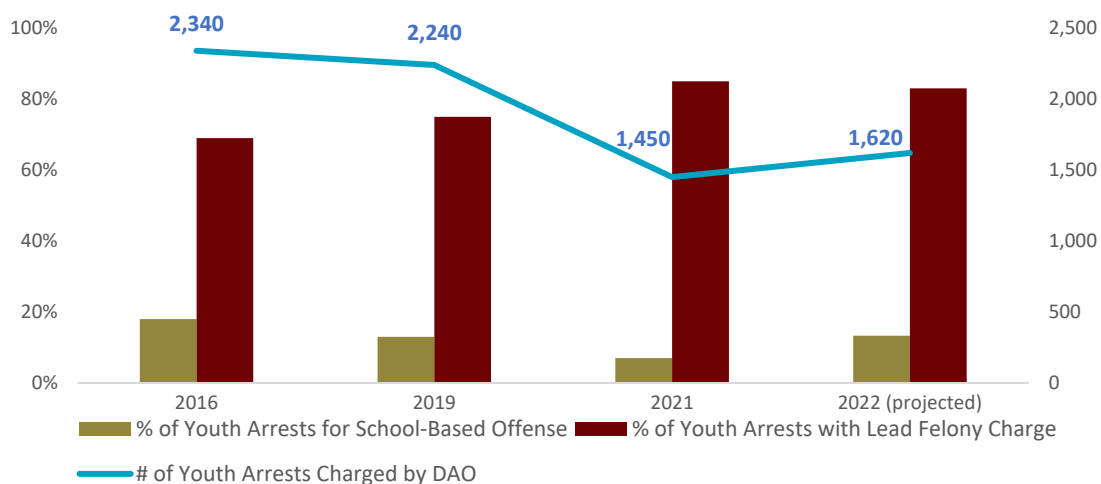
This change could be associated with concurrent changes in post-pandemic policing. As described in subsection 4.2, at the onset of COVID-19, as police policies mandated that police only take serious offenders into custody, youth arrests in the city plummeted.<sup>63</sup> In the wake of the pandemic, like many police departments, the Philadelphia Police Department has experienced a staffing shortage<sup>64</sup> just as the city has been impacted by a similar spike in violent crime as that which has been seen across the country.<sup>65</sup> In this fashion, pre-pandemic policies of arresting only those youth accused of the most serious offenses appear to remain the status quo, and have established a new post-pandemic juvenile justice arrest paradigm.

These trends offer context for figures to be shared throughout this report, including those related to costs, placement, and reform efforts. In practice, those stakeholders who do not adjust their business models to meet this new paradigm are likely to produce inefficiencies, both in maintaining inappropriate staffing levels despite a decreased census and providing an inappropriate menu of services given the new concentration of higher risk youth to be served.

A drastic decline in youth arrests, if sustained, will also make it very difficult for system stakeholders to contextualize success using comparisons to historical recidivism metrics. Reduced arrest rates, overall, may make such present-day metrics look favorable regardless of actual impact.

Alternatively, it likely cannot be said that any juvenile justice policies over the past two fiscal years have led to increases in youth arrests (although arrest rates also cannot be said to equal crime rates).

Figure 4.5: Youth Arrest Trends Over Time



Source: Philadelphia District Attorney's Office (2016-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

<sup>63</sup> Yilek, C. (2020). "Philadelphia police stop some arrests to manage jail crowding during coronavirus pandemic." *Washington Examiner*. <https://www.washingtonexaminer.com/news/philadelphia-police-stop-some-arrests-to-manage-jail-crowding-during-coronavirus-pandemic>.

<sup>64</sup> Orso, A., and Briggs, R.W. (2022.) "The Philly police department is short 1,300 officers. Here's why the situation is about to get worse." *The Philadelphia Inquirer*. <https://www.inquirer.com/politics/philadelphia/philadelphia-police-shortage-worsening-hundreds-retiring-20220819.html>.

<sup>65</sup> Kaste, M. (2022). "Shootings spiked during the pandemic. The spike now looks like a 'new normal'." NPR. <https://www.npr.org/2022/08/29/1118786281/shootings-during-pandemic-new-normal>



## 4.6. Case Study: A Closer Look at the Impacts of Diversion, A Key DAO Strategy

### Reason for Selection

Section 3 took a closer look at the decreasing aggregate costs of the juvenile justice system and found that while both total spending and the total number of youth served by the system are decreasing, the average cost per child continues to increase. In such a cost structure, it is the gatekeepers at the entrance of the juvenile justice system who likely wield the highest potential economic impact, as the mere act of a youth progressing inside of said system may represent an economic inefficiency.

Given these factors, the DAO's emerging focus on expanding its pre-petition diversion program as an alternative to formal court processing for an increasing number of youth represents an encouraging possibility for change. If successful, diversion can both improve life outcomes for justice-involved youth and drastically reduce the financial burden of juvenile justice services on the general public.

The following case study will detail the state of youth diversion in Philadelphia under the current DAO administration and examine the potential impacts of this new strategy for expansion.

### The Power of Prosecutorial Discretion: Youth Diversion

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 employees of an elected office, District Attorneys and Assistant District Attorneys (ADAs) in Pennsylvania 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, stop a youth's case from progressing to formal court proceedings and instead refer said youth to 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.

Youth in pre-petition diversion programs are not subject to court hearings or probation restrictions, and cannot be held in residential facilities. Instead, after DAO representatives determine that diverted youth have met the agreed-upon terms of their diversion agreements, said youths' cases are discharged and youth are eligible for expungement of their records if they remain arrest free for six months post-discharge. Those youth who do not successfully complete diversion have their cases referred to the formal court system.

Research indicates that diversion can be an effective strategy for preventing future arrests, with one meta-analysis of 73 diversion programs across 45 studies finding that diversion programming was significantly more effective at reducing recidivism compared to traditional juvenile processing.<sup>66</sup> Other research draws similar conclusions, but adds the caveat that diversion is only more effective when

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<sup>66</sup> Wilson, H. A., & Hoge, R. D. (2013). The Effect of Youth Diversion Programs on Recidivism: A Meta-Analytic Review. *Criminal Justice and Behavior*, 40(5), 497–518. <https://doi.org/10.1177/0093854812451089>

implemented with the evidence-base,<sup>67</sup> with multiple studies finding that wrap-around, family-involved, and multimodal diversion programs are the most effective.<sup>68</sup>

Locally, juvenile diversion in Philadelphia has typically been reserved for only first-time, low-level offenders, which presents data limitations when trying to produce similar comparative analysis. For example, without statistical controls, one would *expect* diverted youth to have lower rearrest rates than the higher-risk youth who proceeded to court. One cannot say then with certainty whether diversion interventions themselves have been more or less effective than traditional interventions.

With this caveat, the figure below examines the rearrest rates for diverted and non-diverted arrests from Calendar Years 2016 and 2019, the years with the most complete DAO datasets that allowed for at least two years' worth of post-referral recidivism analysis. This figure is included not to argue that diversion performed *better* than the formal court system at preventing arrests for similarly situated youth, only that it did not appear to substantively increase risks to public safety with those youth that it *did* serve. This suggests room for expansion. Further, if there were any other demonstrable benefits associated with pre-petition diversion, such expansion may represent a particularly high impact area of policy reform for a local district attorney's office given its autonomy over diversion decisions.<sup>69</sup>

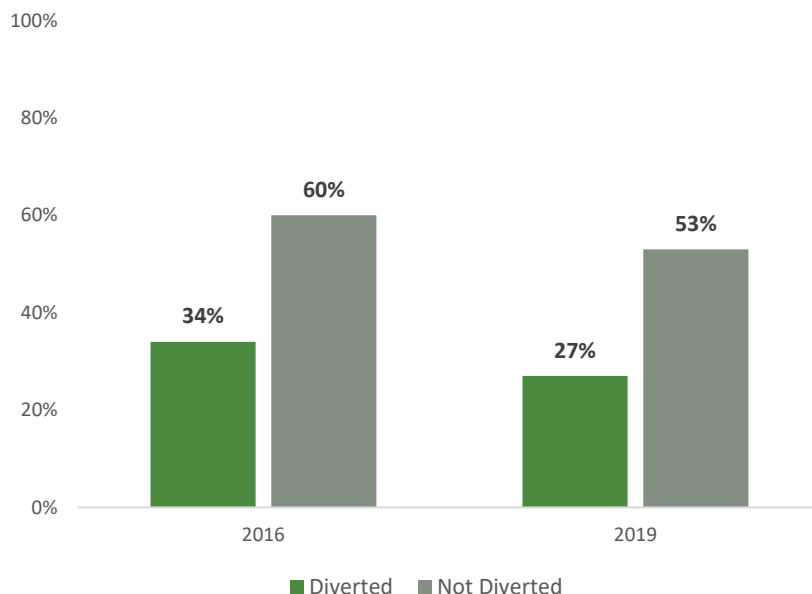
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<sup>67</sup> Ezell, M. (1989). "Juvenile Arbitration: Net Widening and Other Unintended Consequences." *Journal of Research in Crime and Delinquency* 26(4), 358–77. <https://doi.org/10.1177/0022427889026004003>; Lipsey, M.W. (2009). "The Primary Factors That Characterize Effective Interventions with Juvenile Offenders: A Meta-Analytic Overview." *Victims & Offenders* 4(2), 124–47. <https://doi.org/10.1080/15564880802612573>; Mears, D. P., Kuch, J.J., Lindsey, A.M., Siennick, S.E., Pesta, G.B., Greenwald, M.A., and Blomberg, T.G. (2016). "Juvenile Court and Contemporary Diversion." *Criminology & Public Policy* 15(3), 953–81. <https://doi.org/10.1111/1745-9133.12223>; Wilson, Holly A., and Robert D. Hoge. (2013). "The Effect of Youth Diversion Programs on Recidivism: A Meta-Analytic Review." *Criminal Justice and Behavior* 40(5), 497–518. <https://doi.org/10.1177/0093854812451089>.

<sup>68</sup> Lipsey, M.W., Howell, J.C., Kelly, M.R., Chapman, G., and Carver, D. (2020.) "Improving the Effectiveness of Juvenile Justice Programs." Center for Juvenile Justice Reform. [https://rhyclearinghouse.acf.hhs.gov/sites/default/files/docs/19740-Improving\\_the\\_Effectiveness\\_of.pdf](https://rhyclearinghouse.acf.hhs.gov/sites/default/files/docs/19740-Improving_the_Effectiveness_of.pdf); Lipsey, M.W. (2009). "The Primary Factors That Characterize Effective Interventions with Juvenile Offenders: A Meta-Analytic Overview." *Victims & Offenders* 4(2), 124–47. <https://doi.org/10.1080/15564880802612573>; Mears, D. P., Kuch, J.J., Lindsey, A.M., Siennick, S.E., Pesta, G.B., Greenwald, M.A., and Blomberg, T.G. (2016). "Juvenile Court and Contemporary Diversion." *Criminology & Public Policy* 15(3), 953–81. <https://doi.org/10.1111/1745-9133.12223>; Wilson, H.A., and Hoge, R.D. (2013). "The Effect of Youth Diversion Programs on Recidivism: A Meta-Analytic Review." *Criminal Justice and Behavior* 40(5), 497–518. <https://doi.org/10.1177/0093854812451089>; Wilson, H.A., and Hoge, R.D. (2013.) "Diverting Our Attention to What Works: Evaluating the Effectiveness of a Youth Diversion Program." *Youth Violence and Juvenile Justice* 11(4), 313–31. <https://doi.org/10.1177/1541204012473132>; Wylie, L. E., Clinkinbeard, S.S. and Hobbs, A. (2019). "The Application of Risk–Needs Programming in a Juvenile Diversion Program." *Criminal Justice and Behavior* 46(8), 1128–47. <https://doi.org/10.1177/0093854819859045>.

<sup>69</sup> When examining diversion data, it is also important to note that youth in diversion cannot be held in facilities. As such, disparities will only worsen as those youth who are in facilities are released.

Figure 4.6: Rearrest Rates, CY2016 and CY2019



Source: Philadelphia District Attorney's Office (2016-2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

One such benefit is tied directly to the above-mentioned structural autonomy: diversion represents a unique opportunity to realize gains in economic efficiency, as it removes two of the costliest aspects of formal court involvement—staffing and preparing for court hearings, and contracting, delivering, and monitoring court-ordered supervision programs.

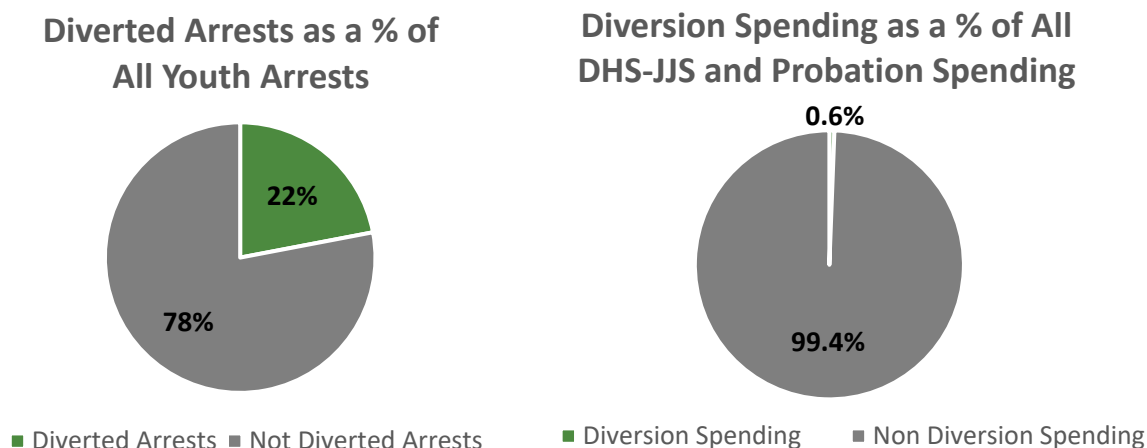
In the simplest conceptualization of this benefit, as diverted youth do not go to court and receive no oversight from *court-based* supervision programs (although they do receive substantial support and programming from *diversion* service providers), money allocated for juvenile diversion wholly bypasses staffing costs that may otherwise be incurred by numerous City departments, including the First Judicial District (encompassing the Judiciary and Juvenile Probation Office), and Department of Human Services. As a thought experiment, if each of these departments encumbers at least a 15 percent administrative cost for the implementation of their services, the removal of administrative overhead by bypassing court proceedings alone would make diversion dollars at least 30 percent more efficient than those spent inside of the formal juvenile justice system.

As youth in diversion also cannot be committed to detention or placement, referral to diversion guarantees that the substantial daily costs of these facilities are never passed to taxpayers for issues of technical noncompliance (such as missing appointments or fighting with one's parents) and only become a possibility if youth are deemed a risk to public safety and referred back to the formal court system.

Figure 4.7 (below) highlights the economic efficiency of diversion in practice by comparing the approximate percentage of all Philadelphia youth arrests (with formal charges) served by DAO diversion

in FY2022 to the amount of public money spent on DAO diversion in FY2022 as a percentage of total juvenile justice spending (including DHS-JJS, Juvenile Probation, and DAO costs).<sup>70</sup>

Figure 4.7: Diversion Utilization and Public Spending, FY2022



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

As seen above, youth served by DAO diversion programs in FY2022 accounted for over 20 percent of all youth arrests while accounting for less than 1 percent of total spending. In actual financial terms, the DAO diversion budget from DHS-JJS was approximately \$593,000 in FY2022 and DAO diversion programs served over 300 youth. This equates to an average spend of approximately \$2,000 per youth served.

This is a stark contrast to the approximate \$50,000 in spending per youth receiving JPO services as calculated in Section 3 of this report.

The inclusion of these fiscal projections is not meant to imply that the figures above represent ideal funding allocations for juvenile diversion; only that diversion is a particularly efficient public investment given the ability of diversion dollars to wholly bypass duplicative and extraneous operational costs spread across multiple agencies, as well as a guarantee that youth in diversion avoid any unnecessary detention or placement costs.

To this end, in recent years, the DHS-JJS Division has made increasing investments in juvenile diversion, with the \$593,000 outlined above representing a significant increase from funding allocations given to previous DAO administrations.

### Shifting the Paradigm: Using Data to Re-examine Administrative Exclusions

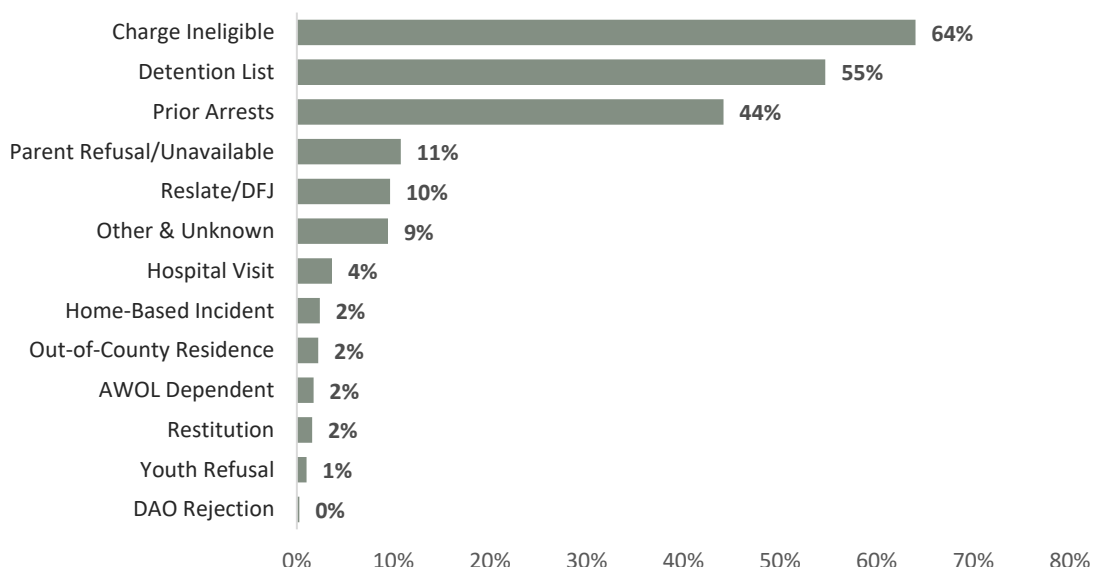
During CY2019, the Juvenile Diversion Unit of the Philadelphia District Attorney's Office began planning for a substantial increase in youth diversion.

<sup>70</sup> FY2022 data was used here because it is the most recent fiscal year for which DAO has detailed diversion spending figures.

To do so, the office used its data collection mechanisms to drive an intentional paradigm shift: by establishing a presumption in its data that all youth arrested were technically eligible for diversion as the DAO must (in nearly all instances) actively *choose* to file a juvenile petition to Philadelphia Family Court, the DAO was able to require its staff to begin quantifying “reasons not diverted” for every youth arrested who bypassed diversion and proceeded to court.

As context on diversion eligibility, several administrative exclusions, inherited from prior DAO administrations, have traditionally prohibited Philadelphia youth from entering diversion. At the start of CY2019, these automatic exclusions included (but were not limited to): any previous court involvement, certain “charge ineligible” offense types, evidence of a hospital visit made by the victim, detention holds, and restitution estimates that exceeded \$1,000. These exclusions and their frequency of application in 2019 are visualized in the figure below. As each youth may have had multiple factors excluding them from diversion eligibility, the sum of these figures exceeds 100 percent.

Figure 4.8: Reasons Arrests Were Not Diverted<sup>71</sup>, CY2019



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

A closer look at the data revealed that three primary administrative exclusions were responsible for a significant portion of non-diverted arrests: ineligible charges, detention holds, and prior arrests. Exclusions for ineligible charges alone automatically excluded over 60 percent of arrests from diversion consideration, while detention holds excluded more than half of arrests, and prior arrests excluded nearly half.

<sup>71</sup> As noted above, percentages in this figure are not additive since each individual arrest which was not diverted can fall into several categories.

Other exclusions affected fewer youth; however, many appeared arbitrary in nature. One such example was an exclusion for victim hospital visits, where a parent’s decision to take a youth victim for a medical examination following a fight would automatically exclude a child defendant from diversion regardless of the severity of a victim’s injury or other mitigating factors.

The DAO took action to rectify some of these arbitrary factors when designing its diversion expansion strategies. Recognizing that these automatic exclusions closed off the diversion pathway for many youth who presented an otherwise low risk for recidivating or causing further harm to the community, the administration modified its policies to remove automatic exclusionary criteria for juvenile diversion wherever possible and shift towards offering more individualized justice.

This new approach ensured that every case could now be thoroughly screened and considered, and that factors such as poverty, family circumstance, or mental or physical health needs were not codified barriers to the equitable distribution of diversion opportunity. For example, diversion exclusion for youth who visit the hospital was removed after the DAO’s modifications to its diversion policy. Still, serious offenses - such as gun and sexual offenses - remain off-limits for diversion.

The table below shows the automatic administrative exclusions for diversion that were in-place upon first examination in 2019, and which of these automatic exclusions remain after recent diversion expansion efforts.

Figure 4.9: List of Automatic Administrative Diversion Exclusions, CY2019 and CY2021

<b>Automatic Diversion Exclusion</b>	<b>Automatic Exclusion</b>	
	<b>2019</b>	<b>2021</b>
Previous Court Involvement	Yes	No
Held in Detention Following Arrest	Yes	No
Victim Visited Hospital for Any Reason	Yes	No
Behavioral Health Challenges	Yes	No
Has Active Child Welfare Case	Yes	No
Has Housing Insecurity	Yes	No
Owes Over \$1,000 in Restitution	Yes	No
Arrested for Domestic Violence Incident in the Home	Yes	No
All F1 Aggravated Assaults	Yes	No
All F1 & F2 Robberies	Yes	No
All Drug Offenses (except for possession of marijuana)	Yes	No
All Firearms Offenses	Yes	Yes
All Sexual Offenses	Yes	Yes

Source: Philadelphia District Attorney’s Office (2019-2022)

## Human-Centered Design: Expanding Programming to Offer Youth Choice

Expanding diversion eligibility *responsibly* required an expansion of quality diversion programs and supports to serve youth who had previously been excluded from diversion due to their high needs.

Prior to the election of DA Krasner, the sole diversion program available to youth post-arrest was the Youth Aid Panel Program (“YAP”), established in 1987. This diversion program is offered to eligible youth between the ages of 10 and 17 and involves diverted young people and their families appearing before police-district-specific panels of trained community volunteers. These volunteers interview the young people and select three contract conditions they must complete in order for their cases to be closed and eligible for expungement.

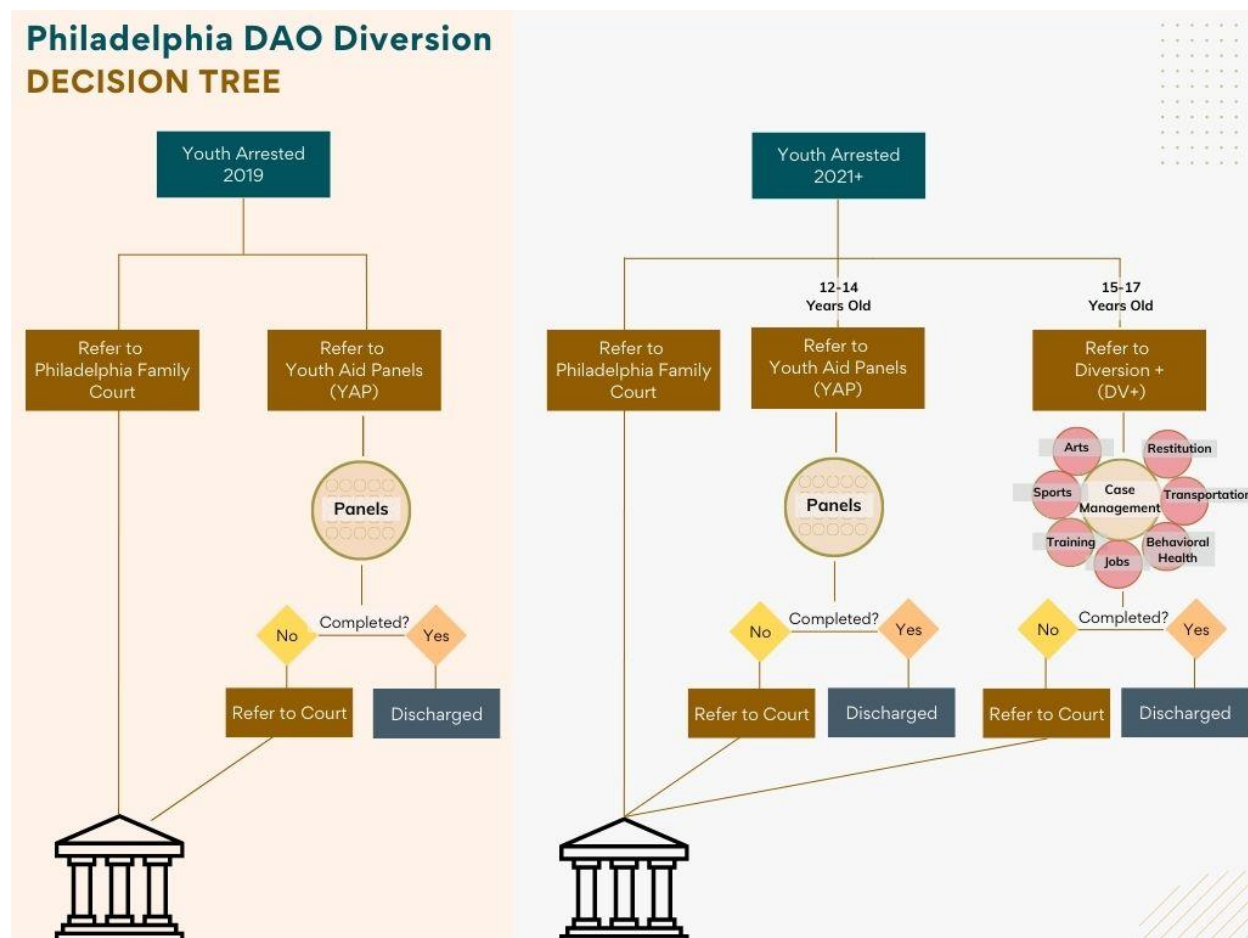
While YAP has been successful over the years in keeping a percentage of arrested youth out of the court system, a close examination of this existing approach revealed that it had not fully accounted for the unique needs of young people in different stages of their adolescence, nor did it have the structural supports to allow for the DAO to safely divert youth with more challenging circumstances. With this information, the DAO undertook a full structural redesign of its juvenile diversion approach and began recruiting new mission-aligned partners accordingly. As displayed in the decision tree below, 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.

This model required a rapid expansion of resources, with the DAO’s diversion referral network expanding from eight community partners in FY2019 to more than twenty by FY2021.

**For further context regarding diversion’s place in the overall juvenile justice system, Figure 4.10 (below) provides a visualization of the potential pathways youth took towards the juvenile justice system after their initial arrest in CY2019 and CY2021, highlighting the DAO’s expanded diversion offerings rolled out in recent years.**

Figure 4.10: Philadelphia DAO Diversion Decision Tree



Source Philadelphia District Attorney's Office (2022), Independent Variable LLC (2022)

One of the most important components of the DAO's expanded diversion offerings are the numerous case management supports available to diverted youth. Currently, the DAO's diversion case management supports include, but are not limited to: housing support, restitution support, vital document support, employment, childcare, transportation, food & clothing assistance, life skills training, counseling, tutoring, and various programs targeting the improvement of moral reasoning through restorative justice and prosocial competency development. Hence, thoughtful use of diversion where the data indicate it can have its greatest impact has in fact resulted in better supports for all involved.

These new supports have also allowed for further diversion expansion. For example, while a youth owing restitution of over \$1,000 previously qualified as an automatic exclusion to diversion, diversion programming now offers youth the ability to earn restitution to repay those impacted by their actions. In FY2022, for example, diversion service providers were able to pay \$22,000 of restitution costs directly to victims, a win for both young people and those impacted by their offenses who traditionally need to wait for a youth defendant to proceed through a series of court hearings before being made whole.



As indicated above, an expanded and diverse menu of secondary programming options has also allowed the DAO to shift from a forced-referral model of youth programming to a model driven by youth interest and choice wherever possible. Here, youth can self-select into the types of programs they believe will be most impactful, including, but not limited to: Nurse Aide Training, Dental Assistance Programming, Sterile Processing Programming, Electrician Training, Cosmetology, Barbering, Carpentry, Fashion Branding & Clothing Design, Music Engineering, Sneaker Restoration, Media & Production, Financial Literacy, Hip-Hop & Dance Music Production, Songwriting & Recording, Photography & Film, Graphic Design & Event Production, Theater, Visual Arts, Mural Arts, Basketball, Cross Country, Boxing, Trauma-Informed Yoga, and Gender-Specific Workshops.

These programs have also allowed for an expanded conceptualization of diversion “success,” with new performance indicators aiming to measure impacts on positive youth development as opposed to simple reductions in deficit-based metrics such as rearrest. While a full rollout of new growth-based metrics will take place in CY2023, examples of such newly available measures include: jobs and internships obtained, half marathons completed, hours of music instruction received, summer school credit recovery through diversion referrals, youth trained as conflict resolution restorative justice facilitators, connections to paid internships and jobs, tutoring and therapy connections, utilization of transportation assistance, certifications obtained, hours of career skills training, and youth satisfaction surveys.

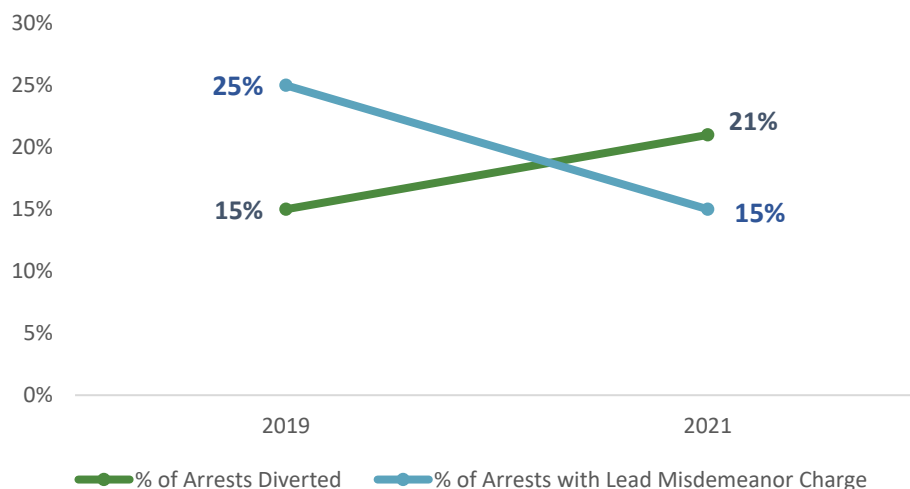
Further, a vision for programming increasingly centered on youth choice has received continued structural enhancement, with the DAO's first ever Youth Advisory Council set to launch in upcoming months. This council will be utilized to ensure that youth voice remains incorporated into relevant policy and program design, and to drive increased efficacy in service provision and quality control.

### Early Expansion: Arrests Down, Diversion Up

Due to delays incurred by the closure of in-person programming in CY2020 throughout the COVID-19 pandemic, the DAO launched its expanded diversion initiative in full in CY2021.

The figure below shows the immediate effects of the change:

Figure 4.11: Diversion Expansion, CY2019 to CY2021

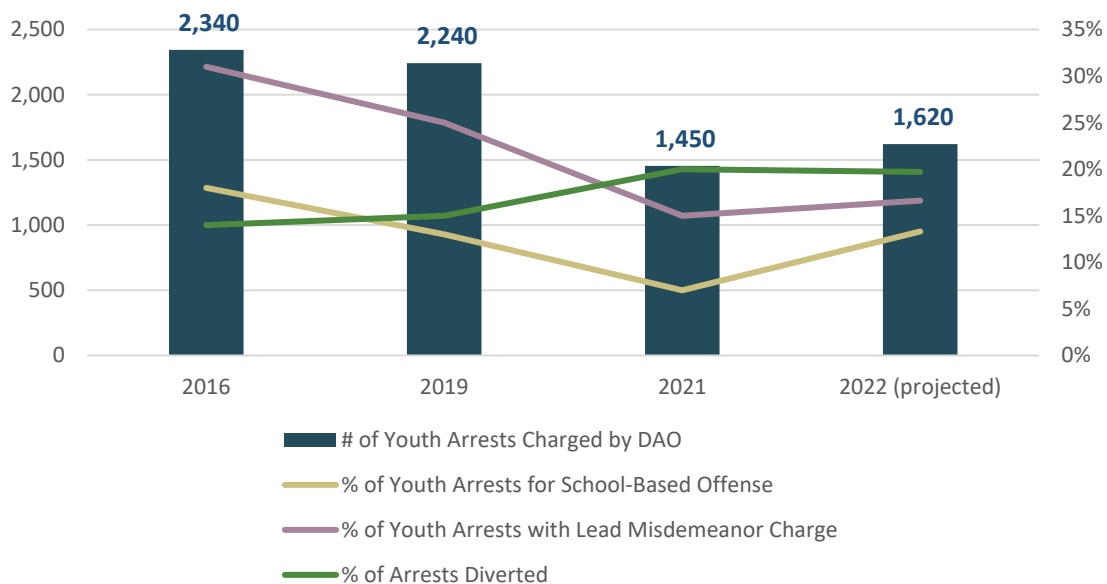


Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

As seen above, in CY2021, its first year since launch, the DAO's new diversion initiative saw a 40 percent increase in the percentage of total arrests diverted (from 15 percent of total arrests to 21 percent of total arrests) despite a 40 percent decrease in the percentage of arrests entering the system with a misdemeanor lead charge (from 25 percent of total arrests to 15 percent of total arrests). This latter point must be contextualized with the steep declines in youth arrests following the COVID-19 pandemic discussed as a system shock earlier in this section. In many municipalities, diversion opportunities are only reserved for youth with misdemeanor offenses, which would make the first-year gains seen in Figure 4.11 (above) impossible.

Figure 4.12 (below) then displays this diversion paradigm shift over time, showing that multi-year diversion figures establish two relatively consistent trends in the available data.

Figure 4.12: Benchmarking the Rollout of Diversion+



Source: Philadelphia District Attorney's Office (2016-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

The first trend visible in Figure 4.12 (above) encompasses both pre-Krasner-administration data (CY2016) and post-Krasner-administration but pre-diversion-expansion data (CY2019), where DAO operations under prior diversion exclusionary policies saw diverted arrests hover between approximately 14 percent and 15 percent of the total youth arrest census.

The second trend encompasses the first calendar year post diversion expansion implementation (CY2021) as well as CY2022 year-to-date (as of September 30, 2022). Here, diverted arrests hover at approximately 20 percent of the total youth arrest census, maintaining an approximate 33 percent - 43 percent increase from pre-diversion expansion figures. This again despite a decline in arrests with lead misdemeanor charges as well as a COVID-19 precipitated decline in arrests for school-based offenses, the latter of which is a subcategory of arrests from which the DAO diversion program has traditionally drawn approximately 30 percent of its census.

The takeaways from this figure are twofold:

First, gains made through the rollout of Diversion + seem sustainable, as they have held constant over the better part of a second whole calendar year.

Second, while these gains are encouraging, further policy changes may be necessary if the DAO wishes to further expand the impact of its new approach to diversion. Alternately, if arrest trends return to pre-pandemic patterns, juvenile diversion figures should be expected to climb.

## Data-Informed Innovation: Targeted Approaches to Entrenched Problems

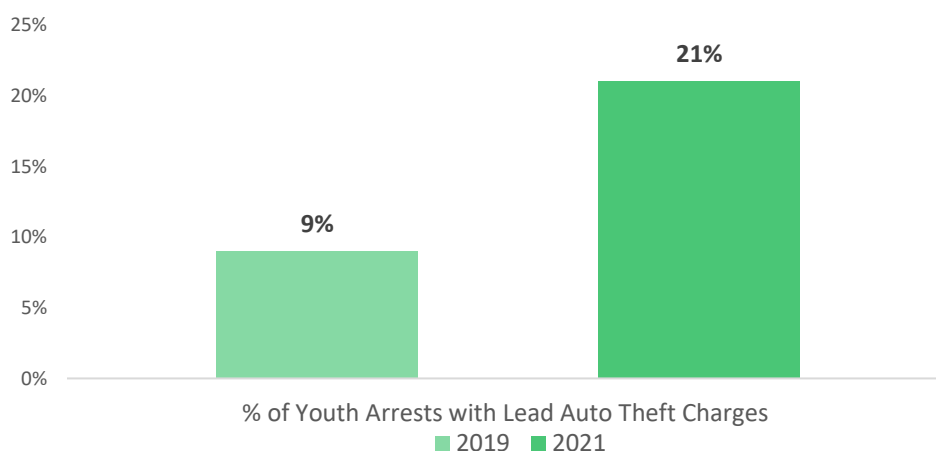
It is still too early to measure the success of diversion expansion relative to rearrest rates, as arrest patterns have changed drastically following the COVID-19 pandemic, and Section 3 demonstrated that any in-system (or, *non-diversion*) comparison groups of youth may have spent long periods of time in custody where they have not had the equal opportunity to be rearrested as have diverted youth who have remained in the community.

The DAO has, however, made significant investments in building its data capacity infrastructure and instituted a series of data-informed performance management procedures to help monitor public safety and drive continuous improvement and innovation.

For example, Figures 2.1 & 2.2 in the beginning of this report demonstrated that youth accused of auto theft appear to have some of the highest longitudinal rearrest rates. “Auto Theft” here entails offenses where youth are accused of stealing *unoccupied* vehicles or *riding in a stolen vehicle*; **it does not include the more serious offense of carjacking**, which is the robbery of an *occupied* motor vehicle. Of note, this subpopulation of “auto theft” youth has been considered eligible for diversion since as early as 2010, with no sustained strategy on record by previous administrations for specialized intervention. This indicates a potential mismatch between existing programming assumptions and outcomes.

With a new understanding of these data trends, as reports around the country during the pandemic cited the rising prices of used cars and the closure of youth programs as a possible cause for rising national rates of youth auto theft,<sup>72</sup> the DAO Diversion Data Team uncovered the following local movement in its data, with youth auto theft arrests as a percentage of total youth arrests more than doubling in FY2021 (the first full calendar year following the pandemic) from approximately 9 percent to approximately 21 percent.

Figure 4.13: Auto Theft Charges by Arrest Year



Source: Philadelphia District Attorney's Office (2019-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

<sup>72</sup> Robertson, C. (2022). “ ‘I Honestly Believe It’s a Game’: Why Carjacking Is on the Rise Among Teens,” *The New York Times*. <https://www.nytimes.com/2022/03/01/us/car-theft-teens-pandemic.html>.

This level of data, previously unavailable, prompted an immediate response from DAO Diversion staff, with Diversion ADAs conducting a full file review of several months' worth of auto theft arrest records to uncover any potential evidentiary trends in police and charging facts, while Diversion Policy Analysts conducted a scan of criminological literature in search of promising research and practices from other municipalities. The DAO Diversion Unit then compiled these findings and brought them to its network of community-based partners for help with more narrowly defining the problem and generating appropriate community-based solutions.

After a series of collaborative design sprints and brainstorming sessions, the DAO diversion network designed a four-pronged strategy to target these offense types:

- 1) The intervention plan began with a search for youth feedback, recognizing that solutions were likely to fail without learning from youth about potential root causes.
- 2) The DAO Diversion Unit paired data findings with its knowledge of case law to design and distribute educational materials to educate youth about auto theft laws, including how they may be charged with auto theft even if only a passenger in a car reported as stolen.
- 3) The DAO Diversion Unit and its community partners conceptualized a pilot for a cross-agency, blended menu of services for youth accused of auto theft. This model included enhanced case management and supervision, wraparound supports, restitution assistance, job-readiness and employment placement, and auto-theft specific restorative justice to improve moral reasoning.
- 4) Case management models were adjusted dynamically in response to data to offer more targeted supports for youth at the times when auto thefts were most likely to occur and the months when youth accused of auto theft appeared most likely to re-offend.

Since these pilots are currently under way, it is still too early to tell if they have had any sustained positive effect. This snapshot has been included instead to outline but one methodological framework for introducing adaptive solutions to entrenched problems. A similar approach has been taken in efforts to expand diversion for girls and young women arrested for assault-related offense types.

As a whole, this case study on diversion has highlighted a new potential approach to juvenile justice, where data may be used to inform strategy and remove barriers to effective solutions, services can be built around the notion of youth choice and prosocial development, and ongoing performance management and innovation frameworks can be utilized to respond quickly to emergent trends. Pre-petition diversion represents perhaps the most appropriate forum for such an approach, as the streamlined decision-making hierarchy and spending efficiencies realized by a single-stakeholder decision point present conditions for maximum impact.

## 4.7. Key Takeaways

This section provided greater context for the downsizing of the juvenile justice system that has resulted in the economic impacts first outlined in Chapter 3. It investigated a series of system shocks that precipitated an accelerated rate of change to the status quo juvenile justice system paradigm, analyzed DAO arrest data to lend a proportional consideration to these changes, and considered an important evidence-informed intervention that the DAO has begun prioritizing to drive further change under the current administration. Further, to help benchmark the potential economic impacts of such rapidly evolving changes, it introduced a more nuanced way of considering cost reduction, examining the spending patterns of City departments as compared to what they were prepared to spend in a given fiscal year, not what they had spent in the previous fiscal year.

Research and data analysis led to the following key takeaways:

- ❖ **Three system shocks have substantially impacted juvenile justice in the past few years:** DA Krasner's election and rollout of a criminal justice reform policy platform after taking office in 2018, 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, and the onset of the COVID-19 pandemic.
- ❖ **As discussed in Section 3, these system shocks have been associated with declining budget obligations on juvenile justice. However, budget appropriations have not declined on pace with obligations, pointing to a potential opportunity for reallocation of committed budget dollars towards prevention and other youth services.** As aggregate juvenile justice costs have plummeted in recent years, decreases in beginning-of-year budget allocations have not kept pace with decreases in end-of-year actual spending. This means that each fiscal year, the City (and state) was prepared to spend more money on juvenile justice services than what was ultimately spent. As such, over an eight-year period, there was \$133 million dollars of funding initially allocated for juvenile justice spending that was never spent on juvenile justice youth. This averages out to approximately \$17 million per year, with amounts increasing in recent years. This suggests that as the juvenile justice system has contracted, there have been substantial opportunities for reinvestment of juvenile justice dollars for the benefit of youth.
- ❖ **Reductions in the use of residential placement for justice-involved youth in Philadelphia have accelerated substantially in recent years.** In the wake of the system shocks outlined in this section, residential placement for justice-involved youth has declined substantially. This decline had begun in previous years, but reductions to the aggregate number of placements, year-to-year, were previously moving at a rate more proportionate to the reductions in the aggregate number of youths served by the juvenile justice system, year-to-year. This rate accelerated dramatically in FY2018, the first year of the current DAO administration, and has continued to drop at a rate of more than 20 percent each year since.
- ❖ **Increased use of pre-petition diversion represents an opportunity for the DAO to create better life outcomes for justice-involved youth while also reducing taxpayer costs.** Juvenile diversion represents one of the most direct points of leverage to impact any juvenile justice system. District Attorneys can have unilateral control over diversion decisions, which offers unique efficiency in an extremely complex ecosystem, allowing DAO diversion dollars to wholly bypass

duplicative and extraneous operational costs spread across multiple agencies. After election, the Philadelphia DAO has made a substantial effort to overhaul its diversion policies and practices to promote the increased use of diversion for justice-involved youth, and to build a menu of high-quality services to ensure effective treatment. This has both financial impacts (by dramatically lowering costs for youth in diversion programs) as well as social impacts (by preventing any harms associated with unnecessary system involvement).

- **The current DAO administration has made notable progress in expanding use of diversion, but there is more work to be done.** Diversion rates have increased by more than one-third following the diversion expansion initiative, an encouraging trend, but they remain at approximately 20 percent of total arrests. Further policy changes will be required if continued diversion expansion is desired. Any expansion efforts should consider the evidence-base of what sorts of diversion programming have proven the most effective.

In total, this section acknowledged the complex interplay between juvenile justice economic trends and the broader sociopolitical environment in which juvenile justice systems exist. It found that regardless of specific causality, in an environment where change is rapidly accelerated by unforeseen systemic shocks, economic impacts may be measured not simply as a function of *between-year* cost savings, but in the unspent money *within* a given fiscal year, as a system's *actual* spending will likely decline far faster than its beginning-of-year budget *appropriations* that have not yet adjusted to the financial realities of a new cost paradigm.

It did not, however, explore the notion of *reinvestment*.

The following section will feature a line-item analysis of juvenile justice budget appropriations, both pre- and post system shocks, to see how, specifically, declining costs may have shifted budgeting priorities, and if any funds have been strategically reallocated to help drive further positive change.

## 5. Money Saved or Money Reinvested?

### 5.1. Section Overview: How Do We Spend on Justice-Involved Youth?

Throughout this report we have attempted to demonstrate the difference between aggregate cost figures and cost efficiency metrics, as well as the questions for which each provides useful insight.

In Section 3, for example, we showed that there has been a decline of \$35 million in aggregate juvenile justice spending between FY2017 and FY2021. In Section 4, we showed that there were, on average, \$17 million per year allocated for juvenile justice that went unspent between FY2014 and FY2021.

These aggregate figures are useful for explorations of how much the City may have saved on juvenile justice services in recent years.

Alternatively, in Section 3 we demonstrated that while aggregate cost figures have declined, the cost-per-youth served by the juvenile justice system has increased. This indicates that the system has not grown more efficient with spending as its total figures have decreased, although there are numerous potential explanations for this trend.

Not discussed in either of aggregate cost or cost efficiency metrics is the notion of *spending strategy*. This is tied closely to the concept of organizational values, as a public agency's budget documents reflect its priority system in a fundamental way: those services and budget items allocated the most funding can be said to reflect an agency's highest financial priority, whether or not this aligns with said agency's stated policy focus.

Further, as an organization's costs decline, said organization may be presented with an opportunity to spend its money *differently*, particularly if a discrepancy exists between what said organization was *approved* to spend in a given fiscal year and what said organization has *spent* in said fiscal year. This opportunity can be said to represent a chance to shift organizational *spending strategy*, or priority.

To examine this spending strategy for Philadelphia's juvenile justice system, at large, we conducted a line-item review of all budget appropriations for juvenile justice services (defined here as services rendered by the Department of Human Services' Juvenile Justice Services Division, the Juvenile Probation Office, and contracted service provider agencies) in the Mayor's Operating Budget Detail for FY2017 and FY2021. These years were selected in an attempt to provide a picture of spending strategy both before and after the onset of the various system shocks outlined in Section 4. Specifically, their review focused on discerning how organizational spending priorities may have shifted amidst a rapidly evolving juvenile justice landscape, and if any intentional funding strategies were deployed by system stakeholders that could have helped to accelerate changes. If so, these strategies may be said to have contributed to the broadening of economic impact.

To conduct this analysis, we created a list of unique budget codes that enabled us to reclassify expenses into more specifically defined categories than what exist at present in the Operating Budget Detail.



For example, while the Mayor's Operating Budget Detail uses a category of "Professional Services" (DHS Juvenile Justice Services' budget code 250) under which numerous types of professional service contracts are categorized, we broke these services out into more specific budget categories like "Prevention," "Youth Supports," "Prosocial Programs," and "Community Supervision" to allow for a more detailed analysis of appropriations for each item. This helps to paint a much clearer picture of the City's specific priorities as reflected in its approved juvenile justice expenditures.

The results of this analysis are discussed below.

## 5.2. Detailed Aggregate Budgeting Trends

The table below displays the unique budget codes used for this analysis, as well as the various Mayor's Operating Budget Detail codes that appear when we reclassify City budget data by each new code. This table also includes the aggregate amount of money allocated for each related cost item in the City's approved operating budgets. "Projected State Placement Cost" is the one notable exception to this methodology, as state placement costs do not appear to be represented in the City budget. This "Projected State Placement Cost" budget code corresponds to our estimation of actual state placement spending by fiscal year, and is used for any figures to follow that project total public costs and not only those represented on municipal budgets.

Detailed information on how each budget code was determined is available in the Appendix of this report (Figure 7.4).

Figure 5.1: Budget Codes and Appropriations

ESI BUDGET CODE NAME	CITY BUDGET CODES ENCOMPASSED	FY2017 APPROPRIATION	FY2021 APPROPRIATION
Non-State Residential	290	\$47,489,861	\$17,608,709
Projected State Placement Cost	N/A	\$23,563,056	\$15,180,208
Staffing - JJSC	100, 100(a)	\$13,206,632	\$14,123,403
Staffing – Fringe & Pension	100, 100(b), 100(c)	\$5,569,360	\$11,978,374
Community Supervision	250, 250, 290	\$12,066,955	\$10,625,474
Juvenile Probation <sup>73</sup>	100	\$8,776,819	\$10,017,682
JJSC – Operational Costs	201, 202, 2015, 250, 260, 281, 300, 303, 305, 308, 310, 312, 313, 316, 317, 318, 322, 323, 326, 403, 410, 411, 418, 423, 426, 430	\$6,721,021	\$8,077,802
Prevention	250	\$7,394,958	\$5,208,942
Staffing – Non-JJSC	100, 100(a)	\$3,506,392	\$4,143,632
Staffing - Overtime	100(a)	\$3,391,305	\$3,853,554
DAO - Juvenile Division <sup>74</sup>	100, 200, 300	\$2,878,608	\$3,774,953
Supportive Services	200, 250, 254, 290	\$2,865,124	\$2,775,729
Outlay for Future Services	250, 254, 290	\$4,624,640	\$2,618,293
Other	209, 210, 211, 215, 230, 250, 253, 255, 260, 285, 290, 304, 311, 320, 324, 325, 420, 424, 499	\$1,085,280	\$971,449
Prosocial Programs	250	\$1,423,637	\$946,000
Training	250, 256	\$91,683	\$176,034
Staffing – Other	100	\$ -	(\$529,752)
Services - Unaccounted	N/A	\$2,128,566	\$ -

Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

<sup>73</sup> Listed in budget under First Judicial District of Pennsylvania (department no. 84), Line Nos 222-253 (2021)

<sup>74</sup> Listed in budget under District Attorney (department no. 69), Juvenile division (no. 06).

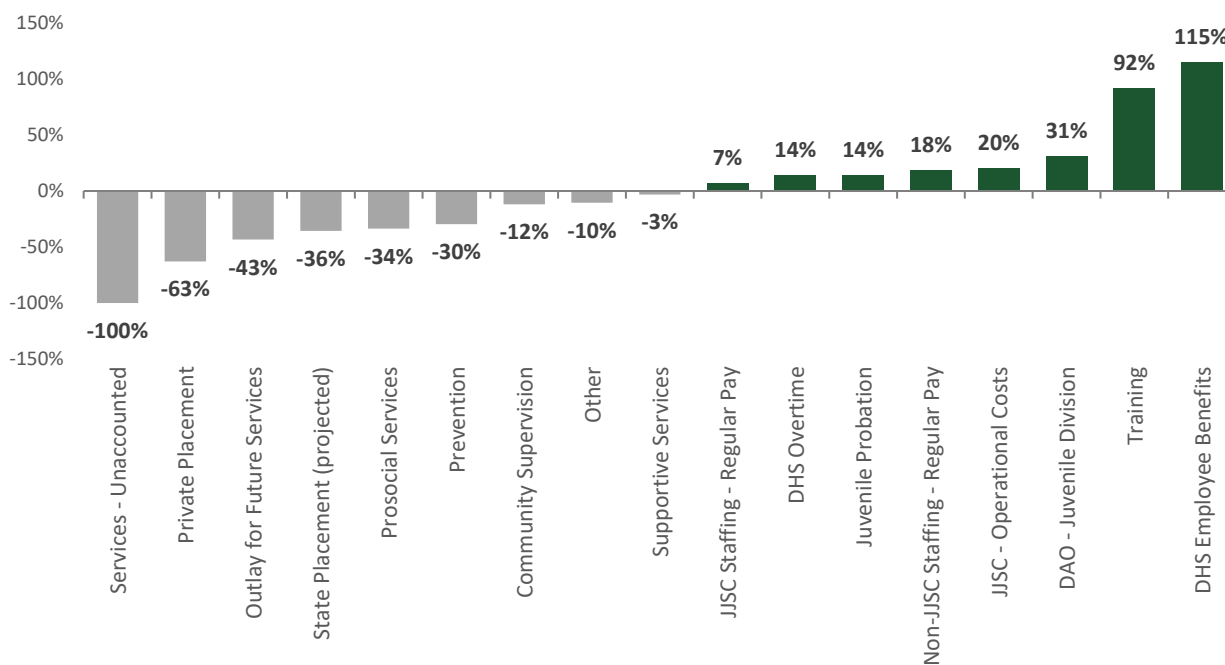
The figure below shows the percentage change in the amount of money approved (or in the case of state placement, ultimately spent) for each juvenile justice cost item from FY2017 to FY2021. As context, one must remember from the data shared earlier in the report that the number of youths served by the juvenile justice system declined substantially between FY2017 and FY2021, from 3,637 to 1,968, or 45 percent.

As such, declines in aggregate spending figures may be expected, as there were simply less justice-involved youth upon whom to spend money.

This expectation is reflected in Figure 5.2 (below), with one substantial outlier: while spending allocations on all cost items related to youth supports and privately (or state provided) services decreased, municipal staffing and operational costs increased. This lends further clarity to rising cost-per-youth figures shared earlier in this report, indicating that the increase in said per-youth expenditures may not be driven by a targeted reinvestment in youth-centered services, but by a ratcheting of City staffing and operational spending.

More specifically, a closer look reveals a 115 percent increase in DHS employee benefits, from \$5,569,360 in FY2017 to \$11,978,374 in FY2021. While this is not further explained in budget documentation, some insight may be gleaned from previous news articles describing the existence of a *mandatory overtime policy* at the youth detention center (see further explanation below Figure 5.2).<sup>75</sup>

Figure 5.2: Change in Aggregate Budget Appropriations, FY2017 v. FY2021



Source: Philadelphia District Attorney's Office (2017-2022), City of Philadelphia (2017-2021), Econsult Solutions, Inc. (2022). Independent Variable LLC (2022)

<sup>75</sup> Vargas, C. (2018.) "Philly to review records for employee who tripled salary in overtime," *The Philadelphia Inquirer*. <https://www.inquirer.com/philly/news/politics/philadelphia-overtime-record-joy-hurtt-juvenile-detention-20180817.html>

While DHS “overtime” is now reported in the Operating Budget Detail (while it was not in FY2017), it is of note that it is accounted for in budget class 100(a) which is labeled as “Personal Services” – the same budget code that is otherwise comprised of regular salary costs. More specifically, while DHS “Personal Services” (*budget class 100(a)*) accounts for approximately \$21.6 million of costs in the FY2021 Operating Budget Detail, the sum of all DHS-JJS salaries in FY2021 only totals about \$18.2 million. Most of this approximate difference between regular salary costs and the total Personal Services budget is accounted for in a non-coded budget adjustment of over three million dollars labeled as “overtime.”

With limited further information, this appears to account for *mandatory* (and therefore consistent) overtime, for while the FY2017 Operating Budget Detail did not have a budget adjustment clearly labeled as overtime, it did have a similar difference of approximately \$3.4 million dollars between its total Personal Services budget appropriation and the sum of all DHS-JJS employee salaries.

The aforementioned 115 percent increase in projected *benefits* spending in FY2021 came from budget code 100(b), which is labeled as “Employee Benefits” in the FY2021 Operating Budget Detail but was previously two separate codes in the FY2017 Operating Budget Detail: “100(b) Fringes (Pensions)” and “100(c) Fringes (Other Employee Benefits).” “Other Employee Benefits,” a budget code that no longer exists, was not expressly defined.

In light of this, it would seem that the potential reasons for such a drastic uptick in employee benefits allocation is that *non-mandatory* overtime costs were coded as “other employee benefits” in previous budgets and have skyrocketed in recent years and been folded into the aggregated “employee benefits” cost projection, or that some other COVID-19 related employment shock led to an otherwise 115 percent increase in spending on employee pensions and fringe benefits.

Regardless, for all future calculations in this section, DHS overtime and benefits costs are combined and, as they are not assigned to specific staffing codes in the budget, apportioned to JJSC and non-JJSC staff at the ratio at which JJSC and non-JJSC staff salaries account for total salary spending (i.e., if JJSC salaries account for 70 percent of all salary costs, 70 percent of overtime and benefits costs have been attributed to JJSC staff in the figures to follow).

Given our previous discussion on the rising lengths of stay and total days in detention, it should perhaps come as no surprise that Figure 5.2 (above) shows that budget appropriations for JJSC *operational* costs appear to have also increased in recent years despite a declining number of youth served by the system.

More surprising, perhaps, is a 14 percent increased spending allocation for juvenile probation staffing despite 36 percent fewer youth receiving “JPO Services.” This includes an increase of eight probation officer positions from FY2017 (80) to FY2021 (88). This may represent improved staffing ratios to better serve a population of higher risk youth, or perhaps a spending inefficiency if staff well-trained to serve youth are underutilized and could deliver greater impact within other youth-serving systems.

Figure 5.2 (above) also shows that budget appropriations for the DAO’s Juvenile Division increased by 31 percent in this period. This is proportionate to the approximate 30 percent increase in the percentage of total arrests served by juvenile diversion. Part of this increase represents additional money that DHS-JJS made available to the DAO Juvenile Diversion Unit to help further diversion expansion efforts.

Finally, while percentage increases are useful to spot trends, the size of the total amounts of money represented in their underlying data (shown in Figure 5.1) are important. For example, while a training increase of 92 percent seems large, in real terms, this only accounts for the appropriation of approximately \$84,000 of additional money. Changes to appropriations for DHS employee benefits, discussed above, account for an additional \$6.4 million.

Of note, this report is not advocating for the loss of any jobs. Instead, a careful examination of budget trends amongst related City agencies may reveal collaborative solutions that yield synergistic economic benefits for all. For example, if juvenile probation staffing costs have increased despite fewer youth receiving JPO services, and detention center overtime costs have spiked due to a shortage of detention staff and a rising detention census, one solution that may increase economic and operational efficiency may be to have juvenile probation officers help to staff the juvenile detention center.

### 5.3. Detailed Budgeting Distribution Trends

While illustrative of high-level economic benefits, analysis showing reductions to aggregate budget appropriations does not help to answer questions related to spending distribution and priority. Assessing the impact achieved through juvenile justice funding *strategies* will instead require an attempt to determine if between-year declines in budget appropriations include strategic shifts in the levels at which various services are funded, or simply represent identical budgeting strategies applied to a fewer number of youth (or a mixture of both).

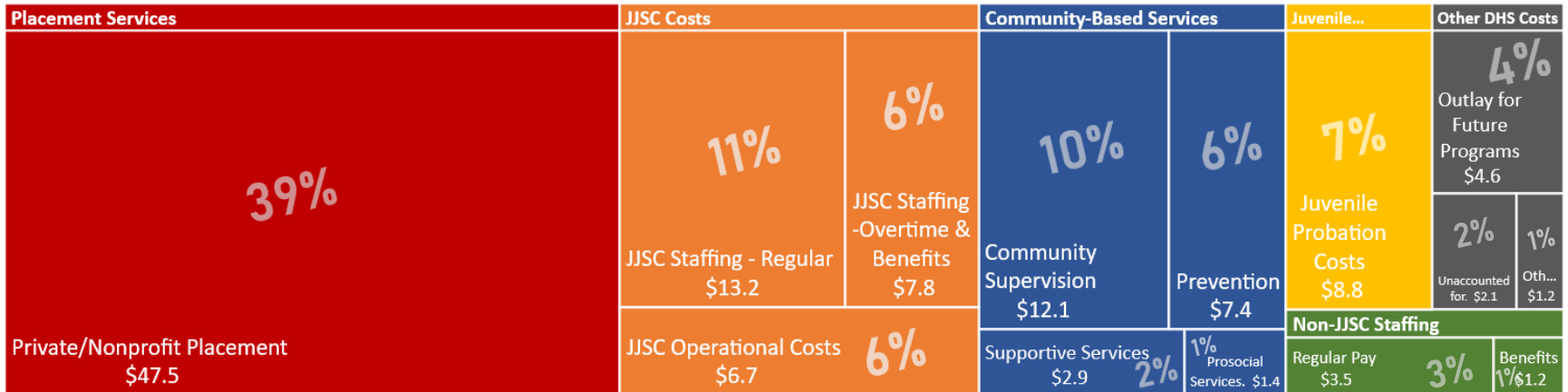
For example, the 12 percent decline in aggregate funding allocated to community supervision programs highlighted in Figure 5.2 (previous section) could be indicative of there simply being fewer youth in the court system to place on community supervision programs, or a proactive shift in strategy employed by system leaders away from the use of community supervision programs.

To help reconcile these potentially conflicting narratives, in Figures 5.3 and 5.4 (below) we examine the City's spending strategies in FY2017 and FY2021 by visualizing what *percentage* of each year's approved juvenile justice budgets were allocated for each cost item. This allows us to control for fluctuations in population size, examining each fiscal year as a static snapshot of how system leaders intended to spend the money for which they were asking to serve however many youths they were expecting to serve.

Figure 5.3: Distribution of Juvenile Justice Budget Appropriations, FY2017 v. FY2021

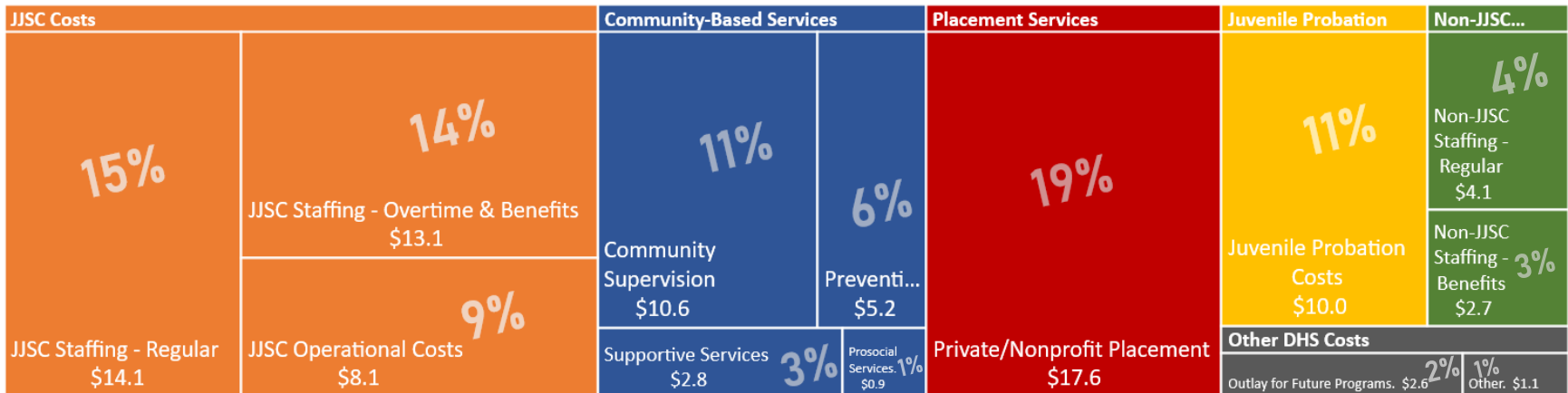
FY 2017 MAYOR'S APPROVED BUDGET OUTLAY FOR JUVENILE JUSTICE SERVICES (\$M)

■ Community-Based Services ■ Placement Services ■ Other DHS Costs ■ JJSC Costs ■ Non-JJSC Staffing ■ Juvenile Probation



FY 2021 MAYOR'S APPROVED BUDGET OUTLAY FOR JUVENILE JUSTICE SERVICES (\$M)

■ Community-Based Services ■ Placement Services ■ Other DHS Costs ■ JJSC Costs ■ Non-JJSC Staffing ■ Juvenile Probation



Source: Philadelphia District Attorney's Office (2017-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

Important here are two questions we have surfaced throughout this report:

- 1) Have the sharp declines seen in the aggregate number of youth committed to residential placement in the past five fiscal years been the incidental downstream result of sharp declines in the number of youth arrested and closure of private/nonprofit placement facilities, or the product of strategic efforts made by system stakeholder to invest in better youth-serving approaches?
- 2) Has the City reinvested the money it has saved on residential placement back into youth-centered services to fuel continued system improvements?

While we offer no definitive answer in this report, these figures lend valuable insight through some high-level findings:

- 1) In the figures above, we can see that in FY2017, approximately 39 percent of the City's approved budget for juvenile justice was earmarked for private/nonprofit placement facilities. This was by far the largest expense in the budget. Secure detention expenses at the PJJSC accounted for 23 percent of the City's total approved juvenile justice budget. Combined, this means that projected private/nonprofit placement and secure detention costs accounted for 62 percent of all approved budget asks by system leaders.

In FY2021, we see an inversion of this relationship. While the decline in placement celebrated as a success by system leaders is represented by only 19 percent of the total approved juvenile justice budget being earmarked for private/nonprofit placement facilities, secure detention expenses increased to a full 38 percent of total approved budget expenses. A full 14 percent of all approved budget expenses were for what we have projected to be overtime and benefits costs for PJJSC staff. Combined, this means that private/nonprofit placement and secure detention accounted for 57 percent of all approved budget asks by system leaders.

As such, while aggregate approved spending on private/nonprofit residential placement declined, the City's budget commitment to residential congregate care, as a percentage of total approved spending, remained very similar.

- 2) Philadelphia's drop in total juvenile justice budget expenses from \$134M in FY2017 to \$99M in FY2021, as well as the \$133 million allocated for juvenile justice services between FY2014 and FY2021 that went unspent, do not appear to be accompanied by a substantial shift in spending philosophy. Reinvestment in evidence-informed prevention and diversion strategies still lags well behind spending on traditional residential interventions.

There *have* been a series of new community-based supervision programs added to the juvenile justice budget from FY2017 to FY2021, such as the Post-Dispositional Evening Reporting Center (\$530,000), the Community Intervention Center (\$625,000), the Aftercare Evening Reporting Center (\$625,000), and a grant for unspecified other Evening Reporting Centers (\$675,000).

This \$2.5 million in newly created programming does not, however, represent an overarching shift in funding philosophy, as the percentage of total funding earmarked for community-based supervision has increased from only approximately 10 percent to 11 percent of total approved spending.

Similarly, the approximate spending distribution on prevention services remained flat at 6 percent, and spending on supportive services increased from 2 percent to 3 percent.

Of note, substantial investment in both effective community-based supervision and supportive services are clear strategies to reduce the use of detention. Community-based supervision programs, for example, are often referred to as “alternatives to detention,” and operate accordingly in practice. It must also be noted that our budget code for “supportive services” is inclusive of all individual and family-based mental health services and evaluation services—a significant fact given that many youth wait in secure detention to receive behavioral health or psychological evaluations or services, or due to conflicts in their homes that lead to “parental refusals” (i.e., parents refusing to take their children home from custody).

In FY2021, despite a substantial increase in approved detention spending, these supportive services occupied only 3 percent of total approved spending, up from approximately 2 percent in FY2017.

In total then, these figures demonstrate that while the aggregate budget ask for all juvenile justice services may have decreased, these reductions do not necessarily indicate an improvement in system efficacy or efficiency. Instead, when considering proportional spending distributions, reductions in private/nonprofit placement allocations have been all but fully replaced by increases to secure detention allocations, and any small gains made in investment in youth-centered and community-based services have been overshadowed by an increased investment in juvenile probation staffing.

In Figure 5.4 (below), we add projected state placement costs back into the equation, demonstrating again how a picture of total public spending may differ once reconsidering displaced costs that do not appear on the municipal budget.

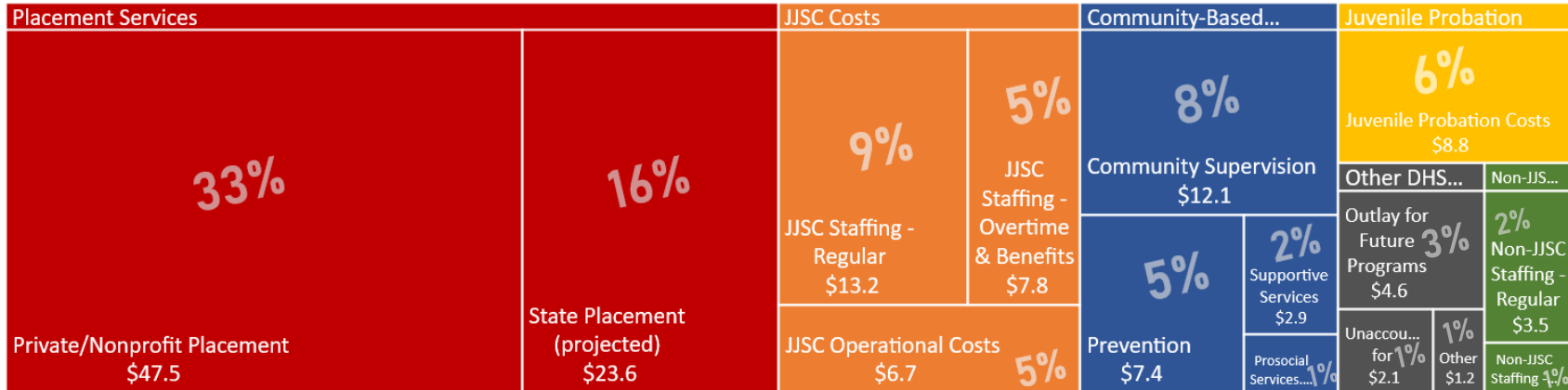
Here, the key takeaways are identical, only the percentage of approved (private/nonprofit placement) and projected actual (state placement) spending on residential services in FY2017 and FY2021 increases to 68 percent and 62 percent of the total juvenile justice budgets, respectively.



Figure 5.4: Distribution of Juvenile Justice Budget Appropriations with State Placement Costs Added, FY2017 v. FY2021

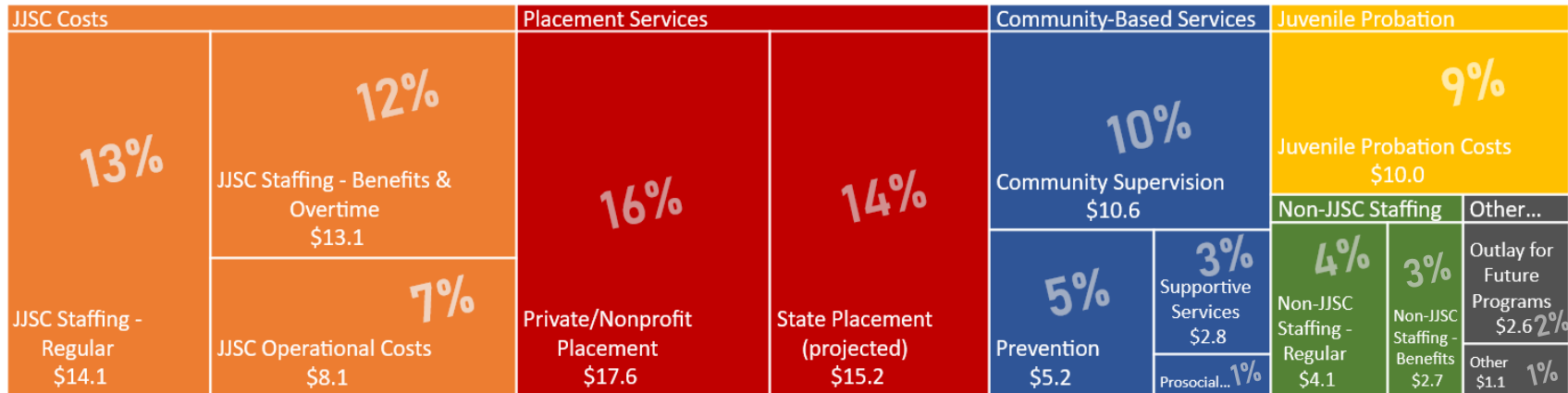
**FY 2017 PROJECTED TOTAL SPEND - MAYOR'S APPROVED BUDGET AND ESTIMATED STATE PLACEMENT COSTS (\$M)**

■ Community-Based Services ■ Placement Services ■ Other DHS Costs ■ JJSC Costs ■ Non-JJSC Staffing ■ Juvenile Probation



**FY 2021 PROJECTED TOTAL SPEND - MAYOR'S APPROVED BUDGET AND ESTIMATED STATE PLACEMENT COSTS (\$M)**

■ Community-Based Services ■ Placement Services ■ Other DHS Costs ■ JJSC Costs ■ Non-JJSC Staffing ■ Juvenile Probation



Source: Philadelphia District Attorney's Office (2016-2022), Econsult Solutions, Inc (2022), Independent Variable LLC (2022)

As a final point, as it relates to the returns on investment for residential placement spending, the distributions outlined above are relevant to broader discussions of public safety. For while the cost of residential placement for youth accused of the most serious offenses may be included in the majority share of total funding allocations in Figures 5.3 and 5.4, the cost of youths' successful *reintegration and support* once returning home from residential placement is included in the considerable minority share. This trend should be considered in context with figures shared earlier in this report demonstrating the high rearrest rates for those youth who return to the system most frequently; the same youth who are most likely to be committed to residential placement.

## 5.4. Case Study: A Closer Look at Youth Supportive Services

### Reason Selected

The figures in this section demonstrated that while aggregate spending in the juvenile justice system has decreased, system leaders have continued to allocate juvenile justice funding in a roughly similar fashion, with most spending reserved for residential care. Further, this section demonstrated how juvenile justice staffing expenditures have increased while investments in direct youth supports appear to have stayed relatively flat. As the case study "A Closer Look at How a DA Might Impact Juvenile Justice" in the previous section demonstrated how greater investment in diversion services may be wise fiscal policy, this case study will focus on how a greater investment in "supportive services" (a budget item allocated roughly two to three percent of total funding) may yield similarly impactful returns and help to decrease the need for such high residential staffing allocations.

### "Supportive Services" Defined

The ESI budget code for "Supportive Services" was created to encompass any direct support for youth and family that did not qualify as a court supervision program (e.g., in-home detention) or a prosocial program (i.e., boxing lessons). These allocations mostly took the form of mental and behavioral health supports, caregiver engaged programming and supports, direct expenditures on supplies and services, and supports to pay youths' restitution costs.

Figure 5.5: Supportive Services in the FY2021 Operating Budget

<b>Services</b>	<b>Amount</b>	<b>Description</b>
Pennsylvania Hospital - Hall Mercer	\$469,146	Mental Health services at PJJSC
PMHCC	\$391,804	Court ordered psychological and competency evaluations
Direct Exp.	\$387,237	Medical, clothing, therapy
Functional Family Therapy Grant	\$209,000	Provide family-based prevention and intervention to reduce problem behaviors in adolescents and youth
Catholic Social Services	\$149,848	A Better Way Anger Management
Youth Services Inc.	\$132,252	Transportation home for youth upon arrest, Juvenile Probation has determined can be released to parent or other responsible caretaker
Joseph J Peters Institute	\$125,000	Counseling services to delinquent youth; partial hospitalization services
Family Group Decision Making Grant Revenue	\$114,000	To lead family groups in decision making, and develop a plan that supports safety, permanency, and well-being of their children
COMMUNIPOWER II	\$112,200	Youth Development - promotes positive family interaction with youth held at PJJSC
Various Vendors	\$80,000	Optometry, X ray, Ultra Sound Srvc
Northern Children's Services	\$72,843	Services and supports to youth via case management for youth engaged in reti-wrap.
Catholic Social Services	\$70,000	Crime Repair Crew (BARJ) - trains offenders adjudicated for property crime to repair damage to victim's property
Girls Inc.	\$60,000	Educational programs for girls at PJJSC
CHRIST OF CALVARY COMMUNITY DEV. CORP	\$50,000	Provides multi-denominational religious services and support for youth at PJJSC
Educating Communities for Parenting	\$50,000	Parenting Support
IDAAY	\$50,000	Restitution/community service
Juvenile Justice Center	\$50,000	Restitution/Community Service
Northeast Treatment Centers	\$50,000	Restitution/Community Service
Youth Advocacy Program	\$50,000	Restitution/Community Service
Various Vendors	\$37,881	Miscellaneous mental health evaluations
Center for Grieving Children	\$30,000	Grief Counseling for youth at PJJSC (PM - Antoinette Sharp)
Catholic Social Services	\$17,518	Del Star Psychiatric Evaluations
West Philadelphia Mental Health Consortium	\$8,000	Functional Family Therapy
It Takes a Village	\$6,000	Family Group Decision Making
West Philadelphia Mental Health Consortium	\$3,000	Functional Family Therapy
<b>TOTAL:</b>	<b>\$2,775,729</b>	

Source: City of Philadelphia (2022), Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

## The Research

There are many ways that increased spending on supportive services may produce better outcomes and drive greater juvenile justice efficiency. Below we present a sampling of research related to the types of these resources already present in Philadelphia's juvenile justice budget, and demonstrate how a greater allocation of funding towards said resources may yield greater returns by improving recidivism rates, curtailing the present and future usage of residential confinement, and reducing long-term costs.

**Caregiver-engaged programming and supports:** Some examples of caregiver/familial engagement programming and supports currently offered through Philadelphia's juvenile justice system are Family Group Decision Making, Functional Family Therapy, and youth development programming to promote positive family engagement while youth are in detention. As demonstrated above, however, these supports represent only a small portion of the juvenile justice system's overall investment strategy.

In total, all such services labeled specifically as direct "family" and "parenting" supports account for approximately \$502,000 of budget appropriations in FY2021; approximately .05 percent of total budget appropriations for the juvenile justice system.

In general, research has shown family-engaged justice services to be some of the most effective interventions. For example, a meta-analysis of 39 studies of juvenile delinquency prevention programs nationwide found that multimodal programs engaged with the family were more successful than individual and group programming.<sup>76</sup> Similarly, a meta-analysis of 28 diversion program studies found that only family treatment-based programs led to a significant reduction in youth recidivism.<sup>77</sup> More specifically, family services including parenting skills programs, intensive family therapies, and other family group interventions all showed promise over other types of programming in reducing and preventing recidivism.<sup>78</sup> Positive findings of familial engagement have also been identified in probation settings. In one study, researchers found that mothers with greater knowledge of the system were more likely to be involved in their child's justice processes, leading to improved outcomes such as better compliance by the child.<sup>79</sup> In another study, probation officers interviewed pointed to parental engagement as being important for the child's successful management of compliance requirements.

- *A spotlight on Functional Family Therapy (FFT): Functional Family Therapy has been rated "Effective" (the highest rating) by the Office of Juvenile Justice and Delinquency Prevention's Model Programs Guide.<sup>80</sup> This program rating was based on three evaluation studies, which found that youth who participated in FFT had significantly lower recidivism rates and*

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<sup>76</sup> de Vries, S. L., Hovee, M., Assink, M., Stams, G. J. J., & Asscher, J. J. (2015). Practitioner review: effective ingredients of prevention programs for youth at risk of persistent juvenile delinquency—recommendations for clinical practice. *Journal of Child Psychology and Psychiatry*, 56(2), 108-121.

<sup>77</sup> Schwalbe, C. S., Gearing, R. E., MacKenzie, M. J., Brewer, K. B., & Ibrahim, R. (2012). A meta-analysis of experimental studies of diversion programs for juvenile offenders. *Clinical Psychology Review*, 32(1), 26–33. <https://doi.org/10.1016/j.cpr.2011.10.002>

<sup>78</sup> Schwalbe, C. S., Gearing, R. E., MacKenzie, M. J., Brewer, K. B., & Ibrahim, R. (2012). A meta-analysis of experimental studies of diversion programs for juvenile offenders. *Clinical Psychology Review*, 32(1), 26–33. <https://doi.org/10.1016/j.cpr.2011.10.002>

<sup>79</sup> Cavanagh, Caitlin, and Elizabeth Cauffman. 2017. "What They Don't Know Can Hurt Them: Mothers' Legal Knowledge and Youth Re-Offending." *Psychology, Public Policy, and Law* 23 (2): 141–53. <https://doi.org/10.1037/law0000112>.

<sup>80</sup> *Program Profile: Functional Family Therapy (FFT)*. (2011, June 14). Crime Solutions, National Institute of Justice. <https://crimesolutions.ojp.gov/ratedprograms/122>

*improvements on risk-need indicators.<sup>81</sup> Stakeholders must keep in mind, however, that in practice, measuring the success of any program at local implementation (but perhaps therapeutic interventions more than most) will require a consideration of the take-up rates and completion rates of youth who are referred.*

Given these facts, substantial investments in family-engaged programming could render great benefits to Philadelphia's juvenile justice system, including reduced rearrest rates and improved probation compliance, both of which would drive down detention and placement costs. While individual probation officers and court-supervision service providers may currently interact with families, funding targeted supports with specially trained staff would likely yield greater returns.

**Crime repair, restitution, and community service programming:** This grouping of services falls broadly under the umbrella of "restorative justice practices," which aim to balance the needs of the offender and the victim while repairing harms caused by a criminal or delinquent act. Some of these practices with specific funding appropriations in Philadelphia's juvenile justice budget include programming in which youth learn to repair property damage caused by their actions, as well as engage in community service to earn money to pay victim restitution.

As the goal of restorative justice is to repair harm, restorative justice advocates point out that monetary restitution may be better described as *retributive* punishment because the offender is not actively repairing the harm done, representing retribution without restoration.<sup>82</sup> If one accepts this logic, then investing more money in programming that teaches youth how to repair (and not simply pay for) property damage not only provides youth with a valuable skill, but encourages restoration of harm.

Such programming accounted for \$70,000 of budget appropriations in FY2021; less than .01 percent of total projected budget appropriations for the juvenile justice system.

When it comes to restitution costs, DAO data indicates that all 2019 arrests of youth led to approximately \$133,000 in restitution ordered by the courts to be paid to victims. Typically, youth may not be discharged from the juvenile justice system until said restitution costs are paid, and any unpaid restitution remaining at the age of youths' mandatory system discharge (21-years-old) may be issued as a civil judgement against them.

As of 12/31/2021, according to DAO data, approximately \$103,000 of the aforementioned 2019 restitution costs had been paid to the courts, with an average time from arrest to first payment of 290 days, and an average time from arrest to full payment of 350 days.

While the FY2021 Operating Budget Detail appears to allocate \$200,000 for paying restitution, this money is made reimbursable to service providers who supervise youths' community service and pay their restitution costs to the court at a rate of \$10-per-hour for every hour of community service

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<sup>81</sup> Program Profile: Functional Family Therapy (FFT). (2011, June 14). Crime Solutions, National Institute of Justice. <https://crimesolutions.ojp.gov/ratedprograms/122>; Gordon, D. A., Arbuthnot, J., Gustafson, K. E., & Mcgreen, P. (1988). Home-based behavioral-systems family therapy with disadvantaged juvenile delinquents. *The American Journal of Family Therapy*, 16(3), 243–255. <https://doi.org/10.1080/01926188808250729>; Sexton, T., & Turner, C. W. (2010). The effectiveness of functional family therapy for youth with behavioral problems in a community practice setting. *Journal of Family Psychology*, 24(3), 339–348. <https://doi.org/10.1037/a0019406>; Celinska, Katarzyna, Susan Furrer, and Chia-Cherng Cheng. 2013. "An Outcome-Based Evaluation of Functional Family Therapy for Youth with Behavioral Problems." *OJJDP Journal of Juvenile Justice* 2(2): 23-36.

<sup>82</sup> Duff, R. A. (2002). Restorative punishment and punitive restoration. In *Restorative Justice and the Law*. Willan.

rendered. If this payment strategy were modified to reimburse victims directly, said victims could be made whole more quickly and youth could demonstrate accountability for their actions through non-monetary mechanisms. This, in turn, may lead to decreased lengths-of-stay in the system and potentially reduce the use of detention and placement, as it would lessen the opportunity for youth to accrue technical violations of probation. With regards to public safety, a meta-analysis of restorative aligned practices has shown findings that suggest restitution is not effective in improving delinquency-associated outcomes,<sup>83</sup> and a recent study in Allegheny County, Pennsylvania, found that financial penalties were actually associated with *increased recidivism* among adolescent offenders.<sup>84</sup>

At a fifty percent increase in budget appropriations for restitution, the juvenile justice system would likely have enough of a financial cushion to implement such a strategy and cover the costs for multiple years' worth of arrests (as not all restitution is filed in court in the same fiscal year as a youth's arrest).

This additional \$100,000 increase would represent approximately .01 percent of total projected budget appropriations for the juvenile justice system.

**Mental health services:** Mental health services, including evaluations, therapeutic services, outpatient, partial hospitalization, and other related supports included in the current juvenile justice budget appropriations are of the utmost importance for youth in the juvenile justice system. Initially, evaluation services are important for not only determining if a youth is competent to stand trial, but also for assessing risk-needs and ensuring that said risk-needs are adequately addressed by youth's treatment and service plans. A study exploring treatment-matching to risk-needs found that youth with fewer than 26 percent of their needs matched to services (the "low needs match" group) were 18 times more likely to reoffend in a three-year follow-up period than were youth with more than 75 percent of their needs matched to services (the "high needs matched" group).<sup>85</sup> Therefore, research suggests it essential that youth are not only properly evaluated, but also matched to the appropriate treatment provisions based on their risk-needs.

While all youth will display their own unique risk-need profiles, a considerable amount of justice-involved youth may likely benefit from mental health services. In a study on 658 adolescents with juvenile justice involvement, the National Child Traumatic Stress Network found that about 90 percent of said adolescents had been exposed to a traumatic event, and about 70 percent met the criteria for a mental health disorder.<sup>86</sup> Further, research suggests that ongoing assessment and mental health services should be available to system-involved youth to be responsive to the trauma caused by the system itself. To this end, the National Center for Mental Health and Juvenile Justice stated: "It is possible that traumatic stress symptoms may worsen as a result of juvenile justice system involvement. Court hearings, detention, and incarceration are inherently stressful, and stressful experiences that are not traumatic per se can exacerbate trauma symptoms."<sup>87</sup>

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<sup>83</sup> Wilson, D. B., Olaghere, A., & Kimbrell, C. S. (2018). Effectiveness of restorative justice principles in juvenile justice: A meta-analysis. Inter-university Consortium for Political and Social Research.

<sup>84</sup> Piquero, A. R., & Jennings, W. G. (2017). Research Note: Justice System–Imposed Financial Penalties Increase the Likelihood of Recidivism in a Sample of Adolescent Offenders. *Youth Violence and Juvenile Justice*, 15(3), 325–340. <https://doi.org/10.1177/1541204016669213>

<sup>85</sup> Vieira, T. A., Skilling, T. A., & Peterson-Badali, M. (2009). Matching Court-Ordered Services with Treatment Needs: Predicting Treatment Success with Young Offenders. *Criminal Justice and Behavior*, 36(4), 385–401. <https://doi.org/10.1177/0093854808331249>

<sup>86</sup> Dierkhising et al., "Trauma histories among justice-involved youth: findings from the National Child Traumatic Stress Network", *European Journal of Psychotraumatology* 4(2013), <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3714673/>

<sup>87</sup> Ford, J. D., Chapman, J., Hawke, J., & Albert, D. (2007). Trauma Among Youth in the Juvenile Justice System: Critical Issues and New Directions (Models for Change Initiative). National Center for Mental Health and Juvenile Justice. <https://www.courts.ca.gov/documents/BTB25-1G-02.pdf>

Various mental health services have been found to be successful with youth in the juvenile justice system, including Cognitive Behavioral Therapy, Trauma Affect Regulation: Guide for Education and Therapy, Multidimensional Treatment, Multisystemic Therapy, and more.<sup>88</sup> An increased investment in mental health services would allow for multiple models to be utilized more broadly in Philadelphia.

Of note, mental health treatment provisions should be based on a youth's individual risk-need profile; just because a treatment is evidence-based and has shown success, it does not mean that it is the best fit for all youth. To this end, increased funding to support ongoing evaluations and a wide variety of mental health services may help to ensure that all youth receive the supports that work best for them, not simply the limited supports that are available. This again may reduce the costs of confinement incurred by youth who end up in detention or placement as the result of unmet mental health needs.

In total, services labeled as "therapy," "counseling," "mental health," and "evaluations" account for approximately \$1.5 million of budget appropriations in FY2021; approximately two percent of the total budget appropriations for the juvenile justice system.

**Wraparound care & case management coordination:** Investment in case management and wraparound care can help to ensure that youth both receive the supports they need, and that various system services are coordinated and work together to best serve youth.<sup>89</sup> As indicated throughout this budget analysis, in juvenile justice, a youth may have multiple service needs that any one program cannot provide, indicating that wraparound supports may be necessary. A case manager can work with youth and their various service providers so that said youth may be less overwhelmed with appointments, receive better services, and accrue fewer court violations for missing mandated appointments. In this model, a case manager serves as a catalyst for wraparound care, as they help to manage connections to various services.

It is also possible to create a single wraparound program inclusive of all necessary services as opposed to requiring youth to have their different needs met by different programs or services. In a study of one such wraparound program for juvenile justice youth with mental health needs in Connecticut, researchers found that the 106 youths served were less likely to recidivate and spent less time in detention than the 98 youths in a control group.<sup>90</sup> Further, a systematic review of wraparound programming found that youth in wraparound programs had better educational, health, and residential outcomes compared to youth in treatment as usual groups.<sup>91</sup> It also found that wraparound programming was generally associated with lower service costs, typically driven by reductions to

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<sup>88</sup> Model Programs Guide | All MPG Programs. (n.d.). Office of Juvenile Justice and Delinquency Prevention. <https://ojjdp.ojp.gov/model-programs-guide/all-mpg-program>; s; Dierkhising, C. B., Ko, S. J., Woods-Jaeger, B., Briggs, E. C., Lee, R., & Pynoos, R. S. (2013). Trauma histories among justice-involved youth: Findings from the National Child Traumatic Stress Network. *European Journal of Psychotraumatology*, 4(1), 20274. <https://doi.org/10.3402/ejpt.v4i0.20274>

<sup>89</sup> Olson, J. R., Benjamin, P. H., Azman, A. A., Kellogg, M. A., Pullmann, M. D., Suter, J. C., & Bruns, E. J. (2021). Systematic Review and Meta-analysis: Effectiveness of Wraparound Care Coordination for Children and Adolescents. *Journal of the American Academy of Child & Adolescent Psychiatry*, 60(11), 1353–1366. <https://doi.org/10.1016/j.jaac.2021.02.022>

<sup>90</sup> Pullmann, M. D., Kerbs, J., Koroloff, N., Veach-White, E., Gaylor, R., & Sieler, D. (2006). Juvenile Offenders With Mental Health Needs: Reducing Recidivism Using Wraparound. *Crime & Delinquency*, 52(3). <https://doi.org/10.1177/0011128705278632>

<sup>91</sup> Olson, J. R., Benjamin, P. H., Azman, A. A., Kellogg, M. A., Pullmann, M. D., Suter, J. C., & Bruns, E. J. (2021). Systematic Review and Meta-analysis: Effectiveness of Wraparound Care Coordination for Children and Adolescents. *Journal of the American Academy of Child & Adolescent Psychiatry*, 60(11), 1353–1366. <https://doi.org/10.1016/j.jaac.2021.02.022>



institutional and residential care.<sup>92</sup>

By investing more heavily in wraparound supports and/or comprehensive case management to help coordinate supportive services, Philadelphia may see similar reductions in recidivism, as well as in the use of detention and placement. These reductions may come not only at the front-end of the system by facilitating youths' access to supportive services *instead* of detention and placement, but also at the back-end of the system, where coordination of aftercare supports following a youth's system discharge may help to prevent potential reoffending behavior and a return to the justice system.

Case management supports for youth engaged in wraparound programs accounted for approximately \$73,000 of budget appropriations in FY2021; less than .01 percent of total projected budget appropriations for the juvenile justice system.

The list above is meant to be illustrative, not exhaustive. Specific "supportive service" programs aside, this case study highlights the broad diversity of possible community-based avenues for financial reinvestment, and how a redistribution of funds towards any of these avenues may demonstrate both a more youth-and-family centered priority system, as well as a funding strategy that is more aligned to evidence on efficacy. Such a strategy may yield high returns to the juvenile justice system, both by delivering better outcomes to youth and families and reducing total public costs. This exercise may also be conducted with other budget codes that impact variables of interest; specifically, exercises to examine "community supervision" spending may be another useful step in determining the efficacy of funding strategies that can most directly reduce detention usage.

## 5.5. Key Takeaways

This section began with a discussion of how budget allocations are indicative of organizational spending strategies and priorities, and how reductions in overall costs may afford organizations an opportunity to re-strategize and reprioritize spending. It then focused on a line-item analysis of Philadelphia's juvenile justice budget appropriations in recent years, exploring if the drastic cost reductions seen by the broader system may have been fueled by, or resulted in, any such reprioritization by its leaders. To close, it offered a snapshot of a few evidence-informed investments that might be made in supports delivered directly to youth, families, and communities that may yield positive returns and reflect a more human-centered investment strategy.

Research and data analysis led to the following key takeaways:

- ❖ **A line-item analysis of the City's juvenile justice budget appropriations corroborates conclusions reached earlier in this report: the downsizing economic footprint of Philadelphia's juvenile justice system is driven primarily by declines in money allocated to private/nonprofit placement providers.** By FY2021, the reduced role of private/nonprofit placements in the City's budgeting strategy appeared institutionalized, as money allocated for private/nonprofit

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<sup>92</sup> Olson, J. R., Benjamin, P. H., Azman, A. A., Kellogg, M. A., Pullmann, M. D., Suter, J. C., & Bruns, E. J. (2021). Systematic Review and Meta-analysis: Effectiveness of Wraparound Care Coordination for Children and Adolescents. *Journal of the American Academy of Child & Adolescent Psychiatry*, 60(11), 1353–1366. <https://doi.org/10.1016/j.jaac.2021.02.022>



placement providers shrank from 39 percent of all planned spending in FY2017 to 19 percent of all planned spending in FY2021.

- ❖ **A more detailed analysis of budget appropriations shows that, despite this shift, the overarching juvenile justice spending philosophy continues to prioritize residential confinement over evidence-informed and community-based approaches like youth supports, prevention, and diversion.** While the City's proportion of total approved spending allocated for private/nonprofit placement has declined, this void has been filled with an increased budget appropriation for other residential services, primarily secure detention. Appropriations for budget items like "community supervision," "prevention," and "supportive services" have remained flat, with a maximum gain of one percent of the total budget allocation.
- ❖ **Committing large proportions of expected spending to secure detention represents a highly inefficient investment strategy, specifically as youth do not receive credit for time-served in detention.** Costs associated with secure detention were estimated to occupy 38 percent of total budget allocations in FY2021. Even if data showed that youth arrested in the previous fiscal year were disproportionately high-risk, this would remain a largely unproductive spending outlay, as "detention" in the juvenile justice system is largely conceptualized as a temporary holding facility as youth await other interventions, not a place where they receive treatment, supervision, and rehabilitation. Further, rising detention utilization can have other downstream economic effects, such as the increased overtime costs of those who work at the detention center. This is thought to have contributed to a 115 percent increase in funding allocated to DHS "employee benefits," which rose from \$5,569,360 in FY2017 to \$11,978,374 in FY2021.
- ❖ **City staffing costs continue to rise despite a rapidly declining juvenile justice census.** While the number of youth served by the juvenile justice system declined from 3,637 to 1,968 between FY2017 and FY2021 (45 percent), budget appropriations for staffing costs associated with juvenile justice agencies continued to increase. This may represent either a modified staffing plan to provide higher-quality services to higher-risk youth, or a human services industry whose staffing cost models are wholly disconnected from the number of humans served.
- ❖ **Supportive services exemplify one of many areas where juvenile justice leaders may invest more heavily in evidence-informed approaches to achieve better juvenile justice outcomes.** A strategy to redistribute funding made available from declining residential placement spending towards direct supports for youth, families, and communities may demonstrate both a more youth-and-family centered priority system, as well as a funding strategy more aligned to evidence on efficacy. This, in turn, may further reduce the need for residential confinement. Similar approaches may be taken towards any number of community-based budget items.

In total, this section aimed to provide a full examination of the City's broader spending strategy on juvenile justice, and whether any substantial shifts in funding priorities have corresponded to the rapid changes seen in the system in recent fiscal years. It concluded that while total costs and total residential placements have decreased, there were few proportional changes made to overall investment strategies.

In the section to follow, we take the lessons learned from key findings included throughout all sections of this report and aim to craft a series of recommendations that we believe can help improve system efficacy, further reduce costs, and better outcomes for both youth and the city at large.

## 6. What's Next: Recommendations for Reform

### 6.1. Section Overview: A More Efficient, Effective System

This report has offered a detailed glimpse into Philadelphia's juvenile justice landscape and examined how its shifting trends are both represented in local budget documents as well as driven by local budgeting decisions. In this section, we build off key takeaways from previous sections to generate actionable recommendations aimed to produce a more efficient and effective system for justice-involved youth, victims of crime, and the city at large. These recommendations are grouped below by general theme, with each grouping set beneath a headline of the change it aims to precipitate.

### 6.2. Recommendations

#### A MORE YOUTH-CENTERED DEFINITION OF SUCCESS

- ❖ **Align budgetary principles and outcome metrics to the PA Juvenile Act's emphasis on providing youth programs to enhance their competency development and productivity:** While the PA Juvenile Act expressly defines the development of youth competencies and productivity as part of the mission of the state's juvenile justice system, few publicly available juvenile justice metrics in Philadelphia track the success of funded programs in achieving gains in either of these domains.

Instead, much of the system appears to benchmark success by an intervention's ability to prevent future arrests, an inherently deficit-based framework. This framework is evidenced largely through the use of recidivism-based risk assessment tools<sup>93</sup> and needs-based budget narratives requesting additional support for the purchase of recidivism-oriented evidence-based programs,<sup>94</sup> although there do not appear to be any easily accessible local recidivism figures released as part of the Philadelphia juvenile justice system's performance management framework.

An analysis of longitudinal arrest data from DAO data sources indicates that through a recidivism-based analysis, the existing juvenile justice paradigm appears to succeed at a rate of less than 50 percent.

While preventing youth rearrests is certainly important for public safety, philosophically, a shift towards more targeted, youth-centered developmental notions of success may yield greater returns. Here, measuring youths' progress along conceptual frameworks such as the positive

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<sup>93</sup>Hoge, R.D. and Andrews, D.A. (2022). "YLS/CMI™ 2.0: Youth Level of Service/Case Management Inventory 2.0." MHS Beyond Assessments. <https://storefront.mhs.com/collections/yls-cmi-2-0>; Pennsylvania Council of Chief Juvenile Probation Officers. (2022.) "PA Detention Risk Assessment Instrument." [https://www.pachiefprobationofficers.org/pa\\_detention\\_risk\\_assessment\\_i.php](https://www.pachiefprobationofficers.org/pa_detention_risk_assessment_i.php)

<sup>94</sup> Philadelphia Department of Human Services. "Fiscal Year 2021-22 Needs-Based Plan & Budget." [https://www.phila.gov/media/20200716210711/NBB00\\_21-22\\_Narrative-Template-Public-Draft-07-16-2020.pdf](https://www.phila.gov/media/20200716210711/NBB00_21-22_Narrative-Template-Public-Draft-07-16-2020.pdf).

youth justice model,<sup>95</sup> social determinants of health,<sup>96</sup> or results-based accountability framework<sup>97</sup> (amongst many others) may not only allow system stakeholders to craft more meaningful measures of service delivery, but to reimagine what is possible with juvenile justice dollars. This latter implication is particularly substantial, as a reframe of the de facto organizing principle of the juvenile justice system from “preventing recidivism” to “helping children live healthy and productive lives” would immediately broaden the pool of potential resources, allowing public juvenile justice funding to travel beyond a small cohort of preapproved “juvenile justice” programs to a more flexible menu of services and supports that deliver desired value to youth, families, and the broader community. This, in turn, may likely reduce recidivism.

Importantly, youth, families, and impacted communities must be consulted directly in shaping this definition of “success” to ensure that services are designed through a human-centered lens and deliver the value necessary to achieve their desired impacts.

#### A MORE DETAILED BUDGETING PRACTICE

- ❖ **Develop a new set of juvenile justice budget codes and reclassify City budgets accordingly:** As it stands, there are two primary budget codes which encapsulate a large majority of Philadelphia’s juvenile justice costs: *payment for the care of individuals* (290) and *professional services* (250).

*Payment for the care of individuals* primarily encompasses residential programming costs, although there are also several community-based court supervision program costs included (such as in-home detention program costs), as well as some costs associated with direct expenditures on youth (such as the purchase of clothing).

*Professional services* includes costs allocated to a wide swath of contracted services, from the management of community-based prevention centers, to the provision of CPR training for City employees, to the delivery of psychiatric evaluations for youth, to the running of intensive community-based court supervision programs.

This lack of differentiation in budget codes makes it extremely difficult and labor-intensive to examine the efficacy of public spending on juvenile justice strategies with any specificity. Those interested in examining the return on investment for community-based court supervision programs, for example, must first attempt to discern what few community-based court supervision programs may be encapsulated in *payment for the care of individuals* costs, then

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<sup>95</sup> Butts, J. A., Bazemore, G., & Meroe, A. S. (2010). *Framing Justice Interventions Using the Concepts of Positive Youth Development* (Positive Youth Justice, p. 40). Coalition for Juvenile Justice. <http://www.juvjustice.org/sites/default/files/resource-files/Positive%20Youth%20Justice.pdf>; Butts, J. A., & Schiraldi, V. (2018). *Recidivism Reconsidered: Preserving the Community Justice Mission of Community Corrections* (p. 17). Harvard Kennedy School. [https://www.hks.harvard.edu/sites/default/files/centers/wiener/programs/pci/files/recidivism\\_reconsidered.pdf](https://www.hks.harvard.edu/sites/default/files/centers/wiener/programs/pci/files/recidivism_reconsidered.pdf)

<sup>96</sup> Fix, R. L., Vest, N., & Thompson, K. R. (2022). Evidencing the Need to Screen for Social Determinants of Health Among Boys Entering a Juvenile Prison: A Latent Profile Analysis. *Youth Violence and Juvenile Justice*, 20(3), 187–205. <https://doi.org/10.1177/15412040221096359>; U.S. Department of Health. (n.d.). *Social Determinants of Health*. Healthy People 2030. Retrieved October 12, 2022, from <https://health.gov/healthypeople/priority-areas/social-determinants-health>

<sup>97</sup> Wilder, J., Amoa, M., Nelson, R., & Bertrand-Jones, T. (2019). Accountability Matters: Addressing Racial Inequity With Results-Based Accountability (RBA). *Race and Justice*, 9(1), 3–7. <https://doi.org/10.1177/2153368718811696>

separate community-based court supervision programs from other services included in *professional services* costs and attempt to reconcile the two lists.

This same struggle continues for all spending items of interest, such as mental health services or family engagement efforts.

As such, we recommend that efforts be made to create a series of new budget codes more aligned to the functional details of juvenile justice service provision, and that the DHS Juvenile Justice Services Operating Budget Detail be reclassified accordingly. This will help to add much needed transparency to the juvenile justice system, as well as create an opportunity for more detailed public budget analysis and conversation regarding strategic investment decisions.

A demonstration of such a reclassification exercise has been included in this report, and further details on ESI's example budget codes are included in the Appendix in Figure 7.4.

- ❖ **Provide a public list of per diem costs (or any other cost reimbursement rates) of different juvenile justice services and interventions:** Few, if any, of the costs incurred by the formal juvenile justice system are paid for by private funders. This means that a majority of expenditures on juvenile justice in the City of Philadelphia represent costs incurred directly to local, state, and federal taxpayers. As such, it should be standard practice that juvenile justice cost details are public knowledge.

More specifically, with such a large portion of juvenile justice funding traditionally paid to third-party service providers, the *rates* at which juvenile justice payments are rendered to said service providers should be included in public budgeting details, not simply the aggregate amount of funding paid to them each year. Without any such public accounting of per-youth or per-diem funding rates, it is extremely difficult, if not impossible, for the general public to establish an accurate projection of economic efficiency or return on their investment.

This lack of spending detail is evidenced by a need to include only estimated program-level financial projections throughout this report. While it could be said, for example, that Agency A received \$500,000 and provided in-home detention services, it could not be said that Agency A charged a rate of \$40 per day for in-home detention and served 200 youth.

Without these unit-level inputs, measuring the efficacy of such a service is nearly impossible.

Further, as state placements appear to be responsible for a bulk of juvenile justice spending, the costs incurred to taxpayers by sending Philadelphia youth to state placement facilities should be accounted for and easily found in municipal budget documents. Without a clear public accounting of state placement spending, it must be acknowledged that an overutilization of state placement resources by any local municipality is potentially indicative of a classic free-rider problem in economics, defined as: “the burden on a shared resource that is created by its use or overuse by people who aren't paying their fair share for it or aren't paying anything at all.”<sup>98</sup>

With this context, a lack of accounting for state placement costs in public budget considerations only opens the door for inquiry regarding cost displacement and the perverse incentive structure

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<sup>98</sup> “Free Rider Problem: Explanation, Causes, and Solutions.” Investopedia. [https://www.investopedia.com/terms/f/free\\_rider\\_problem.asp](https://www.investopedia.com/terms/f/free_rider_problem.asp).

whereby municipalities may reap a financial benefit from sending youth to the most restrictive (i.e., state-run) facilities. These factors should be acknowledged and explained in budget documentation, as well as any efforts made to avoid the unnecessary utilization of such facilities, even if a lesser usage rate means incurring a greater cost to the municipality.

- ❖ **Provide a regular accounting of results achieved with public dollars allocated to juvenile justice programming:** Not only should it be standard practice to publicize the *rates* at which public dollars are committed to various juvenile justice services and interventions, the *results* achieved with said dollars should also be public knowledge. Expected results should be included when awarding publicly funded juvenile justice contracts, and progress towards achieving said results should be reviewed regularly. These results, in tandem with the reimbursement rates discussed in the recommendation above, may be used to help determine if existing juvenile justice strategies are achieving a desired return-on-investment (ROI) with public dollars, and to make any necessary adjustments.

Of note, juvenile justice results should be tied to measures of *quality* (i.e., the impact of services delivered) and not *compliance* (i.e., the success of a service provider in adhering to administrative contract standards). Care must also be taken to ensure that discussions of results are nuanced and take into consideration the unique circumstances of service providers serving youth and families with any variety of different goals, needs and challenges. Failure to do so may result in “cream skimming,” where some service providers accept only the easiest-to-serve referrals in order to make their statistics look favorable, while those who accept the hardest-to-serve referrals may be penalized for delivering worse outcomes.

- ❖ **Offer detailed explanations of rising City staffing costs despite rapid declines in youth arrested and served by the juvenile justice system:** ESI research has determined that as aggregate spending on juvenile justice youth and supportive services has decreased in recent years, aggregate spending on staffing costs for those who serve juvenile justice youth has increased.

In some instances, municipal budget appropriations for items labeled as *employee benefits* have increased by over 100 percent in a period of five fiscal years.

This report is not advocating for the loss of any jobs. It is, however, highlighting a potential inefficiency in staffing utilization, where some City departments may be paying staff more to serve fewer youth while other departments may be in need of high-quality staff with expertise in serving similar populations of youth. Here, a transfer of staff between City departments might make sense and carry no effect on individual salaries or pensions.

Alternately, staffing costs may have risen despite a rapid decline in youth served if the true cost of serving each youth is much higher. As these are staffing costs, however, this should likely only be the case if there has been a shift in service provision that requires more staff or increased pay. If this is the case, such a shift should be clearly explained, and costs should become responsive in future fiscal years to new fluctuations in the juvenile justice population. If not, this budget trend may represent a ratcheting of staffing costs in a human services industry that is wholly disconnected from the number of people served.

A less nuanced takeaway is that there has been a 100 percent increase in DHS employee benefits from FY2017 and FY2021, and that this increase appears clearly tied to utilization trends of the youth detention center. If it is in fact true that these costs are indicative of large increases in overtime pay, this does represent a true economic inefficiency at upwards of 50 cents on every overtime dollar (if overtime is paid at a standard rate of time-and-a-half). Here, as the population at the youth detention center continues to rise, the policy implications are twofold: 1) deploy intensive efforts to decrease total youth in detention, or 2) deploy intensive efforts to hire and retain more staff.

Of note, a collaborative approach by system stakeholders in light of these findings and recommendations may yield unique solutions with synergistic economic benefits. For example, if juvenile probation staffing costs are up despite fewer youth being served by juvenile probation, and detention center overtime costs are up due to a shortage of detention staff and a rising detention census, one solution that may increase economic and operational efficiency may be to have probation officers help to staff the juvenile detention center.

#### 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:** ESI research has determined actual spending on juvenile justice has decreased by approximately \$35 million between FY2017 and FY2021.

There is further nuance to this picture, as budget appropriations have not declined as fast as actual spending, meaning that each fiscal year, the City has spent substantially less on juvenile justice services than it was prepared to spend in its approved operational budget. Since FY2017, this difference between appropriations and actual spending has averaged \$17 million.

However the data is examined, it indicates that there is substantial room for reinvestment.

As ESI research into juvenile justice descriptive data indicates that money allocated for spending on juvenile justice youth is in fact allocated on spending for youth who come from some of the city's most under-resourced neighborhoods, an equity-based budgeting plan would suggest that economic gains from more efficient (or at least less expensive) juvenile justice spending should be reinvested into other youth-serving programs, ideally those serving youth and community-members in these same neighborhoods.

This also addresses a particular incongruence between juvenile justice data and real-life crime patterns seen after the COVID-19 pandemic, where a staffing crisis in Philadelphia's police force as well as changing arrest policies have contributed to drastic declines in youth arrests while the city has seen large increases in gun-involved crime, with many of the victims of said crime being youth under the age of 18 from the precise same neighborhoods that traditionally produce a preponderance of juvenile arrests.

As such, a reinvestment of juvenile justice funding on localized youth-serving programs offers one potential strategy to further fund services for youth who may be impacted by, or at risk of perpetrating, violent or gun-involved crime but who have not been arrested and referred to the formal juvenile justice system.

This reinvestment of course does not have to be limited to traditional anti-violence programs but can instead target the provision of various impactful prosocial services in otherwise underserved communities.

While there are many technical options as to how such a reinvestment strategy may be implemented, one such strategy might be for the City of Philadelphia to establish a cross-departmental youth endowment fund, where money allocated out of the City's general fund for any youth services that went subsequently unspent on said youth services may be added as a yearly contribution to an investment fund earmarked for future discretionary investment in Philadelphia youth. Alternately, such a fund could be department specific, which may encourage mission-aligned leaders to seek gains in operational efficiency to allow for greater flexibility in future spending on youth innovation efforts.

There are of course simpler models. An alternate conceptualization of reinvestment focuses wholly on *inner*, not *inter*-departmental funding redistribution. This concept acknowledges that budget documents reflect a series of decisions keenly tied to the value and priority systems of those who create them. As such, no matter the aggregate funding asks of an organization or organizational department, each fiscal year represents a unique opportunity for its leaders to shift funding distribution levels inside of their budget proposals to better reflect any changes in organizational priority or to drive better outcomes.

The recommendations in the subsection to follow will focus on specific strategies by which money may be redistributed *inside* of Philadelphia's juvenile justice budgets to achieve larger systemic impacts.

#### A MORE TARGETED PROVISION OF SERVICES

- ❖ **Allocate substantial resources to ensuring effective approaches for youth at first system contact:** ESI research suggests that youth who return to the juvenile justice system multiple times will simultaneously receive the most expensive interventions and become increasingly likely to return to the justice system again. This represents a poor investment of resources.

A wiser investment strategy would be to spend heavily on successful approaches for all youth at first system presentation to avoid such costly and ineffective future system contact. Here, the term "approaches" is utilized in lieu of "interventions," as some research indicates that for certain low-risk youth, a "do nothing" approach at first system contact may in fact be most successful,<sup>99</sup> while referral to juvenile justice programming may classify as "net-widening," a phenomenon where youth receive interventions who do not require them.<sup>100</sup>

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<sup>99</sup>Wilson, H. A., & Hoge, R. D. (2013). The Effect of Youth Diversion Programs on Recidivism: A Meta-Analytic Review. *Criminal Justice and Behavior*, 40(5), 497–518. <https://doi.org/10.1177/00938548124510>

<sup>100</sup>Ezell, M. (1989). Juvenile Arbitration: Net Widening and Other Unintended Consequences. *Journal of Research in Crime and Delinquency*, 26(4), 358–377. <https://doi.org/10.1177/0022427889026004003>



Net-widening is primarily a concern in the *current* juvenile justice paradigm, however, where the bulk of funding to serve justice-involved youth is earmarked for a handful of juvenile justice service providers who provide intensive court-based supervision services while prevention, prosocial programming, and youth support resources are allocated less than 10 percent of total spending.

As such, the term “resources” is thought of as synonymous with intensive court supervision.

This need not be so, particularly given figures earlier in this report indicating that arrested youth in the City of Philadelphia come from some of its most under-resourced communities. Instead, this recommendation suggests again a broader reimagining of juvenile justice spending, where money allocated for juvenile justice youth should be spent on said youth following an arrest, and successful “approaches” may be investments made in fields outside of juvenile justice, such as employment programs,<sup>101</sup> housing assistance,<sup>102</sup> conditional or unconditional cash transfers,<sup>103</sup> and heavy investment in any necessary infrastructure to reduce barriers to expanding pre-and-post-arrest diversion programming.<sup>104</sup>

In this fashion, a justice system may make substantial outcome-aligned resource investments in all youth regardless of presumed “risk level” while still hedging against the risk of net-widening.

Of course, a proposition to spend *equally* on all youth regardless of their risk-needs level or prior system history would also be inefficient. Instead, stakeholders may explore a blended model, where a spending floor is set to ensure that enough resources are dedicated to all youth at first system entry to reduce the likelihood of future arrest, while greater allocations are reserved for youth who require more intensive supports and intervention.

- ❖ **Fund and contract with mid-level private and nonprofit placement facilities to offer lesser alternatives to state placement and secure detention while taking care to provide better oversight of the use and operation of all placement facilities:** ESI research shows that as many private and nonprofit placement facilities have been shuttered in recent years due to allegations of abuse as well as financial constraints, the primary residential placement options left for Philadelphia’s justice-involved youth are state placements.

This represents both an economic inefficiency and misallocation of treatment resources, as state placement facilities are the most expensive placement options and are typically reserved for only the highest-level offenders. At status quo, this means that nearly all youth committed to

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<sup>101</sup>Kessler, J. B., Tahamont, S., Gelber, A., & Isen, A. (2022). The Effects of Youth Employment on Crime: Evidence from New York City Lotteries. *Journal of Policy Analysis and Management*, 41(3), 710–730. <https://doi.org/10.1002/pam.22393>

<sup>102</sup>Chyn, E. (2018). Moved to Opportunity: The Long-Run Effects of Public Housing Demolition on Children. *American Economic Review*, 108(10), 3028–3056. <https://doi.org/10.1257/aer.20161352>; Sciandra, M., Sanbonmatsu, L., Duncan, G. J., Genetian, L. A., Katz, L. F., Kessler, R. C., Kling, J. R., & Ludwig, J. (2013). Long-term effects of the Moving to Opportunity residential mobility experiment on crime and delinquency. *Journal of Experimental Criminology*, 9(4), 451–489. <https://doi.org/10.1007/s11292-013-9189-9>

<sup>103</sup> “Investing in Families as They Chart Their Own Course out of Poverty.” n.d. Stand Together Foundation. <https://standtogetherfoundation.org/investments/trusting-people-to-chart-their-own-course-to-escape-poverty-for-good/>.

<sup>104</sup> Harvell, S., Warnberg, C., Sakala, L., & Hull, C. (2019). *Promoting a New Direction for Youth Justice* (p. 48). The Urban Institute Justice Policy Institute. [https://www.urban.org/sites/default/files/publication/100013/innovative\\_strategies\\_for\\_investing\\_in\\_youth\\_justice\\_0.pdf](https://www.urban.org/sites/default/files/publication/100013/innovative_strategies_for_investing_in_youth_justice_0.pdf)



placement receive the highest-level supervision at the greatest public cost, regardless of their risk level and the appropriateness or necessity of the intervention. This is particularly exaggerated for girls, for whom there do not currently appear to be any non-state-run delinquent residential options.

Economics aside, such an allocation distribution is representative of poor public policy, as research on juvenile justice programming largely shows that deeper system processing of low-risk youth leads to worse outcomes. Researchers posit that this is likely due to the stigma associated with further system processing, as well as the exposure to high-risk peers which can increase the risk of recidivism.<sup>105</sup>

ESI analysis also revealed a third inefficiency caused by the current lack of placement options: a scarcity of placement beds drives both the youth detention census and average-length-of-stay of youth in detention substantially upwards, as youth who have been committed to placement must await a vacant placement bed and subsequent transport while in confinement at the PJJSC. Aside from contributing to rising staffing costs, this ballooning of a detention census and average-lengths-of-stay means again that high-risk and low-risk youth are more likely to commingle, as low-risk youth held in detention for lesser technical violations will be more likely to encounter high-risk youth awaiting transport to state placement for serious offenses.

As such, funding must be allocated for the expansion of mid-level private and nonprofit placement options for Philadelphia youth, ensuring that youth who require residential supervision may receive said supervision while not needing to do so in secure detention and state-run facilities. While this may require the City to add certain displaced placement costs back to its municipal juvenile justice budget, the opportunity costs of *not* having these options must be factored into any budget calculus, inclusive of potential damages to youth and liabilities incurred through the City's current paradigm.

Caution must also be taken that the availability of new residential placement facilities does not lead to a push to fill said facilities with youth who may not need a residential level of service, particularly if referrals to said facilities diminish and system stakeholders fear their closure. Here, a shift from a per diem funding model to program funding model may be useful, where high-quality facilities may be paid a base rate to keep their doors open regardless of the number of youths committed to receive their services.

Finally, it must be acknowledged that the status quo paradigm was precipitated by a series of incidents where Philadelphia youth were not properly protected from abuse in residential facilities. This makes proper oversight of residential facilities not simply a moral imperative but a fiscal imperative, as any additional costs currently incurred by the public due to a lack of appropriate placement options may be thought of as a sort of public tax on improper placement oversight. Better oversight strategies must therefore be employed when contracting with any new residential facility. One such strategy would be to follow the recommendations issued by the Philadelphia Youth Residential Placement Task Force as part of its final report, many of which

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<sup>105</sup> Wilson, H. A., & Hoge, R. D. (2013). The Effect of Youth Diversion Programs on Recidivism: A Meta-Analytic Review. *Criminal Justice and Behavior*, 40(5), 497–518. <https://doi.org/10.1177/0093854812451089>

have yet to be implemented in practice.<sup>106</sup>

- ❖ **Fund and contract with new community-based services targeted specifically to treat youth at the highest-risk for serious offenses:** ESI research suggests that while the aggregate number of youth arrests has declined in recent years, a greater percentage of those youth who are arrested are being accused of more serious offenses, many of which involve firearms.

As such, if it hopes to continue to promote community-based alternatives to detention and placement while maintaining public safety, the juvenile justice system must prepare to make a substantially increased investment in new and innovative community-based programming for youth accused of serious offenses.

To this end, ESI research has indicated that while aggregate juvenile justice spending has declined significantly in recent fiscal years due largely to a reduction in youth served and total usage of private and nonprofit residential placement facilities, these savings have not been reinvested into community-based programming. This means that while the City currently spends less money on juvenile justice services than it has in the past, the spending allocations between residential and community-based services has remained roughly the same, although secure detention, not residential placement, now appears to be the main cost driver.

In FY2017, for example, residential placement and detention spending occupied an approximate 62 percent of the budget and community-based supervision occupied an approximate 10 percent. In 2021, those numbers were approximately 57 percent and 11 percent.

While it is true that additional budget allocations have been dedicated in recent years to new community-based supervision programs, these investments appear to have been made near exclusively into two new Evening Reporting Centers (with a grant for a third) and one new Community Intervention Center, totaling approximately \$2.5 million in additional allocated funding per fiscal year when comparing the FY2017 and FY2021 budgets.

In relation to both aggregate and proportional spending, this investment has been wholly offset by rising DHS employee benefits costs alone, which have increased by over \$6 million in this same time frame.

With regards to innovation and specialization with high-risk youth, Evening Reporting Center and Community Intervention Center contracts appear to have been awarded equally to the same three service providers who provide a majority of all other community-based court supervision resources in Philadelphia, suggesting that they may represent modifications to an existing continuum of service as opposed to an entirely different or innovative service model.

There is no detailed public accounting as to whether these have been successful investments.

In total, this indicates that while a reduction in the use of out-of-home placement has been an ongoing target for Philadelphia's juvenile justice system, substantial investments have not been made in new and innovative models of community-based interventions to ensure positive short

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<sup>106</sup> Youth Residential Placement Task Force. (2019). *Youth Residential Placement Task Force Report and Recommendations*. City of Philadelphia. <https://www.phila.gov/media/20210805122144/Youth-Residential-Placement-Task-Force-report-and-recommendations.pdf>

or long-term outcomes for high-risk youth. Of note, use of the term substantial is intentional here, as the cost of community-based programs targeting youth who may otherwise be committed to residential facilities should in fact be substantially higher than for those programs serving lower-risk youth. This is an acceptable cost if said programs serve youth who are truly at risk of serious offending and/or commitment to residential placement and provide the supports necessary to show demonstrable positive outcomes.

Below we include two examples of nationally recognized programs designed to serve a high-risk client base, with a caveat that this list is intended to be illustrative and not exhaustive:

- 1) **Advance Peace** - Advance Peace was launched in Richmond, CA in 2010 in an effort to curb gun violence.<sup>107</sup> Through searching police records and word of mouth, the program identifies members of the community who are most likely to shoot someone and/or be shot themselves.<sup>108</sup> The program then offers these community members Peacemaker Fellowships with financial incentives, and hires formerly incarcerated community members to be neighborhood change agents who provide mentorship to program fellows and patrol communities to prevent hostilities in real time.<sup>109</sup> Since the start of the program, there has been an 85 percent reduction in shootings and a 65 percent reduction in homicides in Richmond,<sup>110</sup> and the program has since spread to other municipalities. The program in Richmond cost about \$1.2 million in 2019 and served 37 fellows, at an approximate cost of \$32,000 per fellow. A program evaluation indicates that with that investment, the program has yielded savings of \$5.8-\$14.8 million.<sup>111</sup> The program may be replicated in other cities that offer a four-year commitment of \$250,000 per year, and the Peacemaker Fellowship has been shown to reduce firearm assaults and firearm related homicides in partner cities by 50 percent over said four-year period.
- 2) **Homeboy Industries** - Homeboy Industries is a program which works with gang members in Los Angeles.<sup>112</sup> Participants in Homeboy Industries, also known as “trainees,” are given a program navigator and a case worker and work through three phases of an 18-month program.<sup>113</sup> During the first phase, trainees work to build stability through participation in therapy, educational and vocational skills development, and employment in maintenance jobs.<sup>114</sup> In the second phase, they continue to attend

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<sup>107</sup> Advance Peace. (n.d.). About. Advance Peace. Retrieved August 26, 2022, from <https://www.advancepeace.org/about/>

<sup>108</sup> Advance Peace. (n.d.). About. Advance Peace. Retrieved August 26, 2022, from <https://www.advancepeace.org/about/>

<sup>109</sup> Advance Peace. (n.d.). About. Advance Peace. Retrieved August 26, 2022, from <https://www.advancepeace.org/about/>

<sup>110</sup> Institute of Urban and Regional Development. (n.d.). Firearm Incidents Causing Injury or Death Prevented. Office of Neighborhood Safety Richmond 2019. Retrieved September 28, 2022, from <https://www.advancepeace.org/wp-content/uploads/2020/03/AP-Richmond-Impact-2019.pdf>

<sup>111</sup> Institute of Urban and Regional Development. (n.d.). Firearm Incidents Causing Injury or Death Prevented. Office of Neighborhood Safety Richmond 2019. Retrieved September 28, 2022, from <https://www.advancepeace.org/wp-content/uploads/2020/03/AP-Richmond-Impact-2019.pdf>

<sup>112</sup> Homeboy Industries. (n.d.). Case Managers + Navigators. Homeboy Industries. Retrieved September 28, 2022, from <https://homeboyindustries.org/services/case-management/>

<sup>113</sup> Homeboy Industries. (n.d.). Case Managers + Navigators. Homeboy Industries. Retrieved September 28, 2022, from <https://homeboyindustries.org/services/case-management/>

<sup>114</sup> Homeboy Industries. (n.d.). Case Managers + Navigators. Homeboy Industries. Retrieved September 28, 2022, from <https://homeboyindustries.org/services/case-management/>

therapy sessions, work in a Homeboy Industry “social enterprise,” and begin to work on tasks such as obtaining identification, parole/probation termination, and more.<sup>115</sup> In phase three, trainees are able to bring their skills to employment outside of Homeboy Industries while continuing with therapy or programming as they wish.<sup>116</sup>

For youth, Homeboy Industries offers the *Art Academy*, which includes three categories: prevention, diversion, and intervention.<sup>117</sup> The program posits that culturally-competent and trauma-informed arts programming for youth can (1) prevent initial gang involvement; (2) provide mentorship, healing and alternatives to incarceration as a diversion program; and (3) intervene with youth pre-and post-release from juvenile justice incarceration through intensive mentorship, art education, field experiences, and civic engagement.<sup>118</sup>

Homeboy Industries reports that in 2020, they had a yearly operating budget of \$28 million and served more than 450 trainees and 8,000 clients.<sup>119</sup> The program is the largest gang rehabilitation and re-entry program globally and has been the model program for over 350 organizations across the globe.<sup>120</sup> It is a recipient of the Conrad N. Hilton Humanitarian Prize, the largest humanitarian prize in the world, and its founder, Father Greg Boyle, was named a Champion of Change by President Obama.<sup>121</sup>

- ❖ **Use data to examine high-impact populations of youth and invest in services accordingly:** ESI research indicates that some subpopulations of youth represent a particularly high-impact opportunity for system improvement. Funding strategies should be targeted accordingly, with an emphasis on pairing proven interventions to existing need where possible and trying new and innovative approaches where no proven interventions exist. In all instances, juvenile justice strategies should be measured by their potential impact, with particular attention paid to data related to the scalability of any proposed intervention.

For example, ESI analysis revealed that youth accused of drug offenses in 2016 had the highest rearrest rate of youth accused of any presenting offense type, and the ESI case study - “A Closer Look at Youth Accused of Drug Offenses” revealed some further notable details: 1) youth accused of drug offenses appear to live in all parts of Philadelphia but travel to commit drug offenses in the 24<sup>th</sup> police district, home of the city’s largest open-air drug market, and 2) youth accused of drug offenses appear to get rearrested for committing drug offenses as a repeat behavior far more frequently than youth accused of any other offense type.

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<sup>115</sup> Homeboy Industries. (n.d.). Case Managers + Navigators. Homeboy Industries. Retrieved September 28, 2022, from <https://homeboyindustries.org/services/case-management/>

<sup>116</sup> Homeboy Industries. (n.d.). Case Managers + Navigators. Homeboy Industries. Retrieved September 28, 2022, from <https://homeboyindustries.org/services/case-management/>

<sup>117</sup> Homeboy Industries. (n.d.). Homeboy Art Academy. Homeboy Industries. Retrieved September 2, 2022, from <https://homeboyindustries.org/services/art-academy/>

<sup>118</sup> Homeboy Industries. (n.d.). Homeboy Art Academy. Homeboy Industries. Retrieved September 2, 2022, from <https://homeboyindustries.org/services/art-academy/>

<sup>119</sup> Homeboy Industries. (2021). Homeboy Industries Fact Sheet. [https://homeboyindustries.org/wp-content/uploads/2021/06/HBfactsheet\\_Final.pdf](https://homeboyindustries.org/wp-content/uploads/2021/06/HBfactsheet_Final.pdf)

<sup>120</sup> Homeboy Industries. (2020). About Us. Homeboy Industries. <https://homeboyindustries.org/our-story/about-homeboy/>

<sup>121</sup> Homeboy Industries. (2020). About Us. Homeboy Industries. <https://homeboyindustries.org/our-story/about-homeboy/>

As a majority of youth drug offenses are for *possession with intent to distribute* (or drug selling behavior), these trends may suggest that in a city of intensive poverty, programs that aim to curb youths' economic needs may be more impactful for youth accused of drug offenses than programs that offer drug and alcohol treatment, although the latter appears to be the intervention more frequently provided by the courts. Further, as youth accused of drug offenses appear to have both the highest rearrest rates of all justice-involved youth and get rearrested most often for the same repeated behavior, they present a particularly scalable opportunity for system improvement, as successfully addressing the single behavior of selling drugs, however challenging, may have an outsized impact on system reentry rates.

Funding may be allocated accordingly.

Of note, this impact-based brand of inquiry should extend beyond considerations of lead charge. For example, ESI analysis of recidivism data indicates that girls appear to present a particularly low risk for rearrest. As such, funding strategies aimed at providing higher proportions of girls' more cost-efficient resources *outside* of the formal juvenile justice system may allow for reinvestment of funding *inside* of the juvenile justice system on higher-cost programming for youth who require more intensive levels of supervision for the sake of public safety.

These are but a few examples of how data may be used to examine the potential impacts of proposed juvenile justice investments. Specific details aside, juvenile justice stakeholders should avoid building budgets that are over-reliant on broad funding commitments given to one-size-fits-all youth programming, and instead aim to use their analytics and performance management processes to continuously unearth emergent patterns in youth arrest and outcome data. Funding may then be deployed in a targeted fashion on proven solutions as well as the testing of new innovations wherever possible.

We include a more detailed look at how stakeholders may lend consideration to the notion of scale, specifically, in Appendix 7.1: "Assessing Scale as a Consideration for Impact." This appendix may be particularly useful for those funders and practitioners looking to achieve maximum social impact with their resources.

- ❖ **Shift budgeting priorities to allocate a greater percentage of juvenile justice funding to direct supports for youth, families, and community members:** ESI research indicates that "supportive services," an indexed ESI budget code inclusive of all direct expenditures on youth (such as food, clothing, and restitution assistance) as well as any service given to youth outside of court-ordered supervision programs or general prosocial activities (such as therapy, evaluations, and anger management) receives an approximate two percent of total juvenile justice funding each year. Residential and community-based supervision programs receive nearly 70 percent.

This allocation is indicative of a system that places the *intensive supervision* of youth and not youth and family *needs* at the center of its priorities.

Of note, while court-based supervision service providers may certainly allocate some portion of their internal budgets to direct expenditures on youth and family supports, said providers are not paid exclusively to do so, and as such, must weigh the provision of said supports against a host of other competing programming and financial considerations. For example, a community-

based Evening Reporting Center may be tasked with supervising a youth who needs tutoring while also tasked with providing said youth's community service, anger management, life skills programming, and daily transportation, as well as supervising said youth's compliance to home restrictions, responding to critical incidents, and writing regular progress reports to the courts. The decision to contract with an external tutor or provide an internal educational workshop must be weighed against any of these competing interests; quality of tutoring service or qualification of tutoring staff may not be a prime consideration, as there is no additional City money allocated directly towards meeting youth's individualized educational needs.

This sort of fiscal pass-through of supportive service provision to court-based supervision programs also removes an element of youth and family *choice* from the equation, as there is very little opportunity for those who the system aims to impact to select the types of services, they feel will be most beneficial, and very little funding allocated to then pay for those services.

The previous section also included a case study - "A Closer Look at the Research on Youth Supportive Services" - which demonstrated how a more substantial investment in such services represents both wise economic and juvenile justice policy. Here, it was shown how heavier investments made in family programming, mental health services, restitution support, and effective case management may not only yield better juvenile justice outcomes but reduce total costs by shortening youths' lengths-of-stay in the system, lessening the need for residential services, and improving recidivism rates.

These were but a few examples of such supports that have been shown to have success. Philadelphia's juvenile justice system may be wise to take note, with a specific focus on the types of supports that may directly impact the usage of secure detention and state placement.

#### A DISTRICT ATTORNEY'S OFFICE WITH MAXIMUM IMPACT

- ❖ **Continue to explore safe and high-impact opportunities for diversion expansion:** Not only has diversion, if implemented well, been shown to have positive net benefits to youth,<sup>122</sup> but it also represents perhaps the most efficient use of public resources on youth arrested and charged with a juvenile offense. This is due largely to the independent nature of a district attorney's office and its near unilateral autonomy over post-arrest diversion decisions. If a DAO diverts a juvenile petition from formal court processing before trial, said petition does not go forward to trial (unless a youth so chooses); if a DAO says that a youth has successfully completed diversion, said youth is discharged entirely from the juvenile justice system and the juvenile petition is closed.

As diverted youth do not go to court and receive no oversight from court-based supervision programs, money allocated for juvenile diversion wholly bypasses staffing costs that may otherwise be incurred by numerous City departments, including the First Judicial District of Pennsylvania (which encompasses Philadelphia's Judiciary and Juvenile Probation Office), and the Department of Human Services. As a thought experiment, if each of these departments has at least a 15 percent administrative cost for the implementation of their services, the removal of

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<sup>122</sup> Wilson, H. A., & Hoge, R. D. (2013). The Effect of Youth Diversion Programs on Recidivism: A Meta-Analytic Review. *Criminal Justice and Behavior*, 40(5), 497–518. <https://doi.org/10.1177/0093854812451089>



administrative overhead by bypassing court proceedings alone would make diversion dollars at least 30 percent more efficient than those spent inside of the formal court system. Further, youth in diversion may not be held in residential facilities, removing the economic inefficiencies associated with any unnecessary usage of expensive detention or placement services as penalties for technical violations of court-ordered supervision.

This difference in economic structure is reflected in City budgets, where ESI analysis estimates that in recent years, the DAO's Juvenile Diversion Unit has been able to serve over 20 percent of juvenile justice youth at less than one percent of the total juvenile justice budget.

*Successful* diversion requires more than simply removing a youth from formal court processing, however. Instead, the DAO must ensure that the *right* youth are diverted and connected to the *right programming and supports* where appropriate (in other instances, research indicates that simply “doing nothing” for low-risk youth may be a more impactful approach<sup>123</sup>). In recent years, a push by the DAO to expand its diversion footprint has led to a drastic expansion of community diversion partners and an infusion of private funding to help test new ideas.

Moving forward, the DAO should continue attempts to safely expand juvenile diversion. More specifically, the office should continue to examine its data in search of the most common “reasons not diverted” for youth who proceed to court, then pair this inquiry with an examination of recidivism metrics in search of specific subsets of youth who experience technical barriers to diversion but otherwise appear to present a low risk to public safety. Funding should then be allocated on strategies to remove the specific associated diversion barriers to allow for targeted expansion. As new privately funded strategies are proven successful, the office should continue to work with the Department of Human Services to transition their financing to public funding streams to ensure long-term sustainability.

As is the case with returns on public investment inside of the formal juvenile justice system, public information should be provided on the costs and outcomes of juvenile diversion efforts. When comparing outcomes between court-based and diversion interventions, care must be taken to acknowledge differences in the risk-levels of youth served as well as disparities in the chance for rearrest between youth who are free to walk their communities and those who are incarcerated in residential facilities. After doing so, if diversion outcomes are better than, or even similar to, the outcomes achieved through court-based interventions, diversion should be the preferred strategy given its greatly reduced cost.

This again would allow for cost savings to be reinvested to achieve better long-term outcomes for youth and communities through any of the mechanisms highlighted in this section.

- ❖ **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.** One limitation of this study was a lack of up-to-date court disposition data to provide an accurate

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<sup>123</sup>Wilson, H. A., & Hoge, R. D. (2013). The Effect of Youth Diversion Programs on Recidivism: A Meta-Analytic Review. *Criminal Justice and Behavior*, 40(5), 497–518. <https://doi.org/10.1177/0093854812451089>

picture of current trends inside of juvenile courtrooms. While this level of disposition data was available for certain years' worth of retrospective data, retrospective courtroom findings were largely excluded from this report as they may no longer provide an accurate depiction of dispositional trends given changes made in recent years to the juvenile court judiciary and DAO supervisory staff, as well as drastic shifts in the makeup of the youth arrest census.

Such data is critically important, however, in benchmarking not only system efficacy, but the ongoing impact of any DAO-led policies. As such, while this report was able to utilize real-time data inclusive of arrest and diversion trends, the DAO should continue all efforts to expand its data collection systems to include a real-time accounting of all juvenile court decisions.

Upon generating such data, the DAO should establish a mechanism through which it may release a regular tabulation of juvenile justice performance metrics to the general public. This is critical for those interested in a transparent accounting of juvenile justice system efficacy, as the DAO represents the lone stakeholder responsible for the oversight of all justice-involved youth from point-of-arrest to point-of-system-discharge, whether said youth are diverted, proceed to juvenile court, or have their cases disposed of in the adult criminal justice system.

Finally, it should be acknowledged that despite its best efforts at expansion, arrest trends and public safety concerns will ultimately set a threshold on the total percentage of arrested youth who may be diverted by the DAO. As this ceiling on diversion expansion approaches, any new money allocated for diversion expansion efforts will begin to show diminishing returns. The DAO should monitor this tension, and at the point when new diversion funding allocations no longer correspond to increases in the proportion of youth served by diversion or substantial improvements in diversion outcomes, begin to pair its more expansive data analysis with a direct reinvestment of funding to help other stakeholders design more effective services for those youth who penetrate the formal court system.

While there are arguments to be made that such a shift in focus towards improving the design of in-system services may be beneficial earlier, as shown throughout this report, at status quo, there are numerous other stakeholders and substantial amounts of funding already allocated towards this effort.

- ❖ **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:** While an earlier recommendation to “fund and contract with mid-level private and nonprofit placement facilities to offer lesser alternatives to state placement and secure detention” was based on ESI analysis that revealed a proportional increase in the usage of both secure detention and state placement facilities in recent years, conversations with ADAs representing cases inside of juvenile courtrooms reveal an interesting parallel finding: this usage is often borne *solely* from a lack of alternative residential supervision options and may be against the expressly stated wishes of those system stakeholders who either request (i.e., ADAs or probation officers) or order (i.e., judges) placement or detention.

For example, an ADA or probation officer may, in the case of a girl adjudicated delinquent of non-fatally stabbing a sibling in a fight but with no other prior arrests, request that said youth be placed for a period of months in a non-secure private or nonprofit residential placement facility



designed for youth with similarly light delinquent backgrounds. A judge may agree with that request. And yet, absent the existence of a Philadelphia service contract with such a facility, said youth may sit in secure detention for a period of months awaiting her acceptance and transport to state secure placement.

Of note, while this represents a situation in which suboptimal outcomes are achieved for youth and taxpayers and against the wishes of all juvenile justice stakeholders, there is currently no mechanism to appeal said judicial decision (as the committing judge had no alternative options) and no public accountability for said suboptimal outcomes.

In short, a rising detention census and increased usage rate of state placement facilities may largely be a crisis with no public owner.

This relates to a division of responsibility in the juvenile justice system in which, as indicated above, the decision to *request* placement may fall largely on a probation officer or assistant district attorney, the decision as to where to physically *commit* a youth to placement falls under a judge, and the *contracting with* and *oversight of* residential placement facilities falls under the Department of Human Services. Of note, the Commissioner of the Department of Human Services is appointed by the Mayor, the Chief of Juvenile Probation is appointed by the Administrative Judge of Philadelphia Family Court, and judges in Philadelphia Family Court as well as the District Attorney are elected by the general public.

The general public receives no regular accounting of placement and detention trends.

As a stakeholder ultimately elected by the general public to oversee the disposition of justice in Philadelphia, the DAO should attempt to partner with other offices to either reimagine (or bolster an already existent) multi-stakeholder oversight strategy through which elected and appointed juvenile justice officials may be held accountable to outcomes for youth and taxpayers. Such a group would require the regular and transparent sharing of data, as well as clearly defined success metrics with clearly defined accountability mechanisms in place for continued failure to meet said metrics.

While various parties must be involved, such a structure would require representation from the mayor's office as well as the general public so that no juvenile justice stakeholder was insulated from those who may hold them accountable.

## 7. Appendix

### A. About the Data

Relevant budget data (including budget appropriations and obligations) is sourced primarily from two annual budget documents published by the City: the [Mayor's Operating Budget Detail](#) and the Department of Human Services' annual Needs-Based Plan & Budget. As both documents present their own unique challenges for interpretation, economic figures presented throughout this study represent the authors' best attempt to pair our knowledge of the local juvenile justice system with limited public financial data to unearth informative trends. Accordingly, while some aggregate budget figures in the study to follow will represent exact spending or allocation amounts for juvenile justice services rendered to Philadelphia youth, in circumstances that require a higher level of public budget detail, the following narrative will often make clear that financial figures are to be viewed as estimations and not actuals.

In most instances, detailed juvenile arrest and outcome data included in this study comes from an internal database and analytics dashboard compiled by the DAO concerning youth arrested and charged with either a felony or misdemeanor offense by the office between January 1, 2016, and September 30, 2022. The primary unit of measurement in this database is a single arrest for which the DAO filed charges, and as such, data figures and narratives will often refer to "youth arrests" and not "youth" (i.e., each row of the database represents all disposition and outcome data related to a single arrest, and a single youth may have multiple arrests/rows in the database). This data is inclusive of all arrests of youth who were under the age of 18 at time of their alleged offense, regardless of if said youth were diverted, referred to the juvenile justice system, or direct-filed to the adult criminal justice system. It does not, however, include arrests of youth for which the DAO declined charges.

The decision to select arrest as the unit of measurement was made to facilitate ease of detailed analysis. Through this arrest-level framework, each new arrest accounted for in this report represents the unique start of a new trajectory into the juvenile justice system. This allows for data analysts to more easily control for descriptive variables that may be muddled with youth-level metrics.

For example, this report will examine recidivism rates of arrests of youth accused of any number of lead charges, as well as of youth who entered the juvenile justice system with no prior arrests, one prior arrest, and two or more prior arrests. Arrest-level metrics, by capturing each of these unique descriptive variables as static datapoints at the start of a youth's newest juvenile justice trajectory, allow for recidivism rates to be cleanly differentiated for each such variable.

*Youth*-level recidivism metrics require a different analysis. A youth who is rearrested three times on three different charges encapsulates multiple states of both prior arrest history and lead offense type simultaneously. This presents a trickier proposition.

Recidivism in this study is defined as any arrest for a new offense that resulted in DAO charges, inclusive of both *juvenile* re-arrests (i.e., youth re-arrested before their 18<sup>th</sup> birthday) as well as *adult* re-arrests (i.e., youth who were re-arrested after their 18<sup>th</sup> birthday). Said rearrest rates are presented both in the aggregate, as well as disaggregated to examine adult rearrests more closely.

## Key Limitations

As discussed above, there were extremely limited digital data collection and analytics processes in place for DAO juvenile court records prior to District Attorney Krasner's administration. Accordingly, while the technology systems utilized to generate some of the figures in this report were created to integrate the many disparate juvenile justice data sources available to DAO staff, the underlying DAO arrest and outcome data analyzed here represents a first attempt by the office to synthesize said disparate data sources and formats. This included manual entry for datapoints that were previously unavailable.

While the resulting dataset allows for insight into the juvenile justice system that did not otherwise exist, it should be considered a best effort by the DAO to clean and integrate its many different (and oftentimes competing) data sources to tell a single chronological data story for each youth arrest. As such, aggregate figures included in this report may vary slightly from those produced by other stakeholder data systems. In some instances, this variance may be due to missing data from an upstream feed; in others, data from an upstream feed may have been found to be flawed after internal quality checks and cleaned for accuracy. Other discrepancies may simply indicate that DAO data stories have access to a wider bird's-eye view of the total criminal justice system, inclusive of diversion, juvenile court, and adult court records.

With this limitation in mind, arrest and disposition data generated by DAO data systems for this report should be viewed as an interpretation of significant trends within existing DAO datasets, not as a singular source of truth for aggregate Philadelphia juvenile justice metrics. While we believe that all aggregate figures represented in this study are likely accurate within 1 percent - 2 percent of any other competing systems, we would not argue that they are necessarily *more* accurate than those produced by other systems with regards to any discrepancies seen in "total counts" of any given variable.

Further, due to the large amount of retrospective data entry necessary to populate a previously non-existent data system, the DAO did not yet have full court disposition data completed for all relevant calendar years at the writing of this report. For this reason, different years of data may be utilized for different purposes throughout this report. Outcomes from the cohort of youth arrested in CY2019, for example, will be utilized for illustrative case studies of in-system interventions, as this is the cohort of youth arrests for whom the DAO has two years' worth of fully completed court disposition data. The cohort of youth arrested in CY2016, on the other hand, will be utilized for longitudinal snapshots as well as pre-Krasner-administration comparisons where applicable, as this is the most complete year of data through which the office may establish five-year recidivism rates as well as offer a generalized "pre-Krasner-administration" baseline for color. Similarly, the cohorts of youth arrested in CY2021 and CY2022 will be utilized to demonstrate post-COVID-19 shifts in youth arrest trends as well as the current impacts of the DAO's most recent changes to its diversion policies.

Data from CY2020 was too incomplete to analyze, although it certainly represents an extreme outlier with regards to system outcomes due to the direct effects of the COVID-19 pandemic.

While these data limitations are acknowledged as a potential weakness of this report, the following factors help to minimize their impact:

1. Publicly available juvenile justice data was utilized wherever possible to generate key takeaways, while DAO outcome data was utilized to add complimentary case studies and detail. This should limit the amount of datapoints that cannot be verified through public research.
2. This report is framed throughout as an examination of public spending on juvenile justice and how this spending may be impacted by any shifts to the status quo paradigm in recent years. There is no specific hypothesis to prove nor tests for statistical significance. Given this orientation, specific figures are less important than policy implications drawn from the identification of broader trends.
3. As will be discussed in detail in Section 2, incomplete data is not a limitation of this report alone, but largely emblematic of many efforts to benchmark juvenile justice outcomes in Philadelphia, where there is very little public accounting of spending or positive impact. In this regard, any key findings generated from such disparate and limited sources may prove useful for those trying to conduct similar analyses. Further, we welcome other stakeholders to present more expansive or competing interpretations for public dialogue.

Finally, it should be noted that unless otherwise specified, findings in this report are reflective of data available at the Philadelphia District Attorney's Office as of September 30, 2022. As DAO arrest and outcome data was pulled from a live database that is consistently being updated and reviewed for accuracy, it is possible that future data states may reflect slight variations from the figures to follow.

## B. Case Study: Assessing Scale as a Consideration for Impact

### Reason Selected

Throughout this report, there have been numerous discussions of economic efficiency and reinvestment. While these are important theoretical concepts, this case study will offer a practical example as to how metrics related to *scale* may be utilized to help guide real-world fiscal allocation decisions to achieve maximum social impact.

### Efficacy vs. Scale

As stakeholders discuss “what works” with public policy, one factor that can be easily overlooked is that of *scale*, or how many people a given public policy or intervention may reach. For example, if Juvenile Justice Intervention A yields a recidivism rate of 30 percent, and Juvenile Justice Intervention B yields a recidivism rate of 35 percent, it may be easy to conclude that Juvenile Justice Intervention A is preferable for society, as fewer youth served by said intervention will go on to be rearrested. This intervention can be said to be more effective or have greater *efficacy*.

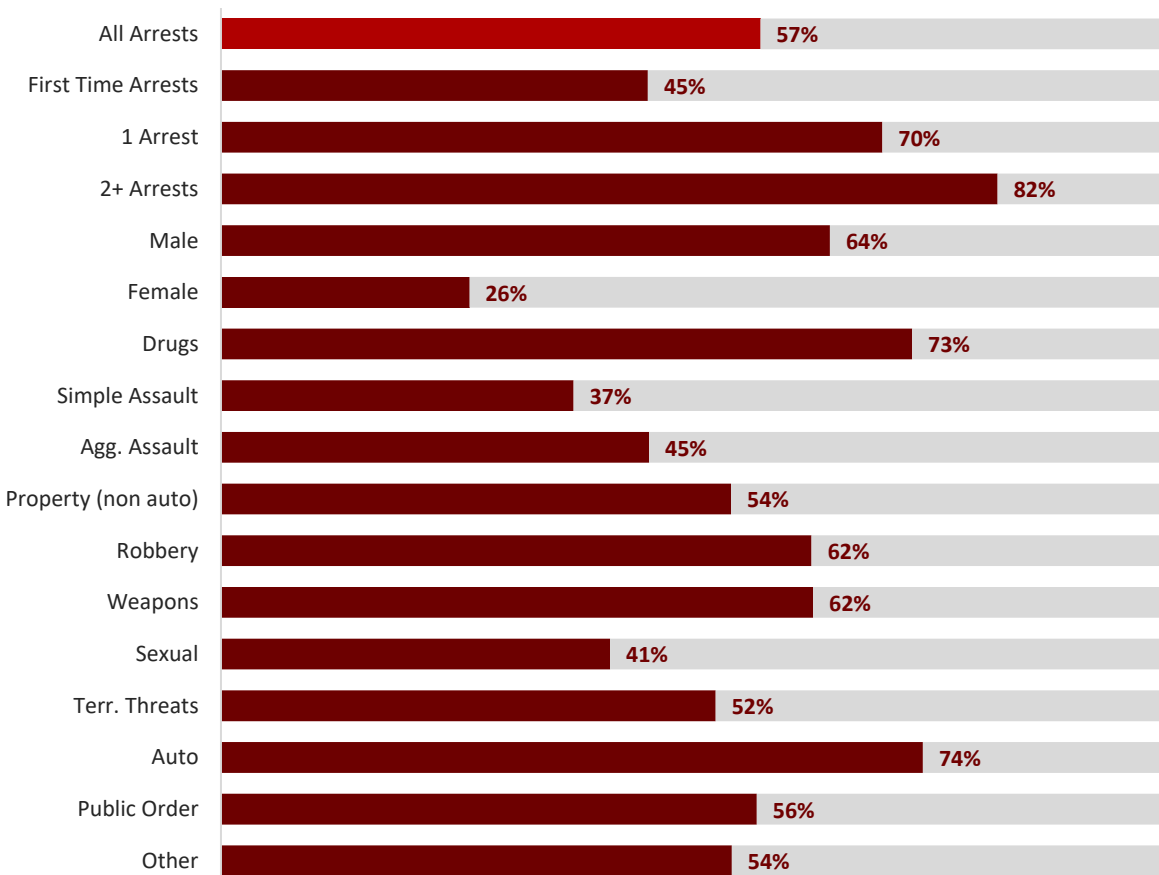
If one learns, however, that Juvenile Justice Intervention A comes at a cost of \$100,000 per youth, while Juvenile Justice Intervention B comes at a cost of \$10,000 per youth, Juvenile Justice Intervention B may in fact be the preferable choice despite its slightly worse outcomes, as the two interventions' recidivism rates are at least somewhat comparable, while Juvenile Justice Intervention B can be delivered to far more youth given its drastically reduced cost. In this fashion, Juvenile Justice Intervention B can be said to be more *scalable*.

With finite resources, this same logic can be utilized by funding agencies to help determine where funding allocations may have the highest impact on overall system performance.

An example:

In Section 2 we included the figure below to demonstrate the longitudinal rearrest rates of youth who were arrested and charged with a juvenile offense in 2016.

Figure 7.1: Rearrest Rate for All 2016 Youth Arrests

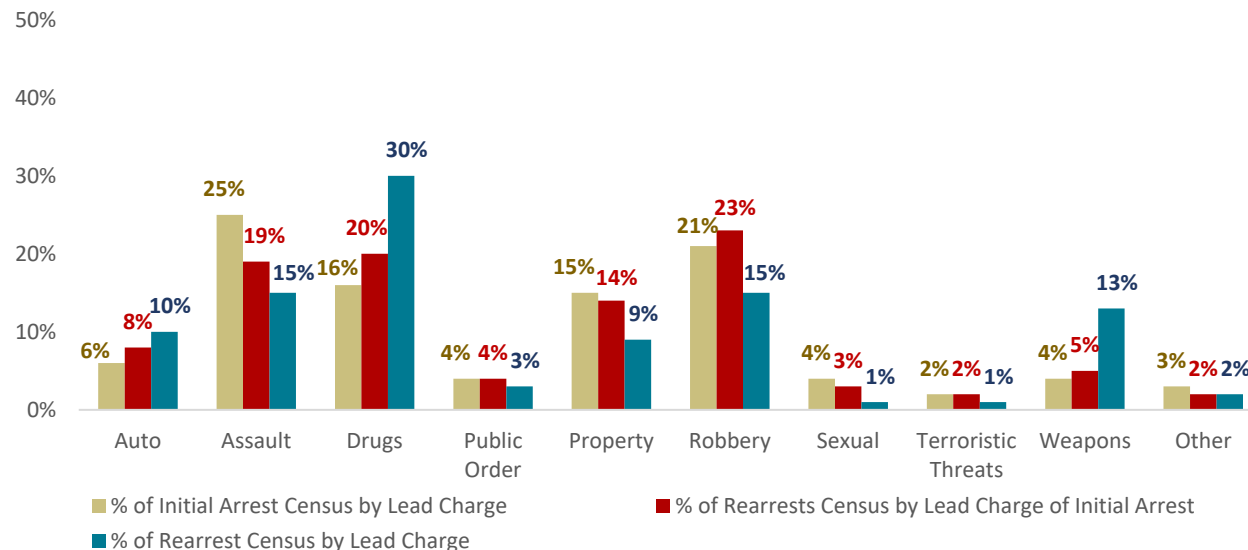


Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

While this figure plotted recidivism rates for a few basic descriptive variables to see if there were any obvious indicators of which youth may present the highest risk for rearrest, it failed to examine scale, as it included no measures of proportionality with regards to the total juvenile justice census. As such, initial takeaways from examining this figure may be misleading. For example, while an earlier case study focused on the value of establishing new interventions for youth accused of drug offenses as they were rearrested with great frequency, a closer look at the data may reveal this to be a low-impact investment strategy if said youth only accounted for a small percentage of total arrests.

To account for this, Figure 7.1 (below) adds notions of proportionality to the equation, with each bar of the figure representing a different proportional consideration.

Figure 7.2: Charge Category at Arrest and Rearrest, CY2016



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

For starters, the tan bar (all the way to the left) shows what percentage of the total arrest census was occupied by youth *initially charged* with each offense type. The lead charge of assault, for example, occupied the greatest proportion of all youth arrests in CY2016 (25 percent), while the lead charge of terroristic threats occupied the smallest proportion (2 percent).

The second bar (red) then shows what percentage of the total *rearrest census* was occupied by youth who were *initially charged* with of each lead offense. This bar specifically adds a notion of scale to impact considerations, as offenses with high rearrest rates that do not occupy a large proportion of the *initial arrest census* cannot then occupy a large portion of the *rearrest census*; they simply do not account for enough youth. For example, while youth accused of auto thefts had the worst rearrest rate at 74 percent, youth who were initially accused of auto theft in CY2016 only accounted for 6 percent of *total youth arrests*; as such, despite their high recidivism rate, youth initially charged with auto theft only accounted 8 percent of *all youth who were ultimately rearrested*.

This indicates that if one were interested in investing for maximum impact, youth accused of auto theft in 2016 may not give the highest return on the dollar despite their high recidivism rate, as even a perfect intervention could not impact a large percentage of youth who went on to be rearrested.

Finally, the green bar on the right examines the behaviors for which youth were most likely to be rearrested. This bar helps to contextualize the potential efficacy of any *post-arrest interventions*, as it shows if any specific behaviors are more likely to escalate or de-escalate across justice-involved youth after their system referral. For example, weapons offenses show an interesting pattern: while youth accused of weapons offenses did not occupy large proportions of the *initial arrest* or *rearrest census*, a

decent percentage of youth who were rearrested were *charged with a new weapons offense* regardless of the initial charge for which they were referred to the juvenile justice system. While certainly not conclusive, this trend may indicate an escalation of behaviors post justice-system referral towards weapons offenses, and that the system may need to adjust its interventions accordingly.

Putting these factors together, reexamining 2016 recidivism data with this added consideration of scale presents an interesting picture. Drug offenses remain a clear area of focus, as youth initially accused of drug offenses represent about one-in-five youth who went on to be rearrested, and new drug offenses accounted for approximately one-in-three total new rearrests. This indicates both unsuccessful intervention with youth who were *initially* accused of drug offenses, as well as unsuccessful prevention of *future* drug offenses for youth initially accused of *any offense*.

As indicated above, auto thefts and weapons offenses represent the two other offense categories with a similar pattern of escalation. Here, not only did the high rearrest rates of youth initially accused of either offense type result in said youth occupying a greater proportion of the *rearrest* census than the *initial* arrest census, but a greater percentage of all youth who were *rearrested* were accused of displaying behaviors associated with either offense type than were all youth who were *initially arrested*.

One should mark these trends as areas of interest in future years, as if they were to persist over time, any escalation to the rates at which youth accused of either auto theft or weapons offenses entered the juvenile justice system, absent any change to intervention strategy, may worsen overall system outcomes and quickly shift funding priorities for those interested in maximizing aggregate impact.

Assaults, on the other hand, represent a pattern of de-escalation in the data, as youth accused of assaultive behavior, while accounting for a high proportion of all youth who *initially entered the system*, had much lower recidivism rates, and therefore represented a lower proportion of all youth who were *rearrested*. Youth initially accused of *all offense types* also appeared to be *rearrested for assault offenses* at lower rates. Together, this indicates that while youth accused of assaultive behavior represented a high proportion of all *initial arrests* in CY2016, strategies to better serve said youth upon system entry may not represent a first-order investment priority, as said investment may yield a lesser return towards overall system improvement.

Robbery, on the other hand, appears to be another particularly high impact area, as despite not having the *highest* rearrest rate, youth accused of robbery offenses occupied the *second highest proportion of all youth arrests* and were rearrested the *third most frequently*; as such, nearly one-in-four youths who went on to be rearrested were initially charged with robbery, the highest of all offense types.

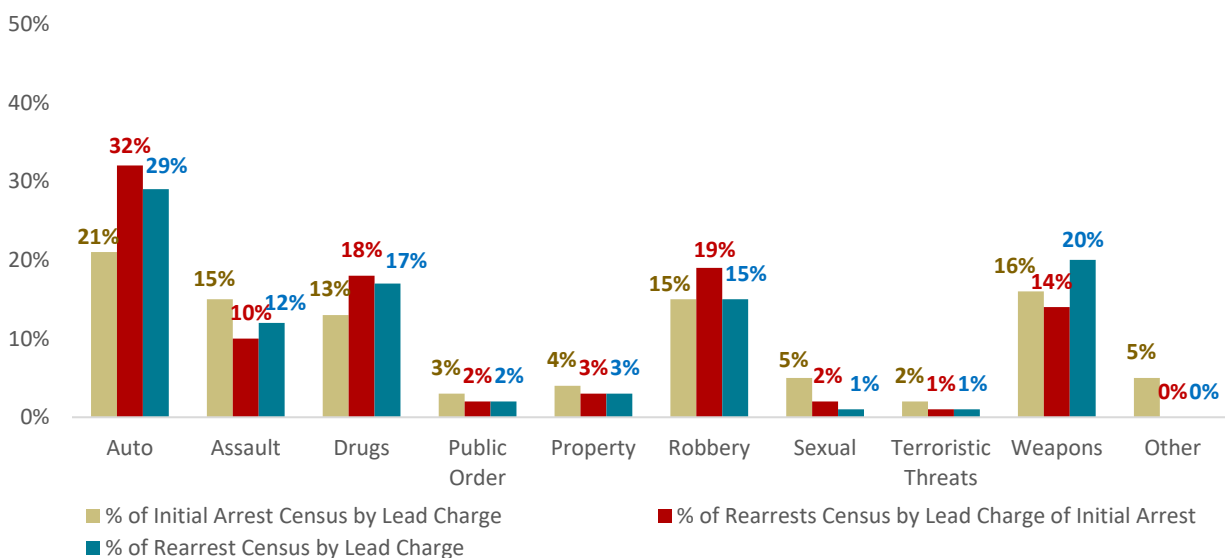
Public order, property, sexual, and terroristic threats offenses all appear to present particularly low-impact opportunities for investment.

Of course, the trends outlined above are in no way conclusive. Instead, their inclusion in this report is intended to illustrate how system leaders may use their data to examine notions of scale, and how these notions may be continuously reexamined to help determine where targeted investments may yield the most impact.

## The Need for Adaptive Funding Strategies

Figure 7.2 (below) conducts an identical analysis for youth arrests in CY2021 and demonstrates the importance of such efforts remaining flexible enough to quickly respond to emergent patterns in youth arrest and outcome data.

Figure 7.3: Charge Category at Arrest and Rearrest, CY2021



Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

Here, the shocks to Philadelphia's youth arrest trends spurred by the COVID-19 pandemic (discussed in Section Four of this report) are demonstrated by a large uptick in the total percentage of the *initial arrest census* occupied by both auto theft and weapons offenses. Auto theft arrests, which accounted for just six percent of total arrests in CY2016 now account for twenty-one percent in CY2021; weapons offenses made a similar jump from four percent to sixteen percent.

Of note, the pattern of escalation seen in the rearrest trends associated with both offense types in the CY2016 dataset also appears to continue into CY2021, with auto theft now appearing as the lead charge in nearly one-in-three new rearrests and weapons offenses now appearing as the lead charge in nearly one-in-five. Youth *initially accused* of auto theft now account for nearly *one-in-three youth rearrests*.<sup>124</sup>

This would suggest that deploying strategies to better serve youth accused of auto thefts may be the highest impact area of juvenile justice policy when considering scalability alone in CY2021, while strategies designed for youth accused of weapons offenses may be highest priority when pairing considerations of scale with those of public safety.

<sup>124</sup> Although this latter recidivism-specific escalation appears less applicable to weapons arrests, this figure is almost certainly influenced by current placement trends, through which many youth accused of more serious weapons offenses may not yet have had the opportunity to be rearrested given their time spent in placement and detention.



While perhaps supplanted as the primary offense category of interest for system impact, drug offense arrests appear to have remained indicative of an escalating youth behavior in CY2021, while assault arrests appear to display a similar pattern of de-escalation. Most other offense types also appear to display similar trends as FY2016 with regards to their potential impacts on aggregate system outcomes.

Specifics aside, the trends outlined in the figures above are broadly illustrative of the ways in which local juvenile justice leaders may establish data and performance management methodologies that are reflective of scale, and how funding strategies may be aligned accordingly. If similar methodologies are not established, said funding strategies may be wholly disconnected from notions of impact, and any shocks to the arrest patterns of a local juvenile justice system may have uncontrolled downstream effects on its long-term outcomes as well as the efficiency of any investments made in its services.

## C. Additional Figures

Figure 7.4: ESI Budget Reclassification Codes with Detailed Explanation

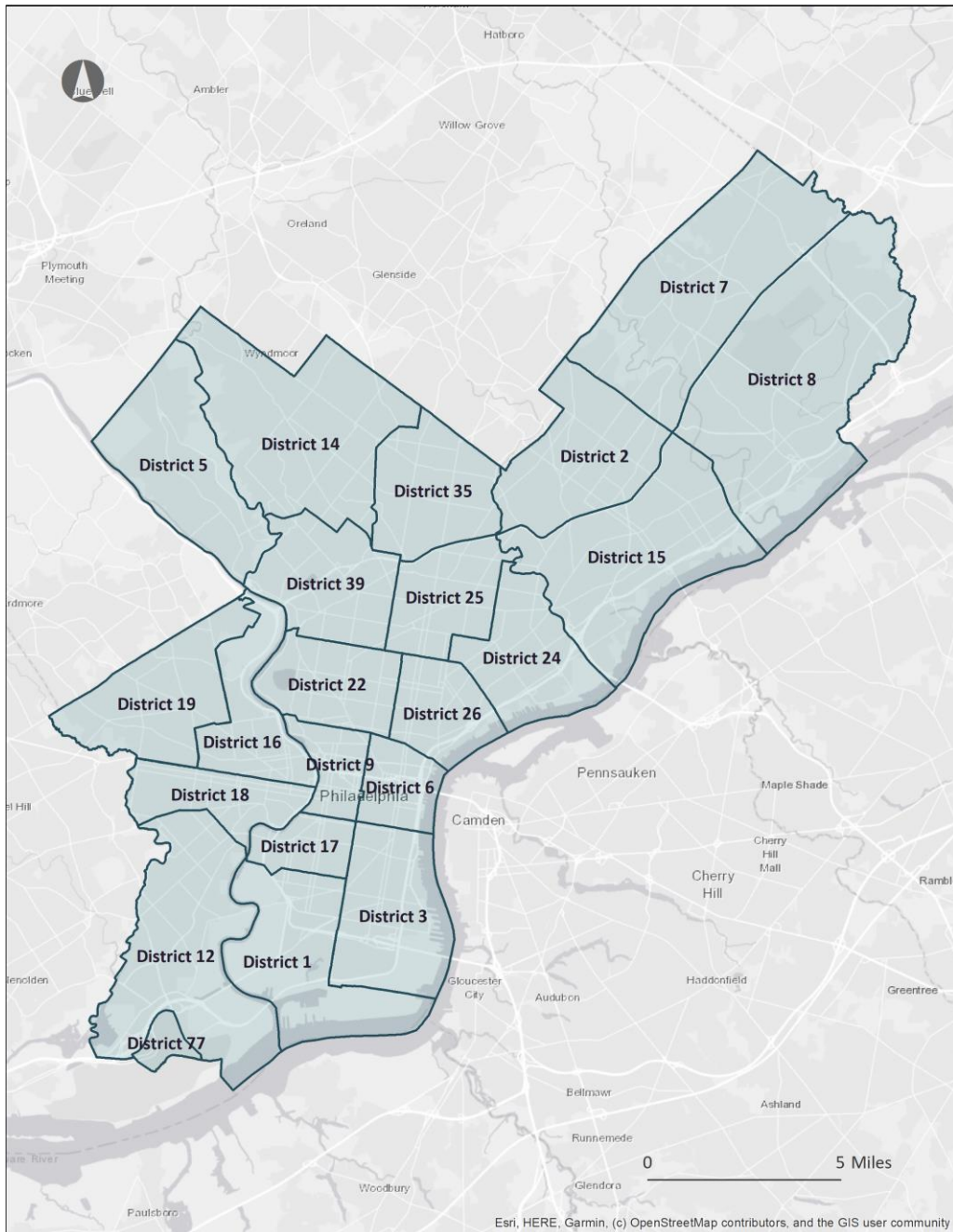
ESI BUDGET CODE	ESI BUDGET CODE NAME	CITY BUDGET CODES ENCOMPASSED	EXPLANATION OF BUDGET CODE
1	Prevention	250	This code was used for any item with “prevention” or “diversion” in its description, as well as services clearly marked for “at-risk” youth not involved in the formal juvenile justice system
2	Youth Support	200, 250, 254, 290	This code was used for any direct expenditure on youth (such as food and clothing), as well as any service given to youth outside of supervision or prosocial programs (such as therapy, evaluations, and anger management)
3	Supervision Programs	250, 250, 290	This code was used for any program providing community-based supervision to youth on court supervision (such as in-home detention or evening reporting centers)
4	Prosocial Programs	250	This code was used for any program providing prosocial programming to youth not encompassed by supervision program funding (such as sports and workforce development programs)
5	Non-State Residential	290	This code was used for any residential program outside of state-run placement (such as private delinquent placements and residential treatment facilities)
6	Staffing – Non-JJSC	100, 100(a)	This code was used for DHS staffing costs incurred by staff not assigned to the PJJSC
7	Staffing - JJSC	100, 100(a)	This code was used for DHS staffing costs incurred by staff assigned to the PJJSC
8	JJSC – Operational Costs	201, 202, 2015, 250, 260, 281, 300, 303, 305, 308, 310, 312, 313, 316, 317, 318, 322, 323, 326, 403, 410, 411, 418, 423, 426, 430	This code was used for operational costs most likely attributable to the PJJSC (such as “Cleaning and Laundering,” “Food,” and “Dry Goods/Notions/Wearing Apparel”)
9	Staffing – Fringe & Pension	100, 100(b), 100(c)	This code was used for DHS staffing costs labeled as “employee benefits.” For budget projections, these costs were apportioned to JJSC and Non-JJSC staffing costs at the percentage of the total staffing budget that was occupied by either category (i.e., if PJJSC staffing costs were 73 percent of total staffing costs, 73 percent of total employee benefits were categorized as PJJSC benefit costs)
10	Outlay for Future Services	250, 254, 290	This code was used for any cost in the budget with a service provider labeled as “Vendor to be Determined.” This code was created as services with a vendor to be determined appear to be earmarked for future implementation. This spending appears speculative, as not all “vendor to be determined” services receiving budget appropriations in a fiscal year show-up as actual spending in later years’ budgets.

Philadelphia's Shifting Juvenile Justice Paradigm: An Economic Analysis  
 May 21, 2023

11	Training	250, 256	This code was used for any item with related to staff training in the DHS JJS budget. For calculations, training costs were indexed into "Other DHS Costs" as they never exceeded 1 percent of total spending
12	Staffing - Other	100	This code was used for any staffing expense appearing as an uncategorized adjustment in the budget (such as "lump sum payments," "earned increment," "longevity" and "vacation allowance")
13	Services - Unaccounted	N/A	This code was used to categorize an ESI budget adjustment made in the FY2017 budget, where there was a difference of approximately \$2 million in expenditures marked in the "Purchase of Services" line of the DHS – JJS Grants Revenue Fund budget and "Purchase of Services" expenses that could be accounted for in a line-item Grants Revenue Fund budget review
14	Projected State Placement Cost	N/A	This code was used to categorize an ESI budget adjustment to account for projected state placement costs in a given fiscal year. The associated number was generated by multiplying the number of days in state placement accounted for by the DHS Needs-Based Budget by the estimated state placement per diem as calculated from the PA Taskforce on Juvenile Justice data presentations
15	Juvenile Probation	FJD Budget, Line Nos 222-253 (2021)	This code was used to categorize any expenses in the First Judicial District budget marked as "Juvenile Probation" (FY2021) or "Juvenile Branch" (FY2017).
16	Staffing - Overtime	100(a)	This code was used to categorize what appears to be the mandatory overtime portion of staffing overtime on the DHS – JJS budget. This appears as a budget adjustment in FY2021 marked as "overtime" in the regular "personal services" staffing costs. This "overtime" cost accounts for the difference in aggregated salary expenditures and what is accounted for the aggregate "Personal Services" calculation. FY2017 showed a similar difference between "Personal Costs" and aggregated salaries – this difference was also coded as "Staffing – Overtime." Of note, "Staffing – Overtime" and "Staffing Fringe/Pension" costs are indexed in calculations to "Benefits & Overtime," as a substantial increase in benefit costs in FY2021 indicates that at least some portion of employee overtime may be coded as additional benefits. All overtime costs were apportioned to the PJJC in ESI calculations.
98	Other	209, 210, 211, 215, 230, 250, 253, 255, 260, 285, 290, 304, 311, 320, 324, 325, 420, 424, 499	This code was used to categorize expenses that did not fit into any other category (such as "airfare, rental cars, bus fares, trans-passes, etc.," "postal services," and "dues")

Source: Philadelphia District Attorney's Office (2022), Econsult Solutions, Inc. (2022), Independent Variable LLC (2022)

Figure 7.5: Police District Map



Source: Open Data Philly (2022), Econsult Solutions, Inc (2022), ESRI (2022)

## D. About the Authors

This report was produced by Econsult Solutions, Inc. (“ESI”). ESI is a Philadelphia-based economic consulting firm that provides businesses and public policy makers with economic consulting services in urban economics, real estate economics, transportation, public infrastructure, development, public policy and finance, community and neighborhood development, planning, as well as expert witness services for litigation support. Its principals are nationally recognized experts in urban development, real estate, government and public policy, planning, transportation, non-profit management, business strategy and administration, as well as litigation and commercial damages. Staff members have outstanding professional and academic credentials, including active positions at the university level, wide experience at the highest levels of the public policy process and extensive consulting experience.



ESI collaborated on this report with Independent Variable, LLC, a consulting firm that uses technology, performance management, and design principles to help nonprofit and public sector entities reimagine more equitable and effective service delivery models.

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