## Diversion with services (vs. traditional juvenile court processing)
### Juvenile Justice
Benefit-cost estimates updated December 2023.  Literature review updated May 2019.

Current estimates replace old estimates. Numbers will change over time as a result of model inputs and monetization methods.

The WSIPP benefit-cost analysis examines, on an apples-to-apples basis, the monetary value of programs or policies to determine whether the benefits from the program exceed its costs. WSIPP's research approach to identifying evidence-based programs and policies has three main steps. First, we determine "what works" (and what does not work) to improve outcomes using a statistical technique called meta-analysis. Second, we calculate whether the benefits of a program exceed its costs. Third, we estimate the risk of investing in a program by testing the sensitivity of our results. For more detail on our methods, see our Technical Documentation.

Program Description: Diversion is an alternative to formal sanctions or processing in the juvenile justice system. The goals of diversion are to alleviate the negative consequences associated with the juvenile justice system (e.g., stigmatizing youth as deviant) and to maintain a youth's pro-social ties in the community. Diversion programs included in this meta-analysis vary in their structure. Some programs divert youth at the initial stages of the juvenile justice system (e.g., diverted by law enforcement upon arrest), while others divert youth once they reach the juvenile courts (e.g., pre- or post-adjudication). In place of formal sanctions or processing, youth agree to case management and to participate in community-based services (e.g., mentoring, counseling, job training).

The current analysis compares youth who received diversion programs with services to youth traditionally processed in juvenile court. These diversion programs target youth with no previous criminal history or with non-violent misdemeanor/felony offenses. The length of program enrollment for diverted youth ranges from two to eight months with most youth receiving anywhere from 30-50 hours of face-to-face time with counselors, mentors, or adult/student volunteers. In the studies in our analysis that reported demographic information, 58% of the diverted samples were youth of color and 23% were female.

Diversion programs with services compared to youth warned and released (i.e., simple release) and diversion programs without services compared to traditional juvenile court processing are excluded from this analysis and analyzed separately.

### Benefit-Cost Summary Statistics Per Participant

| Benefits to: | | | |
|---|---|---|---|
| Taxpayers | $1,477 | Benefit to cost ratio | n/a |
| Participants | $422 | Benefits minus costs | $7,628 |
| Others | $2,948 | Chance the program will produce | |
| Indirect | $1,350 | benefits greater than the costs | 100% |
| Total benefits | $6,196 | | |
| Net program cost | $1,431 | | |
| Benefits minus cost | $7,628 | | |

The estimates shown are present value, life cycle benefits and costs. All dollars are expressed in the base year chosen for this analysis (2022). The chance the benefits exceed the costs are derived from a Monte Carlo risk analysis. The details on this, as well as the economic discount rates and other relevant parameters are described in our Technical Documentation.

## Meta-Analysis of Program Effects

| Outcomes measured | Treatment age | No. of effect sizes | Treatment N | Adjusted effect sizes and standard errors used in the benefit-cost analysis | | | | | | Unadjusted effect size (random effects model) | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | First time ES is estimated | | | Second time ES is estimated | | | | |
| | | | | ES | SE | Age | ES | SE | Age | ES | p-value |
| Crime | 16 | 19 | 5491 | -0.087 | 0.034 | 17 | -0.087 | 0.034 | 25 | -0.087 | 0.010 |

Meta-analysis is a statistical method to combine the results from separate studies on a program, policy, or topic in order to estimate its effect on an outcome. WSIPP systematically evaluates all credible evaluations we can locate on each topic. The outcomes measured are the types of program impacts that were measured in the research literature (for example, crime or educational attainment). Treatment N represents the total number of individuals or units in the treatment group across the included studies.

An effect size (ES) is a standard metric that summarizes the degree to which a program or policy affects a measured outcome. If the effect size is positive, the outcome increases. If the effect size is negative, the outcome decreases.

Adjusted effect sizes are used to calculate the benefits from our benefit cost model. WSIPP may adjust effect sizes based on methodological characteristics of the study. For example, we may adjust effect sizes when a study has a weak research design or when the program developer is involved in the research. The magnitude of these adjustments varies depending on the topic area.

WSIPP may also adjust the second ES measurement. Research shows the magnitude of some effect sizes decrease over time. For those effect sizes, we estimate outcome-based adjustments which we apply between the first time ES is estimated and the second time ES is estimated. We also report the unadjusted effect size to show the effect sizes before any adjustments have been made. More details about these adjustments can be found in our Technical Documentation.

## Detailed Monetary Benefit Estimates Per Participant

| Affected outcome: | Resulting benefits:[1] | Benefits accrue to: | | | | |
|---|---|---|---|---|---|---|
| | | Taxpayers | Participants | Others[2] | Indirect[3] | Total |
| Crime | Criminal justice system | $1,314 | $0 | $2,697 | $657 | $4,668 |
| Crime | Labor market earnings associated with high school graduation | $209 | $492 | $272 | $0 | $974 |
| Crime | Costs of higher education | ($46) | ($70) | ($21) | ($23) | ($161) |
| Program cost | Adjustment for deadweight cost of program | $0 | $0 | $0 | $716 | $716 |
| Totals | | $1,477 | $422 | $2,948 | $1,350 | $6,196 |

[1]In addition to the outcomes measured in the meta-analysis table, WSIPP measures benefits and costs estimated from other outcomes associated with those reported in the evaluation literature. For example, empirical research demonstrates that high school graduation leads to reduced crime. These associated measures provide a more complete picture of the detailed costs and benefits of the program.

[2]"Others" includes benefits to people other than taxpayers and participants. Depending on the program, it could include reductions in crime victimization, the economic benefits from a more educated workforce, and the benefits from employer-paid health insurance.

[3]"Indirect benefits" includes estimates of the net changes in the value of a statistical life and net changes in the deadweight costs of taxation.

## Detailed Annual Cost Estimates Per Participant

|  | Annual cost | Year dollars | Summary | |
|---|---|---|---|---|
| Program costs | $312 | 2016 | Present value of net program costs (in 2022 dollars) | $1,431 |
| Comparison costs | $1,510 | 2015 | Cost range (+ or -) | 20% |

The per-participant cost for diversion programs with services was estimated using the Spokane County Juvenile Court cost-per-day for their diversion program as reported in the 2016 Juvenile Court Services Annual Report (https://www.spokanecounty.org/ArchiveCenter/ViewFile/Item/8443), multiplied by the weighted average length of programming in the included studies, two months. We calculate the comparison group cost, traditional juvenile court processing, using the cost of court processing for misdemeanor offenses and the average length of stay for youth on juvenile local supervision, multiplied by the annual marginal cost of juvenile local supervision from Section 4.2 of Washington State Institute for Public Policy. (December 2018). Benefit-cost technical documentation. Olympia, WA: Author.

The figures shown are estimates of the costs to implement programs in Washington. The comparison group costs reflect either no treatment or treatment as usual, depending on how effect sizes were calculated in the meta-analysis. The cost range reported above reflects potential variation or uncertainty in the cost estimate; more detail can be found in our Technical Documentation.

## Benefits Minus Costs Over Time (Cumulative Discounted Dollars)
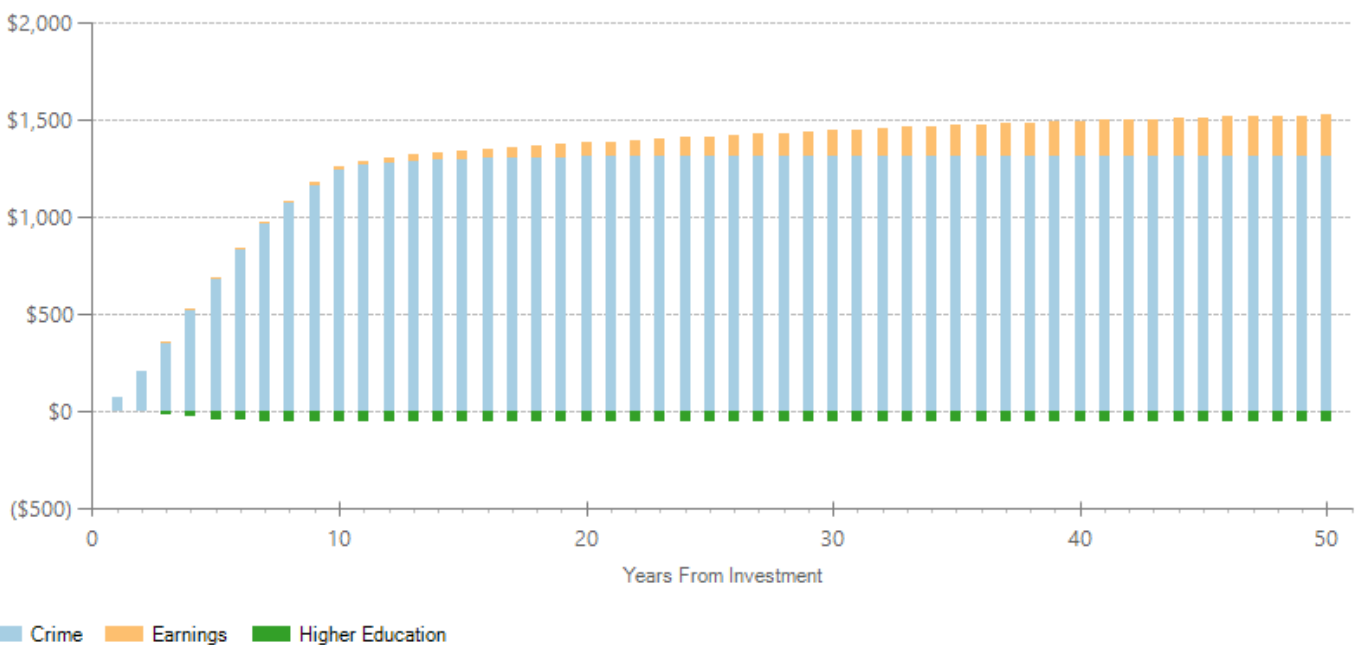


Cumulative net benefits
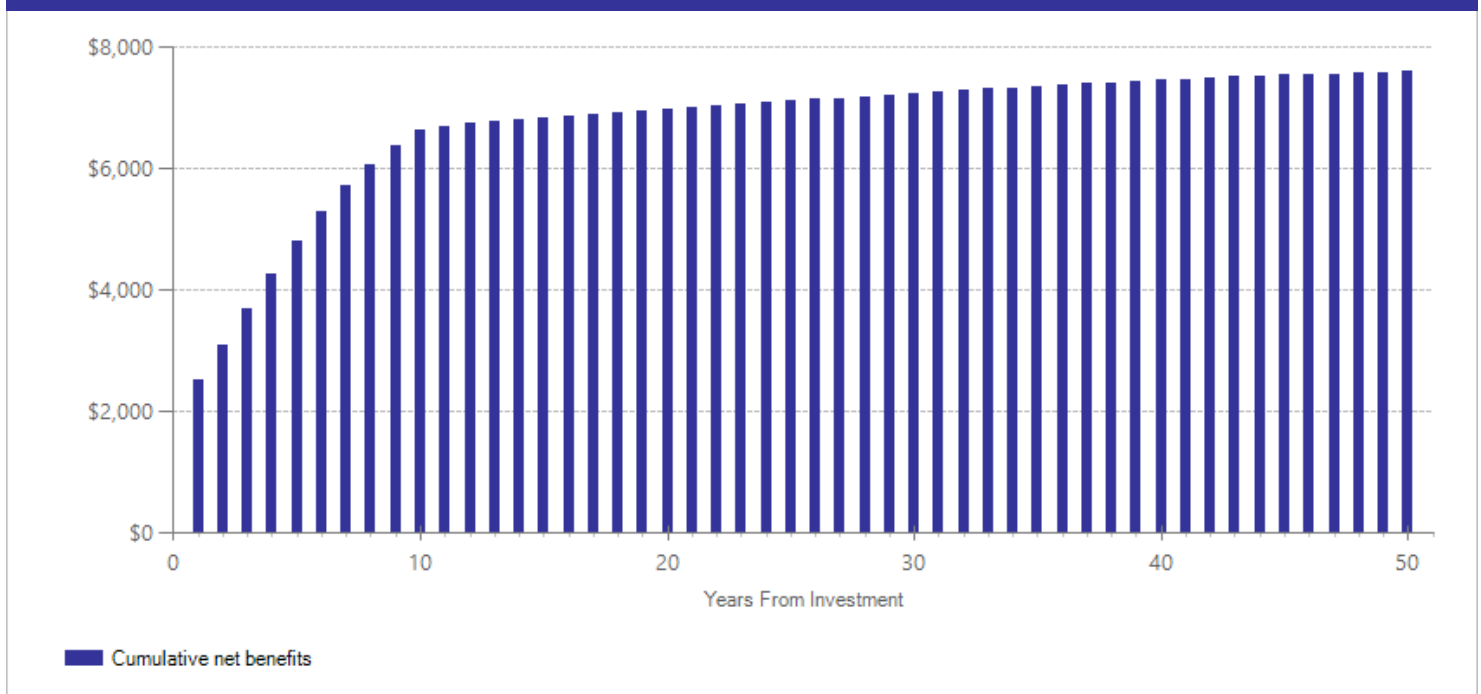
The graph above illustrates the estimated cumulative net benefits per-participant for the first fifty years beyond the initial investment in the program. We present these cash flows in discounted dollars. If the dollars are negative (bars below $0 line), the cumulative benefits do not outweigh the cost of the program up to that point in time. The program breaks even when the dollars reach $0. At this point, the total benefits to participants, taxpayers, and others, are equal to the cost of the program. If the dollars are above $0, the benefits of the program exceed the initial investment.

## Benefits by Perspective Over Time (Cumulative Discounted Dollars)
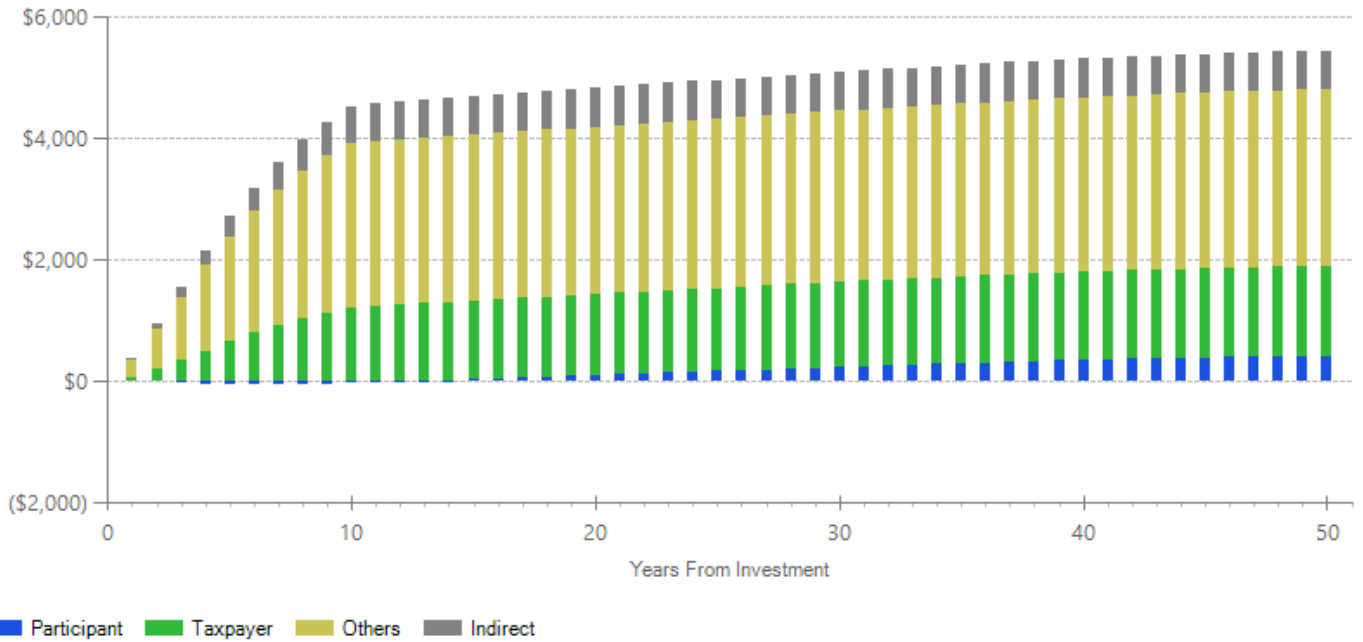


The graph above illustrates the breakdown of the estimated cumulative benefits (not including program costs) per-participant for the first fifty years beyond the initial investment in the program. These cash flows provide a breakdown of the classification of dollars over time into four perspectives: taxpayer, participant, others, and indirect. "Taxpayers" includes expected savings to government and expected increases in tax revenue. "Participants" includes expected increases in earnings and expenditures for items such as health care and college tuition. "Others" includes benefits to people other than taxpayers and participants. Depending on the program, it could include reductions in crime victimization, the economic benefits from a more educated workforce, and the benefits from employer-paid health insurance. "Indirect benefits" includes estimates of the changes in the value of a statistical life and changes in the deadweight costs of taxation. If a section of the bar is below the $0 line, the program is creating a negative benefit, meaning a loss of value from that perspective.

## Taxpayer Benefits by Source of Value Over Time (Cumulative Discounted Dollars)



The graph above focuses on the subset of estimated cumulative benefits that accrue to taxpayers. The cash flows are divided into the source of the value.

# Citations Used in the Meta-Analysis

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