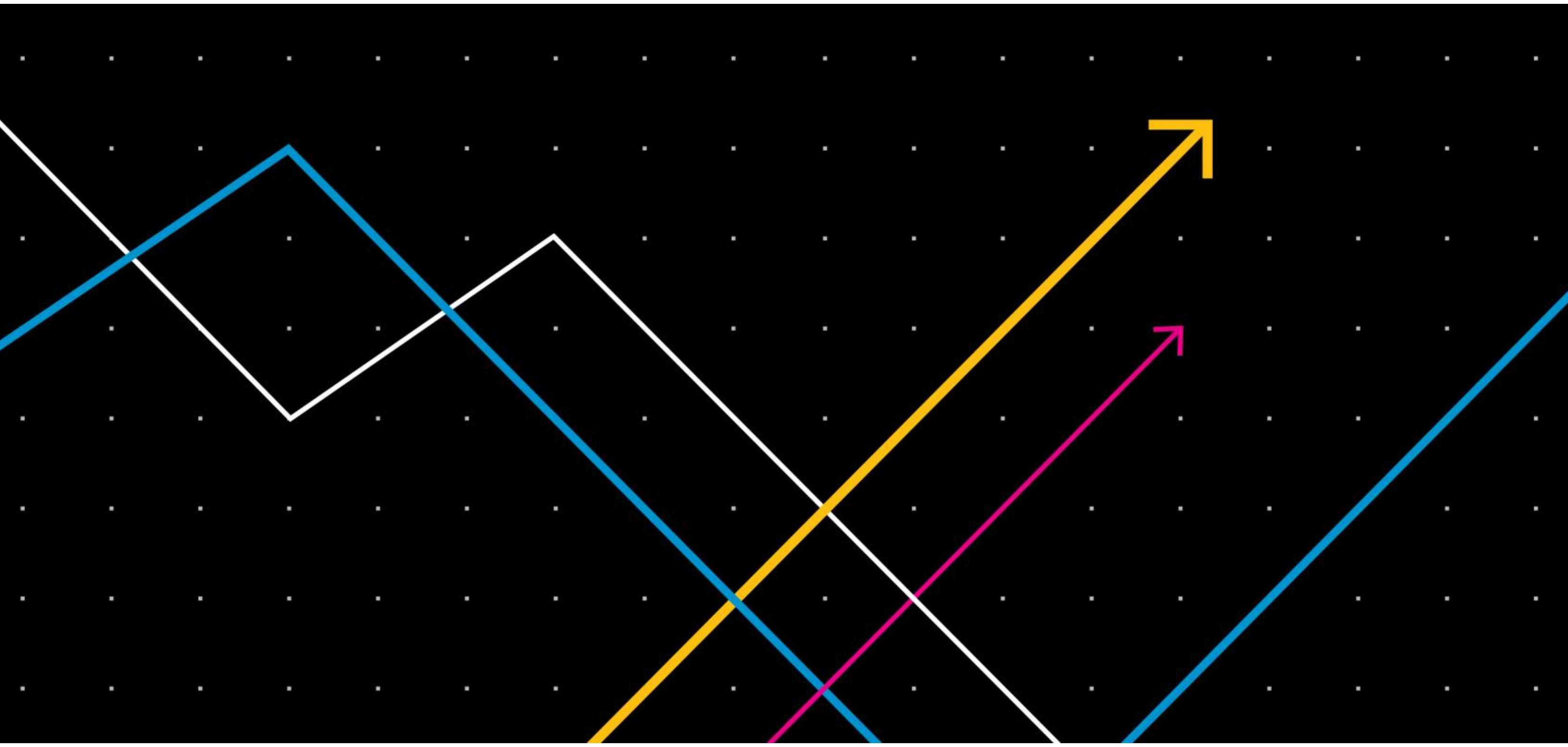

RESEARCH REPORT

Promoting a New Direction for Youth Justice

Strategies to Fund a Community-Based Continuum of Care and Opportunity

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Introduction

Over the past two decades, the United States has seen a dramatic decline in youth arrests and a fundamental shift in its approach to youth justice. Recognizing the detrimental effects of incarceration on youth and communities, states and localities are increasingly embracing community-based strategies to prevent, intervene, and respond to harmful and/or illegal behavior. Yet, despite this shift, they continue to funnel the vast majority of funding to incarceration rather than investing in community-driven solutions. Building a true continuum of care and opportunity for youth and families in their home communities to both prevent and address the root causes of illegal behavior requires substantial investment, particularly given that communities disproportionately impacted by youth incarceration often also experience concentrated disadvantage that creates structural barriers to youths' success. There is a pressing need to identify proven, promising, and innovative strategies for investing in community-based solutions and, moreover, to follow the lead of those closest to the challenges on the ground in developing and implementing tailored strategies. This is the next frontier of juvenile justice reform and crucial to the kind of transformational change that true justice demands.

To fill this gap, the Urban Institute launched a project to explore methods that states and localities have used, or could consider, to invest in a continuum of care and opportunity for youth and their families (see box 1 for an overview).[1] This report summarizes strategies that Urban identified through interviews with a wide range of experts, both inside and outside the juvenile justice system; an all-day multidisciplinary convening; two roundtables with youth advocates; and a review of relevant documents (see box 2 for additional information on the project methodology). It focuses on potential strategies for reinvesting justice system resources, leveraging existing state and federal funding streams, and creating new sources of funding to support programming in historically disenfranchised communities in which many youth and families are, or are at risk for becoming, involved with the justice system. The report aims to answer one guiding question: *How can we support better outcomes for youth and families by investing more resources in programming and community development strategies in neighborhoods disproportionately impacted by incarceration?*

BOX 1

What Does a Continuum of Community-Based Care and Opportunity for Youth Look Like?

Throughout this report, we reference a "continuum of community-based care and opportunity" for youth. "Community-based" is used here to reference any *nonresidential* program, support, resource, or service that youth and families can access while living in their homes. It does not include local residential services such as detention or placement-based services or treatment. A well-resourced continuum would include a range of supports and opportunities that build on youth and family strengths and assets to promote healthy development, improve family functioning, meet essential needs, and strengthen neighborhoods. Ideally, youth and families would have access to a rich variety of supports and services outside the juvenile justice system so that it is not the only entry point for access and participation can continue beyond a youth's involvement in the justice system. Services should be culturally appropriate, effective, and responsive to the evolving needs of youth and families. In addition to services and resources to address underlying needs, a well-resourced continuum would advance community development strategies that expand educational, workforce, and enrichment opportunities. Community-based continua of care and opportunity would include the following:

- access to health care, including mental health treatment
- civic engagement and service learning opportunities
- crisis services, including mobile units
- early care and education
- economic development and community infrastructure
- educational and vocational support and programming, apprenticeships, etc.
- family therapy
- holistic victims' services
- life skills programs
- mentoring programs
- parenting programs
- pathways for future economic opportunity and job opportunities that provide a living wage
- positive youth development programming, including school-based programs
- programs that support basic needs including safe and affordable housing, adequate nutrition, and reliable transportation
- prosocial enrichment and recreational opportunities (e.g. sports, art, music, theater, etc.)
- respite and support for families with complex needs
- restorative justice programming
- substance use treatment
- thriving community centers and safe spaces for recreation
- trauma recovery and healing programming and supports
- violence prevention and gang intervention programs

FIGURE 1

Continuum of Care

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The Need to Invest in Community-Based Youth Justice Solutions

Ideally, the goal of juvenile justice is to hold youth accountable in developmentally appropriate ways, reduce the likelihood of future harmful behavior, and help youth get on track to healthy adulthood (NRC 2013). Effective approaches minimize justice system exposure: divert youth from formal system involvement when possible (Petrosino, Turpin-Petrosino, and Guckenburg 2010; Wilson and Hoge

2013), strictly limit out-of-home placement to only the most serious cases (Aizer and Doyle 2015; Hjalmarsson 2008; Nagin, Cullen, and Jonson 2009; Villettaz, Killias, and Zoder 2006; Western and Beckett 1999), and connect youth with resources, services, and support in their own communities (Harvell et al. 2018; NRC 2013). Youth who are demonstrating normal adolescent behaviors are best supported entirely outside the juvenile justice system (NRC 2013). For those who do require targeted intervention for harmful behavior, research has shown that community-based options are generally more effective than incarceration in reducing reoffending (Fabelo et al. 2015; Ryon et al. 2013). Although incarceration disconnects youth from critical family and social supports, interferes with prosocial development, and does a poor job of preventing reoffending (NRC 2013), community-based programs that meet youth needs, build critical skills, and promote positive development can more effectively get youth back on track to successful adulthood (Harvell et al. 2018).

BOX 2

Methodology

The Urban Institute collected information for this report using the following methods:

- interviews with more than 20 advocates; government agency officials; legislators; representatives from community organizations; and other stakeholders with expertise on state budget systems, justice reinvestment, community investment, and juvenile justice conducted between June and October 2018;
- a convening on "Innovative Strategies for Reinvesting in Youth Justice" with approximately 40 advocates, practitioners, and budget experts in Washington, DC, in August 2018;
- two roundtables with approximately 25 youth advocates (including teenagers, young adults, and staff) in Milwaukee, WI, and Richmond, VA, on "Making Smarter Investments in Juvenile Justice" in November and December 2018; and
- a review of relevant program materials, research, and reports of identified programs, examples, and strategies.

Many states and localities have recognized the research on improving outcomes for youth, and youth incarceration rates have plummeted over the past decade. Between 2006 and 2015, the national juvenile commitment rate fell by half.[2] Although this trend parallels a similar decline in arrest rates,[3] it also reflects deliberate choices at the state and local levels to opt for community-based alternatives to incarceration for most youth. For example, in 2007, California overhauled its approach to youth corrections, shifting responsibility for supervision of most youth from a central state agency to local probation departments through Senate Bill 81. The state subsequently saw a 60 percent reduction in youth detention and a 74 percent reduction in state placements.[4] Kansas also took a legislative approach to change, passing sweeping juvenile justice reforms with Senate Bill 367 in 2016 that prohibited the use of incarceration for many less serious offenses among other changes. Youth incarceration in corrections facilities fell 23 percent in the first year, allowing the state to close two youth prisons and freeing up millions of dollars to reinvest in community-based treatment for youth (Durnan, Olsen, and Harvell 2018). New York City similarly worked to reduce the use of detention over the past 10 years, improving the use of a standardized risk assessment tool to inform detention decisions and implementing innovative solutions—such as evening arraignment options—that expedite the justice process. Between 2009 and 2018, the number of youths detained in the city declined significantly from 430 to fewer than 80.[5]

Despite great progress, declines in youth incarceration have exacerbated racial and ethnic disparities in the current juvenile justice system. The movement away from youth incarceration has not benefited everyone equally, and today, compared with a decade ago, youth of color are pulled into the system and kept there at even more disproportionate levels than their White counterparts. Between 2003 and 2013, the disparity between Black and White youth incarceration commitment rates grew by 15 percent. The most recent data (2015) suggest Black youth were five times more likely than White youth, and Latino youth were 65 percent more likely than White youth, to be detained or committed (Sentencing Project 2016, 2017a, 2017b). This disproportionality cannot be accounted for by differential crime rates alone; rather, it stems from a wide range of factors including systemic inequality and differential access to prevention and diversion support (Vessels 2015). Disproportionate arrests of youth of color are a particularly significant driver of the disproportionately high incarceration rates at later stages of the justice process (Sentencing Project 2016). The causes of racial and ethnic disparity in juvenile justice are wide-ranging and complex, requiring multipronged solutions that simultaneously address structural inequality, bias, and prevention and support services. Community investment can be a key component of strategies to reduce the overrepresentation of youth of color in the juvenile justice system by strengthening local infrastructure and bolstering continua of care.

The dramatic decline in youth incarceration creates opportunities to reallocate resources and spending toward ensuring that youth and their families have the support they need to thrive, particularly in communities of color. However, the states and localities moving away from incarceration are not investing in community-based support systems for youth at the same levels. Policymakers and advocates often point to the potential cost savings of opting for community-based alternatives (which typically cost pennies on the dollar compared with the annual cost of youth incarceration) over detention and out-of-home placement (McCarthy, Schiraldi, and Shark 2016).[6] States still spend significantly more on youth prisons than on community-based alternatives. Connecticut, for example, spent more on the Connecticut Juvenile Training School than all alternatives combined in 2015 (Love, Pelletier, and Harvell 2017). Similarly, Kansas spent $7 of every $10 of its juvenile services funds on youth incarceration in 2015,[7] and Virginia spent $15 on youth incarceration for every $1 spent on community-based services in 2016.[8] Effectively shifting away from youth incarceration requires a robust and well-resourced continuum of care and opportunity for youth in the community and support for their families and caregivers. Meeting the comprehensive needs of youth and families and advancing broader community development requires dedicated financial resources. Funding youth support systems in underresourced and historically disenfranchised communities is especially important for addressing persistent racial and ethnic disparities.

Structuring Investments to Address Youth and Community Needs

Because youth, their families, and their communities are the primary stakeholders in youth justice investment strategies, it is essential that they are given opportunities to inform such strategies by sharing their expertise, perspectives, and experiences. In communities with high rates of justice system contact (which disproportionately include communities of color and communities with high rates of poverty) members are often excluded both from policy conversations and budget lines associated with justice and safety (National Academies of Sciences, Engineering, and Medicine 2018). This constitutes a missed opportunity, as the people closest to public safety challenges have critical perspectives and insights with which to inform the development of effective solutions.

Clearly defining community constituencies is a prerequisite for ensuring that those stakeholders inform and guide strategy discussions. The communities within which youth live, grow, and learn are various and can be defined by social circles and relationships, school district, neighborhood, identity and demographics, faith, native language, immigrant status, or common experience. Such communities can provide youth valuable support as they transition to adulthood, and engaging youth in the decisionmaking process can ensure that resource strategies leverage the communities most salient to them.

Giving youth and their families a seat at the table may also lead to more expansive and creative investment strategies. While many traditional efforts to promote safety and stability for youth have focused on programs and services, some youth emphasize the importance of drawing a more direct connection between meeting basic needs and broader safety and stability (box 3 summarizes findings from two focus groups with youth advocates on resource investment). For example, the Young Women's Freedom Center conducted interviews with more than 100 women in San Francisco who were involved in the justice system. Those women reported that finding stable and affordable housing and living-wage jobs were far higher priorities than receiving therapy or other kinds of programming (Melendrez 2019). Ensuring these basic needs are met is an important precursor to other programs and services, since lacking basic resources such as adequate nutrition or safe and stable housing can preclude participation in other activities, services, and programs. Reinvestment strategies can target basic needs in various ways, such as improving school lunches or revising restrictions on public housing.

BOX 3

Where Should the Money Go?

States and localities looking to achieve a well-resourced continuum of care and opportunity for youth must weigh competing priorities. Youth and community input is critical in determining where financial resources are targeted. Involving youth and families in decisionmaking helps ensure that those most directly impacted by the system play a role in shaping better policy, as well as increasing fairness and the efficient use of resources. Localities have used a wide range of strategies to engage youth, families, and community members in discussions around justice investments and formalize and prioritize their input into surveys, town halls, focus groups, and participatory budgeting.

During two separate roundtables in Milwaukee, Wisconsin, and Richmond, Virginia, youth advocates including teenagers, young adults, and support staff discussed the best targets for financial investment in youth. Participants focused on capacity building to serve justice-involved youth outside the traditional juvenile justice system, as well as increasing access to services for youth not necessarily involved in the justice system. Some suggested targets for reinvestment include the following:

- meeting the basic needs of youth (e.g., housing and nutrition)
- youth enrichment (e.g., after-school recreation activities)
- community enrichment (e.g., building a community center that is open, welcoming, and operated by community members)
- education, job training, and employment opportunities
- mentor programs (with mentors who can identify with, and relate to, youth)

- problem-solving solutions outside the traditional juvenile justice system (e.g., peace circles and restorative justice programs)

Roundtable participants noted the importance of having community members drive and sustain these initiatives.

Funding priorities will vary between communities, and input from local youth and family stakeholders is critical for identifying tailored solutions for place-specific needs. The suggestions discussed here emerged from two groups of youth advocates, but it is important to create platforms and ongoing feedback mechanisms to solicit and encourage youth and family engagement in each community.

The voices calling for a more expansive approach to youth justice investment speak to the dual goals of providing direct services and advancing broader community development. Youth involved in the justice system disproportionately come from communities that have experienced long-standing underinvestment in the form of underresourced schools, lack of affordable housing, lack of reliable transportation, insufficient access to health care, and inadequate community spaces and recreational facilities (IoM and NRC 2001). Investing in programming without addressing these larger structural barriers can reduce the value of the programming or even be counterproductive. For example, youth may not be able to take advantage of mentoring or job-readiness programs if they do not have access to transportation. Further, investments that focus only on programming may actually be a gateway to further criminal justice system involvement if participation is court-mandated and youth are penalized for not complying with requirements due to lack of access. Ensuring that youth and their families have opportunities to weigh in on policy and program proposals and to provide feedback during implementation and evaluation may help policymakers and program administrators mitigate these potential problems.

Finally, developing investment strategies that are tailored to respond to youth needs and experiences in specific community contexts often requires innovation and creativity. The growing body of literature about evidence-informed practices and programming can provide a vital foundation for investment strategies. But communities also need the resources and leeway to develop their own solutions, as well as measurement tools and support to assess and course-correct as needed. Ensuring that community and practitioner stakeholders are able to provide real-time feedback can help mitigate potential challenges early on. While innovation and adaptation require some tolerance for risk, jurisdictions that feel that the juvenile justice system status quo is providing poor returns may be inclined to try new approaches.

Promising and Innovative Strategies for Directing Resources to Community-Based Youth Justice Solutions

To explore the different strategies that states and localities have used to invest in community-based youth justice solutions, as well as identify new and innovative funding sources that hold promise outside the justice world, Urban conducted interviews with a range of stakeholders in the field, held roundtables with youth justice advocates, and convened a diverse group of thinkers in August 2018 to brainstorm ideas. This report is organized around the four overarching funding strategies that Urban identified. It summarizes both the opportunities that these strategies present and specific examples of their implementation in localities across the country. The four approaches are as follows:

- capturing and reinvesting savings from reduced youth incarceration and facility closure
- repurposing former incarceration facilities and leveraging land value
- leveraging existing state and federal funding streams
- thinking outside the box to redirect existing resources or generate new funds to support a continuum of care and opportunity for youth and families

Capturing and Redirecting Savings from Reduced Youth Incarceration and Facility Closure

One of the primary aims for advocates and policymakers seeking to support a continuum of community-based care and opportunities for youth and families is to capture and redirect resources within the juvenile justice system. The decline in youth incarceration noted above and the resulting closure of hundreds of facilities offers significant opportunity to identify and redirect savings to community-based alternatives. This concept of justice reinvestment grew out of work funded by the Open Society Foundations (Tucker and Cadora 2003), which theorized that communities could reduce unnecessary incarceration and invest savings into a broader range of community priorities in an effort to address the root causes of crime (e.g., by investing in schools, improved health care, job training). The idea was that this would improve outcomes, further reduce incarceration, and generate a cycle of funding for community solutions to community challenges. In the criminal justice world, this was a particularly compelling idea for rethinking public safety strategies in historically disenfranchised communities where governments pay as much as $1 million to incarcerate people within a single city block (see the Million Dollar Blocks project at the Columbia University Center for Spatial Research).

Preserving a sustainable cycle of funding is key to the reinvestment model. Advocates and policymakers can work to ensure that resources for youth justice interventions (e.g., incarceration) are preserved and reallocated toward alternative strategies that serve the communities most impacted by youth incarceration, rather than toward competing local or statewide priorities. Establishing well-designed reinvestment mechanisms that capture savings from reduced incarceration and directing them toward community alternatives helps ensure that funds are repurposed for youth justice priorities and that reform strategies achieve their intended outcomes. Juvenile justice reform efforts in states as diverse as Georgia, South Dakota, and Kansas have aimed to reduce incarceration (or even close specific youth facilities) and then direct some or all of the resulting savings into community-based services for youth (see Durnan, Olsen, and Harvell 2018). Moreover, states and localities have taken different approaches to secure and redirect funding from incarceration to community-based services for youth (see case study 1 for a note on "up-front" investment and an overview of California's Youth Reinvestment Grant Program). Consider the following:

- **Kansas** shifted resources from incarceration to the community as part of a comprehensive 2016 reform effort.[9] With the passage of S.B. 367, the Kansas legislature approved wide-ranging juvenile justice reforms to limit arrests and detention, reduce the length of time that youth spend in facilities, and support community-based interventions. A key piece of the legislation was the creation of a lockbox mechanism, the Juvenile Justice Improvement Fund, to directly capture cost savings related to the reform and channel them into community-based alternatives. The language in the statute is unequivocal about the purpose of this funding, protecting it to advance supports for youth and their families. In the first year following implementation of the reform, Kansas directed $12.3 million into the evidence-based programming fund for youth supervised in the community.[10] Additional savings were diverted to priorities outside juvenile justice, proving that even strongly worded legislation can be circumvented in contentious budget conversations. Nonetheless, S.B. 367 has demonstrated that reinvestment in youth services is possible even in tight budget cycles with multiple competing priorities for public resources.

CASE STUDY 1

Building Broad-Based Support for Up-Front Investment: Lessons from California's Youth Reinvestment Grant Program

Although they are typically referred to as reinvestment, many justice reinvestment schemes include an initial, up-front investment in alternative solutions (Welsh-Loveman and Harvell 2017). This influx of cash allows states or localities to implement a new program or strategy with the goal of improving outcomes, reducing delinquency, and freeing up additional resources to support a cycle of sustainable funding. While this up-front investment can be authorized legislatively, another option for securing resources is to engage in an executive budget strategy. Leaders in California took that path in 2018 to launch the Youth Justice Reinvestment Grant Program. The idea was originally proposed by Assemblymember Reginald Jones-Sawyer as a three-year, $100 million Youth Justice Reinvestment Fund funded via the executive budget to support diversion alternatives for youth. Strategic education and relationship-building with budget committee members and staff in both the Assembly and Senate well in advance of the budget cycle—as well as messaging that emphasized the opportunity for reinvesting fiscal savings—built strong support for the concept. In June 2018, Governor Jerry Brown approved a budget allocation of $37.3 million for the program in the FY 2018 budget. Nearly all that funding will be competitively awarded to local jurisdictions to implement "evidence-based, trauma-informed, culturally relevant, and developmentally appropriate diversion programs in underserved communities with high rates of juvenile arrests and high rates of racial/ethnic disproportionality within those juvenile arrests."[11] The vision is to use those resources to target community-based solutions that work, improve outcomes for youth in California's most disadvantaged communities, and document success in order to advocate for more funding. Consistent with the vision for justice reinvestment noted above, the Youth Justice Reinvestment Fund is designed to improve outcomes that will also result in savings that can then be invested back into the diversion program and ultimately create a self-sustaining funding stream. Because this program has just launched, it will take several years to assess the outcome of this investment, and careful documentation of impacts will be critical. But this example highlights the potential of employing an executive budget strategy to secure up-front investment in community alternatives for youth.

For more on California's Youth Justice Reinvestment Fund and the Youth Reinvestment Grant Program, see Assemblymember Jones-Sawyer's Youth Reinvestment Grant website and the California Board of State and Community Corrections overview of the 2019 grant program funding.

- **Washington, DC,** significantly reduced the number of out-of-home placements of youth, generating millions of dollars in taxpayer savings. A portion of these savings ($3 million) was allocated through the regular budget cycle to fund a credible messenger youth mentoring program that pairs system-involved youth with supportive adults who have had similar experiences and can offer guidance and help them strengthen connections with their community, educators, and employers (Sakala, Harvell, and Thomson 2018). The DC Department of Youth Rehabilitation Services was able to direct savings from reduced incarceration to a strengths-focused, community-based program designed to promote long-term success for youth and professionalize the role of participating mentors. This approach strengthens assets and promotes success for justice-involved youth and the communities in which they live.

- **Virginia** similarly undertook a series of reforms that reduced the number of youths placed out of home, enabling the state to close one of its two remaining large youth prisons and reinvest the savings from that closure into community-based services for youth. The state revised processes related to intake, diversion, and detention decisionmaking; implemented evidence-based practices in supervision; and revised length-of-stay guidelines to avoid placement where possible and minimize the time youth are placed out of home.[12] In the 2016 session, the General Assembly approved budget language authorizing the Department of Juvenile Justice to reinvest savings from those reforms into community-based services. The department subsequently contracted with two agencies (Evidence-Based Associates and AMI Kids) to build a statewide continuum of community-based alternatives to incarceration for youth.[13]

At the August 2018 convening, policymakers, budget experts, and justice stakeholders with expertise in both state and local budget processes and reinvestment efforts offered several considerations that can promote successful funding cycles, including the following:

- **Strengthen and expand the constituency for continued funding.** The allocation mechanisms that shape funding streams can be self-perpetuating, creating constituencies for the resources that in turn uphold the status quo. Redirecting funding requires shifting those mechanisms, growing existing constituencies, and building new alliances and partnerships to protect the diverted flow.
- **Foster relationships with appropriators ahead of the budget cycle.** Appropriations officials are powerful stakeholders who begin to shape budget decisions long before the budget cycle takes place. Building relationships with budget agency staff, policymakers, and other decisionmakers in advance of a given budget cycle or appropriations discussion can pave the way for engaging specific resource issues down the line.
- **Learn the language of appropriations.** Advocates and policymakers must become familiar with appropriations language and technical mechanisms to influence them effectively. Cultivating

support from budget officials requires clearly articulating fiscal arguments, defining the specific investment, and identifying how success will be measured. In doing so, it is important for success metrics to accurately reflect the proposed initiative. While many programs default to various recidivism measures as key indicators, proponents should consider additional data collection activities—such as collecting data on mental health and well-being, educational engagement, desistance from harmful or destructive activity, and community involvement—to more fully capture the different ways a program or policy change might be having an impact.

For more information on youth justice reinvestment strategies including specific budget mechanisms for redirecting resources, see the Center on Budget and Policy Priorities' toolkit, Youth Justice Reform and Reinvestment: Key Strategies and Fiscal Tools for Success.

For more information on reinvestment strategies employed in Georgia and Kansas, see Urban's State Led Juvenile Justice Systems Improvement: Implementation Progress and Early Outcomes brief.

For more on the DC Credible Messengers Program and other community-driven public safety investments, see Urban's Public Investment in Community-Driven Safety Initiatives: Landscape Study and Key Considerations report.

For more information on reform and reinvestment strategies in Virginia, see the Virginia Department of Juvenile Justice's Transformation Plan 2018 Update.

Repurposing Youth Facilities and Leveraging Land Value

The decline in youth incarceration over the past 15 years has contributed to the closure of hundreds of youth detention and placement facilities. In 2016, the Office of Juvenile Justice and Delinquency Prevention's biannual census identified nearly 1,300 fewer operational facilities than in 2000 (Puzzanchera et al. 2018). States and localities now face the challenge of deciding what comes next for these taxpayer-funded structures. Closed youth facilities present an opportunity to create new resources for youth and their families, either by repurposing the buildings to address unmet youth and community needs or by leveraging land value to generate funding for youth and family services.

Transforming Former Youth Detention and Placement Facilities

Some states and localities across the country have developed creative plans to repurpose closed youth facilities into non-correctional resources that address youth and community needs (Love et al. 2018). Examples include a teen community center in Arizona, a technology park in New York, a mixed-income sustainable living community in Michigan, and a residential development project in California. These projects often require significant planning—including dedicated community outreach and partnership efforts—but they can produce benefits by both relieving taxpayers of the financial burden of facility structure upkeep and creating a new community resource to fulfill a previously unmet need. Repurposing a facility also eliminates the possibility that it will be reopened as a prison for either youth or adults.

GrowingChange, a North Carolina–based nonprofit focused on "flipping" closed prisons into community resources, presents another innovative example of a prison repurposing approach. The youth-led program's replicable model of "reclaim, attain, and sustain" focuses on *reclaiming* closed prison sites and converting them into farms and education centers; helping youth and community members *attain* success by providing them with education, vocational training, and program experience; and ensuring *sustainability* by teaching lifelong skills and promoting healthy lifestyles through the provision of fresh, locally grown produce.[14] Since the organization's founding in 2011, youth leaders have driven decisionmaking, advocated for the program to national, state, and local stakeholders, and generated experience-based solutions. Other key factors to GrowingChange's success include establishing an effective public-private partnership that lifts a burden off the state and adjusting its approach/activities based on quantitative evidence of outcomes. GrowingChange has brought together a broad coalition of university partnerships ranging from North Carolina Land Grant Universities to the Massachusetts Institute of Technology (MIT). Currently, GrowingChange is working with North Carolina A&T State University (supported by Kellogg) to create an open-sourced, replicable model that will be given away to the communities around the nation to help them "flip the prison."

For more information on repurposing youth prisons, including examples of repurposing efforts and considerations for policymakers and others, see the Urban Institute's Transforming Closed Youth Prisons report.

For additional examples of repurposing adult prisons, see the Sentencing Project's Repurposing: New Beginnings for Closed Prisons.

For more information on GrowingChange, see the GrowingChange website www.growingchange.org.

Leveraging Land Value to Create New Funding Streams

An alternative approach to repurposing physical structures is to leverage land value to generate new funding streams to support services and opportunities for youth and families. Landowners of prison or juvenile facility sites—typically states or localities—can lease a property to an outside company for development, thus creating a sustainable and flexible funding stream that can then be reinvested into community-based resources (see case study 2 below). Each location offers unique advantages for leveraging property to create additional resources, and the best strategies take the land's assets into account when planning. Some youth prisons occupy particularly valuable real estate that could be leased or sold to generate significant funding. For example, the Bon Air facility in Virginia sits on more than 400 acres of land in an affluent residential area less than 10 miles outside downtown Richmond. Amid discussions about renovating or closing the facility, Department of Juvenile Justice Director Andrew Block acknowledged that keeping the facility open prevents the state from taking full advantage of the real estate value of the land.[15] Accordingly, in its report on Bon Air in December 2018, the Department of General Services concluded that the "highest and best use for the majority of the property" was to demolish the facility and repurpose the land into a residential development (DGS 2018, 1).

Beyond commercial development, state- and locally owned land might provide options for generating revenue without selling the property. The money generated from these activities could be invested in a trust fund dedicated to providing youth services and building a community-based continuum of care and opportunity. Although we have not identified a clear precedent for this in the juvenile justice space, relevant strategies emerge from successful endeavors in other areas. For example, School Trust Lands are state-owned lands originally gifted by Congress to states when they were newly admitted to the Union to produce revenue for public education. The administration and oversight of these lands varies by state, but in fiscal year 2010 these lands collectively generated more than $2.2 billion in revenue nationally. The most profitable sources were oil and gas royalties ($1.4 billion), the sale of forest products such as timber ($242 million), royalties from other minerals such as coal ($220 million), and the sale of agriculture and grazing rights ($100 million).[16] Most important, this funding was generated without selling any land, meaning there are opportunities for continued revenue generation. By legal mandate, these funds are used for public education. In Oregon, for example, trust lands and any related income belong to the Common School Fund. The State Land Board, which manages the trust, distributes a portion of the annual revenue to public education every year; from 2015 to 2017, distributions were expected to amount to more than $136 million.[17] School Trust Lands (and the significant revenue that they have generated in various states) provide an example of how states and localities that own land can create sustainable funding streams without relinquishing ownership of the property, and how the generated revenue can be reinvested in a trust that provides ongoing funding to benefit youth and families.

Additionally, depending on the location, landowners might have the option to sell the development rights to their land in exchange for a one-time monetary payment. Although usually customized depending on the locality, Purchase of Development Rights (PDR) programs generally permanently restrict development of the land; however, the owner maintains authority to use, lease, or sell the land for other purposes (such as farming) specified in the agreement (Miller and Krieger 2004). PDR opportunities might be available or particularly lucrative for land in which local, state, or federal government agencies have a vested interest in inhibiting development, such as areas surrounding military bases.[18]

For more information on school trust lands, see A Magnificent Endowment: America's School Trust Lands. Your Guide to Making a Difference.

CASE STUDY 2

Funding Youth Services through Land Leasing and Development in Fort Worth, Texas

The Lena Pope nonprofit organization in Fort Worth, Texas, provides counseling and education services to youth and families, but its community-based service design has not always been its primary business model. Founded in 1930, the organization initially oversaw orphanages and subsequently shifted toward providing residential treatment and group homes. In the mid-20th century, the organization saw the need for more land and facilities, and the board of directors helped to purchase a large property on the condition that Lena Pope would never sell the land. Around the turn of the century, and in response to emerging evidence of the advantages of keeping youth in the family setting, the Lena Pope Home slowly divested from residential treatment and fully invested in community-based care. As of 2018, Lena Pope provides no residential services. The organization offers community-based care focused on early intervention and prevention for youth at risk of being removed from their homes, with services including education and counseling.

As Lena Pope transitioned from residential care, it developed a two-part plan to use the land it owned to continue to support the organization's mission. First, it repurposed several buildings into a campus (including classrooms, a recreational space, and a cafeteria) to support the county's Juvenile Justice Alternative Education Program. The unique public-private partnership (as well as the open, campus-style setting) has been so successful that the program continues to be one of the highest-rated alternative education campuses in the state, receiving a grade of 100 percent in the past two state audits.[19] The second part of the repurposing plan was to demolish several group homes and make the vacated land available for commercial development. After a competitive bidding process, Lena Pope signed a 60-year land lease with a shopping center developer, who pays an annual base rent along with additional incremental payments based on occupancy. The developer of the shopping center also contributes a proportion of its annual profits to the organization. Through these mechanisms, Lena Pope now collects approximately $1 million a year, which is used to provide comprehensive counseling and education services to children and youth and fill the gap between cost and reimbursement for high-quality programming. At the end of the 60 years, land ownership will revert to Lena Pope, which will have the option to re-lease it to the same or a different entity.

Lena Pope has both repurposed existing buildings and leveraged its land value to support its transition from residential care to community-based services. This effort involved leveraging knowledgeable partners, such as real estate experts; focusing on solutions that will produce sustainable (as opposed to finite) funding, such as leasing the land instead of selling it; and working with community leaders throughout the process. Although ownership of a valuable plot of land was also integral to Lena Pope's success, this innovative model is worthy of consideration in other jurisdictions.

Maximizing Existing State and Federal Funding Opportunities

While many look to the juvenile justice system first, other state- and federally funded programs can be tapped to fund community-based services and supports for youth and their families. The best available information suggests that as many as half of all youth referred to the juvenile justice system are also enrolled in the child welfare system, while many more have likely experienced neglect or trauma (NJJN 2016). States have also reported that anywhere from 29 to 100 percent of justice-involved youth are enrolled in Medicaid (Zemel and Kaye 2009). In short, the population of youth and families accessing services from different systems including juvenile justice, child welfare, housing, and public health overlaps significantly. These systems share responsibility for collaboratively addressing the needs of youth clients and their families, and state and federal funding streams outside the juvenile justice system can and do support services for youth who are, or are at risk of becoming, justice-involved. Further, funding streams that support development efforts in communities experiencing concentrated disadvantage can provide critical resources for a well-resourced continuum of care and opportunity.

States and localities across the country have implemented strategies to combine different sources of funding to support coordinated service delivery for all youth, including those who are justice-involved. Take Wraparound Milwaukee (WRAP). WRAP is a system of care established in 1994 with a six-year, $15 million federal grant from the Center for Mental Health Services (a branch of the

Substance Abuse and Mental Health Services Administration). Originally intended to serve children at immediate risk of out-of-home placement (as identified by the child welfare or juvenile justice systems), WRAP now integrates mental health, juvenile justice, child welfare, and education systems to serve children with serious emotional, behavioral, and mental health needs. WRAP takes a family-focused, individualized approach and has served 11,000 young people over the past two decades. WRAP is continually funded through a combination of state and county agencies, including the state's Medicaid agency, the Milwaukee County Division of Youth and Family Services, and the Division of Milwaukee Child Protective Services.[20] Funds from each agency are pooled and decategorized so that WRAP has flexibility in spending (Kamradt 2000). With six community partner agencies, 100 care coordinators, a network of over 200 providers, and a Children's Mobile Crisis Team that reviews each request for inpatient psychiatric care and diverts youth to community-based residential alternatives where appropriate, WRAP is well-integrated into the community.

Despite progress, funding streams across systems are often siloed, and localities struggle to collaborate across agencies and organizations to serve youth and families. Proven and promising strategies—including WRAP—often start with funding from a single source and then braid together resources from multiple streams to sustain long-term investment. Because of the overlap in service populations noted above, many federal waiver programs can be leveraged to fund services for justice-involved youth. Below, we discuss opportunities for looking beyond juvenile justice and using child welfare dollars, Medicaid, workforce and education grants, and funding to support victim services and community development to support community-based services for justice-involved youth.

FIGURE 2
Federal Funding Sources

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Child Welfare Funding

Youth involved in both child welfare and juvenile justice systems are often referred to as cross-over, dual-status, or dually involved youth. Dually involved youth often have histories of trauma and/or neglect that are critical for caregivers to be aware of and responsive to, but which can go undetected as a result of poor information sharing between systems (Herz et al. 2012). Dually involved youth are disproportionally youth of color (Chapin Hall Center for Children 2008), are disproportionally female relative to the overall juvenile justice system population, and have disparate, generally worse case outcomes than those who are not involved in the child welfare system (Herz et al. 2012). For example, foster youth are more likely to be detained than non-foster youth charged with crimes of similar severity (Conger and Ross 2006). Increased coordination between the child welfare and juvenile justice system is one way to potentially improve outcomes for youth (see case study 3). Several federal grant programs allow for flexible spending that can be used to provide targeted support to these populations.

One such program, the Title IV-E Child Welfare Waiver Demonstration program, authorizes states to use federal dollars flexibly to pursue innovation in child welfare service delivery and financing (James Bell Associates 2018). Several states have used child welfare waivers to target services for youth involved (or at risk of becoming involved) in the juvenile justice system. For example, Illinois operates a Family Recovery and Reunification Program that focuses on families whose children have been removed because of a parent's substance-related maltreatment. Since the program's implementation, the state has seen an increase in the number of children exiting foster care and a decrease in the number subsequently involved in the juvenile justice system (Ryan and Huang 2012).[21] Indiana used the Title IV-E waivers to provide targeted services to children adjudicated delinquent and children at risk of abuse, neglect, or delinquency through county-specific tactics that included counseling, increased assistance to families, home-based services, and material assistance (Loman, Filonow, and Siegal 2011). Ohio's Title IV-E child waivers resulted in increased collaboration between public child-serving agencies and juvenile courts and more program and staffing options to serve justice-involved youth.[22] (Under the recently enacted Families First Prevention Services Act discussed below, these waivers are scheduled to end in September 2019, though there is ongoing advocacy and legislation under consideration to extend waivers.)[23]

Another such program, the Families First Prevention Services Act, was signed into law on February 9, 2018. The Act includes new prevention services funding under Title IV-E that can be used to address mental health and substance use treatment needs for children who are at risk of entering foster care but who can remain safely in their homes while receiving services.[24] If fully implemented, this funding could be leveraged to provide treatment (and activities similar to those provided under the Title IV-E program) to justice-involved youth while they remain in the community.

For more examples and guidance on coordinating child welfare and juvenile justice funding, see the Guidebook for Juvenile Justice & Child Welfare System Coordination and Integration and Addressing the Needs of Multi-System Youth: Strengthening the Connection between Child Welfare and Juvenile Justice.

CASE STUDY 3

Restructuring Agencies to Support a Continuum of Care for All Youth in Onondaga County

Stakeholders in Onondaga County, New York (Syracuse) have been working since 2013 to more effectively deploy both child welfare and juvenile justice resources to improve outcomes for youth and families. Historically, the county probation agency oversaw juvenile justice services while child welfare was run by a separate child and family services agency. Under the leadership of the Deputy County Executive for Human Services, and with the goal of becoming more child-centered with strategies to address all needs in one place, Onondaga reorganized the county charter and got permission from the state to create a single Department of Children and Family Services to oversee juvenile justice, mental health, child welfare, school-based initiatives, and the Youth Bureau. This reorganization brought together funding for various services into a single budget and facilitated more coordinated cross-systems work. For example, Onondaga invested $500,000 in 2016 in community-based services in localities with disproportionately high numbers of justice system–involved youth. Competitive grants were awarded to grassroots, community-based providers in the three zip codes that produced 60 percent of juvenile justice placements. Early outcomes have been positive and spurred additional investment in subsequent years. For example, targeted communities saw a decline of 17 percent in detention cases and 16 percent in placements between 2016 and 2018.25 Onondaga is demonstrating that investing child welfare dollars in new, community-based strategies for justice-involved youth can produce better outcomes, support communities, and save taxpayer dollars.

Medicaid is another funding stream that can be tapped creatively to support services for justice-involved youth who are Medicaid-eligible (see box 4 below for an important caution). Medicaid is a means-tested federal program set up to provide health care to people earning below 133 percent of the federal poverty level (FPL). In most states, the Children's Health Insurance Program (CHIP) further expands coverage to children in families with income below 200–300 percent of the poverty level (Wiig and Tuell 2013).[26] Given that the majority of youth involved in the juvenile justice system live in poverty (Birckhead 2012), most are eligible for Medicaid when not detained, particularly dually involved youth who are automatically eligible when in foster care.[27] Medicaid can be used to support a wide range of services, including multisystemic interventions and interventions in nonmedical settings.[28]

Though Medicaid funds cannot be used while a youth is detained,[29] funds can support eligible youth on probation, parole, or home release (MACPAC 2018). Crucially, Medicaid can be suspended (rather than terminated) while youth are detained to allow more seamless access to resources after release (Hanlon, May, and Kaye 2008). Additionally, the juvenile justice system can leverage contact with vulnerable youth to enroll them in Medicaid. For example, in Texas, all youth who come into contact with the juvenile justice system are screened for Medicaid eligibility, both at time of arrest and during trial. Though 97 percent of these youths are not incarcerated, many receive health care from Medicaid quickly as a result of their justice-system contact.[30]

Medicaid waivers can be leveraged to expand coverage to youth not already enrolled in Medicaid and/or fund a range of services for youth involved or at risk of becoming involved with the juvenile justice system. However, there are limitations in the types of resources that can be provided. For instance, Medicaid cannot be used to pay rent on housing; however, it can be used to help people find and maintain housing.[31] Waiver options include the following:

- **Section 1115 waivers**[32] support creative use of funds by allowing broad changes in eligibility, benefits, cost sharing, and provider payments in Medicaid and CHIP programs.[33] Several states have used Section 1115 waivers to expand Medicaid coverage for justice-involved people. For example, the California Medi-Cal 2020 waiver is used to coordinate care for vulnerable populations, including justice-involved individuals. Utah's Section 1115 waiver expands eligibility to justice-involved adults with substance use or mental health needs (MACPAC 2018).
- **Home and community-based services waivers**[34] allow states to flexibly employ alternatives to institutionalized care for people with long-term health needs. The waiver can be used to target populations at risk of institutionalization, such as people with behavioral conditions or people with intellectual disabilities.[35] The New York Bridges to Health program uses the waiver to provide wraparound services to children in foster care with significant mental health or developmental disabilities. Bridges to Health provides a range of services, including vocational training and placement, crisis response services, and intensive in-home supports. Once children enter the waiver program, they can retain services until the age of 21, even if they leave the foster care system.[36] This waiver program supports dually involved youth and facilitates moving children and young adults from hospitals or institutions to homes.

For more examples and guidance on coordinating Medicaid and juvenile justice funding, see A Multi-Agency Approach to Using Medicaid to Meet the Health Needs of Juvenile Justice-Involved Youth.

BOX 4

The Danger of Medicalizing Behavior to Expand Eligibility for Services

Many justice-involved youths have significant health needs. For instance, up to 75 percent of detained youth have a mental health or substance abuse disorder (Acoca, Stephens, and Van Fleet 2014). However, medical funding sources present the danger of medicalizing or pathologizing normal youth behaviors in order to secure funding for service delivery. Many programs supported by Medicaid and Child Welfare Waivers require a substance abuse, mental health, behavioral disorder, or intellectual disability diagnosis for youth to be considered eligible. It is important to ensure that creative funding strategies do not contribute to unnecessary diagnoses, particularly given the likelihood that this would disproportionately impact youth of color who are already overrepresented at every point in the juvenile justice process.

Workforce and Education Grants

In addition to child welfare and Medicaid, federal workforce and education grants hold potential to fund services for youth who are involved (or at risk of becoming involved) in the juvenile justice system. These grants have the benefit of not requiring a medical diagnosis for eligibility and support a range of strategies to build life skills, further education and employment goals, and promote positive youth developmental outcomes that complement treatment and service provision. Examples include the following:

- **Pell grants.** Pell grants are federal grants intended to help people who demonstrate exceptional financial need pay for college.[37] Though people incarcerated in state or federal prison are ineligible for these grants, justice-involved youth in the community *or those placed in juvenile correctional facilities* are eligible as long as they meet certain other requirements.[38] The amount of each grant varies depending on the level of financial need, the cost of attendance, and status as a full- or part-time student. The maximum grant in the 2018–2019 academic year was $6,095.[39] Unlike student loans, Pell grants do not have to be repaid.
- **Workforce and education grants**. The Workforce Investment Act of 1998 and the superseding Workforce Innovation and Opportunity Act (WIOA) of 2014 were enacted to create a comprehensive workforce investment system that enhances the workforce's productivity.[40] The WIOA's youth program provides formula funds for states to help out-of-school youth (ages 16–24) and in-school youth (ages 14–21) with at least one barrier to employment—such as those with felony records, with disabilities, living in foster care, or experiencing homelessness—

prepare for postsecondary education or employment.[41] The new WIOA requires that 75 percent of funds go toward out-of-school youth (compared with the 30 percent required by the Workforce Investment Act) and that 20 percent of youth funds support work experiences. Some localities have committed to spending 100 percent of their funds on out-of-school youth: for example, Los Angeles's Performance Partnership Pilot integrates service delivery of education, workforce, and social services.[42]

Additionally, WIOA authorized one-stop career centers that youth in foster care and the juvenile justice system can access.[43] Many one-stop career centers employ a reentry point person to assist people who have been justice-involved. WIOA funds can also be used to provide education such as vocational training or special education in correctional settings.[44]

YouthBuild is one of the largest youth programs under WIOA. 44 states fund YouthBuild (a nonprofit organization) to help address disconnected youth experiencing poverty and unemployment. YouthBuild provides essential pathways to employment through skill-building in construction, GED and certificate programs, and community service opportunities.[45]

WIOA also authorized funding through the Reentry Employment Opportunities program to serve justice-involved youth and young adults.[46] The Department of Labor awarded $84.4 million in 2018 to 41 nonprofits and state and local governments for reentry projects serving both young adults and other adults.[47] Projects encompass a multitude of services both before and after release.

For more on workforce investment and education grants, see the Federal Student Air Pell Grant; the American Youth Policy Forum's Fact Sheet on Education and Workforce Related Policies Affecting Systems-Involved Youth; and the Department of Labor's Workforce Innovation and Opportunity Act Fact Sheet: Youth Programs.

Victims of Crime Act Funding

In 1984, Congress established a Crime Victims Fund through the Victims of Crime Act (VOCA) that directs revenue collected through fines and fees associated with federal crimes to support compensation and services for victims of crime.[48] As of fiscal year 2015–16, the fund had a balance of more than $11 billion, a portion of which was allocated for disbursement annually. In 2016, Congress both increased the amount of funding available and released revised guidance that expanded the potential use of funds.[49] Among other changes, VOCA funding can now be used to support services for children who have been exposed to violence or bullying and is no longer restricted at the federal level for victims who are system-involved or have a prior conviction. Funding priority is given for underserved populations, and people are eligible to receive services while incarcerated.[50] Though it is still early to see the full impact of these new potential investments, states are already directing VOCA funding into a wide range of services.[51] For example, Oklahoma used newly available funds to establish two new family assistance centers, and Washington expanded services to federally recognized Native American tribes.

For more on strategies for leveraging VOCA funding, see the National Juvenile Justice Network's The Crime Victims Fund: A Primer for Youth Justice Advocates and the National Association of VOCA Assistance Administrators' VOCA Crime Victims Fund Briefing Background 2017.

Community Development Block Grant Funding

The Community Development Block Grant (CDBG) program is administered by the Department of Housing and Urban Development and distributes more than $3 billion annually to states and localities to support sustainable housing, expand economic opportunities, and provide services in the most disadvantaged communities.[52] Since 1974, this funding has provided local governments with resources to develop and implement tailored solutions to the challenges their residents face. Localities have used this funding to support a wide range of services for youth and families. For example, Bridgeport, Connecticut, leveraged CDBG funds to secure additional state resources that support afterschool programming, parenting classes, juvenile justice programs, and crisis intervention. Chicago used part of its CDBG allocation to fund restorative practices in schools to curb expulsions and push out in to the juvenile justice system. Lawrenceville, Kansas, allocated CDBG resources to the local Boys and Girls Club to build a new teen center.[53]

For more on strategies for leveraging CDBG funding, see the HUD CDBG resource page and the United States Conference of Mayors' CDBG Works: How Mayors Put CDBG to Work.

Implementing Innovative Strategies to Fund Community Investment

While many states and localities are looking beyond the juvenile justice system to identify new funds to invest in youth development strategies, the scope and scale required to reverse historical underinvestment in communities disproportionately impacted by incarceration has led residents to think even bigger and develop and implement their own solutions. Here we outline six outside-the-box strategies for redirecting existing resources to community priorities or generating new funds to support a continuum of care and opportunity for youth: leveraging a new tax, Pay for Success (PFS) models, participatory budgeting, Opportunity Zones, anchor institutions, and cannabis legalization.

FIGURE 3

Innovative Funding Strategies

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Leveraging a New Tax to Develop Sustainable Funding

One strategy for generating new revenue to support youth is to create a state or local tax specifically for that purpose. Oakland, California, illustrates the unique advantages of this approach. In 2004, voters approved Measure Y, a ballot initiative with a 10-year time horizon that created new parcel and parking taxes to generate additional revenue for police and fire services, and to fund a grant program that supports community providers engaged in violence prevention and intervention efforts. Voters chose to extend the program by 10 years by passing Measure Z in 2014, demonstrating their confidence in this approach. The fact that the violence reduction grant program involved a steady funding stream over multiple years meant that the program administrators could pass on that stability to grantees, providing technical assistance and supporting a rigorous evaluation to help document and share the program's successes.[54] In the 2017–2018 fiscal year, Measure Z funds supported an $8 million investment in 26 community-based violence prevention and intervention organizations and agencies (Gonzalez et al. 2017). Oakland Unite, the division of the city's Human Services Department that oversees distribution of these funds, has also built upon this steady funding source by securing $15 million in additional funding from state and federal sources between 2011 and 2018.[55]

Pinellas County, Florida, created a similar local tax structure for funding local children's services, that has been in place for over half a century. In 1945, Pinellas County voters passed a ballot referendum to approve a new county property tax to support children's services and create a local juvenile welfare board to oversee fund disbursement. In the decades since, the board has focused on improving services for children in foster care, providing family therapy and other supportive programs, and increasing access to quality day care programs.[56] Today, the board focuses on providing services to youth living in areas of concentrated poverty with a focus on four core goals: school readiness, school success, prevention of abuse and neglect, and strengthening community support and prevention.[57] In fiscal year 2018, the juvenile welfare board invested nearly $57 million in programs and services.[58]

For more on strategies for leveraging tax revenue, see Local Progress's Strategy Report on Progressive Policies for Raising Municipal Revenue and the Ballot Initiative Strategy Center.

For more on Oakland's Measure Z, see Oakland's overview of the Safety and Services Act of 2014 and Oakland Unite, particularly its research and reports that show the impact the collaborative is having on outcomes for community members.

For more on Pinellas County's juvenile welfare board, see the juvenile welfare board website and the juvenile welfare board fact sheet.

Pay for Success Models

Pay for Success (PFS) models are innovative financing mechanisms that allow governments to link financing with improved outcomes for communities. This could include leveraging private and philanthropic funds to implement evidence-based social programs or providing bonus payments based on observed outcomes. In the PFS model, also known as a social impact bond, an outside investor provides the up-front capital for programmatic costs. If a program achieves the predefined outcomes for its target population (as determined by an independent empirical evaluation), then the government repays the investor(s) with interest. If outcomes are not met, then the government does not pay. This model shifts financial and reputational risk from the government to external investors and promotes rigorous evaluation and meaningful outcomes. PFS has been used to forge collaboration between government, service providers, investors, intermediaries, and evaluators around specific criminal justice projects (Hawkins et al. 2017).

The first PFS project in the US was launched in 2013 by the City of New York, Bloomberg Philanthropies, Goldman Sachs, and MDRC. The program, referred to as the Adolescent Behavioral Learning Experience, aimed to reduce recidivism of justice-involved youth at New York City's Rikers Island jail by 10 percent. When the program did not hit its benchmark of an 8.5 percent reduction in recidivism, the program ended and the city did not have to repay investors. Though the program is the only complete or terminated PFS project in the US, several PFS projects currently in development or in progress specifically target juvenile justice populations and vulnerable populations at risk of system involvement more broadly. Current PFS projects include Illinois's Dually-Involved Youth Project and Massachusetts's Juvenile Justice PFS Initiative.

Federal money is being invested to support the PFS approach. The Social Impact Partnership to Pay for Results Act was signed into law in February 2018. The Act creates a US Treasury fund of up to $100 million to be used to make outcome payments and conduct feasibility studies of PFS projects. This fund will help states and localities further implement social impact projects that specifically generate savings for the federal government.[59]

While PFS shows potential for engaging the private sector to address social problems, it has important limitations. Projects often have a long development timeline, and implementation can be cumbersome with so many stakeholders. Further, PFS projects do not always align with market-rate returns, making it challenging to capture investor interest. Finally, PFS projects are individualized to local contexts, making them difficult for other jurisdictions to replicate (Hawkins et al. 2017).

For more information on PFS, see the Urban Institute's Pay for Success Initiative and the Pay for Success Learning Hub.

For more information on intermediaries who deliver technical assistance in the PFS process, see Social Finance, a nonprofit organization working collaboratively across the public, private, and social sectors to mobilize capital and drive social progress, and Third Sector Capital Partners, a nonprofit advisory firm that works with governments, nonprofits, and private funders to build evidence-based solutions to improve social service provision.

Participatory Budgeting

Participatory budgeting, a process in which communities collectively determine how to spend a certain amount of public resources, is another strategy that some jurisdictions are using to ensure that youth input guides investment decisions. While many youth-oriented participatory budgeting programs are still new, initial evaluations of the model generally indicate that it is a promising way to engage community members in resource allocation decisions.[60]

One of the first youth-led participatory budgeting programs in the US was the City of Boston's Youth Lead the Change program, created by the mayor's office in 2013. Every year, youth residents of Boston neighborhoods decide how to use $1 million of the city's capital budget by submitting proposals for projects that benefit the city's physical infrastructure (and last at least five years), and then vote to determine which proposal gets funded.[61] Winning projects from previous years include a performing and visual arts studio, an app with job-hunting resources, the installment of trash and recycling bins, a digital billboard with information for homeless youth, and a skate park feasibility study.[62] Other cities have since adopted youth-oriented participatory budgeting initiatives of their own. For example, Seattle launched the Youth Voice, Youth Choice program in 2015, when more than 3,000 youth decided how to spend $700,000 from the city's budget by casting their votes to select seven priority projects.[63] In 2017, the program was expanded to include all Seattle residents and renamed Your Voice, Your Choice.[64]

Schools around the country are also engaging in youth-led participatory budgeting. The Phoenix Union High School District in Arizona was the first in the nation to engage in participatory budgeting at the district level, with students from five high schools voting—with over 80 percent voter turnout—on how to allocate $26,000 in funds. Projects that received the most votes included a music program, shady outdoor spaces, water stations, and a study lounge.[65] In 2018, New York City Mayor Bill de Blasio announced a plan for a participatory budgeting program in all of the city's over 400 high schools, each of which would receive $2,000 for students to allocate.[66] Other communities are using participatory budgeting to target resources at specific schools. For example, the Tacoma-Pierce County Health Department in Washington State secured a $100,000 grant to support participatory budgeting projects at two elementary schools and one high school. All three schools were chosen because they serve communities with lower health outcomes, and their projects are ongoing.[67]

For more information about participatory budgeting, see the Participatory Budgeting Project and Youth Lead the Change: Participatory Budgeting 2016, Boston University.

Opportunity Zones

The Opportunity Zone program, established by the Tax Cuts and Jobs Act in December 2017, provides a tax incentive to individuals, businesses, or organizations who invest in specified economically distressed areas called Opportunity Zones. The designation of these zones is intended to encourage private investment in low-income communities across the country. Individuals or entities can reinvest gains from a prior investment into Opportunity Funds, which can then be used to support a wide range of projects within an Opportunity Zone. In return, investors are eligible for a number of generous tax benefits.[68] Unlike some other similar tax benefits, there is no cap on the benefit that investors can receive. Although the program is still new, some projects are already under way. Motivated by Opportunity Zone tax breaks, Goldman Sachs's Urban Investment Group recently invested $83 million into a mixed-use property in Long Island City that will include more than 900 affordable housing units and is being developed by the Gotham Organization, a New York City development firm.[69]

Taking advantage of Opportunity Funds could catalyze significant investment in community-based resources. The federal government has certified 8,700 Opportunity Zones in all 50 states, and within each zone there are relatively few federal limitations on the size or type of project that qualifies. Communities that fall within Opportunity Zones can leverage the tax benefits to attract private investment dollars into a community-driven initiative or offer currently owned land to Opportunity Zone fund developers.[70] Additionally, communities can enlist anchor institutions such as local universities or hospitals, as part of their development efforts; Opportunity Zone designations nationwide were made with consideration of proximity to these institutions,[71] which have a vested interest in their surrounding communities and can contribute to local improvements in ways that align with their missions and assets.

For more information on Opportunity Zones, see From Transactions to Transformation: How Cities Can Maximize Opportunity Zones; Guiding Principles for Opportunity Zones[72]; and IRS, Opportunity Zones: Frequently Asked Questions.

Anchor Institutions

Anchor institutions are entities that are inextricably tied to their local communities, such as universities or hospitals. These institutions have a vested interest in the development and prosperity of their communities, although that interest can fall short of actionable contributions.

Anchor institutions can take advantage of tax benefits offered by Opportunity Zones by redirecting their own investment gains into locally driven community empowerment projects. Additionally, although anchor institutions often have competitive relationships with each other, community organizations or other private-sector partners can seek to mobilize institutions around a shared goal and leverage unique assets for the betterment of the community. The Albuquerque Community Foundation brought together six anchor institutions—ranging from Albuquerque Public Schools to Presbyterian Healthcare Services—and created Healthy Neighborhoods Albuquerque, a cross-institution partnership aimed at supporting local businesses and investing in disadvantaged Albuquerque neighborhoods by, for example, focusing on hiring local workers and buying local goods. By developing their own agendas in pursuit of these collective goals, these institutions now cooperate in ways that benefit their own financial situations as well as their local community.[73]

Lastly, some anchor institutions—particularly those with special tax statuses—might be subject to legislative requirements that can be leveraged to benefit the community. For example, the Affordable Care Act requires nonprofit hospitals to meet several community benefit requirements in order to maintain their tax-exempt status, such as conducting an assessment of the community's health needs at least once every three years and developing strategies to address those needs.[74] Working with hospitals to meet this requirement could result in the creation of a needs assessment for specific populations—such as at-risk youth—or at least inform gaps in the existing continuum of care for justice-involved and at-risk youth.

For more information on anchor institutions, see Funders' Network for Smart Growth and Livable Communities, Anchored in Place: How Funders are Helping Anchor Institutions Strengthen Local

Economies; Democracy Collaborative, Anchor Institutions web page; and Nixon Peabody LLP, Using Qualified Opportunity Zones to Attract Private Investment for Campus Edge Projects.

Cannabis Legalization

Savings generated from cannabis legalization can be reinvested into community-based services in order to increase funding for a continuum of care for youth. In November 2012, voters in Colorado and Washington approved ballot measures that legalized the use of marijuana for adults in their states. Multiple other states passed their own reforms in the following years, with Vermont becoming the first state to legalize marijuana through a state legislature in 2018. As of 2018, every state that had legalized marijuana had seen a decrease in marijuana arrests, resulting in significant financial savings (Drug Policy Alliance 2018). Additionally, revenue from marijuana taxes has exceeded expectations. Colorado has generated nearly $600 million from marijuana sales since the start of 2014, and Washington generated more than $300 million in marijuana sales tax revenue in just one year (2016–17; Drug Policy Alliance 2018). Many states have chosen to reinvest these savings into other priorities such as education and behavioral health treatment. Some states that have legalized cannabis more recently—including California and Massachusetts—will reinvest revenue generated from marijuana sales into communities that have been most impacted by incarceration and the War on Drugs. In California, where voters approved a ballot measure legalizing marijuana in 2016, a community reinvestment grant program will use revenue from the cannabis tax to fund community-based programs that provide services such as mental health treatment, job placement, and medical care. These grants will start in fiscal year 2019 at $10 million and will increase by an additional $10 million each year, eventually reaching $50 million by fiscal year 2023.[75] In addition, after off-the-top funding is distributed, 60 percent of the remaining revenue from the cannabis tax will be allocated for substance abuse education, prevention, and treatment programs for youth, with programs ranging from intergenerational counseling services to workforce training.[76]

For more information on cannabis legalization, see Drug Policy Alliance, From Prohibition to Progress: A Status Report on Marijuana Legalization (January 2018).

Conclusion

Juvenile justice reform has fundamentally shifted the country's approach to youth justice over the past two decades, moving the field away from incarceration and toward community-based solutions for youth. Yet there remains a critical need to build out a well-resourced continuum of care and opportunity for youth and families in their home communities that offers the supports and opportunities required to prevent and address harmful and illegal behavior. Structural inequalities result in the reality that some communities simply do not have the resources to offer all youth the same access to education, jobs, health care, supports, and opportunities that promote healthy development and safe neighborhoods. Yet youth development, healing, and rehabilitation happens at home, and it is imperative to find a way to build on existing community assets and develop a network of services and opportunities that meet evolving youth and family needs. Resourcing a continuum of care and opportunity in communities that experience concentrated disadvantage requires substantial investment, cross-agency collaboration, and collective ownership of a shared responsibility to ensure that all communities have the resources needed to promote healthy development and positive outcomes for all youth. This is the next frontier of juvenile justice reform, and the strategies outlined here provide a menu for thinking big and finding creative ways to invest in youth and families and the communities in which they live.

Notes

[1] Throughout this report, boxes are used to provide contextual information critical to the narrative and highlight specific examples.

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