

A Case (Study) for Cost-Benefit Analysis in Justice Policy & Planning

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Cost-benefit analysis (CBA) can help structure, inform, and improve decision and policy making

The Questions

Should North Carolina raise the age of juvenile jurisdiction from sixteen to eighteen?

What would a cost-benefit analysis tell us?

Background

- Several attempts had been made to raise the age.
- Cost implications were cited as one of the key reasons for lack of reform.
- Previous cost-benefit analysis and fiscal note had been received with skepticism.
- Political support was modest.

Youth Accountability Planning Task Force

- Statutorily defined task force (Session Law 2009-451)
- Three workgroups
 - Legal
 - Programs
 - System Costs
- Recommendation
 - Handle all misdemeanors and non-violent, low-level felonies in the juvenile court
 - Keep violent felonies in the adult court

Approach

- Collaborative
 - Worked with the System Costs Work Group to gather data and agree on assumptions.
 - Worked closely with staff of the North Carolina Sentencing and Policy Advisory Commission.
- Specific to North Carolina
 - Collected and analyzed North Carolina data on costs and justice system case processing.
- Research-based
 - Drew on national juvenile justice research.

Process

- Explain cost-benefit analysis
- Discuss the potential impact of the policy reform
- Examine costs
- Examine benefits
- Review research
- Specify assumptions
- Articulate what would be excluded from the analysis
- Look at possible scenarios

Assumptions

- How 16- and 17-year-olds would be handled in the juvenile justice system
- How the policy change would affect recidivism
- Which benefits to include in the analysis

Weighing the costs and benefits

- **Costs**

- Additional costs to juvenile justice, courts, and law enforcement agencies.

- **Benefits**

- Criminal justice agencies
 - Immediate benefits due to reduced workload.
 - Longer-term benefits due to reduced recidivism.
- Benefits due to reduced victimization.
- Benefits to youth due to future earnings.

Summary of cost-benefit analysis

Perspective	Net Present Value
Taxpayer Costs	(\$70.9)
Total Benefits	\$123.1
Taxpayer Benefits	\$21.7
Victim Benefits	\$3.6
Youth Benefits	\$97.9
Total Net Benefit	\$52.3

Annual costs and benefits, dollars in millions.

Source: *Cost-Benefit Analysis of Raising the Age of Juvenile Jurisdiction in North Carolina.* Vera Institute of Justice. 2011. <http://www.vera.org/cba>.

Youth benefits in detail

per Annual Cohort

Number of Youth without a Criminal Record, per Year	Additional Earnings Per Youth	Net Present Value of Additional Earnings
1,586	\$61,691	\$97,857,916

- Assumes that having a criminal record reduces earnings by 13%
- Additional earnings are calculated over 35 years

The takeaways

- Better estimation of costs
- Greater understanding of benefits
- Better understanding of policy implications
- Greater level of transparency
- More confidence in the CBA results

Results

- Senate Bill 506 / House Bill 632 introduced
- Support from not-so-usual suspects
- Task Force extended (Executive Order 80)
- Increased capacity to use CBA

Educated consumers

- Look for underlying assumptions
- Focus on program and policy results
 - What's a realistic impact?
 - Can the impact be sustained?
 - What else needs to change?
- Dig into costs
- Examine benefits

Starting points

- Review CBAs of similar policies and programs
- Look at evaluation literature
- Get state-specific data
- Identify analysts
- Get stakeholders involved
- Tap into existing resources

The Cost-Benefit Knowledge Bank for Criminal Justice

- Website – cbkb.org
- Webinars, videocasts, and podcasts
- Reference database
- CBA toolkit
- Snapshots of CBA literature
- Community of practice

A project of the Vera Institute of Justice funded by the U.S. Department of Justice's Bureau of Justice Assistance.

cost-benefit knowledge bank for criminal justice



CBKB aims to broaden and deepen the understanding and use of cost-benefit analysis in criminal justice. We help practitioners and jurisdictions build their capacity to conduct cost-benefit studies and apply cost-benefit analysis to policymaking. [more >>](#)

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