

Pay for Success in the U.S.

Summaries of Financed Projects

February 2015



INSTITUTE for CHILD SUCCESS



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New York City Rikers Island Recidivism Reduction Initiative

Policy Area Criminal Justice

Policy Problem 50% of youth return to jail within one year.

Jurisdiction (implementation sites) New York City, NY

Who is Paying for the Outcomes? NYC Department of Correction

Organization(s) Delivering Services Osborne Association, Friends of Island Academy

Intervention The ABLE (Adolescent Behavioral Learning Experience) program uses Moral Reconciliation Therapy, a cognitive behavioral therapy intervention

Approximate Program Cost per Participant \$800 per year

Intermediary: Coordinator & Borrower MDRC

Program Evaluator Vera Institute of Justice

Validator None

Outcome Metric(s) Reduce # of "reentry bed-days" (days in jail after youth initially released from jail)

Evaluation Design Quasi-Experimental: The Vera Institute of Justice will compare the recidivism bed days for a cohort of 16-18 year-olds entering DOC custody while the ABLE program is operating (the program group) to a cohort entering DOC custody prior to the start of the ABLE program (the comparison group) and will control for extraneous factors.

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|---|---|-----------------------------|
| Target Population (criteria and size) | All 16–18-year-olds entering the NYC jail on Rikers Island with a length of stay of more than 4 days. (Estimated at 3,000 per year) | |
| Size of Investment | \$9.6 million (\$2.4 million per year) | |
| Total Payments Possible (investment and possible success payments) | \$11.7 million (does not include cost of intermediary and evaluation) | |
| Term / Timeframe (intervention and evaluation) | 4 Years (including program delivery and evaluation; evaluation is based on first year cohort with 2-year follow-up). Balloon payment. | |
| Investors: Deal structure/ Capital Stack (annual return if available) | <ul style="list-style-type: none"> • Senior Debt \$9.6 million Goldman Sachs • Guarantee - \$7.2 million Bloomberg Philanthropies Note: Evaluation and intermediary funded separately by Bloomberg Philanthropies via the Mayor’s Fund to Advance NYC | |
| Payment Terms - Risk Sharing Structure | Risk shifted to private sector | |
| Payment Terms - Details on Payment per Outcome, Minimum Improvement Required, etc. | Reduction in Reincarceration Rate | City Payment to MDRC |
| | ≥20.0% | \$11,712,000 |
| | ≥16.0% | \$10,944,000 |
| | ≥13.0% | \$10,368,000 |
| | ≥12.5% | \$10,272,000 |
| | ≥12.0% | \$10,176,000 |
| | ≥11.0% | \$10,080,000 |
| | ≥10.0% | \$9,600,000 |
| | ≥8.5% | \$4,800,000 |
| Date Announced | Aug. 2012 | |
| Implementation Start | Feb. 2013 (after pilot period) | |
| Interim Outcome Dates | Summer 2015 (Year 1 results) Summer 2016 (Year 2 results) | |
| Legislation for Appropriation Risk | No | |

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The Institute for Child Success is fueled by BlueCross BlueShield of South Carolina, an independent licensee of the BlueCross and BlueShield Association, and by the Mary Black Foundation.

The Institute for Child Success is a non-profit, non-partisan research and policy organization that fosters public and private partnerships to align and improve resources for the success of young children in South Carolina and beyond. A partnership of the Children's Hospital of the Greenville Health System and the United Way of Greenville County, ICS supports service providers, policy makers, and advocates focused on early childhood development, healthcare, and education to build a sustainable system that ensures the success of all children, pre-natal through age five.