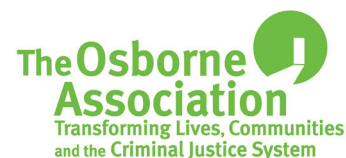


Case Study: Rikers Island



Location

United States, New York

Savings area

Recidivism

Bond term

4 years

Commencement date

1 August 2012

Bond Amount

US\$9.6m

INTERVENTION PROGRAM

Program description

Adolescent Behavioural Learning Experience (ABLE): Preventative education and counselling.

Treatment duration

Unclear

Target population

16-18 year olds released from prison.

Intervention cohort

Target Population members released from Rikers Island Prison.

Up to 17,800 individuals over 4 years (9,240 minimum for contractual agreement).

OUTCOME MEASUREMENT

Metric

Recidivism bed days (RBD), which is the number of days youths spend in jail after their initial release, measured after 12 months and 24 months in the community.

Counterfactual

Historical comparison group that did not participate in program and matched for a range of factors. Adjusted for system level shifts using 19-20 yo cohort trends.

Outcome calculation and target

% reduction in RBD relative to counterfactual.

Target 10% reduction.

CONTRACTING PARTIES

Government agency

City of New York - Dept of Corrections

Service provider

Osborne Association & Friends of Island Academy

Intermediary

MDRC

Evaluator

Vera Institute of Justice

INVESTOR DETAILS

Investors

Goldman Sachs

Returns

Returns vary with RBD reduction:
<8.5% - 25% principal lost (no govt payment)

8.5% - 25% principal lost (govt payments commence)

10% - breakeven

11% - 1.2% IRR

12% - 1.5% IRR

13% - 1.9% IRR

16% - 3.3% IRR

20% - 5.1% IRR

IRR figures estimated based on 4 year loan. Max profit is US\$2.2m.

Capital protection

75% principal protection provided by Bloomberg.

COMMENTS

Not a SIB that is targeted at a broad investor base.



Government of South Australia

Department of the Premier and Cabinet

