

A photograph of a person's hands gripping vertical metal bars, likely in a prison cell. The background is dark, and the lighting highlights the texture of the skin and the metal bars. The hands are positioned on either side of a horizontal bar, with fingers curled around the vertical bars.

Promoting Smart Decarceration

For Formerly Incarcerated Individuals

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61Sixty Social Impact Lab

SIB Model

Intervention

Partnership

Way Forward

Cost Savings

Determinants

61Sixty

**Social Impact
Lab**

A Platform for Creative Solutions to Complex Social Challenges

The Vision

All Alaskans thrive to the fullest of their potential, experience the truth of their self-worth, and become powerful forces for good in their families and in their communities.

Goals of Today's Discussion:

1. Discuss the Problem and its Determinants
2. Clarify the Sources of Cost Savings
3. Present a Three Phase Way Forward

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The Challenge

Formerly incarcerated individuals continue to commit crimes and abuse drugs and alcohol following their release from incarceration.

1.5

Million incarcerated individuals have addiction disorders ⁽¹⁾

129

Times more likely to die from a drug overdose ⁽²⁾

77%

Are reincarcerated for a new offense within 5 years ⁽³⁾

92%

Of Alaskans being reincarcerated still require substance abuse treatment ⁽⁴⁾

The Determinants of Relapse & Recidivism



SIB Model
Intervention
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Way Forward
Cost Savings

01.
Human
Relationships



03.
Access to
Treatment



02.
Social
Norms



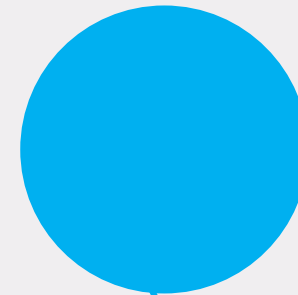
04.
Supportive
Environments



06.
Resilience



05.
Economic
Stability



Determinants



(Spooner & Hetherington, 2004; Mallik-Kane & Visser, 2008)

Addressing Determinants



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The “Warm Handoff”

1

Relational Reintegration

- Peer Support
- Disrupting Prison Social Norms
- Bridging the “Gap”

Access to Care

2

Opportunities for Rehabilitation

- Behind the Walls
- In the Community

Personal Stability

3

Overcoming Determinants

- Housing
- Economic Stability
- Positive Peer Connection
- Total Health

Social Systems

4

Sense of Belonging

- Subverting Negative Social Norms
- Personal Resilience
- Community Restoration

Determinants

SIB Model

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Way Forward

Identifying Cost Savings



Cost Savings

Determinants



Identifying Cost Savings



Primary Cost Factors

1. Facilities and Infrastructure {Close
2. Personnel and Staff Operations {Lay Off
3. Mandatory Medical Care {Prevent

Average v. Marginal Cost

Average Cost = Total Cost / # of Inmates

(\$310.25m / 5,000 inmates = \$62,050 per)

Then reducing inmates by 250 = \$15.51m

Marginal Cost = Cost of adding 1 Inmate

(Typically 12-20% of Average Cost in Corrections)

.20 x \$62,050 x 250 inmates = \$3.1m

(Pelletier et al, 2018; Pfaff, 2018)



Identifying Cost Savings



Incarceration v. New Crime

Marginal Cost of 1 Additional Inmate

(.20 x \$62,050 x 1 = \$12,410 annually)

Average Marginal Cost of a New Crime

(Excluding Murder) = \$71,659

Reducing Recidivism v. Sentencing

Reduced Sentencing Savings = Marginal Cost

(\$12,410 per year)

Reduced Recidivism Savings = Cost of New Crime

(\$71,659 per crime)

Back of the Napkin Math!



SIB Model

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Cost Savings

Determinants

1) Reduce Incarceration NOT Recidivism:

If 100 people a year for 5 years
(500 people) get out of prison,
we save \$6.2m in marginal costs.

But 77% (385 people) commit a new crime,
and it costs us \$27.6m.

Net Cost = \$21.4m

2) Reduce Incarceration AND Recidivism:

If we spend \$15m over 5 years
on a new reentry program for these 500 people
and 10% (50) commit a new crime
instead of 77% (385),

Net Savings = \$15.2m

The Way Forward



1. Establish a Public-Private Partnership

Addressing Criminal Recidivism and Addiction Challenges in Alaska



2. Launch a New Reentry Prototype

Addressing all Determinants of
Recidivism and Relapse



3. Fund the Model with a Social Impact Bond

Leveraging Private-Sector Capital
to Rapidly Scale Proven Interventions

SIB Model

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Way Forward

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Alaska Recidivism Reduction Project

A Public-Private Partnership to Strategically Address Criminal Recidivism and Addiction Challenges in Alaska

SIB Model

Intervention

- ❖ A Community-Based Collaborative(CBC) facilitated by the 61Sixty Social Impact Lab
- ❖ Provides a Unified Platform for Creative Problem Solving and Strategic Coordination
- ❖ Leverages the Benefits of Diverse Perspectives
- ❖ Shifts Responsibility for Solution Development from the Government to the CBC



Partnership

Way Forward

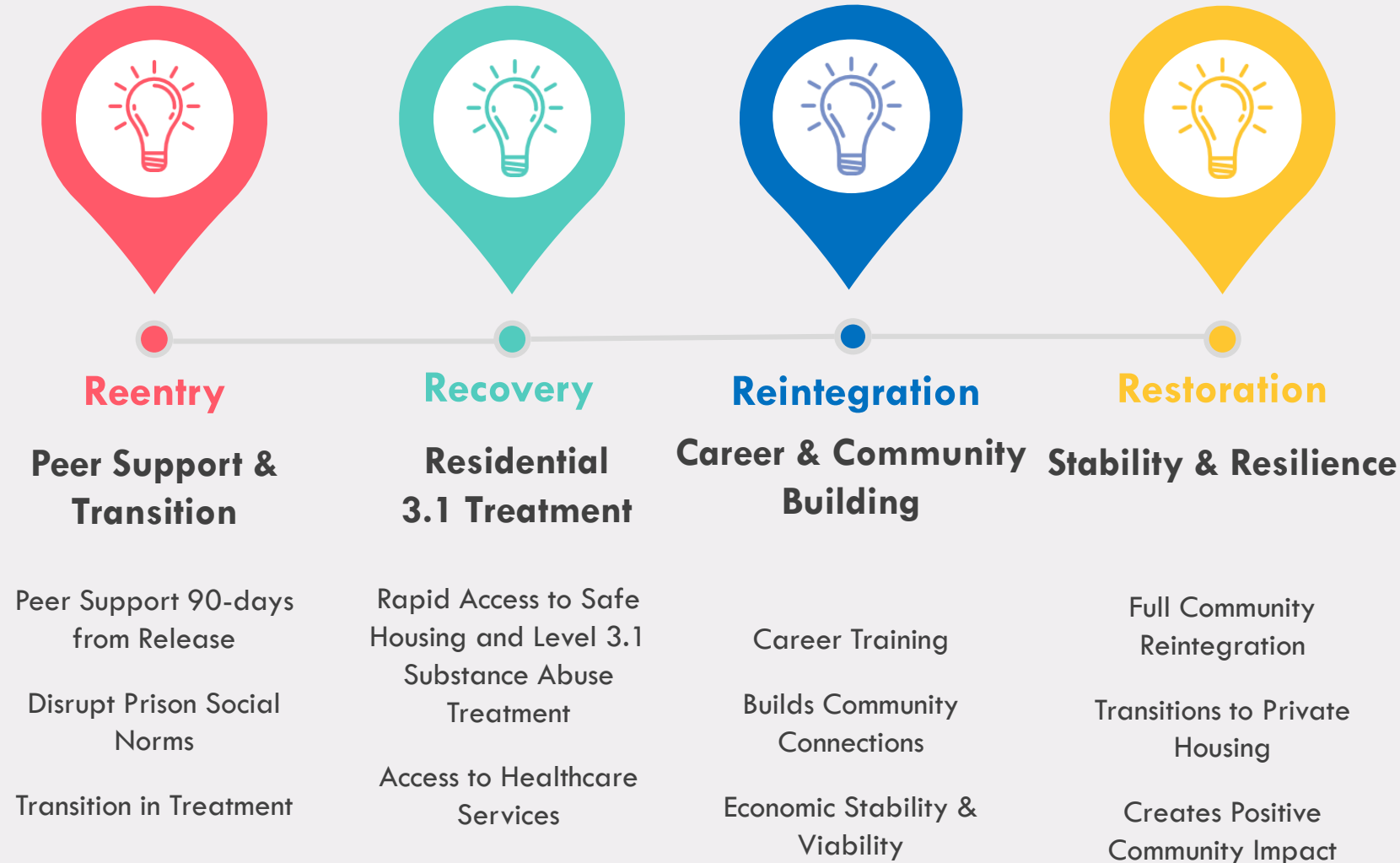
Cost Savings

Determinants

The R4 Prototype

Reentry, Recovery, Reintegration, Restoration

SIB Model



Intervention

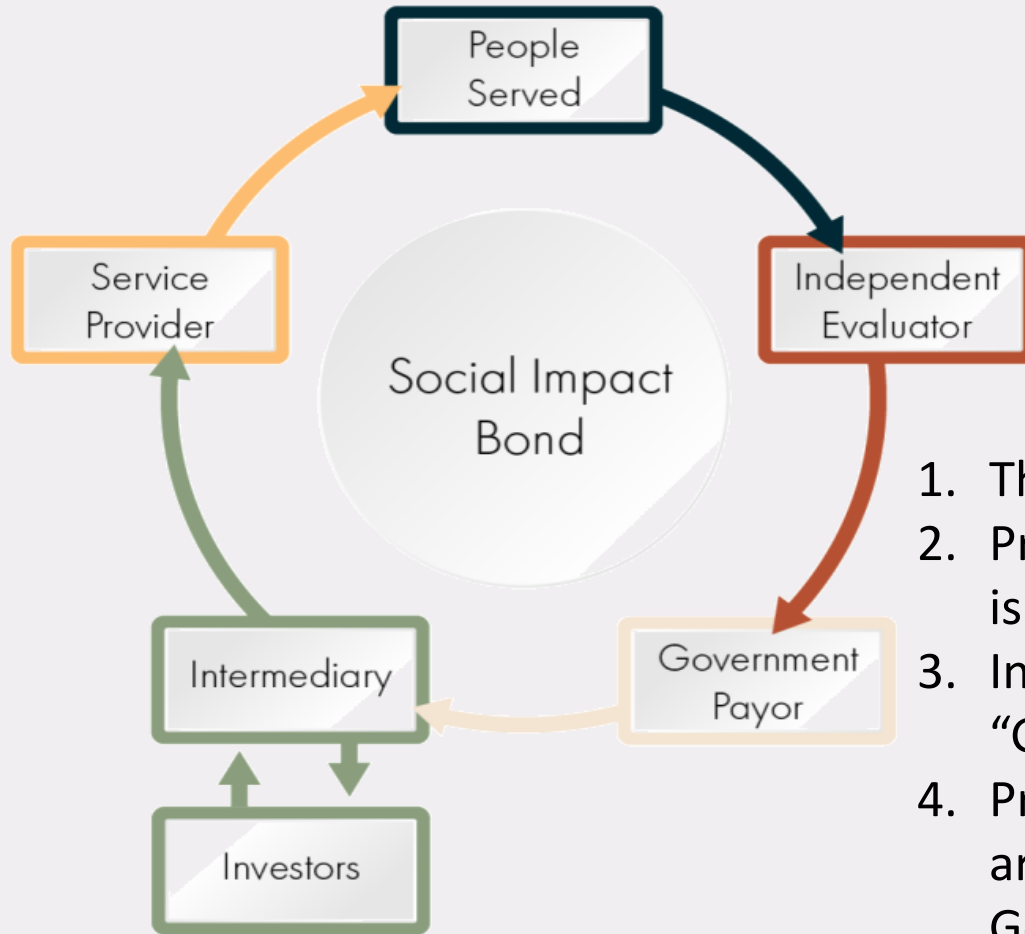
Partnership

Way Forward

Cost Savings

Determinants

Social Impact Bond Financing

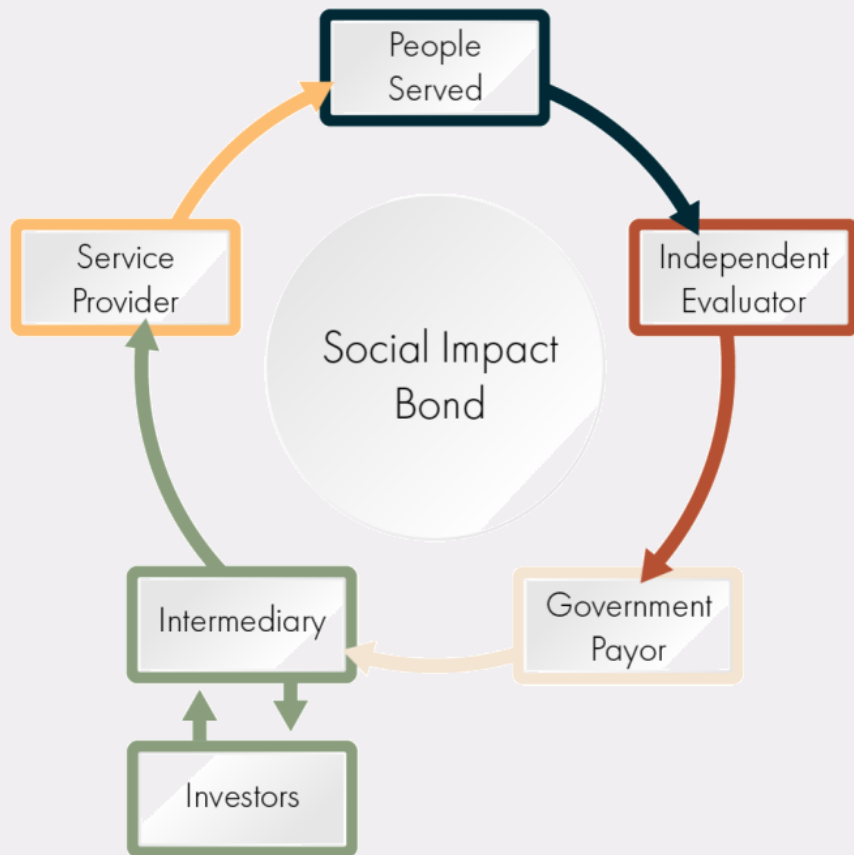


How it Works:

1. The Players
2. Private-Sector investment is made upfront
3. Intermediary serves as a "General Contractor"
4. Principle and Return (ROI) are paid by the Government once outcomes are achieved



Social Impact Bond Financing

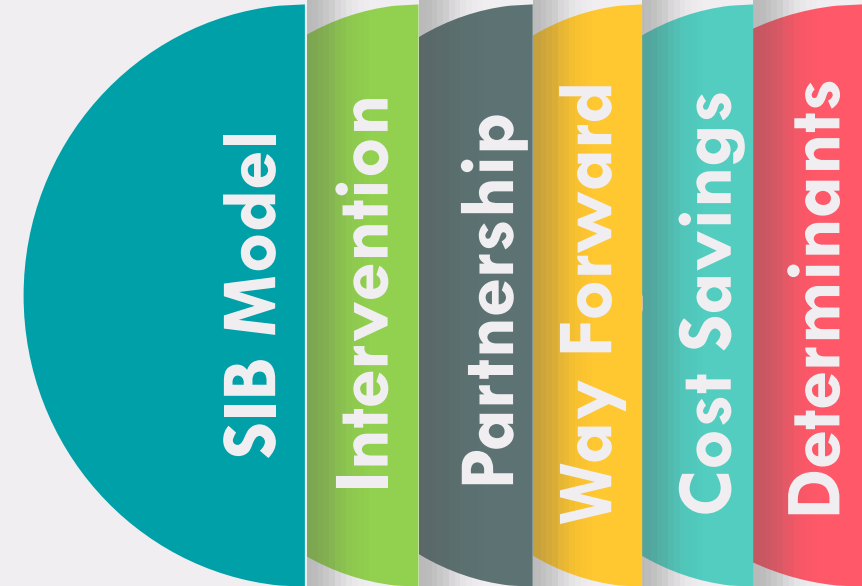


The Benefits:

1. Enables rapid scaling of proven programs
2. Offers service providers enough resources to be successful
3. Government gets the benefit of the upfront investment without the upfront cost or risk
4. Private Investors earn solid returns
5. Shifts Social Service funding to a palatable outcomes-based model

The Innovation:

Treat a Social Impact Bond similar to a deferred maintenance budget line in order to mitigate risk to the investors.



The Recap!



**Recidivism is
Common &
Costly**

**Must Address All
Determinants**



**Average v.
Marginal Cost
Savings**

**Reducing New
Crime =
Greatest
Savings**



**Public-Private
Partnership**

R4 Prototype

**Social
Impact Bond**



**Formerly Incarcerated
Individuals with are
worth investing in.**

**What if we viewed them
as one of Alaska's
greatest undeveloped
resources?**

Thank You!



Questions?

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