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Low Cost Freedom: Optimizing the Success of Early Prisoner Release Initiatives

Honorable Mention Essay for the Society of Actuaries' Entrepreneurial Actuaries Section 2010 Papers Competition

by Nickolas J. Ortner

Executive Summary

Spending pressures face the highest levels of government:

- Federal - The Congressional Budget Office (CBO) estimates that the federal budget deficit will exceed \$1.3T for 2010 and remain north of \$500B for the next decade. ¹
- States - At least 46 states struggled to close shortfalls when adopting budgets for fiscal year (FY) 2011 (beginning July 1 in most states), on top of projected gaps in 39 states for FY2012 and, looking back, shortfalls that 48 states faced in FYs 2009 and 2010. ²

Over the last 20 years, the 2nd fastest-growing State budget expense is managing prisons: 1% of American adults are in prison - a number that has grown 4X faster than the overall population over the last 25 years - and those prisons are overcrowded, with State prisons over 100% of their designed capacity (and Federal prisons over 130%) and annual spending growth averaging 7% for decades. ^{3, 4}

Simplified money-saving release criteria/programs incorporated by many states (recent examples include Illinois, Nebraska, and Wisconsin) - early release of groups of prisoners convicted under various definitions

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by Jay M. Jaffe

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of "nonviolent" and "minor" offenses - may ease budget strains and crowding, but face heightened scrutiny, resistance, and ultimately elimination if executed arbitrarily and inflexibly with outcomes that harm society or are otherwise unquantifiable.

Solution

Program Overview/Goals and Opportunities

With the current funding crunch, it's assumed that annual spending increases of 7% for prisons are not sustainable. Early prisoner release programs can play a meaningful role in balancing budgets while helping society - but only with a rigorous, merit-based approach that can be expected to demonstrate favorable outcomes for the general public and the released prisoner.

Our proposed plan will deliver that approach via an optimized process for evaluating the perils associated with freeing candidates eligible for early release - an individualized assessment and quantification of those risks that:

- Captures the nuances of prisoners' personalities - all prisoners with the same history are not equal (as simplified early release programs currently in place might otherwise indicate) ,
- Minimizes - and ultimately eliminates - the chances for recidivism, and
- Maximizes the gains to society and the released prisoner.

We summarize the proposed evaluation framework/scorecard in Appendix A - this template/scorecard serves as the foundational evaluative criteria and tool on which our proposal is built and demonstrates the comprehensive risk assessment and mitigation process demanded for the program's absolute success. As shown, the ranking hierarchy is comprised of predictive elements and opinions from a diverse array of sources in an attempt to draw the most complete picture of the candidate being considered for early release.

Costs

Quantifiable costs include:

- Personnel
 - The people and specific expertise required to design, implement, monitor, and refine the plan on an ongoing basis - roles may include pre-release evaluations and post-release monitoring, counseling/training/placement, outcome measurement, and quality management of the evaluation process - all anticipated to be a fraction of the

costs, via sustainable total reward (salaries and benefits) costs and anticipated workplace and technology efficiencies, when compared to costs that would be required to fund a similar government-run program.

- Systems and equipment
 - Technology and related equipment must be and remain cutting edge to sustain our anticipated market leader role in this industry and deliver value not provided in current, otherwise similar, government-run programs.

Benefits

As previously alluded to, the ongoing management of prisons and prisoners is big business. The business opportunities to deliver favorable results, coupled with reduced costs, are spread across not only the State and Federal prison landscapes, but also at the more granular City and County jail levels - given that all levels of government seem to be facing ever-mounting financial pressures.

At a practical level, reduced prison spending saves taxpayer money (a message that particularly resonates in the current environment), frees up funds for other programs that may be in greater demand by the public (each citizenry's priorities will be different), and eases at least some of the tough spending choices that governments are currently being forced to make. The dual messages of more effective programming coupled with reduced required funding should similarly echo for government officials currently under siege from the constituencies they serve.

At the more personal level, the proposed program is anticipated to serve 2 greater goods:

1. The general public - in addition to being served by the reallocation of funds to other programs expected to serve more citizens, our program will reduce the significant costs of housing prisoners and maintaining facilities with the release of those who will contribute to - rather than drain funds from - society without negatively impacting that society, and
2. The released prisoners - our program will enable and optimize their (and their circle of friends and family) sense of well-being and what it means to be a contributory, productive, and law-abiding member of society.

Risks

This program faces a number of meaningful risks:

- Derailment before the program ever gets traction or has a chance

to demonstrate its efficacy, from the failure to get the buy-on from any number of potential stakeholders:

- Politicians (especially those on the opposite side of the aisle from the party currently in charge),
 - Thought leaders in the media,
 - The law enforcement and legal communities,
 - Victims' rights/advocacy groups, and
 - Impacted public employees concerned about their employment.
- Upon implementation, brutality (or other lesser recidivism) by an early-released prisoner that irreparably damages society (and - less importantly - our program) - right now, Illinois faces this challenge arising from program gaps that led to the release of a prisoner now connected to a murder.
 - With success looms potential for mismanagement of capital investments and/or loosened controls as a result of exploding growth that yields insufficient supervision - with the societal responsibility we have, along with our personal stake in this model and the tough-to-overcome publicity risk faced with even one violent act by a released prisoner, we must diligently manage our business and the clients' prisoners we recommend releasing, while investing in the appropriate and sufficient level of personnel and equipment that sustains our cost advantages while ensuring the 100% success of our program.
 - An inflexibility with regards to our current evaluative framework - recognizing that what will work today may not necessarily work "tomorrow", so the framework must be robust, dynamic, and responsive to environmental changes - coupled with an inability to tell our story via metrics that demonstrate the efficacy of our program - outcomes that improve society and the lives of the released prisoners, while at the same time delivering meaningful fiscal savings - may similarly cut short our business model.

Critical Success Factors

Aligned with the aforementioned risks, critical success factors include:

- Rally and maintain support from various affected constituencies:
 - Communicate with politicians - perhaps regular teaching sessions? - regarding the program's benefits to demonstrate our understanding of the gravity of the situation and importance of the absolute success of our

plan,

- Promote the plan's benefits with media thought leaders - seek out opportunities to go on the talk show circuit to answer questions and correct misperceptions,
 - Gather feedback from law enforcement and legal communities to be confident there are no gaps in the business model and ensure their engagement and acceptance of the program,
 - Engage victim's rights groups and the general public in a transparent manner to ensure their voices are heard - perhaps place the proposed prisoner evaluation characteristics on a public website to encourage the community to state their priorities and provide constructive criticism,
 - Duplicate the above steps repeatedly to ensure understanding of the program's goals, deliverables, and personal success stories, and
 - Clarify the opportunities that are expected to be available for displaced public employees - dynamically serving the public in a new and exciting environment.
- Given the stakes - lives potentially at risk, with even one misstep - a level of conservatism may be required, particularly in the program's infancy, to optimize the chances for success, allow time for evaluation, and minimize the risks to society.
 - A relentless focus on sustainable growth that compromises none of our controls/supervision, clients, or reputation - recognizing the societal responsibility this program has and our personal stake in it, coupled with the potential for investment misallocations /losing our technology edge and/or weakened supervision if growth explodes beyond our control - will be the foundation that our model is built on to ensure ongoing cost advantages and the "0% prisoner relapse" success of our program.
 - Flexible thinking related to and unrelenting quality management of our evaluation framework/tool - and the personnel managing it and responsible for its upkeep - to proactively and dynamically capture and measure only the criteria - and its appropriate weighting - relevant for inclusion in the attached framework to ensure absolute post-release success.
 - Track every release and diligently trace their paths to document and personalize for our clients the numbers and stories that they may relay to their citizens - where the released prisoners are,

what jobs and other societal roles they've taken on, and how our support program has minimized recidivism and empowered the released prisoners to live better, law-abiding lives.

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Appendix

[Appendix A - A Comprehensive Evaluation](#)

[Framework/scorecard/tool](#) 

[Appendix B - References/Citations Framework/scorecard/tool](#) 



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