



# RAND

## YEAR IN REVIEW 2015

I am continually impressed by the breadth and depth of the research that RAND produces to help solve many of the world's toughest and most intractable problems. As policy debates become increasingly mired in noise and partisan wrangling, RAND's unique brand of objectivity and rigor is more valuable than ever. In the past year alone, evidence produced by our analysis has helped shape debates spanning such issues as the Israeli-Palestinian conflict, the U.S. role in the world, elementary- and secondary-education reform, veterans' access to health care, and the Iranian nuclear accord.

With this annual Year in Review message, we reflect on how our research and analysis are helping to make individuals, families, communities, and nations throughout the world safer and more secure, healthier and more prosperous.

Success stories meet RAND's three-tier mission test:

**Tier 1** > The research and analysis address issues at or near the top of the policy agenda or help shape that agenda.

**Tier 2** > The results reach key decisionmakers and the broader public, improving the quality of policy discussions and debate.

**Tier 3** > The findings and recommendations lead directly to improvements in policy and decisionmaking.

Each step up in the mission test represents a greater challenge. Success at the highest level requires a sharp focus on impact and the commitment, creativity, and collaboration of diverse contributors throughout RAND. Although many projects have met these challenges, I am pleased to share several of the very best examples from the past year.

MICHAEL D. RICH

PRESIDENT AND CEO | RAND CORPORATION

# Correctional Education

## Reducing Recidivism, Saving Money, and Improving Opportunities for Inmates

In the past 40 years, the U.S. incarceration rate has more than quadrupled. While the United States represents about 5 percent of the world's population, it is home to almost 25 percent of the world's prisoners and spends more than \$60 billion each year on the penal system. Moreover, of the roughly 700,000 inmates released back into communities each year, 40 percent will be rearrested and reincarcerated for committing crimes or violating the terms of their release. The vast majority of these individuals are undereducated, with spotty or nonexistent job histories, making employment after release a daunting possibility.

Amid this bleak backdrop, RAND's analysis of the effects and costs of correctional education programs—many of which were eliminated during the last economic recession—is driving policy changes at state and national levels. In their analysis, RAND researchers show that prison education programs increase the odds of an inmate getting a job by 13 percent, reduce the odds of an inmate returning to prison by 30 to 50 percent, and more than pay for themselves through avoided reincarceration costs. Citing these findings, legislation in California has expanded inmates' access to community college courses, and, in July 2015, the Obama administration announced a pilot program to give incarcerated individuals access to federal Pell grants to pay for college classes. This announcement referred to RAND's findings that individuals who participated

in correctional education were significantly less likely to return to prison than prisoners who did not participate in any such programs. Intensive and sustained outreach to policymakers, stakeholders, and media—made possible, in part, by philanthropic support for impact-extending activities—has helped propel the analysis to even greater influence, as similar initiatives are under way in New York, New Jersey, and California.

# Reducing Sexual Assault in the Military

In 2013, the U.S. Department of Defense (DoD) reported that sexual assaults against servicewomen had increased by 50 percent in just two years, which alarmed many members of Congress and stumped many senior leaders. This announcement followed closely on the heels of a series of high-profile sexual assault cases and allegations against military leaders. Controversy and confusion over the methods used to estimate rates of sexual assault led the chairman and ranking member of the Senate Armed Services Committee to urge a thorough revision of DoD's assessment methods.

In response, DoD asked RAND to conduct an independent assessment of the rates of sexual assault, sexual harassment, and gender discrimination in the military. RAND's Military Workplace Study became one of the largest surveys of military personnel ever conducted. Working on a shortened timeline because of President Obama's request to receive the new estimates just nine months after the project was funded, the project team was able to clear multiple regulatory hurdles, field the survey to more than half a million personnel, receive

nearly 180,000 responses (a higher response rate than in any other recent survey on the topic), and analyze the data, all before the deadline.

RAND found that, for women, unwanted sexual contacts in 2014 were down 29 percent from 2012 levels. Still, RAND estimated that nearly 5 percent of women and 1 percent of men were sexually assaulted in 2014. Sexual harassment was common—22 percent of women and 7 percent of men in the active-duty forces reported experiencing harassment in the past year.

RAND's Military Workplace Study is helping DoD better understand the magnitude of the problem and the risks and experiences of service members in order to enact policies to prevent sexual assault. The study's results were briefed to the Joint Chiefs, two Secretaries of Defense, and senior political and civilian staff across the Pentagon, as well as to senior staff and members of Congress. The findings formed a key part of the Pentagon's briefing to President Obama.

The day the results were published, then-Secretary of Defense Chuck Hagel announced four new policy initiatives incorporating RAND's recommendations; implementation occurred throughout 2015. The findings were featured in the *Annual Report on Sexual Assault in the Military*, which was presented by DoD to Congress in May, and were cited during congressional consideration of the FY 2016 National Defense Authorization Act. The Military Workplace Study, and related RAND analysis, will continue to inform Congress and DoD as they seek to improve the prevention of and response to sexual assault.

## Informing the Supreme Court's Ruling on the Affordable Care Act

On June 25, 2015, many turned their eyes to the U.S. Supreme Court in anticipation of a ruling in the case of *King v. Burwell*, one of the most significant legal challenges to the Affordable Care Act. The case contested a regulation authorizing tax credits to individuals through the new health insurance marketplaces. The outcome had implications for millions of Americans.

In a 6–3 opinion written by Chief Justice John Roberts, the Court ruled in favor of allowing the continuation of tax credits for those in federal exchanges. Included among the citations was the RAND publication *The Effect of Eliminating the Affordable Care Act's Tax Credits in Federally Facilitated Marketplaces*. Specifically, the Chief Justice referenced RAND's finding that eliminating subsidies in states with federally facilitated marketplaces would result in a substantial increase in premiums and a dramatic decline in enrollment.

RAND's analysis, made possible, in part, by philanthropic support, proved instrumental in providing objective, credible evidence in a highly politicized debate. This analysis built on a body of research conducted using the RAND COMPARE microsimulation model. Since its inception, COMPARE has been used to estimate the effects of health reform on key outcomes, including the number of people with health coverage, the number of people who will buy coverage through the new insurance exchanges, the number of firms that will offer coverage, and government spending.

RAND research on health care continues to have impact in areas outside the high-profile coverage provisions of the Affordable Care Act. This research includes physician payment reform and connecting newly enrolled individuals to care. RAND expertise presented in congressional testimony influenced design elements of the Medicare Access and Children's Health Insurance Program Reauthorization Act of 2015, landmark legislation that fundamentally overhauled physician payments to incentivize quality over volume.

## Responding to Russian Aggression

Russia's military activity near its western border, unexpected annexation of Crimea, and continuing intervention in Ukraine have raised concerns and heightened tensions throughout the region. RAND research from across its three federally funded research and development centers has tackled such topics as how developments in Russian military doctrine and capabilities are affecting strategic stability, how the United States and the North Atlantic Treaty Organization (NATO) can reinforce deterrence in Central Europe and meet alliance commitments while avoiding inadvertent escalation, and how U.S. defense planners should view the importance of Russia relative to other pressing global challenges.

RAND researchers have developed and run multiple war games and tabletop exercises for top-ranking government and military officials to assess the suitability of U.S. and NATO force posture in Europe against Russian aggression. The direct involvement of military officers in both the United States and Europe has been a critical feature of this analytical approach.

Early results of this analysis were communicated to NATO, Army, and Air Force senior leadership in Europe, and RAND recommendations helped spur the first update of U.S. contingency plans for armed conflict in Russia since the collapse of the Soviet Union and have helped shape the steps taken to strengthen U.S. military posture in Europe.

## Helping Individuals with Mental Illness Achieve and Maintain Employment

In the United Kingdom, approximately 6.1 million people have mental health problems, and some estimates suggest that the cost of these problems to the economy is 30 billion to 40 billion pounds per year, arising from lost productivity, the costs of informal care, and National Health Service costs.

The UK Department for Work and Pensions and Department of Health jointly commissioned RAND Europe to assist in identifying effective and cost-feasible interventions. RAND researchers developed a suite of evidence-based approaches to help people with mental health problems find or maintain employment.

In 2015, the UK government rolled out three of the interventions recommended by RAND Europe, affecting 90,000 individuals struggling with mental health and employment challenges. Implementation to even broader reaches of the population is on the horizon. The interventions include embedding vocational support into initiatives for improving access to psychological therapies, a program

for building resilience to setbacks during job seeking, and a telephone-based support service that combines psychological and employment-related support.

## Countering the Threat of ISIL

In the summer of 2014, the Sunni extremist organization calling itself the Islamic State made headlines as it swept through Mosul, Tikrit, Tal Afar, and other Iraqi cities, quickly wresting control from Iraqi security forces and perpetrating human rights abuses and ethnic cleansing. The threat posed by ISIL continues, as evidenced by the recent attacks in Paris and Beirut and the bombing of a Russian airliner over Egypt. However, the Islamic State, in its several iterations, has been a disruptive presence in the Middle East for more than a decade.

RAND researchers are helping civilian and defense leaders counter this group in a number of ways. For instance, RAND has conducted an in-depth analysis of the group's origins, finances, organization, and methods of establishing control over territory. Based on their analysis, RAND researchers proposed broadening the strategy for combating ISIL to include targeting the sources of the group's financing. This research was shared in a number of venues, including briefings with senior decisionmakers in DoD; congressional testimonies, briefings, and meetings with congressional staff; high-profile analyses published by the *New York Times* and other media; and meetings with National Security Council staff, at their invitation. RAND's analysis was one of the factors that led DoD to increase its capabilities for collecting and assessing financial information on ISIL. The analysis was also cited in a French resolution to create a new commission to investigate the potential misuse of French funds to finance ISIL.

Another group of RAND researchers has provided an analysis for improving the use of air power against ISIL. These air campaigns have increased reliance on air assets for intelligence collection and analysis. RAND is helping Air Force Special Operations Command (AFSOC) analyze the behavior of adversaries and civilian populations. By helping AFSOC better interpret events in the human domain, RAND is improving the command's ability to support ongoing military operations.

## Australian Shipbuilding

To ensure Australia's continued naval security and national interests in the face of an evolving landscape in the Pacific, Australia announced plans to reinvigorate its aging fleet by procuring 50 naval surface warships and submarines over the next two decades. A major question confronting the nation's government was whether it should support a domestic naval shipbuilding industry or buy ships from foreign shipbuilders, as it had done in the past. The decision, and the subsequent announcement, had been highly anticipated and politically charged.

The Australian Department of Defence asked RAND to help cut through this debate with objective, credible evidence in a series of analyses of the ability of Australian shipyards, workers, and suppliers to produce, deliver, and sustain the vessels.

A RAND team produced the report *Australia's Naval Shipbuilding Enterprise: Preparing for the 21st Century*, which offered an analysis of the feasibility of several potential courses of action for acquiring Australia's next generation of surface ships. On August 4, 2015, then-Prime Minister Tony Abbott, in what he deemed a historic announcement,

determined that the Royal Australian Navy's new ships would be constructed in the country for the first time: "The point I make is that we are closely following here the recommendations of the RAND report. The RAND report said that under the right conditions[,] clearly we can effectively build surface warships here in Australia."

This decision will have important implications for the Australian shipbuilding industry, which by 2020 could support as many as 2,500 jobs.

## Looking Ahead

There are a number of continuing efforts that seem poised to have impact in the coming year. The following are just a few examples:

- News reports of veterans dying while waiting for care at the U.S. Department of Veterans Affairs (VA) and allegations of secret waiting lists meant to hide the extent of scheduling and capacity issues at certain facilities have rocked the Veterans Health Administration (VHA) over the past two years. Public outcry and a deep level of mistrust between Congress and the VA led Congress to call for a sweeping, independent assessment of the most significant issues facing the VHA. More than 160 RAND researchers collaborated to provide analysis and evidence that will help **reform VA health services for the 21st century**. Philanthropic funds are supporting additional outreach to maximize impact of this critical research effort.
- A team of RAND researchers has been developing a framework for **predicting the effects of offensive cyber operations**. The analysis has been briefed to senior DoD decisionmakers and will likely lead to changes in how DoD tests offensive cyber capabilities, plans for their use, and predicts the effects of these operations.
- Results from the RAND American Teacher Panel, a unique longitudinal survey of a nationally representative sample of educators, will help state and district education leaders devise appropriate professional development and other **supports to teachers working with the Common Core State Standards** to prepare students for college and careers. Insights from the RAND studies are well timed, as efforts to implement the new standards will accelerate and intensify in 2016.
- In the wake of DoD's historic decision to open all combat roles in the U.S. military to women, RAND analyses examining issues related to the **integration of women into combat roles**, including into the Marine Corps infantry; the integration of women into closed occupations in the special operations forces; and the definition of physical standards for combat positions will help DoD planners as they implement the new policy.
- RAND's stream of research on **improving the resilience of cities**, especially our research in support of the Rockefeller Foundation's 100 Resilient Cities initiative, has provided the basis for RAND inputs into the strategy and investment plans that the City of Pittsburgh will be announcing as it marks its bicentennial anniversary in 2016.
- Ongoing RAND research has assessed the effectiveness and efficiency of **alternative mixes of active and reserve component forces**. This analysis will help the U.S. Army respond to the recommendations of the National Commission on the Future of the Army, which are expected to be released in early 2016.

These ongoing efforts, along with many others, will help ensure that the 2016 Year in Review will be as rich and varied as this one in terms of evidence-driven impacts on policy and decisionmaking.

RAND offers a unique value proposition to people around the world, including our clients, grantors, donors, and other constituencies: a trusted source of expertise and analysis with world-class talent and an unwavering commitment to advancing the public good, free of commercial, partisan, and ideological bias. No other institution has more potential to develop solutions to the toughest, most consequential challenges of our time.

But having impact with our research and analysis is neither easy nor an automatic by-product of our daily activities. Our ambition for impact starts with impeccable research but is carried forward with a keen understanding of the broader policymaking context, in addition to compelling and sustained outreach, to ensure that our analysis is understood and, most important of all, used.



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ENERGY AND ENVIRONMENT  
HEALTH AND HEALTH CARE  
INFRASTRUCTURE AND  
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