



# RAND

YEAR IN REVIEW 2016

RAND was established on the premise that complex policy problems are best addressed with rigorous and objective analysis, communicated to policymakers and the public in a balanced, nonpartisan way. At a time when civic and political discourse are distorted by a phenomenon I've called *truth decay*, RAND's role in society has never been more vital. It is essential that we maintain our deep commitment to our core values of quality and objectivity and continuously strive to be as effective as possible in carrying out our mission.

In a tradition going back nearly two decades, we pause at the start of each new year to reflect on that mission—to help improve policy and decisionmaking through research and analysis—and what it means for all of us in the RAND community. We consider three tiers of mission performance:

**Tier 1** › Do our research and analysis address issues at or near the top of the policy agenda or help shape that agenda?

**Tier 2** › Are our findings and recommendations reaching the decisionmakers who can use them to make a difference?

**Tier 3** › Are our efforts contributing to significant improvements in policy and practice?

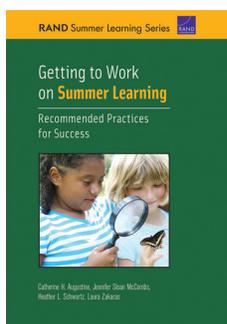
Each of these tiers demands more from us than the previous one. As an institution dedicated to having an impact on people's lives, we must push ourselves to go beyond the initial identification or investigation of a policy problem, and then press further still to meaningful outreach efforts that engage the array of stakeholders who can use our research and analysis to make policies and programs more effective and efficient. RAND's forthcoming *Annual Report 2016* will feature achievements from Tiers 1 and 2 of our mission test. With this message, I profile several of the best examples of Tier 3 accomplishments from 2016—that is, instances in which RAND research and analysis are being used to help individuals, communities, and nations be safer and more secure, healthier and more prosperous.

MICHAEL D. RICH  
PRESIDENT AND CEO | RAND CORPORATION

# Improving Elementary and Secondary Education

RAND has been working to make educational policies, programs, and practices more effective for all learners, and our researchers have applied their expertise to nearly every aspect of the education system for more than three decades.

In 2016, RAND research resulted in a direct increase in the number of children who have access to summer learning and early education programs: RAND demonstrated that initiatives offered outside the traditional school year and before the typical school age can help bridge achievement gaps between students from low- and high-income families.



In 2011, The Wallace Foundation commissioned RAND to launch the National Summer Learning Project (NSLP), a six-year study, and the first-ever assessment of large-scale, voluntary, district-run summer learning programs serving low-income

elementary students. RAND found that program attendees, across five cities, entered school in the fall with stronger mathematics skills than those who did not participate in the program. The study identified consistent attendance, increased hours of instruction, and instructional quality as factors critical to improving mathematics and reading outcomes.

As a result, stakeholders in Boston worked with the mayor's office on legislation to increase access to high-quality summer learning opportunities in Massachusetts by funding programs that meet the

NSLP criteria. Although the state-level legislation did not pass, the mayor challenged the city to enroll 10,000 youth in summer programs (a significant increase). The community filled more than 12,000 slots.

RAND research has also had a direct effect on the availability of early childhood education in Cincinnati. High-quality preschool programs have an economic return of about \$2 to \$4 for every \$1 invested, according to a RAND analysis of 15 full-scale preschool programs. The funder of the study, a coalition of Cincinnati business interests, used these findings to promote a ballot initiative to raise taxes to pay for expanded access to preschool in the city. RAND's findings were cited by the school board, which voted unanimously for the levy, and in voter guides describing the initiative. The measure passed in the November election; as a result, roughly 6,000 three- and four-year-old children in Cincinnati will have access to free or subsidized preschool in the next school year.

## Regional Responses to Deter Russian Aggression

After Russia shocked the international community by annexing Crimea, RAND researchers asked, if Russia could intervene in eastern Ukraine, what is stopping it from invading the Baltic states of Latvia, Lithuania, and Estonia? RAND's wargaming methodologies exposed the alarming vulnerability of the region, which led U.S. policymakers to increase troop presence, shaped regional responses, and helped form NATO policy on countering Russian aggression and force posture.



The NATO Secretary General provided RAND's wargaming report to every member of the North Atlantic Council, and, at July's NATO summit in Warsaw, the findings were instrumental to discussions on policy options. The analysis has been briefed in Latvia and

to Estonian parliamentarians and government officials and gained broad attention when it was featured on the news program *60 Minutes*.

RAND has been exploring Russia's economy, environment, and technology sector, as well as its complex and changing relations with NATO, Europe, Asia, and the United States. RAND researchers leverage multidisciplinary tools, deep regional knowledge, and an abundance of substantive expertise to improve understanding and policy for those in the region and for those engaging it. Most recently, RAND has been helping U.S. Department of Defense (DoD) leaders assess the benefits and challenges of integrating unconventional technologies and training into the defense strategy of the Baltic states in order to deter possible Russian aggression. These unconventional options can complement the conventional defense efforts of the Baltic states and NATO.



While one team of RAND researchers was devising ways to deter Russian aggression in the Baltics, another group focused on assisting Ukraine. Ukrainian leaders realized that the country needed to reform its antiquated security sector.

Ukrainian President Petro Poroshenko and his administration selected RAND to assess the nation's security institutions—including the military; police; and organizations responsible

for intelligence, border control, and cybersecurity—and provide recommendations to modernize the security sector. RAND's past work and deep expertise on institutional reform, security cooperation, and building partner capacity were crucial to carrying out this project.

In May 2016, the Ukrainian government adopted a comprehensive reform program for the defense and security sector, the Strategic Defense Bulletin, which incorporated many of RAND's recommendations. The bulletin received positive feedback at the 2016 NATO summit, and RAND's report has also been used as a guide and benchmark for Ukraine's reform progress by other research organizations, including the Swedish Defence Research Agency. With reforms under way, Ukraine's security sector will be more effective and transparent and better poised to defend the nation's sovereignty.

## Helping People Make Sound Investments for Retirement

In April 2016, the U.S. Department of Labor released a rule that was largely shaped by RAND's decade-long body of analysis on helping people make better financial decisions and helping policymakers and companies develop fairer, more transparent retirement investment tools and resources. The rule is designed to protect investors by requiring broker-dealers and advisers who provide retirement investment advice to adhere to fiduciary standards—to put their clients' best interests before the advisers' own profits. This rule is the first major change to the fiduciary definition since 1975.

Many Americans seek help with financial decisionmaking through high-quality, unbiased financial advice. Yet, in recent decades, the professional financial advice market had become as complicated as the products and services for which investors sought assistance. Since 2006, RAND has been working with the U.S. Securities and Exchange Commission and the U.S. Department of Labor on the effects on investors of the differing standards of care that financial advisers are subject to in their dealings—starting with what investors understand about different financial-advice providers and leading to the role of financial advisers in investor decisionmaking.



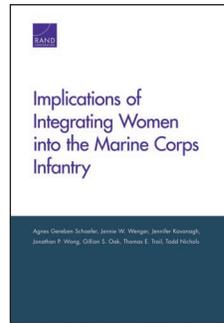
RAND research found that financial advisers who receive commissions are influenced by compensation schemes and that this influence negatively affects investors' financial well-being: Investors who purchase through brokers earn lower returns

than those who invest on their own. RAND also found that requiring brokers to disclose conflicts of interest does not necessarily help investors make more-informed decisions and could lead to more-biased advice.

## Maintaining Combat Effectiveness in a Changing Military

Norms and regulations have been changing regarding who is eligible to serve in the U.S. military and in what capacity. For many years, RAND analysis has helped to inform discussions of sensitive, and

often controversial, personnel decisions. In particular, a series of RAND reports on the integration of women into combat roles addressed such topics as the development of gender-neutral occupational standards, assignment of roles to women across military departments, and lessons from other militaries throughout the world.



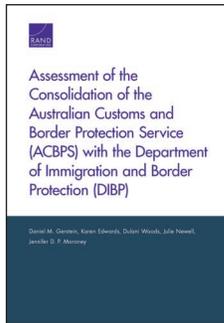
This research was followed by examinations of the implications of integrating women into Marine Corps infantry units and into closed occupations in U.S. special operations forces. This body of work provided the evidence base for Defense Secretary

Ash Carter's decision to open all combat positions to women. RAND analysis is being used to inform implementation strategy and decisions across DoD.

## Enhancing the Effectiveness of Immigration and Border Protection in Australia

In recent years, the Australian government has sought to build a 21st-century border-management system able to respond to the increasing demands of customs, immigration, and security. A critical step was the integration of existing government agencies—each challenged in prior years by performance issues and some high-profile missteps—into a single, unified department. RAND evaluated the effectiveness and efficiency of the newly integrated department. The analysis

and related technical assistance are being used by senior department leaders to structure ongoing strategic planning and performance metrics and has been endorsed at the highest levels in Australian government, including extensive citation by the new department's top official in testimony to the Australian Parliament.



RAND's analysis found overall positive trends in performance—despite the turbulence of the integration and reform effort, reduced resources, and increased operational tempo—one year after the integration. However, RAND identified challenges around building a single culture (including workforce morale and professionalization). To measure progress toward the department's goals, RAND developed and evaluated performance indicators and identified opportunities to improve the department's processes for evaluating outcomes.

# Impact in the Year Ahead

Each new year, especially ones that usher in new U.S. presidential administrations, brings changes to policy priorities and thus important new opportunities. What remain unchanged, however, are RAND's dedication to our mission, our core values of quality and objectivity, our culture's firm roots in rigor and intellectual honesty, and the power of collaboration across the entire organization. As a result, RAND is well positioned to provide the kind of rigorous and objective analysis that is necessary to help ensure a safe, healthy, and thriving world—something that has never been more important.

Here are just a few of the areas where RAND research and analysis are poised to make an important impact in the year ahead:



- With the award to operate the **Homeland Security Operational Analysis Center**, RAND is positioned to help strengthen the U.S. Department of Homeland Security across its full set of missions, from preventing terrorism, to safeguarding and securing cyberspace, to strengthening U.S. preparedness and resiliency in the face of attack or natural disaster.
- Health care system reform in the U.S.—including redesign or replacement of the Affordable Care Act—will be a priority for the new U.S. presidential



administration. **RAND's Health Care Payment and Delivery Simulation Model is primed to play a key role in policy discussions.** The model, which simulates how payment-management systems affect the amount and type of health care delivered, is currently being used (along with RAND's COMPARE model) to analyze physician payment reforms in Medicare and health-financing reforms in Oregon.



- We are continuing to work to help cities become more resilient against physical, social, and economic shocks and stresses and to help communities large and small adapt to the challenges of the 21st century—including greater connectedness, flood control, autonomous vehicles, and more. An important next step is **developing Pittsburgh's first resilience strategy** to ensure that all communities and populations in the city have the capacity to flourish.
- A multiyear body of analysis on enhancing U.S. air base resiliency continues to expand in scope and



influence. The coming year should see continued use of RAND's findings and innovative analytic tools to inform DoD's operational plans and shape important resource decisions for **mitigating threats to combat and military medical operations in both the Pacific and Europe.**



- **As marijuana is decriminalized and legalized by more states**, RAND research on economic and health implications will be integral to safe and efficient implementation. **Another line of RAND research takes aim at the devastating ills of opioid addiction**, which affected more than 2 million Americans in 2014. Our assessment of regulations on medication-assisted treatment is being used to inform federal approaches to changing the trajectory of the epidemic.



- RAND Europe is helping to find **global policy solutions to antimicrobial resistance (AMR)**. If resistance to antibiotics or infection rates remains the same, RAND Europe calculated that AMR could kill between 11 million and 14 million working-age adults globally by 2050. The UN General Assembly has reaffirmed the need to take action on this issue and invited the Secretary General to set up a mechanism to coordinate global efforts.



- RAND's recent **breakthrough analysis for the U.S. Air Force to enable its more effective use of offensive cyber warfare** is spreading throughout the broader defense community. In the year ahead, we anticipate more defense leaders employing RAND's methodologies for estimating cyber effects and managing uncertainty, and using RAND's approach to inform medium- to long-term planning for cyber weapon capabilities.



- Since providing landmark **assessments of the rates of sexual assault and sexual harassment** in the U.S. military two years ago, the RAND National Defense Research Institute has been actively engaged with DoD leadership to assist them in effectively combating the problem. In 2017, RAND assessments of military installations at highest risk, as well as guidance on prevention program effectiveness, are expected to help DoD continue to strengthen and target its prevention efforts.



- **Transforming mental health care for military service members and reducing its stigma** have been a sustained focus of RAND analysis for some time. In the year ahead, findings from new RAND studies on the effectiveness of various treatment strategies for depression and posttraumatic stress disorder, as well as new methods developed by RAND teams to assess and track mental health stigma, are expected to inform clinical practice guidelines and improve health care delivery to service members.



- One of the most politicized policy areas in the United States is the treatment of gun laws. In 2017, we expect to release the results of a RAND investment in new policy analysis tools and research syntheses to **help policymakers understand the likely effects of a range of firearm policies related to gun violence, gun rights, and recreational gun use.**

Thank you for your dedication to RAND, to our mission, and to the public interest we serve.



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The RAND Corporation is a research organization that develops solutions to public policy challenges to help make communities throughout the world safer and more secure, healthier and more prosperous. RAND is nonprofit, nonpartisan, and committed to the public interest.

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EDUCATION AND THE ARTS  
ENERGY AND ENVIRONMENT  
HEALTH AND HEALTH CARE  
INFRASTRUCTURE AND  
TRANSPORTATION  
INTERNATIONAL AFFAIRS  
LAW AND BUSINESS  
NATIONAL SECURITY  
POPULATION AND AGING  
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