

# Prison Scholar Fund

Jeffrey, Timilaa, Chengxi, & Manu



# Charity Summary

## Charity Overview

Prison Scholar Fund is a growing prisoner re-entry program that provides educational needs to prisoners seeking a second chance.

- Paper-Based/Online Courses, Online Coding Sessions, Individualized Mentorship
- Recently partnered with Coding Dojo
- *Recidivism rate of ~ 4%*
- 2021 Inflows: \$1,210,113.92
- 2021 Outflows: \$1,210,159.65

## Donation Thesis

Postsecondary students average \$96K post-release; those who completed vocational programs average \$72K  
We believe that PSF is a worthwhile investment due to:

- Seattle's positionality as a computer science hub (which is constantly seeking engaged employees)
- PSF's growing network, connections (and nepotism) for placing its employees at ex-FAANG startups
- Data-driven model and unique partnerships (partnered with Microsoft, Google; RCT with Microsoft)
- Current lack of money in the bank (\$10,000 free money would allow to file for \$100K -\$500K in grants)

A donation towards PSF's Coding Programs would yield best-in-class outcomes with high additionality.

# Financial Snapshot

## 2021 Quickbooks Report

Revenue: \$1,210,113.92

- Non-Gov Grants: \$56,875.00
- Donated Goods & Services: \$1,040,243.48

Expenditures: \$1,210,159.65

- Emergency Food in-Kind: \$920,986.08
- Salaries + Personnel: \$107,325.69

## 2020 990

Revenue: \$767,067

Expenditures: \$737,276

# Program Summary

## Post-Secondary

- Partnered with Arizona State University & Adams State University
- Provides distance learning post-secondary education
- Intended to work towards associates and/or bachelors

## Coding Dojo

- New partnership with Coding Dojo
- Allows a small cohort to participate in coding bootcamp for free
- Cycles upon completion of the program

# SROI Snapshot

## SROI

Reduced Incarceration Costs Total Lifetime Benefit	\$	5,240,260
Total Lifetime Benefit	\$	-
Increased Salaries (via degree programs) Total Lifetime Benefit	\$	12,017,741
Increased Salaries (via Coding Dojo) Total Lifetime Benefit	\$	17,142,330
Reduced Unemployment Total Lifetime Benefit	\$	180,299
Tuition Savings Total Lifetime Benefit	\$	26,396,123
<b>Cumulative Total Lifetime Benefit</b>	<b>\$</b>	<b>60,976,753</b>
Total Uncertainty factor		1.00
<b>Total Adjusted Return Calculation</b>	<b>\$</b>	<b>60,976,753</b>
<b>Cumulative Total Lifetime Cost</b>	<b>\$</b>	<b>1,210,160</b>

**SROI**

**50.39x**

# Theory of Change Summary

Inputs	Activities	Outputs	Outcomes	Impacts
<ul style="list-style-type: none"> <li>• 12-member management team with a comprehensive software engineering network at Microsoft, Amazon, and Google</li> <li>• Executive board has prior nonprofit experience</li> <li>• 31 Program staff, transition team, and volunteers creating curriculum and providing re-entry education. (11 are graduates of the Prison Scholar Program)</li> <li>• 2019 inflows: \$737,350.72 (~\$611,000 is food-related expenditures)</li> <li>• Partners: Online colleges, churches, GED programs, corporations, tens of misc. re-entry partners, Coding Dojo, Code Fellows</li> </ul>	<ul style="list-style-type: none"> <li>• Selection Process to reach out to thousands of prisoners across Washington; picks around ~40 prisoners per year</li> <li>• Paper-Based/Hybrid Online Courses, Online Coding Sessions</li> <li>• Networking Sessions; Interview Skills Training</li> <li>• GED/Vocational Programs</li> <li>• Donate food/supplies</li> </ul>	<p><i>Hard to separate outputs</i></p> <ul style="list-style-type: none"> <li>• 130 scholars</li> <li>• 84 graduates</li> <li>• 81 new jobs</li> <li>• \$1.45MIL USD created in value (self-reported)</li> <li>• \$600,000 USD of donated food/supplies for prisoners</li> </ul>	<ul style="list-style-type: none"> <li>• 4% 3-year recidivism rate</li> <li>• 100% employed or in education within 90 days</li> <li>• 0% recidivism rate in the last five years</li> <li>• Average salaries of \$96,967 USD</li> <li>• 12 job interviews per graduate</li> <li>• [No exact data] x prisoners lacking food security saved by food/supplies</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce recidivism rate among prisoners in Washington</li> <li>• Build stronger families and communities for those who participate</li> <li>• Leads to cyclical breakthroughs in socioeconomic mobility</li> </ul>

# Impact

## Reduced Recidivism

- 100% employment or educated via post-secondary program
- Employment with livable wages
- Stable housing and transition period via Dirk

## Stronger Communities + Breakthrough in Mobility

- Dawn Shepard completed her bachelors and is now working with homeless + released individuals
- Concurring participation in incarceration organizations
- Majority of participants end up giving back to PSF

# Key Risks and Mitigating Factors

## Key Risks

1. Loss of leadership
2. Coding Dojo failure

## Mitigating Factors

1. PSF is Dirk's life-work while incarcerated and afterwards. He has not indicated that he will pursue other ventures. He has also been actively (personally) building his board and executives, including policy experts and now tech people.
2. PSF hopes to become a "recruiting" agency simply connecting incarcerated and/or released peoples with various bootcamps.



# Recidivism Information

Information about prisoner recidivism rates

# Issue overview

- 1.9 million people are incarcerated in the United States
  - 37,000 behind bars in Washington State
  - 88,000 on probation in Washington State
- It costs Washington \$37,841 per prisoner annually
  - WA spends \$630mm annually on prisons
- Trends include...
  - Black, Hispanic, and Native American people have the highest incarceration rates
  - 37% of Washington incarcerated individuals do not have a high school degree
  - 29% of the federal prison population possess a high school degree or equivalent

# Common Responses to Recidivism

- There is one other major Washington-based recidivism charity
- Operational responses tend to vary, but focus on:
  1. Mental disorder treatment
  2. Education
  3. Employment

Yoga Behind Bars	~\$420k inflows	2.900 students
Inside Circle	~\$770k inflows	
Prison Education Foundation	~\$3.2mm inflows	
Prison Entrepreneurship Program	~\$500k inflows	
Project Return	~\$5mm inflows	

# Discussion of Root Causes

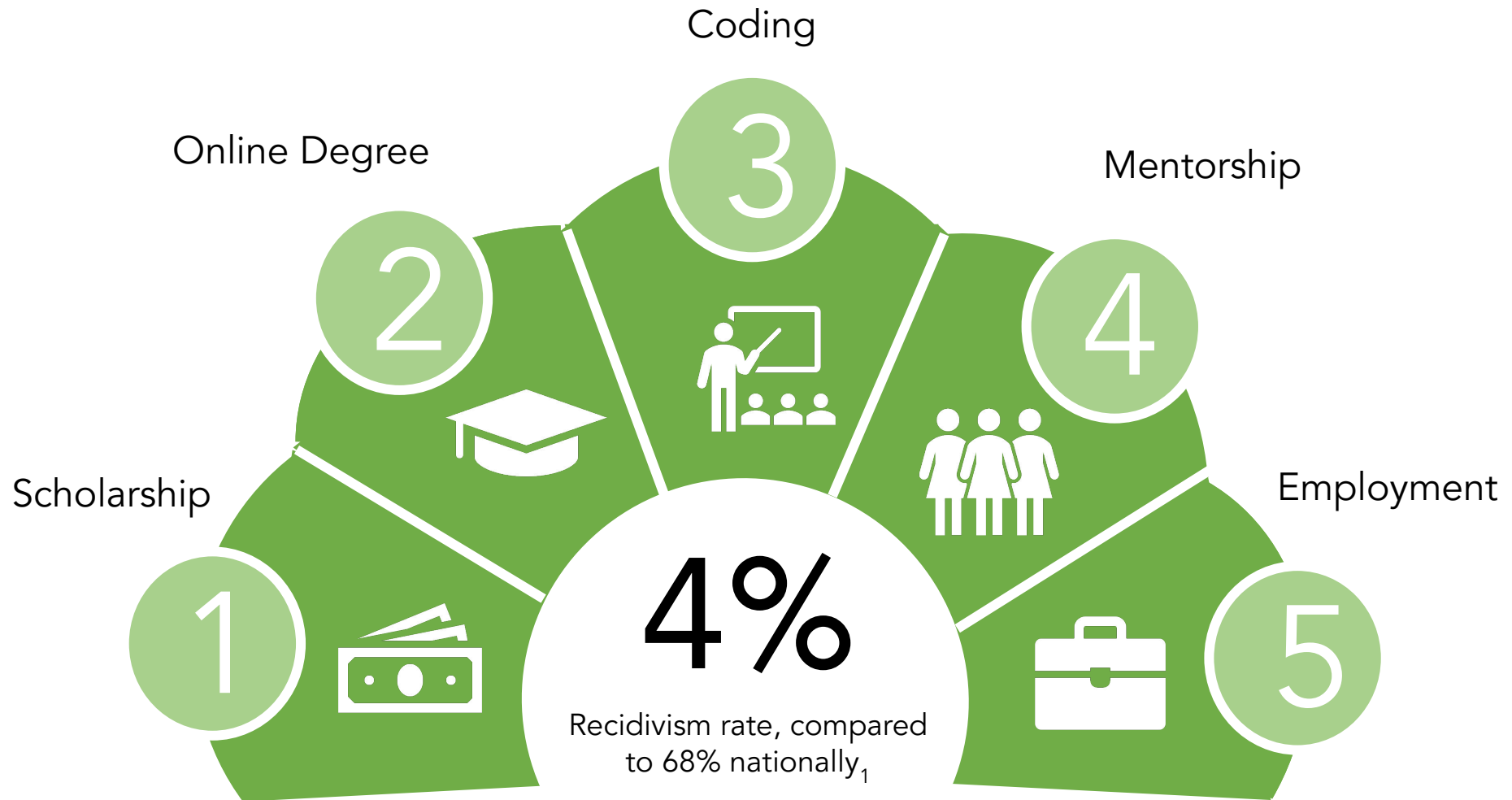
*Recidivism is driven by*

- Lack of education
  - 1/3 prisoners do not possess a high school education or equivalent
- Lack of employment
  - Released prisoners saw a ~20% decrease in hourly wages
- Mental health issues
  - 56% of state prisoners have a mental health issue
- Housing difficulties

# Program Activities

Post-secondary, Coding Dojo, Human Services

# Post-Secondary Program



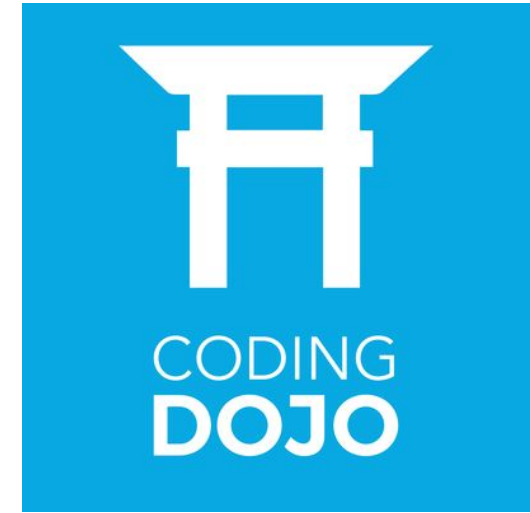
# Partnerships

- Partnered with ASU and Adams State University
- Engages participants in distance learning mediums
- Aims to achieve associates, bachelors, and overall general education



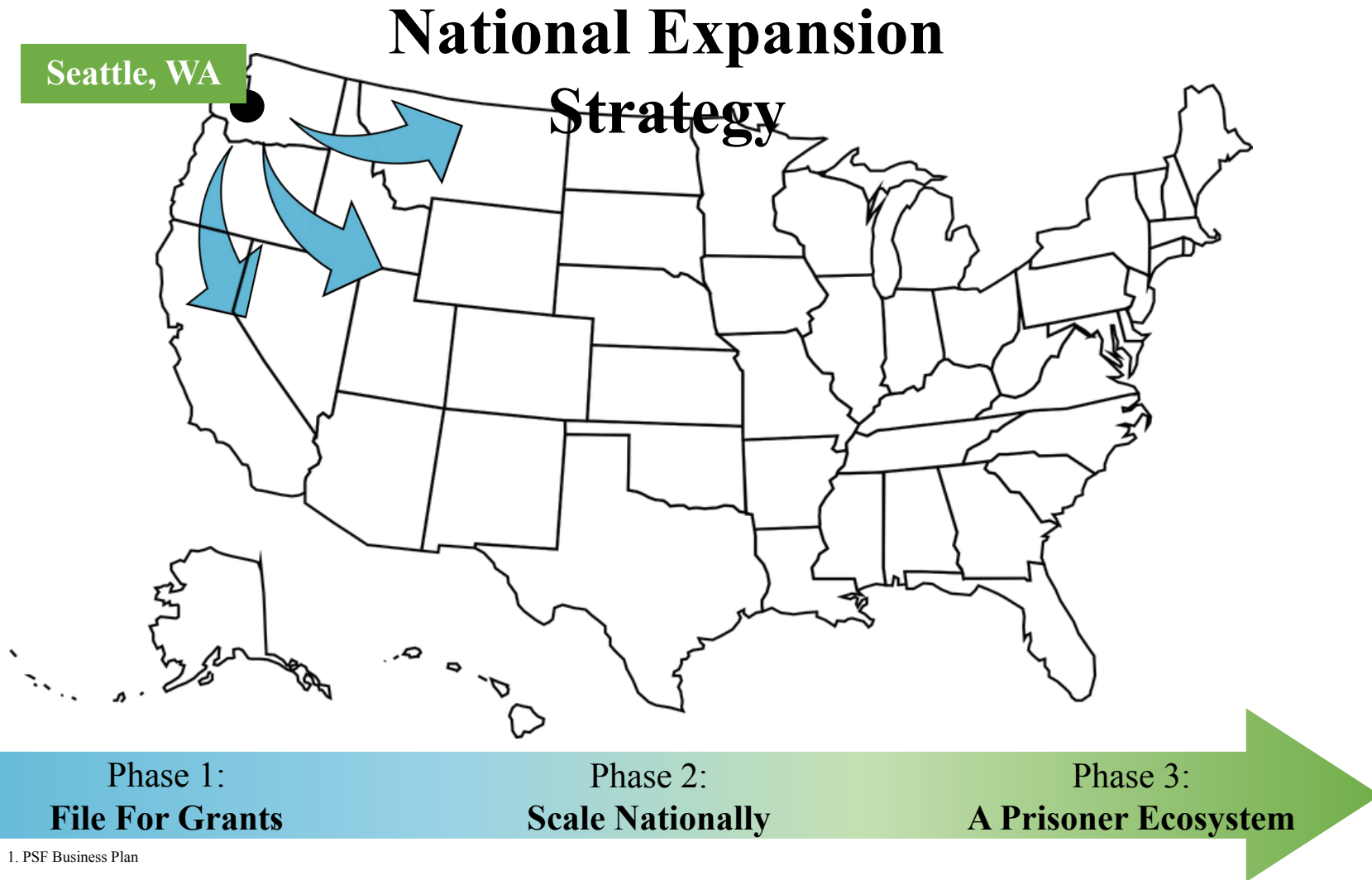
# Partnerships

- Recent partnership with Coding Dojo
- 14-week coding bootcamp
- ~\$76k average salary
- ~86% employment upon completion





# Growth Plans



Sources: 1. PSF Business Plan

# Theory of Change

PSF provides transition-period assistance and educational programs in order to promote employment and reduce recidivism among participants

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# Post-Secondary Program Effects

## Prison, Police, and Programs: Evidence-Based Options that Reduce Crime and Save Money

Since the 1990s, the Washington State legislature has directed the Washington State Institute for Public Policy (WSIPP) to identify "evidence-based" policies that can improve particular outcomes.

The goal of these legislative assignments has been straightforward: to provide Washington policymakers and budget writers with a list of well-researched public policies that can—with a high degree of certainty—lead to better statewide outcomes coupled with a more efficient use of taxpayer dollars.

Crime reduction has been a particular focus of the legislative study directives. Initially, in the mid-1990s, WSIPP was asked to examine policy options that reduce juvenile crime.<sup>1</sup> Subsequent legislation directed WSIPP to study adult correction programs,<sup>2</sup> certain sentencing policies,<sup>3</sup> and prevention strategies designed to stop crime before it happens.<sup>4</sup> Additionally, in 2011, WSIPP's Board of Directors approved a study, funded by the MacArthur Foundation, to extend the list of crime control options to include policing.

This report provides our updated list of evidence-based policy options that reduce crime. We display prevention, juvenile justice, and adult corrections programs, and we include our initial reviews of prison sentencing and policing. We also provide an apples-to-apples assessment of the benefits and costs of each option from the perspective of Washington citizens and taxpayers.

<sup>1</sup> Aos, S., Bamoski, R., & Lieb, R. (1998). *Watching the bottom line: Cost-effective interventions for reducing crime in Washington* (Doc. No. 98-01-1201). Olympia: Washington State Institute for Public Policy.

<sup>2</sup> Aos, S., Phipps, P., Bamoski, R., & Lieb, R. (2001). *The comparative costs and benefits of programs to reduce crime* (Doc. No. 01-05-1201). Olympia: Washington State Institute for Public Policy.

<sup>3</sup> Drake, E., Bamoski, R., & Aos, S. (2009). *Increased earned release from prison: Impacts of a 2003 law on recidivism and crime costs, revised* (Doc. No. 09-04-1201). Olympia: Washington State Institute for Public Policy.

<sup>4</sup> Aos, S., Lieb, R., Mayfield, J., Miller, M., & Pennucci, A. (2004). *Benefits and costs of prevention and early intervention programs for youth* (Doc. No. 04-07-3901). Olympia: Washington State Institute for Public Policy.

### Summary

Since the 1990s, the Washington State legislature has directed the Washington State Institute for Public Policy to identify policies with an "evidence-based" track record of improving certain public policy outcomes. Outcomes of interest have included, among others, education, child welfare, crime, and mental health.

This report updates and extends WSIPP's list of well-researched policies that reduce crime. We display our current tabulation of evidence-based prevention, juvenile justice, and adult corrections programs, and we include our initial reviews of prison sentencing and policing.

As with our previous lists, we find that a number of public policies can reduce crime and are likely to have benefits that exceed costs. We also find credible evidence that some policies do not reduce crime and are likely to have costs that exceed benefits. The legislature has previously used this type of information to craft policy and budget bills. This updated list is designed to help with subsequent budgets and policy legislation.

In essence, this report is similar to an investment advisor's "buy-sell" list. It contains current information on policy options that can give taxpayers a good return on their crime fighting dollars (the "buys") as well as those well-researched strategies that apparently cannot reduce crime cost-effectively (the "sells"). The benefit-cost information can be used by policymakers to help write budgets identifying a portfolio of evidence-based options able to reduce crime and save money.

Suggested citation: Aos, S. & Drake, E. (2013). *Prison, police, and programs: Evidence-based options that reduce crime and save money* (Doc. No. 13-11-1901). Olympia: Washington State Institute for Public Policy.

## Key Findings:

- For every \$1 invested into correctional education programs in Washington, \$18.36 is returned in social benefit
- 2001 & 2005 studies; 2012 republication
- *Vocational Training, Basic Education*, and placement into *Corrections Industries* yield high benefits
- PSF and most correctional programs do all three
- Reductions in victimization, policing, and incarceration costs
- Cost-savings are estimated to have saved \$1.45MIL since inception

Program	Program Cost (per inmate)	Net Cost Savings (Benefit)	Benefit-Cost Ratio
Residential Drug Treatment (with aftercare)	\$ 3,100	\$ 5,230	\$ 2.69
Prison Vocational Training	\$ 1,960	\$12,017	\$ 7.13
Corrections Industries	\$ 777	\$ 4,394	\$ 6.65
Adult Basic Education	\$ 1,972	\$ 9,176	\$ 5.65

# Post-Secondary Program Effects

**State of Illinois**  
Illinois Sentencing Policy Advisory Council

**SPAC**

Summer 2018

## Illinois Results First

*The High Cost of Recidivism*

**Council Members**

Hon. Gino DiVito, Chair  
Tabet DiVito & Rothstein, Chicago

Hon. Warren Wolfson (Ret.), Vice-Chair  
First District Appellate Court

Sen. Kwame Raoul, Vice-Chair  
Illinois State Senate

Stephen Baker  
Office of the Cook County Public Defender

Sen. Jason Barickman  
Illinois State Senate

Kathryn Bacaniga  
Institute for Nonviolence Chicago

Rep. Marcus Evans  
Illinois House of Representatives

Craig Findley  
Illinois Prisoner Review Board

Anne Fitzgerald  
Office of the Cook County Sheriff

Michael J. Glick  
Office of the Attorney General

Nicholas Kondelis  
Illinois State Police

John Maki  
Illinois Criminal Justice Information Authority

Rep. Margo McDermid  
Illinois House of Representatives

Marcia M. Pleh  
Administrative Office of the Illinois Courts

Hon. Stuart E. Palmer (Ret.)  
First District Appellate Court

Michael Pelletier  
Office of the State Appellate Defender

Alan Spillberg  
Cook County State's Attorney's Office

Dr. Don Stemen  
Loyola University Associate Professor

Gladys Taylor  
Illinois Department of Corrections

Julian Thompson  
University of Chicago Doctoral Candidate

Stewart Umholtz  
Tazewell County State's Attorney

Chief Kristen Zeman  
City of Aurora Police Department

**Key Findings**

- In 2016, 38,477 people were convicted of felonies and 33,074 were convicted of misdemeanors in Illinois.
- Only 11% of the 71,551 total convictions were of individuals with no prior arrests. Roughly 96% of the people admitted to prison eventually return to the community.
- Forty-three percent of those released from prison each year recidivate within three years of release and 17% will recidivate within one year of release.
- Thirty-five percent of those sentenced to probation for felony offenses each year recidivate within three years of sentencing, and 17% will recidivate within one year.
- Thirty-seven percent of those sentenced to probation for misdemeanor offenses each year recidivate within three years of sentencing, and 19% will recidivate within one year.
- The average cost associated with one recidivism event is \$151,662. Given current recidivism trends, over the next 5 years recidivism will cost Illinois over \$13 billion.**

**Convictions in 2016**  
71,551 total convictions

Misdemeanors 46%  
Felonies 54%

**Reconviction Recidivism Rates**

Recidivism Rate

Year

— Adult Probation (Misdemeanors)  
— Adult Probation (Felonies)  
— Adult Prison (Felonies)  
— Combined Recidivism

This brief updates the Sentencing Policy Advisory Council's (SPAC's) 2015 High Cost of Recidivism report.<sup>1</sup> Similar to regular updating of financial reports on economic activity or investments, this criminal justice update incorporates new trends and improved methodology to provide a more accurate and current picture of the high costs of recidivism in Illinois. The brief below describes the key findings and costs, how those costs accumulate over time, and how evidence-based policies and practices can help reduce recidivism such that the benefits outweigh the costs.

<sup>1</sup> The Pew-MacArthur Results First Initiative, a project of the Pew Charitable Trusts and the John D. and Catherine T. MacArthur Foundation, works with Illinois and other jurisdictions to implement an innovative cost-benefit analysis approach to aid State policy decision making. In addition to SPAC's use of the Illinois Results First cost-benefit model, the Illinois Budgeting for Results Commission is using the model to assess programs across State policy arenas.

The High Cost of Recidivism 1

## Key Findings:

- 2018 Study
- Illinois recidivism rates not representative of Washington program
- Modern Washington cost data not released; Illinois closest estimate based on prison population, recidivism rate, and prison infrastructure spending
- Washington is actually known to spend more on incarceration in general compared to Illinois
- Best estimate; old data doesn't account for victimization and crime



# SROI Calculation

The social return on PIT's investment into Prison Scholar Fund

# Best-In Class SROI

<b>SROI</b>	
Reduced Incarceration Costs Total Lifetime Benefit	\$ 5,240,260
Total Lifetime Benefit	\$ -
Increased Salaries (via degree programs) Total Lifetime Benefit	\$ 12,017,741
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Reduced Unemployment Total Lifetime Benefit	\$ 180,299
Tuition Savings Total Lifetime Benefit	\$ 26,396,123
<b>Cumulative Total Lifetime Benefit</b>	<b>\$ 60,976,753</b>
Total Uncertainty factor	1.00
<b>Total Adjusted Return Calculation</b>	<b>\$ 60,976,753</b>
<b>Cumulative Total Lifetime Cost</b>	<b>\$ 1,210,160</b>
<b>SROI</b>	<b>50.39x</b>

- WA Spends ~\$37k per prisoner
- Recidivism costs WA big bucks
- Higher education increases lifespan and earnings
- Better health knowledge and healthcare access

	Discount Rate				
	6.0%	7.0%	8.0%	9.0%	10.0%
0.60	26.2x	24.7x	23.5x	22.5x	21.7x
0.70	30.6x	28.8x	27.4x	26.3x	25.4x
0.80	34.9x	32.9x	31.3x	30.0x	29.0x
0.90	39.3x	37.1x	35.2x	33.8x	32.6x
1.00	43.7x	41.2x	39.2x	37.5x	36.2x

# SROI Assumptions

## SROI

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# SROI Calculations

## Reduced Incarceration Costs

Reduced Victimization Costs	\$	75,408.00
Reduced Taxpayer + Indirect Costs	\$	76,255.00
Washington Incarceration Recidivism Rate		32%
PSF Recidivism Rate		4%
Change in Recidivism Rate		28
# of Students		35
<b>Total Return (Ex - Gross increased annual Income)</b>	<b>\$</b>	<b>5,240,260</b>

## Increased Salaries (via Coding Dojo)

Graduate Income Salary	\$	58,000.00
Pre-Graduate Inmate Salary	\$	6,250.00
<b>Lowered Taxes For Employers</b>	<b>\$</b>	<b>9,600.00</b>
Placement Rate		89%
# of Students		20.00
<b>Total Return (Ex - Gross increased annual Income)</b>	<b>\$</b>	<b>922,185</b>

# SROI Calculations

## Reduced Unemployment

Washington Unemployment rate (postsecondary grads)	3.70%
Washington Unemployment rate (total population)	4%
Washington Unemployment rate (difference)	1%
Cost per week of unemployment	\$497.40
Implied annual cost per normalized individual	129
Number of covered individuals	75
<b>Annual cost savings to Washington State</b>	<b>\$ 9,699</b>

## Tuition Savings

4 year ASU Online Cost	\$65,000
4 year Adams State Cost	\$48,000
Average post-secondary cost	\$56,500
Coding Dojo Cost	14500
Post-Secondary Individuals	20
Coding Dojo Individuals	20
<b>Total Return (Ex - Gross increased annual Income)</b>	<b>\$ 1,420,000</b>

# SROI Calculations

- Super high post-secondary average salary (>\$90k)
- More accurate cohort size
- Tuition savings grey area

## SROI

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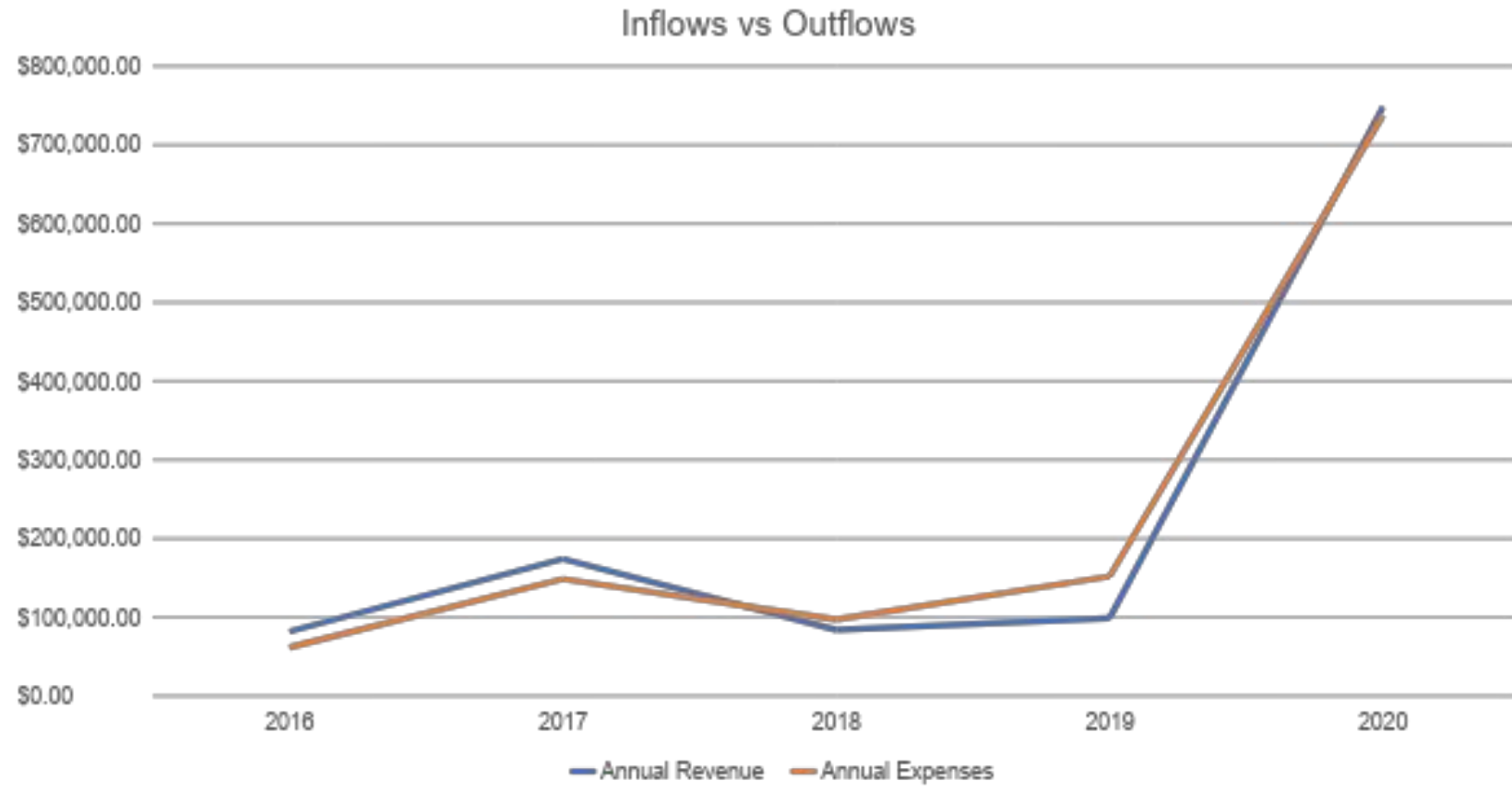
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<b>SROI</b>	<b>50.39x</b>
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# Financials

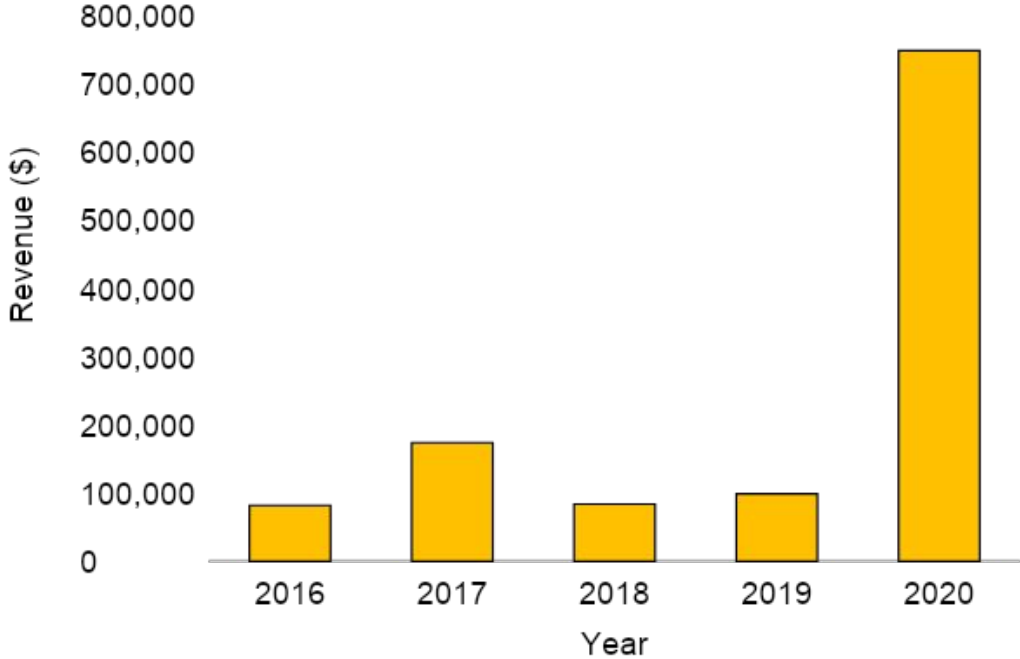
Further information on what goes into the charity's financial picture

# Financials

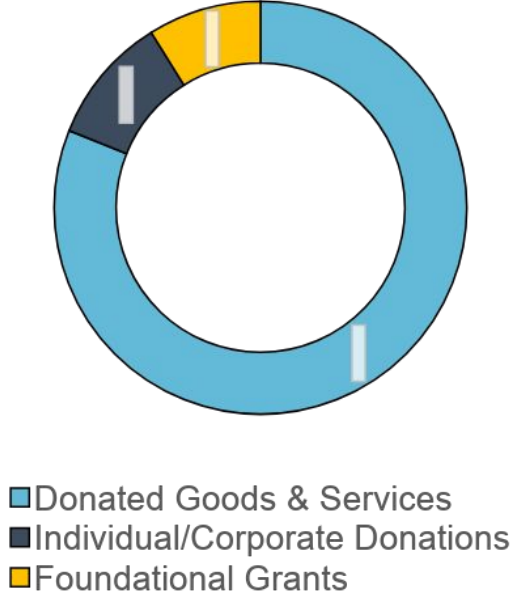


# Further Details on Funding

Revenue Over Time

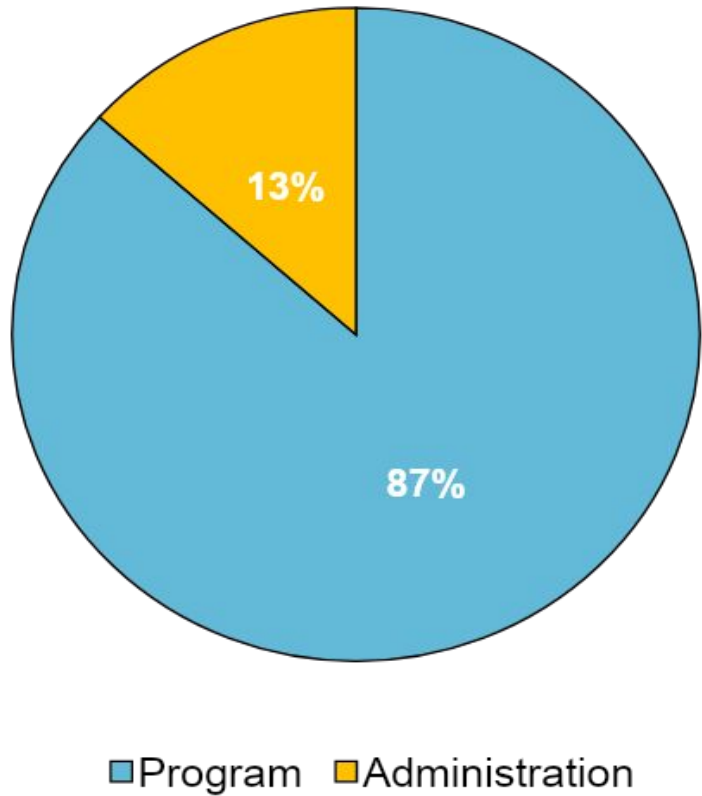


Revenue Distribution (2020)

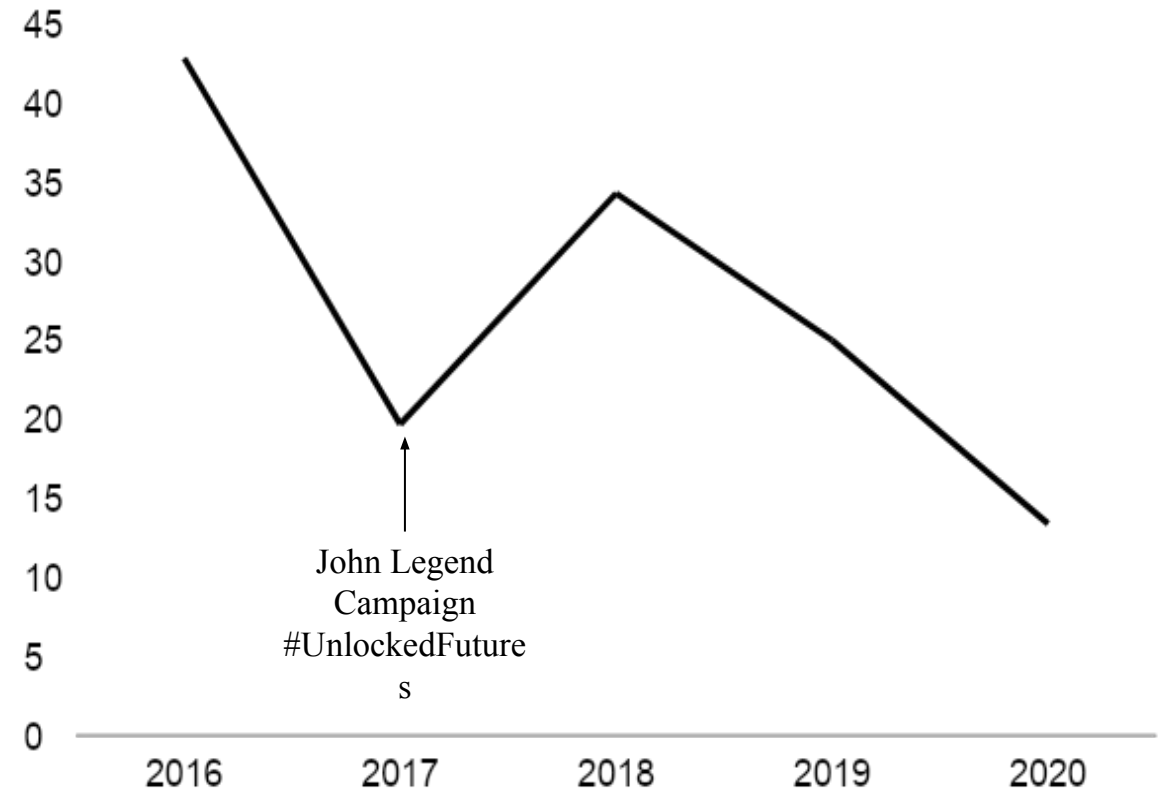


# Other Items from Financials

Expense Distribution (2020)



Administrative Spending (%) Over Time



# Additional Information



# The Man-agement, The Myth, The Legend



Dirk Van Velzen, CEO & Founder

# Board Structure



**Uzair Khan**

**Treasurer**  
Software Engineer, Amazon



**Joseph McCarty**

**Secretary**  
Stanford Graduate School of  
Education



**Arjun Dubashi**

**Director**  
Software Development Engineer  
Amazon



**Antoinette Govan**

**Director**  
Journalist/Communications  
Director



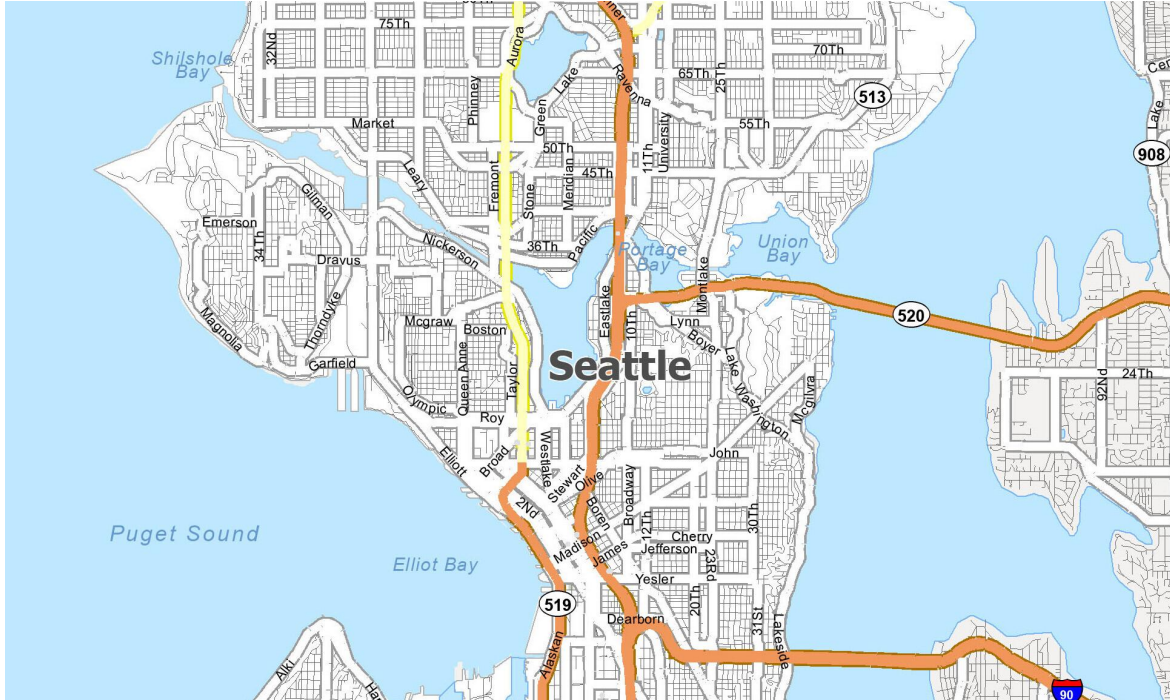
**David Israel**

**Director**  
CEO, BFY Food Group and Good  
PLANeT Foods

# The PSF Office



# Primary AO



# Additional Information

# Outstanding Questions

- Share Document.

# Comparable Charities

## Yoga Behind Bars

- Aims to treat mental health via yoga classes
- Certifies students upon completion of program
- Recent hit with COVID solved. Classes can resume in person.
- 17% administration costs
- Members are not paid



# Summary of Diligence Activities / Notes

- Talked to Dirk van Velzen, Saidutt Nimmagadda
  - Also emailed them
- Interviewed Dawn Shepard, Yukio Rideb, Robert Woods
- Watched participant testimony on YouTube
- Canvassed news/media reports on Prison Scholar Fund
- Met with Harvey Powers to discuss SROI