

STATE OF NEVADA



Nevada Sentencing Commission

Statement of Costs Avoided

December 2020

December 2020 Statement of Costs Avoided

BACKGROUND

Assembly Bill No. 236 (2019) (AB 236) requires the Nevada Sentencing Commission (Commission) to submit, not later than December 1 of each fiscal year, a Statement of Costs Avoided. The Statement of Costs Avoided must be submitted to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the Interim Finance Committee. (NRS 176.01347)

Purpose

The purpose of the Statement of Costs Avoided is to identify the costs avoided during the immediately preceding fiscal year resulting from the passage of AB 236. Submitting a calculation of costs avoided will assist lawmakers in identifying dollars that should be reinvested in programs and services which address behavioral needs of persons involved in the criminal justice system and will reduce recidivism. (NRS 176.01347)

History

In 2018, Nevada state leaders requested technical assistance through the Justice Reinvestment Initiative (JRI) funded by the Bureau of Justice Assistance (BJA). These leaders asked the Nevada Advisory Commission on the Administration of Justice (ACAJ) to conduct a review of Nevada's criminal justice system to develop a set of policy recommendations that would shift resources to more cost-effective public safety strategies.

With technical assistance provided by the Crime and Justice Institute (CJI), the ACAJ conducted a review of Nevada's criminal justice data. The ACAJ also evaluated best practices from around the country.

In January 2019, the ACAJ published a final report detailing its findings and recommended twenty-five policy changes to the criminal justice system in Nevada. The intent of the recommendations was to slow the growth of the prison population and, in so doing, allow Nevada to avert costs by incarcerating fewer people. The ACAJ projected that, if these recommendations were successfully enacted, Nevada would avert over \$640 million in avoided corrections costs.

The policy recommendations from the ACAJ formed the basis for AB 236 which went into effect July 1, 2020. In addition to sweeping criminal justice reform to realize the goals of justice reinvestment, AB 236 requires the Nevada Sentencing Commission to track and assess the outcomes resulting from the enactment of AB 236 including, without limitation:

- The total amount of savings from any legislation relating to the criminal justice system;
- The total annual costs avoided resulting from the enactment of AB 236; and
- The amounts, recipients, and use of reinvestment funds. (NRS 176.01343)

METHODOLOGY

The methodology used to calculate and identify costs avoided for the December 2020 Statement of Costs Avoided and future statements will incorporate the following:

- The projected amount of costs avoided identified in 2018 by the ACAJ
- The comparison between projected prison populations and actual prison populations
- Previous Projected Amount of Costs Avoided Reports submitted by the Commission

2018 Projected Amount of Costs Avoided

The ACAJ calculated the \$640 million in projected amount of costs avoided using a methodology which incorporated the following elements:

- The August 2018 JFA Prison Population Projections
- Certain variable costs associated with incarcerating inmates
- Estimated prison population projections if the recommendations were effectively enacted

August 2020 Projected Amount of Costs Avoided

In August 2020, the Commission submitted a Projected Amount of Costs Avoided Report to the Governor and the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature. The table below is a summary of the projected amount of costs avoided identified by the Commission.

Year	“Baseline”	“Worst Case”
2022	\$28,914,832.80	\$21,270,681.60
2023	\$30,576,604.80	\$26,442,946.95

These amounts were calculated using the February 2020 JFA Prison Populations Projections which identified two types of assumptions to be used for the forecasts: “Baseline” and “Worst-Case”. The Commission calculated projected amount of costs avoided based on each of these assumptions and scenarios and used the terms “Baseline” and “Worst Case” as used by JFA.

To reduce recidivism and realize the goal of reinvestment, the Commission recommended prioritizing financial support to the following:

1. The Nevada Department of Corrections (NDOC) for programs for reentry of offenders and parolees into the community, programs for vocational training and employment of offenders, educational programs for offenders and transitional work programs for offenders.
2. The Division of Parole and Probation of the Department of Public Safety for services for offenders reentering the community, the supervision of

- probationers and parolees and programs of treatment of probationers and parolees that are proven by scientific research to reduce recidivism.
3. Any behavioral health field response grant program developed and implemented pursuant to NRS 289.675.
 4. The Housing Division of the Department of Business and Industry to create or provide transitional housing for probationers and parolees and offenders reentering the community.
 5. The Nevada Local Justice Reinvestment Coordinating Council (Council) created by NRS 176.014 for the purpose of making grants to counties for programs and treatment that reduce recidivism of persons involved in the criminal justice system.

December 2020 Statement of Costs Avoided

The Commission is required to develop a formula to calculate the amount of costs avoided by the State because of the enactment of AB 236. The formula developed by the Commission must include a comparison of prison population projections from 2018 and the actual number of persons in an NDOC facility or institution during each year. The Commission must then use the formula developed to calculate costs avoided during the immediately preceding fiscal year and then submit a Statement of Costs Avoided to the Governor and the Director of the Legislative Counsel Bureau for transmission to the Interim Finance Committee. (NRS 176.01347)

The formula developed by the Commission will compare the August 2018 JFA Prison Population Projections with the actual prison population as of June 30 (as provided by the NDOC) of the immediately preceding fiscal year. The prison population projections and the actual prison population will each be multiplied by a variable cost per prisoner (the same variable cost per prison used for the Projected Amount of Costs Avoided Report). The difference between the two amounts will result in the costs avoided for the immediately preceding fiscal year.

The required Statement of Costs Avoided for December 2020 requires calculations for Fiscal Year 2020. AB 236 did not go fully into effect until July 1, 2020 which means there are no costs avoided to calculate in this statement. The remainder of this statement will provide a framework for future Statements of Costs Avoided.

Considerations

In future Statements of Costs Avoided, the Commission will take into consideration various contexts and events that may have an impact on corrections costs in the State. These may include, without limitation, the three considerations identified below.

First, the Commission will collaborate with the NDOC to consider whether a breakdown of costs avoided by facility should be included.

Second, the COVID-19 pandemic may have an impact on sentencing and corrections in this State. The Commission will continue to research, and review data related to COVID-

19 and its impact on sentencing and corrections in Nevada and include relevant information.

Third, the Commission will also take into consideration input from the Nevada Local Justice Reinvestment Coordinating Council. The Council is tasked with providing impacts to local governments related to implementation of AB 236. This may include costs that have been shifted to local jails, the costs of providing services to victims, and other impacts on counties.

COMPARISON OF COSTS AVOIDED PREVIOUSLY CALCULATED AND REINVESTMENTS

In future Statements of Costs Avoided submitted, there will be a comparison of previous calculations of projected costs avoided reports and Statements of Costs Avoided previously submitted by the Commission. The comparison will also include any dollars reinvested by the Legislature. The table below is a representation of what will be compared.

Year	Projected Amount of Costs Avoided (August of every Even Numbered Year)	Statement of Costs Avoided (December every year)	Dollars Reinvested (Each regular Legislative Session)
2021	N/A		
2022			N/A
2023	N/A		
2024			N/A
Total			

CONCLUSION

The December 2020 Statement of Costs Avoided provides the framework for future statements.

Although costs avoided are not available this year because AB 236 was not yet in effect during the immediately preceding fiscal year, calculating costs avoided are an essential component of AB 236 and justice reinvestment. Dollars resulting from costs avoided must be reinvested into recidivism reduction and programming services for Nevada to see the full benefit of AB 236.