

Statement of Costs Avoided

December 2023

STATUTORY REQUIREMENT

This Statement of Costs Avoided is required pursuant to NRS 176.01347. The Nevada Sentencing Commission (Commission) must develop a formula to calculate for each fiscal year the amount of costs avoided by this State because of the enactment of Assembly Bill No. 236 (2019) (AB 236). The formula developed by the Commission must include, without limitation, a comparison of: (1) the annual prison population projections required by NRS 176.0129 for calendar year 2018; and (2) the actual number of persons in a Nevada Department of Corrections facility or institution.

The Commission is required to use the formula developed and submit:

- Not later than **December 1** of each fiscal year, a **statement** of costs avoided for the immediately preceding fiscal year

and

- Not later than **August 1** of each even-numbered year a **report** containing the projected amount of costs avoided and recommendations for reinvestment of those costs in order to reduce recidivism

SUMMARY

The 2019 final report of the Advisory Commission on the Administration of Justice identified \$640 million in costs avoided by 2028 if the policies that led to AB 236 were enacted. At least \$470 million of the identified costs avoided are attributed to avoided correctional construction. This leaves \$170 million in other avoided correctional costs associated with housing a higher population of offenders until 2028. This rudimentarily calculates to \$21 million a year in costs avoided between 2020 (when AB 236 went into effect) and 2028. The Commission will identify \$21 million in costs avoided for each year the population is below the 2017 projections.

Using the formula developed, the Nevada Sentencing Commission calculated that Nevada has avoided **\$21 million** due to the enactment of AB 236 since the last Statement of Costs Avoided. As reported in the August 2022 Projected Amount of Costs Avoided Report, Nevada is projected to avoid another \$42 million during the 2023-2024 biennium. This can be reinvested in programs and treatment that will reduce recidivism.

WHAT ARE COSTS AVOIDED?

Costs avoided are costs that an entity *would have* expended in the future. In the context of this report, costs avoided refer to spending that will be unnecessary because of the decrease in the prison population. Due to the varied costs associated with housing offenders in an NDOC facility, the costs avoided are *hypothetical* and *variable*.

The August 2022 report is included as reference; the report includes background information and the details of the recommendations from the Commission for reinvestment. (The report can also be accessed by visiting <http://sentencingpolicy.nv.gov>). The next Projected Amount of Costs Avoided Report will be submitted prior to August 1, 2024.

METHODOLOGY

In the August 2022 Projected Amount of Costs Avoided Report the Commission adopted a revised methodology for calculating costs avoided resulting from the enactment of AB 236. The methodology compares the following:

- 2017 JFA Prison Population Projections (these were the projections used for the legislatively approved phase of budgeting for the 2018-2020 biennium)
- Projected population of **15,074** if AB 236 **were not** enacted, as reported in the 2019 final report of the Advisory Commission on the Administration of Justice
- Projected population of **14,008** if AB 236 **were** enacted, as reported in the 2019 final report of the Advisory Commission on the Administration of Justice
- Current JFA Prison Population Projections
- Prison population as of June 30 of the applicable fiscal year(s)

The table below details the calculations based on the above comparisons.

Source	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
JFA February 2017 [^]	14,953	15,151	15,377	15,613	15,789	15,968	16,206	16,409	N/A
JFA April 2018	14,018	14,083	14,181	14,331	14,481	14,653	14,758	14,940	15,074
JFA August 2018	14,018	14,083	14,181	14,331	14,481	14,653	14,758	14,940	15,074
JFA February 2019 [^]	13,986	14,111	14,225	14,348	14,484	14,612	14,761	14,914	15,059
JFA February 2020*	12,855	12,802	12,779	12,817	12,933	13,039	13,164	13,323	13,475
JFA October 2020	N/A	12,246	12,358	12,574	12,850	12,889	13,056	13,198	13,314
JFA March 2021	N/A	11,265	11,486	11,840	12,045	12,358	12,607	12,714	12,975
JFA April 2022	N/A	N/A	10,444	10,730	10,971	11,167	11,334	11,595	11,762
JFA October 2022	N/A	N/A	N/A	10,668	10,939	11,152	11,418	11,696	11,907
Prison population as of									
June 30 (actual)	12,300	10,874	10,327	10,435					
Current prison population avoided (2017 projections - current population)	AB 236 not yet in effect								
		4,277	5,050	5,178					
Statement of Costs Avoided	AB 236 not yet in effect	\$21 million	\$21 million	\$21 million					
Projected Amount of Costs Avoided	AB 236 not yet in effect	N/A	N/A	\$21 million	\$21 million				

Table Notes

- AB 236 was passed during the 2019 legislative session – February 2019 projections included as context of projections when bill was passed
- AB 236 went into effect July 1, 2020, so costs avoided were not calculated in early FY 2020
- Current prison population avoided by subtracting the actual total population as of June 30 of the applicable fiscal year from the 2017 projections
- Projected Amount of Costs Avoided Report published in August of each even-numbered year and Statement of Costs Avoided published in December of each fiscal year
- * = Indicates “baseline” population used rather than “worst case” in JFA Prison Population Projections February 2020
- ^ = Indicates projected population for December 31 of calendar year (CY) because June 30 projected population was not published in report
- \$21 million projected in costs avoided for FY23 and FY24 because AB 236 promised a population of 14,008 by 2028 and Nevada is on track to avoid well below 14,008 incarcerated.

REINVESTMENT OF COSTS AVOIDED

AB 236 (2019) created the Nevada Local Justice Reinvestment Coordinating Council for the purpose of making grants to counties for programs and treatment that reduce recidivism of persons involved in the criminal justice system. During the 82nd Nevada Legislative Session, Assembly Bill 388 (2023) passed to appropriate from the State General Fund to the Department of Sentencing Policy the sum of \$3,000,000 for the purpose of funding grants relating to reducing recidivism awarded by the Nevada Local Justice Reinvestment Coordinating Council created pursuant to NRS 176.014 to local governments and nonprofit organizations. This is the first appropriation to come from recommendations stemming from the Nevada Sentencing Commission and Nevada Department of Sentencing Policy Projection of Cost Avoided Report and Statement of Costs Avoided Report.

For more information contact the Nevada Department of Sentencing Policy at sentencingpolicy@ndsp.nv.gov.