

Statement of Costs Avoided

December 2024

STATUTORY REQUIREMENT

The Statement of Costs Avoided report is required pursuant to NRS 176.01347. The Nevada Sentencing 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 for the next biennium along with recommendations for the reinvestment of those funds for the purpose of reducing recidivism

SUMMARY

WHAT ARE COSTS AVOIDED?

Costs avoided are costs that an entity *may have* expended in the future. In the context of this report, costs avoided refer to spending that may be avoided 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*.

Using the formula adopted in May 2024, employing the statutorily-required data points, the Nevada Sentencing Commission calculated that Nevada has avoided **\$18,158,559** due to the enactment of AB 236 since the last Statement of Costs Avoided. As reported in the August 2024 Projected Amount of Costs Avoided Report, Nevada is projected to avoid another \$36,775,055 during the 2025-2027 biennium. This can be reinvested in programs and treatment that will reduce recidivism.

The August 2024 Projected Amount of Costs Avoided report can be used as reference and includes background information and the details of the recommendations from the Commission for reinvestment. (The August 2024 report can

be accessed by visiting <http://sentencingpolicy.nv.gov>). The next Projected Amount of Costs Avoided Report will be submitted prior to August 1, 2025.

METHODOLOGY

For the August 2024 Projected Amount of Costs Avoided Report, the Commission adopted an updated 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)
- Actual NDOC prison population as of June 30, 2024

Source	FY24
JFA February 2017 Projections (December 31)	15,789
Actual June 30 Prison Population	10,759
Current Prison Population Avoided	5,030
Annual Cost Per Offender Inmate Driven Portion	\$ 3,610.05
Statement of Costs Avoided	\$ 18,158,559

The current formula is derived by taking the actual June 30, 2024, Prison Population of 10,759 and subtracting it from JFA's 2017 projection of 15,789 offenders by 2024, to get a current prison population avoided of 5,030 offenders. The annual cost per offender inmate-driven portion was calculated by using the inmate-driven percentage of NDOC's FY24 budget, which was 10.858%, and multiplying that by the FY24 average annual cost per offender, which was \$33,247.85. This results in an annual cost per offender inmate-driven portion of \$3,610.05. This \$3,610.05 was multiplied by the Current Prison Population Avoided, or 5,030, to get the final FY24 costs avoided amount of \$18,158,559.

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