

## **Projected Amount of Costs Avoided Report August 2024**

### **STATUTORY REQUIREMENTS**

Per NRS 176.01347, the Nevada Sentencing Commission (Commission) is required to develop a formula, using a comparison of the 2018 annual prison population projections and the actual Nevada Department of Corrections (NDOC) population numbers, to calculate the costs avoided attributed to the enactment of Assembly Bill No. 236 (AB 236) from the 2019 Legislative Session (effective July 1, 2020). The Commission is required to submit a statement of these costs avoided by December 1 of each fiscal year.

Additionally, per the statute, a separate report shall be prepared by August 1 of each even-numbered year projecting the costs avoided for the next biennium and providing recommendations for the reinvestment of these avoided costs prioritized to certain programs and resources to support reentry, address behavioral health needs, and reduce recidivism for justice-involved individuals.

### **DECEMBER 2023 STATEMENT OF COSTS AVOIDED REPORT**

For the 2023 Statement of Costs Avoided Report, using a previously approved formula, the Nevada Sentencing Commission calculated that Nevada had avoided \$21 million due to the enactment of AB 236 since the 2022 Statement of Costs Avoided.

### **FORMULA**

The prior formula used the \$640 million in costs to be avoided by 2028 (if the policies that led to AB 236 were enacted), identified in the 2019 final report of the Advisory Commission on the Administration of Justice. Subtracting at least \$470 million of identified costs avoided attributed to avoided correctional construction left \$170 million in other avoided correctional costs associated with housing a larger population of offenders. A straight-across-the-board calculation showed approximately \$21 million a year in costs avoided between 2020 and 2028, by dividing the projected \$170 million in savings by the 8 years of population projections.

The Nevada Sentencing Commission chose to review the previous method of calculation and, in May 2024, adopted a new formula for determining projected costs avoided. The updated formula, approved by the Nevada Sentencing Commission for use in this report, uses the two data points explicitly required by NRS 176.01347-1:

- a) The annual projection of the number of persons who will be in a facility or institution of the Department of Corrections which was created by the Office of Finance pursuant to NRS 176.0129 for calendar year 2018; and

- b) The actual number of persons who are in a facility or institution of the Department of Corrections during each year.

Projected Prison Population Avoided was calculated by subtracting the JFA February 2023 Projections from the JFA February 2017 Projections. The growth rates from the current biennium were used to project the annual cost per offender and inmate-driven percentage. This calculated Projected Annual Cost Per Offender Inmate-Driven Portion was multiplied by Projected Prison Population Avoided to determine the Projected Amount of Costs Avoided.

## CALCULATION OF PROJECTED AMOUNT OF COSTS AVOIDED

Source	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
JFA February 2017* Projections	14,953	15,151	15,377	15,613	15,789	15,968	16,206	16,409	N/A
JFA February 2023* Projections	N/A	N/A	N/A	N/A	10,744	10,947	11,244	11,455	11,731
Actual June 30 Prison Population	12,300	10,874	10,327	10,435	10,759	TBD	TBD	TBD	TBD
Current Prison Population Avoided	Pre-AB 236	4,277	5,050	5,178	5,030	TBD	TBD	TBD	TBD
Projected Prison Population Avoided	Pre-AB 236	N/A	N/A	N/A	N/A	N/A	4,962	4,954	TBD
Projected Annual Cost Per Offender Inmate Driven Portion	Pre-AB 236	prior formula	prior formula	prior formula	prior formula	prior formula	\$ 3,706	\$ 3,711	TBD
Statement of Costs Avoided	Pre-AB 236	\$21 million	\$21 million	\$21 million	TBD	TBD	TBD	TBD	TBD
Projected Amount of Costs Avoided	Pre-AB 236	N/A	N/A	\$21 million	\$21 million	\$21 million	\$ 18,391,514	\$ 18,383,541	TBD

\*Indicates projected population for December 31

\*Indicates projected population for June 30

Projected Amount of Costs Avoided Report is published by August 1 of each even-numbered year

Statement of Costs Avoided Report is published by December 1 of each year

FY26	FY27
16,206	16,409
11,244	11,455
TBD	TBD
TBD	TBD
4,962	4,954
\$ 3,706	\$ 3,711
TBD	TBD
\$ 18,391,514	\$ 18,383,541

The Projected Costs Avoided for the FY 26-27 Biennium are **\$36,775,055**.



## CONSIDERATIONS

The Nevada Sentencing Commission is a 27-member body comprised of individuals representing a wide swath of criminal justice processes. The Commission meets to discuss topics related to criminal justice policy and procedure in Nevada. The expertise embodied by Commissioners brings varied ideas and points of view to discussions held. Following are thoughts offered regarding the Costs Avoided topic that may not be represented elsewhere.

- 1 *There are difficulties in calculating avoided costs as it does not designate ~~encumbered or available~~ tangible or measureable funds, but represents future savings projections based on hypothetical numbers adopted by JFA in their 2017 projections.* M. JACKSON
- Data shows the NDOC population began a slow but steady decrease in 2017, prior to the July 1, 2020, effective date of Assembly Bill 236 (2019).*
- 2 *The NDOC population on July 1, 2018 was 13,611 inmates. The NDOC prison population as of July 1, 2024 was 10,759 inmates. This is a 20.95% decrease in NDOC inmate population.* M. JACKSON
- 3 *The NDOC budget for FY 2018 was \$339,887,052. The NDOC budget for FY 2025 is \$406,029,729. Despite a 2,852 decrease in the NDOC inmate population since 2018, the NDOC budget has increased 19.46% (\$66,142,677).* M. JACKSON
- The Costs Avoided calculations consider prison population numbers only. AB 236 reduced penalties for certain crimes, for example, changing some felonies to misdemeanors or gross misdemeanors and giving mandatory probation for others. This means while it may be more cost effective than prison, other agencies are still incurring costs for these individuals.*
- 4 *Societal costs are not considered for projected costs avoided. For example, since the effective date of AB 236, property crimes in Nevada rose from 62,980 in 2020 to 81,618 in 2023; an increase in statewide property crimes of 29.59% (Source: <https://nevadacrimestats.nv.gov/tops/report/property-crimes/nevada/2023>).* M. JACKSON

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- Data is not readily available to the Commission and Department to track the rerouting of justice-involved individuals due to AB 236 (2019). Methods of data collection and required submission of data should be considered.
- What is the future of tracking AB 236 (2019) and justice reinvestment? The required component of calculation, the 2018 JFA projection report, only projected NDOC population through 2028. That means this is the last Projection of Costs Avoided Report able to cover a full biennium.

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- (Include consideration of cost changes and inflation when looking at the budget and report. Provide an adjusted amount when inflation and costs are included.)

V. CONSIDINE

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- (Include considerations of the aging population of offenders, including medical costs, prescription drug costs, and elderly care costs, and the percentage of these costs that will continue due to the aging population remaining incarcerated for the long-term.)

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- (Include considerations of the closing of camps and facilities' cost avoidance. Include considerations of keeping these facilities open with no offenders, or minimal numbers of offenders, including a detailed report on the line items costs when the population is lower but the budget/cost is higher and the portion of the budget this represents annually.)

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## RECOMMENDATIONS

Per NRS 176.01347-1, financial support should be prioritized to:

- (a) The Department of Corrections 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;
- (b) The Division for services for offenders reentering the community, the supervision of probationers and parolees and programs of treatment for probationers and parolees that are proven by scientific research to reduce recidivism;
- (c) Any behavioral health field response grant program developed and implemented pursuant to NRS 289.675;
- (d) 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; and

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- (e) The Nevada Local Justice Reinvestment Coordinating 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.

Specifically, the Sentencing Commission recommends the following:

M. JACKSON

1. **9** Continued financial support of not less than ~~continuing to fund~~ \$3 million to the Nevada Local Justice Reinvestment Coordinating Council for the 2026-2027 budget cycle for continued reinvestment into grants statutorily required to be administered to Nevada counties by the Coordinating Council. Three million dollars was appropriated in the 2023 Legislative Session and that grant cycle is under way. Continued support of this effort will expand the opportunities for county-level programming to provide re-entry support to help curb recidivism. The grant money this cycle has funded programs for diversionary courts, housing, transportation, resource and referral, outreach teams, behavioral health, and more. M. JACKSON

2. **10** Continued financial support,utilizing actual cost savings, if any. ~~Also, a significant amount of the remaining costs avoided should be invested in efforts to~~ increase transitional housing opportunities for justice-involved individuals. M. JACKSON

3. **11** Financial support, in an amount to be determined. ~~The Commission continues to recommend that a portion of the costs avoided be given to~~for the Department of Corrections and the Division of Parole and Probation to improve their respective data systems. Improved data will help address gaps in criminal justice data sharing in the State and improve the analysis conducted by the Sentencing Commission. M. JACKSON

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For more information, contact the Nevada Department of Sentencing Policy at [sentencingpolicy@ndsp.nv.gov](mailto:sentencingpolicy@ndsp.nv.gov).

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