Statement of Costs Avoided

December 2025

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

Using the formula adopted in May 2024, employing the statutorily-required data points, the Nevada Sentencing Commission (NSC, Commission) calculated that Nevada has avoided **$19,604,410,** an amount associated with 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 $36,775,055 during the 2025-2027 biennium. This can be reinvested in programs and treatment that will reduce recidivism.

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 have been avoided because of the decrease in prison population. Due to the varied costs associated with housing offenders in an NDOC facility, and other factors that impacted incarceration rates during this same period, the costs avoided are *hypothetical* and *variable*.

The *August 2024 Projected Amount of Costs Avoided Report* can be used as reference and includes background information and 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, 2026.

METHODOLOGY

In 2024, 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, 2025

Source	FY25
JFA February 2017 Projections (December 31)	*15,968*
Actual June 30 Prison Population	10,870
Current Prison Population Avoided	5,098
Annual Cost Per Individual (Offender-Driven Portion)	$ 3,845.51
Statement of Costs Avoided	**$ 19,604,410**

The current formula is derived by taking the actual June 30, 2025, Prison Population of 10,870 and subtracting it from JFA's 2017 projection of 15,968 offenders by 2025, to get the current prison population avoided of 5,098 offenders. The annual cost per individual (offender-driven portion) was calculated by using the offender-driven percentage of NDOC's FY25 budget, which was 11.41%, and multiplying that by the FY25 average annual cost per offender, which was $33,703. This results in an annual cost per individual (offender-driven portion) of $3,845.51. This $3,845.51 was multiplied by the Current Prison Population Avoided, or 5,098, to get the final FY25 costs avoided amount of $19,604,410.

NOTE

The considerations regarding these avoided costs calculations remain the same and can be found in the *NSC Supplemental Report to the December 2024 Statement of Costs Avoided* on the NDSP website here: https://sentencing.nv.gov/News/2024_Reports/.