

State of Nevada
Governor's Finance Office
Division of Internal Audits

Audit Report

Office of the Governor

**Department of Public Safety
Division of Parole and Probation
Cost-Sharing**

DIA Report No. 20-09
July 6, 2020

EXECUTIVE SUMMARY
Office of the Governor
Dept. of Public Safety/Division of Parole and Probation
Probation Cost-Sharing

Introduction..... page 1

**Objective: Enhance Programs and Services
for Those Under Community Supervision**

Develop a Cost-Sharing Formula with Counties for Supervision of Probationers..... page 2

The state bears the full fiscal burden of probationers' supervision costs, removing any incentive for counties to share responsibility for the success of offenders from their jurisdictions. Developing a cost-sharing formula could reduce the state's General Fund appropriation to NPP by \$515,000 to \$6.4 million annually, potentially reduce the probationer revocation rate and associated costs to counties, and equitably share supervision costs of probationers with counties.

The probationer population has, on average, increased 2.4% per calendar year. The supervision budget has increased, on average, 8.7% annually over the same period. Counties are statutorily required to reimburse NPP for most Presentence Investigation (PSI) costs, but do not share probationer supervision costs. The legislature's intent, as expressed in the cost-share requirement for PSI costs, could also be applied to probationer supervision costs.

Individualized community supervision is a best practice that could be enhanced through local participation. Conditions of probationers are ordered by the district court judges that generally conform to county borders. Shared responsibility ensures local communities are vested in the success of probationers. Other states – Arizona, Nebraska, and Colorado - share costs with counties. Community supervision programs and services could benefit from a cost-sharing formula. Unsuccessful community supervision efforts have a fiscal impact on counties, which incur an estimated incarceration cost of \$28 million for probationers awaiting revocation hearings. Modest reductions in probation revocations derived from engaged interest at the county level would result in savings to the county.

Appendix A..... page 17
Scope and Methodology, Background, Acknowledgments

INTRODUCTION

At the direction of the Executive Branch Audit Committee, the Division of Internal Audits conducted an audit of the Nevada Department of Public Safety (DPS), Division of Parole and Probation (NPP). Our audit focused on NPP's current cost-sharing formula for probationers' supervision. The audit's scope and methodology, background, and acknowledgements are included in Appendix A.

Our audit objective was to develop recommendations to:

- ✓ Enhance programs and services for probationers under community supervision.

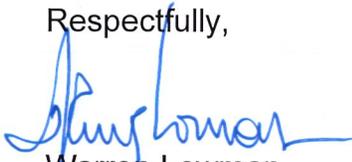
Division of Parole and Probation Response and Implementation Plan

We provided draft copies of this report to DPS/NPP for review and comment. NPP's comments have been considered in the preparation of this report. In its review, NPP accepted our recommendation; however, believed an overarching policy decision would increase the likelihood of successful implementation.

The Administrator of the Division of Internal Audits seeks input from the Governor and the Advisory Commission on the Administration of Justice regarding the merits of the recommendation contained herein and, if in agreement, guidance on a viable path forward. The sole recommendation of this audit report would require legislative action and input from NPP, counties, and potentially district courts for successful implementation.

The following report (DIA Report No. 20-09) contains our *findings, conclusions, and recommendation*.

Respectfully,



Warren Lowman
Administrator

Enhance Programs and Services for Probationers Under Community Supervision

The Nevada Department of Public Safety (DPS), Division of Parole and Probation (NPP) can enhance programs and services for those under community supervision by:

- Developing a cost-sharing formula with counties for supervision costs of probationers.

Developing a cost-sharing formula with counties for supervision costs of probationers could benefit the state by reducing NPP's reliance on General Fund appropriations between \$515,000 and \$6.4 million, and potentially reducing the probationer revocation rate through active community-based involvement.

DIA Audit 20-06 noted several recommendations to NPP:

1. Revise definition of Parole and Probation's Definition of Recidivism.
2. Develop additional performance measures for programs and services.
3. Adopt internal controls for offender data.
4. Allocate resources to other successful programs and services.

Consistent with the Governor's goal to promote the health and safety of all Nevadans, this recommendation aimed to improve services for offenders under supervision and increase public safety. The audit report noted that Nevada's probationers, on average, have a higher revocation rate, 39%, than parolees, 21%. NPP's database was not capable of identifying the cause of this discrepancy, but its new records management system will address these limitations.

The Justice Reinvestment Initiative (JRI) is a partnership between the states and the Bureau of Justice Assistance and the Pew Charitable Trusts aimed at increasing public safety. The JRI is a "data-driven approach to criminal justice reform to generate cost savings that can be reinvested in high-performing public safety strategies," is a trend throughout the country for cost-savings measures to enhance public safety and manage correctional populations, including probation revocations¹ Some of these measures include sentencing policies and practices, the expansion of problem-solving courts (e.g. courts focused on those with substance abuse or mental health disorders), and intermediate and graduated sanctions for probation violators.

As a participant in The Justice Reinvestment Initiative, the Nevada Advisory Commission on the Administration of Justice (ACAJ) conducted a study that resulted in 25 policy recommendations designed to improve public safety, reduce

¹ "The Justice Reinvestment Initiative Experiences from the States." The Urban Institute. July 2013.

recidivism, and increase resources available to offenders with behavioral health needs. These recommendations were included in AB 236 in the 2019 Legislative Session and codified in NRS 176. The purpose of the study was to use “...criminological research and [Nevada’s] own criminal justice data to inform and motivate the development of comprehensive crime and recidivism-reduction strategies, while shifting resources towards more cost-effective public safety strategies.”²

Sharing probationer supervision cost with counties could provide an incentive for counties to participate in the success of its supervised offenders. With incentive, counties would be more likely to coordinate local resources beneficial to the supervised population in their respective jurisdictions. Counties incur an estimated cost of \$28 million during the average probationer’s term for incarceration of probationers awaiting revocation hearings. Even a modest 10% reduction in revocations would directly benefit counties \$2.8 million in reduced incarceration costs.

Develop a Cost-Sharing Formula with Counties for Supervision of Probationers

NPP should develop a cost-sharing formula with counties for supervision costs of probationers. Developing a cost-sharing model with counties will reduce NPP’s reliance on the General Fund, incentivize counties to share in the success of probationers from their jurisdictions by investing in community supervision for successful reintegration into the community, and theoretically reduce the probationer revocation rate. Consequently, a reduction in the probationer revocation rate would reduce costs to the counties, because of probationers sitting in county jails awaiting a revocation hearing. Currently, the state bears the full fiscal burden of supervision of probationers. Although the Legislature has not addressed cost-sharing for supervision, it mandated counties reimburse NPP for 70% of presentence investigations (PSI).

The two distinct populations that comprise community supervision for NPP are parolees and probationers. Probationers, on average, comprise 69.7% of the community supervision population. See Exhibit I for a breakdown of NPP supervisory populations and a percentage of probationers for the entire community supervision population.

² Nevada Advisory Commission on the Administration of Justice. “Justice Reinvestment Initiative-Final Report.” January 2019.

Exhibit I

NPP Community Supervision Population

Calendar Year ^a	Total Parolees	Total Probationers	Total	Percentage of Probationers
2014	5,806	12,301	18,107	67.9%
2015	4,395	12,672	17,067	74.3%
2016	5,675	12,798	18,473	69.3%
2017	5,438	13,125	18,563	70.7%
2018	6,901	13,524	20,425	66.2%
Average		12,884	18,527	69.7%

Source: NPP Office of the Chief Annual Reports and DIA analysis.

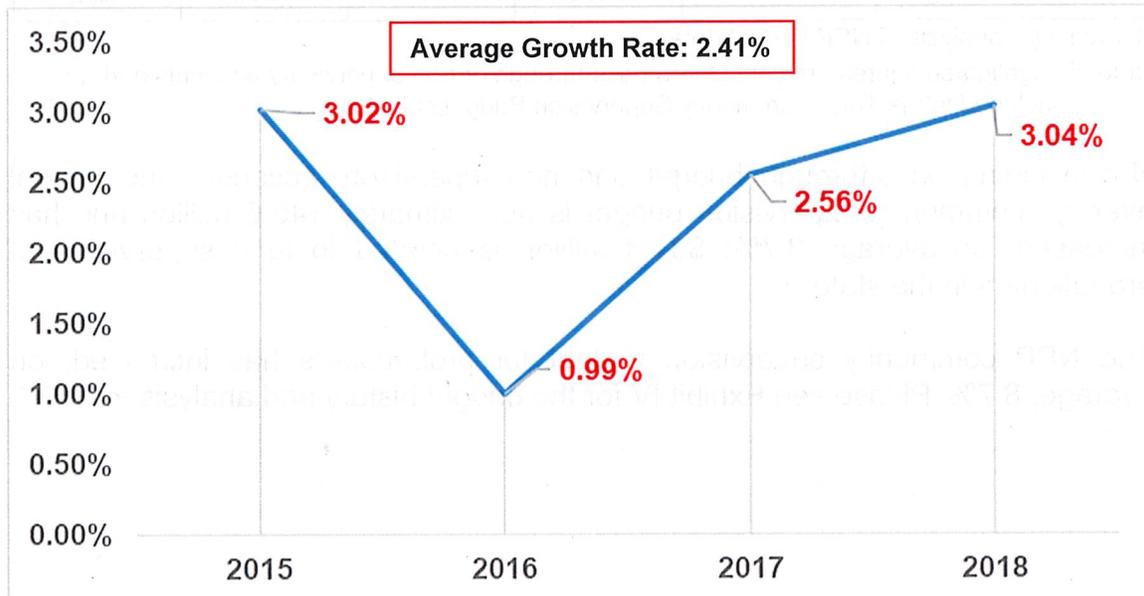
Note: ^a Calendar Year 2019 community supervision population was not available.

Probationer Population is Growing

The probationer population is growing. Since 2014, the probationer population has, on average, increased 2.4% per calendar year. See Exhibit II for the probationer growth rates.

Exhibit II

NPP Probationer Growth Rates



Source: DIA analysis of NPP probationer data.

The increasing probationer population in the state increases costs for supervising probationers. See Exhibit III for NPP’s community supervision budget for fiscal years 2015 through 2019.

Exhibit III

NPP Community Supervision Budget

Fund Codes	FY2015	FY2016	FY2017	FY2018	FY2019
2501 General Fund	\$ 34,734,456	\$ 38,424,656	\$ 41,233,973	\$ 48,231,624	\$ 49,361,452
3701 Psychosexual Evaluations ^a	\$ 67,280	\$ 62,753	\$ 48,270	\$ 50,642	\$ 53,555
3702 Residential Confinement Fees	\$ 2,117	\$ 729	\$ 607	\$ 572	\$ 375
3802 Client Charge (Supervision Fees)	\$ 3,048,941	\$ 3,088,269	\$ 3,100,322	\$ 3,147,982	\$ 2,829,579
4103 County Reimbursements ^a	\$ 4,017,313	\$ 4,400,949	\$ 4,703,665	\$ 5,290,222	\$ 5,695,901
4203 Prior Year Funds	\$ 4,806	\$ -	\$ -	\$ -	\$ -
4211 HIDTA Reimbursement	\$ -	\$ -	\$ 9,772	\$ -	\$ -
4213 US Marshall Service Reimbursement	\$ 19,949	\$ 51,196	\$ 56,338	\$ 77,772	\$ 7,541
4254 Miscellaneous Revenues	\$ 805	\$ 175	\$ 4,149	\$ 335	\$ 155
4284 Individual Support Fees ^a	\$ 43,350	\$ 35,622	\$ 31,706	\$ 38,252	\$ 34,727
4355 Extradition ^a	\$ 9,642	\$ 4,863	\$ 7,181	\$ 10,937	\$ 3,514
4654 Trans. From Interim Financne	\$ -	\$ -	\$ -	\$ -	\$ 457,308
4757 Trans from DPS Crim Justice Asst.	\$ 76,441	\$ 48,028	\$ 56,255	\$ 12,482	\$ 29,390
Total Community Supervision Budget	\$ 37,887,515	\$ 41,613,052	\$ 44,461,415	\$ 51,470,767	\$ 52,685,799
Percentage Change	X	9.83%	6.84%	15.77%	2.36%

Source: DIA analysis of NPP budget data.

Note: ^a Highlighted figures are considered pass-through or non-supervisory accounts and not included in the Total Community Supervision Budget calculations.

Not including pass-through budget and non-supervisory accounts, the annual average community supervision budget is approximately \$45.6 million and has increased, on average 8.7%; \$31.8 million is needed to fund supervision of probationers in the state^{3,4}

The NPP community supervision budget for probationers has increased, on average, 8.7%. Please see Exhibit IV for the budget history and analysis for NPP.

³ Exhibit IV Calculations: Average Total Community Supervision Budget figures averaged to \$45,623,710; Percentage Change figures averaged to 8.7%.

⁴ Probationer portion calculated by taking Average Total Community Supervision Budget X 69.7% = \$45,623,710 X 69.7% = 31,790,601.

Exhibit IV

NPP Budget History and Analysis

Fiscal Year	Total Community Supervision Budget (a)	Probationer Proportion of Community Supervision Budget Column (a) X 69.7%	Budget Change	Percentage Change
2015	\$ 37,887,515	\$ 26,400,020	X	X
2016	\$ 41,613,052	\$ 28,995,975	\$ 2,595,954	9.83%
2017	\$ 44,461,415	\$ 30,980,714	\$ 1,984,739	6.84%
2018	\$ 51,470,767	\$ 35,864,830	\$ 4,884,116	15.77%
2019	\$ 52,685,799	\$ 36,711,465	\$ 846,635	2.36%
Average	\$ 45,623,710	\$ 31,790,601	\$ 2,577,861	8.70%

Source: DIA analysis of NPP budget data.

The growing population of probationers in the state, increasing costs of community supervision, and no county contributions for community supervision, have increased NPP’s probationer community supervision fiscal burden by an average of \$2.6 million annually.

Counties Reimburse NPP for Most PSI Costs

The counties reimburse NPP for 70% of the actual PSI costs; however, they do not share the supervision costs of probationers. On average, NPP incurs annual PSI costs of approximately \$6.9 million and is reimbursed \$4.8 million by counties. The remaining balance of \$2.1 million is paid with General Fund appropriations.⁵ The county PSI reimbursements are considered pass through funds and are not accounted for in the total community supervision budget. This equates to an average of 10% of the total community supervision costs for probationers. See Exhibit V for a comparison of PSI reimbursements received from the counties to the total community supervision budget.

⁵ Total County Reimbursements (70%) = \$4,821,609; Costs to NPP (30%) = \$2,066,404; Total PSI Costs: \$4,821,609 + 2,066,404 = \$6,888,014.

Exhibit V

PSI Reimbursements

Fiscal Year	County Reimbursements	Percentage of Total Budget
2015	\$ 4,017,313	X
2016	\$ 4,400,949	10%
2017	\$ 4,703,665	7%
2018	\$ 5,290,222	12%
2019	\$ 5,695,901	8%
Average	\$ 4,821,610	10%

Source: DIA analysis of PSI reimbursements.

Nevada Counties Do Not Share Probationer Supervision Costs

Probationers are sentenced by Judicial District Court judges to supervised probation as an alternative to incarceration. There are 11 Judicial Districts, seven of which conform to county borders. Four Judicial Districts are shared with two or more jurisdictions. Probationers are released to the supervision of NPP, which bears all related costs, approximately \$31.8 million annually. Additionally, unsuccessful probationers negatively impact public safety.

Statute Requires Counties to Share PSI Costs

During the 2011 session, the Legislature approved and codified SB443 in NRS 176 - Judgment and Execution, which requires counties to pay 70% of PSI costs quarterly to NPP.⁶ Counties and the Nevada Association of Counties strongly opposed this bill because of the fiscal burden. Counties asserted probation is a function of the state and should be paid by the state. The Legislature considered a range of costs incurred by NPP that counties would be responsible for: 100%, 70%, and 20%.

The Legislature's Intent Could Also Be Applied to Supervision Costs

The Legislature's intent for PSIs could be applied to a cost-sharing formula for supervision costs of probationers. A range of potential cost-sharing formulas could be established based on the current cost allocation structure and PSI reimbursement options considered in the 2011 legislative session. Conservatively, the focus of the cost-sharing formula was on the low-end, 20%, of the portions considered by the Legislature. Exhibit VI shows county cost allocation ranges

⁶ NRS 176.161: Portion of certain presentence or general investigations and reports to be paid by county in which indictment found or information filed.

based on 20% of the increase in NPP's supervision budget on the low end and 20% of total probationer supervision costs on the high end.

Exhibit VI

County Cost Allocation Ranges

Judicial District	County	Probationer Percentage by County	20% of Probation Supervision Budget Increases Allocated to Counties	20% of Total Probation Supervision Budget Allocated to Counties
1st Judicial District	Carson City	3.10%	\$ 15,966	\$ 196,948
	Storey	0.08%	\$ 390	\$ 4,808
2nd Judicial District	Washoe	15.73%	\$ 81,108	\$ 1,000,521
3rd Judicial District	Lyon	2.47%	\$ 12,739	\$ 157,148
4th Judicial District	Elko	3.79%	\$ 19,526	\$ 240,870
	Esmeralda	0.02%	\$ 111	\$ 1,374
5th Judicial District	Nye	4.05%	\$ 20,861	\$ 257,336
	Humboldt	0.74%	\$ 3,838	\$ 47,350
7th Judicial District	Eureka	0.05%	\$ 278	\$ 3,434
	Lincoln	0.30%	\$ 1,558	\$ 19,220
	White Pine	0.99%	\$ 5,118	\$ 63,135
8th Judicial District	Clark	64.13%	\$ 330,661	\$ 4,078,932
9th Judicial District	Douglas	1.29%	\$ 6,676	\$ 82,349
10th Judicial District	Churchill	1.87%	\$ 9,624	\$ 118,721
11th Judicial District	Pershing	0.54%	\$ 2,782	\$ 34,312
	Lander	0.36%	\$ 1,836	\$ 22,648
	Mineral	0.49%	\$ 2,504	\$ 30,884
Total		100.00%	\$ 515,576	\$ 6,359,990

Source: DIA analysis of PSI reimbursements and NPP budget and probationers by county data.

The range for a potential cost-sharing formula with counties is between \$515,000 and \$6.4 million. This cost allocation formula would incentivize counties to invest in community supervision of probationers for successful community reintegration by increasing local resources available to offenders. Investing in community supervision could decrease the number of revocations and costs associated with placing probationers in county jails and increase public safety overall.

NPP Must Consider Other Factors
In Determining Cost Allocation Formula

A probation supervision cost-allocation formula cannot not be developed from only cost-percentage calculations. Other factors to consider include:

- Establishing a defined calculation for costs of supervision for probationers, which is not currently quantified by NPP;

- Defining use of supervision fees paid by the probationer not currently considered in the context of a cost-sharing formula;
- Ensuring restrictions related to restitution are earmarked in the cost-sharing formula. This may require input from the Attorney General if this is possible; and
- Consulting with counties on potential fiscal impacts to county budgets.

Individualized Community Supervision is a Best Practice

Research has shown individualized community supervision is a best practice for successful community reintegration. Individualized community supervision leverages available local resources to support revocation reduction efforts.⁷

NPP serves probationers in two regional areas (Northern Command and Southern Command). There are nine NPP offices located throughout the state. See Exhibit VII for a summary of some resources available to all offenders under supervision in each of the 17 counties in the state.

Exhibit VII

Resources Available to Offenders Under Supervision

	Day Reporting Centers	Substance Abuse Prevention and Treatment	Mental Health/Development	Family and Parenting	Sex Offender Treatment
Carson City		X	X		
Churchill County		X	X		
Clark County	X	X	X	X	X
Douglas County		X	X		
Elko County		X	X		
Esmeralda County					
Eureka County					
Humboldt County		X	X		
Lander County		X	X		
Lincoln County		X	X		
Lyon County		X	X		
Mineral County		X	X		
Nye County			X		
Pershing County		X	X		
Storey County		X			
Washoe County	X	X	X	X	X
White Pine County		X	X		

Source: United States Probation Office, District of Nevada.

⁷ Staton-Tindall, et-al. "Factors Associated with Recidivism among Correction-Based Treatment Participants in Rural and Urban Areas." Journal of Substance Abuse Treatment. March 2015.

In the two largest counties, Clark and Washoe, resources for those under community supervision are more accessible. Resources are not available in Esmeralda and Eureka counties and offenders must travel to another county. Research concludes there are many factors in community supervision outcomes; individualization of community supervision was a key component to success.⁸ Counties may be better positioned to help support individualized supervision to offenders in their respective counties.

Conditions of Probation are Ordered by the District Court Judges

Currently, the District Court judge orders the offender's conditions of probation and the offender is then supervised by NPP. NPP is tasked in implementing the conditions of probation for each offender under its supervision. This lack of flexibility makes it difficult to have an individualized community supervision plan because NPP can only enforce what the District Court judge has stated. If there is a condition of probation that cannot be met, NPP must go back before the District Court Judge to change the condition of probation or recommend revocation. If there is a service that is difficult or not readily available, NPP must find resources to fulfill their probation conditions or face revocation.

The responsibility of success for probationers lies with NPP. There appears to be no consequences to the counties for unsuccessful probationers. If the counties were incentivized for the success of their probationers, perhaps conditions of probation could be tailored and individualized to more readily available resources at the county-level.

Shared Responsibility Ensures Local Communities Are Vested in the Success of Probationers

A study done by the Nevada Advisory Commission on the Administration of Justice (ACAJ) states community supervision strategies should include:⁹

- Identifying and focusing resources on higher risk offenders;
- Using swift, certain, and proportionate responses;
- Incorporating rewards and incentives;
- Frontloading resources in the first weeks and months; and
- Integrating treatment into supervision, rather than relying on surveillance alone.

Each of the strategies found in the ACAJ study could be coordinated between NPP and counties with each county having a vested interest in probationers from their

⁸ Staton-Tindall, et-al. "Factors Associated with Recidivism among Correction-Based Treatment Participants in Rural and Urban Areas." Journal of Substance Abuse Treatment. March 2015.

⁹ Nevada Advisory Commission on the Administration of Justice. "Justice Reinvestment Initiative-Final Report." January 2019.

communities. Sharing fiscal responsibility for the supervision of probationers will incentivize counties to resource programs that have better outcomes for probationers.

Other States Adapted Cost Sharing Models

Other states have adapted community supervision models to meet their unique supervision conditions. We surveyed other states that have probation as a function of district court/county levels to determine their cost allocation for supervision of probationers.¹⁰ NPP could look to other states for potential cost-sharing formulas. Each of the states surveyed had varying cost allocation formulas.

Arizona Varies in County-Funded Probationer Supervision Costs

Arizona divides community supervision. Parole is administered at the Arizona Department of Corrections and probation is administered at the county level. Counties fund about 60% of supervision costs for probationers. Counties retain Probation Services Fees for community supervision. The largest county, Maricopa County, is responsible for approximately 72% of its supervision costs for probationers.

Nebraska Counties Share Costs with the State

Nebraska divides community supervision. Parole is administered by the Nebraska Department of Corrections and probation is administered at the county level. The statutory formula requires the amount each of the 93 counties pay for costs of supervision for probationers. However, there are counties that charge the state for additional costs, such as rent in county-owned buildings.

Colorado Counties Share Costs with the State

Colorado divides community supervision. Parole is administered by the Colorado Department of Corrections and probation is administered at the county level. The state assumes responsibility for funding the court and probation supervision costs. A probation department is located within each of the 22 judicial districts and the counties provide office space for state probation services.

¹⁰ Arizona, Nebraska, and Colorado.

Community Supervision Programs and Services Could Benefit from a Cost-Sharing Formula

Community supervision programs and services could benefit from a cost-sharing formula by leveraging additional funds to enhance existing practices. Appropriate allocation of resources would ensure total community supervision costs are more equitably shared between NPP and counties. NPP could better serve the needs of those under community supervision by using cost savings to:

- Implement a mobile supervision program to improve data collection and analysis;
- Increase funding for re-entry programs and services, such as expanding Indigent Funding to include probationers; and
- Provide in-house counseling services for offenders.

Cost savings could reduce the state's portion of probationer supervision costs or be used for hiring additional officers to manage caseloads. Hiring additional officers would increase the individualization of community supervision and potentially reduce the revocation rate in the state. DIA Audit Report No. 20-06 noted the importance of reducing revocations. Caseload management will be analyzed in a subsequent audit.

Counties Could Show Savings with Vested Interest in Success of Probationers

Counties benefit when probationers avoid revocation. DIA Audit 20-06 noted community supervision is a cost-effective alternative to incarceration. The average daily county jail cost for an incarcerated offender is approximately \$84 versus \$3 per day for NPP supervision costs. County jail costs for probation violators awaiting sentencing are borne by the county. This cost could be reduced with the counties having a vested interest in the supervision of the probationers. Research has shown that "many correctional interventions are effective in reducing recidivism...it is evident that many programs can produce favorable long-term financial benefits to both taxpayers and crime victims."¹¹

Unsuccessful Community Supervision Efforts Have a Fiscal Impact on Counties

Even though the state has full fiscal responsibility for probationer supervision, there is a trickledown effect to counties for unsuccessful community supervision efforts.

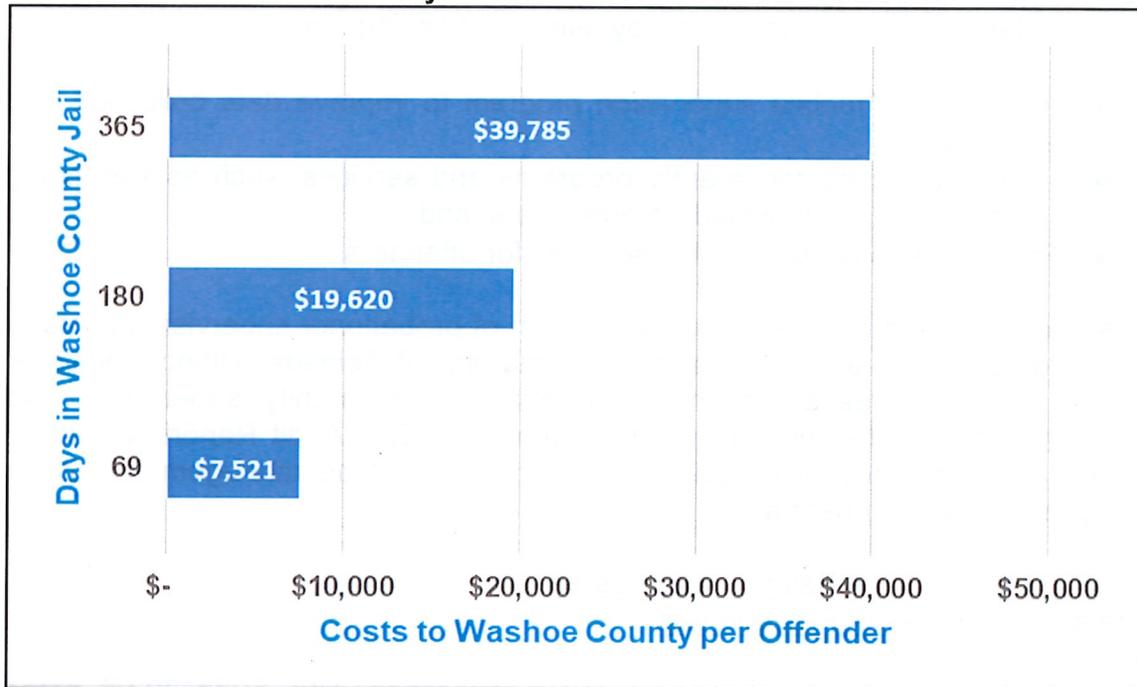
The ACAJ study found that offenders in Washoe County waited in jail, on average, 2.3 months with a pending probation revocation. Approximately 27% of offenders who had their probation revoked in Washoe County waited more than six months

¹¹ Drake, Elizabeth. "The Monetary Benefits and Costs of Community Supervision." Journal of Contemporary Criminal Justice. 2018.

in jail, and approximately 11% waited more than one year.¹² This resulted in an average annual cost to Washoe County between \$7,500 and \$39,800 for each probationer pending revocation. See Exhibit VIII for the costs to Washoe County having one probationer waiting on a pending probation revocation hearing.

Exhibit VIII

Washoe County Costs for Probation Revocations^a



Source: DIA analysis and ACAJ study.

Note: ^a The average daily cost for an offender in Washoe County jail was \$109.

Probationer waiting time data was not readily available for all counties. Currently, neither the counties nor NPP tracks this type of data. There are limiting factors to collecting this probationer data in the state: limitations of NPP’s current records management system; delays in scheduling law and motion hearings in certain counties; and, the passage of AB236 in the 2019 session, which sets time limitations on when a probationer goes before a judge for a pending revocation hearing - if the 15 day timeframe is not met, the offender is released back to the custody of NPP.

Assuming the same wait times as those reported by Washoe County, the estimated incarceration cost to counties for probationers awaiting sentencing is \$27.8 million over the average probationer’s term.¹³ See Exhibit IX for the

¹² Nevada Advisory Commission on the Administration of Justice. “Justice Reinvestment Initiative-Final Report.” January 2019.

¹³ 12,884 (average probationers) x 38.6% (average revocation rate) = 4,973 revocations x \$5,589 [(\$81 (\$84 average incarceration costs - \$3 supervision cost/day) x 69 days (average days awaiting sentencing))] = \$27,795,349 / 2.6 years (average probationer’s term) = \$10,690,518 annually.

estimated costs incurred by counties for probationers awaiting revocation hearings.

Exhibit IX

**County Costs Incurred for Probationers
Awaiting Revocation Hearings**

Judicial District	County	Probationer Percentage by County	Incarceration Cost of Probationers Awaiting Revocation Hearings
1st Judicial District	Carson City	3.10%	\$ 860,739
	Storey	0.08%	\$ 21,013
2nd Judicial District	Washoe	15.73%	\$ 4,372,653
3rd Judicial District	Lyon	2.47%	\$ 686,795
4th Judicial District	Elko	3.79%	\$ 1,052,693
	Esmeralda	0.02%	\$ 6,004
5th Judicial District	Nye	4.05%	\$ 1,124,655
	Humboldt	0.74%	\$ 206,936
6th Judicial District	Eureka	0.05%	\$ 15,009
	Lincoln	0.30%	\$ 83,998
	White Pine	0.99%	\$ 275,924
7th Judicial District	Clark	64.13%	\$ 17,826,464
8th Judicial District	Douglas	1.29%	\$ 359,894
9th Judicial District	Churchill	1.87%	\$ 518,856
10th Judicial District	Pershing	0.54%	\$ 149,956
	Lander	0.36%	\$ 98,979
	Mineral	0.49%	\$ 134,974
Total		100.00%	\$ 27,795,349

Source: DIA analysis of county incarceration costs for probationers awaiting revocation hearings.

To the extent a cost-sharing model motivates county resources to participate in reducing probationer revocations, these savings would accrue to the counties. Even a modest ten percent reduction in probation revocations would yield an estimated savings of \$2.8 million to the counties.

Conclusion

There should be a cost-sharing formula with counties for supervision costs for probationers. Developing a cost-sharing formula could reduce the state's General Fund appropriation to NPP by \$515,000 to \$6.4 million annually, reduce probationer recidivism rate, and equitably share supervision costs of probationers with counties. Currently, the state bears the full fiscal burden of the supervision costs of probationers. Probationers comprise, on average, 69.7% of NPP's community supervision population. This population has shown an average growth rate of 2.4% per calendar year. In addition to an increasing probationer population and associated supervision costs, NPP's community supervision budget increased approximately \$2.6 million (8.7%) annually over the past several fiscal years. There is a trickledown effect for unsuccessful community supervision efforts that has a fiscal impact of \$27.8 million to counties during the average probationer's term. Even with a modest 10% reduction of probation revocations gained from increased participation at the county level, counties could benefit an estimated \$2.8 million.

Recommendation

1. Develop a cost-sharing formula with counties for supervision costs for probationers.

Exhibit X

Summary of Audit Benefits

	Recommendation	Benefit
1	Develop a Cost-Sharing Formula with Counties for Probationers.	\$515,000 – \$6,400,000
	Benefit to the State	\$515,000 - \$6,400,000
	Develop a Cost-Sharing Formula with Counties for Probationers.	\$2,800,000
	Benefit to Counties	\$2,800,000
	Total estimated benefit to the State:	\$515,000 – \$9,200,000

Appendix A

Scope and Methodology, Background, Acknowledgements

Scope and Methodology

We began the audit in March 2020. In the course of our work, we interviewed management and staff and discussed processes inherent to the supervision of offenders. We visited several Department of Public Safety, Parole & Probation (NPP) field offices and Nevada Department of Correction's (NDOC) correctional facilities. We accompanied Parole and Probation Officers during their normal course of business (e.g. parolee and probationer check-ins and home visits). We reviewed NPP's records, policies and procedures, and researched scientific journals, professional publications, Nevada Revised Statutes (NRS), Nevada Administrative Code (NAC), Legislative Committee studies and reports, as well as other state and federal guidelines. Additionally, we reviewed applicable federal and independent reports and audits. We concluded fieldwork in May 2020.

We conducted our audit in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

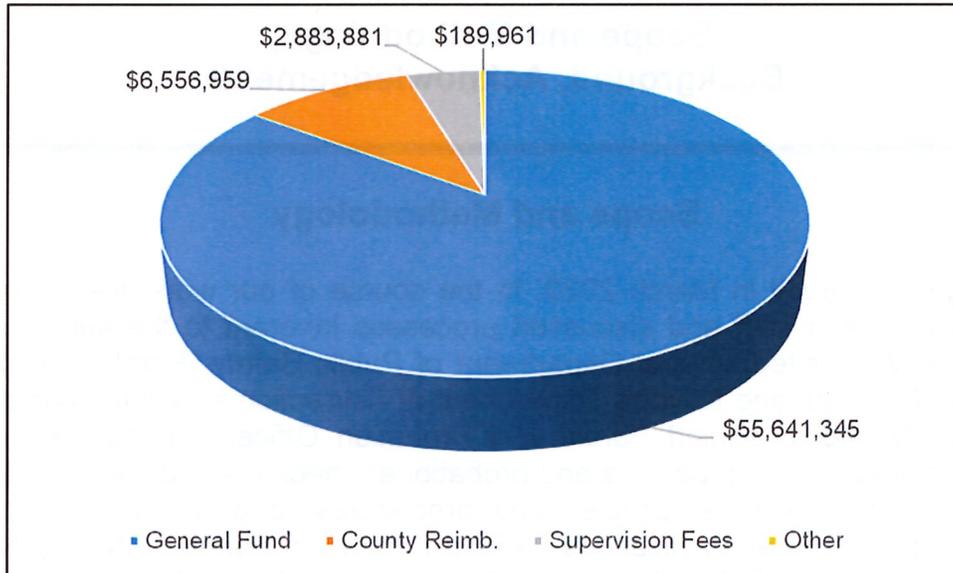
Background

The Division of Parole and Probation is one of nine divisions and four offices under the Department of Public Safety. It is the philosophy and practice of this Division that each offender is responsible for his or her behavior and for the choices they make each day. There are units in the Division that are tasked with the supervision of sex offenders, house arrest offenders, hardcore gang members, mandatory release parolees, drug court and mental health court, interstate compact offenders as well as general supervision offenders. The Division also has a training component dedicated to the training and professional growth of new officers through the use of field training officers.

Parole and Probation's revenues for fiscal year 2020 are approximately \$65 million, with 600 full-time equivalent employees legislatively approved. See Exhibit XI for the Division of Parole and Probation's fiscal year 2020 revenue sources.

Exhibit XI

2020 Division of Parole and Probation Revenue Sources



Source: Nevada Legislative Counsel Bureau, Budget Account Detail.

Acknowledgments

We express appreciation to the Department of Public Safety, Division of Parole and Probation management and staff, Department of Corrections management and staff, and Governor’s Office of Finance, Budget Division staff for their cooperation and assistance throughout the audit.

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