A state audit cast some doubts on the cost-effectiveness of Nevada’s new Day Reporting Centers, which offer a higher level of supervision, life skills classes and other resources to people on parole or probation. The audit, discussed Wednesday at the Executive Branch Audit Committee that includes Gov. Steve Sisolak, Attorney General Aaron Ford and others, found that the state is paying a flat rate of nearly $769,000 a year for the physical centers in Reno and Las Vegas but is about 12 percent below capacity on average. The result is a “windfall” for the contractor of about $94,000 a year that, if used instead to pay rent for recently released inmates, could help the state save more than $450,000, auditors concluded. “DRCs are a high cost program serving a small percentage of offenders at an additional cost to community supervision,” auditors wrote. “Allocating resources to other successful programs and services optimizes limited funds for reintegration efforts to maximize outcomes.” Auditors looked more kindly on “indigent funding,” a pot of money that subsidizes rent for people recently released from prison. Nevada has struggled to get inmates back into the community as soon as they’re eligible because the inmates have nowhere to go; offenders stay in prison an average of 93 days more than they otherwise would because they lack appropriate housing, the report said. A $433,000 investment in indigent funding in 2018 yielded a cost savings of $6.2 million, mostly because the state did not have to pay to keep parole-eligible people in prison, the audit noted. The Division of Parole and Probation pushed back on the conclusions in an extensive written response, questioning the math that auditors used and positing that inmates were double counted when estimating the cost savings. The division says that auditors overstated the cost of inmates staying in prison beyond their parole dates by about 43 percent. The division also said that the overall concept of DRCs has “been so impactful” that Georgia’s use of the centers was recognized within the audit itself. And they said that in many cases, people using the services of the DRC would otherwise have been incarcerated at taxpayer expense. “Considering the purposes of the Indigent Funding budget and the Daily [sic] Reporting Center program, both were successful and represent a reduction in state incarceration costs,” Parole and Probation Chief Anne Carpenter wrote in a response to the audit. “As such, both remain worthy of continued funding and utilization by the Division.” Centers in Reno and Las Vegas, which were authorized by legislators in 2017 and opened in late 2017 and early 2018, were recently in the spotlight because the state approved a new vendor to run them. Previously operated by Sentinel — a company best known for parolee GPS monitoring equipment — the state’s Board of Examiners earlier this month awarded a two-year contract to GEO Reentry. GEO Group, the umbrella company, is best known for operating for-profit prisons and has attracted scrutiny for conditions in the detention centers it operates for Immigration and Customs Enforcement (ICE). More globally, critics have said that the profit motive in having private companies offer DRC services creates an incentive to supervise more parolees more intensively than is beneficial. Before the Board of Examiners awarded the DRC contract earlier this month, Sisolak asked if the centers would direct any state resources to ICE detention. Parole officials said that the centers would not have any connection to ICE detention and emphasized that DRCs are not live-in facilities but rather drop-in centers. On Wednesday, Ford asked how the division would be addressing underutilization of the centers. “We just had a meeting yesterday and the day before with the new vendor, and we’ve already discussed metrics, we’ve discussed how we will utilize it better and more efficiently, so those talks are already underway,” Carpenter responded. The audit also raised other general criticisms of the Day Reporting Centers, saying they “show low performance.” Of the 4,536 people who had participated in DRC activities at the time of the audit, only 113, or less than 3 percent, had “graduated” the program. Auditors also said that 164 of the participants had found employment, but none had achieved a GED or obtained housing through the DRC. The audit said the weekday-only schedule of the DRC, and the fact that staff are not licensed practitioners of any kind, are limitations of the centers. “Although
DRCs are becoming a popular alternative to incarceration for those under community supervision, there is conflicting research on the overall effectiveness of DRCs,” the report said. It noted that a February 2019 research brief from UNLV found that DRC participants were more successful than those in the control group but “acknowledged a long-term study is necessary to show the impact of DRCs on reducing recidivism.” Sisolak, too, called for more study of the centers. The audit division promised a follow up on the DRCs in a year. “I just want to emphasize … how important it is to have accurate information and make sure that we’re utilizing to the full potential those services, and then tracking any data points that we’re concerned about,” Sisolak said, pointing out that he had called for the new contract to be halved before it was approved earlier this month. “That’s why we reduced it from a four-year contract out to two — to decide if it’s worth keeping moving forward.”