

Select Cost Estimates for Activities Resulting from New Jersey Criminal Justice Reform

Darius Irani, Ph.D., Chief Economist
Zachary Jones, Associate

08/09/2016



TOWSON UNIVERSITYTM
Regional Economic Studies Institute

Towson, Maryland 21252 | 410-704-3326 | www.towson.edu/resi

1.0 Executive Summary

1.1 County Costs

As a follow up on work done previously in New Jersey relating to economic analysis of criminal justice reforms, the Regional Economic Studies Institute (RESI) of Towson University has estimated the costs induced on the county governments of New Jersey as a result of the New Jersey Criminal Justice Reform (NJCRJ). The costs were estimated for three categories of county level criminal and judicial activities that will be affected by the reform. These three categories include prosecutor staffing, sheriff staffing, and facility improvements.

The analysis was conducted using preliminary cost projections by pilot and non-pilot counties as reported in the *Criminal Justice Reform County Impact Statement 2016*, in conjunction with arrest data provided within the *Uniform Crime Report: State of New Jersey 2014*. Based on this data, RESI estimates that:

- Total county costs for the first year of implementation of NJCRJ will amount to \$65,971,395.
- Subsequent years will incur an estimated cost of \$27,496,427 per year.
- Implementation will result in 404 additional staff at the county level.

Using estimates from a previous RESI analysis of state government costs in combination with the new county level estimates resulted in:

- State and county government estimated operating costs totaling to \$445,560,994.
- Adding estimated state level indirect costs to the total state and county operating costs results in a total yearly cost of \$510,630,315.

The county level estimates were calculated using only the available data from reporting counties and does not include any sources of secondary costs that may be associated with both staff and facility additions. These costs include but are not limited to:

- Ongoing costs such as maintenance and upkeep, depreciation, and utility costs.
- Secondary staff costs such as benefits and pensions, employee turnover, and training costs.
- The necessary county level support staff for new positions were not part of the cost estimate.

The county level costs estimates do not include other expenses that may be imposed upon the counties and include but are not limited to

- Additional costs imposed upon local police departments,
- Loss of forfeited bail bond revenue,
- Increased logistical demands arising from increased transport and detention hearing needs, and
- Costs that may result from potential increases in failure to appear and recidivism.

- Costs to the state government associated with the implementation of the NJCJR

We would conclude that our analysis only represents portion of the costs that the counties could be forced to bear when this bill is fully implemented. We conservatively estimate that the costs not calculated are about 60% to 80% of our estimated costs.

1.2 State and County Costs

Using the finding from RESI's previous study, *Estimating the Cost of the Proposed New Jersey Pretrial Service Unit and the Accompanying Legislation*, an operating cost estimate for both the state and select county costs could be calculated.¹

- The previous study found that the yearly operating cost to the state government came to \$379,589,599.
- Adding this to the select county costs results in a total operating cost for both state and county governments of \$445,560,994

Additionally the previous study estimated indirect costs of the NJCJR, which included the costs of changing court procedures, adding public defender, and costs of failure to appear and recidivism.

- These indirect costs totaled to \$65,069,321
- Adding indirect costs to the total state and county operating costs results in a total yearly cost of \$510,630,315.

¹ Regional Economic Studies Institute, Towson University, "Estimating the Cost of the Proposed New Jersey Pretrial Service Unit and the Accompanying Legislation," 2014.

2.0 Previous Findings

The scope of this study focuses solely on costs that may be incurred on the county level. However, RESI conducted a study in 2014, *Estimating the Cost of the Proposed New Jersey Pretrial Service Unit and the Accompanying Legislation*, that enumerated the potential costs of NJCJR at the state level. A summary of those findings can be found below.

2.1 Summary

Through the use of current pretrial service statistics, RESI enumerated the potential cost to the state of New Jersey based on three separate categories, as described below.

- **Start-up costs** consist of the spending necessary to launch the NJPSA. These costs include the hiring and training of staff, the purchasing of equipment, and the furnishing of the workspace required.
- **Operating costs** were those incurred through the year-to-year functioning of the NJPSU. These costs included employee expenses, software licenses, facilities and upkeep, and programming provisions.
- **Indirect costs** quantify the potential expenses that would be incurred by the State as a result of the change in judicial practices as the bills mandate or as a result of actions by the NJPSU. These costs were collected from additional public defender and courtroom usage, and the failure to appear (FTA) and recidivism of released defendants. FTA and recidivism cost money to the state through rearrest costs and damages to the community. These costs can increase if levels pretrial misconduct are not properly managed through supervision and programming.

The estimated costs for the implementation of the NJCJR for the about three categories can be found in **Table 1: Cost Estimates by Expense Category**.

Table 2: Cost Estimates by Expense Category

Expense	Cost Estimate
Start-Up Costs	\$16,591,360
Operating Costs	\$379,589,599
Indirect Costs	\$65,069,321

Source: RESI

3.0 County Cost Estimate

3.1 Scope of Analysis

In June of 2016, New Jersey Governor Chris Christie signed Executive Order 211 that called for an evaluation by the Attorney General on the potential costs, savings, and administrative challenges of implementing NJCJR. The evaluation will focus on specifically on “County Prosecutors’ Offices, county jails, and local police departments.”² RESI used available information on to enumerate 3 of the potential costs involved in the services listed above:

- Facility Improvements
- Additional Prosecutor Staff
- Additional Sheriff Staff

To estimate this portion of the cost of NJCJR on New Jersey counties, RESI utilized the existing cost estimates provided by New Jersey Counties. The most recent county cost estimates were found in the *Criminal Justice Reform County Impact Statement 2016* provided by the New Jersey Association of Counties.³ Cost projections for each county were reported with five cost variables: Court Facility Improvements, Additional Prosecutor Staff, Projected Prosecutor Staff Cost, Additional Sheriff Staff, and Projected Sheriff Staff Cost.

In conjunction with the county cost estimates, RESI used total county level adult arrest data from the *Uniform Crime Report State of New Jersey* as an indicator of pretrial service program participation levels.⁴ The use of arrest data ensured a consistent inter-county variable as a base for pretrial activity levels.

3.2 Methodology

Using the *Criminal Justice Reform County Impact Statement 2016* and the *Uniform Crime Report State of New Jersey*, RESI created an index for each cost variable in two steps. First, the average cost of additional staff and facilities per arrest was calculated for each county that reported.⁵ The counties’ respective estimated costs per arrest were then conglomerated into a statewide average estimated cost per arrest.⁶

Extrapolating using the above index of average costs, RESI calculated the costs for the counties that did not report cost estimates to the New Jersey Association of Counties in the 2016 impact statement. **Figure 1: Cost Estimates by County** contains the results of the above calculations, as well as the cost projections reported by counties, and reflects the estimated total cost by county.

² New Jersey Governor Chris Christie, Executive Order 211, 2016

³ New Jersey Association Counties, “Criminal Justice Reform County Impact Statement 2016,” 2016

⁴ State of New Jersey, Division of State Police, “Uniform Crime Report State of New Jersey 2014,” 2015, 56-57

⁵ Appendix A: Figure 4

⁶ Appendix A: Figure 5

Select County Government Cost Estimates for Activities Resulting from New Jersey Criminal Justice Reform RESI of Towson University

Figure 1: Cost Estimates by County

County	Adult Arrests	Court Facility Improvements	Additional Prosecutor Staff	Projected Prosecutor Staff Cost	Additional Sheriff Staff	Projected Sheriff Staff Cost	Total Cost for County
Atlantic	12,247	\$1,733,802.45	14*	\$1,124,830.00*	7*	\$376,000.00*	\$3,234,632.45
Bergen	19,163	\$2,712,897.55	16	\$1,465,801.07	12	\$555,282.88	\$4,733,981.51
Burlington	18,992	\$2,688,689.16	5*	\$392,022.13**	4*	\$230,232.00*	\$3,310,943.29
Camden	25,396	\$900,000.00*	14*	\$680,000.00*	16	\$735,895.43	\$2,315,895.43
Cape May	6,842	\$100,000.00*	3*	\$225,000.00*	6*	\$175,000.00*	\$500,000.00*
Cumberland	8,088	\$3,345,000.00*	8*	\$747,000.00*	3*	\$100,000.00*	\$4,192,000.00*
Essex	29,867	\$4,228,258.17	25	\$2,284,562.99	19	\$865,450.81	\$7,378,271.97
Gloucester	13,126	\$1,858,242.10	6*	\$548,000.00*	5*	\$225,000.00*	\$2,631,242.10
Hudson	15,958	\$2,259,167.10	13*	\$990,285.00*	10	\$462,412.16	\$3,711,864.26
Hunterdon	2,438	\$345,146.60	2	\$186,485.57	2	\$70,645.50	\$602,277.67
Mercer	14,517	\$2,055,165.36	12	\$1,110,422.91	9	\$420,656.56	\$3,586,244.83
Middlesex	18,983	\$2,687,415.03	16	\$1,452,032.66	12	\$550,067.06	\$4,689,514.74
Monmouth	24,894	\$3,524,232.72	21	\$1,904,172.20	16	\$721,349.06	\$6,149,753.99
Morris	9,742	\$1,000,000.00*	15*	\$1,500,000.00*	5*	\$373,000.00*	\$2,873,000.00
Ocean	15,870	\$2,246,708.98	13	\$1,213,915.52	10	\$459,862.20	\$3,920,486.70
Passaic	14,451	\$2,045,821.77	12	\$1,105,374.49	14*	\$700,000.00*	\$3,851,196.26
Salem	4,021	\$569,251.22	3	\$307,571.16	3	\$116,515.81	\$993,338.19
Somerset	7,211	\$1,020,858.13	6	\$551,578.12	5	\$208,951.88	\$1,781,388.13
Sussex	3,237	\$458,260.68	5*	\$457,379.00*	2	\$93,797.98	\$1,009,437.66
Union	15,512	\$2,196,027.08	11*	\$705,500.00*	18*	\$731,862.00*	\$3,633,389.08
Warren	3,532	\$500,023.70	3	\$270,166.96	2	\$102,346.14	\$872,536.80
Total All Counties	284,087	\$38,474,967.78	225	\$19,222,099.78	179	\$8,274,327.49	\$65,971,395.04

* Indicates values reported by counties in *Criminal Justice Reform County Impact Statement 2016*

** See Appendix B – Burlington County Data Note

Source: RESI, State of New Jersey, New Jersey Association of Counties

4.0 Conclusion

RESI found total costs to the counties for the first year of implementation to be \$65,971,395. This figure includes the Court Facility Improvements, Projected Prosecutor Staff Cost, and Projected Sheriff Staff Cost cost variables. The total sustaining costs were estimated at \$27,496,427 per year. The sustaining costs included the Projected Prosecutor Staff Cost and Projected Sheriff Staff Cost cost variables, as RESI assumes that all of the Court Facility Improvements will be conducted only in the first year. Additionally, RESI estimates that the implementation will result in 404 additional staff at the county level.

However, RESI's cost estimates did not factor in numerous other costs that include but are not limited to:

- Ongoing costs such as maintenance and upkeep, depreciation, and utility costs.
- Secondary staff costs such as benefits and pensions, employee turnover, and training costs.
- The necessary county level support staff for new positions were not part of the cost estimate.
- Additional costs imposed upon local police departments,
- Loss of forfeited bail bond revenue,
- Increased logistical demands arising from increased transport and detention hearing needs, and
- Costs that may result from potential increases in recidivism.

We conservatively estimate that the costs not calculated are about 60% to 80% of our estimated costs.

Appendix A—Data Tables

Figure 2: Uniform Crime Report Adult Arrests by County

County	Number of Arrests
Atlantic	12,247
Bergen	19,163
Burlington	18,992
Camden	25,396
Cape May	6,842
Cumberland	8,088
Essex	29,867
Gloucester	13,126
Hudson	15,958
Hunterdon	2,438
Mercer	14,517
Middlesex	18,983
Monmouth	24,894
Morris	9,742
Ocean	15,870
Passaic	14,451
Salem	4,021
Somerset	7,211
Sussex	3,237
Union	15,512
Warren	3,532
Total All Counties	284,087

Source: State of New Jersey, Division of State Police

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Figure 3: Projected Costs by Reporting County

County	Court Facility Improvements	Additional Prosecutor Staff	Projected Prosecutor Staff Cost	Additional Sheriff Staff	Projected Sheriff Staff Cost
Atlantic	TBD	14	\$1,124,830.00	7	\$376,000.00
Burlington	TBD	5	TBD	4	\$230,232.00
Camden	\$900,000.00	14	\$680,000.00	TBD	TBD
Cape May	\$100,000.00	3	\$225,000.00	6	\$175,000.00
Cumberland	\$3,345,000.00	8	\$747,000.00	3	\$100,000.00
Gloucester	TBD	6	\$548,000.00	5	\$225,000.00
Hudson	TBD	13	\$990,285.00	TBD	TBD
Morris	\$1,000,000.00	15	\$1,500,000.00	5	\$373,000.00
Passaic	TBD	TBD	TBD	14	\$700,000.00
Sussex	TBD	5	\$457,379.00	TBD	TBD
Union	TBD	11	\$705,500.00	18	\$731,862.00

Source: New Jersey Association of Counties

Figure 4: Projected Costs per Adult Arrest by Reporting County

County	Adult Arrests	Court Facility Improvements	Additional Prosecutor Staff	Projected Prosecutor Staff Cost	Additional Sheriff Staff	Projected Sheriff Staff Cost
Atlantic	12,247	N/A	0.00114	\$91.84535	0.00057	\$30.70140
Burlington	18,992	N/A	0.00026	N/A	0.00021	\$12.12258
Camden	25,396	\$35.43865	0.00055	\$26.77587	N/A	N/A
Cape May	6,842	\$14.61561	0.00044	\$32.88512	0.00088	\$25.57732
Cumberland	8,088	\$413.57567	0.00099	\$92.35905	0.00037	\$12.36400
Gloucester	13,126	N/A	0.00046	\$41.74920	0.00038	\$17.14155
Hudson	15,958	N/A	0.00081	\$62.05571	N/A	N/A
Morris	9,742	\$102.64833	0.00154	\$153.97249	0.00051	\$38.28783
Passaic	14,451	N/A	N/A	N/A	0.00097	\$48.43955
Sussex	3,237	N/A	0.00154	\$141.29719	N/A	N/A
Union	15,512	N/A	0.00071	\$45.48092	0.00116	\$47.18038

Source: RESI

Figure 5: Average Projected Cost per Adult Arrest

	Court Facility Improvements	Additional Prosecutor Staff	Projected Prosecutor Staff Cost	Additional Sheriff Staff	Projected Sheriff Staff Cost
Average	\$141.56956	0.00085	\$76.49121	0.00063	\$28.97682

Source: RESI

Appendix B— Burlington County Data Note

As reported by the New Jersey Association of Counties, Burlington County provided a number of projected prosecutor staff without providing a projected prosecutor staff cost. This was a unique instance within the data wherein a projection for additional staff was provided without a projected cost. Burlington projected 5 additional staff. If RESI were to use the average per arrest cost to calculate an estimated staff cost for Burlington based solely on the number of arrest, the resulting cost would be \$1,452,721.09. This figure is disproportionately high compared to the projected additional staff. This is likely the result of the projected staff per arrest figure in Burlington County being significantly lower than the average of the other New Jersey Counties. In the interest of providing a more conservative figure, RESI instead used the average cost per prosecutor staff from the other reporting counties (\$78,404.43 per staff member) in conjunction with the 5 additional staff projection to produce a more conservative figure of \$392,022.13 in estimated prosecutor staff costs in Burlington County.