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FISCAL NOTE
ASSEMBLY, No. 4897
STATE OF NEW JERSEY
222nd LEGISLATURE

DATED: OCTOBER 26, 2026

SUMMARY

Synopsis: Establishes "New Jersey Holistic Representation Model" in Office of Public Defender.

Types of Impact: Countervailing annual impacts on State expenditures.

Agencies Affected: Office of the Public Defender; the Judiciary; Department of Corrections; State Parole Board.

Executive Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Expenditure Increase (Operating Costs)	$6,300,000	$5,500,000	$5,800,000
State Expenditure Decrease (Incarceration Cost Avoidance)	$58,800,000	$51,300,000	$54,100,000

Office of Legislative Services Estimate

Fiscal Impact	Year 1	Year 2	Year 3
State Expenditure Increase (Operating Costs)	$9,800,000	$9,100,000	$9,500,000
State Expenditure Decrease (Incarceration Cost Avoidance)	$18,900,000 to $58,800,000	$16,500,000 to $51,300,000	$17,400,000 to $54,100,000

- Operating Costs: The Office of the Public Defender estimates that establishing the New Jersey Holistic Representation Model would increase its operating expenditures by $6.3 million in the first year following enactment, $5.5 million in the second year, and $5.8 million in the third year, mostly due to salary expenditures attributed to the creation of 67 new positions. The Office of Legislative Services (OLS) largely concurs but adds the cost of employee fringe benefits to the projected cost of operating the Statewide program. Once fringe benefit costs are included, the OLS projects $9.8 million in additional State expenditures in the first year of program operations, $9.1 million in the second year, and $9.5 million in the third year.

- Incarceration Cost Avoidance: Based on data from its pilot program, the Office of the Public Defender also projects that Statewide holistic representation would lower annual State costs through reduced terms of incarceration by $58.8 million in the first year following enactment, $51.3 million in the second year, and $54.1 million in the third year. The OLS agrees that the annual cost reductions from incarceration avoidance can reasonably be expected to exceed the cost of operating the New Jersey Holistic Representation Model. Considering the wide range of possible cost avoidance outcomes, however, the OLS estimates that the bill may lower State incarceration expenditures by $18.9 million to $58.8 million in the first year, $16.5 million to $51.3 million in the second year, and $17.4 million to $54.1 million in the third year.

BILL DESCRIPTION

This bill would establish the New Jersey Holistic Representation Model in the Office of the Public Defender as a Statewide program for indigent individuals involved in the criminal justice system. The model currently operates in the Hudson, Atlantic, and Monmouth regional offices.

Participation in the holistic representation model would be voluntary and subject to eligibility criteria to be determined by the Office of the Public Defender. The model consists of legal representation by a staff attorney and social support services provided by professionals who work with clients of the Office of the Public Defender to address underlying social, economic, and mental health challenges contributing to the client's involvement in the criminal justice system.

Specifically, the non-attorney members of the interdisciplinary client team would conduct assessments and connect client participants with social services, programs and resources, including mental health counseling, substance abuse treatment, housing support, and job training.

The bill would also require the Office of the Public Defender to develop or approve a training course and curriculum for public defender staff on trauma-based approaches and collaborative defense practices and make the curriculum available to all regional offices. The training course and curriculum would have to be reviewed at least every two years and modified as needed. All public defender staff would have to complete the in-service training triennially.

The Public Defender would also be required to produce an annual report on the outcomes and performance of the New Jersey Holistic Representation Model.

FISCAL ANALYSIS

EXECUTIVE BRANCH

The Office of the Public Defender estimates that State government would realize a net decrease in annual expenditures if the holistic representation model were adopted Statewide.

Specifically, the Office of the Public Defender projects that the bill would increase its operating expenditures by $6.3 million in the first fiscal year following enactment, $5.5 million in the second fiscal year, and $5.8 million in the third fiscal year. Expenditures would be higher in the first year due to one-time start-up costs such as the purchase of IT equipment and vehicles.

The estimated amounts primarily reflect salary costs for 67 new positions, namely $5.1 million in salary costs in the first year, $5.3 million in the second year, and $5.5 million in the third year. The positions are composed of five Supervising Family Services Specialists, 40 Family Service Specialists, and 22 Family Service Specialist Trainees.

The Office of the Public Defender anticipates that the increase in its annual operating expenditures would be outweighed by annual State expenditure reductions from incarceration avoidance. Notably, in a random review of approximately 10 percent of cases serviced by the holistic representation pilot program in its Hudson, Atlantic, and Monmouth regional offices, the Office of the Public Defender identified 115,972.5 custodial days reflected in initial offers that were ultimately not imposed, representing approximately $1.4 million in potential avoided incarceration costs at the marginal daily cost of incarceration rate of $12.01, as provided by the Department of Corrections. Extrapolating these findings across the pilot program produces an illustrative benefit-to-cost ratio of $9.33 in potential avoided costs for every dollar expended on the program. Applying that ratio to the expenditures projected in the fiscal note, the Office of the Public Defender estimates potential gross fiscal benefits (exclusive of fringe benefits) of $58.8 million in the first year, $51.3 million in the second year, and $54.1 million in the third year. These estimates assume that the outcomes from the pilot program can be replicated Statewide.

OFFICE OF LEGISLATIVE SERVICES

The OLS largely agrees with the Office of the Public Defender's estimate of the cost of establishing the New Jersey Holistic Representation Model but concludes that the costs of employee fringe benefits for the 67 new positions would have to be added. Once fringe benefit costs are included, the OLS estimate totals $9.8 million in additional State expenditures in the first year following enactment, $9.1 million in the second year, and $9.5 million in the third year.

The OLS notes that the bill would also lower annual State expenditures to the extent that holistic representation reduces initial terms of incarceration as well as subsequent incidences of repeat involvement in the criminal justice system and reincarceration. The OLS cautions, however, that whenever reference is made to incarceration cost avoidance in this fiscal note, the term only applies to reductions in the initial terms of incarceration as data are unavailable on the long-run effects of holistic representation on the life trajectories of persons served by the program.

In consideration of that caveat, national evaluations and sample data from the Office of the Public Defender's pilot program suggest that the State's annual incarceration cost avoidance can reasonably be expected to exceed the annual cost of operating a Statewide holistic representation program. The exact scale of the avoided cost, however, is subject to considerable uncertainty so that the OLS projects a wide range of plausible incarceration cost avoidance outcomes.

Notably, based on sample data from its pilot program, the Office of the Public Defender determines that each dollar spent on holistic representation, excluding the cost of fringe benefits, returns $9.33 in initial avoided incarceration costs. For the pilot program, the Office of the Public Defender contracts with Partners for Justice. The not-for-profit organization, in turn, estimates based on holistic representation programs it has operated in other jurisdictions that every dollar spent on the program saves between $3 and $6 from reduced terms of incarceration.

Considering this wide range of possible cost savings to expenditure outcomes, the OLS estimates that a Statewide holistic representation program as implemented by Partners for Justice may lower annual State incarceration expenditures by the ranges shown below. The lower bound assumes $3 in avoided incarceration costs for each dollar spent on holistic representation and the upper bound $9.33 in avoided incarceration costs for each dollar expended, exclusive of the cost of fringe benefits to be consistent with Office of the Public Defender calculations.

OLS Estimate of Range of Potential Avoided Incarceration Costs		
Year 1	Year 2	Year 3
$18.9 million to $58.8 million	$16.5 million to $51.3 million	$17.4 million to $54.1 million

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This fiscal note has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).