

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE**

**Seventy-fifth Session  
April 10, 2009**

The Senate Committee on Finance was called to order by Cochair Bernice Mathews at 8:04 a.m. on Friday, April 10, 2009, in Room 2134 of the Legislative Building, Carson City, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Bernice Mathews, Cochair  
Senator Steven A. Horsford, Cochair  
Senator Bob Coffin  
Senator Joyce Woodhouse  
Senator William J. Raggio  
Senator Dean A. Rhoads  
Senator Warren B. Hardy II

**GUEST LEGISLATORS PRESENT:**

Senator Maurice Washington, Washoe County Senatorial District No. 2

**STAFF MEMBERS PRESENT:**

Brian M. Burke, Principal Deputy Fiscal Analyst  
Gary L. Ghiggeri, Senate Fiscal Analyst  
Patricia O'Flinn, Committee Secretary

**OTHERS PRESENT:**

T.P. Hubert, President, Board of Directors, The Ridge House, Inc.  
Steven Burt, Executive Director, The Ridge House, Inc.

COCHAIR MATHEWS:

The meeting will come to order. We will open the hearing on Senate Bill (S.B.) 187.

**SENATE BILL 187:** Makes an appropriation to Ridge House, Inc., for reintegration services and counseling for persons released from facilities of the Department of Corrections. (BDR S-629)

T.P. HUBERT (President, Board of Directors, Ridge House, Inc.):

I have a PowerPoint presentation for the Committee today ([Exhibit C, original on file in the Research Library](#)). Ridge House, Inc. has been providing reentry services for 27 years. Reentry services include community and residential services, drug and alcohol treatment programs, and training and employment programs for persons transitioning out of the prison system.

According to a Pew Research Center for People and the Press report released in 2008, the Nevada correctional population totaled 40,173: there are 7,231 in jail; 13,461 on probation; 13,245 in prison; and 3,653 on parole. The national

average cost for one year for each person varies greatly among these services: prison is \$29,000; parole is \$2,750; and probation is \$1,250.

There are two phases of reentry services: the front end which encompasses jail, court and probationary supervision; and the back end which encompasses prison, parole and discharge. In 2008, Nevada had 86,000 felony arrests and 13,000 felony convictions.

Solutions for front end reentry services include the expansion of specialty courts, services for alcohol and drug treatment and mental health treatment. Specialty courts in some states include Veterans Courts, such as that proposed by Assembly Bill 187.

**ASSEMBLY BILL 187**: Authorizes the establishment by district courts of a program for the treatment of certain offenders who are veterans or members of the military. (BDR 14-955)

Solutions for back end reentry services include: intermediate sanctions; transitional services; residential programs; outpatient mental health and alcohol and drug counseling; and employment and training assistance. The courts and the Nevada Department of Corrections (NDOC) are developing these alternatives, particularly for those chronic parole and probation technical violators. These are people who fail to live up to the rules of their probation or parole, but who have not committed new crimes. The Statewide Prisoner Reentry Coalition is working to develop strategies to address the issue of the limited reentry and transition resources in Nevada. The stakeholders of this coalition range from community nonprofit services such as Ridge House to the assistant directors and wardens from the NDOC and the Department of Labor. Senate Bill 236 has been proposed to provide some funding assistance for prisoner reentry.

**SENATE BILL 236**: Revises provisions relating to certain programs for criminal offenders and parolees. (BDR 14-896)

Basic statistics from a first-year criminal justice class highlight the need for new methods for dealing with the correctional population. In 1980, 800,000 persons were incarcerated nationally. By 2008, that had increased to 2.3 million. It is estimated that 10 million people will be under some form of correctional supervision in 2009. Out of this population, 650,000 to 750,000 are released annually. Eighty-five percent of all people who go to prison and 97 percent of those who go to jail are eventually released. The three main components of corrections are to contain, control and correct the individuals who come into the system. Resources are primarily allocated to the first two categories, with little attention paid to the last.

Reentry begins at entry. The same people who enter prisons are those who will be in need of reentry services. According to a July 2008 report by James Austin of the JFA Institute the NDOC released 4,708 inmates between June 2007 and March 2008. Of these 4,708 inmates released: 99 were category A felons; 2,447 were category B felons; 772 were category C felons; 860 were category D felons; 490 were category E felons; and 40 were unknown. During the same time period, 4,222 persons were admitted to prison in Nevada. Category B offenders made up the greatest number of these new admissions at 2,010 persons. Categories C, D, and E each had new admissions of 794, 741

and 331 respectively, for a total of 1,926 new prisoners. Seventy-five percent of the releases and admissions of the NDOC are either property or public order offenses; these are primarily categorized as level C, D and E offenses.

There is no doubt that many people who are in prison deserve to be in prison. They are guilty of crimes and many are violent, habitual offenders. But, it is also true that many in prison are in need of treatment for a host of issues ranging from mental health and drug and alcohol counseling to job training and employment counseling. We need to punish the offenders we fear and treat the ones with whom we are just angry.

The rise in the prison population can be best understood by the phrase, "Do the crime, do the time." We want them to have self worth, so we destroy their self worth. We want them to be responsible, so we take away all responsibility. We want them to be positive and constructive, so we degrade them and make them useless. We want them to be trustworthy, so we put them where there is no trust. We want them to be nonviolent, so we put them where violence is all around them. We want them to be kind and loving people, so we subject them to hatred and cruelty. We want them to quit being the tough guy, so we put them where the tough guy is respected. We want them to quit exploiting us, so we put them where they exploit each other. We want them to take control of their lives, and their own problems and quit being dependent, so we make them totally dependent on us.

There are two bottlenecks in dealing with this population. The first is at the front-end in the jails and the courts. The second is the back-end in the prisons. Both have seen rapid and costly expansion reflecting the enforcement emphasis of legislatures. Treatment and prevention strategies are lower priority and thus are underfunded. Jails and prisons come at the cost of not funding more pragmatic and humanistic social services that address issues of alcohol and drug addiction, mental health and families. We are beginning to understand that strict enforcement to control behavior patterns without treatment and prevention enjoys minimal success, unless one counts the need to build more prisons and jails as success. Diversion and reintegration alternatives are less costly. Studies support that almost any counseling services work and reduce recidivism.

The Ridge House originally asked for approximately \$1.6 million over the biennium. Given the budget realities, we have identified five key areas of financial need necessary for us to sustain operations and quickly increase capacity for a lower appropriation. Of the \$559,000, the first \$300,000 will be used to pay off a second mortgage on one of our properties. The second is \$100,000 to pay off an equity line account we opened on one of our other properties. The third is \$33,000 to improve fire protection to a property that would allow us to add beds in that location. The fourth is \$40,000 to renovate a duplex we own. Finally, we need an additional \$86,000 for operational and staff expenses.

The Ridge House is a cost-effective organization. We treat 200 clients annually at an average cost of \$3,500 a year for each client. The annual cost to incarcerate one individual is \$29,000 each year. The one-year recidivism rate for the NDOC is 22 percent to 25 percent. The one-year recidivism rate for the Ridge House is 10 percent. The projected annual savings to the State through treatment of 200 offenders is \$10.44 million. The Ridge House requests funding

of the above priorities to support the work we do as one of the only reentry service providers in the State.

COCHAIR HORSFORD:

How successful are the participants in reentry programs regarding the issues of housing, staying off drugs and alcohol and not reoffending?

STEVE BURT (Director, Ridge House, Inc):

Our statistics show only 10 percent of our program graduates go back to prison. To stay out of prison they need to stay clean, they need to get work and they need stable housing. Generally, statistics in the drug abuse treatment field are vague because our clients are historically difficult to track in the long run. We have an edge, though. We can track our past clients through the NDOC Website. We have certified drug and alcohol counselors and licensed clinical social workers who do intensive case management. We provide a comprehensive assessment before the individuals are released from prison and tailor the treatment program to their individual needs.

MR. HUBERT:

We have received accreditation through the Commission on Accreditation of Rehabilitation Facilities. We have been nationally recognized for being a model program of faith-based reentry.

COCHAIR HORSFORD:

Based on the availability of funding, if you are not approved at the amount you request, what would be your ability to function with less money?

MR. HUBERT:

Senate Bill 187 requests a total of \$1.5 million. We presented today a scaled-back request for \$559,000. Without this money, we will survive, but it will be on a limited basis. We seek funds wherever we can: we have charity basketball games; car washes; and yard sales. We will not close our doors, but it is difficult.

COCHAIR MATHEWS:

This bill is exempt, so we do not need to make a decision today. We will not know until later in the process if we have the money to fund it.

We will now turn to S.B. 12.

[SENATE BILL 12](#): Revises provisions governing the Commission on Educational Excellence. (BDR 34-299)

There was no controversy when we first heard this bill. If there are no other questions, I will entertain a motion.

SENATOR RAGGIO MOVED TO DO PASS S.B. 12.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:  
We will now look at S.B. 256.

**SENATE BILL 256**: Designates an area on the grounds of Northern Nevada Adult Mental Health Services as a historic cemetery. (BDR S-922)

GARY L. GHIGGERI (Senate Fiscal Analyst, Fiscal Division, Legislative Counsel Bureau):

This bill was referred to the Senate Committee on Finance on April 8, 2009. We have researched the fiscal note based on the amendment placed on the bill. The original bill had a fiscal note prepared by the Department of Cultural Affairs in the amount of approximately \$100,000 each year of the biennium. They have subsequently advised us, based on the amendment, the fiscal note is no longer required. Staff sees no fiscal impact of this legislation. If the Committee would like to pass it back to the floor that would pose no problem to staff.

SENATOR RAGGIO MOVED TO DO PASS S.B. 256 AS AMENDED.

SENATOR HARDY SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:  
We will now open the hearing on S.B. 18.

**SENATE BILL 18 (1st Reprint)**: Revises provisions governing speed limits in school zones and school crossing zones. (BDR 43-384)

SENATOR MAURICE WASHINGTON (Washoe County Senatorial District No. 2):  
Senate Bill 18 deals with speed zones for schools. The bill was heard in the Committee on Energy, Infrastructure and Transportation where it was controversial. We amended the bill to remove the controversial items. The new material in the bill is now found in section 1, subsection 6 dealing with the definition of a child, what is meant by the phrase "children are present" and the operational speed limit beacons that will flash at the times of the day the speed zones are in effect.

COCHAIR MATHEWS:  
Is this just for Washoe County?

SENATOR WASHINGTON:  
This is for the entire State.

SENATOR RAGGIO:  
As I understand what Senator Washington is saying, the bill does not change anything as it originally addressed the increased speed limits. What it does now is more clearly defines the school zone and where the beacons are placed. There is no fiscal note.

SENATOR RAGGIO MOVED TO DO PASS S.B. 18 AS AMENDED.

SENATOR COFFIN SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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COCHAIR MATHEWS:

We are going to look at the bills we have on the agenda for Monday. We will hear from Senator Coffin regarding S.B. 226.

SENATE BILL 226: Provides for a bonus to be paid to certain members of the Nevada National Guard and the Reserves called to active duty to combat terrorism. (BDR 36-11)

SENATOR COFFIN:

I recommend that S.B. 226 be withdrawn. We do not have the money.

MR. GHIGGERI:

The Committee is scheduled to hear the following bills on Monday, April 13, 2009: S.B. 4; S.B. 155; S.B. 398; S.B. 399; and S.B. 403. We are also scheduled to begin closing budgets in the full Committee. These budgets will be noncontroversial as staff understands them.

SENATE BILL 4: Requires the establishment of a system for the electronic submission of applications for Medicaid and the Children's Health Insurance Program. (BDR 38-210)

SENATE BILL 155: Provides for possible funding for the Commission on Economic Development for certain purposes related to military installations. (BDR 18-721)

SENATE BILL 398: Provides for the establishment of intermediate sanction facilities within the Department of Corrections to provide treatment to certain probation violators and offenders. (BDR S-1222)

SENATE BILL 399: Makes an appropriation to the Interim Finance Committee to contract for a comprehensive independent study of existing taxes and their allocation among the levels of government and governmental agencies in Nevada. (BDR S-59)

SENATE BILL 403: Makes appropriations to restore the balances in the State Claims Account, Emergency Account and Reserve for Statutory Contingency Account. (BDR S-1264)

COCHAIR MATHEWS:

Is there any other business to come before the Committee?

SENATOR COFFIN:

Last night, the Senate Committee on Taxation passed two bills that deserve further consideration: S.B. 208 and S.B. 331. I would like the Senate Committee on Finance to rerefer S.B. 331 back to the Senate Committee on Taxation. There is one other bill, but I cannot remember what it is at this moment. I just bring this up to alert the Committee.

SENATE BILL 208: Excludes certain occupations from the payroll tax imposed upon financial institutions. (BDR 32-1142)

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**SENATE BILL 331**: Provides a partial abatement of property taxes and certain sales and use taxes imposed on facilities that use solar energy to generate electricity or process heat. (BDR 58-289)

COCHAIR MATHEWS:

As there is no other business to be brought before this Committee and seeing no public testifiers, this Committee is adjourned at 8:57 a.m.

RESPECTFULLY SUBMITTED:

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Patricia O'Flinn,  
Committee Secretary

APPROVED BY:

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Senator Bernice Mathews, Cochair

DATE: \_\_\_\_\_