

**MINUTES OF THE  
SENATE COMMITTEE ON FINANCE  
JOINT SUBCOMMITTEE ON PUBLIC SAFETY/MILITARY/VETERANS' SERVICES  
AND THE ASSEMBLY COMMITTEE ON WAYS AND MEANS  
JOINT SUBCOMMITTEE PUBLIC SAFETY/NATURAL  
RESOURCES/TRANSPORTATION**

**Seventy-sixth Session  
March 31, 2011**

The Senate Committee on Finance, Joint Subcommittee on Public Safety/Military/Veterans' Services and the Assembly Committee on Ways and Means, Joint Subcommittee on Public Safety/Natural Resources/Transportation was called to order by Chair Joseph M. Hogan at 8:10 a.m. on Thursday, March 31, 2011, 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.

**ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

Assemblyman Joseph M. Hogan, Chair  
Assemblywoman Maggie Carlton, Vice Chair  
Assemblyman Kelvin D. Atkinson  
Assemblyman David P. Bobzien  
Assemblyman Pete Goicoechea  
Assemblyman John Hambrick

**SENATE SUBCOMMITTEE MEMBERS PRESENT:**

Senator David R. Parks, Chair  
Senator Sheila Leslie  
Senator Dean A. Rhoads

**STAFF MEMBERS PRESENT:**

Michael J. Chapman, Principal Deputy Fiscal Analyst  
Sarah Coffman, Program Analyst  
Catherine Crocket, Program Analyst  
Mark Krmpotic, Senate Fiscal Analyst  
Cynthia Clampitt, Committee Secretary

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**OTHERS PRESENT:**

Jeffrey Mohlenkamp, Deputy Director, Support Services, Department of Corrections  
Deborah L. Reed, Chief, Fiscal Services, Department of Corrections  
James G. (Greg) Cox, Acting Director, Department of Corrections  
Bernard W. Curtis, Chief, Division of Parole and Probation, Department of Public Safety  
Jeffrey Fontaine, Executive Director, Nevada Association of Counties  
Mark Woods, Deputy Chief, Division of Parole and Probation, Department of Public Safety  
John Jermyn, Correctional Officer, Nevada State Prison  
Curt Thomas, Correctional Officer, Nevada State Prison  
Candice Madieros, Vice Chair, Political Action Committee, Nevada Correctional Peace Officers' Association  
Alex Ortiz, Clark County

**CHAIR HOGAN:**

Our Legislative Counsel Bureau, Fiscal Analysis Division Staff will review issues of particular concern with the Department of Corrections (DOC) budgets.

**SARAH COFFMAN** (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

There are five major issues related to DOC. The first item is incentive and differential pay. The Governor recommends elimination of remote area differential (RAD) pay and rural incentive pay for all new employees hired by DOC. In addition, the Governor recommends elimination of swing shift differential pay for all new and existing personnel. This recommendation would result in General Fund savings of \$1.5 million each year of the 2011-2013 biennium.

Employees who work at facilities in Jean and Indian Springs are entitled to RAD pay of \$7.50 each day they report to duty. In addition, employees who work at the Lovelock Correctional Center and the Ely State Prison receive rural employment incentive pay of 5 percent of their salaries. These pay incentives

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were created to attract employees due to recruitment difficulties. However, DOC has indicated that is no longer the case.

During the hearing of the Legislative Commission's Budget Subcommittee on February 2, 2011, concerns were expressed that the Governor's recommendation to eliminate these pay incentives would create inequalities between new and existing staff.

There are two options for the Joint Subcommittee to consider. The Joint Subcommittee may wish to approve the reductions to rural incentive and RAD pay as recommended by the Governor.

It may wish to consider the elimination of swing shift differential while retaining RAD pay and rural employee incentive pay for all currently eligible DOC staff. This option would require additional General Fund appropriations of \$505,370 in fiscal year (FY) 2011-2012 and \$503,804 in FY 2012-2013.

SENATOR PARKS:

We are discussing the elimination of RAD and the rural employment incentive pay. Since the *Executive Budget* already contains reductions for the salaries, it appears that we are placing an economic hardship on the employees, especially those who commute long distances to their work locations.

The Senate Committee on Legislative Operations and Procedures has proposed a bill concerning hours of operation for correctional officers. Given the fact that gasoline is now approximately \$4 a gallon, we are putting a heavy burden on DOC staff.

SENATOR RHOADS:

How much money does the first option save compared to the second option?

MS. COFFMAN:

Option No. 1 saves \$1.5 million in each year of the biennium. Option No. 2 saves approximately \$1 million in each year of the biennium.

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MR. GOICOECHEA:

Does the Governor's budget recommend the elimination of the RAD pay incentive only for newly hired employees?

MS. COFFMAN:

That is correct. All the RAD and rural incentive pay would apply only to new employees hired after this budget takes effect. However, the shift differential elimination would apply to all DOC employees.

ASSEMBLYWOMAN CARLTON:

We will be treating new employees differently than the existing staff. In essence, there will be a mixture of employees within the same institution, doing the same duties, receiving disparate benefits. In addition, these employees are included in the same salary reductions and increases in health benefit costs as other State employees. The by-products of the salary reductions include impacts to retirement benefits when employees can schedule their retirements.

Overtime pay has been eliminated in certain instances and compensatory time is being limited. There are a plethora of reductions being made. We cannot consider this item in isolation. We need to consider the total impact to these employees. If new hires are treated differently, they will not seek employment with the State. We will, again, become the training ground for the rest of the State's law enforcement agencies. I am concerned with the "pile-on effect" of all these reductions.

MS. COFFMAN:

The next issue in DOC relates to the creation of a new category, the stale claims category in budget account (B/A) 101-3706, decision unit E-225.

PUBLIC SAFETY

CORRECTIONS

NDOC – Prison Medical Care — Budget Page CORRECTIONS-13 (Volume III)  
Budget Account 101-3706

E-225 Reduce Duplication of Effort — Page CORRECTIONS-16

The Governor recommends changing DOC's current budgeting methodology and accounting procedures for outside medical expenditures by authorization of a new expenditure category for stale claims and provision of General Fund appropriations of \$964,857 in each year of the 2011-2013 biennium.

Currently, DOC accounts for all outside medical expenditures in the inmate-driven medical expenditures category pursuant to *Nevada Revised Statutes* (NRS) 353.097. If DOC incurs a medical claim, the claim must be submitted to the Board of Examiners (BOE) for approval. Upon approval, NRS 353 further requires the stale claim be paid directly through the Stale Claims Fund. During the 2009-2011 biennium, DOC experienced difficulties abiding by this provision since the statute impeded DOC's ability to pay its medical stale claims within 30 days of receipt. The existing providers in DOC's preferred provider network require payment within 30 days to receive discounts of up to 50 percent. Staff notes Assembly Bill (A.B.) 530 has been submitted which would exempt medical stale claims from the provisions of NRS 353, thereby allowing DOC to pay stale claims from their current year funds.

**ASSEMBLY BILL 530**: Revises provisions relating to stale claims by state agencies. (BDR 31-1178)

The *Executive Budget* utilized a four-year average to project inmate-driven outside medical expenditures for the 2011-2013 biennium. The four-year average included about \$1.5 million in stale medical claims incurred in FY 2009-2010 that were paid in FY 2010-2011. As such, it appears an adjustment should be made to the proposed budget methodology to eliminate either the stale claims incurred in the four-year average or additional funds for the stale claims included in the stale claims category that is being proposed by the Governor.

During the March 11, 2011 hearing, DOC indicated that it was aware medical stale claims were accounted for in both areas. The DOC indicated the

expenditure methodology used reflects the expenditure authority it would need for the 2011-2013 biennium.

Staff has provided three options for consideration on this issue:

- Approve the stale claims category and General Fund appropriations of \$964,857 in each year of the biennium as recommended by the Governor. This option would also require the passage of A.B. 530.
- Approve Option No. 1, but eliminate the FY 2010-2011 stale medical claims included in the four-year average of inmate-driven outside medical expenditures. This option would result in a General Fund reduction of \$414,886 in FY 2011-2012 and \$443,371 in FY 2012-2013.
- Not approve the Governor's recommendation to create a new State Claims category for a General Fund savings of \$964,857 in each year of the biennium.

Staff would note, if A.B. 530 is passed, DOC could still pay stale claims in a timely manner with their current funds and seek reimbursement from BOE afterwards.

SENATOR PARKS:

I presume the term "stale claims" refers to relatively timely claims. The issue appears to be that the expenses are incurred several months before the close of the fiscal period and the billings do not arrive until the next fiscal year.

Do any of these stale claims incur late fee penalties? Are there any additional charges to the Agency for the State's inability to pay these claims?

MS. COFFMAN:

I am not aware of any late penalties being incurred. However, the preferred providers have a clause in the contract whereby, if DOC does not pay a billing within 30 days, the discounts of up to 50 percent may be eliminated.

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SENATOR PARKS:

Would the State likely incur added penalties, if the Joint Subcommittee recommends one option over another?

MS. COFFMAN:

None of the options presented would incur penalties. However, they are all contingent on the approval of A.B. 530. If the bill is not approved and the first option is chosen, DOC status would remain as it is at this time. That would mean a lag time between receipt of BOE approval for payment of the stale claims and payment of the bills which could exceed the 30-day threshold and may result in penalties being incurred.

ASSEMBLYWOMAN CARLTON:

In my experience, when managing medical care funds, it has been accomplished through a structure called a "patient care fund." Typically, funds are uploaded into the Fund and spent down. As it is spent down, more funds are requested for replenishment. That procedure allows for greater discounts because bills can be paid more quickly. In one instance, if bills were charged to a credit card for a certain doctor, we were paying 25 percent of what he would have normally billed. That claim payment procedure generated significant savings. Is there a prohibition that the billing cycle cannot be addressed by front-loading funds rather than back-loading fees? Could the State save money and negotiate better rates by creating a certain size fund, having it spent down and then reimbursing the fund? The time issue would not be such a concern.

CHAIR HOGAN:

That possibility initiates interesting possibilities. Will DOC provide a more detailed description of the billing process as applied to these medical claims? Has Assemblywoman Carlton's suggestion has been considered or could it be considered?

JEFFREY MOHLENKAMP (Deputy Director, Support Services, Department of Corrections):

I will defer this question to our Chief Financial Officer, Debbie Reed, who knows the specific process through which medical payments are made.

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DEBORAH L. REED (Chief, Fiscal Services, Department of Corrections):

An outside bank account has already been established and the third-party administrator (TPA) draws from that account. That procedure has been in place a number of years. They send us the bills from the providers; we review and approve the billing which then allows the TPA to make a draw from the account. The TPA ultimately pays the providers directly.

ASSEMBLYWOMAN CARLTON:

Is that process all done through the TPA?

MS. REED:

Yes, the TPA is the agency that negotiates with our providers to achieve discounted billing rates.

ASSEMBLYWOMAN CARLTON:

Is it an artificial boundary and fiscal year date that causes the problem? Is it the transitioning from one billing period to the next billing period creating the problem?

MS. REED:

We pay our medical bills in the year they are incurred, not the date the bill is received. If an inmate goes to the hospital on June 20, the bill is sometimes not received until September. That scenario is quite possible by the time the TPA verifies the individual is an inmate and that it is chargeable to DOC. With that scenario, a time lag occurs in which the books for the year in which the services were incurred have been closed in the Office of the State Controller. This year, insufficient funds were reverted to the General Fund to draw down on the reserve. It became a tangled mess.

ASSEMBLYWOMAN CARLTON:

We need to know the circumstances that prompt such requests.

MS. REED:

Your suggestion for a separate fund was the path DOC implemented several years ago at the suggestion of a legislator at that time. It was implemented immediately after the suggestion was made.



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ASSEMBLYWOMAN CARLTON:

I am stumped on how to proceed. I am still lost on how the money for the outside bank account is processed.

CHAIR HOGAN:

It is difficult to determine what option to choose, given the information we have received. Does Staff have further information?

MS. COFFMAN:

With the approval of A.B. 530, DOC would be allowed to pay its bills up front and then, seek reimbursement from BOE. They would have an additional sum of money in the new Stale Claims category to draw from in the event there are insufficient funds in the Stale Claims Fund to cover their costs for the prior year. Claims could be paid from the Stale Claims category with current year funds if they do not exceed the amount reverted to the origination fund in the fiscal year the stale claim was incurred.

MARK KRMPOTIC (Senate Fiscal Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

Staff has reviewed A.B. 530. The bill, as currently written, exempts TPA claims from the BOE process. It would allow the Agency to pay the claims in the current fiscal year if they were incurred in the prior fiscal year. If the Agency reaches the end of FY 2010-2011 and receives a claim subsequent to June 30, 2011, the fiscal year-end date, they could pay the claim from their FY 2011-2012 budget. It exempts those claims from the stale claims process and allows the Agency to process them as they would any other claim.

If A.B. 530 is approved by the full Legislature, it appears that would address the issue of timeliness at the end of the fiscal year.

Staff has mentioned the issue of funding for this category. A request of approximately \$1 million in each year of the biennium has been made to pay outside medical claims, in addition to what is built into the regular budget for outside medical claims. That is a key issue the Joint Subcommittee needs to consider. It appears that A.B. 530, as written, would address the issue of

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timeliness. In essence, the Agency would not have to submit to the BOE process for approval to pay stale medical claims.

CHAIR HOGAN:

The fate of A.B. 530 will certainly affect the decision-making process for this budget item. What is the current status of that legislation?

MR. KRMPOTIC:

Assembly Bill 530 was introduced in the Assembly on March 28, 2011, as an Administration bill. As the *Executive Budget* is currently constructed, it would require passage of this legislation to implement the budget as recommended by the Governor. If A.B. 530 were not approved, the money committees would need to revisit this recommendation.

SENATOR PARKS:

Does BOE ever question the stale claim payment requests, or do they approve them in a pro forma fashion?

MS. REED:

The BOE has reviewed stale claims requests. At one of the recent Interim Finance Committee meetings, the Agency was reproved, deservedly, because the payment practice at that time was not legal. However, the Agency was between a rock and a hard place. The BOE must approve all stale claims before they can be paid.

MS. COFFMAN:

The next item for consideration is the closure of Nevada State Prison (NSP) in B/A 101-3718, decision units E-606 and E-690. The Governor has recommended closure of NSP, which would eliminate 103 full-time equivalent (FTE) positions in the NSP budget account, 3 FTE positions in the Medical budget account (101-3706), 2 FTE positions in the Offender Store account (240-3708), 2 FTE positions in the Correctional Programs account (101-3711) and 2 FTE positions in the Inmate Welfare account (240-3763) for a total loss of 112 FTE positions.

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NDOC – Prison Medical Care — Budget Page CORRECTIONS-13 (Volume III)  
Budget Account 101-3706

NDOC – Offenders' Store Fund — Budget Page CORRECTIONS-189 (Volume III)  
Budget Account 240-3708

NDOC – Correctional Programs — Budget Page CORRECTIONS-23 (Volume III)  
Budget Account 101-3711

NDOC – Inmate Welfare Account — Budget Page CORRECTIONS-197  
(Volume III)  
Budget Account 240-3763

NDOC – Nevada State Prison — Budget Page CORRECTIONS-56 (Volume III)  
Budget Account 101-3718

E-606 Staffing and Operating Reductions — Page CORRECTIONS-59  
E-690 Budget Reduction — Page CORRECTIONS-64

This recommendation would result in General Fund savings of \$7.4 million in FY 2011-2012 and \$8.7 million in FY 2012-2013. However, two budget amendments have been submitted by the Budget Division of the Department of Administration which would reduce the Governor's savings estimate to \$7.1 million in FY 2011-2012 and increase the savings estimate to \$8.8 million in FY 2012-2013. The Joint Subcommittee may recall the Department indicated it would experience a \$700,000 shortfall in the NSP operating budget if the Legislature waited until May 2011 to make a decision regarding closure of the institution.

After further analysis, DOC believes it can readjust its plan to require no further additional operating costs. The DOC has adjusted their biennial plan and long-range Capital Improvement Projects (CIP) projections based on the revised February 2011 JFA Associates inmate population projections. The revised population projections decrease the inmate population by 165 inmates in FY 2011-2012 and 214 inmates in FY 2012-2013. As a result, the total inmate population would be 12,568 in FY 2011-2012 and 12,575 in FY 2012-2013.

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Consequently, adjustments have been made to the original NSP closure plan reflecting the adjusted inmate population projections. The DOC long-range CIP projections indicate that High Desert State Prison (HDSP) will open 606 medium-custody beds and 112 close-custody beds in FY 2011-2012 to accommodate the 498 inmates to be transferred from NSP.

There are two options for the Joint Subcommittee to consider. The first is to approve the Governor's recommendation to close NSP. The second option would be to continue operation of NSP which would require additional General Fund appropriations of \$8 million in FY 2011-2012 and \$8.7 million in FY 2012-2013 to support staff and operating costs.

The second option also includes the Governor's recommended enhancements of replacement equipment and deferred maintenance.

SENATOR RHOADS:  
What is the total savings if NSP is closed?

Ms. COFFMAN:  
Currently, with the two budget amendments, the total savings would be \$7.1 million in FY 2011-2012 and \$8.8 million in FY 2012-2013.

SENATOR PARKS:  
The combined savings total \$15.9 million, but is that an offset to the costs of inmate relocations to other facilities? The gross amount of \$15.9 million is savings without an offset for inmate relocation and costs in other institutions.

Ms. COFFMAN:  
The *Executive Budget* is constructed with the \$15.9 million as net savings. There are several transfer decision units included in the *Executive Budget* to transfer the inmate-driven costs to various other facilities.

ASSEMBLYWOMAN CARLTON:  
During the pre-Session hearings, when this budget was reviewed, Senator Horsford was emphatic that there be a complete plan and explain in detail exactly how the closure would be managed. Has that plan been received?

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If we have received the plan, how precise is it? Is it specified facility to facility or unit to unit? Have staffing changes and transitions of inmates been identified?

CHAIR HOGAN:

Will Staff respond and explain whether the plan has been received and what it contained?

MS. COFFMAN:

A document was provided by DOC in response to Senator Horsford's request. A packet was submitted to all Legislators. While no formal document identified as the closure plan has been received, the response did address the majority of Senator Horsford's questions.

ASSEMBLYWOMAN CARLTON:

Was the plan specified unit by unit?

MS. COFFMAN:

No, it was not. It addressed each facility, but not each unit.

ASSEMBLYWOMAN CARLTON:

Unit placement is important in categorizing inmate housing.

MS. COFFMAN:

That is correct. Each unit has separate criteria. For example, the general population units can house two inmates in designated cells. If the inmate is classified as needing disciplinary or administrative segregation, typically only one inmate is housed in those two-person cells.

ASSEMBLYWOMAN CARLTON:

Those issues must be considered as we ponder this decision.

CHAIR HOGAN:

Please provide copies of the DOC document to all members of the Joint Subcommittee, unless Staff considers it to be better presented at another

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time. Does Staff feel the plan needs to be completed in areas that were not addressed for it to be of use to the Subcommittee?

ASSEMBLYWOMAN CARLTON:

The requests for specific information were made. The document provided is not complete. Until it is, I am not comfortable making a decision on this matter.

CHAIR HOGAN:

This issue is a substantial item in the budget. A great deal is at stake for all individuals involved. The document needs to be completed and provided to our Staff and Joint Subcommittee members. It would be difficult to make a knowledgeable decision without further analysis.

MR. KRMPOTIC:

The DOC plan calls for opening of two additional housing units at HDSP to accommodate the majority of inmates who would be transferred from NSP subsequent to its closure. Staff believes there would be minor changes to some of the other institutions such as Southern Desert Correctional Center (SDCC) and Northern Nevada Correctional Center (NNCC). The thrust of the closure involves opening two new units at HDSP in a separate budget account. This budget primarily addresses the closure of NSP.

Senator Parks earlier asked whether the savings identified in information provided by Staff was established without the opening of those new housing units. While the figures provided are the savings pursuant to the closure of NSP, there are position transfers to HDSP to staff the new housing units. The savings provided today by Staff assumes the units at HDSP are opened and staffed.

It would be helpful to Staff, working with DOC, to be provided with specific areas of the budgets the Joint Subcommittee would like to have reviewed. For the most part, the plan has been provided and discussed previously in Joint Subcommittee meetings.

CHAIR HOGAN:

Is it reasonable to distribute copies to the members in terms of an alternative being a hearing focused on this particular issue?

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MS. COFFMAN:

The Fiscal Analysis Division provided the Legislative Commission's Budget Subcommittee with a copy of this document on February 21, 2011.

The next major issue in this budget is the transfer of positions from NSP in decision units E-920, E-921, E-922, E-924, E-925, E-926 and E-938.

E-920 Transfers FTE from NSP to Director's Office — Page CORRECTIONS-66  
E-921 Transfers FTE from NSP to WSCC — Page CORRECTIONS-66  
E-922 Transfers FTE from NSP to NNCC — Page CORRECTIONS-67  
E-924 Transfers FTE from NSP to SDCC — Page CORRECTIONS-67  
E-925 Transfers FTE from NSP to HDSP — Page CORRECTIONS-68  
E-926 Transfers FTE from NSP to TLVCC — Page CORRECTIONS-68  
E-938 Transfers FTE from NSP to FMWCC — Page CORRECTIONS-69

If the 2011 Legislature approves the Governor's recommendation to close NSP, the *Executive Budget* recommends the transfer of 31 positions from NSP to various other facilities. Some of the position transfers correlate directly to the closure of NSP. However, many of these position transfers appear to be recommended to enhance the staffing ratios at other institutions.

The Budget Division has submitted Budget Amendment Nos. A00183 and A00184 which withdraw four transfer recommendations including one correctional sergeant to the Director's Office and three correctional officers to the Three Lakes Valley Conservation Camp (TLVCC).

In response to the Joint Subcommittee's request, DOC provided a prioritization list associated with the additional position transfers. The members should note that all transfers not approved by the 2011 Legislature would result in a commensurate General Fund savings.

Priority No. 1 is to transfer five correctional officers to the Warm Springs Correctional Center (WSCC) to provide perimeter coverage currently secured by staff at NSP due to the adjacent proximity of the two facilities.

Priority No. 2 is to transfer two correctional officers and two senior correctional officers to NNCC. If NSP is closed, DOC will no longer have a close-custody unit in northern Nevada. The Department plans to convert Unit No. 7A at NNCC to a close-custody unit. The DOC has stated such a unit requires these additional correctional officers.

Priority No. 3 would be to transfer nine correctional officers to SDCC. Currently, SDCC has a high inmate-to-correctional-officer ratio which occurred in 2001 when several correctional officer staff were reclassified to substance abuse staff at the initiation of the Correctional Programs account.

Priority No. 4 would transfer one heating, ventilation, air conditioning and refrigeration (HVACR) specialist and one food service manager to NNCC. The HVACR specialist would assist NNCC's existing nine maintenance staff with routine maintenance. The food service manager would provide additional food preparation services to the facility's existing food service managers and three food service supervisors for NNCC and the Stewart Conservation Camp.

Priority No. 5 would transfer one maintenance repair specialist to WSCC. This position would provide maintenance to the license plate factory, the book bindery shop at NSP while providing additional assistance to WSCC's existing maintenance personnel.

Priority No. 6 would transfer one facility supervisor and one electronics technician to NNCC. These positions would enhance existing staff at NNCC to perform routine maintenance.

Priority No. 7 would transfer three correctional officers to the Florence McClure Women's Correctional Center to provide additional escort officers to transport female inmates to and from court hearings and medical appointments.

Priority No. 8 would transfer one correctional sergeant to WSCC to improve the supervisory ratios and management of inmate property.



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Priorities No. 9 and No. 10, which were originally recommended to transfer three correctional officers to TLVCC and one correctional sergeant to the Director's Office, have been withdrawn from DOC's recommendations.

Three options have been suggested for the Joint Subcommittee's consideration.

The Joint Subcommittee may wish to consider approval of the Governor's recommendation to transfer the 27 positions as amended from NSP to other facilities.

The Joint Subcommittee may approve only DOC's first two priority transfer items as they correlate to the closure of NSP.

The third option would be for the Joint Subcommittee to review each of these position transfer priorities, considering each facility's unique staffing requirements to determine the critical need of each transfer.

CHAIR HOGAN:

If there are no further questions on this item, we will move to B/A 101-3739, decision units E-690, E-692, E-698 and E-699 to close the Wells Conservation Camp (WCC).

NDOC – Wells Conservation Camp — Budget Page CORRECTIONS-143  
(Volume III)

Budget Account 101-3739

E-690 Budget Reductions — Page CORRECTIONS-148

E-692 Budget Reductions — Page CORRECTIONS-148

E-698 Budget Reductions — Page CORRECTIONS-150

E-699 Budget Reductions — Page CORRECTIONS-150

MS. COFFMAN:

This recommendation would eliminate 150 male minimum-custody beds and 12 positions resulting in General Fund savings of \$994,952 in FY 2011-2012 and \$1.1 million in FY 2012-2013. Staff notes the costs to mothball the facility

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have been reduced through a budget amendment to a revised amount of \$78,717 in FY 2011-2012 and \$50,290 in FY 2012-2013.

Staff received information from the Nevada Division of Forestry (NDF) indicating the average savings to the State with operation of the WCC is approximately \$909,592 in each year of the biennium for fire suppression costs that would otherwise be incurred if the State contracted for Type II fire crews.

There are two options for the Joint Subcommittee to consider in this decision.

The first is to approve the Governor's recommendation to close WCC and provide General Fund appropriations to \$78,717 in FY 2011-2012 and \$50,290 in FY 2012-2013 for mothball expenditures.

The second option would be to continue the operation of WCC which would require additional General Fund appropriations of \$994,952 in FY 2011-2012 and \$1.1 million in FY 2012-2013 to support staff and operating costs. This option would also include the elimination of General Fund savings of \$719,471 in the conservation camp budget of NDF for the next biennium.

SENATOR RHOADS:

In earlier hearings it was indicated an outside group would review the eligibility for honor camp service of individuals currently incarcerated in other facilities. I am amazed that it takes approximately \$23,000 to keep an inmate in prison and approximately \$13,000 to keep them in an honor camp, yet the proposal is to close an honor camp. Has that study been completed?

JAMES G. (GREG) COX (Acting Director, Department of Corrections):

I have contacted the National Institute of Corrections but they have not committed to a date to conduct the review. It appears that may occur on April 18, 2011.

An individual from the University of Cincinnati that reviews classification instruments for both female and male inmates will be sent to complete the study. They will identify custody levels and the placement of inmates in our system.

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SENATOR RHOADS:

What savings could be derived by not closing WCC and moving a given number of inmates from a facility in which the costs are approximately \$23,000 annually for their incarceration?

MR. COX:

Considering costs overall, shifting inmates to the Carlin Conservation Camp (CCC), has been previously discussed with specific costs of minimum custody. The mission in that part of the State can be achieved by moving the WCC inmates to CCC. The annual cost is approximately \$22,000 for incarceration in one of the major institutions and the costs for incarceration in an honor camp are approximately \$14,000 annually.

SENATOR RHOADS:

If the survey indicates there are 150 inmates incarcerated in a major institution who are eligible to be placed in an honor camp, would a decision be made to not close WCC?

MR. COX:

There are multiple pieces of legislation proposed that address the honor camp population. Assembly Bill 136 is one of those and A.B. 510 of the 74th Session was specific to the minimum custody population. Currently, there are a significant number of open beds in the honor camp system.

ASSEMBLY BILL 136: Revises provisions governing credits for offenders sentenced for certain crimes. (BDR 16-634)

I suspect A.B. 136 and other pieces of legislation would further reduce our minimum custody population.

ASSEMBLYMAN BOBZIEN:

Have NDF and DOC met to discuss available options? As a member of the Assembly Committee on Natural Resources, Agriculture and Mining, I am aware of the proposal to move the NDF Dispatch Center from Minden to Elko. Then in Elko we are diminishing initial attack capacity for northeastern Nevada. Have these matters been discussed between the agencies?

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MR. COX:

We have met with NDF staff and DOC has agreed to move approximately 40 inmates to CCC as indicated to be sufficient for the NDF needs in that location. The detailed NDF plan is not my area of expertise.

SENATOR PARKS:

We are discussing the mothballing of a facility. Are there potential uses for the facility other than reopening it at some point in the future?

MR. MOHLENKAMP:

After one of the initial hearings, we contacted certain groups to identify if there was an immediate use that might be possible by another entity. At this time, no entity has presented a proposal for the facility because of the remote location.

The DOC has proposed to mothball the facility through the 2011-2013 biennium to make it available for use by NDF to temporarily house a strike team for firefighting purposes or to ensure it is available for other uses.

If the facility is closed completely, it will degrade rather rapidly. The DOC feels the small funding request to maintain the facility at a minimal level is worthwhile. After that, a decision must be made whether to invest further funding to continue mothballing the facility.

CHAIR HOGAN:

We will close the discussion on B/A 101-3739 and open the discussion on B/A 101-3740.

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Budget Account 101-3740

CATHERINE CROCKET (Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau):

The first item in this budget is decision unit E-693.

E-693 Budget Reductions — Page PUBLIC SAFETY-87

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The Governor recommended the transfer of the Pre-sentence Investigation (PSI) function to the district court system for a General Fund savings of approximately \$10.7 million over the biennium. A total of 76.9 FTE positions would have been eliminated with that reduction.

However, on March 25, 2011, the Budget Division submitted a budget amendment which retains the PSI functions within the Division of Parole and Probation (P&P) and would bill the counties for provision of the PSI reports. The budget amendment did not contain any information regarding the amount each county would be billed or how the cost would be determined.

During the budget hearing process, the Acting Director of the Department of Public Safety testified that DPS has developed a White Paper addressing the pros and cons of maintaining the function at the State level. The White Paper was provided to the Fiscal Analysis Division on March 28, 2011. The White Paper indicated each county would be billed monthly based upon the historical percentages of PSI reports completed for each county. It is not clear if this process will continue in upcoming biennia beyond the 2011-2013 period of time.

Senate Bill 443, which is currently in the Senate Committee on Finance, requires counties to pay expenses for PSI reports made by P&P. The Agency has provided the number of PSI reports completed for each judicial district. Several judicial districts encompass more than one county and it is unclear the amount that would be billed to each county in those judicial districts.

**SENATE BILL 443**: Requires counties to pay the expense of presentence or general investigations and reports made by the Division of Parole and Probation of the Department of Public Safety. (BDR 14-1202)

There are three options for the Joint Subcommittee's consideration:

Option No. 1 would be to approve the Governor's recommendations and transfer the PSI functions to the district courts.

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Option No. 2 would be to accept the budget amendment retaining the PSI report staff and to bill counties approximately \$10.7 million for the reports over the 2011-2013 biennium.

Option No. 3 would be to approve neither the Governor's recommendation nor the budget amendment and to continue funding this function by the State at a cost of approximately \$10.7 million over the biennium.

SENATOR RHOADS:

What happens if the counties cannot afford the cost of the PSI reports? Has that ever been discussed? Some of the counties in my district are already near bankruptcy.

CHAIR HOGAN:

Who is prepared to respond to the Senator's very pertinent question?

MR. KRMPOTIC:

Staff has not explored that question. I would suggest the Joint Subcommittee ask whether the Agency has been in contact with the counties regarding this matter.

BERNARD W. CURTIS (Chief, Division of Parole and Probation, Department of Public Safety):

I discussed this concern with Jeffrey Fontaine, Executive Director, Nevada Association of Counties (NACO). He indicated he would notify the counties. However, I have not received further input to date.

SENATOR LESLIE:

This discussion is centering on costs to the counties. However, it is likely the counties will petition the judicial district courts to pay the costs of PSI reports. The counties fund the courts. Has any discussion with the courts transpired? I concur with Senator Rhoads that some counties will be unable to meet this fiscal burden.

I wish to disclose I am a judicial district court employee.

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MR. CURTIS:

I have not initiated discussions with the district courts as the proposal was to bill the counties for these services. We have discussed the proposal with NACO.

SENATOR LESLIE:

The proposal will impact the court budgets. The counties cannot magically find funding and neither can the courts. The courts need to be a part of the decision-making process. We are nearly halfway through the Session and these discussions are becoming realities. What is really going to happen if this proposal goes forward?

JEFFREY FONTAINE (Executive Director, Nevada Association of Counties):

We share the Joint Subcommittee's concerns. Discussions were held yesterday with P&P. Mr. Curtis provided information regarding the county-by-county impact of this proposal.

We need to remember this proposal is only a part of an approximately \$325 million to \$330 million total impact to county governments. Clark County's burden would be approximately \$250 million and Washoe County's would be around \$55 million. The remainder would be split between the rural counties. We know there are still other proposals that would either shift costs or services to the counties. There are further impacts of approximately \$7 million possible in Clark County and approximately \$2 million in Washoe County.

Several counties are on the brink. They are barely hanging on. Now it has been proposed to impose an additional \$214,000 of cost to Lyon County and perhaps another \$51,000 in costs to Mineral County. The counties are eliminating staff. They are cutting social and other services, and they are making plans to close parks and libraries. They simply cannot absorb these costs.

Currently, the proposal is to assess counties for costs of the PSI reports. If they cannot pay, I suspect either the Nevada Department of Taxation or some other entity will reduce distributions or allocations through the Consolidated Tax Distribution formula or another mechanism to recoup the funds unpaid by the counties. Whether the counties can petition the district courts to absorb these

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costs remains to be seen. As Senator Leslie noted, the district courts are ultimately the entity that will be affected.

SENATOR LESLIE:

If this proposal goes forward, has there been any discussion with the cities to share a portion of the burden? Courts are obviously a regional function. The fact that some judicial districts cover more than one county is awkward. If the PSI reports are a regional function, why are the costs only being proposed for the counties and not also the cities?

MR. FONTAINE:

We appreciate your comments. At the risk of broadening the issue, numerous regional functions are being allocated to the counties asked to assume the duties or costs. This proposal has not been discussed with the cities, but it is part of a bigger picture.

ASSEMBLYWOMAN CARLTON:

I am concerned that P&P is not a billing Agency. A new procedure will need to be established for this proposal to be enacted. What will the costs be to establish a billing program to collect these funds from the counties?

MR. CURTIS:

Some fiscal ability is available in the Carson City headquarters of P&P. That is the location from which these billings would be made. My administrative services officer (ASO), Rick Gimlin, has been working on the process and the Agency feels it can accomplish the billing process. Seventeen bills a month are all that would be necessary. However, the collections process is another story. The P&P currently collects supervision fees and makes a valiant effort on collection of restitution fees as well.

ASSEMBLYWOMAN CARLTON:

I am aware of the supervision and restitution fees; however, those collections are being assisted by the army of P&P officers in the field. This proposal would rely on one ASO who already has other duties assigned to his position.



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MR. CURTIS:

I cannot deny that fact. The ASO has a small staff at headquarters who could assume the functions of this project. The details have not been completed at this time.

ASSEMBLYWOMAN CARLTON:

The Agency would need to work closely with the Office of the State Controller for the collections portion of the proposal.

SENATOR LESLIE:

I am not sure this proposal is feasible. However, if the proposal is adopted, who will code which PSI charges belong to which judicial district? Would it be based on where the offense took place, where the offender lives or some other method?

MARK WOODS (Deputy Chief, Division of Parole and Probation, Department of Public Safety):

We will create a window and a button in the Offender Tracking Information System (OTIS) that will identify each county. The determining factor is made on where the offender is convicted. When a referral is received from a district attorney's office, the PSI writer will click the county button. The ASO will track the number of PSI reports done for each county by the information captured in OTIS.

SENATOR LESLIE:

That is the process described for the second year of the biennium. I understand that in the first year of the biennium, P&P would bill the counties by the number of PSI reports completed for each county in the previous year. Is that correct?

MR. WOODS:

The Agency can currently separate the PSI reports by judicial district and then make a manual search of the few judicial districts serving more than one county. The majority of reports are generated for Clark and Washoe Counties.

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SENATOR LESLIE:

It sounds like a greater workload; however, it appears plausible.

CHAIR HOGAN:

The next item in B/A 101-3740 is in decision unit E-602.

#### E-602 Budget Reduction — Page PUBLIC SAFETY-86

MS. CROCKET:

The Governor recommends elimination of 45 FTE positions, including 40 officer and 5 sergeant positions for a General Fund savings of approximately \$7.8 million over the upcoming biennium. The recommended reduction would increase the offender general supervision staffing ratio from 70 offenders per officer to 80 offenders per officer. The reduction of the 40 officers would result in 39 fewer officers in each year of the upcoming biennium to maintain the Governor's recommended officer-to-offender ratio based on the current JFA Associates caseload projections.

The Agency has indicated that approval of this decision unit will establish the administrative bank process for supervision as a permanent process.

As of January 31, 2011, the Agency indicated there are currently a total of 17,071 offenders within the administrative banks. The number of offenders on the administrative banks is determined by the general supervision caseload. If there are more cases than can be managed with the recommended 80:1 offender-to-officer ratio, offenders would be moved to the administrative banks.

Testimony provided by the Division indicated that offenders currently placed in the administrative banks consist of those with gross misdemeanor, category E felons and some category D felons. Officers use their judgment to determine which offenders are placed in the administrative banks. It does not appear the Agency has defined criteria to determine which offenders should be placed in the banks.

Staff has provided the Joint Subcommittee members with information reflecting the number of offenders which would be placed on the administrative banks. The P&P has high vacancy levels in their officer positions. If no officer positions were vacant, based on the number of officer positions as recommended by the Governor, approximately 3,100 offenders would be placed in the administrative banks. The P&P currently has an officer position vacancy rate of 18 percent. If the vacancy rate were 20 percent, approximately 5,700 offenders would be on the administrative banks.

To achieve the Governor's recommended 80:1 staffing ratio without use of the administrative banks, an additional 39 officer positions and 5 sergeant positions would be required at an additional General Fund cost of \$3.8 million in each year of the upcoming biennium. Due to the training and recruitment process, the positions would need to be phased in over a period of time. The \$3.8 million represents the cost of adding all positions at the beginning of the biennium. Therefore, the actual cost would be lower based upon how quickly individuals could be recruited and trained for the positions.

If the Governor's recommendation for an 80:1 staffing ratio were not approved and the staffing ratio were maintained at 70:1, without administrative banks; an additional 57 officers, 7 sergeants and 1 lieutenant would be required at an additional General Fund costs of \$5.6 million for each year of the 2011-2013 biennium.

There are three options recommended for the Joint Subcommittee's consideration.

Option No. 1 would be to approve the Governor's recommended budget and eliminate 45 FTE positions for a General Fund savings of \$3.9 million in each year of the biennium.

Option No. 2 would be to add 39 officers and 5 sergeants to maintain general supervision at an offender-to-officer ratio of 80:1 without the use of administrative banks.

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Option No. 3 would be to add 57 officers, 7 sergeants and 1 lieutenant at an additional cost of \$5.6 million each year of the upcoming biennium.

ASSEMBLYWOMAN CARLTON:

I am quite uncomfortable with these options. A few sessions ago we approved an additional 30 officer positions for P&P. The Agency was never given the opportunity to fill the positions. It was one of the first budget reductions resulting from changes in the economy. Now, the vacant positions will no longer be approved. The Legislature cannot expect the Agency to do much more with less. However, P&P can only do so much more.

Having more than 5,700 individuals in the administrative banks is not feasible for protection of the public and to ensure monitoring of offenders. These are not simply individuals with traffic tickets. They are individuals who have gone through the criminal justice system, living in our local neighborhoods. Part of the mission of the Agency is to monitor and watch these individuals and the public has a right to that expectation. Eliminating the officer positions is inappropriate. The recruitment and training of individuals takes a long time. If sufficient staff is not authorized, we cannot expect the Agency to meet the performance measures set forth.

CHAIR HOGAN:

This is clearly one of those instances in which the drive to reduce costs is directly impinging on the expectations of the public to be safe in their homes and communities. These reductions, like others, go to the heart of what citizens have a right to expect from their government. Many of us are reluctant to put the benefits of General Fund savings above the safety of Nevada's public.

SENATOR LESLIE:

I share the concerns that have been expressed. Can Staff prepare other options for this budget item for the Joint Subcommittee's consideration?

Will the Agency prioritize the options? Where would the position eliminations occur? Will they be identified by certain units such as one sergeant for so many officers? I am not comfortable approving this budget as presented. The reductions are too deep. These ratios are not acceptable. Perhaps there is a

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middle ground that can be derived. If some additional funding can be found, where would P&P prioritize their needs?

CHAIR HOGAN:

A further study of the request is being developed.

MS. CROCKET:

The final budget account for today is B/A 101-3743, decision unit E-691, the Division of Investigations (NDI).

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Budget Account 101-3743

E-691 Budget Reductions — Page PUBLIC SAFETY-96

The Governor recommends closure of the Las Vegas Office of NDI for General Fund savings of \$2.2 million over the 2011-2013 biennium. Twelve positions would be eliminated, including ten which are currently filled.

The NDI currently participates in five joint task forces in Las Vegas. After the Las Vegas Office is closed, they will no longer have representation on those task forces. The NDI has indicated to Staff that the joint task forces in Las Vegas would continue to provide homeland security, narcotics enforcement and investigation activities within the Las Vegas area if the NDI office is closed. However, the NDI would lose dedicated liaisons with these task forces, some of which currently serve as important information sources for the Nevada Threat and Analysis Center. It appears the task forces would continue to function without the participation of NDI. The loss to the State would include less information sharing and a reduction in federal forfeiture fund income.

However, in rural areas of the State, NDI plays a supervisory role in task forces. The Agency indicated to Staff that there is some doubt as to whether the rural narcotic task forces would continue to exist if NDI did not manage those efforts. This would result in limited narcotics enforcement over large geographical areas of the State. Therefore, the Las Vegas Office was chosen for

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closure, rather than reducing supports for the rural narcotics task forces. During its budget hearing, the Joint Subcommittee expressed interest in knowing the costs to add back some of the positions recommended for elimination. The positions proposed for elimination have been prioritized by NDI. The cumulative cost for each add back is provided.

The Agency has indicated that up to five restored positions could possibly be located in the Las Vegas Office of P&P, thereby saving an add back for office rent. If more than five positions were to be restored, the Division would need additional funding to provide for office space and rental costs.

Two options are presented for Joint Subcommittee consideration.

Option No. 1 would approve the Governor's recommendation to close the NDI Las Vegas Office for General Fund savings of approximately \$2.3 million over the 2011-2013 biennium.

Option No. 2 would restore one or more positions utilizing General Funds for the NDI Las Vegas Office. If the Joint Subcommittee were to choose to restore one or more positions, which positions does it consider most critical for the Agency's operations?

CHAIR HOGAN:

Staff has posed a need to prioritize some of the positions in this budget account. Can the Joint Subcommittee be guided by the priorities proposed by the Agency?

SENATOR LESLIE:

Could a third option be considered? These are difficult choices. I am still mulling the previous budget requests and the inherent danger from our actions. Could elimination of the rural task forces be considered? Yet, that must be weighed along with the other issues such as PSI writers for each county.

SENATOR PARKS:

In reviewing this budget, I note 12 positions are to be eliminated, but at least 5 other positions that are part of NDI would be continued. Three of them are

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funded by the American Recovery and Reinvestment Act of 2009 funds (ARRA). Three ARRA-funded positions are included through FY 2011-2012. Is that correct?

MS. CROCKET:

Three officers located in Las Vegas would not be eliminated. One is located at the Las Vegas P&P Office. That person conducts polygraph testing. Two Highway Fund positions are currently assigned to the Vehicle Crimes Unit. The NDI has indicated there is a possibility those two positions could be reassigned to the Southern Nevada Tourism Task Force and the U.S. Marshal's Las Vegas Fugitive Apprehension Unit. Budget integrity would be maintained by performing duties which would be appropriate for Highway Fund positions.

SENATOR PARKS:

Was there discussion about locating some NDI staff into the offices of P&P? If five positions are restored, does P&P have adequate space for these individuals? It appears the facility is already heavily staffed at this time.

MS. CROCKET:

The P&P indicated, a few days ago, that they would have room for five additional positions.

MR. GOICOECHEA:

As discussed earlier, approximately how much forfeiture income will be lost by NDI not participating in southern Nevada?

MS. CROCKET:

I do not have the information today, but I will inquire of the Agency and provide that information.

CHAIR HOGAN:

We will now open the hearing to public comment.

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JOHN JERMYN (Correctional Officer, Nevada State Prison):

I have provided my written testimony in three documents for the record ([Exhibit C](#), [Exhibit D](#), and [Exhibit E](#)). I have been a correctional officer at NSP for more than 14 years. I have concerns with the DOC budget and the proposed closure of NSP.

The second proposed budget the DOC director submitted to the Legislature on March 11, 2011, provides a breakdown of the NSP positions that will be eliminated and where other positions will be transferred. I have found several discrepancies with these numbers and the information provided to the Legislature.

There are positions proposed for elimination that are not currently being filled. The director is claiming these as budget savings, but the money savings has already been realized by the positions remaining vacant. The "base salary savings" I will be referring to is the base grade and step for a given position. For example, the base grade and step for a correctional officer is grade 33, step 1, or \$42,000 annually. Every year of service equals one step until the maximum number of ten steps is reached. The unfilled positions are:

- Ten correctional officers at a base salary savings of \$420,000.
- Two senior correctional officers at a base salary savings of \$88,000.
- One correctional lieutenant at a base salary savings of \$55,000.
- Two associate warden positions at a base salary savings of \$130,000.
- One open warden at WSCC at a base salary savings of \$75,000.

Currently, the duties of the WSCC warden are being covered by the warden of NSP. I could continue the list of positions; however, the total base salary savings that has been utilized to this point by keeping these legislatively approved positions vacant is between \$768,000 and \$1,137,510 annually. Where were these funds diverted and on what were they spent?

After further research, I have found DOC is currently using emergency hard beds (a medium, close and maximum-custody bed) for multiple inmates in cells designed for one or two inmates. Soft beds are designated for minimum and lower-custody beds, such as in the camps. As an example, WSCC is housing



four inmates per cell in Housing Unit No. 1. The inmates are being given merit credits to be placed there because it is not a legal use of those cells. The unit is only designed for two inmates in each cell. These cells can be utilized to house four inmates in emergency situations, but only as a last resort.

The Lovelock Correctional Center is also housing multiple inmates in Housing Unit No. 4a. This is a one-man-per cell segregation unit. The unit is housing two inmates per cell in 2011.

Ely State Prison is also double-bunking inmates who should have been segregated. This situation has already led to an inmate-on-inmate murder in 2010.

This practice is being used by DOC to boost the base institutional bed count for these institutions. This means the institutions appear to have greater inmate capacity than the design intended. The DOC is also making these changes to facilitate the closure of NSP and to open the new facilities at HDSP.

There are insufficient hard beds within DOC if NSP is closed. The director testified DOC has sufficient hard beds without opening the next phase at HDSP, but that is incorrect. The HDSP is the backup plan, if the inmate population increases.

Nevada State Prison was the recipient of a Homeland Security Grant for the upgrade and retrofit of all video surveillance and security systems within the institution. As of March 1, 2011, NSP has had no video equipment installed or retrofitted with use of these funds. After review of the State Public Works Board (SPWB) document, I have found there is approximately \$3 million in Priority No. 1 funds being requested to upgrade the retrofit of NSP's video surveillance and security system. Have the federal grant funds been spent and on what purposes? If the federal grant funds are still available, why is SPWB requesting approximately \$3 million to fund a project for which the federal government has already provided funding? I agree with certain video system upgrades, but at this time, due to the economic crisis of the State, it is unnecessary to spend State funds for that purpose. The NSP has survived for more than 80 years without these upgrades.

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All of these numbers are verifiable. I have the documentation and NSP staff to support these claims. I am willing to meet with members of the Joint Subcommittee individually.

CURT THOMAS (Correctional Officer, Nevada State Prison):

I have also been a correctional officer at NSP for more than 14 years. The pile-on effect of budget reductions as addressed by Assemblywoman Carlton is a fact. Employee retention and recruitment will become problematic. Shift differential elimination will be a large additional reduction for employees on swing shift. Day and night shift employees will only face 5 percent reductions compared to 10 percent faced by swing shift employees. The pay incentive will be as justifiable in the future as it is today. Swing shift staff should not be subject to an additional 5 percent salary reduction over other DOC staff. My fellow officers and I are willing to do our part, but the sum of all the proposed reductions is placing an unfair burden on correctional staff.

By now the Joint Subcommittee has heard all the arguments, both for and against closure of NSP. It appears there is too much doubt as to the feasibility and impact of closing NSP.

If needed, NSP will be expensive and difficult to reopen. If the inmate population increases, the Legislature may be in a situation of having to release inmates early or face an overcrowded system. Is that a risk you are willing to take?

CANDICE MADIEROS (Vice Chair, Political Action Committee, Nevada Correctional Peace Officers' Association):

I have submitted my written testimony ([Exhibit F](#)). In both the Seventy-fifth Legislative Session in 2009 and the Twenty-sixth Special Session in 2010, the Legislature voted against the proposed closure of NSP. Instead, an appropriation of approximately \$17 million was made for FY 2010-2011 for the continued operation. In committee minutes from 2009, former Director Howard Skolnik was asked to produce estimates of approximate costs for continuation of Prison Industries that are currently located in NSP. These costs were to include utilities, inmate transportation and the supervision of inmates. That information, or a solid plan, has still not been provided. Yet, the closure of NSP is the only solution DOC has proposed to fill a now, even larger funding deficit.

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The proposed plan to open two empty units at HDSP that can absorb the inmate population of NSP is not a long-term solution to the State's budget problems. It would seem nearly impossible to derive an accurate estimate of the cost savings by the closure of NSP. The only undisputable fact seems to be the displacement of approximately 130 employees with no estimate of how many employees may be eliminated. This act alone could devastate the local economy. What about the local distributor who provides food to serve the inmates? There are 700 inmates at NSP who eat 3 meals a day. That is 2,100 meals that will no longer be provided daily by a northern distributor.

Regardless of which JFA Associates report is referenced, the inmate population grows over the next ten years. The projections by DOC are substantially different than those provided by JFA Associates. Approximately every three years, new projections are made for the upcoming ten years. That makes their projections overlap. I would not want to base the closure of a prison facility on the projections that those beds would not be needed.

In these trying times, I do not believe the crime rate will level out. People have less to lose every day with no decrease in the necessities to provide for their families.

According to minutes of a 2003 Assembly Committee on Ways and Means meeting, DOC was at 9,345 male inmates. In 2011, there are approximately 11,568 inmates. That is substantial growth. How many more institutions will be needed by DOC if this trend continues? Assembly Bill No. 510 of the 72nd Session changed inmate sentence structures and allowed the release of a significant number of inmates.

CHAIR HOGAN:

Are there further public comments on the items discussed today?

ALEX ORTIZ (Clark County):

If the PSI report costs are transferred to the counties, those costs will be borne by the district court, not necessarily Clark County. As Mr. Fontaine testified, several funding impacts are being shifted to the counties exceeding approximately \$350 million. Of that sum, \$250 million will be shifted to

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Clark County. We strongly oppose the funding shift for preparation of the PSI reports to the counties.

SENATOR LESLIE:

Has Clark County asked the Eighth Judicial District for a reduction in their budget for the next biennium? What is the County's planning process?

MR. ORTIZ:

Although I do not have the details, Clark County has held discussions with the court, and your suggestions are being considered. We have informally made that suggestion.

SENATOR LESLIE:

If the courts must cut that amount of funding from their budgets, it will create an impact and this Joint Subcommittee needs to know what would be cut in order to absorb the costs of the PSI reports. We need to move more quickly so these budgets can be closed. However, before the budgets can be closed, every member of this Joint Subcommittee needs to know what the impact is really going to be in their districts.

MR. FONTAINE:

We have been in discussions with Mr. Ortiz in the last few minutes. It is apparent that, if this proposal were to occur, these additional costs would need to be absorbed. These are court costs. To the extent of the figures provided on March 30, 2011, we will discuss procedures going forward with the counties. We agree this provision would significantly impact the district courts.

CHAIR HOGAN:

Please provide the information received from any of the counties to our Staff.

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Seeing no further business before the Joint Subcommittee, this meeting is adjourned at 9:55 a.m.

RESPECTFULLY SUBMITTED:

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Cynthia Clampitt,  
Committee Secretary

APPROVED BY:

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Senator David R. Parks, Chair

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

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Assemblyman Joseph M. Hogan, Chair

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

Senate Committee on Finance  
 Joint Subcommittee on Public Safety/Military/Veterans' Services  
 Assembly Committee on Ways and Means  
 Joint Subcommittee on Public Safety/Natural Resources/Transportation  
 March 31, 2011  
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<b><u>EXHIBITS</u></b>			
<b>Bill</b>	<b>Exhibit</b>	<b>Witness / Agency</b>	<b>Description</b>
	A		Agenda
	B		Attendance Roster
	C	John Jermyn, Correctional Officer	Letter
	D	John Jermyn, Correctional Officer	Letter
	E	John Jermyn, Correctional Officer	Letter
	F	Candice Madieros, Nevada Correctional Peace Officers' Association	Written Testimony