

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

**Seventy-Seventh Session
March 29, 2013**

The Joint Subcommittee on Public Safety, Military and Veterans' Services of the Senate Committee on Finance and the Assembly Committee on Ways and Means was called to order by Chair David R. Parks at 8:12 a.m. on Friday, March 29, 2013, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, 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.

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator David R. Parks, Chair
Senator Joyce Woodhouse
Senator Pete Goicoechea

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblyman David P. Bobzien, Chair
Assemblyman Tom Grady
Assemblyman John Hambrick
Assemblywoman Marilyn Kirkpatrick
Assemblyman Michael Sprinkle

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Sarah Coffman, Senior Program Analyst
Jennifer Gamroth, Program Analyst
Annette Teixeira, Committee Secretary

OTHERS PRESENT:

James G. Cox, Director, Department of Corrections
Chris Perry, Director, Department of Public Safety

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Keith Uriarte, Chief of Staff, AFSCME Local 4041

Laura Pappas

Richard Wyett

Ron Cuzze, President, Nevada State Law Enforcement Officers' Association

Norm Halliday, President, Nevada Association of Public Safety Officers

Ronald Dreher, Government Affairs Director, Peace Officers Research Association
of Nevada, Inc.

Adam Page

Nancy Tiffany

Chris Gallagher

Troy L. Dillard, Director, Department of Motor Vehicles

Sean McDonald, Administrator, Central Services and Records, Department of Motor
Vehicles

Chair Parks:

I will ask the Fiscal Division Staff to brief us on the Nevada Department of Corrections (NDOC).

Sarah Coffman (Senior Program Analyst):

I will be taking you through the Work Session document for the NDOC. The Governor's proposal is to transfer the parole services function from the Department of Public Safety (DPS), Division of Parole and Probation (P&P) to the NDOC. In addition, the Governor recommends creating a new Community Services Division, which would be comprised of parole services, reentry, the Casa Grande Transitional Housing Center and the Northern Nevada Restitution Center. As part of this recommendation, the Governor is recommending the transfer of 71 sworn staff members and 34 nonsworn staff members from the P&P to the NDOC. The 105 positions recommended for transfer would remain located at their existing P&P offices over the 2013-2015 biennium.

Currently, the office of the State Board of Parole Commissioners queries the NDOC's database approximately 5 months in advance of an inmate's eligibility for parole. The Parole Board schedules parole hearings approximately 3 months prior to the inmate's parole eligibility date to allow enough time for an investigation by the P&P on the parolee's proposed residence and programming plan upon return to the community.

Once the Parole Board grants an inmate parole, a NDOC caseworker provides information to the inmate on how to draft a release plan. Once the release plan is provided to the caseworker, the plan is provided to the NDOC release coordinator, who then forwards the release plan to the P&P prerelease unit. At this point the prerelease unit tracks, coordinates and processes the offender's release plan. That plan is then submitted to the parole officer who subsequently investigates the viability of the plan. If the plan is denied, it goes back through that chain of entities to the inmate. The inmate then has to create another release plan for consideration by the P&P officer.

Once the release plan is approved, the inmate is released on their eligibility date and they meet with their parole officer for the first time. The parole officer then provides the offender with the rules of parole and provides additional referrals to counseling, including substance abuse and employment.

The NDOC has suggested three areas that would benefit from the transfer of parole services. The first one has to do with the reduction of duplication of efforts through streamlining the release process for parolees. The NDOC states that inmates currently receive little assistance in drafting a release plan. This can result in the plan being denied multiple times, and cause inmates to remain incarcerated past their parole eligibility dates. The NDOC currently reports that 350 inmates are incarcerated past their parole eligibility date due to nonviable release plans. The NDOC has indicated that with this new streamlined process, they would be able to reduce that number and it would save approximately \$55 per day in inmate-driven costs.

Under the Governor's proposal, reentry teams, which are anticipated to consist of caseworkers, release coordinators and parole specialists would be established at the Northern Nevada Correctional Center (NNCC), Florence McClure Women's Correctional Center and Southern Desert Correctional Center to assist inmates in developing release plans. Upon their completion of a release plan, the plan would be submitted directly to the assigned parole agent, thereby eliminating the duties currently performed by the P&P prerelease unit. If the parole agent determines that the release plan is not viable they would work directly with the inmate to rectify any issues with the plan.

The second benefit that the NDOC has identified is the continuum of care for the inmates. The NDOC states that with this transfer they would be able to provide a single message to the inmates from intake all the way through to parole. The reentry teams would be providing educational goals as well as vocational needs and counseling services to these inmates. The NDOC states that with this continuum of care it is less likely that the inmates would reoffend. However, the Fiscal Staff would point out that no additional revenue has been provided for additional programming in the NDOC budget accounts.

The third benefit associated with the parole services transfer would be a reduction in recidivism. The Executive Budget states the rate of reincarceration was 22.71 percent in Nevada. By way of comparison, the nationwide recidivism rate is 60 percent. The NDOC has indicated that there will be a reduction in recidivism because of this transfer. However, the Department was unable to provide any statistical data supporting this conclusion. Furthermore, the NDOC was also unable to provide recidivism rates associated with those states that have already implemented the parole structure that the Governor is currently recommending. Fiscal Staff at this time cannot substantiate whether recidivism rates will actually improve because of this transfer.

Based on the expenditures identified in the Executive Budget, there will be additional costs totaling \$463,931 in the first year and \$458,777 in the second year to operate the parole function to the NDOC location as proposed. After further analysis, it has been determined the number is probably closer to approximately \$127,000 in the first year and about \$105,000 in the second year, as it appears that there are some shared costs that were duplicated in the Executive Budget. The revised estimates for the additional costs primarily stem from two new positions that are being recommended. They are a deputy director position and an accountant technician. The P&P has indicated that they do not have additional staff to transfer to the NDOC in order to fulfill these duties.

During the February 19 meeting of the Senate Committee on Finance, Joint Subcommittee on Public Safety, Military and Veterans' Services and Assembly Committee on Ways and Means, Joint Subcommittee on Public Safety, Natural Resources and Transportation budget hearing, the NDOC indicated that its goal was to minimize additional costs in the 2013-2015 biennium resulting from the transfer of parole services. The Joint Subcommittee was concerned about the cost

neutrality sought by the NDOC in the 2013-2015 biennium and requested additional information regarding future costs associated with the parole function transfer to the NDOC.

The NDOC testified that they wanted to minimize the costs in the 2013-2015 biennium for this transfer. However, in the 2015-2017 biennium there would be additional costs. The first item is for additional costs associated with system upgrades that would be needed in the 2015-2017 biennium to the Nevada Offender Tracking Information System (NOTIS). There would be a need to purchase three new modules implemented into that system for the parole functionality, the dangerous offender's notification and the accounting software associated with the supervisory fee tracking.

The second future cost relates to staff relocation. Currently, the Governor's proposal recommends that the 105 transferred staff from the P&P should remain at the P&P offices. However, in the 2015-2017 biennium the NDOC is recommending that the 105 staff members be transferred to the NDOC offices. This would cost \$218,640 in moving costs. This does not identify any of the additional costs associated with rental increases or any other unforeseen costs.

The third item relates to new staff. Fiscal Staff has identified new staff as possibly being required in the 2015-2017 biennium. The DPS and the NDOC state that they will share the responsibility of staffing the receptionist windows at all the public safety offices. Once the parole function is transferred to the NDOC, it is unclear how they would separate those duties without providing additional staff.

The fourth item relates to travel. At the Joint Subcommittee meeting on February 19, the P&P testified that adult probation would require additional travel time and expenditures due to larger geographical regions being supervised by probation officers. However, in a follow-up memorandum dated March 12, the P&P recanted its testimony indicating that no additional travel time would be required if the parole function were transferred to the NDOC.

There are other concerns that have been identified other than the additional costs. The NDOC has provided a number of performance indicators that they would be tracking over the 2013-2015 biennium. However, there has been no statistical data provided to Fiscal Staff or the Joint Subcommittee identifying what these

performance indicators currently are, or when and what the goals of the NDOC would be. There are no benchmarks available to track improvements should the transfer of parole services occur.

There is a duplication of effort. Currently, the P&P supervises inmates that are on both parole and probation. If these functions are separated, one offender may actually be supervised by both a parole agent and a probation officer and would be required to pay a \$60 supervisory fee as opposed to the current \$30 supervisory fee.

There would be an increase in court appearances for probation officers. Currently, the parole officers manage a mix of caseloads. They have both parolees and probationers. If this transfer goes through, the adult probation division would leave probation officers with a caseload of 100 percent probationers. These probationers spend more time in court appearances than parolees. The parolees go to the Parole Board instead of going to court. Probation officers would be spending more time in court and less time supervising probationers. However, the P&P does indicate that the probation officers would be able to maintain their 80:1 general supervision ratios despite this additional time needed for court appearances.

The nationwide trends are a concern. The NDOC has indicated that it is a nationwide trend for parole functions to be transferred to a department of corrections (DOC). However, only 12 states have transferred only the parole function to their DOCs. Of those 12 states, 3 maintain their probation function within the county and 8 maintain their probation functions within the judicial branch. The State of Washington appears to maintain both its parole and probation functions under its correctional department. None of the states maintains their probation function under a separate State agency. The NDOC was unable to provide staff with the recidivism rates associated with these 12 states to see if a reduction resulted from transferring the parole function to a DOC. No additional cost savings have been identified for these 12 states. There does not appear to be any established correlation between the reduced costs and the recidivism rates because of transferring the parole function to a DOC.

Fiscal Staff provided the Joint Subcommittee with only two options. The first option is to approve the Governor's recommendation to transfer the parole function to the NDOC. The second option is to not approve the Governor's recommendation

to transfer the parole function to the NDOC. If option two were chosen, there would be a savings between \$232,000 and \$922,708 over the 2013-2015 biennium, as well as eliminating anticipated future costs.

Chair Parks:

I would like to invite the NDOC to come forward with their comments.

James G. Cox (Director, Department of Corrections):

This proposed transfer is about helping people. It provides continued care and services to the offenders that we have in our care. We have looked at the services that we provide in our system and the services that are provided in the community, and have determined the most effective delivery of those services to the population. Many states have looked at this and have determined it is smart public safety and reduces recidivism. The reason many states, including the states of New York, Tennessee and others, have made the transfer is that the savings is rolled into the community correctional component. Departments have not looked at it from the standpoint of saving money regarding the overall department function, but utilizing that money for program services in the community and the community service division in those departments. The focus is on supervision and treatment resources for those individuals that are being released, reducing recidivism, and reducing victims.

Currently, 41 states have their parole functions within a DOC. No state has parole within the DPS. We have looked at the different realignments of the parole function with the National Institute of Corrections (NIC). I have also consulted with eight technical experts, three directors that have moved the function over in various states and the Council of State Governments (CSG). We have developed a good plan to make it seamless and a more comprehensive operation through the continuum of care and services to the offender population. It is the right thing to do for recidivism and the duplication of efforts and services. We have the inmates for a number of years and they would be better served with the reentry teams that we have talked about to develop plans for the 350 inmates that we currently have in our care and that have been granted a parole, but are still in our prison system. Texas reduced their technical violators from 11 percent to 2 percent by placing the function in their DOC and developing reentry teams. This was a significant reduction in cost to their DOC. With this effort, our recidivism rate will be reduced. I know that it has been described as being adequate, but any reduction in

recidivism is good public safety, it reduces prison costs and reduces victims in the community because people are not reoffending. The change would provide a path and an opportunity to stay out of prison and stay out of jail.

Senator Goicoechea:

If we do not approve the Governor's recommendation we are saving \$1 million to \$1.5 million. The national recidivism rate is 60 percent, and we are at 22.71 percent. I have heard your arguments, but we are talking about a \$1 million gamble. Your numbers point to at least 3 years before you can state this change is working. If it does not work, we will have spent millions of dollars.

Mr. Cox:

The national rate is 60 percent, but if you remove California, it is 40 percent. Simply looking at parole as a department of public safety, our offender population is not on parole for long. Because of the dynamics of our State, we have looked at why our rate is lower. The CSG has also looked at how to bring the numbers down in Nevada. They looked at this in 2005 and 2007. There is no significant way for the NDOC to continue to reduce recidivism without bringing this function into the fold. Our rate is flat, we are not reducing. When the State starts to grow again, the cost of corrections to the General Fund is great. In 2 or 3 years, the avoidance of having to bring on another prison would be significant and we can move that down the road by this action. We certainly do not plan to build a prison for another 10 years. The now closed Southern Nevada Correctional Center is available with 712 beds and has an average cost of about \$20 million a year to operate.

Assemblywoman Kirkpatrick:

You walked into a complicated situation when you took this position. There were many things that needed to be cleaned up in the system at that time. We do not have the same issues as other states. This is just one more item that we are not trending due to funding or other different areas. Last Session the staff within the NDOC and the P&P experienced a lot of impact due to pay and closures of facilities. You appear to be headed in the right direction by cleaning things up within the prison system as a whole. There is a lot more to do in this clean-up process. We should continue the cleanup first before we try to merge one more group within this Department. It appears to be more managed chaos toward the end result. No one wants to build another prison, but the employees have had enough impacts. This proposal brings another level of uncertainty. This is a big

undertaking to be responsible for and we cannot afford to waste one extra penny to make a mistake.

Mr. Cox:

One of the critical things that we looked at regarding staff was the reduction of our furlough days. We are also bringing back merit- and step-increases in 2015. We are not considering cutting salaries, pensions or benefits, and the P&P staff will also work in the same building. I would not have taken this on if there was going to be an effect on salaries or pensions. The 2,700 people that work in the NDOC view it as an opportunity to have a progression in their careers to make more money. You make more money in parole than you do in corrections. A number of my staff have contacted me regarding employment opportunities.

Assemblywoman Kirkpatrick:

How have you addressed the duplicate positions? Our staff has reported that there could be the same person reporting to two different people. Again, this is managed chaos. Should we take a slower approach by taking a piece at a time in the interim? There are other issues that have to get cleaned up in order for the Department to be efficient. I have talked about many issues in the past such as meals, prison industries and the license plate factory. These issues have gone on far too long without anyone taking an interest in them.

Mr. Cox:

This transfer has a 2- to 3-year window. I support having the CSG look at our State regarding our criminal justice system. I understand that it looks like we are combining a large amount of items into one area. My explanation is that, if we wait, then we would still have to do this due to growth in the State. I am trying to move the organization toward the future, reduce costs and provide better services to the inmate population and, in this case, people that are being paroled.

Assemblyman Grady:

I have received many emails from the staff opposing this transfer. There will be inconveniences whenever changes are made, but the disruptions to the staff is my No. 1 one concern. Do I understand that you have 350 inmates now that could be out on probation? If those 350 inmates do not parole, and over the next couple of years you add more inmates, will this cause you to open the now dormant Southern Nevada Correctional Center?

Mr. Cox:

Yes. It would be based on the continued population growth and the current percentage of inmates. The transfer of the P&P will allow us to be able to decrease the amount of inmates awaiting parole. This will reduce our costs and assist in not opening another facility.

Assemblyman Sprinkle:

I have also received a myriad of comments from the staff that are opposed to this transfer. I have not received any in support of the transfer other than your testimony. Can you explain what is currently wrong with the process and why we need to make a change now?

Mr. Cox:

I do not like to use the word wrong, I prefer to use the word better. There is an opportunity here to make things better and help reduce the cost of corrections. No state attempting such a change has had the support of the existing staff performing the P&P function. If this does not move forward, you will have to look at doing it eventually. I would not be supporting this transfer if it was not the right thing to do.

Assemblyman Sprinkle:

If the change does not occur, is it still possible to create reentry teams? Does the P&P currently have relationships with community organizations that help in the process?

Mr. Cox:

The P&P has relationships with community providers, as does the NDOC. Because parole is not under the NDOC, it is difficult for our State to qualify for the Second Chance Act funding, available through the Bureau of Justice Assistance, U.S. Department of Justice, and other grants. I have worked closely with the Intensive Supervision Programs in the community. I have taken on things in my tenure that are not correctional-based programs. It is the right thing to do to move forward. Every community partner in the offender field that I have spoken to supports this transfer.

Chris Perry (Director, Department of Public Safety):

If this is not approved, we will commit to Mr. Cox resources to put together his vision of where he needs to see his offenders counseled. As the Director of the DPS, I find troubling the amount of time that a person is under the supervision of one of my officers after leaving prison. It could be as short as 30 days, or as long as a couple of years. The average is somewhere between 30 and 90 days. I am concerned about the time the offender spends incarcerated and not leveraging our abilities to counsel and give them the tools they need to be successful when they leave. When you try to compact that kind of supervision into such a short period of time, we are doing them a disservice, as well as the State. From the overall perspective of what I understand, and what Mr. Cox and I have discussed, this would be an extension of their parole period, but it would start in prison. They would have counseling services stipulated prior to their release. Not used to being out in society, they require a special, lengthened type of counseling. Providing that service under one supervisor makes sense. I also understand that we do not have any margin for error, because we do not have any extra funding.

Mr. Cox:

The NDOC has offenders in custody longer than they are on parole. Being under one area of supervision allows for a concerted effort to provide the opportunity for them to stay out of jail and stay out of prison. Some people are missing this critical component. Both the NDOC and the DPS are working together to have a positive outcome.

Senator Goicoechea:

Typically, we consider a change to save money, but in this case, we are considering a change that is going to cost money. The P&P is going to have to focus on the fact that this change is coming.

Chair Parks:

Why are we not utilizing existing staff for the deputy director position? It appears you are requesting to hire someone new to fill the deputy director position for the community services division.

Mr. Perry:

Yes. I cannot lose another major. I only have two positions classified as major: one in the south and one in the north. The majority of the offenders are in the

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Las Vegas area. I cannot afford to give up a major in that area. The position of major working out of headquarters in Carson City has responsibility for the remainder of the State, including the rural areas. A single person cannot do the type of work that they are doing.

Chair Parks:

Is the issue of doing system upgrades to your NOTIS system something that needs to be done regardless of whether or not this transfer ever takes place?

Mr. Cox:

Yes. Regardless whether the transfer occurs, we are still in need of an upgrade to the system.

Chair Parks:

In the rural areas such as Ely, Tonopah and Winnemucca, how will the process take place? You have limited staff in these offices. Do you foresee performing dual activities? How would you separate those two functions? Does this mean more commute time?

Mr. Perry:

There will have to be a combination of duties in the rural offices. There is no other way around this. Depending on the area, you may have more parolees than probationers.

Chair Parks:

I have also received many emails from staff opposing this transfer. How are you going to transfer the P&P officers to the newly created division of community services? Will this be a voluntary request or has there been any expression of interest from staff to transfer?

Mr. Perry:

We would follow all of the appropriate personnel rules and regulations. We will first take voluntary requests to fill the positions. If there were not enough staff to fill the positions, we would start with the least-senior staff to fill those positions. We have our human resource staff currently working on this, but they do not have all of the answers yet.

Mr. Cox:

I have received emails from staff asking if they move to parole services, could they transfer back to probation services after the move. We have repeatedly said yes. I have staff that wants to work in parole from within the NDOC. We have a number of staff that are willing to transfer. Also some of my own staff would like an opportunity to become parole officers.

Mr. Perry:

There are a few staff members within the P&P that have expressed interest in the transfer. What we will commit to today is, if a person transfers voluntarily or they are transferred involuntarily, should they want to come back, they will have the first ability to transfer back to the DPS.

Assemblywoman Kirkpatrick:

It is easy to commit in front of this Committee, but where is the procedure in writing? In the past, agencies have committed to one thing and then the regulation process happens and it is nothing like what was originally proposed. I am looking for a level of certainty based on your commitment.

Mr. Perry:

This will be leveraged at the time the regulations are worked out with the Department of Administration, Division of Human Resource Management. If someone wants to return to the DPS, that would be put in writing before they leave.

Assemblywoman Kirkpatrick:

That is great, but it does not give me a level of certainty. It sometimes is not what Legislators are lead to believe. I need more clarity then this. There has to be some real commitment on the record, in either statute or regulation.

Mr. Cox:

We can look at an amendment or a memo signed by both the NDOC and the DPS. I would want it in writing, in case I am replaced.

Assemblyman Sprinkle:

If you do not get the amount of voluntary requests to fill the positions, why do you use the least experienced staff first? Does this cause concern?

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Mr. Cox:

It certainly would. When we looked at our plan, our command structure in both organizations has highly experienced people. With a change such as this, we will start to see more people once we have a plan in writing. I do not think that we will have many inexperienced people in those areas.

Chair Parks:

Seeing no further questions, I would like to open the hearing for public comment.

Keith Uriarte (Chief of Staff, AFSCME Local 4041):

The AFSCME opposes this proposal. We have been consistent in putting the argument before you to look at the NDOC proposal. We have requested the documents in the NDOC Administrative Regulations (AR) Manual for this proposal. Administrative Regulation 319, Workplace Safety, is the foundation for the operation of the NDOC. I state that AR 319 is not being followed by the NDOC. We suggest that you also ask for this same information. Mr. Cox has stated that there would be training provided to his correctional officers. There are currently correctional officers who are working by themselves, who are not POST certified. We also request that you review the internal audit of the NDOC conducted by the Department of Administration, Division of Internal Audits, report number 13-03. The information in the report indicates a lack of administrative oversight. As Assemblywoman Kirkpatrick mentioned earlier, you need to look at the NDOC.

Laura Pappas:

I have lived in Nevada since 1978, and have been a State employee for over 20 years. I work for the P&P and have held both sworn and nonsworn positions. I am here in opposition to this proposal as outlined in my written testimony ([Exhibit C](#)). I have some additional comments on what has been said here this morning.

It was stated that to eliminate the duplication of duties, reentry teams would be developed. We already have reentry teams. Part of these teams are in the P&P and part are in the NDOC. They already work together. The P&P employees have access to NOTIS, and the NDOC employees have access to our system. The two systems work together. I am a supervisor at the P&P in the presentence-investigation unit and even my staff has access to NOTIS. We use their system to prepare presentence investigations. Many states have the P&P

under the DOC. It has been mentioned that it works well in Tennessee and New York. Geographically, these states are very small with a large population. Geographically, Nevada is large with a small amount of population. Many criminals come to Nevada for this reason. We need to supervise these individuals correctly. We do a good job supervising these people at the P&P. I am asking that you keep the P&P under the DPS.

Richard Wyett:

I have provided my written testimony to the Committee ([Exhibit D](#)). I am a retired State employee. My purpose for being here today is to oppose the transfer of the P&P from the DPS to the NDOC. I retired as Chief of the P&P and also as Chairman of the State Board of Parole Commissioners. I was the administrator responsible for the P&P becoming a division of the DPS rather than a division of the NDOC. Governor Bob Miller originally recommended that the P&P become a division of the NDOC. At that time, the P&P was a stand-alone agency. The reasons for the merger were to reduce prison population. The director of prisons was trying to get federal certification. I explained that we were a law enforcement- and community-based agency. The Governor received numerous calls and letters from law enforcement, the courts, prosecutors and community organizations, after which he reversed his position and allowed me and my staff to lobby Legislators for their support in placing the P&P into the DPS and not the NDOC.

Today, I am still in opposition to the proposed transfer of the P&P functions to the NDOC. The justifications do not support this transfer, just as they did not in 1993. On pages 6 and 7 of [Exhibit D](#) is a copy of a letter from the Washoe County District Attorney Dorothy Nash Holmes, to Senator William J. Raggio dated May 12, 1993, which states the reason for not transferring the P&P function to the NDOC.

Corrections and rehabilitation occur in the community in which the individual formerly resided, not in the prison. Over 75 percent of the supervision of parolees is public-safety related and community based.

Ron Cuzze (President, Nevada State Law Enforcement Officers' Association):

I have submitted my written testimony ([Exhibit E](#)). I would like to address the comments made by Mr. Cox today regarding the NIC. We also contacted the NIC and were told a different story. The NIC has adopted the Nevada and the

South Carolina plan to model. We have, and have had, the best statistics in the United States. We are prepared to fly a representative from the NIC to Nevada. All we are waiting for is a request from any Legislator to do that. I guarantee you their information will be in direct conflict to anything Mr. Cox has testified to today. Every P&P officer that I have spoken to was asked one question, "What will you do if you are transferred?" I have been told one of three things, retire, transfer to another State law enforcement agency, or transfer out of state.

Norm Halliday (President, Nevada Association of Public Safety Officers):

I agree with Mr. Cuzze's comments. The transfer puts a burden on local law enforcement because of an increase in recidivism. I do not know if the citizens of this State are willing to risk 3 years of their time and over \$1 million on a hope or a belief. There is no substantial data to prove the findings of the NDOC. I oppose this transfer.

Ronald Dreher (Government Affairs Director, Peace Officers Research Association of Nevada, Inc.):

I would like to echo a few comments that we have heard this morning. I ask that you review the testimony Mr. Cuzze submitted. Why would you fix something that is not broken? I heard commitments from Mr. Perry and Mr. Cox on what will happen with the voluntary movement of people when they go from one agency to another. However, what about next year when the employees are no longer volunteering and they have to displace their families around this State? It has been suggested that maybe we should wait on the transfer. I am not sure you will have to wait on the transfer. You have an expert like Mr. Wyett who has been here before and provided you with a history of why this should not happen. I oppose this transfer.

Adam Page:

I have provided written testimony to the Committee ([Exhibit F](#)). I am an employee of the P&P and I am currently here on my own time. In southern Nevada, we have already separated the functions of the P&P. The effects on probation have been awful. In the first 3 months of this practice, one unit has attended 234 court hearings, which equates to 323 hours of work time that is not spent in the field. Because the parole officers do not have to go to parole revocation hearings, they have more time to supervise their parolees than the probation officers have to supervise their probationers.

The new parole unit currently supervises 181 minimum risk offenders, while the probation unit has 1,076 unsupervised offenders. A total 109 cases currently have been assessed at medium risk, and one offender has been classified as maximum risk. I have highlighted ten cases from parole services and ten cases from probation services to expose the difference between the amount of resources spent on supervising low risk, Category E felons, but we are not supervising the more high-risk offenders. We should be focusing a significant amount of resources on probationers to avoid such prison sentences to begin with. This transfer will cause less supervision for probationers; therefore, it will increase the number of people sent to the NDOC. This is what we are trying to avoid in the first place.

Nancy Tiffany:

I have worked for the P&P for over 28 years. I would like to make several comments on what I have heard here this morning. Mr. Cox has spoken about smart public safety. One of the things that concerns me with the proposed realignment is having parole officers spend time with inmates to help them with their release plans. The inmates should have someone helping them with their release plans. Normally this is done by nonsworn staff, because anytime one of our parole officers spends time inside a correctional facility with a high-risk offender, it is time lost that they are not supervising a high-risk offender in the community. I was in charge of the prerelease unit at the P&P. This was one of the reasons we decided to use civilian employees to perform that function, so we could keep the officers out in the field. Reentry should start the day the inmate enters the institution, not when they have been granted parole. Unless more resources are given to the NDOC, I do not know if you can get a different outcome. If you have an extra \$1 million to spend, I urge you to spend it on programs and corrections so that reentry can start the day someone comes into the prison. I would ask you to consider using civilian staff to do reentry work so that we can keep parole officers supervising the offenders. The new parole unit is designated to take parolees, lifetime sex offenders and inmates that are on house arrest. Lifetime sex offenders are the highest-risk sex offenders or they would not have been judged a lifetime sex offender. They need to be supervised in the community.

I have been on the transition teams discussing this plan since April 2012. Throughout the process I have urged that if this is going to go forward we need to ask the Governor to consider not trying to implement it on July 1. If we try to instantly implement this transfer, without planning and careful review, taking each

piece of the transfer over at least a 2-year period, we will fail. The *Nevada Revised Statutes* will need to be changed to accomplish this. I urge the NDOC to ask for volunteers to train these people. As the individuals are trained and they adapt to the culture you want them to have, bring over only the amount of offenders they can handle. We must take our time and review the consequences of the transfer.

Chris Gallagher:

I am here speaking as a private citizen, but I am an employee of the P&P. I have provided documents to the Committee outlining the California model the NDOC wants to follow in our State ([Exhibit G](#)), ([Exhibit H](#)) and ([Exhibit I](#)). Mr. Cox asked you not to review the data in California right now. Currently, when California paroles someone from their DOC, within the first 6 months 30 percent are reoffending. Within the next 3 years, that reoffender percentage goes up to 66 percent. This is not a model our State needs to follow.

Mr. Cox stated that he has spoken to the P&P about this move. Mr. Cox has only spoken to the command staff. I would ask that Mr. Cox schedule an appointment to speak with the officers and nonsworn personnel to address the concerns in an auditorium setting. Until then, he cannot state that he has spoken to the P&P. We are not on board as staff of the P&P. I am stating this as a private citizen who has sworn to take an oath for 30 years, as a retired Marine and a police officer, to uphold and defend the *Constitution of the United States*. One of my goals is to uphold public safety. We do an outstanding job supervising our parolees. When they are in prison, the NDOC knows them as inmates. When they come out of prison, they are citizens that need to be supervised. They have two different lifestyles.

The NDOC must do their job initially with the inmates and their reentry plan. Once the parolee is handed off to the P&P, we have a successful history in handling the parolee. Please let us do our job.

Chair Parks:

At this time, we will not be making a recommendation from the Committee. We will now move to the Work Session on the Department of Motor Vehicles (DMV) and the relocation of the License Plate Factory.

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Jennifer Gamroth (Program Analyst):

The Work Session will cover the relocation of the Factory. Two major issues were recommended for the Factory. The first is the relocation of the Factory from the Nevada State Prison (NSP) to a new facility on the grounds outside the fence of the NNCC. The Governor is recommending a \$4.4 million Highway Fund appropriation for a new prefabricated metal building for the Factory. While the Senate Committee on Finance and Assembly Committee on Ways and Means, Joint Subcommittee on K-12/Higher Education and Capital Improvement Programs (CIPs) heard this issue on March 20, I have provided some background information in your Work Session handout regarding the move to this new prefabricated building.

PUBLIC SAFETY

MOTOR VEHICLES

DMV - License Plate Factory — Budget Page DMV-78 (Volume III)
Budget Account 201-4712

This Committee is going to hear the second major recommendation included in the Executive Budget which involves the transfer of the Factory cost from the central services budget account to a new Factory budget which will change the funding source for the Factory costs. In lieu of using Highway Fund appropriations to support the operations, the Governor has recommended a new fee of approximately \$2.50 per license plate which will replace \$3.8 million of Highway Fund appropriations over the 2013-2015 biennium. The new license plate fee is based on the costs of producing the license plates. Assembly Bill (A.B.) 473 has been introduced to implement the recommended changes and provide a means of transferring the costs associated with license plate production onto the customer. It also provides the DMV with the authority to establish these fees by regulation. Included in the new budget account for the Factory is a \$500,000 Highway Fund appropriation in fiscal year 2013-2014 to establish a reserve for the self-funded Factory, which would provide cash flow for the new budget account.

E-225 Efficient and Responsive State Government — Page DMV-78

E-500 Adjustment to Base Funding Transfer (E900) — Page DMV-78

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E-501 Adjustment to Inflation Funding Transfer (E901) — Page DMV-78

E-502 Adjustments to Motor Pool Funding Transfer (E902) — Page DMV-79

E-503 Adjustments to New Equip Funding Transfer (E903) — Page DMV-79

E-504 Adjustment to Position Funding Transfer (E904) — Page DMV-79

E-505 Adjustment to Scrap Sales Funding Transfer (E905) — Page DMV-79

E-900 Transfer Base to License Plate Factory — Page DMV-80

E-901 Trans Material Inflation to License Plate Factory — Page DMV-80

E-902 Trans Motor Pool Vehicle to License Plate Factory — Page DMV-81

E-903 Transfer New Equipment to License Plate Factory — Page DMV-81

E-904 Transfer Positions to License Plate Factory — Page DMV-82

E-905 Transfer Scrap Sales to License Plate Factory — Page DMV-82

ASSEMBLY BILL 473: Revises the provisions governing the fees charged to defray the costs of producing license plates. (BDR 43-1170)

If the Joint Subcommittee on Human Services/CIPs decides that they do not want to move the Factory to a new building, but instead to another facility that is currently vacant within the NDOC, there could be additional costs added to the new Factory budget. A new facility might require upgrades. There may be increased costs and in-state travel for distribution of license plates and possibly offsite storage.

The \$4.4 million cost for the Factory building, and the \$500,000 that has been requested for the reserve to establish cash flow, will both be funded with Highway Fund appropriations. Those costs are not included in the proposed \$2.50 plate fee. We have asked the DMV to provide us with what amount the plate fee needs to be increased to, to reimburse the Highway Fund and provide an analysis of what the

fee would be based on a 5-year, 10-year and 15-year plan.

If we included the costs of paying back the Highway Fund for the new building and the reserve over a 15-year period, the license plate fee would need to be increased from \$2.50 per plate to \$2.80 per plate.

There are three options for the Committee to consider on the new license plate budget.

We can keep the four positions and associated costs of the Factory in the DMV's central services budget, and continue to fund the Factory with Highway Funds totaling \$1.9 million for each fiscal year of the 2013-2015 biennium.

The Committee can chose to approve the Governor's recommendation to create a new self-supporting budget account for the Factory and charge a \$2.50 fee per license plate.

The Committee can also approve the Governor's recommendation to create a new self-supporting budget account, but also include the payback of the Highway Fund for the new building and the \$500,000 reserve. An increase to the fee per license plate would need to occur on either a 5-year, 10-year, or 15-year repayment plan.

If the Joint Subcommittee on Human Services/CIP recommends moving the Factory to an existing location, we may need to add costs back into this budget.

Troy L. Dillard (Director, Department of Motor Vehicles):

The DMV currently absorbs approximately \$4 million a biennium to operate the Factory. Through A.B. 473, we are making a self-funded, fee-based program. This would eliminate the \$4 million appropriation that has gone into the DMV's budget for every future biennium.

The funding of the new building is the same as the funding for the current operation. In this biennium the cost is neutral, but in all future bienniums we will be saving approximately \$4 million to the Highway Fund. That was the strategy behind the recommended proposal in the Executive Budget for your consideration. An additional clarification to A.B. 473 is that it will actually be providing for the fee to be set through a regulatory process. The fee will be set based upon the actual

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cost of production of the plates. The \$2.50 fee is based upon the current cost of commodities, labor, etc. As the price of commodities change, we have the option of going through the regulatory process to change the fee. It is not a statutory \$2.50 fee per plate.

Chair Parks:

When do you plan to finalize the proposed changes?

Mr. Dillard:

The proposed location for the Factory is on the grounds of the NNCC, right outside the Stewart Conservation Camp (SCC). When the NSP closed, we had to change our labor. The SCC has since provided our labor force. They are bused to the current location by prison employees, which is a burden and an expense. The new location would allow the inmates to walk to and from their work location.

Chair Parks:

Would this be a prefabricated-style building poured on a concrete slab?

Mr. Dillard:

Yes, that is correct. In the proposed model, we have the Factory located outside the gate of the NNCC. This will avoid disruptions in production whenever a lockdown at the prison occurs. This will also eliminate the need for an offsite storage facility when lockdowns occur. Upon approval, the location should be producing plates within 18 to 24 months. The plan is to set up new manufacturing equipment in the building when we move. The contract for our existing equipment is set to expire. We are planning to renegotiate the contract for updated equipment. The intent is to have all of this happen in conjunction with the new building. We will eliminate the moving expenses that would have gone with moving the existing equipment. The \$4.4 million for the CIP has already been reduced to approximately \$4 million, due to the elimination of some of the moving expenses.

Assemblyman Sprinkle:

Is it likely that we will be able to repay the initial investment in the Factory if we move forward with the Governor's recommendation for the self-supporting budget account? Do you agree with increasing the fees so that we can reimburse the funding?

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Mr. Dillard:

We did not focus on repayment because we knew that we were already absorbing the revenue for the program from the Highway Fund.

Chair Parks:

Is there additional equipment at the existing facility that you will be moving to the new location?

Mr. Dillard:

There are computers, supplies and furniture. We will be using inmate labor to move these items. The larger production items are the responsibility of the leasing company. They will recover their own equipment.

Chair Parks:

Are there some changes in technology in license plate manufacturing? How might this affect our facility?

Mr. Dillard:

There has been much new technology since we leased our existing equipment. Most license plate manufacturing today has moved to digital flat plate technology. As technology keeps evolving, we may be going back to an embossed plate through a completely new technological process that allows it to be computerized. It is our desire to move to a digital embossing technology where, at least standard issue and some specialized plates, could go back to that technology. We have had requests from law enforcement for that. They like the embossed plates over the flat plates for fraud curtailment purposes.

Assemblyman Sprinkle:

Can the Joint Subcommittee on CIP/Education move forward without getting our recommendation?

Ms. Gamroth:

The two Committees need to coordinate their efforts.

Chair Parks:

By putting the fee level in regulation, is there anything in A.B. 473 that might indicate stipulations or limitations on how much the fee can be increased?

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Sean McDonald (Administrator, Central Services and Records, Department of Motor Vehicles):

The fee is tentatively set at \$2.50 each to recover the costs of the materials and labor to produce the plates. The fee is reflective of whatever the cost of commodities or materials are at any given point. There is no specific language within the bill stating what those thresholds should be.

Chair Parks:

Can someone buy one plate or can they buy a pair of plates?

Mr. McDonald:

We have two plates for regular vehicles, and motorcycles and trailers are issued one plate.

Senator Goicoechea:

I understand that you are going to set it out in regulation rather than statute so you can be flexible with the fee.

Mr. Dillard:

Yes. The reason for the possible fluctuation is the price of commodities. The fee could possibly decrease at some point. The program is not there to make a profit, just to have enough reserve to cover those periods of fluctuation. If we see increased or decreased costs, we would go back through the regulatory process to increase or decrease the fee.

Senator Goicoechea:

We want to avoid the regulation process due to the expense.

Mr. Dillard:

The goal is to set the fee at what we anticipate it being for some time. There are factors that are outside of our control.

Chair Parks:

I certainly lean toward a recommendation to go with the new facility as requested and presented to us, as well as a self-funded, self-supporting budget. This would include the reimbursement for the cost of the building as well as the costs to produce the plates. We would not want to go past the 10-year repayment plan.

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Senator Goicoechea:

If we were looking at a 10-year repayment plan, the price per set of plates would be approximately \$6.00.

Assemblyman Grady:

Can we allow the DMV to set the fee in the *Nevada Administrative Code* (NAC) instead of statute?

Chair Parks:

I am in support of using the NAC. We have also received written testimony from Lynda Waskom ([Exhibit J](#)), Brian Zana ([Exhibit K](#)), and Michael VanDyke ([Exhibit L](#)) that will be entered for the record.

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If there is no further comment, I will adjourn this meeting at 10:22 a.m.

RESPECTFULLY SUBMITTED:

Annette Teixeira,
Committee Secretary

APPROVED BY:

Senator David R. Parks, Chair

DATE: _____

Assemblyman David P. Bobzien, Chair

DATE: _____

<u>EXHIBITS</u>				
Bill	Exhibit		Witness / Agency	Description
	A	1		Agenda
	B	7		Attendance Roster
	C	10	Laura Pappas	Written Testimony
	D	7	Richard Wyett	Written Testimony
	E	5	Ron Cuzze, President, NSLEOA	Written Testimony
	F	6	Adam Page	Written Testimony
	G	10	Chris Gallagher	California AOC Briefing
	H	107	Chris Gallagher	California DOC Evaluation Report
	I	17	Chris Gallagher	2012-2013 Budget for CDCR
	J	2	Lynda Waskom	Written Testimony
	K	1	Brian Zana	Written Testimony
	L	2	Michael VanDyke	Written Testimony