

**EXECUTIVE AGENCY  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 16, 2017

Agency Submitting: Nevada Department of Corrections

<b>Items of Revenue or Expense, or Both</b>	<b>Fiscal Year 2016-17</b>	<b>Fiscal Year 2017-18</b>	<b>Fiscal Year 2018-19</b>	<b>Effect on Future Biennia</b>
Alt Facility (Expense)		\$14,870,417	\$14,624,033	\$28,648,116
Less 3738 DUE351 (Expense)		(\$6,237,006)	(\$6,189,959)	
New Construction (Expense)		\$1,514,127		\$56,000,000
Total	0	\$10,147,538	\$8,434,074	\$84,648,116

Explanation

(Use Additional Sheets of Attachments, if required)

See attached Exhibit 1 for explanation of fiscal impact. See attached Exhibit 2 for fiscal impact costs. Fiscal Impact in table above does not include impact to loss of value for man-days in the Interstate Corrections Compact. It also does not include expense to lease and alternate facility and possible additional structures to operate such facility.

Name John Borrowman

Title DD Support Services

**GOVERNOR'S OFFICE OF FINANCE COMMENTS**

Date Wednesday, March 15, 2017

The agency's response appears reasonable.

Name Paul Nicks

Title Exec. Branch Budget Officer

## DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: 16-1103

Name of Agency: Department of Corrections

Division/Department: \_\_\_\_\_

Date: March 9, 2017

The Nevada Department of Corrections (NDOC) has reviewed BDR 16-1103, which makes proposed revisions to NRS 208 related to core correctional services. The proposed statute revision requires core correctional services to be provided only by the State or a local government using the state's or local government's employees. It also repeals certain provisions relating to the operation of private facilities and institutions that house prisoners. The NDOC has determined that there is a fiscal impact.

Should this bill pass, it would eliminate the NDOC's ability to house its inmates using employees of other states. The NDOC currently houses 46 "safe-keeper" inmates at out of state institutions using the employees of other states. These inmates are persons convicted in Nevada who, for their own safety, cannot be housed in a Nevada institution with the general population. In keeping with the level of security, programs, etc. provided to NDOC inmates, these safe-keepers could also not be housed in city or county jails within Nevada.

The provisions in this bill would also prohibit the NDOC from seeking alternative housing using employees that are not employees of the state of Nevada in order to deal with the overpopulation of the prisons in Nevada.

### Interstate Compact Estimate

Nevada currently participates in an Interstate Corrections Compact along with a number of other states. Through this compact, Nevada can agree to house inmates from other states and other states can agree to house inmates from NDOC. A balance of man-days is maintained for each relevant state. If BDR 16-1103 should pass, this means the NDOC can still house inmates from other states, meaning that the NDOC can fulfill its debt of man-days to other states. However, the NDOC cannot collect on the man-days that are owed to Nevada as NDOC inmates would no longer be allowed to be housed in other states using employees of other states. Although the man-days have no financial value as they are always paid with exchanges of inmates, there is still an impact in the loss of the outstanding credits of man-days that the NDOC would be unable to realize and would forfeit.

While there is no capacity to claim financial relief for days owed to NDOC, the essential value of days the NDOC would be losing is \$402,494:

49,752      Man-days are owed to NDOC

X      \$8.09      Value per man-day (Using SFY18 G01 costs per inmate/day)

\$402,494      Potential value of man-days NDOC would lose

Because the NDOC could no longer house inmates out of state using employees of the other states, the 46 NDOC inmates currently housed in other states would need to be transported back to Nevada to be placed in NDOC facilities with all related expenses being a cost of the inmate's responsible state. Any time inmates are transported to or from other states; two correctional officers must accompany the inmate. The travel costs to NDOC to retrieve these inmates are as follows:

\$ 3,192.25 Approximate travel costs for 2 officers and 1 inmate

  X     46   NDOC inmates to be retrieved from out of state facilities

\$146,844 Travel costs to transport 46 inmates back to Nevada

**Note:** This fiscal note does not include the additional expenditures that will be incurred to provide appropriate security for Safekeepers currently housed out of state who cannot be integrated with current NDOC populations.

### Short Term Solution for Lost Housing Capacity

In lieu of out-of-state incarceration as recommended in the SFY18/19 Governor's Budget in Decision Unit E351 in the Southern Desert Correctional Center (SDCC) budget request, the NDOC may have a short term option to house the inmate population identified in Decision Unit E351. North Las Vegas has a current facility in mothball status that may be available to the NDOC for lease. This facility has 2 housing wings and can accommodate 250 inmates per wing for a total of 500 inmates.

**Note:** This fiscal note estimate does not include the additional SFY18, SFY19, SFY20, and SFY21 lease expenditures for the facilities and potential additional structures that may be needed.

### NLV Expenditure Assumptions

A decision unit has been created to calculate the cost of this short term solution. Warm Springs Correctional Center (WSCC) currently has an inmate population of 571; therefore many of the calculations are based on WSCC costs. The following assumptions were made in creating the decision unit:

- Staffing is based on WSCC minus a warden, as the warden from FMWCC may be an option for both institutions
- A minimum level of Medical staffing (based on WSCC) has been used
- Included is staffing for a Store, Programs and Inmate Welfare (based on WSCC)
- Caseload includes the Medical specific GLs to calculate a full cost per inmate
- Vendor Schedule includes an inmate fingerprinting machine, multi-function copier/printers, a dishwashing machine rental, rental of both refrigerated and dry storage space, as the space available at this location is unknown
- Some operating costs (postage, phones, inspections) are based on Florence McClure Women's Correctional Center (FMWCC) as the rates and usage for the area should be similar
- Vehicles and the corresponding gasoline expenses have been estimated based on FMWCC since both facilities are in southern Nevada and needs are expected to be similar
- Equipment is included for office furniture/setup, culinary equipment, laundry equipment
- Utilities are based on FMWCC as the rates and seasonal conditions should be similar for this location

In SFY18-19, Decision Unit 351 in the Southern Desert Correctional Center (SDCC) has been included in the Governor's Recommended budget. This DU provides funding for 200 inmates to be relocated to an out of state contracted correctional facility due to overpopulation and a portion of SDCC being uninhabitable due to building issues. BDR 16-1103 would not allow this out of state solution to be used; therefore, the amount budgeted in DU351 will be deducted from the cost. Should this bill pass, the increased expenses to the NDOC are as follows:

<u>SFY 2018</u>	<u>SFY 2019</u>	<u>Total Biennium</u>
\$14,870,417 Budget for North Las Vegas Facility (DU850)	\$14,624,033	\$ 29,464,504
<u>\$ 6,237,006</u> Less DU351 SDCC	<u>\$ 6,189,959</u>	<u>12,426,965</u>
<u>\$ 8,633,411</u> Increase in budget	<u>\$ 8,434,074</u>	<u>\$ 17,067,485</u>

**Note:** This does not include the accounts receivable amount of \$402,494 from the man-days forfeited under the Interstate Compact agreement.

### **Future Biennia Costs**

#### **Future Nevada Tee Permanent Solution**

The NDOC's permanent solution would be to build a housing unit in a configuration referred to as a Nevada Tee. Nevada Tee refers to a housing setup with an officer bubble in the center and wings extending from four sides in the shape of a T. This solution would need to be implemented through a CIP request. The advance planning figure is taken from a SFY18-19 CIP request from SDCC CIP # P06. The cost is as follows:

\$ 1,514,127 Advance Planning

\$56,000,000 Construction

\$57,514,127 Total CIP cost +

\$28,648,116 Operational Costs for 2 years (NLV Facility SFY19 projection of \$14,324,058 x 2)

**\$86,162,243 Impact to Future Biennia**

#### **Funding**

The Department cannot administer the changes set forth in this bill with current resources. There is currently \$6,237,006 for SFY18 and \$6,189,959 for SFY19 budgeted in Decision Unit E351 in SDCC for the out of state housing of NDOC inmates. This is funded from General Funds and eliminated as part of the calculated fiscal impact.

**Note:** This fiscal note estimate does not include the additional SFY18, SFY19, SFY20, and SFY21 lease expenditures for the facilities and potential additional structures that may be needed.

<b>DESCRIPTION OF FISCAL EFFECT</b>	
BDR/Bill/Amendment Number: BDR 16-1103	
Name of Agency: Department of Corrections	
Division/Department:	
Date:	9-Mar-17

The Nevada Department of Corrections (NDOC) has reviewed BDR 16-1103 which makes proposed revisions to NRS 208 related to core correctional services. The proposed statute revision requires core correctional services to be provided only by the State or a local government. It also repeals certain provisions relating to the operation of private facilities and institutions that house prisoners. The NDOC has determined that there is a fiscal impact.

Category Type	Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Expense	Category 01-Personnel	\$0	\$11,786,916	\$11,949,491	\$23,898,982
Expense	Category 02-Out of State Travel	\$0	\$146,844	\$0	\$0
Expense	Category 04-Operating Expenses	\$0	\$283,154	\$154,333	\$308,666
Expense	Category 05-Equipment	\$0	\$134,707	\$0	\$0
Expense	Category 26-Information Services	\$0	\$40,795	\$47,806	\$95,612
Expense	Category 29-Agency Issued Uniforms	\$0	\$35,916	\$12,068	\$24,136
Expense	Category 39-Staff Physicals	\$0	\$115,265	\$115,265	\$230,530
Expense	Category 50-Inmate Drivens	\$0	\$1,476,425	\$1,494,675	\$2,389,400
Expense	Category 59-Utilities	\$0	\$850,395	\$850,395	\$1,700,790
<b>Sub Total</b>		\$0	\$14,870,417	\$14,624,033	\$28,648,116
Less SDCC DU E351		\$0	(\$6,237,006)	(\$6,189,959)	\$0
CIP - Nevada Tee Advance Planning			\$1,514,127		\$0
CIP - Nevada Tee Construction					\$56,000,000
<b>Total</b>		<b>\$0</b>	<b>\$10,147,538</b>	<b>\$8,434,074</b>	<b>\$84,648,116</b>

**Note:** This fiscal note estimate does not include the additional SFY18, SFY19, SFY20, and SFY21 lease expenditures for the NLV facilities and possible additional temporary structures.

## Section A1: Line Item Detail by GL

Budget Account: 3761 NDOC - FLORENCE MCCLURE WOMENS CORRECTIONAL CENTER

Item No	Description	Actual 2015-2016	Work Program 2016-2017	NLV Year 1 2017-2018	NLV Year 2 2018-2019
<b>E850</b>	<b>SPECIAL PROJECTS</b>				
<b>REVENUE</b>					
2501	APPROPRIATION CONTROL	0	0	14,860,428	14,614,044
3829	ROOM, BOARD, TRANSP CHARGE	0	0	9,989	9,989
	TOTAL REVENUES FOR DECISION UNIT E850	0	0	14,870,417	14,624,033
<b>EXPENDITURE</b>					
<b>01</b>	<b>PERSONNEL</b>				
5100	SALARIES	0	0	7,648,453	7,805,720
5200	WORKERS COMPENSATION	0	0	123,462	120,751
5300	RETIREMENT	0	0	2,293,544	2,337,724
5400	PERSONNEL ASSESSMENT	0	0	35,220	36,520
5500	GROUP INSURANCE	0	0	1,257,156	1,253,631
5700	PAYROLL ASSESSMENT	0	0	11,886	11,657
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	203,456	199,049
5800	UNEMPLOYMENT COMPENSATION	0	0	8,443	11,319
5840	MEDICARE	0	0	109,824	112,106
7170	CLOTH/UNIFORM/TOOL ALLOWANCE	0	0	95,472	61,014
	TOTAL FOR CATEGORY 01	0	0	11,786,916	11,949,491
<b>02</b>	<b>OUT-OF-STATE TRAVEL</b>				
6000	TRAVEL	0	0	146,844	0
	TOTAL FOR CATEGORY 02	0	0	146,844	0
<b>04</b>	<b>OPERATING EXPENSES</b>				
7020	OPERATING SUPPLIES	0	0	2,327	2,327
7041	PRINTING AND COPYING - A	0	0	6,291	1,291
7043	PRINTING AND COPYING - B	0	0	249	249
7044	PRINTING AND COPYING - C	0	0	1,274	1,274
7050	EMPLOYEE BOND INSURANCE	0	0	211	211
7052	VEHICLE COMP & COLLISION INS	0	0	518	518
7054	AG TORT CLAIM ASSESSMENT	0	0	13,850	13,639
7059	AG VEHICLE LIABILITY INSURANCE	0	0	1,444	1,444
7070	CONTRACTS - J	0	0	3,357	3,525
7090	EQUIPMENT REPAIR	0	0	2,990	2,990
7151	OUTSIDE MAINTENANCE OF VEHICLE	0	0	3,589	3,589
7152	DIESEL FUEL	0	0	10,693	10,693
7153	GASOLINE	0	0	23,311	23,311
7155	VEHICLE OPERATION - B	0	0	2,452	2,452
7157	VEHICLE SUPPLIES - OTHER	0	0	1,768	1,768

Item No	Description	Actual 2015-2016	Work Program 2016-2017	NLV Year 1 2017-2018	NLV Year 2 2018-2019
7186	MED/DENT SUPP - NON-CONTRACT-A	0	0	452	452
7222	DATA PROCESSING SUPPLIES	0	0	3,691	3,691
7280	OUTSIDE POSTAGE	0	0	5,781	5,781
7285	POSTAGE - STATE MAILROOM	0	0	4,906	4,906
7290	PHONE, FAX, COMMUNICATION LINE	0	0	7,051	7,051
7291	CELL PHONE/PAGER CHARGES	0	0	2,069	2,069
7296	EITS LONG DISTANCE CHARGES	0	0	3,601	3,601
7299	TELEPHONE & DATA WIRING	0	0	1,175	1,175
7344	INSPECTIONS & CERTIFICATIONS-D	0	0	2,281	2,281
7460	EQUIPMENT PURCHASES < \$1,000	0	0	10,000	0
7771	COMPUTER SOFTWARE <\$5,000 - A	0	0	12,501	0
7980	OPERATING LEASE PAYMENTS	0	0	53,836	53,836
8241	NEW FURNISHINGS <\$5,000 - A	0	0	63,072	0
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	38,205	0
TOTAL FOR CATEGORY 04		0	0	282,945	154,124
<b>05</b>	<b>EQUIPMENT</b>				
8250	NEW MAJOR EQUIPMENT >\$5,000	0	0	128,878	0
8251	NEW MAJOR EQUIPMENT <\$5,000 -A	0	0	5,829	0
TOTAL FOR CATEGORY 05		0	0	134,707	0
<b>26</b>	<b>INFORMATION SERVICES</b>				
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	27,520	29,728
7556	EITS SECURITY ASSESSMENT	0	0	13,275	18,078
TOTAL FOR CATEGORY 26		0	0	40,795	47,806
<b>29</b>	<b>AGENCY ISSUED UNIFORMS</b>				
7174	CLOTH/UNIFORM/TOOL ALLOWANCE-D	0	0	35,916	12,068
TOTAL FOR CATEGORY 29		0	0	35,916	12,068
<b>39</b>	<b>STAFF PHYSICALS</b>				
7385	STAFF PHYSICALS	0	0	115,265	115,265
TOTAL FOR CATEGORY 39		0	0	115,265	115,265
<b>50</b>	<b>INMATE DRIVENS</b>				
702E	CASELD DRVN - OPERATING SUPPLIES	0	0	37,800	37,800
702F	CASELD DRVN - OPERATING SUPPLIES-A	0	0	2,645	2,645
704A	CASELD DRVN - PRINTING AND COPYING - A	0	0	740	740
706B	CASELD DRVN - CONTRACTS - A	0	0	10,155	10,155
706C	CASELD DRVN - CONTRACTS - D	0	0	13,585	13,585
7075	MED/HEALTH CARE CONTRACTS	0	0	281,725	299,975
707A	CASELD DRVN - CONTRACTS - L	0	0	288,310	288,310

Item No	Description	Actual 2015-2016	Work Program 2016-2017	NLV Year 1 2017-2018	NLV Year 2 2018-2019
707B	CASELD DRVN - CONTRACTS	0	0	75,410	75,410
717A	CASELD DRVN - INMATE CLOTHING	0	0	36,985	36,985
718A	CASELD DRVN - MED/DENT SVCS - NON-CONT.-C	0	0	141,880	141,880
718B	CASELD DRVN - MED/DENT SVCS - NON-CONT.-D	0	0	2,830	2,830
718C	CASELD DRVN - MED/DENT SUPP - NON-CONT.-A	0	0	13,475	13,475
719A	CASELD DRVN - STIPENDS - B	0	0	13,835	13,835
720A	CASELD DRVN - FOOD	0	0	452,785	452,785
720B	CASELD DRVN - FOOD-F	0	0	46,010	46,010
742A	CASELD DRVN - INMATE SUPPLIES	0	0	58,110	58,110
742B	CASELD DRVN - CLIENT MAT. PROVIDER PMTS-A	0	0	20	20
742C	CASELD DRVN - CLIENT MAT. PROVIDER PMTS-B	0	0	125	125
TOTAL FOR CATEGORY 50		0	0	1,476,425	1,494,675
59	UTILITIES				
7132	ELECTRIC UTILITIES	0	0	345,508	345,508
7133	OIL UTILITIES	0	0	1,856	1,856
7134	NATURAL GAS UTILITIES	0	0	77,646	77,646
7136	GARBAGE DISPOSAL UTILITIES	0	0	51,875	51,875
7137	WATER & SEWER UTILITIES	0	0	373,510	373,510
TOTAL FOR CATEGORY 59		0	0	850,395	850,395
TOTAL EXPENDITURES FOR DECISION UNIT E850		0	0	14,870,208	14,623,824
TOTAL REVENUES FOR BUDGET ACCOUNT 3761		0	0	14,870,417	14,624,033
TOTAL EXPENDITURES FOR BUDGET ACCOUNT 3761		0	0	14,870,208	14,623,824



## Section A1: Line Item Detail by GL

Budget Account: 3738 NDOC - SOUTHERN DESERT CORRECTIONAL CENTER

Item No	Description	Actual 2015-2016	Work Program 2016-2017	G01 Year 1 2017-2018	G01 Year 2 2018-2019
<b>E351</b>	<b>SAFE AND LIVABLE COMMUNITIES</b>				
	[See Attachment]				
<b>REVENUE</b>					
2501	APPROPRIATION CONTROL	0	0	6,237,006	6,189,959
	TOTAL REVENUES FOR DECISION UNIT E351	0	0	6,237,006	6,189,959
<b>EXPENDITURE</b>					
<b>01</b>	<b>PERSONNEL</b>				
5100	SALARIES	0	0	40,125	55,235
5200	WORKERS COMPENSATION	0	0	951	876
5300	RETIREMENT	0	0	8,326	11,461
5400	PERSONNEL ASSESSMENT	0	0	251	260
5500	GROUP INSURANCE	0	0	6,687	8,891
5700	PAYROLL ASSESSMENT	0	0	85	83
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	1,067	1,408
5800	UNEMPLOYMENT COMPENSATION	0	0	49	80
5840	MEDICARE	0	0	582	801
	TOTAL FOR CATEGORY 01	0	0	58,123	79,095
<b>02</b>	<b>OUT-OF-STATE TRAVEL</b>				
6100	PER DIEM OUT-OF-STATE	0	0	4,500	6,000
	TOTAL FOR CATEGORY 02	0	0	4,500	6,000
<b>04</b>	<b>OPERATING EXPENSES</b>				
7025	OPERATING SUPPLIES-E	0	0	45	60
7050	EMPLOYEE BOND INSURANCE	0	0	2	2
7054	AG TORT CLAIM ASSESSMENT	0	0	99	97
7291	CELL PHONE/PAGER CHARGES	0	0	234	312
	TOTAL FOR CATEGORY 04	0	0	380	471
<b>05</b>	<b>EQUIPMENT</b>				
8241	NEW FURNISHINGS <\$5,000 - A	0	0	3,672	0
	TOTAL FOR CATEGORY 05	0	0	3,672	0
<b>26</b>	<b>INFORMATION SERVICES</b>				
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	196	212
7556	EITS SECURITY ASSESSMENT	0	0	94	129
7771	COMPUTER SOFTWARE <\$5,000 - A	0	0	330	0
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	1,415	0
	TOTAL FOR CATEGORY 26	0	0	2,035	341

Item No	Description	Actual 2015-2016	Work Program 2016-2017	G01 Year 1 2017-2018	G01 Year 2 2018-2019
<b>36</b>	<b>INMATE TRANSPORTATION</b>				
6100	PER DIEM OUT-OF-STATE	0	0	35,956	0
6200	PER DIEM IN-STATE	0	0	17,404	0
7151	OUTSIDE MAINTENANCE OF VEHICLE	0	0	3,000	0
7153	GASOLINE	0	0	7,884	0
	TOTAL FOR CATEGORY 36	0	0	64,244	0
<b>50</b>	<b>INMATE DRIVEN</b>				
702E	CASELD DRVN - OPERATING SUPPLIES	0	0	-15,120	-15,120
706B	CASELD DRVN - CONTRACTS - A	0	0	6,351,000	6,351,000
717A	CASELD DRVN - INMATE CLOTHING	0	0	-3,532	-3,532
719A	CASELD DRVN - STIPENDS - B	0	0	-5,534	-5,534
720A	CASELD DRVN - FOOD	0	0	-181,114	-181,114
720B	CASELD DRVN - FOOD-F	0	0	-18,404	-18,404
742A	CASELD DRVN - INMATE SUPPLIES	0	0	-23,244	-23,244
	TOTAL FOR CATEGORY 50	0	0	6,104,052	6,104,052
	TOTAL EXPENDITURES FOR DECISION UNIT E351	0	0	6,237,006	6,189,959
<b>10</b>	<b>TOTAL REVENUES FOR BUDGET ACCOUNT 3738</b>	0	0	6,237,006	6,189,959
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 3738	0	0	6,237,006	6,189,959