

**MINUTES OF THE MEETING OF THE  
ASSEMBLY COMMITTEE ON WAYS AND MEANS  
AND  
SENATE COMMITTEE ON FINANCE  
SUBCOMMITTEES ON PUBLIC SAFETY, NATURAL RESOURCES, AND  
TRANSPORTATION**

**Seventy-Ninth Session  
March 24, 2017**

The joint meeting of the Assembly Committee on Ways and Means and Senate Committee on Finance Subcommittees on Public Safety, Natural Resources, and Transportation was called to order by Chair Jason Frierson at 8:06 a.m. on Friday, March 24, 2017, in Room 2134 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at [www.leg.state.nv.us/App/NELIS/REL/79th2017](http://www.leg.state.nv.us/App/NELIS/REL/79th2017).

**ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:**

Assemblyman Jason Frierson, Chair  
Assemblyman Michael C. Sprinkle, Vice Chair  
Assemblywoman Irene Bustamante Adams  
Assemblyman Chris Edwards  
Assemblywoman Heidi Swank  
Assemblywoman Robin L. Titus

**SENATE SUBCOMMITTEE MEMBERS PRESENT:**

Senator David R. Parks, Chair  
Senator Aaron D. Ford  
Senator Pete Goicoechea

**STAFF MEMBERS PRESENT:**

Sarah Coffman, Principal Deputy Fiscal Analyst  
Brody Leiser, Senior Program Analyst  
Jennifer Gamroth, Program Analyst  
Mark Krmpotic, Senate Fiscal Analyst  
Michelle Hamilton, Committee Secretary  
Lisa McAlister, Committee Assistant



After roll call, Chair Frierson opened the meeting for public comment and no public comment was forthcoming. The Chair indicated that the first budget hearing would be the Department of Corrections.

**PUBLIC SAFETY  
DEPARTMENT OF CORRECTIONS  
NDOC - DIRECTOR'S OFFICE (101-3710)  
BUDGET PAGE CORRECTIONS-10**

James E. Dzurenda, Director, Department of Corrections, stated that he would not restate the Department's mission and vision, but he wanted the Subcommittees to understand that the Department of Corrections was a different Department. The Department's goal was to change behaviors, to rehabilitate those who could be rehabilitated, to provide offenders with skills for reintegration into society, to provide opportunities for offenders to succeed, and to reduce victimization in the community. He also wanted to stress that Department staff was spread throughout Nevada, which affected the Department's overtime costs, transportation costs, and vehicle maintenance costs. All of these factors affected the Department's budget.

John Borrowman, Deputy Director, Support Services, Department of Corrections, addressed the accounting information shown on slide 5 from a PowerPoint presentation titled "Nevada Department of Corrections, SFY 18-19 Governor Recommends Budget," dated March 24, 2017, ([Exhibit C](#)). He stated that this slide provided a breakdown of the Department's budget by various activities, and several of those activities would be addressed today, including health-care services, program services, technology investment requests, prison industries, and inmate services.

Mr. Borrowman said he would first cover broad items that affected the Department's budget accounts and then he would address items specifically in that budget account. He said the Department had a global request for a one-grade salary increase for custody correctional officers. He stated that this request would help with the Department's recruiting efforts, and it would send a positive message for the retention of current staff officers.

Mr. Dzurenda said the first item on the Governor's recommended budget was the 40mm launchers needed to replace shotguns the Department used in its housing units. He added that the Department still used shotguns, but was changing the type of rounds, and it was an antiquated way to provide use-of-force. Mr. Dzurenda said he wanted to replace the shotguns with equipment used by the rest of the country. The launchers were larger rounds that dispensed chemical agents into housing units or outside recreation yards. He explained these tactics used better technology and were more effective and less lethal, thereby reducing liability.

Mr. Dzurenda stated that the next item was body cameras. The Department wanted to purchase 71 body cameras. The Department would determine the use of the cameras for litigation and incident rates before requesting additional cameras. He said the primary use for body cameras was during cell extractions. The cell extraction team was called when an offender was attempting to injure another cell partner, either physically or with the use of a weapon. The first staff member to enter the cell would be a shield man followed by the rest of the team. During this process, only the last team member with a handheld camera had visual contact with the prisoner. By using a handheld camera, vision was limited to the backs of the cell extraction team members, and actual viewing of the incident was not possible. Mr. Dzurenda said the Department was open to liability because if an inmate was injured, there was no evidence to indicate whether the cause of injury was the inmate or a staff member. The new body cameras would be placed on each lead extraction team member so the incident was recorded. Currently the Department had many liability cases pending because it was often the inmate's word against the team member's word, and the new cameras would help to minimize this liability.

Mr. Dzurenda stated that another use for body cameras would be for cell searches. The Department had a cell search team who went through housing units when a big incident happened. These searches resulted in a lot of claims and grievances from offenders stating that staff either damaged goods in their cells or stole items out of cells. He said that if staff were wearing body cameras, those incidents would be reduced and false claims could be prevented. He added that in the future, the Department would like to use the body cameras for transporting prisoners. Many times these transports were in remote areas, and the cameras would be especially helpful during fights that occasionally occurred on the buses.

Mr. Borrowman wanted to address a question about the bandwidth required for body cameras. He said the system was designed to be stored on the cloud with central access; however, the Department was limited by its bandwidth. The Department was currently using local servers and local storage and transmitting video on an as-needed basis to minimize the use of bandwidth. He stated if the Department needed to expand bandwidth, it would be brought to the Legislature before proceeding with such an expansion.

Mr. Borrowman referenced the 150 MHz radio replacement request, and noted that the replacements were not the 800 MHz radios that the Department of Transportation hosted. The 150 MHz radios did not have long-range communication capabilities and could not be used to communicate between facilities, but were used locally in each facility.

Senator Ford wanted to know whether the Legislature was doing enough to address the Department's staffing levels.

Mr. Dzurenda stated that the Department did not ever go below minimum staffing levels. The Department always had coverage, and bringing other staff in was never a problem, even if overtime was required. However, the Department did not have enough staff to fill

every post without overtime. He said that if there was a staffing shortage, a program could be shut down to divert those personnel where needed; however, coverage would always be provided because security was a priority. He added there could be an impact to a program when staff members were shifted. If the Department had all vacancies filled, it would be okay, but the Department did not have all vacancies filled, so every day and every shift was a balancing act. Mr. Dzurenda said there was not enough staff to cover all areas without the use of overtime, and he concluded by noting that filling vacancies was the problem.

Senator Ford wanted to augment his question about staffing. He noted that the Director talked about the use of overtime, which he said was good for extra income but not necessarily a safe practice. He thought that officers who worked too much overtime could be tired and not necessarily make safe decisions. He wanted to know what was being done to ensure safe staffing ratios.

Mr. Dzurenda agreed that there were instances where constant overtime could be a factor in making officers exhausted during their shift. To address that factor, the Department added training in how to use verbal communication to help calm offenders down, thereby reducing the number of incidents that required first line use-of-force. If the Department did not have enough staff to provide escorts, it did not provide escorts that day. The Department always had staff for security; the problem arose when there was a large-scale incident. Mr. Dzurenda said that when a large-scale event occurred, the Department would borrow staff from other facilities. He reiterated that the Department did not put staff in unsafe situations. A housing unit that needed to be covered would be covered, and when there was adequate coverage, a program that needed to be covered would be covered. The problem, he explained, was the increased number of inmates in the housing units. As housing needs increased, program spaces had to be converted for housing. He stated that this increase required more staff for housing, and consequently, less staff was available for programs. He said he toured each facility weekly to look at staffing patterns and he talked to officers. He was comfortable that every area that needed coverage for safety and security was covered, but he knew that staff were tired and needed a break. He concluded by saying that there needed to be a balance because, if there was no overtime, employee retention would become an issue. Staff needed to work overtime to build up salaries to make up for pension and medical deduction contributions and to be able to take home a larger check for their families.

Senator Goicoechea stated the Ely State Prison was hard-pressed to maintain its staffing levels, and it was located 300 miles from additional help. He often talked to staff there because the prison was in his district. He said staff expressed concern because numbers were down and inmates were spending time out in the yard. Senator Goicoechea disclosed that staff was always concerned about the possibility of an incident.

Mr. Dzurenda stated that he agreed with Senator Goicoechea, but pointed out that if one looked at segregation versus recreation, recreation actually reduced incidents. If offenders

were only let outside for an hour, the facility would have more problems during that hour. He said that in the case of the Ely facility, the recreational time was increased to let inmates burn off energy, and that resulted in reduced incidents. He noted that in the past when certain populations were only let outside one to two hours a day with no recreation, the likelihood of an incident increased. He said he was concerned with that scenario. Mr. Dzurenda explained that when there was an incident, staff were taught that when inmates were fighting and the inmates did not stop fighting upon verbal direction or the use of chemical agents, the officers were not to go into that area when they did not feel safe. If officers did not follow that protocol, it could result in a situation where the incident turned on the officer and the officer became the focus of the incident.

Chair Frierson had some questions about the number of body cameras requested and what factors determined the appropriate number of cameras.

Mr. Dzurenda stated the Department added up the number of facilities that had cell extraction teams. Each team comprised six officers, equaling 32 cameras needed for cell extraction. He said the Department then looked at cell search teams at its two largest facilities, High Desert State Prison and Northern Nevada Correctional Center, and included a camera for every officer on those search teams to arrive at 71 cameras. Mr. Dzurenda said this number allowed officers to have one camera, not two, and in the event that one camera broke, he hoped the contract would allow camera replacement. The request, he clarified, was for one camera per officer.

Chair Frierson wanted to know whether the Department had measurable goals for body camera usage. He wondered whether there would be a decrease in incidents and whether the cameras would be a deterrent, resulting in reduced litigation. He asked what measurable components would be used to determine whether the Department had the appropriate number of cameras to serve its purpose.

Mr. Dzurenda said the Department was currently setting up performance measures called statistical-tracking analysis reports for each facility. These statistical-tracking analysis reports tracked every type of incident that occurred within a facility, such as the number of fights, assaults, uses of force, and cell extractions. Incidents were documented daily and by shift. The Department would be able to determine what had occurred prior to using body cameras and whether the number of incidents went down or up with the use of cameras. He said the Department would be able to show the data for any period. He remarked that this data was not only important to determine a reduction in the number of incidents but, more important, to show staff that there was a reduction in the use-of-force. He said the Department tried a pilot study with two body cameras, one camera for the transportation team and one for the search team. Mr. Dzurenda described a videotaped incident that began with two inmates fighting, which escalated to the inmates turning on staff, but when the inmates saw staff turn on body cameras, the inmates stopped. This video and the

performance measures were important for both the Legislature and Department staff. Staff members needed to know the Department was taking actions to do things in the right way.

Chair Frierson thanked him for the answer and was pleased that the data would not only show results but also improve confidence in the officers' ability to perform their jobs. He wanted to know whether other states used similar measurables and whether those states had experienced a decrease in incidents.

Mr. Dzurenda stated that he had checked with the Association for State Correctional Administrators (ASCA), and there were no records showing whether body cameras worked in correctional facilities. He added that the data showed body cameras worked in police communities. He explained that he had not used them in previous positions, but when he left New York City, cameras were just starting to be used. Mr. Dzurenda noted that Nevada was going to use the same track New York City used.

Senator Parks wanted to know whether the Department would archive all footage from body cameras or just footage from specific incidents.

Mr. Dzurenda stated the archiving would be similar to the way the Department handled telephones. The Department would not save the conversation unless it was tied to an actual incident or the prevention of an incident. He said the Department planned to save the footage for the first 30 to 45 days depending on storage ability. This was done in the event a claim came later, but if there were no claims, the footage would be deleted.

Assemblyman Sprinkle wanted more rationale and explanation of the additional bandwidth costs for Ely State Prison, High Desert State Prison, and Lovelock Correctional Center.

Mr. Borrowman said the Department currently had the bandwidth at maximum for those facilities, and there were times of inefficiencies. The request for increased bandwidth could be associated with telephones, video from body cameras, telemedicine, or video from kosher kitchens. Bandwidth was central to and very important to the way the Department ran its operations. He explained that the request was not tied specifically to one activity such as body cameras, and staff would have to provide further information. Assemblyman Sprinkle stated that additional information would be helpful for the Subcommittees.

Assemblyman Sprinkle wanted to know whether the Department planned to extend body cameras to other facilities outside of this request.

According to Mr. Dzurenda, the Department considered this effort to be a pilot program: the Department needed to prove that body cameras reduced litigation and reduced incidents, and the Department needed to monitor and determine whether it was getting the best value for the investment. The Office of the Attorney General needed to determine whether there were fewer court cases, and staff needed to determine whether they were comfortable with body

cameras. Only after the Department looked at all those factors could the Department determine the need for additional body cameras.

Assemblyman Sprinkle stated that the Legislature was interested in this discussion and wanted the Department to report its findings. He added that the use of body cameras was a fascinating concept. Mr. Dzurenda said he would share the data.

Mr. Borrowman went on to discuss the Nevada Offender Tracking Information System (NOTIS), as outlined on slide 11 of [Exhibit C](#). The NOTIS was used to track all inmate activities, from their cells, to their history, to their eligible-for-release dates. This system was 100 percent of the Department's database for the offender. In addition, the Department had an Offender Sentence Management module that complemented NOTIS. Mr. Borrowman said that the NOTIS system was supported by the vendor until 2020. The support would be discontinued after that date because the system relied on Oracle 11, and Oracle was no longer supporting that version after 2020. He noted that the Department used other vendors to interface with NOTIS, including other web browsers and Java. Mr. Borrowman stated that this situation was similar to when Microsoft no longer supported Windows 95. When that happened, other vendors such as Java or Internet Explorer no longer wrote security patches for Windows 95. Eventually the security of a system using Windows 95 was compromised, and entities such as the FBI no longer used the system because it was not security-compliant. In the case of NOTIS, Oracle was no longer going to support Oracle 11, but Oracle had come out with Oracle 12C, which it would support until 2028. Knowing this, the Department determined it needed to mitigate the risks of staying on the current version of NOTIS using Oracle 11 and determine a best solution after 2020. Whatever the solution was, it had to be vetted through all of the Department's partners to ensure all the interfaces and data sharing worked for everyone. The technology investment requests (TIR) would address all the aforementioned issues. Mr. Borrowman added that Syscon Justice Systems had a current version of NOTIS available for purchase, and there were competing products as well. The TIR would use master services agreement (MSA) contract personnel to help the Department evaluate the current system, address the larger concerns, and evaluate what the Department needed. The Department would come to the Legislature during the next biennium with a request for a new NOTIS system, whether it was an upgrade or another product, and all of the Department's partners would be included in that decision.

Chair Frierson stated that he believed the Legislature had funded an effort for information technology (IT) staff to develop a new system outside of the consortium. He wanted to know what the outcome of that effort was.

Mr. Borrowman said NOTIS was working satisfactorily, and then the Department brought in sentence aggregation functions by purchasing the code from Syscon. The Department discovered Syscon developed the code in a confusing manner that would have taken an enormous effort for the Department to revise the NOTIS code. He said that the Department was not able to get Syscon support to fix the code and interface the aggregated sentencing

into NOTIS. Mr. Borrowman also reported that Syscon had a new product for millions of dollars and was promoting the new product to other entities. Therefore, the Department came up with supplemental software called the Offender Sentence Management module. The module calculated the aggregated sentencing, which was used to interface with other NOTIS applications. Both applications were used by the State Board of Parole Commissioners, Division of Parole and Probation, Department of Public Safety, as well as the Department of Corrections. He explained that by linking the Offender Sentence Management module to NOTIS, NOTIS was no longer fully self-contained and was now fragmented by another application. After this occurred, the Department began to experience problems in NOTIS, and staff needed to migrate those work-arounds through the Offender Sentence Management module to deal with the shortcomings of NOTIS. Mr. Borrowman further explained that Syscon had determined that no other entities were willing to purchase its alternative product, and in fact, entities were looking at competing vendor's products. Syscon laid off much of its staff and redirected focus back to NOTIS. He said Syscon was a better partner today than in the past five years and was much more receptive to making some modifications in NOTIS than it had been. Mr. Borrowman said that the Department was able to fix some of the problems in NOTIS, but bottom line, the Department needed to revisit the relationship with Syscon before the end of 2020.

Chair Frierson referred to the request for three contractor positions, and he wanted to know what happened to the position that was previously funded and, more specifically, whether that position was doing something other than what it was originally funded to do.

Mr. Borrowman stated that the Department still used the position to address the many things wrong with NOTIS, such as the high-priority needs of the Parole Board and Parole and Probation's need for information to verify that the right people were being released and supervised. He commented that the position was instrumental in helping meet those needs, but there were still more items to be addressed within NOTIS. At least now, Syscon was willing to get some of those items off the list. Mr. Borrowman summarized that there were many things still needing to be accomplished for the good of the Department, and that the position was still needed to move some things through the Offender Sentence Management module and to work with Syscon.

David Tristan, Deputy Director, Programs, Department of Corrections, added that program staff worked very closely with support services staff for NOTIS. Every change made in programs, such as risk assessments and segregation for inmates that may have made improvements, affected NOTIS. He confirmed that staff was working many hours to improve NOTIS.

Chair Frierson thanked him for his comments and noted that there was a responsibility to verify that a position was performing the prescribed duties when the position was funded by the Legislature. He added that it appeared the funding was for a total of four positions, the position previously discussed and the three positions in this request.



Mr. Borrowman agreed the Department was asking for three additional staff in addition to the one it already had.

Senator Parks wanted to follow up on total replacement costs for NOTIS, asking whether he was correct that the cost would run from \$30 million to \$50 million.

Mr. Borrowman said that if the Department replaced NOTIS with a new vendor, hard costs would be somewhere from \$15 million to \$22 million. In addition, with training for the Department and its partnering agencies, the costs could exceed \$30 million.

Senator Parks wanted to know whether the Department was seriously considering this. Mr. Borrowman said the Department knew that there were options, and he knew other states had moved to other options, but the Department was not in a position to pursue other options. He ended by stating that the intent of the TIR was to address and answer those questions.

Chair Frierson was a little unclear about the transition period and asked about what appeared to be a \$2 million upgrade for NOTIS that was not included in the budget request.

Mr. Borrowman said it was true there was a \$2 million option available to buy the new Syscon product. The Department had not been able to do an analysis to determine whether that \$2 million was the final purchase. He had considered whether the \$2 million would require additional modules to address all of the Department and partner needs, which could make the price \$2 million plus additional modules at \$1 million each. Mr. Borrowman restated that the purpose of the NOTIS TIR was to evaluate other products as well as to consider the \$2 million option. For example, he explained, the Department did not want to make a \$2 million purchase in 2019 before a complete evaluation. He added that after the evaluation, the Department could come to the 2019 Legislature and, at that point, submit a well-researched and justified request that looked at all options and included all partnering agencies.

Chair Frierson wanted to know whether the 2019-2021 biennium was just a hypothetical time or whether the Legislature should count on a multimillion-dollar request for the next biennium.

Mr. Borrowman stated the Department knew that the current NOTIS would not be supported in 2020, and staying on the unsupported existing NOTIS after that time was not an option. Chair Frierson was correct: the Department would have to come to the Legislature next session with either a \$2 million plus request for additional Syscon modules or a \$15 million to \$25 million new vendor request. At this point, he did not want to speculate. In closing, he noted that the Department had a commitment from Syscon through 2020, and he did not intend to come to the Interim Finance Committee (IFC) prior to the next session.

Assemblywoman Swank commented that the Subcommittees had heard from many Departments needing technology, and she felt that even if there was an investment of \$30 million that was projected to last for ten years, a subsequent technology need for another \$30 million would arise at the end of that ten-year period. She wondered whether it might be prudent to set up some sort of technology savings accounts and spread those payments out to avoid the need to fund \$30 million at once. She added maybe there needed to be a way to put technology in all of the Department's budgets and spread the costs out over the years.

Chair Frierson stated because the Department knew that the system support would terminate in 2020, waiting until the next session left a narrow window for transition to a new system. He wanted to know whether that would be a problem for the Department and whether it would limit the options for the Department and for the Legislature.

Mr. Borrowman returned to the Windows 95 scenario and stated that when Microsoft stopped providing support, Windows 95 continued to work. Microsoft, however, stopped providing security patches for the system. When Oracle 11 support stopped, the system would not break and would continue to work until a risk was discovered, and then the system could become problematic. He felt that the chance of identifying a new security risk at the point in time when Oracle 11 became unsupported was highly unlikely. Mr. Borrowman said that given the expected life support of the system, there would be adequate time to transition to another system. He added if the TIR were approved, the Department would know the product selection preferences and could take steps to be prepared in advance.

Chair Frierson stated that hearing no further questions, the Subcommittees would review the next TIR for the new telephone replacement system.

Mr. Borrowman referred to slide 12 of [Exhibit C](#) depicting the telephone system replacement. He said that the Department currently had an outdated system and had looked at joining the Division of Enterprise Information Technology Services (EITS), Department of Administration, telephone system and found that the needs of the Department of Corrections did not meet the scope of EITS services. The Department needed to have redundancy at the site level to ensure the telephones worked in the event the network failed. There needed to be a backup system locally at every site. If the Department's primary use was the network, and the network failed, then the local site needed to be able to use traditional copper wires of the phone company to make phone calls. The EITS Division did not provide this redundancy, and in addition, EITS worked Monday through Friday and would not address an assistance request submitted over the weekend until the following Monday. This did not work well for the Department. The EITS Division reviewed the Department's request and determined it did not meet their business model, and EITS had endorsed the TIR request.

Chair Frierson wanted to know if the TIR were approved, what the cost of the increased bandwidth would be at each facility.

Mr. Borrowman stated that the telephone system was designed to have a minimal impact on bandwidth. In addition, the Department could prioritize the types of data crossing the network and could ensure that the telephone had a higher priority than an email. Adding the telephone would have a small effect on the bandwidth, he said, so additional bandwidth costs were not considered.

Chair Frierson asked what would happen if the Internet went down in a remote facility and staff had to resort to a telephone.

Mr. Borrowman said if that were to occur, the Department would prioritize telephone calls, and email might be slow.

Mr. Borrowman discussed slide 13 of [Exhibit C](#) outlining the TIR for a workforce-scheduling system. He said the Department had not identified a specific software application, but it had identified a software application that met its criteria and used that application as the basis to develop the TIR. He wanted to stay away from any suggestion that the Department had selected that software package or the associated vendor. Mr. Borrowman said the Department's current system used Microsoft Access, but that system had huge latency issues and required multiple manual entries to do something as easy as reassigning an officer from one post to another. It would take a sergeant an entire shift to enter the personnel assigned to the shift; this new system would free the sergeant to be an actual supervisor of staff. Mr. Borrowman commented that the current system did not allow the Department to know when someone called in sick following a day off or following a holiday or which staff member was getting too much or too little overtime. A new scheduling application would allow the Department to operate much more efficiently. He added this TIR was not designed to save overtime costs or lay anyone off, but it was designed to provide the ability for the Department to do its job more effectively with the personnel it had.

Chair Frierson wanted to know whether the Department would save on overtime costs.

Mr. Borrowman said there could be some ancillary savings in overtime. For example, there may be some ability to save overtime in preparing for staff to be out for training, but he did not feel the savings could be estimated.

Assemblywoman Swank wanted to know whether the Department had looked at software packages that performed many functions in addition to workforce staffing. She believed there could be an Oracle product that also addressed staffing. She stressed looking at technology in a global way and that purchasing different modules across departments might have more longevity but be customizable for each department. She wondered whether there was a software package that would work for more than this Department.

Mr. Borrowman thought that her comment was insightful and part of the reason for not making a hasty decision to accept the \$2 million NOTIS upgrade. He added that perhaps the

new NOTIS replacement might contain a scheduling system. The only thing the Department was certain of was that scheduling systems were available, and the Department needed to have scheduling capability.

Assemblywoman Swank commented there was a need to look at technology for a long-term solution that could be planned out decades in advance. This would allow a tracking of technology improvements that were safe and allowed efficiencies across state government.

Mr. Borrowman stated that in support of Assemblywoman Swank's point, one of the Department's criteria for the workforce scheduling system was it must be able to interface with other applications and not only push data but to pull data.

Assemblywoman Titus had questions about decision units enhancement (E) 916 and E-917 for funding of staff physicals. She felt that amount was a small request and asked whether the Department only funded physicals for new hires. In addition, she asked whether the Department followed the Nevada Police/Firefighter Heart and Lung Law and whether the Department contracted out for that activity.

Mr. Borrowman stated the E-916 and E-917 transfers were small because they were limited to relevant staffing added to other budgets. He confirmed there was an initial physical as well as a standard schedule for follow-up physicals, and the Department was compliant with that standard. The Department did contract out for staff physicals.

Mr. Borrowman stated that the final TIR for consideration was the electric medical records shown on slide 14 of [Exhibit C](#). He said the Department currently used paper files, and it was very difficult for the Department to manage those files internally. The Department needed to transfer the paper file with the inmate and make sure the file information was available in the case of a medical event. He noted that once an inmate was released into the community, it was difficult for the Department to share that medical information with the community providers. Currently, if a community provider wanted medical records, the Department made a copy of those records and mailed those copies to the community provider. Mr. Borrowman stressed that when the Department switched over to the medical record software, every visit from that point forward would become an electronic medical record entry. The offenders at intake would have 100 percent of their records in the electronic medical records system. However, this would be different for the offenders that were already incarcerated. Electronic medical records would be created when those offenders went to see a doctor, but the Department would not scan all of their previous medical records. He explained the old boxes of medical records would go away through attrition. On the day the Department switched to the electronic medical records system, everything from that point forward would be in that system.

Mr. Borrowman wanted to cover more points about the electronic medical record system. He stated there would be a lot of time needed for training and for completion of the project.

The goal was to have the system completed by the end of fiscal year (FY) 2019. He said on day one, the electronic medical records system database would consist of nothing, and on day two, it would consist of all the medical visits that occurred the day before. Mr. Borrowman said this created the future bandwidth problem for the Department. The size of the medical records on day one and maybe through month three would be small and not a problem in FY 2019. However, this would change as the Department added more records to the system because of doctor visits. Those files would compound, and when the need arose to share those images to a remote location, the limited bandwidth would become a problem. Mr. Borrowman summarized that for the 2019-2021 biennial budget, the Department would revisit the bandwidth needed to support the electronic medical records system.

Mr. Borrowman went on to describe the requirements for sharing medical information with community providers. He stated that the current system in Nevada was a health information exchange, and the Department would partner with that exchange.

Mr. Dzurenda added more detail about the health information exchange. He said the two ways to go through the exchange were important: there was a portal and there was an exchange. The difference between the two was that the exchange was voluntary; for example, if a hospital did not want to pay for the exchange, it could not use the exchange, but the portals were automatically in the exchange and covered by a different funding source. The important point was that the Department could experience a type of ancillary savings by transitioning to electronic medical records. For example, before the electronic medical records system, an offender would be placed in a facility without any medical history of that offender, who may not even know his or her own medical history. Referring to this example, the Department may decide that a magnetic resonance imaging (MRI) was necessary, but then learn that four months earlier an MRI had been performed on that offender while he or she was in the community. In this case, through the exchange and the electronic records system, the Department would know about the MRI and would not duplicate services. Another example was when an inmate was under the custody of the Department and subject to surveillance by the Department. The Department would know those inmates' behaviors and could use psychotropic medication to a point where the Department knew what made the inmate more violent and what made the inmate calmer. This medical information would be important when the offender was released because, currently, the paper records could not be shared with outside providers. Under the exchange, the medical information could be shared with outside providers who would know that mental health services treatment allowed the offender a better chance to be successful in the community.

Assemblywoman Titus had questions and concerns about electronic medical records as it applied to bandwidth in rural areas. She stated she was required to convert to electronic medical records to comply with the Affordable Care Act (ACA), and the lack of bandwidth caused her electronic medical records system to shut down on a regular basis. She also wanted to know why the Department felt it would not be subject to Medicaid and Medicare billing.

Mr. Borrowman agreed that bandwidth would be a problem, and the TIR was based on the premise of attrition. He said there were no files to share on day one of the electronic medical records system, so the files collected and the need to transmit them during the first six months would be very limited. The bandwidth would not become a problem until about FY 2020 or FY 2021.

Assemblywoman Titus stated her practice went through the same transition as the Department was proposing. It was her experience on day one when the first electronic record was submitted, all of the prior procedures had to be scanned and uploaded with that record. She warned Mr. Borrowman that the Department might experience problems with limited bandwidth.

Mr. Borrowman said he only knew what the recommendations were, and he wanted staff to revisit the bandwidth usage and make sure it was not going to be a problem. He said that as it was explained to him, the first electronic medical file would be large, but the Department would not be required to scan in boxes of previous medical history. The previous medical history should remain in boxes and eventually go away through attrition. Mr. Borrowman stated his experience in electronic medical records was limited, and he was open to learning more about the technology.

Assemblywoman Titus let him know that her office had to hire three additional staff just to do the electronic medical tasks.

Mr. Borrowman went on to discuss the question of Medicaid and Medicare. He said when inmates were incarcerated, the inmates were no longer Medicaid- and Medicare-eligible. He said 100 percent of the medical cost was paid by the Department. He explained when an offender was taken to an emergency room, 100 percent of that expense was paid by the Department. Mr. Borrowman explained it was not until that offender was admitted to a hospital and had received medical services over 24 hours that Medicaid kicked in. After those 24 hours, the offender was Medicaid-eligible, but it was the hospital that would bill Medicaid, not the Department. The hospital, not the Department, would also bill other entities. Any medical service the Department provided could not be reimbursed by anyone other than the Department.

**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**NDOC - PRISON MEDICAL CARE (101-3706)**  
**BUDGET PAGE CORRECTIONS-23**

Senator Parks confirmed that the Subcommittees had covered all the enhancements and wanted to move to budget account (BA) 3706, Prison Medical Care. He wanted the Department to start by addressing the revenue shortfall, which was expected to exceed \$6.5 million for fiscal year (FY) 2017.

John Borrowman, Deputy Director, Support Services, Department of Corrections, introduced Chuck Schardin, Medical Administrator, Department of Corrections. Mr. Borrowman agreed the medical budget would experience a shortfall. Because of the Department's move to a cash basis of accounting, it precluded the Department from going to BA 4888, the Stale Claims Fund, to pay for invoices received in the current fiscal year. This was a Department decision for FY 2017, and the policy decision did not necessarily equate to more funding. He added that in the Department's budget request, there was a supplemental request for \$1.3 million to cover costs for medical claims that were provided prior to FY 2016. In addition, based upon that cost for FY 2016, the expense should have been the same for FY 2017. However, the costs for FY 2017 were slightly different for category 51. The Department looked at the long-term trend of stale claims amounts by adding expenses from budget account 4888 and adding them to category 51 and found claims were \$1.6 million for FY 2014, \$1.5 million for FY 2015, \$2.047 million for FY 2016, and \$2.2 million to date for FY 2017. The stale claims to date had increased by about \$200,000, and the Department expected about another \$100,000 in liability. He stated this was an increase from \$2,050,000 to \$2,300,000 for prior year services paid in the current year. The costs were increasing, as was the prison population and the number of medical services provided. Mr. Borrowman said if expenditures in category 51 were added to stale claim expenses in BA 4888, the Subcommittees would see a stable increasing trend from year to year.

Mr. Borrowman hoped he had explained the stale claims increase as it related to the current year medical increases and stated that these increases were attributed to several factors. One factor was the increase in the prison population. Another factor was an increase in the population eligible to receive treatments that were unavailable. For example, in the past the hepatitis C treatment was hard on the body, so to receive that treatment the offender had to be eligible and in good physical shape to withstand the treatment regimen. The new hepatitis C treatment was easier on the body, and those offenders who were previously ineligible for treatment were now eligible. This created a backlog of offenders receiving hepatitis C treatments who were formerly ineligible.

Mr. Borrowman explained that another example was that the Department had a proper and appropriate treatment for human immunodeficiency virus (HIV) and acquired immune deficiency syndrome (AIDS) patients. The Department currently had many patients eligible for that treatment. There were new drugs for HIV/AIDS, and those drugs cost more. He explained that if there was an incarcerated person receiving the new regimen of HIV/AIDS treatment, the Department could not put that person on the old HIV/AIDS regimen to save money. The Department now had a new group of offenders who required drugs that were more expensive. Mr. Borrowman went on to explain that the Department had more offenders on dialysis than in the past. He summarized that there was an increase in population, an increase in care cost, an increase in offenders eligible for specific treatments, an increase in the age of the inmate population, and an increase in inmates making trips to and staying longer at the hospital. All of these factors led to the need for the Department not to rely solely on historical data to calculate medical costs but to factor in an increase in

medical costs. He ended by stating the Department needed more funding to close out FY 2017 than the amount originally budgeted.

Senator Parks wanted to know whether the Department had addressed inflation.

Mr. Borrowman said that there was some question about inflation, and when FY 2016 was compared with FY 2017, it appeared inflation was built in. However, he noted, if the question was how actual expenditures for FY 2016 compared with FY 2017, then an inflation factor needed to be calculated. He believed inflation to be about 6 percent to 8 percent.

Chair Frierson thanked Senator Parks for acting as Chair and noted that he wanted to review the 46 percent increase in the medical costs over the remaining three months of the year.

Mr. Borrowman stated medical costs were projected based on historical data of actual claims for the year and the average of what had been paid in the past, excluding stale claims costs. He said stale claims were claims for services provided in a prior fiscal year and paid in the current fiscal year, and that was different from claims for services provided during the current fiscal year and paid in the current fiscal year. He stated that at the beginning of the fiscal year in July, those payments would be very low because someone seeking medical attention during that month would most likely not receive a bill for those services until sometime in August or later. This created a delay between the time the service was provided and the time the bill for that service arrived. If the Department looked toward the end of the fiscal year, those costs would provide a more accurate payment amount and a better predictor of future months of expenditures.

Chair Frierson wanted to know the amount needed for the supplemental State General Fund request to close out FY 2017.

Mr. Borrowman stated the current pending supplemental request was for \$1.3 million, and that amount was more of a placeholder to cover known medical costs for FY 2016 for medical services performed prior to 2016 out of BA 4888. In addition, the Department knew that for FY 2017 the amount budgeted would not be enough given the higher costs. The Department was working with the Budget Division, Office of Finance, Office of the Governor, to figure out exactly what that amount would be. He added the Department had to estimate the future expenditures for current claims, and based on its analysis and an analysis by the Budget Division, it was believed that the supplemental request should be increased to \$5 million. He said the problem was that if the Department did not have enough money in FY 2017, then the Department probably had not budgeted enough for FY 2018 and FY 2019. He closed by saying this problem was being discussed with the Budget Division.

Assemblyman Sprinkle said there was talk about getting better reimbursements through Medicaid, and he wanted to know what percentage of the offenders was covered by Medicaid.



Mr. Borrowman replied that there were no offenders covered by Medicaid. He said under the Affordable Care Act (ACA), the Department had inmates who were eligible for Medicaid when they were in a community facility, such as a hospital, for more than 24 hours. However, the costs were billed by the community provider. For example, if the Department took an inmate to the hospital, the Department paid 100 percent for the first 24 hours of emergency room care. If the inmate was admitted to the hospital, that was when Medicaid coverage began, but the hospital billed Medicaid for that service. If the medical service provided was within the Department or in the first 24 hours, the offender was not eligible for Medicaid, and the Department was 100 percent responsible for those costs.

Assemblyman Sprinkle wanted to know how many of those inmates would be covered after 24 hours. Mr. Borrowman said 100 percent of the inmates were covered 100 percent by Medicaid after 24 hours.

Assemblyman Sprinkle asked whether the Department experienced a benefit as the result of the ACA.

Mr. Borrowman said prior to ACA, the Department was responsible for 100 percent of the care, including admissions to hospitals. After the ACA, the costs for offenders after 24 hours was covered by Medicaid, resulting in a large savings to the Department. Mr. Borrowman agreed there was an absolute savings to the Department as the result of ACA. He added the medical budget for the Department had since been adjusted to match those savings.

Assemblyman Sprinkle wanted to talk about the problems with not being able to take offenders to Carson Tahoe Health and what adjustments the Department had to make because the only preferred provider in the area was Renown Health in Reno.

Mr. Borrowman said this had been problematic. In the past, when the Department had a local provider, it could plan services, which included transporting offenders from remote facilities in Southern Nevada to the north for planned care. Currently, the offenders had to be transported to Renown in Reno, and the associated costs were greater. He added that Renown had been an amazing partner. However, the Department lacked local admissions where it could plan standard procedures.

Assemblyman Sprinkle inquired whether the Department looked to other facilities besides Renown, such as, for example, Barton Memorial Hospital.

Mr. Borrowman stated that all aspects were taken into consideration when looking at a contract and much had to do with billing and medical agreements.

Assemblywoman Titus wanted to know whether additional officer costs were incurred by transporting the offenders to Reno.

Mr. Borrowman stated there was a large increase in cost. For example, it was one thing to put an offender in a van and take him or her to Carson Tahoe Hospital. The dynamics were changed when the offender needed to be transported to Reno. The additional mileage added an additional hour and half of staff time roundtrip, and that, over the day, had an adverse effect on officer staffing levels. In addition, there was an officer standing guard once the inmate was admitted to the hospital. These factors added up to a logistical challenge and additional overtime for transporting offenders to Reno.

Assemblywoman Titus wanted to know whether the Department had measurable increased costs and a breakdown of those costs. She added that if the costs were significant, perhaps the Department should reconsider reimbursing Carson Tahoe Hospital at the higher rates it wanted, which was the reason Carson Tahoe Hospital refused to do business with the Department. She queried the Department about the \$1.7 million shortage for the HIV and hepatitis C treatments. She further stated, according to Department records, the Department currently had 136 HIV patients and 19 hepatitis C patients. She wanted to know whether that was the total number of patients who were HIV or hepatitis C positive or whether there were inmates who were HIV or hepatitis C positive and not being treated.

Charles H. Schardin, Medical Administrator, Medical and Mental Health, Department of Corrections, stated the 136 patients with HIV/AIDS was the total number of patients within Corrections with that disease; however, concerning hepatitis C, the Department had 700 inmates with hepatitis C.

Assemblywoman Titus asked why only 19 inmates were being treated and whether it was because these were the only inmates who met the new treatment plan.

Mr. Schardin agreed and explained that the Department had a protocol based on the Bureau of Prisons, U.S. Department of Justice. According to that protocol, the Department of Corrections had approved 23 patients for treatment.

Assemblywoman Titus wanted to confirm the shortfall the Department was reporting was based on the new treatment, the increased cost, and the current federal guidelines for treatment. She wondered if the federal guidelines were to change, whether there would be a time when the Department would have to treat the other 700 hepatitis C patients currently housed in the Department.

Mr. Borrowman said the threshold for treating hepatitis C was discretionary: the Department could deviate from the federal Bureau of Prisons guidelines. However, the Department had elected not to deviate. Should the federal Bureau of Prisons adopt a policy that was radically different from the current one now in place, he said the Department was not mandated to follow that policy. The Department would evaluate the impact of the new policy, not only as it applied to the Department, but also to the patient population, and the policy's fiscal impact. He ended by stating the Department could decide to adopt a different policy.

Chair Frierson stated the Subcommittees were about to finish week eight of the legislative session, and he wanted to "light a fire," but budget closings were coming up and this Department was still talking about a supplemental appropriation. He stated that it was time for the Subcommittees to do their work, and with the Department still talking about adjustments, changes, and estimates, it was not a healthy way to approach budget closings. The Subcommittees did not have an indefinite amount of time and needed closure and concrete numbers to look at. The Subcommittees needed to close budgets, and if the Department did not have a final accurate number, then it could be left without the needed funding. He closed by urging the Department to get final numbers to the Subcommittees expeditiously.

**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**NDOC - CORRECTIONAL PROGRAMS (101-3711)**  
**BUDGET PAGE CORRECTIONS-29**

John Borrowman, Deputy Director, Support Services, Department of Corrections, referred to slide 19 of the "Nevada Department of Corrections, SFY 18-19 Governor Recommends Budget," dated March 24, 2017, ([Exhibit C](#)). He explained that decision unit Enhancement (E) 240 requested funding for a new mental health director, and decision unit E-490 proposed the elimination of two substance abuse counselor positions. Funding for the new mental health director position was offset by the elimination of the two substance abuse counselor positions. He noted that the amounts shown demonstrated the effect on the State General Fund. There was a budget amendment under review at the Budget Division, Office of Finance, Office of the Governor, because in the long term, the Department intended to return to the Legislature and request the transfer of funding for the two substance abuse counselor positions from the Inmate Welfare Account to the State General Fund. The Department needed these counselor positions, and if these positions were eliminated, it would have a material effect on the program in Northern Nevada. Before making this decision, the Department had evaluated its resources and determined that these positions were relevant to the Inmate Welfare Account [budget account 3763] concept. He added that the Department did not want to keep these positions on the Inmate Welfare Account indefinitely because there could be a point when the Federal Communications Commission (FCC) rule eliminating inmate telephone services commissions could render the Inmate Welfare Account insolvent. He said that decision unit E-491 eliminated a Workforce Investment Act of 1998 (WIA) program.

Assemblyman Sprinkle stated that from earlier high-level hearings, he understood the direction of the Department was to help inmates with mental health issues, which could reduce recidivism. He felt that decision unit E-240 contradicted that direction. The Department planned to take away the specific people who would be working directly with the inmate population and instead add a mental health director to oversee the program. He did

not understand this and wondered what services would be decreased because of the elimination of these two positions.

Mr. Borrowman said that fiscally the Department knew it could not increase State General Funds to create a mental health director position, but the Department had funding from the two vacant substance abuse counselors. The Department felt having a mental health director to establish a statewide program was more important.

David Tristan, Deputy Director, Programs, Department of Corrections, said that when he arrived at the Department about eight months ago, he quickly realized that the Department lacked a mental health delivery system. He said that the Department had psychologists who were providing evidence-based programing and some psychologists who were not following evidence-based programing, and this resulted in a nonstandardized approach to the mentally ill. When he looked further into this problem, he found that seriously mentally ill offenders had been segregated for years at the Ely State Prison because of the Department's segregation and disciplinary policies. Mr. Tristan felt he could modify segregation policies and modify disciplinary policies; however, he did not have the expertise required to create a statewide mental health delivery system. He said the Department had a northern system and a southern system for intake of inmates. The Department was using a type of self-assessment and self-referral system, and based upon inmate responses, a mental health determination was made, but he noted that this was not a standard system. The Department was using the Diagnostic and Statistical Manual of Mental Disorders (DSM) IV, whereas the rest of the country had moved to the DSM V. Additionally, he said the Department files did not contain case notes. He concluded that these factors justified the need for a mental health director position to provide expertise and direction.

Assemblyman Sprinkle thanked him for the explanation and said that what he inferred from Mr. Tristan's testimony was that the Department wanted to keep the substance abuse positions, but it needed to build a statewide mental health system. He continued, there could be some short-term problems without the two positions, but the Department felt it needed the mental health director position to position the program in the direction where it needed to go. Mr. Tristan agreed.

Assemblywoman Titus wanted to know whether the inmates with mental health problems that were taking medications would be in the electronic medical records system. Mr. Borrowman said the medications were part of the electronic medical records system.

Assemblywoman Titus asked whether the mental health professionals would be able to access those electronic medical records. Mr. Borrowman said it was his understanding anyone involved with the care of the inmate would have access to the appropriate files.

Assemblywoman Titus said that a typical electronic medical records system charged a user for each patient record. She wondered whether that cost had that been budgeted.

Mr. Borrowman said it was his understanding that mental health professionals were included, but he would research that.

Charles H. Schardin, Medical Administrator, Medical and Mental Health, Department of Corrections, stated that dentists, doctors, psychiatrists, psychologists, and nursing staff were all included in the user base with access to the electronic medical records.

**PUBLIC SAFETY**

**DEPARTMENT OF CORRECTIONS**

**NDOC - FLORENCE MCCLURE WOMENS CORRECTIONAL CENTER (101-3761)  
BUDGET PAGE CORRECTIONS-91**

John Borrowman, Deputy Director, Support Services, Department of Corrections, said that the Florence McClure Women's Correctional Center was the only female institution in Nevada. Additionally, he noted, that there was the Jean Conservation Camp for minimum-custody females. He referenced slide 21 of the "Nevada Department of Corrections, SFY 18-19 Governor Recommends Budget," dated March 24, 2017, ([Exhibit C](#)), to highlight decision unit Maintenance (M) 200, which funded clothes and food for an increased inmate population. Decision unit M-201 funded the additional staff to supervise the additional inmate population based upon the caseload size. This request would also open vacant Housing Unit #10 in fiscal year 2019. He stated that there were new caseload numbers, and those numbers were rolled into the 10-year new Capital Improvement Program plan, which had been drafted and was under review by the State Public Works Division. Mr. Borrowman said that decision unit Enhancement (E) 712 funded replacement equipment.

Chair Frierson requested an overview of the Department's long-term plans for the female inmate population.

David Tristan, Deputy Director, Programs, Department of Corrections, stated the long-term plan would be to build two new dorms at the Florence McClure Women's Correctional Center. There was sufficient space available for the new dorms within the secured perimeter. He said that, if funded, the Department would have additional housing capacity to open Housing Unit No. 10, and there was additional housing capacity at the Jean Conservation Camp. He closed by stating that the Department had a master plan for future growth that was in the final stages of approval.

**PUBLIC SAFETY**

**DEPARTMENT OF CORRECTIONS**

**NDOC - CASA GRANDE TRANSITIONAL HOUSING (101-3760)  
BUDGET PAGE CORRECTIONS-99**

John Borrowman, Deputy Director, Support Services, Department of Corrections, said that the Casa Grande Transitional Housing Center housed inmates as well as provided space for

the Division of Parole and Probation, Department of Public Safety. He referred to slide 23 of "Nevada Department of Corrections, SFY 18-19 Governor Recommends Budget," dated March 24, 2017, ([Exhibit C](#)), and said that decision unit Maintenance (M) 200 funded a projected increase in inmate population.

James E. Dzurenda, Director, Department of Corrections, let the Subcommittees know that if Parole and Probation experienced a decrease in the number of persons supervised, the Department would not leave those beds open. The Department had currently changed its system of classifying inmates so that more inmates qualified to fill those beds, and there was a process to keep the inmates housed until Parole and Probation needed that space. He added the Department was doing everything it could to use all the space it had available.

Assemblyman Sprinkle asked what the driving factor was for keeping this facility full when there were inmates eligible for parole remaining in the facility and not being released.

David Tristan, Deputy Director, Programs, Department of Corrections, said the Department was working diligently to bring that number down. He said the Department had 1.5 full-time-equivalent (FTE) positions dedicated to finding alternative housing within the community for inmates who were granted parole and only lacked alternative housing. He said the needs of these offenders were consistent with the Second Chance Act grant award, and the Department was working to get these offenders released to alternative housing such as Freedom House. He concluded by noting that the FTEs had interviewed almost 150 inmates who were eligible for parole or had been granted parole and were eligible for release.

Assemblyman Sprinkle acknowledged that the Department was looking at alternative housing, but he wondered whether the Department was encountering any barriers because the number of inmates had not dropped significantly.

Mr. Tristan said one barrier was inmates who were indigent, another barrier was the difficulty in placing sex offenders, and a third barrier was inmates who had long sentences, had lost all outside family ties, and had no access to resources in the community. The inmate was responsible for developing his or her own parole plan, but that inmate may not have information regarding available resources in Las Vegas or Reno for supportive programs for problems such as substance abuse. In response, the Department was developing a community resource manual. He said another barrier was connecting the inmates with providers within the community, and the Department was using reentry staff to bridge that gap.

Assemblyman Sprinkle wanted to know whether the Department had experienced a decrease in recidivism.

Mr. Tristan stated he currently could not respond to whether the Department had experienced a decrease in recidivism. He stated that the programs were brand new, and the hope was for a reduction in recidivism. He noted that if the enhancements to the Nevada Offender Tracking Information System (NOTIS) were funded, the Department would be able to use the risk assessment tool and assign an inmate to the right program from the start of incarceration. He stated that the start of incarceration was really when reentry began. He said the Department needed to initially identify the inmate's needs and assign the inmate to the right program. He told the Subcommittees that the Department was launching the Vivitrol Pilot Program. This program was a partnership between the Department and the pharmaceutical company Alkermes, Inc. He explained there was a lot of public interest in this program because opiate use had been increasing, especially among young people. He said that about 65 percent of the Department's prison population had some sort of substance abuse problem.

Assemblyman Sprinkle asked whether the Department would be returning Casa Grande Transitional Housing Center to its original purpose if the Department continued to release offenders and to fill beds with low-risk offenders,

Mr. Dzurenda stated that he hoped that would be the outcome; however, because of the overall increase in the prison population, the Department was housing even more offenders in its conservation camps. He said that for the long term, the Department was hoping the Division of Parole and Probation, Department of Public Safety, was successful, which would lead to a reduction in the prison population.

Assemblyman Edwards stated that he had made a recent visit to some of the Department's facilities, and he agreed that planning was important to the successful reintroduction of the offenders into the community. He wondered if the Department had two more positions dedicated to that reintroduction planning and was able to reduce recidivism by 1 percent, whether that effort would pay for itself. He continued, noting that if the recidivism reduction were as much as 4 percent, the effort would show an even greater return on investment.

Mr. Dzurenda said Assemblyman Edwards was correct in theory, but the Department actually needed about seven or eight positions. The Division of Parole and Probation was addressing this matter. He said the connection between the Department and the community was minimal, and it was currently using 1.5 full-time-equivalent staff to accomplish that connection. The Division of Parole and Probation was looking to have staff at each facility, and its staff had the community resources to do the planning. He believed that the Division of Parole and Probation was the better agency to provide that type of planning.

Assemblyman Edwards wanted to know whether the Department had this in its budget. The Director said he believed the staffing request was in the budget for the Division of Parole and Probation.

Mr. Borrowman confirmed that the Division of Parole and Probation had a decision unit to place staff within the Department of Correction's institutions. The Division of Parole and Probation staff would meet with inmates as part of the prerelease planning.

Assemblyman Edwards wanted to know if that would be a sufficient amount of staffing to drive down recidivism.

Mr. Borrowman believed this was a huge step over what was currently being done. He stated that inmates had little resources available to assist with planning. He explained that having the Division of Parole and Probation staff (familiar with the outside community and available resources) work directly with inmates would be a step in the right direction. The question of whether there should be more or less staff members dedicated to this effort would have to be determined in the future.

**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**NDOC - OFFENDERS' STORE FUND (240-3708)**  
**BUDGET PAGE CORRECTIONS-164**

John Borrowman, Deputy Director, Support Services, Department of Corrections, pointed out he made revisions to slides 25 and 28 of the PowerPoint presentation titled "Nevada Department of Corrections, SFY 18-19 Governor Recommends Budget," dated March 24, 2017, ([Exhibit C](#)), and those revisions were provided to all Subcommittees members. He explained that within budget account (BA) 3708, the Offender's Store Fund, there was a decision unit Maintenance (M) 200 that requested additional funding to cover the increased inmate population. Decision units Enhancement (E) 225 and E-226 would fund additional training for staff and would add two full-time-equivalent (FTE) retail storekeeper positions for the High Desert State Prison. The new retail storekeepers would be assigned to service windows and a bagged delivery service system. Decision unit E-720 funded the replacement of refrigeration units and microwaves.

Mr. Borrowman stated he wanted to give the Subcommittees more detail and justification for the new positions requested. Currently, it took two correctional officers to deliver Offender Store purchases to inmates. The Department was evaluating whether it would be more effective to have an inmate come to a window to receive packages. He explained that when an inmate took delivery and found an exception to what he or she thought should be in the package, the exception needed to be researched, occasionally creating a situation of the inmate's word against the staff member's word. Under the new system, the inmate would point out any exceptions at the window upon delivery and inspection of the package. The matter would have to be resolved at the window, which then required the need for two civilian staff members. He said the assumption was that service at the window would be more effective.



Chair Frierson wondered why the Department would keep retained earnings in the budget when the funds could be used for other inmate programs.

Mr. Borrowman stated the retained earnings balance was higher than it had ever been. He explained that retained earnings were when an inmate made a store purchase; some of the funds were set aside as reserve or retained earnings. The Department was experiencing a situation where the whole Inmate Welfare Account [BA 3763] was undergoing many changes. Historically the telephone was a major contributing component for the Inmate Welfare Account, and the Federal Communications Commission (FCC) had imposed limitations on commissions and reduced the rates the Department could charge an inmate to make a telephone call. The Department had responded to the FCC regulations by eliminating commissions and reducing the telephone rates. The Department's decision was consistent with the Governor's interest in supporting lower telephone rates so that inmates would have additional contact with family members. Mr. Borrowman said the reserve balance was there should the Department discontinue the charge for telephone calls that currently covered service costs. He noted that the Inmate Welfare Account was not a slush fund: the funding in that account was dedicated only for inmate welfare, and the Account was to provide services to the inmates without burdening taxpayers. For example, the restoration of the two substance abuse counselors and the cost for cable television were eligible efforts. These were just a few examples of the many uses of inmate welfare funds to make the stay of the inmate as comfortable as possible for the benefit of everyone.

Mr. Borrowman reported that FCC regulations were being challenged by many states. Depending upon the outcome of the challenges, the Inmate Welfare Account could become insolvent as early as 2021 or as late as 2028. Currently, the Department had options such as increasing commissions to influence the insolvency date, but for now the Department made the decision to retain the money. The Department chose not to spend money on discretionary items and was attempting to save money where possible.

Mr. Dzurenda wanted to address cable television. He stated that cable TV was not the Showtime or HBO channels: cable service was limited to basic channels because the Department did not have adequate reception in the facilities. The basic channels allowed inmates to keep up with current events.

**PUBLIC SAFETY**  
**DEPARTMENT OF CORRECTIONS**  
**NDOC - PRISON INDUSTRY (525-3719)**  
**BUDGET PAGE CORRECTIONS-177**

Brian Connett, Deputy Director, Industrial Programs, Department of Corrections, referenced slide 27 of the "Nevada Department of Corrections, SFY 18-19 Governor Recommends Budget," dated March 24, 2017, ([Exhibit C](#)). The mission of Prison Industries was to

"reduce government operating costs, provide inmates the skills necessary to successfully reenter society, and enhance the safe operation of correctional facilities."

Mr. Connett said on slide 28 of [Exhibit C](#), the Subcommittees would learn that Prison Industries was funded 100 percent by enterprise funds and did not use State General Funds. He explained that all staff salaries and expenses were funded through the sale of its products and services.

Mr. Connett explained that Prison Industries' budget account (BA) 3719 funded 19 full-time-equivalent positions and projected expenditures of \$4,353,396 for fiscal year (FY) 2018 and \$4,387,147 for FY 2019.

**PUBLIC SAFETY  
DEPARTMENT OF CORRECTIONS  
NDOC - PRISON RANCH (525-3727)  
BUDGET PAGE CORRECTIONS-182**

Brian Connett, Deputy Director, Industrial Programs, Department of Corrections, continued his budget presentation, which addressed both budget account (BA) 3719 Prison Industries and BA 3727, Prison Ranch. He referenced slide 28 of "Nevada Department of Corrections, SFY 18-19 Governor Recommends Budget," dated March 24, 2017, ([Exhibit C](#)). According to Mr. Connett, Prison Ranch had six full-time-equivalent (FTE) positions and projected expenditures of \$2,343,314 for fiscal year FY 2018 and \$2,352,114 for FY 2019.

Mr. Connett said slide 29 of [Exhibit C](#) outlined the combined operations of both BA 3719 and BA 3727. He pointed out that the two budget accounts:

- Consisted of 12 operating industries.
- Provided work programs teaching marketable and employable skillsets to approximately 500 inmate workers.
- Were self-funded at no cost to the General Fund or Nevada taxpayers.
- Were overseen by the Committee on Industrial Programs.
- Returned dollars to the state through reimbursements for inmate worker's room and board and made deposits to the Victims of Crime fund [BA 4895].

Mr. Connett referred to slide 30 of [Exhibit C](#), which showed that the 12 operating industries were:

- Garment
- Furniture
- Ranch/Dairy
- Print/Bookbindery
- Auto/Upholstery
- Card sorting (at 3 institutions)
- Mattress
- Metal
- Horses
- Tag Plant
- Motorcycles or Bighouse Choppers
- Product repackaging

Chair Frierson referenced equipment purchases approved at the December 2015 Interim Finance Committee (IFC) meeting. He asked why the Department decided to forgo one equipment purchase and whether the funds budgeted for that equipment purchase were returned.

Mr. Connett stated all of the equipment that was approved by IFC, with the exception of one item, had been purchased. He noted that the exception was a piece of equipment that arrived in a dirty, damaged, and used condition. That piece of equipment was subsequently returned. In addition, the number of inmate worker positions estimated at the time matched the number put in place to operate those pieces of equipment. The Department estimated that the equipment purchase would create an additional 54 to 55 inmate worker positions, and the Department had put 54 inmates to work.

Chair Frierson stated that Mr. Connett's statements contradicted Chair Frierson's notes. He understood that the Department had created only 22 inmate worker positions, and the equipment was not purchased as approved. He wanted to know the cause of the discrepancy.

Mr. Connett said the discrepancy could have resulted from the Department's response to staff from the Fiscal Analysis Division, Legislative Counsel Bureau. He said the equipment purchases, as well as inmate hires, were accomplished over the year. He stated that in the Department, inmates were transferred, were moved, had incidents, or were released: there was always a loss of inmate positions. He assured Chair Frierson as the result of the additional equipment purchased, the Department created 54 inmate worker positions. Mr. Connett said that the funding for the piece of equipment that was returned was still in the capital improvements fund [fund for New Construction of Facilities for Prison Industries].

Chair Frierson wanted to know whether the Department planned to use the funds for the returned piece of equipment in the next fiscal year.

Mr. Connett stated the Department was evaluating the use of that equipment. When the Department tried to look for similar pieces of equipment, the costs were too high. The Department may get another piece of equipment at a higher price, but it needed to research whether the equipment was worth it.

Chair Frierson reiterated what he had said earlier: the session was at week eight, and the Department was still talking about what it might do about a piece of equipment costing hundreds of thousands of dollars. He said the Department needed to figure things out sooner rather than later.

John Borrowman, Deputy Director, Support Services, Department of Corrections, stated that the capital improvement fund from where the purchases were made was a nonexecutive budget account and therefore did not go through the budget development process. The Department had considered putting in requests for the Governor's recommended budget, but the *Nevada Revised Statutes* (NRS) required any expenditure from that capital improvements fund to be approved by the State Board of Examiners and the IFC.

Chair Frierson wanted to know whether the Department would require additional purchases through the capital improvements fund.

Mr. Borrowman stated that the capital improvements fund supported an ongoing program, and additional purchases would be required. The NRS had been modified so that Prison Industries could access that fund as needed. He said Prison Industries was going to consider purchasing opportunities and follow the appropriate work program process to make those purchases with the approval of the IFC.

Assemblyman Edwards said he had recently visited many of the facilities and viewed first-hand all the equipment the Department used to keep the inmates employed and ready for transition to the community. He wondered whether there was more that the Subcommittees could do to further the Department's needs.

Mr. Connett stated there were always items the Subcommittees could provide, but the one that came to mind was when other state agencies were looking to purchase products or services, the Subcommittees could help promote Prison Industries by sending those agencies to Prison Industries for a quote. The more business the Department received, the more work the inmates were able to do.

Chair Frierson stated the Department had adequately addressed the issues of BA 3719 and BA 3727 and, seeing no further questions, stated the Subcommittees would move on to the next agenda item.

**INFRASTRUCTURE  
CONSERVATION & NATURAL RESOURCES  
OHV COMMISSION (101-4285)  
BUDGET PAGE DCNR-34**

Dominique M. Etchegoyhen, Deputy Director, Office of the Director, Department of Conservation and Natural Resources, turned the presentation over to Kelly M. Williams, Administrative Services Officer 4, Office of the Director, Department of Conservation and Natural Resources, for the Off-Highway Vehicles (OHV) Program.

Ms. Williams referred to slide 2 of the PowerPoint presentation titled "Off-Highway Vehicles Program, Budget Hearing—BA 4285," dated March 24, 2017, ([Exhibit D](#)). She stated that the OHV Program was newly assigned to the Department in May 2016 and had operated for less than a year. Ms. Williams reported that since that time, the OHV Program had been successful. The Department had assisted the OHV Program in establishing a successful grant program for OHV-related projects and had integrated the OHV Program with all the Department's internal controls and state policies. She noted that this was the first time the OHV Program was included in the Department's Executive Budget. She further described the OHV budget as a "three-legged stool" composed of a commission and program costs, a 90-day reserve, and a balance of funds to grant programs.

Ms. Williams stated it was important for the Subcommittees to know that the OHV Program was tied to Assembly Bill (A.B.) 29 that refined statutes, brought the OHV Program under Department authority, and reflected some of the budgetary approaches to be covered later in the presentation.

Ms. Williams stated the picture on slide 2 of [Exhibit D](#) was part of the marketing program that the Commission on Off-Highway Vehicles (OHV Commission) started just shortly before the OHV Program was moved to the Department. She added that the marketing program was part of an interlocal agreement between the OHV Commission and the Clark County Desert Conservation Program. Ms. Williams remarked that picture represented a real advertisement for OHV that would be included in the 2017 wildlife publications.

Ms. Williams said slide 3 of [Exhibit D](#) showed a draft version of the new OHV Commission website. She added that the website was not live at this time, but the website address would be [www.offroadnevada.org](http://www.offroadnevada.org). Ms. Williams said the website would include OHV information, grant achievements, and a video on how to register an OHV.

Ms. Williams stated that slide 4 of [Exhibit D](#) included a pie chart for OHV Program revenue. She pointed out an error on the slide, the balance-forward amount for fiscal year (FY) 2018 should be \$1,476,735, not \$1,039,929, and for FY 2019, the balance-forward revenue was \$506,653, not \$1,092,767, for a total of \$1,983,388 in balance-forward revenue, which was the amount correctly reported in the pie chart. The transfers from the Department

of Motor Vehicles were \$894,100 for FY 2018 and \$907,200 for FY 2019 for a total of \$1,801,300. She added that balance-forward funding would be used for grants.

Ms. Williams referenced slide 5 of [Exhibit D](#), which contained an overview of the OHV Program expenditures. She pointed out that the OHV Program supported only 0.51 full-time-equivalent (FTE) positions, associated travel, and an operating budget. She explained that there were some marketing costs included in the operating budget. Ms. Williams said the OHV grants would level off after the second year. She stated that the Department may not award the entire \$1,750,000 in FY 2018, but the Department wanted to have the authority to do so. She continued by saying the remaining budget items included the standard information services, reserves, and cost-allocations.

Ms. Williams moved to slide 6 of [Exhibit D](#). She explained that decision unit Enhancement (E) 350 corresponded with [Assembly Bill \(A.B.\) 29](#), and if that bill were to be approved, E-350 would match those provisions. She explained that [A.B. 29](#) established the pay rate for the OHV Commission members at \$80 per meeting per day, the standard rate for the Department's other boards and commissions. She noted that [A.B. 29](#) would also reduce the number of OHV Commission members from 11 to 9, would reduce the associated travel, and would increase the operating budget for website needs. Ms. Williams pointed out categories 8, 9, and 10 as highlighted were separate grant categories, but if [A.B. 29](#) passed, there would be one grant category. This would not reduce the grant funds available, but would make the grant program more competitive. In the past, having separate grant categories created grant silos, which restricted grant amounts to each category and limited the OHV Program. She explained that the last part of [A.B. 29](#) addressed funding reserves. Currently, at the beginning of the calendar year, the balance was split into the different grant categories; [A.B. 29](#) would take that requirement away and establish a 90-day reserve. The 90-day reserve would help with cash flow from one fiscal year to the next.

Ms. Williams said decision unit Enhancement (E) 720 requested funding for a camera for use by the OHV executive secretary or OHV commissioners. She stated that the camera would allow staff to take pictures of grant projects to show OHV users where the funding was going. She noted that there was also a request for a computer for the executive secretary.

Assemblywoman Titus wanted further discussion of the consolidation of the grant categories.

Ms. Williams stated that current legislation required funding to be granted by a certain percentage among law enforcement, safety and education, and trails and facilities. This limited the grant program and did not allow it to fund the best projects presented. The hope was to continue to get a variety of applicants and to fund multiple types of projects, while at the same time not limiting the grant program.

Assemblywoman Titus noted that A.B. 29 reduced the number of commissioners from 11 to 9. She wanted to know which 2 commissioners were being eliminated and how the Department determined that 9 was the appropriate number.

James R. Lawrence, Deputy Director, Office of the Director, Department of Conservation and Natural Resources, stated that the Department looked at streamlining the OHV Program. The intent was to eliminate the Department of Conservation and Natural Resources representative who was not needed after the Department absorbed the program. Mr. Lawrence stated the OHV Commission currently had two representatives from the motorcycle community. The Department felt only one representative was needed, and the other representative could be eliminated.

Assemblywoman Titus wanted to know what would happen if A.B. 29 was not approved.

Ms. Williams said if A.B. 29 was not approved, decision unit E-350 would not be applicable, and the Department would continue to administer the program as outlined in current statutory language.

Assemblywoman Titus noted that the Department was projecting a significant drop in new OHV registrations from FY 2016 (10,661 registrations) to FY 2017 (4,871 registrations) and renewals from FY 2016 (32,575 renewals) to FY 2017 (17,705 renewals). She wanted to know how the estimates were determined and the cause for the decreases.

Jennifer Gamroth, Program Analyst, Fiscal Analysis Division, Legislative Counsel Bureau, stated that the numbers Assemblywoman Titus referenced were provided to her by the Department of Motor Vehicles.

Assemblywoman Titus recognized that the Department of Conservation and Natural Resources was not privy to the same information and suggested that the Department meet with her. She felt that her bill, A.B. 363 might be able to fix the drop in numbers.

Chair Frierson said there were no further questions, and the Subcommittees were ready to move to budget account (BA) 4204, the Tahoe Regional Planning Agency.

**INFRASTRUCTURE**  
**TAHOE REGIONAL PLANNING AGENCY**  
**TAHOE REGIONAL PLANNING AGENCY (101-4204)**  
**BUDGET PAGE TRPA-3**

Joanne S. Marchetta, Executive Director, Tahoe Regional Planning Agency (TRPA), thanked Senator Kieckhefer for his work as Chair of the Legislative Committee for the Review and Oversight of the Tahoe Regional Planning Agency and the Marlette Lake Water System (TRPA Oversight Committee), as well as the other members of that committee.

Ms. Marchetta said that the TRPA Oversight Committee had a successful interim meeting with bipartisan membership from the California Legislature. Ms. Marchetta said the TRPA had honored the late Coe Swobe, a long-standing TRPA governing board member, a statesman, and a man who was involved in bringing two states together to work on behalf of Lake Tahoe. She noted that he would be missed.

Ms. Marchetta discussed the recent activity in the Tahoe Basin. She noted that after five years of drought, Lake Tahoe had reached its lowest level of 6,221 feet, but this year's storms added 160 billion gallons of water. The lake level reached 6,227 feet, just shy of Lake Tahoe's highest water level on record. That was a dream for skiers, she said, but created a nightmare from storm-related impacts to the area. The TRPA had been recognized by the Nevada Taxpayers Association as a finalist for the 2017 Cashman Good Government award. She told the Subcommittees that she had been the Executive Director for TRPA over the last eight years, and both she and TRPA were committed to excellent public service activities at Lake Tahoe. She was proud of the recognition and said she would continue to work hard to make the TRPA an efficient government agency for Lake Tahoe, as well as for Nevada.

Ms. Marchetta said Governor Sandoval's budget included TRPA's baseline funding request as well as decision unit Enhancement (E) 225 for \$250,000 for each year of the 2017-2019 biennium. Decision unit E-225 requested funding for TRPA's shoreline program initiative to remedy long-standing unresolved issues of recreational lakeshore access. Ms. Marchetta said TRPA adopted a program in 2008 that was overturned in a federal appeals court. The TRPA had been under a court injunction since 2010 and was unable to issue permits for new access structures such as piers, buoys, and slips. She explained that decision unit E-225 would fund the required environmental review of a new, mediated shoreline program agreement and the continuing costs of that program.

She reminded Subcommittee members that California normally funded two-thirds of the TRPA budget, and Nevada funded the other one-third. However, starting in 2008, Nevada fell below its one-third funding obligation. This budget proposal would move Nevada closer to that full one-third funding share. Governor Jerry Brown's budget in California included an identical augmentation, she said. She added that funding for overall program development costs were estimated to be in excess of \$1 million. Private property owners on the Nevada side of Lake Tahoe represented about \$2 billion of assessed property value. The TRPA shoreline program was trying to deliver a resolution that would affect the \$2 billion property interest on the Nevada side alone. Ms. Marchetta stated that TRPA was at significant legal risk, and every day of delay was a partial-permitting moratorium, and the TRPA could not support that effort legally for very long. She said both states had a high sense of urgency to deliver this program because of those legal risks.



Assemblyman Sprinkle asked what TRPA hoped to achieve with the Shoreline Initiative and what would happen if TRPA did not receive the \$550,000 in private stakeholder-matching funds.

Ms. Marchetta said that when TRPA adopted its first plan in 1980, there was one unresolved matter based on long-standing science regarding the effect structures had on fish habitat. She stated that since that time, new scientific studies showed that new structures in fish habitat had very little effect on the fish populations. The TRPA had been trying to resolve the development definition for new structures—how many, where, and what type—were allowable along the Lake Tahoe shoreline. The TRPA had attempted to deliver a successful compromise over the matter many times, and it was successful in enacting an ordinance in 2008, but the federal appeals court overturned the ordinance because of the absence of a required environmental review. This decision unit enhancement would fund that required step.

Assemblyman Sprinkle wanted an answer to the second part to his question.

Ms. Marchetta stated if the budget were not approved, the TRPA would have only bad options. One option was that TRPA could continue to delay, and the other option would require cutting other TRPA priority programs, such as the aquatic invasive species program. She said both were bad options, but TRPA was working with stakeholders, and she was anticipating a successful cost-share outcome.

Assemblyman Sprinkle asked whether the \$250,000 was for an environmental impact. Ms. Marchetta confirmed that it was. He asked whether TRPA anticipated asking for future funding.

Christopher Keillor, Finance Director, Tahoe Regional Planning Agency, clarified that the first \$250,000 would be for the completion of the environment impact statement, and the \$250,000 in the second year would fund the start-up program cost of the shoreline program.

Assemblyman Sprinkle wanted to know whether TRPA would come back for more funding or whether this was a one-shot appropriation. Ms. Marchetta stated that the budget supported all that TRPA needed.

Chair Frierson asked whether there were more questions from the Subcommittees, and there were no more questions. The Chair opened the meeting for public comment.

Kyle J. Davis spoke on behalf of the League to Save Lake Tahoe. The League to Save Lake Tahoe supported the adoption of TRPA's budget, especially the enhancement as it related to the shoreline process. He said the League to Save Lake Tahoe had made a lot of progress in the Lake Tahoe Basin over the past few years, moving forward with a number of different

priorities, and had developed many good working relationships along the way. Tackling the shoreline issue was clearly something that needed to be addressed. It was important to remember that when talking about the shoreline of Lake Tahoe, the shoreline was where the public interacted with Lake Tahoe. The shoreline was where the public might launch a boat or kids went to play, and that was where a problem could occur, especially as it related to aquatic invasive species. He further noted it was very important to get the program in place and to get the program completed correctly. He wanted to offer the support of the League to Save Lake Tahoe for the overall budget, so TRPA could continue to operate, but especially for the work to be done on the shoreline program. This step was a critical next step for the protection of Lake Tahoe.

Chair Frierson asked whether there was any other public comment, and hearing no other comments, the Chair adjourned the meeting at 11:03 a.m.

RESPECTFULLY SUBMITTED:

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Michelle Hamilton  
Committee Secretary

APPROVED BY:

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Assemblyman Jason Frierson, Chair

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

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Senator David R. Parks, Chair

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

## **EXHIBITS**

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a PowerPoint presentation titled "Nevada Department of Corrections SFY 18-19 Governor Recommends Budget," dated March 24, 2017, presented by James Dzurenda, Director, Department of Corrections (NDOC) and other NDOC staff.

[Exhibit D](#) is a PowerPoint presentation titled "Off-Highway Vehicles Program, Budget Hearing—BA 4285," dated March 24, 2017, presented by Dominique Etchegoyhen, Deputy Director, Department of Conservation and Natural Resources, (DCNR) and other DCNR staff.