

**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**

**Eighty-First Session
March 19, 2021**

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 Brittney Miller at 8:01 a.m. on Friday, March 19, 2021, Online. 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/81st2021.

ASSEMBLY SUBCOMMITTEE MEMBERS PRESENT:

Assemblywoman Brittney Miller, Chair
Assemblywoman Daniele Monroe-Moreno, Vice Chair
Assemblywoman Sarah Peters
Assemblywoman Robin L. Titus
Assemblywoman Jill Tolles
Assemblyman Howard Watts

SENATE SUBCOMMITTEE MEMBERS PRESENT:

Senator Moises Denis, Chair
Senator Chris Brooks
Senator Pete Goicoechea

SUBCOMMITTEE MEMBERS ABSENT:

None

GUEST LEGISLATORS PRESENT:

None



STAFF MEMBERS PRESENT:

Brody Leiser, Principal Deputy Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Dustin Speed, Program Analyst
Mary O'Hair, Committee Secretary
Anne Bowen, Committee Secretary
Bet Torres, Committee Assistant

OTHERS PRESENT:

Charles Daniels, Director, Department of Corrections
Michael Minev, M.D., Medical Director, Department of Corrections
Russ Alfano, Administrative Services Officer 4, Department of Corrections
Linda Fox, Pharmacy Director, Department of Corrections
Harold Wickham, Deputy Director, Programs, Department of Corrections
James Jones, Inspector General and Acting Deputy Director, Support Services,
Department of Corrections
Venus Fajota, Chief of Purchasing and Inmate Services, Department of Corrections
William Quenga, Deputy Director, Prison Industries, Department of Corrections
Jeffrey Doucet, Administrative Services Officer 2, Prison Industries, Department of
Corrections

Chair Miller:

[Roll was taken, and Subcommittee rules and protocol were reviewed.] Today we will hear from the Department of Corrections. We will start with budget account (BA) 3706, Prison Medical.

**PUBLIC SAFETY
DEPARTMENT OF CORRECTIONS
NDOC – PRISON MEDICAL CARE (101-3706)
BUDGET PAGE CORRECTIONS-17**

Charles Daniels, Director, Department of Corrections:

My name is Charles Daniels, and I serve as the Director of the Nevada Department of Corrections (NDOC). My presentation is titled "Nevada Department of Corrections," dated March 19, 2021 [[Exhibit C](#)]. As of March 18, 2021, NDOC had an offender population of 10,873. Today, we will cover NDOC budget account (BA) 3706, Prison Medical Care, BA 3711, Correctional Programs, BA 3708, Offenders' Store Fund, BA 3763, Inmate Welfare Account, and BA 3719, Prison Industry, [page 2, [Exhibit C](#)].

At this time, Michael Minev, M.D., Medical Director, Department of Corrections, will discuss prison medical care [page 3].

Michael Minev, M.D., Medical Director, Department of Corrections:

My name is Michael Minev and I am the Medical Director for the NDOC. The NDOC has been proactive and flexible during the COVID-19 pandemic through implementation of agency-specific CDC [Centers for Disease Control and Prevention] and local health authority guidelines. With the advent of the COVID-19 vaccine, the NDOC is currently prioritizing vaccination efforts for all eligible staff members and inmates. Given that staff members are constantly interfacing with their communities, staff members are most likely to spread the virus to other staff members and to susceptible inmates. As of March 10, 2021, 1,082 NDOC staff members, approximately 42 percent of NDOC staff, have received the first dose of the Moderna COVID-19 vaccine, and 755 NDOC staff members, approximately 29 percent of NDOC staff, have received the second dose of the Moderna COVID-19 vaccine. Furthermore, 173 offenders have received the first dose of the Moderna COVID-19 vaccine, and 2 offenders have received the second dose. The NDOC will continue to work with local health authorities to procure sufficient quantities of vaccine to administer to all eligible staff members and offenders.

The NDOC continues to identify and treat offenders who have the hepatitis C virus (HCV) and as of March 9, 2021, medical providers identified 675 offenders with active hepatitis C virus infection. Of those offenders, 172 are offenders with a priority level one status, in accordance with Medical Directive MD-219. Based on monthly intake data, the NDOC forecasts approximately 20 new HCV positive offenders monthly. In accordance with the HCV consent decree signed on October 29, 2020, the NDOC is scheduled to treat all priority level one offenders by April 30, 2021. The remainder of the HCV-infected offenders, including offenders identified at intake through September 2021, will be treated by October 29, 2021.

The adjusted base budget for fiscal year (FY) 2022 is \$61.1 million and for FY 2023, the adjusted base budget \$62.7 million [page 4].

The NDOC's medical division aims to provide quality, constitutionally mandated health care using an efficient system of managed care that is professional, humane, and appropriate [page 5]. Offender health care is comprised of medical, dental, pharmacy, and mental health services. The medical division operates infirmaries or clinics at all NDOC institutions and is not National Commission on Correctional Health Care-accredited; however, those standards are used as a guideline for policy and procedure development. For the 2021-2023 biennium, we have 290.11 approved full-time equivalent (FTE) positions for medical staff [page 5].

The Governor recommends one-shot appropriations to continue treatment for inmates with HCV. In February 2020, the United States District Court for the District of Nevada, granted a motion for class certification in the hepatitis C Meyer lawsuit filed against NDOC. The Department and class counsel reached a resolution in the class action so that all offenders in NDOC custody will be tested for HCV by the end of 2020. Following that date, the highest

priority offenders will receive direct acting antiviral treatment within 6 months of approval of the consent decree. At the time of the consent decree, our internal estimates predicted a total of 2,400 offenders infected with HCV; however, the actual total number of offenders infected with HCV is lower than the internal estimate of 2,400 offenders. Due to unforeseen circumstances regarding the per-offender estimate for HCV treatment, the per-offender cost has increased. While the overall number of infected offenders with HCV is lower, the \$6 million recommended is still needed to comply with the consent decree. The Governor also recommends a one-shot appropriation for the purchase of new or replacement medical and dental equipment throughout the state's correctional facilities. The funds recommended for FY 2022 are \$192,523 [page 6, [Exhibit C.](#)]

Chair Miller:

Are there any questions from Subcommittee members?

Assemblywoman Monroe-Moreno:

I know this is difficult work and that it is more labor-intensive to medically treat an inmate in the facility and more difficult when an inmate needs to be transported to a medical facility. I see there has been a change in the method for calculating medical inflation rates. Can you provide more information on why these changes have been recommended?

Michael Minev:

I would like Russ Alfano, Administrative Services Officer, Department of Corrections, to answer that question.

Russ Alfano, Administrative Services Officer 4, Department of Corrections:

We have been working with the Office of Finance, Office of the Governor, and the Legislative Counsel Bureau to find an alternative set of adjustments so we can return to the CPI (Consumer Price Index) trend analysis we used to perform instead of using the trend line shown in the budget, specifically in decision unit maintenance (M) 101.

Assemblywoman Monroe-Moreno:

I know during the interim, NDOC appeared before the Interim Finance Committee (IFC) for help covering unanticipated expenditures or expenditures that were higher than anticipated. Will changing the calculation method minimize the need for NDOC to request additional funding from IFC? Will the recommended budget as presented to the Legislature be more realistic for the actual cost of these services?

Russ Alfano:

That is why we decided to return to the CPI and use the rate that is used throughout the state. I believe the rate was adopted in 2014 or 2015, and this will better align the Department with the modality used by the Department of Health and Human Services (DHHS) for their rate. We plan to return to the CPI; we feel this is a more appropriate representation of the increases in cost that are incurred by NDOC.

Assemblywoman Monroe-Moreno:

Everything evolves, especially in medicine. Given evolving trends in health care, can you explain how that will impact prison medical costs?

Russ Alfano:

When things happen, we recognize the event, and we adapt and adjust as early as possible. We do our best to project the impact as we move forward. An example would be the advent of Eplusa. Prior to Eplusa being on the market, HCV was not treatable or curable. I do not want to overstep my bounds on clinical matters, but we adapted, and we adjusted. When Eplusa was first marketed, the cost was approximately \$15,000 per treatment, per month, or \$45,000 annually. Now Eplusa costs approximately \$5,000 per treatment. We need to be able to adjust to those impacts as they happen. Having a firm grasp on what we are doing at that time allows us to make minor adjustments before they escalate. Some things cannot be avoided, but some things can be dealt with as they happen.

Assemblywoman Monroe-Moreno:

I know we cannot look into the future with a crystal ball, but as you created your budget recommendations, are you able to have an account that would help with unanticipated trends or added costs? Could you work this into the budget so you have a cushion as trends occur, a "what if" allowance so to speak so resources are available to adjust to new trends, and then if you do not need the funding, you could apply it elsewhere?

Russ Alfano:

Yes, although we do not include much of a cushion here. Our job is always to be frugal and prudent. Budget building is a snapshot in time. We start building our budget in February and through the budget-building cycle of February through August, we try to stay abreast of current situations so we can be flexible without leaving anything out. By doing this, we provide a small cushion, but we do not have much room for unanticipated events. When we recognize an event that will be materially significant, we adjust. We build our budget as tightly as we can without much wiggle room.

Chair Miller:

I would like to follow up on the trends. To clarify, we know that during the last budget presentation, NDOC had stated that the number of inmates was declining with projections for a continued decline over the next few years. Yet, we see your recommended health care estimates increasing. Is that increase reflective of the costs of health care, even with a declining inmate population? Also, you mentioned returning to the CPI. Is that why there are two graphs presented?

Russ Alfano:

Regarding the two graphs, I do not believe revised decision unit M-101 has been presented yet. The details are being worked out with the Office of Finance, Office of the Governor, and the Legislative Counsel Bureau. When that documentation is complete, it will be presented.

Michael Minev:

I can try to answer that complicated question. We are seeing a decrease in the number of inmates, and we are seeing an increase in medical costs. The quality of medical care provided to inmates nationwide is increasing. There is a movement for all medical professionals working at NDOC to provide, to the best of our abilities, medical care to inmates that is consistent with the level of medical care provided to the community. I think that effort, combined with inflationary rates for inmate medications and treatments, is the basis for rising medical estimates, even with declining inmate projections.

Chair Miller:

Are there any other questions from Subcommittee members?

Assemblywoman Titus:

I have asked tough questions regarding the health care of inmates and expenses, what you could do to fix the quality of care, and how you could save Nevada's dollars. I am pleased to see many of our suggested improvements have been implemented. I would like to ask about one of these suggestions—in-house diagnostic testing and treatments—which I know minimizes the need to transport inmates. Can you provide more details on this cost-effective practice, including who has been contracted for the testing and treatments, what equipment is being used, and whether the use of telemedicine is available everywhere? I would like to see the cost-savings measures NDOC has already undertaken.

Michael Minev:

This has been a challenging year with the COVID-19 pandemic. Before the pandemic, we were exploring potential medical providers and at least one medical group that was willing to set up mobile clinics at various NDOC facilities so we could bring specialists, specialty services, imaging, and small surgery services to inmates in our facilities. This would decrease our medical expenditures. Because of the pandemic, we had to focus our efforts elsewhere, but we are hopeful we can investigate mobile clinics further. Also, Linda Fox, Pharmacy Director, NDOC, has a goal of seeing NDOC become certified for the United States government's 340B Drug Pricing Program. Through this certification, NDOC can recognize significant savings for pharmaceutical medications. Telemedicine is popular now, and we have this capability at our facilities, but one challenge we face is getting contracted providers. We will continue to work on this and get community input not only from medical providers but from specialists who provide quality medical care for all inmates.

Assemblywoman Titus:

You mentioned HCV treatments that have started for 71 inmates. I have had phone calls with NDOC staff, and we discussed that treatment and the diagnosis, specifically the ultrasound tests that are being performed. Can you discuss which inmates get ultrasound tests and which inmates do not get ultrasound tests, and where that expenditure shows in this budget?

Michael Minev:

It has been challenging to get ultrasound tests for all inmates infected with HCV. As you know, inmates with a priority level one status include our sickest inmates with a fibrosis score of F3 to F4, are cirrhotic, and require biyearly ultrasound tests for their lifetime, even if they are treated with direct-acting antiviral medications. We have made attempts to procure services from medical imaging companies to perform ultrasound tests at our facilities. Those efforts have been hindered by the COVID-19 pandemic. One problem has been that our community providers working with us to treat HCV-positive inmates have required ultrasound tests on all inmates that are treated with direct-acting antiviral medications. Because of logistical issues during the pandemic, it has been difficult to get ultrasound tests in a timely manner. We have resorted to an attempt to have our providers prescribe Epclusa and start treatments for inmates so we can fulfill our obligations for the HCV consent decree and we worked closely with Gilead Sciences, Inc., to not only provide that medication, but to provide training to our providers at all of our facilities so they are comfortable prescribing that medication.

Assemblywoman Titus:

Do you have a separate line item for treatment expenditures for HCV inmates? There does not seem to be a breakdown of the costs for HCV, or have you rolled that into your medical expenditures?

Russ Alfano:

Yes, the HCV costs are rolled into medical expenditures. In previous biennia, HCV, and HIV treatments, were combined in one expenditure category because both were infectious diseases. In October 2020, a new expenditure category was created to track HCV and all associated costs including lab work, doctor visits, medications, treatments, and follow-up visits. I do have a breakdown I can share with you.

Assemblywoman Titus:

I believe Subcommittee members would like to see the breakdown. Those costs can be disguised when pharmacy costs, physician and provider costs, diagnostic costs, and ultrasound costs are combined. Health care costs are variable and hard to predict, but I appreciate that NDOC is trying to do the right thing.

Chair Miller:

Can you describe the testing protocol? I believe this will help us better understand the numbers, specifically for HCV. You stated that approximately 20 inmates per month test positive for HCV. Do we test all inmates arriving in our prison facilities? Is there ongoing testing after that? We know getting tested one time is not sufficient.

Michael Minev:

We do test all inmates for HCV as part of the intake process. There is no protocol for continued HCV testing for other inmates; however, that is based on clinical circumstances. If a medical provider believed there was reason to test an inmate for HCV; if there was an altercation and there was an exchange of body fluids, or if an inmate was seen tattooing or other high risk behavior, that inmate would be tested at that time.

Chair Miller:

Are there any other questions from Subcommittee members?

Assemblywoman Peters:

Can you provide more detail related to cost-saving measures for efficiencies and improvements that have been made, and what the amount of those cost-saving measures was?

Michael Minev:

Related to HCV, we have explored several options to mitigate the cost of treating our inmates. One of those options is a preferred pricing contract with Gilead Sciences, Inc., the manufacturer of Epclusa. The preferred pricing that Gilead Sciences, Inc., offers would be a significant savings to NDOC and is close to the United States government's 340B Drug Pricing Program. This program offers a discount to select agencies for certain medications. We have also partnered with HOPES Clinic in Reno for specialists and medical providers to help our inmates infected with HCV. The advantage of this partnership is that medical providers at HOPES Clinic can provide medications to inmates at 340B pricing; a significant discount for medications including Epclusa. We are also working to attain accreditation for the United States government's 340B Drug Pricing Program through Linda Fox, Pharmacy Director, NDOC. She recently completed training and is working through the certification process for 340B pricing. This accreditation will provide NDOC with savings on medications for HCV, HIV, and other medications that are provided to inmates.

Assemblywoman Peters:

Outside the HCV treatment realm, I was wondering about other costs. Please discuss any cost-saving measures for telemedicine, staff recruitment, overtime, in-house services, gatekeeper services, and the Keep on Person program expansion, and what savings have been realized.

Russ Alfano:

We perform ongoing diligence in this area. Linda Fox, Pharmacy Director, NDOC, can explain why we are pursuing the 340B pricing and the impact of that pricing. For example, last year, we started to implement telemedicine with a specific vendor, and we were able to find a better vendor that reduced our pricing from approximately \$5,000 per year for licensing renewals to approximately \$2,800 per year. We find these savings as opportunities are presented. When we were shopping for personal protective equipment for the pandemic, it was our job to evaluate vendors, negotiate, and find the best pricing. This is something we do, it is part of our job, we have to stretch our dollars, and this is an ongoing effort. I do not have any benchmarks with me now, but I would be glad to provide those benchmarks to you.

Assemblywoman Peters:

Please provide those benchmarks to staff at the Fiscal Analysis Division, Legislative Counsel Bureau, as follow up.

Assemblyman Watts:

The NDOC indicated that HCV treatments were initiated for 71 inmates, but the 2021-2023 biennium budget does not reflect any specific HCV treatment expenditures. Was this because those were expenditures that were rolled into other costs, and will this breakdown for FY 2021 be provided to us as follow-up information?

Russ Alfano:

Yes, that information is broken down on our spreadsheets, but prior to October 2020, that information was rolled into a singular line item. We broke the estimates out for our own purposes, and I can provide that information to you from FY 2016 forward.

Assemblywoman Tolles:

I was curious, and this may be a question for follow up, whether we have a breakdown of the types of prescription treatments that are covered and offered to inmates. For example, I know we offer substance abuse disorder treatments and hormonal treatments. Could we look at the breakdown of prescriptions that we use for the inmate population?

Linda Fox, Pharmacy Director, Department of Corrections:

We can provide a breakdown of the drugs that are prescribed and used, the category of drugs, and the amounts used.

Senator Goicoechea:

Pertaining to the gatekeeper services provided in rural camps, do you have telemedicine available in all rural camps?

Michael Minev:

We have telemedicine services at Ely State Prison now, but not in the camps.

Senator Goicoechea:

My concern is that you make a phone call when you have a medical issue because there are no medical personnel available, and then you decide whether to transport or not. Is that correct?

Michael Minev:

That is roughly the procedure. I am in contact with medical providers throughout the state and if there is an issue, we do transport inmates to the nearest medical facility if there is a medical need.

Chair Miller:

Hearing no additional questions on BA 3706, Prison Medical, we will move on to BA 3711, Correctional Programs.

PUBLIC SAFETY

DEPARTMENT OF CORRECTIONS

NDOC - CORRECTIONAL PROGRAMS (101-3711)

BUDGET PAGE CORRECTIONS-22

Harold Wickham, Deputy Director, Programs, Department of Corrections:

I am Harold Wickham, Deputy Director, Programs, Department of Corrections (NDOC). This is a new position for me, and I appreciate being in a proactive role versus my former role which was more reactive. During the pandemic, we have continued to provide reentry services, education services, substance abuse counseling, and mental health services, as well as our offender management programs that provide meritorious credits to offenders.

Programs use nationally recognized risk needs assessments during the intake and classification process. This tool provides evidence-based psychoeducational programming, substance abuse treatment, reentry, and transitional services. In addition, we provide religious services, vocational training, counseling, therapy, inpatient and outpatient mental health services, educational liaison services with local school districts, and special needs programming for our youth and aging populations. Programs formed a partnership with local community colleges to offer postsecondary educational opportunities, especially with the return of federal Pell Grants that are important to NDOC.

Our professional staff includes mental health counselors, psychologists, social workers, substance abuse counselors, caseworkers, program officers, chaplains, and many support staff. In addition to services provided by our staff, we have volunteers that provide religious, 12-step, and other voluntary programs appropriate for inmate participation and growth. Our inmate programs are funded by grants obtained through the NDOC, and by partnerships with community organizations that obtain grants and bring services to Nevada's inmates. These services assist in preparation for successful reintegration to our communities.

Our adjusted base for fiscal year (FY) 2022, is \$10.42 million and \$10.68 million for FY 2023 [page 7, [Exhibit C](#)]. The adjusted base continues funding for 105 full-time equivalent positions. Decision unit enhancement (E) 350 recommends funding one additional substance abuse counselor 2 position. This position was requested and approved as part of the FY 2019 residential substance abuse treatment (RSAT) federal grant; applied for by the Office of Criminal Justice Assistance, Department of Public Safety (DPS), and passed on to NDOC. The RSAT grants are three-year grants awarded annually that allow for a one-year extension with federal approval. The NDOC just learned that some long-standing assumptions regarding funding and expansion may be changing. Leadership at NDOC will be reaching out to counterparts at DPS to discuss potential effects on our substance abuse treatment program and its goal of reducing recidivism. We will provide follow up regarding these discussions to staff at the Fiscal Analysis Division, Legislative Counsel Bureau. Are there any questions?

Senator Denis:

As I look at the budget, it appears as if you are receiving funds of approximately \$239,000 in FY 2022 from DPS and \$525,000 in FY 2023. There are transfers of approximately \$107,000 in each fiscal year, and I am trying to reconcile the difference because you show a difference of \$132,000 in FY 2022 and \$417,000 in FY 2023. Can you provide more information on how you will make up the difference?

Harold Wickham:

That question is part of what we are looking at in our discrepancies. I would like to be able to provide that answer to Fiscal Analysis Division staff once we complete our analysis as I do not want to misrepresent anything.

Senator Denis:

You have recommended an additional substance abuse counselor position. Will the additional position help NDOC to meet its program standards?

Harold Wickham:

Yes, the additional position will help to enhance our substance abuse treatment. This is a robust program that is essential to offender's successful reintegration into communities. We also look forward to the future. We want to do as much as possible, and we want to be as proactive as we can possibly be. We realize the necessity of not only our substance abuse programming, but of all our programming, so offenders can be returned to communities safely and reduce victimization in our communities.

Senator Denis:

Is there a need for only one additional position, or was the need for additional positions limited by the budget? I am curious whether one additional position will make a difference to help you reach your goals?

Harold Wickham:

We are limited by the budget. I can assure you that we will need additional positions in the future because that is the only way we will succeed. We will discuss that in a future session or with the Interim Finance Committee (IFC), but for now, one additional position will make a difference.

Assemblywoman Monroe-Moreno:

My question is for Deputy Director Wickham. As we look at what is coming out in the American Rescue Plan—and I know there are a number of needs that you have and programs you would like to implement that would help inmates prepare to return to society—have you looked at other private public partnerships that would not have a fiscal impact to the budget? If so, can you discuss these partnerships further? Have you had a chance to look at the American Rescue Plan Act to see if there is any funding available? Could you work with the Office of Finance, Office of the Governor, to explore funding for programs that you cannot partner with the public?

Harold Wickham:

Yes, we are looking into many community partnerships. I meet almost daily with community partners including Hope, Prison Fellowship, God Behind Bars, and many other agencies that have the ability to gain grant funding to assist in this effort and provide evidence-based programs. All our programs are looked at by our program review committee to ensure the programs are evidence-based before we can use the programs. Regarding funding mechanisms, we have not yet reviewed the American Rescue Plan Act, but we are optimistic about the potential to gain funding from this resource.

Assemblywoman Monroe-Moreno:

I know there are many needs, and we must explore all potential funding sources. I am encouraged to know that you are working with community organizations for those things that the budget will not cover.

Chair Miller:

Regarding grants, there is a recommendation that 75 percent of the necessary funding will come from an RSAT grant that will transfer to NDOC. This is a federal grant funneled through DPS and it is my understanding that this grant has been sustainable over time. Do you know how much the DPS grant is, in its entirety? I think it is important to know the amount that goes to DPS and the amount that will be given to NDOC.

Harold Wickham:

I do not know the exact numbers because I am new to the position, but I am excited about the program-centric future of NDOC. We look forward to using the RSAT grant, as well as other grants through our community partners.

Chair Miller:

Are there any other questions from Subcommittee members? [There were none.]

We are ready to move from BA 3711, Correctional Programs, to BA 3708, Offenders' Store Fund.

**PUBLIC SAFETY
DEPARTMENT OF CORRECTIONS
NDOC - OFFENDERS' STORE FUND (240-3708)
BUDGET PAGE CORRECTIONS-106**

**James Jones, Inspector General and Acting Deputy Director, Support Services,
Department of Corrections:**

I am James Jones, Inspector General and Acting Deputy Director, Support Services, Department of Corrections (NDOC). Budget account (BA) 3708 is the Offenders' Store Fund, a non-State General Fund budget account. The Governor's recommended budget includes a caseload adjustment, as well as a migration from Novell GroupWise to Microsoft Office 365, consistent with NDOC's other budgets [page 8, [Exhibit C](#)]. The budget includes funding to replace older equipment including freezers, refrigerators, and ice machines to safely store perishable food products that are sold to the offender population at various commissary locations. The budget also includes funds for replacing a fireproof floor safe that is more than 30 years old and an office printer, both located in the inmate services banking section [page 9, [Exhibit C](#)]. Are there any questions?

Chair Miller:

Are there any questions from Subcommittee members? [There were none.]

We will now move from BA 3708 to BA 3763, Inmate Welfare Account.

**PUBLIC SAFETY
DEPARTMENT OF CORRECTIONS
NDOC - INMATE WELFARE ACCOUNT (240-3763)
BUDGET PAGE CORRECTIONS-114**

**James Jones, Inspector General and Acting Deputy Director, Support Services,
Department of Corrections:**

I am James Jones, Inspector General and Acting Deputy Director, Support Services, Department of Corrections (NDOC). Budget account (BA) 3763, Inmate Welfare Account, is another non-State General Fund budget account. The Governor's recommended budget includes a caseload adjustment, as well as a migration from Novell GroupWise to Microsoft Office 365, consistent with NDOC's other budgets [page 10 [Exhibit C](#)]. Decision unit maintenance (M) 600 recommends funding for one additional administrative assistant 2 position each for the law libraries at the Florence McClure Women's Correctional Center

(FMWCC) and the Southern Desert Correctional Center (SDCC). The two positions will assist with establishment of an electronic filing program for those institutions. With the two recommended positions required for implementation of the electronic filing program mandated by the United States District Court for the District of Nevada, the electronic filing systems at FMWCC and SDCC will each be fully operational by January 1, 2022. Included in the Governor's recommended budget is funding for the purchase of additional comprehensive adult student assessment system (CASAS) testing materials for NDOC's educational program. The CASAS test is used during an offender's initial assessment and is one of the fastest and most accurate methods to assess a student's potential upon reintroduction to education. The Governor's recommended budget also includes funding to repair, replace, and purchase new equipment and supplies at multiple facilities to enhance NDOC's recreational programs [page 11, [Exhibit C](#)]. Are there any questions?

Chair Miller:

It appears that the recommendation is for money to be transferred from BA 3708, Offenders' Store Fund, to fund two additional administrative assistant positions in BA 3763, Inmate Welfare Account. Can I assume that the money from the Offenders' Store Fund is revenue from inmate purchases at the store?

Venus Fajota, Chief of Purchasing and Inmate Services, Department of Corrections:

Yes, the Offenders' Store Fund is made up of several revenue sources, primarily purchases from inmate commissaries.

Chair Miller:

This is inmate money from purchases and our notes indicate that Offenders' Store Fund money is used to provide services such as the inmate law library, literacy programs, recreational services, and satellite television services; services and benefits that inmates need. It does not seem appropriate to pull funds generated from inmates for needed inmate benefits and services to fund the administrative assistant positions.

Venus Fajota:

The intent of the Offenders' Store Fund is to fund services that are for the benefit of all inmates as well as any indigent services. This funding mechanism is consistent with what we have done for other electronic filing positions that were added to support the electronic filing program.

Chair Miller:

I understand how imperative the electronic filing program is. My question is whether this will result in a reduction to services that inmates currently receive, including literacy programs, law libraries, and recreational resources; benefits that are necessary to inmates? A reduction of those services would be critical, especially when I know your goal is to increase program services.

Venus Fajota:

With funding for two additional positions, we do not anticipate any reduction in other services that we provide. We do have retained earnings in the Offenders' Store Fund to enable us to fund the positions without impacting other services.

Chair Miller:

How much is currently in the retained earnings budget?

Venus Fajota:

I can get that information for you.

Chair Miller:

Please submit that information to Subcommittee members through staff at the Fiscal Analysis Division, Legislative Counsel Bureau. I want to be sure we do not reduce, or swap, services for our inmates.

Senator Brooks:

Will adding two additional positions provide NDOC with the staff necessary to comply with the United States District Court's order mandating electronic filings at all facilities?

James Jones:

Yes, the two additional positions will add to the library services necessary for compliance with the court order and provide inmates with the necessary means to file habeas cases, and other cases, as necessary.

Senator Brooks:

To clarify, this will allow for electronic filings at all facilities, excluding rural camps, by January 2022?

James Jones:

That is our intent, to comply with the court order.

Venus Fajota:

The court order requires NDOC to offer electronic filing services at major institutions. That service is not offered to rural camps at this time.

Assemblywoman Monroe-Moreno:

Although funds for the two additional positions would come through BA 3763, Inmate Welfare Account, and this is money generated from inmate expenditures that is intended to be used to help inmates, the employees hired for these two additional positions would be directly helping inmates; essentially providing another service to inmates. Is that correct?

Venus Fajota:

Yes, the use of those funds for electronic filing services is consistent with the type of services we need to provide with that money.

Chair Miller:

Are there any other questions from Subcommittee members? [There were none.]

We are ready to move from BA 3763, Inmate Welfare Account, to BA 3719, Prison Industry.

**PUBLIC SAFETY
DEPARTMENT OF CORRECTIONS
NDOC - PRISON INDUSTRY (525-3719)
BUDGET PAGE CORRECTIONS-124**

William Quenga, Deputy Director, Prison Industries, Department of Corrections:

I am William Quenga, Deputy Director, Prison Industries, Department of Corrections (NDOC). Prison Industries falls under *Nevada Revised Statutes*, (NRS) 209.461, which states that the Director shall, to the greatest extent possible, approximate normal conditions of training and employment in the community. The Director shall require each offender to spend 40 hours each week in vocational training or employment. Use of earnings from services and manufacturing conducted by the institutions, and money paid by private employers who employ offenders, are to offset the cost of operating the prison system and to provide wages for offenders being trained or employed. This should have an insignificant effect on the number of jobs available to residents of the state of Nevada while providing occupational training for offenders.

Prison Industries operates as a self-supporting industrial program providing meaningful work and job training for inmates in the production of goods and services. Prison Industries' programs are self-supported and return monies to the state, lowering tax dollars required to house inmates. Industrial programs are designed to reduce inmate idleness, teach job skills, instill a quality work ethic, reduce incarcerations, and provide high quality products at competitive prices. The mission of Prison Industries is to reduce government operating costs and to provide offenders with skills and certifications necessary to successfully reenter society while enhancing the safe operations of correctional facilities.

Operations at Silver State Industries include furniture and metal fabrication, print, bindery, embroidery, screen printing, mattress, reupholstery, as well as auto refurbishing at Northern Nevada Correctional Center, and we partner with Western Nevada College for an applied welding program. Western Nevada College continued programming during the pandemic. Lovelock Correctional Center has a garment and a drapery factory which also manufactures clothing for prison inmates. High Desert Correctional Center houses a card sorting and

hanger sorting operation, and Southern Desert Correctional Center hosts an automobile refurbishing and repair shop, as well as Allwire, Inc., a manufacturer of electronic circuitry boards.

Jeffrey Doucet, Administrative Services Officer 2, Prison Industries, Department of Corrections:

My name is Jeffrey Doucet, Administrative Services Officer 2, Prison Industries, NDOC. Prison Industries had been without a financial manager from August 2020 through December 2020, when the previous administrative services officer retired. In addition, it has been without a senior accountant technician since December 2020. Prison Industries is currently addressing a backlog. We were asked to update our current year projection from the approved state fiscal year (FY) 2021 budget [page 12]. Projected revenue for Prison Industries for FY 2021 was budgeted at approximately \$8.3 million and current revenue projections for FY 2021 are approximately \$6.2 million. Current year expenses are projected at approximately \$4.3 million, a difference of \$1.9 million. Including the balance forwarded from FY 2020, the projected revenue minus the projected expenses is an increase of \$14,901 [page 12, [Exhibit C](#)].

William Quenga:

Are there any questions?

Assemblyman Watts:

I was wondering if you could return to the discussion on work hours and provide more information about the work or training requirements for inmates under the Prison Industries program.

William Quenga:

Under the statute, we try to mimic the private sector where possible, and to provide training skills and certification, and job skills. This program is 100 percent voluntary. This program is available to any inmate who is incarcerated, if an inmate meets specific criteria. There is a classification committee that interviews inmates as they apply to Prison Industries to ensure inmates are eligible and have a high school education, relevant skills, a social security card, and birth certificate, to ensure that Prison Industries is mimicking the private industry as much as possible. This helps to prepare inmates so that upon release, inmates are experienced and confident that they can obtain jobs. We try to get to the point where inmates are working 40-hour weeks, but the actual hours may be in the range of 35 to 40 hours per week.

Assemblyman Watts:

This is a voluntary program, and you screen inmates who apply, but once an inmate is in the program, the goal is to replicate the work week with roughly 40 hours of work or training. Is that correct?

William Quenga:

That is correct.

Assemblywoman Monroe-Moreno:

The COVID-19 pandemic has affected every aspect of our society. Can you update Subcommittee members on the status of programs, and how COVID-19 has affected inmate programs?

William Quenga:

With the COVID-19 pandemic, and because of a shortage of sanitizer and personal protective equipment (PPE), Prison Industries retooled and reorganized our program to enhance and produce PPE for NDOC, as well as other agencies. We focused on that effort to protect citizens of Nevada, and we accomplished that by servicing several agencies, mostly NDOC. Since then, we have retooled and returned to our "normal" operations. Certain operations were shut down anywhere from two weeks to four weeks, and intermittently as inmates tested positive.

Under the medical director, we took precautions to ensure we were not spreading COVID-19 throughout the operations or the institution. That was first and foremost to ensure our efforts were not just about the business and generating revenue. We want to ensure that our staff, inmates, and offenders are protected. We did lose revenue; we had partnered with Erickson Framing NV, for the manufacture of wooden trusses. A group of approximately 13 offenders from the Stewart Concentration Camp are in that program with one officer. The offenders are paid minimum wage and do not erect anything, they manufacture wooden trusses. That operation has been shut down for approximately one year. In FY 2020, there was revenue of \$271,000, and in FY 2021, we may have a negative \$200,000 as production is still shut down. The contract with Allwire, Inc. was approved in March 2020 and we did not start program operations until September 2020, so there was lost revenue in those months when we did not operate. Since September 2020, there were occasional shutdowns due to COVID-19. I do not have the exact amount that was lost because of the pandemic, but an estimate for revenue from that 4-year contract would be approximately \$1.6 million annually. We hope to get through the pandemic and get that operation running, as Allwire, Inc. is interested in hiring more offenders to work in the program because of the skills inmates acquire from the program. There are currently 25 offenders working in this program, and we are looking to raise that number to 50 offenders and possibly add a second shift. We had requested three additional officer positions because one correctional officer must always be on duty when operation is occurring for safety and security reasons.

Assemblywoman Monroe-Moreno:

I understand that there was a shut down and closures that affected not only the earnings of inmates, but also revenue for the program. This raises the issue of profitability for Prison Industries as detailed in NRS 209.461. As we come out of the COVID-19 pandemic, and look at other industries we might be able to partner with, what are you looking at to help with

profitability of the program? My concern is the solvency of Prison Industries, knowing that some Prison Industries partnerships are not bringing in revenue as anticipated, while other partnerships are doing well. Going forward, how can we make improvements so we can maintain solvency of the program as a whole?

William Quenga:

One issue that we are still trying to clarify for solvency and retained earnings is the Statewide Cost Allocation Plan (SWCAP). In FY 2019, we paid \$145,000 annually for SWCAP, and in FY 2020 we were charged \$466,000 for SWCAP. So far in FY 2021, our SWCAP charge is \$228,000. By the end of this fiscal year, we could be looking at a total SWCAP charge for FY 2021 of \$458,000. I am still trying to answer my own questions about this substantial increase, which affects our retained earnings.

I am in discussions with companies for new partnerships, and there is a California company I am reviewing now. I have not shared this information with the Committee on Industrial Programs yet. I am screening this California company that manufactures airbags and air springs for vehicles. We are looking to find products we can manufacture and companies that we can partner with. My goal is to get more inmates in the program. Prior to the COVID-19 pandemic, we had over 650 inmates working in Prison Industries statewide. We have now dropped down to approximately 500 inmates because of the pandemic. That decrease reduces our ability to generate more revenue and slows our production. All Prison Industries staff, our marketing coordinator, and an administrative services officer are talking with prospective partners, trying to bring in more business, and retooling our operations, and ensuring we are looking at every cost to avoid frivolous expenditures. Since our former Administrative Services Officer retired in August 2020, there has been a chain of events in Prison Industries that has negatively affected our operation. Her departure, as well as the loss of one of our accounts, explains why we are short staffed. We are a small operation—we do more with less, and we want to continue to do that as we build our team back up. We need to look at where we stand before we start to build so we have solvency in operations. This program is an effective and powerful program for all NDOC offenders.

Assemblywoman Monroe-Moreno:

I appreciate your efforts to look at retooling and ways to identify where the needs are in the state. I also look forward to your work identifying how we can be part of the solution and find new partnerships and industries. The opportunities you create for inmates will make them more productive citizens who can find work outside the prisons.

Senator Denis:

Your SWCAP costs have increased significantly over the last few years, possibly because of square footage you added and subsequent depreciation at the Northern Nevada Correctional Center and the Florence McClure Women's Correctional Center. Can you address this in more detail?

William Quenga:

I have quickly reviewed a document and I plan to audit that document with an administrative services officer. In looking at a spreadsheet from the Administrative Services Division, I have concerns about square footages that seem to be inaccurate, but I need to review and assess the accuracy of that document before I can speak about this.

Senator Denis:

Please provide that information to staff at the Fiscal Analysis Division, Legislative Counsel Bureau. This became an issue in FY 2019 when I reviewed a chart that showed Prison Industries was charged approximately \$145,000 for SWCAP, but the charges increased to approximately \$466,000 in FY 2020, the charge dropped slightly in FY 2021, and then the Governor's recommended budget decreases the SWCAP charge by over \$100,000 in FY 2022 and FY 2023.

William Quenga:

We will provide that information to staff.

Chair Miller:

Are there any other questions from Subcommittee members? [There were none.]

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I will open the meeting for public comment. Speakers will have up to two minutes to provide public comment, and please state and spell both your first and last name before you speak so we can record your name correctly. Is there anyone that would like to provide public comment? [There was no one.]

This meeting is adjourned [at 9:27 a.m.]

RESPECTFULLY SUBMITTED:

Anne Bowen
Recording Secretary

Carmen M. Neveau
Transcribing Secretary

APPROVED BY:

Assemblywoman Brittney Miller, Chair

DATE: _____

Senator Moises Denis, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

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

[Exhibit C](#) is a copy of a PowerPoint presentation titled "Nevada Department of Corrections" dated March 19, 2021, and presented by Charles Daniels, Director, Department of Corrections; Harold Wickham, Deputy Director, Programs, Department of Corrections; James Jones, Inspector General and Acting Deputy Director, Support Services, Department of Corrections; Jeffrey Doucet, Administrative Services Officer 2, Prison Industries, Department of Corrections; and William Quenga, Deputy Director, Prison Industries, Department of Corrections.