

NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS

(NRS 209.4817)



**Thursday, December 17, 2020
1:30 p.m.**

Pursuant to the Governor's Emergency Directive 006, this meeting will be conducted online and there will be no physical location for the meeting. This meeting can be viewed live over the Internet on the Nevada Legislature website at <http://www.leg.state.nv.us>. Click on the link: "[Scheduled Meetings](#)." To view the closed captioning for the meeting click on "cc" on the meeting screen.

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Wayne Thorley, *Fiscal Analyst*



MEETING NOTICE AND AGENDA

Name of Organization: Committee on Industrial Programs
(*Nevada Revised Statutes [NRS] 209.4817*)

Date and Time of Meeting: Thursday, December 17, 2020
1:30 p.m.

Place of Meeting: Pursuant to Sections 2 through 9, inclusive, of Chapter 2, *Statutes of Nevada 2020*, 32nd Special Session, pages 9 through 11, there will be no physical location for this meeting. The meeting can be listened to or viewed live over the Internet. The address for the Nevada Legislature's website is <http://www.leg.state.nv.us>. Click on the link "[Scheduled Meetings](#)."

We are pleased to make reasonable accommodations for members of the public with a disability. If accommodations for the meeting are necessary, please notify the Fiscal Analysis Division of the Legislative Counsel Bureau, in writing, at Industrial@lcb.state.nv.us, or call the Fiscal Analysis Division at (775) 684-6821 as soon as possible.

Please submit electronic copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes to (Industrial@lcb.state.nv.us). You may also mail written documents to the Fiscal Division, 401 South Carson St., Carson City, NV 89701, or fax them to (775) 684-6600.

Items on this agenda may be taken in a different order than listed. Two or more agenda items may be combined for consideration. An item may be removed from this agenda or discussion relating to an item on this agenda may be delayed at any time.

I. ROLL CALL

II. PUBLIC COMMENT

Because there is no physical location for this meeting, public testimony under this agenda item may be presented by phone or written comment.

Because of time considerations, each caller offering testimony during this period for public comment will be limited to not more than 3 minutes. To call in to provide testimony during this period of public comment in the meeting any time after 1:00 p.m. on December 17, 2020, dial (669) 900-6833. When prompted to provide the Meeting ID, please enter 967 5493 7795 and then press #. When prompted for a Participant ID, please press #. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-6990.

A person may also have comments added to the minutes of the meeting by submitting them in writing either in addition to testifying or in lieu of testifying. Written comments may be submitted electronically before, during, or after the meeting by email to (Industrial@lcb.state.nv.us). You may also mail written documents to the Fiscal Analysis Division, 401 South Carson St., Carson City, NV 89701, or fax them to (775) 684-6761.

***For
Possible
Action***

III. APPROVAL OF MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR SEPTEMBER 25, 2020.

***For
Possible
Action***

IV. STATUS REPORT ON OUTSTANDING DEBT OWED TO PRISON INDUSTRIES.

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| For Possible Action | V. | REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2017 THROUGH SEPTEMBER 2020. |
| For Possible Action | VI. | REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE PRISONS CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2019, FY 2020, AND FY 2021 YEAR-TO-DATE. |
| For Possible Action | VII. | REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS FOR THE QUARTER ENDING SEPTEMBER 30, 2020. |
| For Possible Action | VIII. | REPORT ON NET LOSS OF THE AUTO AND UPHOLSTERY SHOP AT THE SOUTHERN DESERT CORRECTIONAL CENTER AND THE PLAN FOR THE GENERATION OF A PROFIT IN THE SHOP IN FY 2021 PURSUANT TO NRS 209.461. |
| For Possible Action | IX. | STATUS OF FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES – NRS 209.192. |
| For Possible Action | X. | DISCUSSION OF STATUS OF APPROVED NEW PRISON INDUSTRY PROGRAMS – NRS 209.4818.
A. Allwyre Wyo, INC.
B. Ink2Work, LLC. |
| | XI. | PUBLIC COMMENT

Because there is no physical location for this meeting, public testimony under this agenda item may be presented by phone or written comment.

Because of time considerations, each caller offering testimony during this period for public comment will be limited to not more than 3 minutes. To provide public testimony by telephone during this period of public comment, members of the public may call any time after the Chair announces this second period of public comment on December 17, 2020. To call in, dial (669) 900-6833. When prompted to provide the Meeting ID, please enter 967 5493 7795 and then press #. When prompted for a Participant ID, please press #. To resolve any issues related to dialing in to provide public comment for this meeting, please call (775) 684-6990.

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| | XII. | ADJOURNMENT |

Notice of this meeting was posted on the Internet through the Nevada Legislature's website at www.leg.state.nv.us.

Supporting public material provided to Committee members for this meeting may be requested from Kat Therres, Fiscal Secretary, Fiscal Analysis Division, Legislative Counsel Bureau, at (775) 684-6821 or by email at (fiscal@lcb.state.nv.us) and is/will be available at the Nevada Legislature's website at www.leg.state.nv.us.

**APPROVAL OF MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S
INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR
SEPTEMBER 25, 2020.**

**MINUTES OF THE
NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S
COMMITTEE ON INDUSTRIAL PROGRAMS
(NRS 209.4817)
September 25, 2020**

The fourth meeting of the 2019-20 Interim for the Nevada Legislature's Interim Finance Committee's Committee on Industrial Programs was held at 1:30 p.m. on Friday, September 25, 2020, via videoconference. There was no physical location for the meeting pursuant to Governor Emergency Directive 006.

COMMITTEE MEMBERS PRESENT IN VIRTUAL VIDEOCONFERENCE:

Assemblywoman Daniele Monroe-Moreno, Chair
Senator David Parks
Senator Pete Goicoechea
Assemblyman Glen Leavitt
Bruce Aguilera, Representing Business
Charles Daniels, Director, Nevada Department of Corrections
Kevin Doty, Administrator, Purchasing Division, Department of Administration
Lisa Levine, Representing Manufacturing
Allen J. Puliz, Representing Manufacturing
Randy Soltero, Representing Organized Labor
Beverly Williams, Representing Organized Labor

COMMITTEE MEMBERS ABSENT:

None

STAFF MEMBERS PRESENT:

Brody Leiser, Senior Program Analyst, Fiscal Analysis Division
Dustin Speed, Program Analyst, Fiscal Analysis Division
Nick Anthony, Senior Principal Deputy Legislative Counsel, Legal Division
Kat Therres, Secretary, Fiscal Analysis Division

OTHERS PRESENT:

Jacque Cooper, Accounting Assistant III, Nevada Department of Corrections
William Quenga, Deputy Director, Industrial Programs, Nevada Department of Corrections
Justin Pope, Supervisor, Prison Ranch, Prison Industries, Nevada Department of Corrections

EXHIBITS:

Exhibit A: Agenda and Meeting Packet

I. ROLL CALL.

Chair Monroe Moreno called the meeting to order at 1:34 p.m. All members were present.

II. PUBLIC COMMENT.

Pursuant to Governor Emergency Directive 006, there was no physical location for the September 25, 2020, meeting of the Committee on Industrial Programs. The meeting was broadcast on the Nevada Legislative website at www.leg.state.nv.us. Public comment was accepted live via telephone. Written comments were accepted by e-mail, facsimile, and mail before, during, and after the meeting.

There was no public comment.

III. APPROVAL OF THE MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR JUNE 29, 2020.

Chair Monroe-Moreno requested a motion for approval of the minutes from the June 29, 2020, meeting of the Committee on Industrial Programs, page 3 (Exhibit A).

Mr. Leiser stated that a roll call vote was needed for the motion to approve the minutes.

SENATOR GOICOECHEA MOVED TO APPROVE THE MINUTES OF THE JUNE 29, 2020, MEETING OF THE COMMITTEE ON INDUSTRIAL PROGRAMS.

MS. WILLIAMS SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

IV. STATUS REPORT ON OUTSTANDING DEBT OWED TO PRISON INDUSTRIES.

Mr. William Quenga, Deputy Director, Prison Industries (PI), Nevada Department of Corrections (NDOC) stated that Diane Dastal recently retired and Jacque Cooper, Acting Administrative Services Officer, PI, NDOC, would present the outstanding debt owed to PI.

Ms. Cooper stated that the Status Report on Outstanding Debt Owed to Prison Industries was located in the meeting packet on page 19 (Exhibit A). She said that a balance of \$728,235 was owed to PI as of June 30, 2020. The largest outstanding balances were composed of the top ten accounts with balances due in the amount of \$556,583, or 76 percent of the total receivables due. She noted that the Federal Bureau of Land Management (BLM) had the highest balance of \$194,048. Two of the top ten accounts were private customers, Diamond Mountain Distributors (DMD) and Ferguson Safety Products, and both continually did business with PI and consistently had an outstanding balance, but always paid their invoices. The seven remaining top ten customers were government agencies and were consistent with their payments. In addition, there was an outstanding balance of \$4,771 for a vehicle repair in the Auto Shop. However, the customer assured PI that once the minor repairs were complete, the balance would be

paid upon inspection of the vehicle. She noted that PI was confident it would collect on the remaining receivables.

Senator Goicoechea asked about the balance for the Fallon Livestock Auction on the aging report, and Mr. Quenga clarified the account was current and within the 30 days and would not be considered outstanding until it was beyond 30 days.

Ms. Cooper clarified that Administrative Services had a credit for the Fallon Livestock Auction account to cover the invoice, but it had not been applied to the invoice yet.

Justin Pope, Manager, Prison Ranch, added that sometimes when a balance was not paid within the 30 days it was due to an issue processing the invoice by the customer.

V. REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2016 THROUGH JUNE 2020.

Ms. Cooper directed the Committee to the report on the number of inmates that worked from July 2016 through June 2020, page 23 (Exhibit A). She stated that in FY 2017, PI had an average of 465 offenders working, or 3.3 percent of the inmate population. In FY 2018, the average number of offenders working was 494, or 3.6 percent of the inmate population. In FY 2019, the average number of offenders working was 530, or 3.9 percent of the inmate population. In FY 2020, over the nine-month period ending March 2020, the average number of offenders working was 788, or 4.6 percent of the inmate population. Ms. Cooper indicated that Jacobs Trading Company ended its association with PI in October 2019, and Erickson Framing suspended work on April 2020 due to the COVID-19 pandemic. However, since the beginning of the COVID-19 pandemic, PI added jobs with the startup of its Detergent Shop, and Allwyre Wyo INC. (Allwyre), which began operating in September 2020.

Chair Monroe-Moreno stated that the last meeting of the Committee was at the beginning of the COVID-19 pandemic and the numbers of inmates working decreased due to the employers that either shut down, or cut back operation. She asked if any inmate fire crews from the conservation camps were working on the fires in Nevada, or in the surrounding states.

Mr. Quenga replied there were still fire crews from the Stewart Conservation Camp participating in fire suppression as needed.

Senator Parks asked if the suspension of work for Erickson Framing was temporary, or did it appear to be a permanent secession of activity.

Mr. Quenga replied that he has been in contact with the CEO, and the resource representative of Erickson Framing, who indicated that they were anxious to resume operation. Mr. Quenga stated that he was told that Erickson Framing noticed a huge difference between the civilian crew compared to the inmates working at the site, and were anxious to restart operation with the inmate crew. However, until the COVID-19

pandemic was under control in the community, putting inmates to work at this time was taking a chance of being exposed and infecting the inmate population. He said that PI had a strong record for maintaining and controlling COVID-19 within the NDOC firewalls.

VI. REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE PRISONS CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2018, FY 2019, AND FY 2020.

Ms. Cooper reviewed the Deductions from the Inmate Wages for Room and Board, the Prison Capital Improvement Fund and the Victims of Crime Fund, page 27 (Exhibit A). She stated that 24.5 percent of wages for offenders were deducted for room and board; 5 percent of wages for offenders were deducted for the Victims of Crime Fund; and 5 percent of wages were deducted for the Prison Industry CIP (PI CIP) Fund. In FY 2018, \$456,883 in wages for offenders were deducted for the three funds, and in FY 2019, a total of \$513,485 in wages were deducted from offenders pay. In FY 2020, inmate deductions included \$336,329 for room and board; \$68,639 for the Victims of Crime Fund; and \$70,423 for the Prison Industry CIP Fund for a total of \$475,391. She noted, due to the COVID-19 pandemic, PI deductions were down approximately \$38,000 compared to FY 2019.

Ms. Cooper stated that Marsy's Law was approved by voters and effective November 2018 and made payments to court-ordered victim restitution a priority above all offender deductions. She said it was difficult to estimate the impact of Marsy's Law on inmate deductions and projections were based on data from October 2017 through October 2018. Prison Industries projected an estimated total annual loss of \$17,623 to the PI CIP Fund and an estimated loss was projected of \$489,271 in room and board payments to the NDOC, and PI's share was approximately \$88,000.

Chair Monroe-Moreno stated that the Florence McClure Woman's Correctional Center (FMWCC) showed a large drop in the total payroll assessments from FY 2019 to FY 2020 and the Warm Springs Correctional Center (WSCC) showed no activity in FY 2020. She asked Mr. Quenga the reason for the drop in inmate deductions.

Mr. Quenga replied stated the decrease in inmate deductions was a result of Jacobs Trading Company shutting down operations due to the owner's death. He noted PI was trying to get additional work for the FMWCC. He stated that WSCC had DMD, which closed its operation because it was not logistically feasible to have the card sorting operation in Northern Nevada and then sending the cards to Southern Nevada. Therefore, the card sorting operation at the WSCC was incorporated into the Southern Desert Correctional Center (SDCC). He added that there was not a lot of room at the WSCC for a large industry and he was actively seeking a smaller operation to occupy the space.

VII. REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2020.

Ms. Cooper reviewed the financial statements from Silver State Industries (SSI), page 31 (Exhibit A). The total unrestricted cash for PI decreased approximately \$594,760, or 24 percent compared to the same period last year. The total cash for the Prison Ranch increased approximately \$340,590. Historically, SSI always had more cash than the Prison Ranch; however, for FY 2020, PI and the Prison Ranch were about even. The accounts receivables increased by approximately \$128,607, or 18.3 percent compared to the same period last year; livestock inventory increased approximately \$123,670; and shop inventory increased by \$149,549. Under the Other Assets, restricted cash increased by \$9,580, and PI's retained earnings decreased approximately \$230,362 to a balance of \$3,852,616.

Continuing to the Consolidated Statement of Operations, page 32 (Exhibit A), Ms. Cooper stated the net income loss totaled \$230,362 as of June 30, 2020. Page 33, showed that SSI experienced a net income loss of \$518,307 at the end of June 30, 2020; the Prison Ranch contributed \$287,865 toward program support; and the PI CIP Fund contributed \$79.00 toward program support.

Moving to page 34 (Exhibit A), Consolidated Statement of Changes in Retained Earnings, Ms. Cooper stated the retained earning balance was \$4,083,022 as of July 1, 2020, and with the net loss of \$230,362, the unreserved retained earnings at the end of FY 2020 were \$3,852,660. Continuing to PI Central Administrative Statement of Operations, page 35, showed that license plate fee revenues decreased by approximately \$180,783; CIP revenue decreased by \$210; rental income increased by \$7,800 due to Sewing Collection; administrative fees decreased by \$6,637, which was primarily due to DMD closing its operation; and total revenue decreased by \$194,907. General and Administrative (G&A) expenses experienced a net loss that increased by approximately \$883,000, which was attributed to PI's investment to replace the membrane on the sprung structure at the SDCC, which cost approximately \$164,000. She stated that Allwyre signed a multimillion-dollar contract and would utilize the sprung structure at SDCC and put offenders to work. The Statewide Cost Allocation charges increased by \$145,000 in FY 2019 to \$466,000 in FY 2020, an increase of \$321,167. She added that the Statewide Cost Allocation charge ballooned to almost \$500,000, which was crippling to PI. She added the majority of the \$500,000 was from depreciation on 1,833 square feet of office space that PI rented from Buildings and Grounds.

Brody Leiser, Program Analyst, Fiscal Analysis Division, provided a follow up on the large increase in the Statewide Cost Allocation Plan (SWCAP) charges given the continuous discussions on the matter. He wanted the record to reflect that he reached out again to the administrator, Administrative Services Division (ASD), Department of Administration, who was tasked with the SWCAP charges and who worked the contracted vendor to develop the costs on a biannual basis. Mr. Leiser stated that the ASD was still committed to resolving the issue, but at this time was not able to come to a conclusion regarding the appropriateness of the charges under the SWCAP for PI. He stated that the large

increase for the SWCAP charges related to depreciation calculations and after talking with the administrator, the ASD was still looking at the issue. The administrator indicated that the signed square footage for PI could be incorrect on either end of the spectrum and could actually be higher than they were in the current biennium. Mr. Leiser indicated that the administrator was committed to having a resolution to the issue prior to next biennium because they were currently in the beginning stages of the budget building process and preparing for the 2021-23 Legislative Session. Mr. Leiser apologized that he did not have a definitive answer at this time, but the SWCAP charge was certainly on the radar of Fiscal Division and the Executive Branch staff, including the Governor's Finance Office and the ASD, to ensure the Committee received an accurate calculation so PI could plan its budget accordingly for the upcoming biennium.

Continuing her presentation, Ms. Cooper referenced page 36 (Exhibit A) and stated the new NNCC Detergent Shop was created in response to COVID-19 and began production on March 23, 2020, making hand sanitizer, gowns, masks and face shields. She indicated the sales for the shop as of June 30, 2020, totaled \$151,505 and contributed to \$37,336 toward program support. The NNCC Mattress Factory Statement of Operations, page 37 (Exhibit A), showed that sales increased approximately \$66,000, or 25 percent. She noted, although the cost of sales were high, the shop supervisor was working to reduce costs even more. The total G&A manufacturing expenses decreased approximately \$7,400, which helped reduce costs. The Mattress Factory had a \$94,490 turnaround, from a loss of \$80,094 in FY 2019 to \$14,396 toward program support.

Ms. Cooper indicated that sales for the NNCC Print and Bindery Shop increased approximately \$82,428, mainly due to selling officer uniforms, page 38 (Exhibit A). General and Administrative manufacturing expenses decreased approximately \$22,000 and earnings available for program support was \$34,362. She noted the Print Shop had a new shop supervisor, Seana McManus, who also managed the production of hand sanitizer. Ms. Cooper added Ms. McManus was a fast learner and had many good ideas for increasing sales at the shop. She believed Ms. McManus had a long and promising future with PI.

Ms. Cooper directed the Committee to the NNCC Statement of Operations for the Furniture and Metal Shop, page 39 (Exhibit A), which showed the Furniture Shop revenue increased approximately \$133,000. The Metal Shop revenue was relatively flat with a loss of 1.7 percent and the combined total revenue was \$155,107. The combined earnings for the Furniture and Metal Shop was \$46,519 available for program support, a positive retained earnings compared to FY 2019.

Ms. Cooper moved to the SDCC Auto and Upholstery Shop Statement of Operations, page 40 (Exhibit A), which included manpower operations. Auto sales increased approximately \$52,598 compared to the same period a year ago. The Auto Shop contributed approximately \$117,534 for G&A manufacturing expenses and the card sorting operation contributed \$2,682; therefore, the Auto Shop and manpower operation experienced a combined \$51,425 loss. Ms. Cooper stated that PI was in the process of hiring a new supervisor for the shop, which was currently being managed by the

correctional officer who worked in the shop with the previous supervisor. The performance for the Auto and Upholstery Shop was improving and with the changes in procedures, PI hoped to see a turnaround the next fiscal year.

Mr. Quenga stated the Auto and Upholstery Shop was currently at a loss of \$80,000 and he expected to see a turnaround within six months with the new operating procedures that were established. He noted the shop should start seeing a steady stream of revenue from updating the administrative and operating procedures in how the shop worked on vehicles, and the way customers were invoiced in sections as each part of the job was complete. He added that there was additional work at the shop and he was actively seeking a new supervisor. He said it was hard to recruit a supervisor through the state and he reached out to the National Correctional Industries Association and other private entities that Division of Human Resource Management, Department of Administration, might have a contract with, to push the supervisor job announcement out to help find a strong candidate for the position.

Mr. Puliz asked about the excessive increase in administrative costs and salaries shown on page 40 (Exhibit A), and Mr. Quenga clarified that the salaries shown on the chart included payouts for Craig Korsgaard, the former supervisor who retired, in addition to the payout for the new supervisor who resigned on June 11, 2020.

Ms. Cooper continued with the LCC Garment and Factory Statement of Operations, page 41 (Exhibit A), showing that garment sales increased \$238,000, or 25 percent compared to the same period in FY 2019. The Garment Factory contribution to G&A expenses increased and G&A manufacturing expenses decreased slightly. Earnings available for program support increased to \$43,370 as compared to FY 2019, with contributions of \$275,268 for program support. She indicated that the shop had 126 workers and currently Roy Lorton, the correctional officer who worked under the previous supervisor was overseeing operation of the LCC Garment and Factory Shop with a lot of success.

Mr. Quenga stated the large increase in the Garment Factory was also due to the personal protective equipment (PPE) that the LLC facility manufactured, which was provided to the NDOC and other state and private entities within Nevada. In addition, the shop manufactured gowns, medical caps and a variety of different types of masks. He added masks manufactured at LLC were made for the inmate population, staff, and for other entities within the state that wanted custom masks to help keep the citizens of Nevada safe.

Chair Monroe-Moreno recalled from an earlier meeting that the masks for the inmates were reusable and asked the number of masks that were provided to each inmate. Mr. Quenga responded that the inmates at each institution and camps were provided with two orange masks to help identify inmates. Therefore, inmates had an extra mask to wear while their laundry was being done, keeping the masks rotated and clean. He worked with the department to get masks for the inmate population at each institution and

camps, and then requested 10 to 25 percent more masks, so there was an abundance of masks on hand for intakes entering a correctional facility.

Ms. Cooper continued with the financial report for the Prison Ranch, pages 42 and 43 (Exhibit A). Total sales for the Ranch increased approximately \$381,000. All sections provided a positive contribution except for crop sales, and the stray horse program, which was flat due to the lack of horses to board at the Ranch in FY 2020. The Bureau of Land Management (BLM) section performed the best on the financial statement and the daily per diem rate was \$3.40 per horse. The Prison Ranch Statewide Cost Allocation increased \$17,394 to \$20,552, or 18.2 percent. The Ranch ended with \$287,865 for program support, a 23.1 percent increase.

Ms. Cooper said that page 45 showed that PI as a whole, ended with a \$230,362 loss due to the Statewide Cost Allocation miscalculation of \$500,000 in retained earnings for the reduction from the General Fund resulting in the budget shortfall. She said that PI would have had a more favorable ending if it did not have such a large loss in the Statewide Cost Allocation Plan.

Chair Monroe-Moreno asked about PI's investment of \$164,000 to replace the membrane on the sprung structure for Allwyre, page 35 (Exhibit A). She asked if Allwyre would be paying any of that investment, or was the total amount coming out of PI's general budget and the investment would be recouped moving forward.

Mr. Quenga replied that PI signed a three-year multimillion-dollar contract with Allwyre and should be able to recoup its investment of \$164,000 to enhance the sprung structure at the SDCC. He said that PI was charging Allwyre per square foot, administrative fees, and \$1.00 for each inmate who worked at the facility, on top of the wages per hour for the hours worked. He indicated that PI anticipated recouping that investment within the first year-and-a-half of operation. He believed the net loss would be positive moving forward. Currently, there were 5 offenders working at Allwyre, and PI wanted to increase to 10 offenders and gradually increase as needed, eventually employing 40 offenders. The offenders were manufacturing circuitry panels for a customer located in Henderson, NV, so it was very convenient from the facility in Indian Springs for the customer base in Henderson. Mr. Quenga anticipated the possibility of having two to three inmate shifts in eight months due to making safety and security a priority.

Chair Monroe-Moreno asked Mr. Quenga who the customers and clients were for the new NNCC Detergent Shop, page 36 (Exhibit A). Mr. Quenga replied many of the customers were state entities, and hand sanitizer of various sizes were provided for the Federal Emergency Management Agency (FEMA) and the Highway Patrol, Department of Public Safety. In addition, PI was in the process of working with Visit Carson City, which had Cares Act funding. Visit Carson City purchased over 50,000 various sizes of hand sanitizer to provide to hotels and local businesses for free to keep the community safe. Also, Visit Carson City purchased masks from the Print Shop, which were being produced in the embroidery shop to provide sublimation and silk screening to put personal

logos on the masks to enhance their program in the community. He added that the NNCC Detergent Shop was also working with various agencies and entities in Las Vegas.

Chair Monroe-Moreno referenced page 37 (Exhibit A), Mattress Factory, and asked if PI was able to get a contract with the City of North Las Vegas for furniture or mattresses when its correctional facility reopened.

Mr. Quenga replied that the Mattress Factory was able to provide the City of North Las Vegas with mattresses and other clothing for its correctional facility. He indicated that Warren Baker, former warden at the Garment Factory, LLC, and now the new Director of Correctional Services, in addition to PI, were in constant communication and worked together to purchase other items to keep business in Nevada.

Chair Monroe-Moreno asked if the correctional officer who was temporarily filling the supervisor position for the Auto Shop had any interest in the position, and Mr. Quenga replied that the temporary supervisor assigned to the Auto Shop for over a year had no interest in the position, although he was still trying to convince him to accept the position. He said the position was open and the announcement would be kept open until the closing date, or until someone was hired that could be effective and around for a long time.

Senator Goicoechea asked the current number of wild horses at the Prison Ranch, and Justin Pope, Manager, Prison Ranch, replied that there 1,660 horses at the Prison Ranch, which also included burros.

Senator Goicoechea stated that the Prison Ranch should look at ramping up the count of wild horses and burros because there was a bill coming forward from the BLM, "Path Forward for Management of BLM's Wild Horses and Bureaus," which if passed and funded at the federal level, would reduce the number of wild horses and burros available.

Mr. Pope stated that the BLM approached the Prison Ranch and indicated there was definitely the possibility for expansion of the capacity for horses at the Ranch in the future. The BLM indicated that it was looking for housing for over 10,000 horses; therefore, there was a possibility of expanding the Ranch facility, although, he was unsure the Ranch could expand to 10,000 wild horses, but it could at least double the amount of horses it had currently. The Ranch was in the beginning phases of forming a plan to accommodate that many horses and the possibility of seeing if the Committee had a desire to help the Prison Ranch obtain some capital improvement funds for the project.

Senator Goicoechea stated that the bottom line was to see if the federal funding was available, and if available, he believed the state could receive 10,000 wild horses, but thought it was closer to 30,000 horses.

Chair Monroe-Moreno asked the maximum capacity for the horses at the Ranch, and Mr. Pope replied that currently there were approximately 1,600 horses at the Ranch and the maximum capacity was 2,000 horses. He believed if there was an expansion that the Ranch could double its current capacity to 4,000 to 4,500 horses.

Chair Monroe-Moreno stated the Committee would have to discuss the CIP funds in the future and she thought it was an area to bring additional revenue to the state. She was interested in the amount of the CIP Fund request for the Ranch expansion program.

Senator Goicoechea stated that most of the cost for the expansion depended on the federal funding available. If the plan was adopted, the expansion would be a long term holding facility for horses, and some horses for their lifetime, so it could be worthwhile. He did not advocate building anything until the federal government decided the amount of funding it would provide, although he thought the bill, Path Forward for Management of BLM's Wild Horses, was a \$100.0 billion dollar bill.

Chair Monroe-Moreno agreed that the state needed to have the funding before it moved forward with the project, because things seemed to change often at the federal level, as the state has seen with the CARES Act funding.

VIII. STATUS OF FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES – NRS 209.192.

Ms. Cooper referred to page 47 (Exhibit A), Status of Fund for New Construction of Facilities for Prison Industries. She stated that in FY 2016, the fund had an ending balance of \$303,821 with expenditures of \$297,118; in FY 2017, the end of the year balance increased to \$371,715, and in FY 2018, the balance increased to \$443,622. In FY 2019, PI purchased additional equipment for \$181,235, and at the end of FY 2019 the CIP balance was \$345,765. In FY 2019, PI purchased \$45,000 in ground panels for expansion of the horse corrals at the Prison Ranch, and \$52,206 to purchase a milk-pouching machine. Additionally, a powdered milk stick packing machine for \$55,000 was authorized; however, PI decided to postpone that purchase in FY 2020. She stated that new equipment contributed to program support and decent equipment helped to manufacture quality products. In addition, offenders were trained on new products and the new technology would assist them in obtaining meaningful employment upon their release from prison. Currently, there were no additional equipment requests, and FY 2020 to date, the Fund for New Construction of Facilities had a balance of \$312,661.

Mr. Quenga stated, in FY 2020, PI purchased a refrigerated 24-ft diesel bobtail truck from the Fund for New Construction of Facilities. The truck was bought out of state and was approved through the proper channels before being purchased. Previously, PI had an old truck that was not safe, or reliable for delivering milk from the Prison Ranch to Ely, Lovelock and Reno. The diesel truck was well maintained, which would help keep maintenance costs down. In addition, the truck was safer for staff and others on the road and was a great investment for PI.

Mr. Aguilera asked about the encumbrances of \$52,260 in FY 2020, shown on page 47 (Exhibit A), when there were no encumbrances in FY 2019. Ms. Cooper replied that the \$52,260 was from the purchase of the milk-pouching machine for PI.

Mr. Puliz stated that he understood the membrane for the sprung structure was not purchased from the CIP Fund, and Mr. Quenga clarified that the membrane for the sprung structure was taken from PI's general expenses in order to move forward with the project, and was purchased with capital expenses. Mr. Quenga stated, at that time the project was time sensitive, and after working with the State Public Works Division (SPWD) and moving through the proper channels and approvals, the best situation was to move forward and put the investment into the sprung structure to get a return investment moving forward. He said that moving Allwyre into the sprung structure at SDCC would put inmates to work and PI would start collecting revenue leasing the building. He added that the sprung structure was 20,000 square feet and PI was charging Allwyre per month for the occupied space, plus administrative fees, which would provide a return on the investment.

Mr. Puliz stated his concern that the Legislature would deplete any available balance from the PI CIP Fund during the upcoming 2021 Legislative Session.

Mr. Quenga commented that due to the budget shortfalls, PI was asked to reduce its retained earnings by \$500,000 for the upcoming biennium. However, at this point, reductions were not being taken from the PI CIP Fund, which previously happened during the 2009-11 Legislative Session when over \$900,000 was reduced from CIP Fund.

IX. INFORMATION ITEM: DISCUSSION OF STATUS OF APPROVED NEW PRISON INDUSTRY PROGRAMS – NRS 209.4818.

A. Allwyre Wyo, INC.

Mr. Quenga stated that Allwyre started moving into the sprung structure at SDCC in mid-August and PI officially started invoicing Allwyre for the occupied space. He noted Allwyre wanted to start training 5 inmates at a time and gradually increase to 10 inmates, and in slow increments up to 40 inmates moving forward. Five inmates were currently working and the main production was electronic circuitry, which was provided to the customer base in Henderson, Nevada. He noted that Allwyre had an operation in Wyoming, which was currently providing electronic circuitry; however, once the inmates were trained and ready, Nevada would be the sole provider of the circuitry, which allowed more inmates to work to sustain the customer needs in Nevada.

B. Ink2Work, LLC.

Mr. Quenga stated, he has had conversations with Terry Herbert, Ink2Work, and Dennis Cyphers, Chief Operating Officer, Ink2Work, and a virtual meeting was scheduled soon to discuss how to move forward with the operation. Mr. Quenga said he communicated to them that at this point, PI was not satisfied with the change of scope from remanufacturing ink toner cartridges using 12 to 15 inmates to a distribution center only employing 2 inmates, which was not mentioned in prior testimony before the Committee. Mr. Quenga noted, from the feedback he received from Mr. Cyphers, he thought that Ink2Work was changing its course and wanted to have both a distribution

and manufacturing operation employing 10 inmates and would decide whether it would be in Northern or Southern Nevada. Mr. Quenga said that he hoped to report positive news to the Committee moving forward after negotiations with Ink2Work.

X. PUBLIC COMMENT.

There was no public comment.

XIV. ADJOURNMENT.

The meeting was adjourned at 2:39 p.m.

Respectfully submitted,

Donna Thomas, Committee Secretary

APPROVED:

Assemblywoman Daniele Monroe-Moreno, Chair

Date: _____

STATUS REPORT ON OUTSTANDING DEBT OWED TO PRISON INDUSTRIES.

Silver State Industries
AR Customer Aging by Due Date (Summary)
Report Date: 9/30/20

		Days Old					Balance	Unapplied	Net Due
Cust ID	Customer Name	0 - 30 08/31 - 09/30	31 - 60 08/01 - 08/30	61 - 90 07/02 - 07/31	91 - 120 06/02 - 07/01	121 + all prior - 06/01			
AL1065	ALLWYRE WYO, INC	\$5,640.12	\$0.00	\$0.00	\$0.00	\$0.00	\$5,640.12	\$0.00	\$5,640.12
AR1035	ARLT, MICHAEL AUTO	\$2,463.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,463.00	(\$748.00)	\$1,715.00
BE1056	KEN BELL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$85.00)	(\$85.00)
BU1020	BUREAU OF LAND MANAGEMENT	\$152,728.40	\$163,153.85	\$0.00	\$0.00	\$0.00	\$315,882.25	\$0.00	\$315,882.25
BU1022	BUTLER, DONNELLE AUTO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,000.00)	(\$4,000.00)
CA1012	CARSON CITY FINANCE & PURCHA	\$8,875.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,875.00	\$0.00	\$8,875.00
CA1014	CARSON CITY MUNICIPAL COURT	\$16.00	\$0.00	\$0.00	\$0.00	\$0.00	\$16.00	\$0.00	\$16.00
CH1003	MICHAEL CHASE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$930.00)	(\$930.00)
CI1006	CITY OF CARSON, SHERIFF	\$375.00	\$0.00	\$0.00	\$0.00	\$0.00	\$375.00	\$0.00	\$375.00
CI1035	CITY OF YERINGTON	\$105.00	\$0.00	\$0.00	\$0.00	\$0.00	\$105.00	\$0.00	\$105.00
DE1020	DESERT REGIONAL CENTER	\$0.00	\$0.00	\$3,564.00	\$0.00	\$0.00	\$3,564.00	\$0.00	\$3,564.00
DE1050	DEAVER, BRIANNA & GARY	\$3,192.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,192.00	(\$77.50)	\$3,114.50
DI1020	DISTRICT COURT - LAS VEGAS	\$342.60	\$0.00	\$0.00	\$0.00	\$0.00	\$342.60	\$0.00	\$342.60
DI1025	DIAMOND MOUNTAIN DISTRIBUTOF	\$31,176.05	\$0.00	\$0.00	\$0.00	\$0.00	\$31,176.05	\$0.00	\$31,176.05
DO1018	DOUGLAS COUNTY SHERIFF'S DEF	\$1,510.50	\$0.00	\$0.00	\$0.00	\$0.00	\$1,510.50	\$0.00	\$1,510.50
DU1015	NICHOLAS DUNHILL	\$0.00	\$0.00	\$0.00	\$7,645.00	\$0.00	\$7,645.00	\$0.00	\$7,645.00
DU1030	DANIEL DUFFE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$18.00)	(\$18.00)
EM1004	NNCC EMPLOYEES' ASSOCIATION	\$72.00	\$0.00	\$0.00	\$0.00	\$0.00	\$72.00	\$0.00	\$72.00
EM1006	EMPLOYEES'ASSN- SDCC & HDSP	\$36.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36.00	(\$36.00)	\$0.00
EM1008	EMPLOYEES' ASSN	\$68.00	\$0.00	\$0.00	\$0.00	\$0.00	\$68.00	\$0.00	\$68.00
FE1020	FERGUSON SAFETY PRODUCTS	\$8,924.76	\$0.00	\$0.00	\$0.00	\$0.00	\$8,924.76	\$0.00	\$8,924.76
GR1004	GREAT BASIN COLLEGE	\$28.00	\$0.00	\$0.00	\$0.00	\$0.00	\$28.00	\$0.00	\$28.00
MO1030	JOSEPH MONZO	\$0.00	\$0.00	\$0.00	\$261.00	\$4,271.00	\$4,532.00	\$0.00	\$4,532.00
NE1033	NEVADA FFA ASSOCIATION	\$8,246.00	\$0.00	\$0.00	\$0.00	\$0.00	\$8,246.00	\$0.00	\$8,246.00
NE1041	NEVADA ORGANICS, LLC	\$9,497.42	\$0.00	\$0.00	\$0.00	\$0.00	\$9,497.42	\$0.00	\$9,497.42
OC1050	TERRY OCHAL AUTO	\$0.00	\$1,031.38	\$2,094.00	\$0.00	\$2,790.00	\$5,915.38	\$0.00	\$5,915.38
OP1030	OPEN AIR MOVIES	\$755.40	\$0.00	\$0.00	\$0.00	\$0.00	\$755.40	\$0.00	\$755.40
PA1014	STEVEN PALCHANIS AUTO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$11,523.00)	(\$11,523.00)
RO1008	ROBINSON METALS	\$2,701.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,701.00	\$0.00	\$2,701.00
RO1035	ROGERS, JAMES AUTO	\$2,944.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,944.00	(\$755.00)	\$2,189.00
SH1035	MARK SHORT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$938.00)	(\$938.00)
SI1045	SILVER THREADS INC	\$268.12	\$0.00	\$0.00	\$0.00	\$0.00	\$268.12	\$0.00	\$268.12
ST1022	JACK STAGE AUTO	\$2,900.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,900.00	\$0.00	\$2,900.00
ST1047	STOREY COUNTY PUBLIC WORKS	\$23,231.50	\$0.00	\$0.00	\$0.00	\$0.00	\$23,231.50	\$0.00	\$23,231.50
TR1050	TRAINING FUNDS	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,351.72)	(\$2,351.72)
TU1030	TUCCIO, ANDREW	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$2,318.00)	(\$2,318.00)
UN1001	UNIVERSITY OF NEVADA RENO	\$0.00	\$1,596.00	\$0.00	\$0.00	\$0.00	\$1,596.00	\$0.00	\$1,596.00
UN1015	UNIVERSITY OF NEVADA-RENO	\$6,888.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,888.00	\$0.00	\$6,888.00
VA1003	VARIOUS CUSTOMERS-COD	\$16,887.58	\$1,241.00	\$197.41	\$5,834.00	\$3,004.00	\$27,163.99	(\$13,772.70)	\$13,391.29

Silver State Industries
AR Customer Aging by Due Date (Summary)
Report Date: 9/30/20

Days Old

Cust ID	Customer Name	0 - 30	31 - 60	61 - 90	91 - 120	121 +	Balance	Unapplied	Net Due
		08/31 - 09/30	08/01 - 08/30	07/02 - 07/31	06/02 - 07/01	all prior - 06/01			
VV1001	VIETNAM VETS ASSN # 719 - NNCC	\$2,203.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,203.00	\$0.00	\$2,203.00
WI1002	WITTENBERG HALL	\$312.00	\$0.00	\$0.00	\$0.00	\$0.00	\$312.00	\$0.00	\$312.00
WO1010	WORKNET SOLUTIONS	\$0.00	\$98.00	\$0.00	\$2,020.00	\$0.00	\$2,118.00	\$0.00	\$2,118.00
WO1035	WORLD CLASS EQUINE	\$3,659.92	\$0.00	\$0.00	\$0.00	\$0.00	\$3,659.92	\$0.00	\$3,659.92
YY1000	NDOC ADMIN NORTH (CENTRAL)	\$373.00	\$0.00	\$0.00	\$0.00	\$0.00	\$373.00	\$0.00	\$373.00
YY1003	NDOC ADMIN-MEDICAL	\$30.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.00	\$0.00	\$30.00
YY1005	NDOC ADMIN PERSONNEL-CENTRA	\$65.00	\$0.00	\$0.00	\$0.00	\$0.00	\$65.00	\$0.00	\$65.00
YY1006	NDOC ADMIN INMATE SERVICES	\$2,120.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,120.00	\$0.00	\$2,120.00
YY1011	ELY STATE PRISON	\$2,759.00	\$0.00	\$0.00	\$0.00	\$1,484.00	\$4,243.00	\$0.00	\$4,243.00
YY1015	HUMBOLDT CONSERVATION CAMP	\$1,828.08	\$0.00	\$0.00	\$0.00	\$0.00	\$1,828.08	\$0.00	\$1,828.08
YY1016	3 LAKES VALLEY CONSERVATION	\$2,441.15	\$0.00	\$0.00	\$0.00	\$0.00	\$2,441.15	\$0.00	\$2,441.15
YY1017	LOVELOCK CORR CTR	\$219.00	\$0.00	\$0.00	\$0.00	\$0.00	\$219.00	\$0.00	\$219.00
YY1018	NDOC INSPECTOR GENERAL'S OFF	\$30.00	\$0.00	\$0.00	\$0.00	\$0.00	\$30.00	\$0.00	\$30.00
YY1021	HIGH DESERT STATE PRISON	\$82,287.50	\$17,901.00	\$0.00	\$0.00	\$0.00	\$100,188.50	(\$36.00)	\$100,152.50
YY1023	NDOC ADMIN-MILK	\$65,699.71	\$17,606.40	\$0.00	\$0.00	\$0.00	\$83,306.11	\$0.00	\$83,306.11
YY1027	LOVELOCK CORR CTR-CANTEEN	\$695.75	\$0.00	\$0.00	\$0.00	\$0.00	\$695.75	\$0.00	\$695.75
YY1029	NO NV CORRECTIONAL CTR	\$9,363.36	\$0.00	\$0.00	\$0.00	\$0.00	\$9,363.36	\$0.00	\$9,363.36
YY1030	NORTHERN NV CORR CTR-CANTEEN	\$746.25	\$0.00	\$0.00	\$0.00	\$0.00	\$746.25	\$0.00	\$746.25
YY1036	CARLIN CONSERVATION CMP-CAN	\$33.75	\$0.00	\$0.00	\$0.00	\$0.00	\$33.75	\$0.00	\$33.75
YY1038	PI STORE/NSP TRADING POST	\$149.00	\$0.00	\$0.00	\$0.00	\$0.00	\$149.00	(\$5.00)	\$144.00
YY1040	CASA GRANDE TRANSITIONAL	\$35.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35.00	\$0.00	\$35.00
YY1045	WARM SPRINGS CORRECTIONAL C	\$1,870.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,870.00	\$0.00	\$1,870.00
YY1046	HUMBOLDT CC CANTEEN	\$24.25	\$0.00	\$0.00	\$0.00	\$0.00	\$24.25	\$0.00	\$24.25
YY1051	SO DESERT CORR CTR	\$9,588.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,588.00	\$0.00	\$9,588.00
YY1056	FMWCC - CANTEEN	\$1,139.75	\$0.00	\$0.00	\$0.00	\$0.00	\$1,139.75	\$0.00	\$1,139.75
YY1058	FLORENCE MCCLURE WOMENS' C	\$35.00	\$0.00	\$0.00	\$0.00	\$0.00	\$35.00	\$0.00	\$35.00
YY1063	WELLS CONSERVATION CAMP	\$2,677.26	\$0.00	\$0.00	\$0.00	\$0.00	\$2,677.26	\$0.00	\$2,677.26
YY1064	PIOCHE CON CAMP - CANTEEN	\$289.00	\$0.00	\$0.00	\$0.00	\$0.00	\$289.00	\$0.00	\$289.00
YY1067	STEWART CON CAMP - CANTEEN	\$272.75	\$0.00	\$0.00	\$0.00	\$0.00	\$272.75	\$0.00	\$272.75
YY1070	HIGH DESERT STATE PRISON CAN	\$570.00	\$0.00	\$0.00	\$0.00	\$0.00	\$570.00	\$0.00	\$570.00
YY1072	PI CASA GRANDE STORE	\$189.00	\$0.00	\$0.00	\$0.00	\$0.00	\$189.00	\$0.00	\$189.00
YY1075	WARM SPRINGS CC/CANTEEN	\$609.00	\$0.00	\$0.00	\$0.00	\$0.00	\$609.00	\$0.00	\$609.00
YY1080	SO DESERT CORR CTR/CANTEEN	\$1,397.75	\$0.00	\$0.00	\$0.00	\$0.00	\$1,397.75	\$0.00	\$1,397.75
YY1110	TONOPAH CONSERVATION CANTE	\$18.00	\$0.00	\$0.00	\$0.00	\$0.00	\$18.00	\$0.00	\$18.00
YY1115	WELLS CONSERVATION CANTEEN	\$17.50	\$0.00	\$0.00	\$0.00	\$0.00	\$17.50	\$0.00	\$17.50
YY1120	ELY STATE PRISON CANTEEN	\$381.75	\$0.00	\$136.00	\$0.00	\$0.00	\$517.75	(\$136.00)	\$381.75
ZZ1029	CRIMINAL JUSTICE	\$33.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.00	\$0.00	\$33.00
ZZ1043	FIRST JUDICIAL DISTRICT COURT	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$15.56)	(\$15.56)
ZZ1046	GOVERNOR'S OFFICE	\$337.00	\$0.00	\$0.00	\$0.00	\$0.00	\$337.00	\$0.00	\$337.00

Silver State Industries
AR Customer Aging by Due Date (Summary)
Report Date: 9/30/20

		Days Old							
Cust ID	Customer Name	0 - 30	31 - 60	61 - 90	91 - 120	121 +	Balance	Unapplied	Net Due
		08/31 - 09/30	08/01 - 08/30	07/02 - 07/31	06/02 - 07/01	all prior - 06/01			
ZZ1082	DMV/NV INVESTIGATIONS DIVISION	\$54.00	\$0.00	\$0.00	\$0.00	\$0.00	\$54.00	\$0.00	\$54.00
ZZ1103	MOTOR VEHICLES DEPARTMENT	\$26,856.00	\$0.00	\$0.00	\$0.00	\$0.00	\$26,856.00	\$0.00	\$26,856.00
ZZ1110	DEPARTMENT OF PUBLIC SAFETY	\$1,205.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,205.00	\$0.00	\$1,205.00
ZZ1121	NEVADA STATE PURCHASING	\$20,258.00	\$0.00	\$0.00	\$0.00	\$0.00	\$20,258.00	\$0.00	\$20,258.00
ZZ1148	NEVADA STATE WELFARE & SUPP	\$1,258.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,258.00	\$0.00	\$1,258.00
ZZ1226	HEALTH & HUMAN SERVICES	\$7,520.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,520.00	(\$6,000.00)	\$1,520.00
ZZ1242	PUBLIC UTILITIES COMMISSION	\$76.50	\$0.00	\$0.00	\$0.00	\$0.00	\$76.50	\$0.00	\$76.50
AGING TOTALS:		\$541,598.43	\$202,627.63	\$5,991.41	\$15,760.00	\$11,549.00	\$777,526.47	(\$43,745.48)	\$733,780.99
AGING PERCENTAGES:		69.66%	26.06%	0.77%	2.03%	1.49%	100.00%		

TOTAL AGING BALANCE: \$777,526.47

TOTAL PAYMENTS ON ACCOUNT: (\$43,745.48)

LEDGER BALANCE: \$733,780.99

TOTAL DEPOSITS WITH ORDER: \$0.00

REPORT BALANCE: \$733,780.99

REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2017 THROUGH SEPTEMBER 2020.

NDOC Industrial Programs Report of Offenders Working FY 2017														
INST	SHOP	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	FY 2017 Mo. AVG
HDSP	DMD (private)	120	108	96	88	88	131	136	140	141	135	127	125	121
LCC	Garment	100	100	106	95	104	104	102	102	93	137	110	111	106
NNCC	Metal	24	24	26	25	24	27	27	26	27	29	27	27	27
NNCC	Furniture	29	30	28	28	30	31	27	26	29	27	38	32	31
NNCC	Mattress	13	12	11	11	12	12	12	12	12	13	12	12	13
NNCC	Printing/Book Bindery	26	27	34	26	25	38	33	33	31	31	31	31	31
SCC	Ranch	20	22	21	26	20	22	23	22	23	21	27	28	24
SCC	Horses	30	29	25	28	26	27	25	25	26	23	23	26	27
SCC	Tag Plant	14	14	19	18	18	18	15	15	18	17	17	18	18
SDCC	Auto/Upholstery	16	16	17	17	21	19	18	18	20	21	20	20	20
SDCC	DMD (private)	30	25	25	26	24	31	31	33	36	34	36	36	32
SDCC	Opportunity Village	9	0	0	0	0	0	0	0	0	0	0	0	2
FMWCC	Jacobs Trading (private)	15	15	14	14	19	17	17	18	18	18	18	18	18
WCC	DMD (private)	9	8	8	7	7	9	9	9	8	9	10	10	10
Grand Total		455	430	430	409	418	486	475	479	482	515	496	494	465
Average Offender Population		13,686	13,697	14,021	14,050	14,094	14,153	14,091	14,108	14,169	14,151	14,179	14,117	14,096
Percent of Offender Population Working		3.3%	3.1%	3.1%	2.9%	3.0%	3.4%	3.4%	3.4%	3.4%	3.6%	3.5%	3.5%	3.3%

NDOC Industrial Programs
Report of Offenders Working
FY 2018

INST	SHOP	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	FY 2018 Mo. AVG
HDSP	DMD (private)	131	129	148	165	164	163	144	151	146	147	160	170	152
LCC	Garment	110	109	101	104	114	114	108	99	102	105	104	106	106
NNCC	Metal	28	27	27	25	28	21	20	20	21	19	19	18	23
NNCC	Furniture	33	31	31	32	32	24	28	24	25	29	26	26	28
NNCC	Mattress	12	12	12	11	11	11	11	10	9	9	10	9	11
NNCC	Printing/Book Bindery	35	30	33	29	28	29	28	25	23	24	29	27	28
SCC	Ranch	25	25	24	22	28	27	29	28	26	27	30	29	27
SCC	Horses	23	28	29	26	22	22	24	29	26	26	25	24	25
SCC	Erickson Framing NV (private)	0	0	0	0	0	0	0	0	0	0	0	8	1
SCC	Tag Plant	18	18	16	16	15	14	14	14	14	16	19	16	16
SDCC	Auto/Upholstery	19	19	18	18	16	16	15	13	15	15	17	19	17
SDCC	Opportunity Village	-	-	-	-	-	-	-	-	-	-	6	21	2
SDCC	DMD (private)	34	34	33	33	34	33	33	31	32	32	29	27	32
FMWCC	Jacobs Trading (private)	18	18	18	18	18	18	18	17	18	16	16	17	18
WSCC	DMD (private)	10	10	10	9	9	9	9	8	8	8	8	8	9
Grand Total		496	490	500	508	519	501	481	469	465	473	498	525	494
Average Offender Population		14,070	14,060	14,074	13,681	13,592	13,325	13,804	13,800	13,838	13,820	13,805	13,760	13,805
Percent of Offender Population Working		3.5%	3.5%	3.6%	3.7%	3.8%	3.8%	3.5%	3.4%	3.4%	3.4%	3.6%	3.8%	3.6%

NDOC Industrial Programs
Report of Offenders Working
FY 2019

INST	SHOP	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	FY 2019 Mo. AVG
HDSP	DMD (private)	131	157	155	182	177	179	183	172	182	162	173	172	169
LCC	Garment	108	101	94	103	102	105	119	112	110	108	118	121	108
NNCC	Metal	20	21	21	21	20	25	21	22	24	27	25	27	23
NNCC	Furniture	26	28	27	28	28	24	26	28	28	31	34	35	29
NNCC	Mattress	9	10	11	11	10	10	8	9	11	11	12	10	10
NNCC	Printing/Book Bindery	30	27	23	27	28	27	30	31	31	26	28	34	29
SCC	Ranch	32	35	33	30	28	34	34	31	34	34	39	37	33
SCC	Horses	24	23	23	29	32	31	29	29	26	32	35	32	29
SCC	Erickson Framing NV (private)	9	10	10	14	14	13	13	12	13	16	14	14	13
SCC	Tag Plant	15	14	13	13	15	15	14	13	14	14	14	14	14
SDCC	Auto/Upholstery	21	21	20	20	19	19	19	19	19	19	19	22	20
SDCC	DMD (private)	28	27	27	28	29	27	26	26	26	25	25	25	27
SDCC	Opportunity Village (private)	-	6	-	-	-	-	-	-	-	-	-	-	1
FMWCC	Jacobs Trading (private)	17	17	17	20	19	22	22	24	24	23	22	22	21
WSCC	DMD (private)	8	8	8	7	7	7	7	7	7	7	7	0	7
Grand Total		478	505	482	533	528	538	551	535	549	535	565	565	530
Average Offender Population		13,790	13,824	13,845	13,837	13,788	13,752	13,670	13,652	13,663	13,596	13,544	13,428	13,699
Percent of Offender Population Working		3.5%	3.7%	3.5%	3.9%	3.8%	3.9%	4.0%	3.9%	4.0%	3.9%	4.2%	4.2%	3.9%

NDOC Industrial Programs
Report of Offenders Working
FY 2020

INST	SHOP	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	FY 2020 12 Mo. AVG.
HDSP	DMD (private)	184	165	172	161	170	172	166	186	185	214	212	223	184
HDSP	SCI (private)	-	28	39	46	43	38	52	72	72	29	-	21	37
LCC	Garment	118	115	115	131	126	124	123	121	119	122	123	126	122
NNCC	Metal	27	27	25	24	19	17	21	21	20	21	21	21	22
NNCC	Furniture	35	33	30	32	27	36	36	36	34	33	27	33	33
NNCC	Mattress	14	14	13	12	11	13	10	10	11	10	10	11	12
NNCC	Printing/Book Bindery	34	32	27	30	32	29	26	30	27	23	20	24	28
NNCC	Detergent	0	0	0	0	0	0	0	0	0	31	26	20	6
SCC	Ranch	42	47	35	37	36	35	37	39	34	41	41	46	39
SCC	Horses	30	30	28	27	29	30	30	33	36	35	38	29	31
SCC	Erickson Framing NV (private)	13	12	10	9	12	13	13	13	13	0	0	0	9
SCC	Tag Plant	13	15	15	15	15	15	13	14	17	14	14	12	14
SDCC	Auto/Upholstery	20	21	21	21	25	25	18	20	25	26	26	24	23
SDCC	DMD (private)	20	21	21	21	17	22	21	21	23	37	37	31	24
FMWCC	Jacobs Trading (private)	21	21	21	21	0	0	0	0	0	0	0	0	7
														0
Grand Total		571	581	572	587	562	569	566	616	616	636.00	595.00	621.00	591
														0
Average Offender Population		13,361	13,321	13,243	13,132	13,028	12,972	13,626	12,843	12,742	12,631	12,406	12,300	12,967
Percent of Offender Population Working		4.3%	4.4%	4.3%	4.5%	4.3%	4.4%	4.2%	4.8%	4.8%	5.0%	4.8%	5.0%	4.6%

NDOC Industrial Programs
Report of Offenders Working
FY 2021

INST	SHOP	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	FY 2021 3 Mo. AVG.
HDSP	DMD (private)	194	70	59	-	-	-	-	-	-	-	-	-	108
HDSP	SCI (private)	59	-	45	-	-	-	-	-	-	-	-	-	35
SDCC	Allwyre (private)	-	-	5	-	-	-	-	-	-	-	-	-	2
LCC	Garment	126	121	125	-	-	-	-	-	-	-	-	-	124
NNCC	Metal	20	21	22	-	-	-	-	-	-	-	-	-	21
NNCC	Furniture	31	31	30	-	-	-	-	-	-	-	-	-	31
NNCC	Mattress	10	10	9	-	-	-	-	-	-	-	-	-	10
NNCC	Printing/Book Bindery	22	24	23	-	-	-	-	-	-	-	-	-	23
NNCC	Detergent	0	5	7	-	-	-	-	-	-	-	-	-	4
SCC	Ranch	46	47	41	-	-	-	-	-	-	-	-	-	45
SCC	Horses	28	27	27	-	-	-	-	-	-	-	-	-	27
SCC	Erickson Framing NV (private)	0	0	0	-	-	-	-	-	-	-	-	-	0
SCC	Tag Plant	11	11	11	-	-	-	-	-	-	-	-	-	11
SDCC	Auto/Upholstery	11	23	22	-	-	-	-	-	-	-	-	-	19
SDCC	DMD (private)	16	29	31	-	-	-	-	-	-	-	-	-	25
Grand Total		574.00	419.00	457.00	-	-	-	-	-	-	-	-	-	483
Average Offender Population		12,115	11,993	11,691										11933
Percent of Offender Population Working		4.7%	3.5%	3.9%										4.1%

**REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE
PRISONS CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND –
FY 2019, FY 2020, AND FY 2021 YEAR-TO-DATE.**

NEVADA DEPARTMENT OF CORRECTIONS
Prison Industries Payroll Assessments

	FY 2019				FY 2020 YTD				FY 2021 YTD			
	a) R & B	b) VCF	c) PICI	Total	a) R & B	b) VCF	c) PICI	Total	a) R & B	b) VCF	c) PICI	Total
Northern Nevada Correctional Ctr.	52,639	10,743	10,743	74,125	51,982	10,609	10,609	73,200	21,192	4,470	4,470	30,132
Stewart Conservation Camp	97,379	19,696	19,696	136,771	92,001	18,776	18,776	129,552	32,592	6,651	6,651	45,894
Lovelock Correctional Ctr.	79,300	16,184	16,184	111,667	103,011	21,023	21,023	145,057	41,695	8,509	8,509	58,713
Florence McClure Womens' Correctional Ctr.	56,275	11,485	11,485	79,244	1,915	391	391	2,696	-	-	-	-
Southern Desert Correctional Ctr.	22,878	4,669	4,669	32,216	31,089	6345	6345	43,779	23,258	4747	4747	32,752
Warm Springs Correctional Ctr.	3,107	634	634	4,375	-	-	-	-	-	-	-	-
High Desert State Prison	53,323	10,882	10,882	75,087	56,331	11,496	11,496	79,324	16,188	3,304	3,304	22,796
Total	\$ 364,900	\$ 74,292	\$ 74,292	\$ 513,485	\$ 336,329	\$ 68,639	\$ 68,639	\$ 473,608	\$ 134,925	\$ 27,681	\$ 27,681	\$ 190,287

a) Room and Board (R & B)

Twenty-Four and one-half percent of the offender's gross wages are assessed to defray some of the costs incurred by the State to house the offenders.

b) Victims of Crime Fund (VCF)

Five percent of the offender's gross wages are assessed for the Fund for Compensation of Victims of Crime.

c) Prison Industries Capital Improvement Fund (PICI)

Five percent of the offenders' gross wages are assessed for capital projects to house new or expanded Prison Industry programs.

These percentages are subject to change per Marcy's law.

**REPORT ON NET LOSS OF THE AUTO AND UPHOLSTERY SHOP AT THE
SOUTHERN DESERT CORRECTIONAL CENTER AND THE PLAN FOR THE
GENERATION OF A PROFIT IN THE SHOP IN FY 2021 PURSUANT TO NRS 209.461.**

Agenda Item VIII

The following is an excerpt from the questions and responses previously provided to members of the Committee on Industrial Programs (see memo dated October 20, 2020) following the September 25, 2020, meeting.

Legislative Counsel Bureau Memo dated 9/30/20 Question 1 response:

3. During testimony on the Silver State Industries' financial statements, department noted that the Auto and Upholstery Shop had experienced losses in each of the last two fiscal years. Pursuant to NRS 209.461 Sec. 5, any state sponsored program that incurs a net loss for two consecutive fiscal years requires that the Director to come forward before the Committee on Industrial Programs and explain the reasons for the net loss and to provide a plan for generating profit in the next fiscal year. Furthermore, the statutes requires that the Director take appropriate steps to curb future losses of the program. Based on information previously presented to the Committee, it appears that the Auto and Upholstery Shop has now had four consecutive fiscal years in which there were net losses.

In that regard, please plan to prepare meeting material and anticipate that an item will be included for discussion purposes specific to the Auto and Upholstery shop on the agenda for the December 2020, meeting of the Committee on Industrial Programs. Committee staff will provide additional direction regarding the timeframe in which this information will be needed as we get closer to the December meeting.

Net Loss and Plan for Profit

The Silver State Industries Auto Body Shop, located at Southern Desert Correctional Center in Indian Springs, has reported a net loss for four consecutive years. There are several contributing factors for the continued loss at the Auto Body Shop in Southern Desert. As part of the internal review process conducted in June 2020 by Silver State Industries to identify weaknesses in the auto body program, we also identified steps to improve on those weaknesses and turn the losses into a profit.

At the same time, we recognize that the value of the program extends beyond monetary revenue. An integral piece of our mission at Silver State Industries is to "provide the inmates the skills necessary to successfully re-enter society." Like the other shops throughout the state, the Auto Body Shop teaches inmates a skill necessary for a successful and safe transition into the workforce after release.

Additionally, inmates learn the soft skills of interacting with supervisors and one another, professionalism, work ethic and a sense of self-worth. Specifically, the skills learned in the auto body shop are in high demand and will likely prove to be marketable on the outside.

While we are working to increase profit margins, we also acknowledge the intangible benefits the program offers to the workers in that shop. Please find below an explanation of the losses the Auto Body Shop has incurred, along with plans to remedy those losses.

Overhead Costs

Net Loss:

The largest discrepancy we discovered in the financial records of the Auto Body Shop was in the operational costs in relation to the billable-hour rate. For instance, 2018 records show the shop incurred \$82,850 in overhead expenses; however, only \$25,991 of that was passed on to the customer. That meant 97 percent of revenue was absorbed in operational costs. Undercharging customers negatively impacted the bottom line.

Plan for Profit:

Since adjusting the quoting process in June, the operating costs now only absorb 57 percent of the revenue. We are continuing to adjust pricing to compensate. We plan to increase billable hours by \$22, raising it from \$48 to \$70 per hour, which remains below the industry standard.

Invoicing

Net Loss:

The internal review showed deficiencies in invoicing. The shop was not receiving payment until the entire job was complete, which could take multiple months and even run into the next budget cycle. This reflects negatively on the financial statements because we were expensing labor and overhead costs without recognized revenue to offset those costs.

Plan for Profit:

The shop is now invoicing partial work as completed. As we complete a portion of the work (body work, paint, upholstery, mechanical), we are invoicing for that portion to recognize revenue which will offset expense of labor, overhead and materials.

The supervisor at the shop is also going to focus on smaller jobs with a faster turnaround. For example, we will be taking more exterior paint jobs or reupholster jobs, rather than complete restorations. This will allow us to receive more consistent and more frequent revenue.

Quoting Process

Net Loss:

The internal review showed an inefficient quoting process. Records also revealed a backlog of orders and slow turnaround times on orders.

Plan for Profit:

Quotes have been restructured to better reflect the overhead expenses as well as material usage for inventory tracking and recovering expenses. Labor rates have also been restructured to more accurately reflect actual labor and overhead costs.

Work flow and teams have been re-planned to finish projects more efficiently, lean manufacturing processing, and more timely completion times. This will allow the shop to work through the backlog of work and meet the customer requests. This will generate additional revenue and reduce material and labor waste.

Quality Staffing

Net Loss:

Like the institution itself, the auto body shop has a hard time attracting quality employees because of its remote location. For several years, the marketing coordinator for Silver State Industries filled in as supervisor. In August 2019, we hired a supervisor for that shop, but that supervisor resigned less than a year later. The marketing coordinator has since retired as well. The correctional officer assigned to the shop is now filling in temporarily as the supervisor.

Plan for Profit:

The correctional officer assigned to the auto body shop, is filling in as acting supervisor. He will stay in that role until the position is filled. The job opening has been announced as of Sept. 9, 2020.

Other

Silver State Industries is renegotiating the contract with Diamond Mountain Distributions (the card-sorting operation) to better reflect current costs. Allwire has opened its operation at Southern Nevada Correctional Center. It is a secondary business that manufactures cable and wire harness assemblies, printed circuit board assembly, electromechanical assemblies for high reliability and commercial applications.

Revenue from these two businesses will diversify revenue stream. Along with the adjusted overhead rates from the Auto Body Shop, the program at Southern Desert Correctional Center should start to see a profit.

**STATUS OF FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES –
NRS 209.192.**

FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES

Historical Revenues and Expenditures for FY 2017 through FY 2021 YTD

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
<i>Beginning Balance:</i>	\$ 303,821	\$ 371,715	\$ 443,622	\$ 345,766	\$ 303,727
Revenue:					
Inmate Wage Assessments:	\$ 65,161	\$ 66,219	\$ 74,292	\$ 68,547	\$ 14,966
Interest Income:	\$ 2,725	\$ 5,688	\$ 9,085	\$ 7,483	\$ 1,842
Rebate:	\$ 7	\$ -	\$ -	\$ -	\$ -
<i>Total Revenue:</i>	\$ 67,893	\$ 71,907	\$ 83,378	\$ 76,031	\$ 16,808
Expenditures Incurred:	\$ -	\$ -	\$ 181,235	\$ 118,070	\$ -
Encumbrances:	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Ending Balance:</i>	\$ 371,715	\$ 443,622	\$ 345,765	\$ 303,727	\$ 320,535

