

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

(NRS 209.4817)



**Friday, June 17, 2016
1:00 p.m.**

*Grant Sawyer State Office Building
Room 4412
555 East Washington Avenue
Las Vegas, Nevada*

Videoconference to:

Legislative Building
Room 3138
401 South Carson Street
Carson City, Nevada

STATE OF NEVADA
LEGISLATIVE COUNSEL BUREAU

LEGISLATIVE COMMISSION (775) 684-6800
MICHAEL ROBERSON, *Senator, Chairman*
Rick Combs, *Director, Secretary*

INTERIM FINANCE COMMITTEE (775) 684-6821
PAUL ANDERSON, *Assemblyman, Chairman*
Cindy Jones, *Fiscal Analyst*
Mark Krmpotic, *Fiscal Analyst*

CARSON CITY OFFICE:
Legislative Building, 401 S. Carson Street
Carson City, Nevada 89701-4747
Fax No.: (775) 684-6600
RICK COMBS, *Director* (775) 684-6800
BRENDA J. ERDOES, *Legislative Counsel* (775) 684-6830
ROCKY COOPER, *Legislative Auditor* (775) 684-6815
SUSAN E. SCHOLLEY, *Research Director* (775) 684-6825



LAS VEGAS OFFICE:
555 E. Washington Avenue, Room 4400
Las Vegas, Nevada 89101-1072
Fax No.: (702) 486-2810
MELISA R. AGUON, *Legislative Services Officer* (702) 486-2800

MEETING NOTICE AND AGENDA

Name of Organization: NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S
COMMITTEE ON INDUSTRIAL PROGRAMS (NRS 209.4817)

Date and Time of Meeting: June 17, 2016 – 1:00 p.m.

Place of Meeting: Grant Sawyer State Office Building
Room 4412
555 East Washington Avenue
Las Vegas, Nevada

Note: Some members of the Committee may be attending the meeting and other persons may observe the meeting and provide testimony through a simultaneous videoconference conducted at the following location:

Legislative Building
Room 3138
401 South Carson Street
Carson City, Nevada

If you cannot attend the meeting, you can listen to it live over the Internet. The address for the Nevada Legislature website is <http://www.leg.state.nv.us>. Click on the link "Calendar of Meetings – View."

Note: Please provide the secretary with electronic or written copies of testimony and visual presentations if you wish to have complete versions included as exhibits with the minutes.

AGENDA

Note: 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 of time considerations, speakers are urged to avoid repetition of comments made by previous speakers. 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 in person or by email, facsimile, or mail before, during, or after the meeting.)

III. OPENING REMARKS FROM THE CHAIRMAN.

For Possible Action

IV. APPROVAL OF THE MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR MARCH 11, 2016.

For Possible Action

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

For Possible Action

VI. REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2013 THROUGH APRIL 2016.

For Possible Action

VII. REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE PRISONS CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2014, FY 2015 AND FY 16 YEAR-TO-DATE.

For Possible Action

VIII. REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDING MARCH 31, 2016.

For Possible Action

IX. STATUS OF FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES (NRS 209.192).

For Possible Action

X. DISCUSSION OF DISCONTINUED PRISON INDUSTRY PROGRAMS, OTHER POTENTIAL PRISON INDUSTRY PROGRAMS, AND COMMITTEE RECOMMENDATIONS.

XI. PUBLIC COMMENT.

(Because of time considerations, speakers are urged to avoid repetition of comments made by previous speakers. 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 in person or by email, facsimile, or mail before, during, or after the meeting.)

XII. ADJOURNMENT.

Note: We are pleased to make reasonable accommodations for persons with disabilities who wish to attend the meeting. If special arrangements for the meeting are necessary, please notify the Fiscal Analysis Division of the Legislative Counsel Bureau, in writing, at the Legislative Building, 401 South Carson Street, Carson City, Nevada 89701-4747, or call the Fiscal Analysis Division at (775) 684-6821 as soon as possible.

Notice of this meeting was posted in the following Carson City and Las Vegas, Nevada, locations: Blasdel Building, 209 East Musser Street; City Hall, 201 North Carson Street; Legislative Building, 401 South Carson Street; and Legislative Counsel Bureau, Las Vegas Office, Grant Sawyer State Office Building, 555 East Washington Avenue. Notice of this meeting was faxed, e-mailed, or hand delivered for posting to the following Carson City and Las Vegas, Nevada, locations: Capitol Press Corps, Basement, Capitol Building, 101 North Carson Street; Clark County Government Center, Administrative Services, 500 South Grand Central Parkway; and Capitol Police, Grant Sawyer State Office Building, 555 East Washington Avenue. 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 Subcommittee members for this meeting may be requested from Donna Thomas, Committee Secretary, at 775-684-6822 or the receptionist, Fiscal Analysis Division of the Legislative Counsel Bureau at 775-684-6821, and is/will be available at the following locations: Meeting locations and the Nevada Legislature's website at www.leg.state.nv.us.

**MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S
INTERIM FINANCE COMMITTEE'S COMMITTEE ON
INDUSTRIAL PROGRAMS FOR MARCH 11, 2016**

**MINUTES OF THE
NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S
COMMITTEE ON INDUSTRIAL PROGRAMS
(NRS 209.4817)
March 11, 2016**

SUMMARY OF MINUTES

The second meeting of the 2015-16 Interim for the Nevada Legislature's Interim Finance Committee's Committee on Industrial Programs was held at 2:00 p.m. on Friday, March 11, 2016, in Room 4412 of the Grant Sawyer State Office Building in Las Vegas, Nevada. The meeting was simultaneously videoconferenced to Room 3138 of the Legislative Building in Carson City.

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblyman James Oscarson, Chair
Senator Pete Goicoechea, Vice Chair
Assemblyman James Ohrenschall
Senator David Parks
Bruce Aguilera, Representing Business
Todd Leany, Representing Manufacturing
Mike Magnani, Representing Organized Labor
Randy Soltero, Representing Organized Labor
Allen J. Puliz, Representing Manufacturing

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

E.K. McDaniel, Interim Director, Nevada Department of Corrections
Jeffrey Haag, Administrator, Purchasing Division, Department of Administration

STAFF MEMBERS PRESENT IN LAS VEGAS:

Sarah Coffman, Senior Program Analyst, Fiscal Analysis Division
James Penrose, Senior Principal Deputy Legislative Counsel, Legal Division

STAFF MEMBERS PRESENT IN CARSON CITY:

Brody Leiser, Program Analyst, Fiscal Analysis Division
Donna Thomas, Committee Secretary, Fiscal Analysis Division

OTHERS PRESENT IN LAS VEGAS:

Brian Connett, Deputy Director, Industrial Programs, Nevada Department of Corrections
Diane Dastal, Administrative Services Officer II, Nevada Department of Corrections
Honorable Richard Bryan, former U.S. Senator and Nevada Governor

OTHERS PRESENT IN CARSON CITY:

Bill Quenga, Marketing Coordinator, Prison Industries, Nevada Department of Corrections
Lane Hanner, Supervisor, Prison Industries, Nevada Department of Corrections

Mary Byington, Supervisor of the Print Shop, Silver State Industries, Nevada Department of Corrections
Justin Pope, Prison Ranch Supervisor, Prison Industries, Nevada Department of Corrections
Matthew Brown, Prison Industries, Nevada Department of Corrections

EXHIBITS:

Exhibit A: Agenda and Meeting Packet

I. ROLL CALL.

Chair Oscarson asked the secretary to take roll; all members present.

II. PUBLIC COMMENT.

There was no public comment.

III. OPENING REMARKS BY THE CHAIR.

Chair Oscarson thanked the members for their attendance at the meeting.

IV. APPROVAL OF MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR OCTOBER 9, 2015.

Chair Oscarson requested a motion for approval of the minutes from the October 9, 2015, meeting.

SENATOR PARKS MOVED TO APPROVE THE MINUTES OF THE OCTOBER 9, 2015, MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS.

MR. MIKE MAGNANI SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

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

Diane Dastal, Administrative Services Officer II, Nevada Department of Corrections (NDOC) summarized the status report on outstanding debt owed to Prison Industries, pages 23 and 24 of the meeting packet (Exhibit A).

Robert Whitney, Deputy Attorney General, Office of the Attorney General (OAG) stated that he had been in contact with the Haydee Meeker, Chief Accountant, Controller's Office. He said Ms. Meeker provided an update on the judgment against Alpine Steel and the multiple collections agencies that had been trying to collect the debt owed by

Alpine Steel. Ms. Meeker reported to Mr. Whitney that the collection efforts have been returned to the Controller's Office as uncollectable.

Mr. Whitney said that the Attorney General's Office also looked into the collection of the judgement settlement against Alpine Steel. He noted that he had previously staffed the case with his supervisor, and the discussion at that time was that there were certain procedures to follow when collecting on a judgement. He looked at the Civil Justice statute, Enforcement of Judgments (NRS 21.070), the execution process of the judgement, which involved the sheriff's department. However, it was noted that during previous discussions regarding the collection process, if the execution process was used for the vehicles left at HDSP that the storage and transportation costs would diminish any money the state received from the judgement. Recently, Mr. Whitney indicated that he revisited the judgement with his new chief, who suggested a different avenue to pursue to obtain the title for the vehicles by publication, which he was looking into. In addition, there were two different sets of property that the law looked at and certain ways on how to dispose of the vehicles, non-vehicles and remaining equipment. He understood that Bill Quenga, Prison Industries, was moving forward with disposing all of the non-vehicle property.

Continuing, Mr. Whitney said that there was a question regarding Mr. Bulloch's assistance to obtain the certifications for the steel and he was unsure how that process worked. He said the certified mill test report (CMT) would help the steel sell for a higher price. He stated that he sent a letter in January 2016 to Mr. Bulloch regarding the CMT report, and to date, there was no response to that request. He said that there were also discussions about settling the debt for a lesser amount with Mr. Bulloch. He indicated that Mr. Connett provided a phone number to reach Mr. Bulloch at Steel Partners, and when he called, he was informed that Mr. Bulloch was no longer employed by that business. Mr. Whitney was able to find a number for Mr. Bulloch at his residence, but the call went to the answering machine. He left a message on the answering machine, and at some point, left a message with an adult at the residence indicating who he was and the subject of a possible settlement. Mr. Whitney stated that he recently made another attempt to get in touch with Mr. Bulloch by reaching out to a former employer of Alpine Steel, who was not comfortable giving him Mr. Bulloch's number, but who did offer to contact Mr. Bulloch and relay the message. Mr. Whitney said that Mr. Bulloch returned his call indicating that he was open to possible discussion to settle the debt for a lesser amount on behalf of Alpine Steel. Mr. Whitney has spoken with Mr. Connett and was prepared to speak with Mr. Bulloch soon to discuss possibly settling for a lesser amount if he was willing to pay the debt.

Brian Connett, Deputy Director, NDOC, stated that he reached out to other companies and auction facilities to look at the equipment and vehicles left at HDSP. He said that the equipment was not in good shape, and the problem was transporting the equipment and vehicles to the auction site, which was costly. In addition, the auction company took a percentage from the sale of the equipment, which most likely would be what the state received from the sale or possibly cost more. He recently made contact with another person to look at the equipment and vehicles at High Desert State Prison

(HDSP) to get an idea of the cost to take the items. Mr. Connett stated that he was working with the current administrator of state procurement for approval to move forward with the sale of the equipment and to get some good feedback on what the state could get for the equipment and vehicles. Mr. Connett said the Attorney General's Office and Prison Industries would try to negotiate with Mr. Bulloch to resolve the debt owed.

Senator Goicoechea stated that he thought NDOC needed to know the value of the equipment and surplus steel before negotiating a settlement. He asked why the equipment was not sold through a state surplus auction. If the state went through the proper legal processes and the equipment was sold at a state surplus auction, NDOC could then let Mr. Bulloch know what the equipment sold for and the outstanding debt owed after the sale to see if the issue could be resolved.

Mr. Whitney replied that legally it was possible to go through an auction process with the non-vehicle property; however, there was a distinction between the steel at HDSP, welding equipment, and the vehicles. For the vehicle property, the state had to show some type of documentation, like a title, in order to sell the vehicle. For the non-vehicle property, the state could dispose of the equipment in the best way possible, because the process needed to sell the equipment were complete and in compliance. In addition, a letter was sent to Mr. Bulloch, and the required amount time for a response had passed, so the state could legally dispose of the non-vehicle property.

Senator Goicoechea asked if the forklifts were considered vehicles or equipment. Mr. Connett replied that one of the forklifts left at HDSP was missing tires and the engine on the other forklift was disassembled and would not bring in a significant amount of money.

Senator Goicoechea said that surplus equipment sold at state auctions were in varying levels of disrepair. He thought if the equipment was treated as state surplus that other state agencies could assist in selling the equipment. He added that vehicles without a title were often sold at auctions. He stressed that the outstanding debt from Alpine Steel needed to be addressed.

Mr. Connett stated that employees from the Department of Motor Vehicles looked at the equipment, researched the vehicles by VIN numbers, and found that some of the tractors and flatbed trailers had bank loans. Mr. Connett thought that through the phone call recently received from Mr. Bulloch that they may be able to address some of those issues. In regard to getting quotes for what everything was worth, he was aware that scrap steel prices were very depressed.

Assemblyman Goicoechea said that he hoped that 40 tons of steel would be worth more than scrap steel.

Mr. Aguilera asked if Alpine Steel was still in business, and Mr. Whitney replied it does not appear that Alpine Steel is operating. Alpine Steel surrendered its state business

license in 2014. He noted that Mr. Bulloch appeared to be working for a different company.

Mr. Leany stated that Mr. Bulloch was currently running the structural steel department at Hunt Steel. He was unsure if Mr. Bulloch had any share of ownership in Hunt Steel, but it was worth investigating because there may be some assets with Hunt Steel to support paying off some of his debt. Mr. Leany asked if a compromised offer was made by Mr. Bulloch, would he keep the steel and equipment or would it be retained by the state. Mr. Connett replied that was part of the discussion he had with Mr. Whitney.

Mr. Leany thought that if Mr. Bulloch paid part of the debt that the state would keep the steel and the equipment to sell and the profits would go toward the total obligation, and Mr. Connett agreed.

Chair Oscarson welcomed the Honorable Richard Bryan, attending the meeting in Las Vegas.

Responding to Mr. Leany's point, Mr. Penrose said that his review of the underlying contract for Alpine Steel indicated that Mr. Bulloch signed all of the documents solely in his representative capacity as an agent for Alpine Steel and there was no individual liability for the debt. Therefore, the question of his assets would ultimately not be helpful in collecting the debt judgement.

Mr. Penrose asked Mr. Whitney if he received a response from the letter sent to Mr. Bulloch regarding the CMT report for the steel. Mr. Whitney replied that when he spoke to Mr. Bulloch he indicated that he received the letter. Mr. Whitney said that it seemed that Mr. Bulloch wanted to discuss the CMT report as part of the settlement.

Mr. Penrose asked if there was a breakdown of the type of steel left at HDSP and whether it was stock or scrap steel. Mr. Connett replied that initially when they discussed the steel certifications there were some large heavy structural steel pieces at the site that had since been returned to its original owner, which was not Alpine Steel. He said that the CMT reports were more of an issue for the structural steel not the scrap pieces.

Mr. Quenga said that when the CMT reports were originally requested there were 16 x 16 square steel tubes, which have been returned to its original owner. He said there are four steel beams that could not be used as structural steel, and the remaining steel was flat strap, steel angle iron, and solid round steel; a majority of the steel was cut to five foot or smaller sections. In addition, there was a forklift, which was yellow iron and considered scrap. The current price for steel was below \$40 a gross ton. Mr. Quenga stated that he talked to one recycling company who indicated that to bring in a 35-foot bin to dispose of the steel would cost approximately \$600 per bin. The state would end up owing the recycling company to remove the steel from HDSP. He said that Prison Industries was trying to find someone to purchase all the scrap steel,

because there were companies that would purchase steel and hold it until prices increased.

Senator Goicoechea stated that Pacific Steel were located at all the mine sites and would go to ranches to pick up scrap steel. He believed Prison Industries could get rid of the steel without it costing the state money.

Mr. Puliz stated that he recently tried to sell racking steel in Southern Nevada when the price of steel was \$45 a ton and was told if he delivered the steel to the scrap steel company they would take it but not pay anything for the steel.

Mr. Connett said that Prison Industries was just looking to get someone to take the steel and provide some funding for the steel.

Mr. Penrose requested a report from Prison Industries on the progress of the collection efforts as it continued. He said it sounded like nothing was going to happen in the foreseeable future with the steel. He agreed that it did not make sense to try to reach a settlement with Mr. Bulloch until there was a real sense of the worth of the material.

Assemblyman Ohrenschall asked if the Controller's Officer conducted an asset search on Alpine Steel to see if it was operating or had assets in another jurisdiction or state.

Mr. Whitney replied that he did not know if an asset search was considered by the Controller's Office but would research it and provide that information to the Committee.

Assemblyman Ohrenschall asked that when there was a settlement on the debt owed if the Committee approved the settlement or would it go to the Board of Examiners or Interim Finance Committee (IFC) for approval. Mr. Penrose replied that the Committee would not be involved in the settlement and he was unaware if the settlement would go to the Board of Examiners or IFC for approval. He thought that a representative of the Controller's Office was present at the Carson City meeting location to address those concerns.

Chair Oscarson asked if there was a representative from the Controller's Office in attendance at the Carson City meeting location. Since no one was present from the Controller's Office, he asked Mr. Penrose to follow up with the Controller's Office on whether an asset search was done for Alpine Steel.

Assemblyman Ohrenschall asked if the Attorney General's Office considered seeking the help of outside counsel, a collection agency or someone specializing in collection law that could do a nationwide asset search so Prison Industries was aware that Alpine Steel was truly judgement proof and the state would never be able to restore the money owed. He did not want Prison Industries to think that the steel at HDSP were the only assets when there could be something recoverable in another jurisdiction. Mr. Whitney replied that has not been considered.

Mr. Penrose recalled his conversations with the Controller's Office and after the judgement was assigned to their office for collection, two different collection agencies were hired to conduct an asset search, although he was unsure of the scope of the search and whether it was limited to the State of Nevada or extended nationwide. His recollection of the limited collection work that he did in collecting debt was that those collection agencies would have looked at all the assets, which were a matter of record all over the country. He said that the result of the collection agencies search was negative. He added that according to the records of the Secretary of State, Clark County and from the Contractor's Board, Alpine Steel was completely defunct and had surrendered their contractor's license in October 2013.

Mr. Leany pointed out that the price of steel jumped significantly recently, as much as \$60 to \$75 a ton, and he thought it was the right time to sell the scrap steel. He asked who the owner was of the additional steel that was remaining at HDSP.

Mr. Connett responded that the steel tubing was purchased by another entity working on the SkyVue Observation Wheel in Las Vegas.

Mr. Leany asked if the entity bought the steel from Alpine Steel. Mr. Connett replied that according to the OAG, it appeared that the other entity purchased the steel and had it delivered to HDSP.

Mr. Leany asked if that entity was paying Alpine Steel for the fabrication services, and Mr. Connett replied that he was unsure what they paid Alpine Steel to do, or if it involved erection of the Ferris wheel or other services outside of fabrication.

Mr. Leany asked Mr. Connett if he looked at the invoices from the manufacturer to that entity providing the steel tubing, and Mr. Connett replied NDOC was sure that there were invoices and purchase orders for that entity.

Mr. Leany stated that he thought it was an interesting arrangement. He questioned why the steel tubing was at HDSP. He thought that there could possibly be money that was recoverable if the entity purchased the steel tubing from Alpine Steel.

Mr. Magnani asked if there was a mechanism in place so a similar situation does not occur again. Mr. Connett replied that during the 2015 Legislative Session, legislation was passed to ensure that there was a personal guarantee with any new entity doing business with Prison Industries.

Chair Oscarson said that if Alpine Steel had a contractor's license during that period, the money was determined to be owed, and they surrendered their license, if there were any bonding capabilities or bond the state could go after for the money owed. Mr. Connett replied that he had not looked into that.

Mr. Puliz added that most bonds are to the customer the business was contracting with and not to the vendor. He said when a business was building they do not get a bond,

and Prison Industries was a vendor at that time and Alpine Steel was not required to bond their vendors. Therefore, any bonds that Alpine Steel would have received as a contractor would have been to their customers.

Mr. Leany replied that Mr. Puliz was referring to payment and performance bonds, which was true, although the Contractor's Board required a separate bond that the state could go after to recover debt. Mr. Leany thought that looking at the amount of the work that Mr. Bulloch had, he probably had a \$50,000 or \$100,000 bond in place, which would be the maximum amount the state could recover, unless it was recovered by someone else before the state.

Chair Oscarson asked Mr. Connett to have the OAG check on that, and Mr. Connett replied that he would look into it.

Senator Goicoechea agreed with Mr. Leany. He indicated that he owned a livestock business and all that mattered was the market value on the day the livestock was sold, regardless of whether the market was up or down 30 percent. He said that it has been over three years since Alpine Steel surrendered their business license, the company was defunct, and he thought the only recourse without personal liability by Mr. Bulloch was that the debt needed to be cleaned up to the extent it could. He said that it seemed like Mr. Bulloch might want to salvage his personal reputation and the state needed to clean up the books and let Mr. Bulloch know where they were in the process, what he owed the state, and how to proceed.

Mr. Connett asked the Committee to approve allowing Prison Industries, along with the OAG, to move forward and sell the equipment and vehicles left by Alpine Steel through the bidding process.

Mr. Penrose stated that there was nothing in statute that speaks to selling the equipment one way or the other, and agreed that the Committee could make a motion to sell the equipment and vehicles.

Senator Goicoechea agreed and was comfortable selling the equipment to clean up the books, although he would rather go through the auction process. He asked if Mr. Bulloch was the sole owner of Alpine Steel. Mr. Whitney replied that it appeared he was the managing member and the only other member was his spouse, Robin Bulloch.

SENATOR GOICOCHEA MOVED TO APPROVE THAT PRISON INDUSTRIES WORK WITH THE OFFICE OF THE ATTORNEY GENERAL TO SELL THE EQUIPMENT AND VEHICLES LEFT BY ALPINE STEEL AT HIGH DESERT STATE PRISON.

MR. AGUILERA SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Assemblyman Ohrenschall asked if the Committee would get subsequent reports on the progress of the sale of the equipment and vehicles or if it was the settlement agreement between NDOC and Mr. Bulloch.

Mr. Connett replied that he could provide the Committee with an update on the sale of the equipment and vehicles and where NDOC and the OAG were in the process of the settlement agreement.

Chair Oscarson added that through the motion the Committee was empowering NDOC and the OAG to sell the steel and equipment.

Senator Goicoechea reiterated that it has been almost three years since Alpine Steel surrendered their license and the issue needed to be closed from the books. He said the Committee was an advisory committee and through the motion, was authorizing NDOC and the OAG to proceed with selling the assets left from Alpine Steel.

SENATOR GOICOCHEA AMENDED HIS MOTION TO APPROVE THAT PRISON INDUSTRIES WORK WITH THE OFFICE OF THE ATTORNEY GENERAL TO SELL THE STEEL, EQUIPMENT AND VEHICLES LEFT BY ALPINE STEEL AT HIGH DESERT STATE PRISON AND PROVIDE A REPORT TO THE COMMITTEE ON THE PROGRESS OF THE SALE OF THE EQUIPMENT AND VEHICLES LEFT AT HIGH DESERT STATE PRISON.

MR. AGUILERA SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

Mr. Leany said that he was in favor of disposing the assets and recovering what they could from the sale of the equipment and steel. He asked if the sale would be applied toward the outstanding debt and not relieving Mr. Bulloch of his obligation. He thought that because Mr. Bulloch was gainfully employed that there might be some sort of long-term agreement where Mr. Bulloch could pay a monthly amount until his obligation was met, or he could agree to a fixed amount to pay toward his debt until his obligation was settled.

Mr. Connett said that by selling the equipment, steel and vehicles they were not in any way settling for the entire amount of the debt owed.

Assemblyman Ohrenschall asked if the motion was just for the value of the property, the steel and the vehicles on NDOC property and was not for the overall debt owed by Mr. Bulloch, and Mr. Connett agreed.

Assemblyman Ohrenschall said that Mr. Penrose stated earlier that he believed that a nationwide asset search was done and Alpine Steel was not operating in any other jurisdiction. If the motion was clearing off the entire debt, he wanted to be sure that

Alpine Steel was not operating in any other jurisdiction and there were no additional assets.

Mr. Whitney said that the OAG has not moved far with the settlement judgement but the consensus was that the equipment, steel and vehicles was not going to satisfy the entire debt. He said the Committee had to remember not to confuse Mr. Bulloch with Alpine Steel because they were two separate legal entities. He reiterated that the intent of the sale was not a settlement and the state wanted more than what they received from the sale of the assets.

Assemblyman Ohrenschall said that he understood the motion was just giving a blessing to NDOC and OAG to look into some type of negotiated settlement for the equipment and steel left by Alpine Steel on NDOC property.

Senator Goicoechea clarified that the intent of the motion was to give NDOC the ability to sell the assets from HDSP and recover whatever they could from the sale before proceeding with negotiating the settlement judgement.

Mr. Penrose clarified that there has already been a lawsuit on the debt owed, which was reduced to a judgement against Alpine Steel. It was his understanding that the motion gives NDOC the ability to dispose of the property at whatever price could be attained for it and then report back to the Committee on the status of the sale. He said that any ultimate settlement of the case would probably require the approval of the Board of Examiners.

The following item was taken out of order.

XII. DISCUSSION OF OTHER POTENTIAL PRISON INDUSTRY PROGRAMS AND COMMITTEE RECOMMENDATIONS (NRS 209.4818).

Mr. Connett explained that NDOC was currently reaching out to companies, and advertising on eBay and Craigslist for other potential Prison Industry programs. As a result, he received an inquiry from an organization that was interested in doing aquaculture at the southern desert facilities. He indicated that NDOC was in the initial phase of meeting with the company, and fact-finding, to see if the business would be a workable fit for Prison Industries. He added that a conference call was scheduled soon with the company.

In addition, Mr. Connett asked the Committee to consider for discussion at the next Prison Industries meeting, the statute that prohibited inmates from doing telemarketing or having access to personal information. He said that when the statute was initially enacted, the technology was such that companies were just starting to reach out to Prison Industries across the country to do telemarketing. Organizations would provide the names and phone numbers of people that inmates would be reaching out to by phone. However, technology has since changed and inmates do not see any personal

information anymore. Mr. Connett stated that for the most part, many of the calls were incoming for service or warranty work offered by companies.

Chair Oscarson asked if there was any public comment on Agenda Item XII.

Richard Bryan, former U.S. Senator and Nevada Governor, testifying on behalf of XL Steel, Inc., Las Vegas, began his presentation by saying that he was supportive and familiar with the Prison Industries program and had prior experience at the state level. He said the reason he was testifying was that the discussion with respect to Alpine Steel was the genesis of how he got involved on behalf of XL Steel. He said that Alpine Steel was allowed to compete unfairly with his client in the private sector, XL Steel. Senator Bryan wanted to ensure before a Prison Industries program was approved, if there were businesses in the private sector that wanted to compete for the contract that some attempt would be made to notify those businesses. He stated that he expressed his position to the State Prison Board of Commissioners. Senator Bryan stated that his purpose was not to discourage or indicate opposition to the Prison Industry programs, but he wanted it known that his client was victimized as a result of not having the opportunity to be notified that the contract was awarded to Alpine Steel, and as a result, XL Steel lost several bids. He respectively urged the Board to reach out to the private sector industries before a contract was awarded to see how it would affect private businesses.

Mr. Puliz asked Senator Bryan if he recommended a posting of notice of a contract in the paper because it was hard for private industries to find the statewide competitors.

Senator Bryan said that it seemed fair that Prison Industries could try to give proper notice of a perspective contract. Senator Bryan stated that he had requested to be advised of any meetings that dealt with pending contracts, as any other citizen could do, and was unsure why he did not receive notice of the contract. He thought Prison Industries should make the best effort to notice people of contracts awarded.

Mr. Leany thought that putting a notice of the meeting in the paper was a good way to let the private sector know of a meeting that decided on awards of contracts. He asked how it was determined to approve or disapprove the awarded contract in the event someone attended a meeting to challenge the contract.

Senator Bryan replied that if there was already an agreement entered into it might be too late to stop the contract. He thought it would be helpful that prior to a contract being awarded that the Committee was aware of the contract, since the members of the Committee represented both the private and public sector. The Committee could provide some intense questioning on the efforts made to provide the best service to Prison Industries before the contract was awarded. Once the contract was awarded, Senator Bryan said that he would have to defer to the Attorney General for advice, but he thought there was nothing that could be done after the contract was awarded. He said that his purpose was trying to prevent entering a contract rather than giving the private sector a cause of action against the Board, state, or any individual.

Mr. Leany agreed with Senator Bryan. If notice of the meeting was posted before an agreement was made, and an entity wanted to contest the agreement, he asked what would be the Board's response and how would the concern from the opposing party be addressed.

Chair Oscarson said that he was not sure there was enough time to vet the issue in the meeting. He thought that Senator Bryan's comments were well taken and he posed some questions for thought should a similar situation arise. He said that Mr. Connett was very amenable to discussing any new contracts with the Committee before a contract was entered.

Mr. Connett thanked Senator Bryan for his comments. He stated that legislation was passed during the 2015 Legislative Session that would take those concerns to state agencies, like the Department of Business and Industry, to ensure that they were not overstepping their grounds.

Chair Oscarson added that legislation was passed in 2015 to address the concerns of Mr. Leany.

Mr. Leany stated that he was not familiar with the legislation passed during the 2015 Legislative Session, but he would review it to familiarize himself with the legislation.

Senator Bryan added that he was interested in getting a declaration of policy and before a Prison Industry program was approved, that there was no effect on the private sector or industries that competed with that program, which he thought was reasonable. He added that he was not trying to curtail or limit the Prison Industries programs, because he believed it was a desirable program and helpful for the inmates.

Mr. Aguilera said that he thought that one of the mission statements of the Committee was to ensure that any business or industry for Prison Industries was not competing or taking business away from Nevada companies. He supported the concerns and statements of Senator Bryan.

VI. REVIEW OF NEVADA DEPARTMENT OF CORRECTIONS' RESPONSE TO QUESTIONS FROM THE OCTOBER 9, 2015, MEETING RELATED TO A COMPARISON OF THE PERCENTAGE OF INMATES WORKING FOR PRISON INDUSTRIES IN OTHER STATES.

Mr. Connett referenced page 25 of Exhibit A, a comparison of the percentage of inmates working for prison industries in other states. He said that Nevada was working about 4 percent of its inmate population; approximately 54 percent of the states fell within that 4 percent or under of inmates working. He said that Nevada was within 2 percentage points, or 6 percent, of 75 percent of the states. He said that Nevada was at least average to the other states and wanted to employ as many inmates as possible;

however, Prison Industries had to be sensitive to what they do. In addition, he thought the equipment requested from the Capital Improvement Fund would employ 50 to 55 more inmates.

Assemblyman Ohrenschall asked what the recidivism rate was for Prison Industries versus the general population at Nevada Department of Corrections (NDOC). In addition, he wondered if NDOC had any statistics or data on the recidivism rate for Prison Industries and NDOC, and if recidivism was lower for inmates that learned a trade and skills to make them more employable upon release and less likely to reoffend.

Mr. Connett replied that NDOC did not have the resources to identify and split out the recidivism rate for Prison Industries from NDOC. He looked at the NDOC as a whole to identify the recidivism rate. However, he looked at the recidivism rate for the Prison Ranch, which was around 15 percent; the recidivism rate for NDOC was around 28 percent, which was a large difference given the skill set learned at the Prison Ranch.

Mr. Puliz asked Mr. Connett if the recidivism rate included the firefighter inmates, and Mr. Connett replied that it did not. In addition, he did not look at the firefighting capabilities of the other prison systems in the data that was provided to the Committee.

Senator Parks stated that looking at the chart on page 25 of the meeting packet (Exhibit A) that it appeared that there were approximately 12 states that had at least twice the percentage of inmates working than Nevada. He recalled previous discussions that dealt with the difficulty in trying to compare apples to oranges, because some of the states reported inmates that worked in the kitchen and food service programs in the numbers. He asked Mr. Connett if he could look at some of the states that seemed to have higher percentages of inmates working to see what they might be doing in their prison industry program that Nevada might want to consider.

Mr. Connett replied that there were a lot of apples to oranges comparisons in the figures, which was partly because some states had a mandatory source and were a preferred supplier for their state agencies or NDOC. Mr. Connett noted that personally, he would rather be a preferred supplier than a mandatory source for Nevada.

Mr. Connett stated that most other Department of Corrections produced their inmate uniforms, but NDOC purchased t-shirts for the inmates from a private vendor. Currently, as a cost saving measure, the family of inmates provided some of their clothing, including footwear, shirts and jeans. He said that there were opportunities for Prison Industries to produce inmate uniforms, but would be an expense to the state if NDOC required inmates to be in a NDOC manufactured or mandated uniform. Mr. Connett stated in his previous job, inmates were required to wear uniforms – specific pants, shirt, undergarments and footwear, which was manufactured based on what the Department of Corrections wanted.

E.K. McDaniel, Interim Director, NDOC, clarified that the family and friends of inmates purchased clothing items through a secure source and paid for the items through a package program and the items were shipped to NDOC.

VII. REVIEW THE NUMBER OF INMATES THAT WORKED IN VARIOUS PROGRAMS FROM JULY 2013 THROUGH JANUARY 2016.

Diane Dastal, Administrative Services Officer III, Nevada Department of Corrections, summarized the report on the number of inmates that worked from July 2013 through January 2016 (pages 27 through 29, Exhibit A).

VIII. REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, THE PRISON INDUSTRY CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2014, FY 2015 AND FY 2016 YEAR-TO-DATE.

Ms. Dastal directed the Committee to page 31 of Exhibit A and summarized the deductions from the inmate wages for room and board.

Chair Oscarson asked why it appeared that the deductions from inmate wages for room and board in the first seven months of FY 2016 would not meet 2015 amounts.

Ms. Dastal replied that the repackaging company for Prison Industries seized operations for a short period of time in FY 2016. She noted the repacking organization closed all locations in the country, except for Nevada, and was currently running with limited operations in Nevada.

IX. REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDING DECEMBER 31, 2015.

Ms. Dastal reviewed the financial statement for Silver State Industries starting on page 35 of the meeting packet (Exhibit A).

Senator Goicoechea asked if inmates received any money from the sale of the horses from the horse adoption program. Mr. Connett replied that inmates do not receive any financial payback from working with the horses. However, the inmates received training skillsets, credit off their sentences from working at the Prison Ranch, and it was an opportunity for the inmates to stay busy and work while in prison.

Senator Goicoechea said that he thought it would be worth expanding the horse training program at the Prison Ranch.

Justin Pope, Prison Ranch Supervisor, Prison Industries, NDOC, stated that the Prison Ranch typically trained 12 to 15 horses every four months. Several horses were trained at other government agencies, such as border patrol. Twelve horses were trained for trail projects for the U.S. Forest Service in Oregon, in addition to California Department of Fish and Wildlife; Oregon Department of Fish and Wildlife; and the Washoe County

Sheriff's Office. He said that the Prison Ranch only had one three-staff trainer. He said the Prison Ranch was grateful that they were recently able to add an additional position, which would allow the program to expand to meet the demands. In 2016, Prison Ranch was hoping to train approximately 84 horses, which was a heavy burden on their three-staff trainer. He said it was a huge burden to train the horses and to keep inmate injuries down when training the horses. He hoped the Prison Ranch could turn out more horses and expand the program with the additional position.

X. STATUS OF FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES (NRS 209.192).

Ms. Dastal reviewed the fund for new construction of facilities for Prison Industries on page 51 (Exhibit A).

Mr. Connett said that all the industries in Prison Industries have ordered equipment from the Fund. He updated the Committee on the equipment request purchases. The Garment Factory equipment was purchased and was currently in process through State Purchasing. Most of the equipment for the Furniture Shop had been received, except for the jointer; the Mattress Factory has received one item and one item was in process through State Purchasing; and the Metal Shop items were in process through State Purchasing. Both items ordered for the Print Shop were in process through State Purchasing; and the Prison Ranch received the trailer and the fence was in process through State Purchasing. Unfortunately, the pouch line and the irrigation line that Prison Industries wanted to buy used was sold, so they were currently looking for replacement items. The Auto Shop items had been received and were in the process of install.

XI. STATUS REPORT FROM THE NEVADA DEPARTMENT OF CORRECTIONS AND COMMITTEE RECOMMENDATIONS REGARDING THE DRAPERY SHOP AT LOVELOCK CORRECTIONAL CENTER.

Mr. Connett recommended that the Committee consider eliminating the drapery shop as its own cost center and integrate it into the garment shop. Part of the new equipment purchased through the Fund was a t-shirt machine to allow the industry to manufacture t-shirts. Prison Industries would put the machine next to the current cut and sew operation, and the operations for specialty products, located next to cut and sew would be moved to the current drapery shop location. He said that this would allow the drapery shop to create a smaller footprint in that area and the other manufactured products would then move into that slot.

Mr. Connett stated that the drapery shop has always struggled financially. When the drapery shop was located at the Ely State Prison it was a stand-alone operation and had to cover the costs of the supervisor, and was never profitable. He said that NDOC needed the space utilized by the drapery shop so the operation was moved to the garment shop at the Lovelock Correctional Center (LCC) to benefit from its location on

the interstate and to take advantage of the similar processes used at the garment shop. He said the drapery shop had not broken even.

Chair Oscarson asked Mr. Connett if he recommended closing the drapery shop. Mr. Connett clarified that he wanted to reduce its footprint. By reducing the large footprint, they could make better use of the area with production of some specialty products, such as manufacturing t-shirts.

Chair Oscarson said that according to his notes, the drapery shop has incurred net losses for approximately ten years, and Mr. Connett agreed.

Chair Oscarson said that NRS 209.4818 states that if the Committee determines that a program has incurred a net loss in three consecutive fiscal years that the Committee shall report its findings to the Director with a recommendation regarding whether the program should be continued or terminated.

Mr. Connett replied that his recommendation was to keep the drapery shop operating in FY 2016 to see how it does under the garment factory and then revisit it at the end of the FY 2016.

Chair Oscarson said that the garment factory supports 70 percent of the fixed costs and the drapery shop supports 30 percent. The drapery shop generated a gross profit of \$4,953 for six months ending December 31; however, once fixed costs were applied, the drapery shop reported a net loss of \$14,000 for the six months ending December 31, 2015.

Mr. Connett responded that once overhead costs were applied to the drapery shop, including the salary of the supervisor, it was reported as a loss.

Senator Goicoechea stated that he struggled with the reason that Mr. Connett wanted to continue the drapery shop operations another year, because clearly it has been a struggling industry for over ten years. He hoped that the drapery shop would at least break even in FY 2016.

Mr. Connett replied that part of Prison Industries mission was to keep inmates working. He thought Prison Industries could continue absorbing the drapery shop in the garment factory with the inmates that were there and able to provide those types of products. He added that all the raw material in the drapery shop was purchased by a customer and not by the drapery shop. Mr. Connett replied that without the drapery shop as its own separate cost center, he thought that a lot of the pressure to make the shop its own profit center work would be removed and they would utilize the current labor force. He added that if there was no work for the inmate workers those inmates could be used to cut and sew t-shirts. He reiterated that combining the programs would utilize the inmate workers and maximize the usage of the facility.

Mr. Puliz asked Mr. Connett if combining the two industries was just taking out the cost, equipment, labor and the overhead associated with the drapery shop and would be shown as revenue for the garment industry. He thought the worst that could happen was to break even because the industry would be absorbing the overhead elsewhere. The new t-shirt portion would take part of the floor space that the state was paying for at the prison as part of the overhead and generating some new jobs.

Mr. Connett replied that was correct and by combining the industries, the drapery operations was just a product line of the garment industry. He added that if there was no work for the inmates there would be no revenue coming in, but there was no cost being continually allocated to that industry.

Mr. Puliz said that when the drapery shop was located at the Ely State Prison, there were fewer jobs for the inmates, which was why they did not want the drapery shop to leave Ely. However, now that the drapery shop was located in the Lovelock Correctional Center (LCC) the industries could be combined with one supervisor reducing the overhead costs. Mr. Puliz supported combining the two industries.

Chair Oscarson referenced pages 27 through 29 of Exhibit A, and said that in FY 2015 and FY 2016 the chart showed that there were no employees in the drapery industry. He asked if that was a result of combining the two industries, and Mr. Connett replied that was correct.

Chair Oscarson said he understood reducing the footprint but was struggling with why Prison Industries wanted to combine the two industries after ten years of no profits.

Mr. Connett replied that part of Prison Industries mission was to put inmates to work and he was trying to keep the drapery shop open to keep inmates working when there was work.

Chair Oscarson asked if all the inmate workers from the drapery shop were integrated into the garment shop, and Mr. Connett replied that the workers were under the garment shop but when Prison Industries applied the drapery jobs, they put in the overhead and the inmate labor against the garment factory revenues.

Senator Parks stated that he had the opportunity to tour the LCC a few years ago and he thought the garment shop operations were great and seemingly functioned very well. He said that it appeared that there was a fair amount of drapery inventory, which he thought was left over from previous jobs and was curious what they were doing with that material.

Lane Hanner, Supervisor, Prison Industries, stated that the extra fabric at the LCC was an overrun from a client of the drapery shop when it was located at Ely State Prison. He said the customer was a very large company and brokered out a lot of draperies to customers. He explained that the drapery business fluctuated and currently was at a low. He said the mini blinds companies were manufacturing and outsourcing to

overseas manufactures, which affected the drapery business. He said the client, Fabricut, from Tulsa, Oklahoma, had very large orders and would send an abundance of fabric for particular jobs, which was the fabric that Senator Parks referenced. He said that the reason that the fabric was still at the garment shop was because it had a form of value because it was paid for by the private company not Prison Industries. Mr. Hanner said the fabric was offered to smaller clients; approximately 50 percent of the overrun was sold for jobs at the garment shop in the last few years.

Mr. Connett added that the excess fabric was also used to train inmate workers in the industry.

Mr. Magnani stated that he has been a member of the Committee since 1987, and was appointed by Governor Richard Bryan. He said that one thing the Committee always believed in was that the key to success for Prison Industries was keeping as many inmates employed as possible. In the earlier years, the Committee was aware that some programs would not always make a profit, and that the state would have to carry a few programs to keep inmates employed. He thought that NRS 209.4818 required that if an industry was failing that the Committee had to report to the Director every six months to decide if the program should continue or be terminated. Mr. Magnani thought that Prison Industries deterred prisoner disruptions, because inmates could not get a job if they did something wrong. He thought to that extent, the Committee accomplished what they set out to achieve.

Chair Oscarson said that he was inclined to recommend termination of the drapery shop. He said if Mr. Connett believed the drapery shop could go for another year to see the results by consolidating the drapery shop into the garment shop, then he strongly encouraged Mr. Connett at that point to consolidate it into just a garment shop to see if that was a viable option, with drapery as a subset of that operation but not as its own freestanding cost center. He understood and appreciated the fact that the state needed to employ inmates and he was not suggesting that they do not do that, but looking at the numbers, it looked like those inmates had been absorbed into other things and it was not putting inmates out of work, which was consistent with the data provided by NDOC. Chair Oscarson said that if Mr. Connett believed there was viability to that, he would defer to him. Chair Oscarson asked Mr. Connett to monitor that closely and report back to the Committee after the time needed. If at that time there was still a loss, which would be eleven-and-half years of losses on the books, then they needed to start looking at other avenues.

Mr. Connett stated that he would report back to the Committee every meeting on the progress of the Drapery Shop.

Agenda Item XII was heard earlier in the meeting.

Senator Goicoechea commented on Agenda Item XII, Discussion of other Potential Industry Programs, which was heard earlier in the meeting. He was aware that the horse count at the Prison Ranch was down approximately 350 horses and the federal

agencies indicated that they did not have anywhere to place the horses. He said that there were many wild horses in Nevada and in the western states that exceeded the appropriate management level (AML) of horses. He asked if there was the ability to expand the horse program through Prison Industries fairly rapidly, because the program was profitable and a guarantee the state would make money. He said at some point something had to be done with the wild horses, and the state was currently 200 to 300 percent of the AML.

Mr. Connett replied that Prison Industries had the ability to expand to 1,800 to 1,850 horses to maximize the number of horses that the property could handle. He added that Prison Industries had a symbiotic relationship with a composting company that utilized the manure from the horses. He said when the Prison Ranch reached a certain number of horses, the composting company was not able to handle the manure the horses generated and the manure had to be hauled off the property. He said that Prison Industries looked at opening additional facilities, similar to what was at Northern Nevada Correctional Center, and the primary issue was the water supply for the horses. Horses drank between 20 to 30 gallons of water a day. In addition, they also looked at Lovelock Correctional Center, because there was land available there, but the water supply was also an issue.

Mr. Connett stated that if Senator Goicoechea needed more information on horse program at the Prison Ranch, he could get in contact with Mr. Pope, Prison Ranch Supervisor, to discuss the issue.

Assemblyman Ohrenschall asked Mr. Connett to provide more information on the aquaculture industry that was interested in Prison Industries and the number of inmates the industry could employ.

Mr. Connett explained that aquaculture processes were very proprietary and copyrighted. He said that he was not comfortable discussing the system at this time. He said aquaculture had something to do with growing vegetables. He said that he would provide an update to the Committee when he had more information on the program.

XIII. DISCUSSION OF COMMITTEE MEMBER TOURS OF PRISON INDUSTRIES' FACILITIES.

Chair Oscarson directed the Committee to page 55 of the meeting packet (Exhibit A). He noted that the Committee may want to tour the Northern and Southern Nevada facilities. He thought it would be difficult to coordinate all the members' schedules to tour as a group.

Mr. Connett stated that the Committee members had access to all the industries, but should they desire to tour any facility individually he would be more than happy to make arrangements. He suggested that if the Committee wanted to tour any of the industries he suggested the Southern Desert Correctional Center, High Desert State Prison and

the Northern Nevada Correctional Center, which he thought would be the most useful to the Committee and to see most of Prison Industries. He said that the Lovelock Correctional Center was approximately 100 miles outside of Reno and he could make arrangements to tour the facility if it was the desire of the Committee.

Mr. Magnani recommended that the next meeting be shorter and held earlier in the morning to allow the Committee to tour the Stewart Conservation Camp and the Northern Nevada Correctional Center, because those two institutions covered quite a bit of industries.

Mr. Connett replied that the License Plate Factory was at the Stewart Conservation Camp and located on the Northern Nevada Correctional Center property making it easy to visit both institutions, which included the Furniture Shop, Metal Shop, Print, Prison Ranch, Dairy, Horse gentling and the License Plate Factory.

Chair Oscarson thanked Mr. Connett for the invitation to visit the different Prison Industries. He said the Committee members would individually contact him to set up tours of Prison Industries.

XIV. DISCUSSION OF FUTURE MEETINGS.

Chair Oscarson said that staff would poll the members on possible meeting dates for the next meeting.

XIV. PUBLIC COMMENT.

There was no public comment.

XV. ADJOURNMENT.

The meeting was adjourned at 4:05 p.m.

Respectfully submitted,

Donna Thomas, Committee Secretary

APPROVED:

Assemblyman James Oscarson

Date: _____

**STATUS REPORT ON OUTSTANDING DEBT OWED
TO PRISON INDUSTRIES**

Silver State Industries

AR Customer Aging by Invoice Date (Summary)

Report Date: 5/26/16

Cust ID	Customer Name	Days Old					Balance	Unapplied	Net Due
		0 - 30 04/26 - 05/26	31 - 60 03/27 - 04/25	61 - 90 02/26 - 03/26	91 - 120 01/27 - 02/25	121 + all prior - 01/26			
BR1043	BRISTLECONE CONVENTION	\$0.00	\$926.80	\$0.00	\$0.00	\$0.00	\$0.00	\$926.80	
CA1025	CARSON JUVENILE CENTER	\$175.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$175.50	
CI1035	CITY OF YERINGTON	\$104.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$104.70	
DE1018	DELIVET WORKSHOP	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$416.00)	(\$416.00)	
DI1025	DIAMOND MOUNTAIN	\$22,273.91	\$94.75	\$0.00	\$0.00	\$0.00	\$0.00	\$22,368.66 *	
DI1030	DIVAN, L.L.C.	\$0.00	\$0.00	\$0.00	\$0.00	\$8,187.88	\$0.00	\$8,187.88 *	
DO1018	DOUGLAS COUNTY SHERIFF'S	\$1,218.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,218.00	
DO1035	DOUGLAS CO PUBLIC WORKS	\$0.00	\$4,043.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,043.00 *	
DY1001	DYNAMIC DRAPERIES INC	\$218.16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$218.16	
EM1003	LCC EMPLOYEES'	\$36.00	\$0.00	\$128.00	\$0.00	\$0.00	\$0.00	\$164.00	
EM1004	NNCC EMPLOYEES'	\$0.00	\$0.00	\$204.00	\$0.00	\$0.00	\$0.00	\$204.00	
EM1008	EMPLOYEES' ASSN	\$0.00	\$0.00	\$48.00	\$0.00	\$0.00	\$0.00	\$48.00	
FE1020	FERGUSON SAFETY	\$6,336.70	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$6,336.70 *	
HO1025	HORSE POWER	\$0.00	\$40.00	\$0.00	\$0.00	\$0.00	\$0.00	\$40.00	
JA1010	JACOBS TRADING COMPANY	\$17,985.72	\$9,053.29	\$0.00	\$0.00	\$0.00	\$0.00	\$27,039.01 *	
LY1045	LYON COUNTY BUILDING DEPT	\$0.00	\$148.30	\$0.00	\$0.00	\$0.00	\$0.00	\$148.30	
NE1020	NEVADA ARMY NATIONAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$250.00	
OP1020	OPPORTUNITY VILLAGE ARC	\$15,618.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$15,618.24 *	
OP1030	OPEN AIR MOVIES	\$2,959.71	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,959.71	
UN1001	UNIVERSITY OF NEVADA RENO	\$1,822.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,822.00	
VA1003	VARIOUS CUSTOMERS-COD	\$8,740.02	\$2,461.32	\$40.00	\$117.00	\$0.00	(\$477.83)	\$10,889.47 *	
VI1000	VINYL PRODUCTS	\$0.00	\$533.00	\$277.00	\$0.00	\$0.00	\$0.00	\$810.00	
WE1009	WESTERN NEVADA COLLEGE	\$0.00	\$321.90	\$0.00	\$0.00	\$0.00	\$0.00	\$321.90	
WI1002	WITTENBERG HALL	\$565.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$565.50	
WO1035	WORLD CLASS EQUINE	\$4,879.04	\$430.82	\$0.00	\$0.00	\$0.00	\$0.00	\$5,309.86	
YE1000	YERINGTON POLICE	\$0.00	\$412.25	\$0.00	\$0.00	\$0.00	\$0.00	\$412.25	
YY1003	NDOC ADMIN-MEDICAL	\$0.00	\$508.75	\$0.00	\$0.00	\$0.00	\$0.00	\$508.75	
YY1007	NDOC CENTRAL	\$33.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$33.00	
YY1011	ELY STATE PRISON	\$4,700.15	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,700.15 *	
YY1014	NDOC TRAINING-SOUTH/SDCC	\$240.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$240.00	
YY1016	3 LAKES VALLEY	\$0.00	\$48.00	\$0.00	\$0.00	\$0.00	\$0.00	\$48.00	
YY1017	LOVELOCK CORR CTR	\$3,714.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,714.00	
YY1020	JEAN CONSERVATION CAMP	\$99.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$99.00	
YY1021	HIGH DESERT STATE PRISON	\$36.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$36.00	
YY1027	LOVELOCK CORR CTR-	\$296.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$296.00	
YY1029	NO NV CORRECTIONAL CTR	\$9,978.00	\$0.00	\$1,755.00	\$0.00	\$0.00	\$0.00	\$11,733.00 *	

YY1030	NORTHERN NV CORR CTR-	\$461.00	\$0.00	\$0.00	\$461.00	\$0.00	\$0.00	\$0.00	\$461.00
YY1036	CARLIN CONSERVATION CMP-	\$34.00	\$0.00	\$0.00	\$34.00	\$0.00	\$0.00	\$0.00	\$34.00
YY1038	PI STORE/NSP TRADING POST	\$0.00	\$45.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$25.00)	\$20.00
YY1040	CASA GRANDE TRANSITIONAL	\$34.00	\$0.00	\$0.00	\$34.00	\$0.00	\$0.00	\$0.00	\$34.00
YY1046	HUMBOLDT CC CANTEEN	\$35.00	\$0.00	\$0.00	\$35.00	\$0.00	\$0.00	\$0.00	\$35.00
YY1051	SO DESERT CORR CTR	\$1,142.94	\$0.00	\$0.00	\$1,142.94	\$0.00	\$0.00	\$0.00	\$1,142.94
YY1056	FMWCC - CANTEEN	\$548.00	\$0.00	\$0.00	\$548.00	\$0.00	\$0.00	\$0.00	\$548.00
YY1058	FLORENCE MCCLURE	\$2,812.00	\$0.00	\$0.00	\$2,812.00	\$0.00	\$0.00	\$0.00	\$2,812.00
YY1060	TONOPAH CONSERVATION	\$67.50	\$0.00	\$0.00	\$67.50	\$0.00	\$0.00	\$0.00	\$67.50
YY1064	PIOCHE CON CAMP - CANTEEN	\$100.50	\$0.00	\$0.00	\$100.50	\$0.00	\$0.00	\$0.00	\$100.50
YY1067	STEWART CON CAMP -	\$51.00	\$0.00	\$0.00	\$51.00	\$0.00	\$0.00	\$0.00	\$51.00
YY1070	HIGH DESERT STATE PRISON	\$1,476.00	\$0.00	\$0.00	\$1,476.00	\$0.00	\$0.00	\$0.00	\$1,476.00
YY1072	PI CASA GRANDE STORE	\$46.00	\$0.00	\$0.00	\$46.00	\$0.00	\$0.00	\$0.00	\$46.00
YY1075	WARM SPRINGS CC/CANTEEN	\$281.00	\$0.00	\$0.00	\$281.00	\$0.00	\$0.00	\$0.00	\$281.00
YY1120	ELY STATE PRISON CANTEEN	\$456.00	\$0.00	\$0.00	\$456.00	\$0.00	\$0.00	\$0.00	\$456.00
YY1135	NDOC INMATE PURCHASES	\$98.99	\$252.99	\$0.00	\$351.98	\$0.00	\$0.00	(\$274.99)	\$76.99
ZZ1002	ADMINISTRATIVE SERVICES	\$0.00	\$1,394.00	\$0.00	\$1,394.00	\$0.00	\$0.00	\$0.00	\$1,394.00
ZZ1020	CHILD & FAMILY/CARSON	\$99.00	\$0.00	\$0.00	\$99.00	\$0.00	\$0.00	\$0.00	\$99.00
ZZ1025	COLORADO RIVER	\$2,472.00	\$0.00	\$0.00	\$2,472.00	\$0.00	\$0.00	\$0.00	\$2,472.00
ZZ1037	EMPLOYMENT, TRAINING &	\$524.25	\$0.00	\$67.50	\$591.75	\$0.00	\$0.00	\$0.00	\$591.75
ZZ1046	GOVERNOR'S OFFICE	\$165.00	\$0.00	\$0.00	\$165.00	\$0.00	\$0.00	\$0.00	\$165.00
ZZ1089	LEGISLATIVE COUNSEL	\$271.38	\$0.00	\$0.00	\$271.38	\$0.00	\$0.00	\$0.00	\$271.38
ZZ1103	MOTOR VEHICLES	\$24,454.50	\$0.00	\$0.00	\$24,454.50	\$0.00	\$0.00	\$0.00	\$24,454.50 *
ZZ1116	DEPT OF PERSONNEL-LAS	\$11.75	\$0.00	\$0.00	\$11.75	\$0.00	\$0.00	\$0.00	\$11.75
ZZ1136	DEPARTMENT OF TAXATION	\$170.50	\$0.00	\$0.00	\$170.50	\$0.00	\$0.00	\$0.00	\$170.50
ZZ1141	TRANSPORTATION	\$0.00	\$0.00	\$803.00	\$803.00	\$0.00	\$0.00	\$0.00	\$803.00
ZZ1148	NEVADA STATE WELFARE &	\$1,485.00	\$260.00	\$0.00	\$2,045.00	\$170.00	\$0.00	\$0.00	\$2,045.00
ZZ1153	DIVISION OF WILDLIFE	\$1,013.00	\$0.00	\$0.00	\$1,013.00	\$0.00	\$0.00	\$0.00	\$1,013.00
ZZ1163	B & I - TRANSPORTATION	\$607.00	\$0.00	\$0.00	\$607.00	\$0.00	\$0.00	\$0.00	\$607.00
ZZ1208	DEPT OF AG, ESTRAY HORSE,	\$1,378.00	\$0.00	\$0.00	\$1,378.00	\$0.00	\$0.00	\$0.00	\$1,378.00
ZZ1225	HEALTH PLANNING &	\$0.00	\$11.50	\$0.00	\$11.50	\$0.00	\$0.00	\$0.00	\$11.50
ZZ1244	MUSEUMS, LIBRARY & ARTS	\$711.50	\$0.00	\$0.00	\$711.50	\$0.00	\$0.00	\$0.00	\$711.50
ZZ1322	NV GOVERNOR'S MANSION	\$0.00	\$0.00	\$1,280.00	\$1,280.00	\$0.00	\$0.00	\$0.00	\$1,280.00
AGING TOTALS:		\$143,036.16	\$20,985.67	\$4,602.50	\$177,488.17	\$8,616.84	\$247.00	(\$1,193.82)	\$176,294.35
AGING PERCENTAGES:		80.59%	11.82%	2.59%	100.00%	4.85%	0.14%		

AGING PERCENTAGES:

100.00%

TOTAL AGING BALANCE: \$177,488.17

TOTAL PAYMENTS ON ACCOUNT: (\$1,193.82)

LEDGER BALANCE: \$176,294.35

Please note: Report does not include Alpine Steel

* Top ten customers' balances

**REVIEW THE NUMBER OF INMATES THAT WORKED JULY 2013
THROUGH APRIL 2016**

NDOC Industrial Programs Report of Inmates Working FY 2014														
INST	SHOP	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY 2014 Mo. AVG
ESP/LCC	SHOP	23	21	21	32	20	22	21	26	25	25	25	25	24
HDSP	Drapery	-	-	-	-	-	-	-	-	-	-	-	-	-
HDSP	Alpine Steel (private)	125	123	120	124	122	135	135	138	141	142	134	128	131
LCC	DMD (private)	72	77	71	76	67	67	69	67	67	76	74	75	72
NNCC	Garment	17	16	18	21	16	20	18	13	16	17	17	17	17
NNCC	Metal	28	26	25	26	25	23	23	21	17	19	21	22	23
NNCC	Ranch	42	38	38	22	47	41	38	31	38	38	35	38	37
LCC	Furniture	11	11	12	12	12	12	12	12	12	12	12	12	12
NSP	Mattress	12	12	12	12	13	13	13	12	12	12	11	11	12
NNCC	Tag Plant	28	27	26	25	24	23	23	24	24	24	24	25	25
SDCC	Printing/Book Bindery	22	35	25	24	23	25	25	25	21	26	23	23	25
ISCC	Auto/Upholstery	-	-	-	-	-	-	-	4	4	3	3	3	1
SDCC	M-Truss (community)	-	-	-	-	14	23	28	35	32	34	32	35	19
SDCC	DMD (private)	43	35	45	44	42	29	23	21	20	25	25	24	31
FMWCC	Opportunity Village	42	48	47	47	48	49	62	62	59	58	57	61	53
NNCC	Jacobs Trading (private)	20	17	18	16	22	25	21	24	27	27	26	26	22
NSCC	Horses	9	9	9	9	9	9	7	5	7	7	7	6	8
WSSC	DMD (private)													
Grand Total		494	495	487	490	504	516	518	520	522	545	527	531	512
Average Inmate Population		12,713	12,790	12,740	12,808	12,808	12,745	12,699	12,680	12,691	12,763	12,756	12,785	12,748
Percent of Inmate Population Working		3.9%	3.9%	3.8%	3.8%	3.9%	4.0%	4.1%	4.1%	4.1%	4.3%	4.1%	4.2%	4.0%

NDOC Industrial Programs Report of Inmates Working FY 2015														
INST	SHOP	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	FY 2015 Mo. AVG
ESP/LCC	Drapery	-	-	-	-	-	-	-	-	-	-	-	-	-
HDSP	Alpine Steel (private)	-	-	-	-	-	-	-	-	-	-	-	-	-
HDSP	DMD (private)	128	131	127	121	111	106	111	114	114	128	133	140	122
LCC	Garment	99	97	96	92	88	88	87	87	85	84	83	83	89
NNCC	Metal	17	16	17	23	23	23	21	22	21	21	21	21	21
NNCC	Ranch	22	20	21	20	21	18	17	18	22	25	24	23	21
NNCC	Furniture	35	34	34	34	29	27	33	28	28	27	32	30	31
LCC	Mattress	12	12	12	12	12	12	12	12	12	12	10	10	12
NSP	Tag Plant	11	9	8	11	11	11	9	14	14	12	12	12	11
NNCC	Printing/Book Bindery	24	26	25	22	25	21	23	25	25	23	23	27	24
SDCC	Auto/Upholstery	23	20	18	21	21	21	21	21	22	24	23	24	22
ISCC	M-Truss (community)	3	2	2	-	1	1	-	-	-	-	-	-	1
SDCC	DMD (private)	35	35	39	35	33	34	29	29	44	43	29	27	34
SDCC	Opportunity Village	24	28	35	34	36	43	43	39	40	38	39	37	36
FMWCC	Jacobs Trading (private)	59	56	56	56	55	51	15	55	26	26	26	25	42
NNCC	Horses	23	21	20	24	20	17	18	17	19	19	19	17	20
WSSC	DMD (private)	7	6	5	5	6	6	7	6	10	10	6	6	7
Grand Total		522	513	515	510	492	479	446	487	482	492	480	482	492
Average Inmate Population		12,797	12,791	12,786	12,831	12,791	12,792	12,833	12,866	12,944	13,034	13,046	12,999	12,876
Percent of Inmate Population Working		4.1%	4.0%	4.0%	4.0%	3.8%	3.7%	3.5%	3.8%	3.7%	3.8%	3.7%	3.7%	4.1%

NDOC Industrial Programs Report of Inmates Working		FY 2016												FY 2016 MO. AVG		
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun			
INST	SHOP	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ESP/LCC	Drapery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HDSP	Alpine Steel (private)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HDSP	DMD (private)	273	115	103	103	144	143	139	132	131	130	141				
LCC	Garment	83	91	90	89	86	87	68	84	82	98	86				
NNCC	Metal	22	22	21	28	22	23	23	23	24	24	23				
NNCC	Ranch	27	23	22	24	26	24	20	19	30	19	23				
NNCC	Furniture	34	31	29	34	31	31	29	28	27	29	30				
LCC	Mattress	10	11	11	12	12	12	12	12	11	11	11				
NSP	Tag Plant	15	15	15	15	12	16	16	15	15	14	15				
NNCC	Printing/Book Bindery	27	26	26	27	25	30	28	26	27	29	27				
SDCC	Auto/Upholstery	22	20	19	16	18	17	18	17	16	16	18				
ISCC	M-Truss (community)	-	-	-	-	-	-	-	-	-	-	-				
SDCC	DMD (private)	32	7	26	20	25	20	20	20	19	18	21				
SDCC	Opportunity Village	39	39	36	36	37	33	34	31	31	32	35				
FMWCC	Jacobs Trading (private)	22	20	19	19	16	16	16	15	15	15	17				
NNCC	Horses	22	21	20	21	22	26	26	28	34	31	25				
WSCC	DMD (private)	7	8	8	8	8	8	8	8	9	8	8				
Grand Total		635	449	445	452	484	486	457	458	471	474	481				
Average Inmate Population		13,082	13,156	13,133	13,251	13,290	13,413	13,413	13,432	13,558	13,624	13,335				
Percent of Inmate Population Employed		4.9%	3.4%	3.4%	3.4%	3.6%	3.6%	3.4%	3.4%	3.5%	3.5%	3.6%				3.6%

**REVIEW THE DEDUCTIONS FROM INMATE WAGES FOR
ROOM AND BOARD, THE PRISON INDUSTRY CAPITAL
IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND
FY 2014, FY 2015 AND FY 2016 YTD**

NEVADA DEPARTMENT OF CORRECTIONS
Prison Industries Payroll Assessments

	FY 2014			FY 2015			FY 2016 YTD April 30, 2016					
	(a) R & B	(b) PICl	(c) VCF	TOTAL	(a) R & B	(b) PICl	(c) VCF	TOTAL	(a) R & B	(b) PICl	(c) VCF	TOTAL
Northern Nevada Correctional Ctr.	56,132	11,456	11,456	79,044	52,531	10,721	10,721	73,973	54,245	11,070	11,070	76,385
Stewart Conservation Camp	45,275	9,240	9,240	63,755	45,198	9,224	9,224	63,646	42,239	8,620	8,620	59,479
Lovelock Correctional Ctr.	51,521	10,514	10,514	72,549	49,306	10,062	10,062	69,430	45,461	9,278	9,278	64,016
Florence McClure Womens Correctional Ctr.	199,502	40,715	40,715	280,932	109,240	22,294	22,294	153,828	31,395	6,407	6,407	44,209
Southern Desert Correctional Ctr.	30,433	6,211	6,211	42,855	34,506	7,042	7,042	48,590	24,307	4,961	4,961	34,228
Warm Springs Correctional Ctr.	2,693	550	550	3,793	2,205	450	450	3,105	2,315	473	473	3,260
Three Lakes Valley Conservation Camp	761	155	155	1,071	469	96	96	661	0	0	0	0
High Desert State Prison	50,501	10,306	10,306	71,113	39,697	8,101	8,101	55,899	36,669	7,484	7,484	51,636
Ely State Prison	0	0	0	0	0	0	0	0	0	0	0	0
Total	\$436,818	\$89,147	\$89,147	\$615,112	\$333,152	\$67,990	\$67,990	\$469,132	\$236,630	\$48,292	\$48,292	\$333,215

(a) Room and Board (R & B)

Twenty-four and one-half percent of the inmate's gross wages are assessed to defray some of the costs incurred by the State to house the inmates.

(b) Prison Industries Capital Improvement Fund (PICl)

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

(c) Victims of Crime Fund (VCF)

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

**REVIEW SILVER STATE INDUSTRIES' FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING MARCH 31, 2016**

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES**

**FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDING
MARCH 31, 2016
WITH COMPARATIVE MARCH 31, 2015
FINANCIAL STATEMENTS**

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES**

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**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
CONSOLIDATED BALANCE SHEETS**

As of March 31, 2016 and 2015

ASSETS

Current Assets:	2016	2015
Cash - Unrestricted		
Prison Industries	\$ 1,520,081	\$ 1,186,935
Prison Ranch	1,003,144	796,360
Total Unrestricted Cash	\$ 2,523,225	1,983,295
Accounts Receivable	887,366	873,794
Less Allowance for Doubtful Accounts	(6,660)	(6,695)
Net Accounts Receivable	880,706	867,099
Treasurer's Interest Receivable	-	1,278
Prepaid Expenses	30,461	25,731
PI Capital Revenue Receivable	13,750	8,380
Deposits - Business Licenses	15,000	15,000
Livestock	258,680	253,790
Inventories	860,699	738,189
Harvested Crops	354,575	448,447
Total Current Assets	4,937,096	4,341,209
Land, land improvements, property and equipment at cost	4,145,232	4,001,964
Less accumulated depreciation	(3,450,106)	(3,361,228)
Net Property and Equipment	695,126	640,736
Other Assets:		
Cash - Restricted - PI Capital	428,997	516,430
Total Other Assets	428,997	516,430
Total Assets	\$ 6,061,219	\$ 5,498,375

LIABILITIES AND CAPITAL BALANCE

Current Liabilities:		
Accounts Payable	\$ 141,927	\$ 205,373
Unearned Revenue	116,194	128,648
Rent and Other Deposits	10,000	10,000
Wages Payable	55,715	62,904
Current Accrued Compensated Absences	91,664	102,114
Total Current Liabilities	415,500	509,039
Long-Term Liabilities:		
Accrued Compensated Absences	104,021	98,060
Total Long-Term Liabilities	104,021	98,060
Total Liabilities	519,521	607,099
Capital:		
Contributed Capital	\$ 2,193,440	2,193,440
Retained Earnings	3,348,258	2,697,836
Total Capital	5,541,698	4,891,276
Total Liabilities and Capital Balance	\$ 6,061,219	\$ 5,498,375

NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(With Interfund Sales Eliminated)
For the Nine Months ending March 31, 2016 and 2015

	March 31, 2016	March 31, 2015
Revenue from Operations:		
Industry Sales	\$ 1,839,207	\$ 1,739,481
Less Cost of Sales	(1,242,376)	(1,221,360)
Gross Profit from Industry sales	\$ 596,831	518,121
Ranch Sales	1,868,607	2,311,552
Less Cost of Sales	(1,340,498)	(1,579,059)
Gross Profit from Ranch sales	528,109	732,493
Industry Freight	1,827	2,751
General Manufacturing Expenses:	(763,667)	(761,233)
Net Income from Operations:	363,101	492,132
General and Administrative Expenses:	(775,879)	(656,064)
Other Income and Expenses	763,078	840,367
Net Income	\$ 350,300	\$ 676,435

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
CONSOLIDATED STATEMENTS OF OPERATIONS**

By Budget Account

(With Interfund Sales Eliminated)

For the Nine Months ending March 31, 2016 and 2015

Budget Account 3719 - Prison Industries

	March 31, 2016	March 31, 2015
Revenue from Operations:		
Industry Sales	\$ 1,839,207	\$ 1,739,481
Less Cost of Sales	(1,242,376)	(1,221,360)
Gross Profit from Industry sales	\$ 596,831	518,121
Industry Freight	1,827	2,751
Institutional Overhead Expenses:	(360,040)	(376,477)
Net Income from Operations:	238,619	144,395
General and Administrative Expenses:	(775,879)	(656,064)
Other Income and Expenses	732,533	783,217
Net Income (Loss)	\$ 195,273	\$ 271,548

Budget Account 3727 - Prison Ranch

	March 31, 2016	March 31, 2015
Revenue from Operations:		
Ranch Sales	\$ 1,868,607	\$ 2,311,552
Less Cost of Sales	(1,340,498)	(1,579,059)
Gross Profit from Ranch sales	\$ 528,109	732,493
Institutional Overhead Expenses:	(403,627)	(384,756)
Net Income	\$ 124,482	\$ 347,737

Budget Account 3728 - P I Capital Projects

	March 31, 2016	March 31, 2015
Revenue:		
Inmate Wage Assessments	\$ 28,650	\$ 55,989
Other Income (Interest)	1,895	1,161
Net Income	\$ 30,545	\$ 57,150

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
CONSOLIDATED STATEMENTS OF CHANGES IN RETAINED EARNINGS**
For the Nine Months ending March 31, 2016 and 2015

	March 31, 2016	March 31, 2015
Unreserved Retained Earnings at Beginning of Year	\$ 2,997,958	\$ 2,021,401
Current Period Net Income	350,300	676,435
Prior Period Adjustment		
Unreserved Retained Earnings at End of Year	<u>3,348,258</u>	<u>2,697,836</u>
Contributed Capital	<u>2,193,440</u>	<u>2,193,440</u>
Total Fund Equity	<u>\$ 5,541,698</u>	<u>\$ 4,891,276</u>

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
CENTRAL ADMINISTRATION**

Statements of Operations

For the Nine Months ending March 31, 2016 and 2015

Revenue:	March 31, 2016	2015
License Plate Fees	\$ 404,728	\$ 391,459
Capital Improvement	28,650	55,989
Rental Income:		
Dayton Valley Turf	15,400	-
Jacob's Trading Company	5,400	4,800
Diamond Mountain Distributors at SDCC	22,500	22,500
Diamond Mountain Distributors at HDSP	45,000	45,000
Total Rental Income	88,300	72,300
Administrative Fees: (Net of reimbursements)		
Jacob's Trading Company	22,053	83,165
Miscellaneous Programs	-	9,362
Diamond Mountain Distributors	11,341	23,376
Prison Ranch	36,000	36,000
Total Administrative Fees	69,394	151,903
Total Revenue	\$ 591,072	\$ 671,651

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
CENTRAL ADMINISTRATION**

Statements of Operations

For the Nine Months ending March 31, 2016 and 2015

(Continued)

General and Administrative Expenses:	March 31, 2016	2015
Staff Salaries	\$ 324,047	\$ 325,769
Staff Fringe Benefits and other Payroll expenses	151,694	150,931
Travel expenses	5,653	3,308
Rent	31,846	40,148
Office expenses	1,448	1,079
Telephone	8,191	4,081
Postage and Mailing	851	808
Advertising/Public Relations	546	3,820
General Insurance	5,057	3,874
Vehicle Operating expenses	1,014	2,071
Dues and Subscriptions	2,644	2,797
Depreciation expense	64,934	64,934
Improvements and Small Equipment	-	813
Utilities	1,720	3,307
Miscellaneous expenses	176,679	48,909
Total General and Administrative Expenses	\$ (776,324)	(656,649)
Net Loss from Operations	(185,252)	15,002
Other Income		
Interest Revenue	9,905	5,448
Finance Charges	290	350
Earnings available for program support (Net Loss)	\$ (175,057)	\$ 20,800

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
NNCC MATTRESS SHOP
Statements of Operations
For the Nine Months ending March 31, 2016 and 2015**

	March 31, 2016	March 31, 2015
Revenue:		
Sales - Mattress	\$ 348,090	\$ 342,330
Less Cost of Sales:		
Direct Labor	\$ 14,121	21,746
Materials	183,301	179,492
Overhead	20,841	22,024
Total Cost of Sales	(218,263)	(223,262)
Gross Profit	129,827	119,068
Freight Revenues	13,368	11,915
Freight Expenses	(11,556)	(8,852)
Freight (Net of Revenues/Expenses)	1,812	3,063
Contribution to G & A expenses - Mattress	\$ 131,639	\$ 122,131
 General and Administrative Manufacturing Expenses:		
Salaries	19,747	18,288
Fringe Benefits and other Payroll expenses	6,120	6,041
Inmate Labor - Office	3,226	2,935
Inmate Workers' Compensation Insurance	882	1,181
Travel	-	219
Miscellaneous Office expenses	1,413	894
Telephone	-	314
Dues and Subscriptions	-	650
Building & Grounds Improvements	16	47
Utilities	786	1,921
Miscellaneous expenses	928	1,682
Capitalized Institutional Overhead	(1,644)	2,165
Total General and Administrative Manufacturing Expenses	(31,474)	(36,337)
Earnings available for program support	\$ 100,165	\$ 85,794

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
NNCC PRINTING/BINDERY SHOP**

Statements of Operations

For the Nine Months ending March 31, 2016 and 2015

	March 31, 2016	March 31, 2015
Revenue:		
Sales	\$ 344,911	\$ 390,726
Less Cost of Sales:		
Direct Labor	\$ 19,555	18,858
Materials	180,565	204,676
Overhead	30,417	34,276
Total Cost of Sales	(230,537)	(257,810)
Gross Profit	114,374	132,916
Freight Revenues	9,877	9,270
Freight Expenses	(8,630)	(8,047)
Freight (Net of Revenues/Expenses)	1,247	1,223
Contribution to G & A expenses	\$ 115,621	\$ 134,139
 General and Administrative Manufacturing Expenses:		
Salaries	52,366	50,705
Fringe Benefits and other Payroll expenses	16,174	15,793
Inmate Labor - Office	6,121	5,333
Inmate Workers' Compensation Insurance	863	777
Travel	936	-
Office expenses	1,572	742
Telephone	-	190
Commissions	-	6,124
Dues and Subscriptions	526	-
Buildings & Grounds Improvements	-	14
Utilities	685	4,255
Miscellaneous expenses	1,325	1,217
Capitalized Institutional Overhead	(70)	754
Total General and Administrative Manufacturing Expenses	(80,498)	(85,904)
Earnings available for program support	\$ 35,123	\$ 48,235

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
NNCC FURNITURE AND METAL
Statements of Operations
For the Nine Months ending March 31, 2016 and 2015**

Revenue:	March 31, 2016	March 31, 2015
Sales - Furniture	\$ 252,406	\$ 170,011
Less Cost of Sales:		
Direct Labor	\$ 17,084	10,524
Materials	152,131	85,176
Overhead	55,040	43,682
Total Cost of Sales	(224,255)	(139,382)
Gross Profit	28,151	30,629
Freight Revenues	2,928	7,429
Freight Expenses	(3,337)	(6,639)
Freight (Net of Revenues/Expenses)	(409)	790
Contribution to G & A expenses	\$ 27,742	31,419
Sales - Metal	339,701	282,840
Less Cost of Sales:		
Direct Labor	39,217	14,698
Materials	158,105	198,893
Overhead	36,707	24,743
Total Cost of Sales	(234,029)	(238,334)
Gross Profit - Metal	105,672	44,506
Freight Revenues	2,060	-
Freight Expenses	(3,012)	(611)
Freight (Net of Revenues/Expenses)	(952)	(611)
Contribution to G & A expenses	104,720	43,895
General and Administrative Manufacturing Expenses:		
Salaries	39,494	42,617
Fringe Benefits and other Payroll expenses	12,240	6,041
Inmate Labor - Office	5,894	5,861
Inmate Workers' Compensation Insurance	3,799	2,619
Travel expenses	2,506	286
Miscellaneous Office expenses	4,441	3,859
Telephone	-	380
Insurance Expense	100	468
Dues and Subscriptions	731	-
Buildings & Grounds Improvements	89	618
Utilities	13,412	17,396
Capitalized Institutional Overhead	1,825	(4,058)
Total General and Administrative Manufacturing Expenses	(84,531)	(76,087)
Earnings available for program support (Net Loss)	\$ 47,931	\$ (773)

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
SDCC AUTO AND UPHOLSTERY SHOP
Statements of Operations
For the Nine Months ending March 31, 2016 and 2015**

Revenue:	March 31, 2016	March 31, 2015
Sales From Auto/Upholstery	\$ 74,441	\$ 81,282
Less Cost of Sales:		
Direct Labor	2,789	9,446
Materials	9,780	31,124
Overhead	23,463	29,845
Total Cost of Sales	(36,032)	(70,415)
Gross Profit	38,409	10,867
Contribution to G & A expenses - Auto/Upholstery	\$ 38,409	10,867
Net Proceeds from Manpower Operations:		
Diamond Mountain Distributors	13,512	(9,824)
Opportunity Village	148,299	172,742
Contribution to G & A expenses - Manpower Operations	161,811	162,918
General and Administrative Manufacturing Expenses:		
Salaries	33,960	31,217
Fringe Benefits and other Payroll expenses	21,341	20,775
Inmate Labor - Office	4,093	8,374
Insurance Expense--Other	1,500	700
Inmate Workers' Compensation Insurance	518	746
Miscellaneous Office expenses	1,106	940
Telephone	324	594
Dues and Subscriptions	102	300
Buildings and Grounds Improvements	1,108	14
Utilities	3,468	12,309
Miscellaneous expenses	3,792	2,398
Capitalized Institutional Overhead	(4,139)	5,392
Warranty expense	1,408	2,801
Total General and Administrative Manufacturing Expenses	(68,581)	(86,560)
Earnings available for program support	\$ 131,639	\$ 87,225

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
LCC GARMENT AND DRAPERY FACTORY
Statements of Operations
For the Nine Months ending March 31, 2016 and 2015**

Revenue:	March 31, 2016	March 31, 2015
Sales - Garment	\$ 503,440	\$ 462,730
Less Cost of Sales:		
Direct Labor	\$ 101,081	94,914
Materials	146,235	149,184
Overhead	82,341	46,193
Total Cost of Sales	(329,657)	(290,291)
Gross Profit	173,783	172,439
Freight Revenues	6,598	3,634
Freight Expenses	(10,773)	(7,578)
Freight (Net of Revenues/Expenses)	(4,175)	(3,944)
Contribution to G & A expenses	\$ 169,608	168,495
Sales - Drapery	\$ 32,090	\$ 45,136
Less Cost of Sales:		
Direct Labor	\$ 8,187	7,920
Materials	3,575	7,690
Overhead	11,905	16,179
Total Cost of Sales	(23,667)	(31,789)
Gross Profit	8,423	13,347
Freight Revenues	8,253	6,281
Freight Expenses	(3,949)	(4,051)
Freight (Net of Revenues/Expenses)	4,304	2,230
Contribution to G & A expenses	\$ 12,727	15,577
General and Administrative Manufacturing Expenses:		
Salaries	43,329	41,855
Fringe Benefits and other Payroll expenses	25,999	26,048
Inmate Labor - Office	10,029	8,651
Inmate Workers' Compensation Insurance	4,546	4,558
Travel	2,829	153
Miscellaneous Office expenses	4,039	3,715
Telephone	-	514
Postage and Mailing	236	353
Dues and Subscriptions	100	73
Building and Grounds Improvements	339	46
Utilities	4,018	9,874
Miscellaneous expenses	1,858	1,557
Capitalized Institutional Overhead	(1,005)	(741)
Total General and Administrative Manufacturing Expenses	(96,318)	(96,655)
Earnings available for program support	\$ 86,017	\$ 87,417

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
PRISON RANCH**

Statements of Operations

For the Nine Months ending March 31, 2016 and 2015

Revenue:	March 31, 2016	March 31, 2015
Revenue - Livestock		
Cash Sales	\$ 67,733	\$ 103,344
Non-Cash Inventory Adjustments	10,460	(20,160)
Total Revenue	\$ 78,193	83,184
Less Cost of Sales:		
Direct Labor	6,119	11,133
Materials	22,497	27,871
Overhead	4,231	4,410
Total Cost of Sales	(32,847)	(43,414)
Contribution to G & A expenses - Livestock	\$ 45,346	39,770
Sales - Dairy		
	443,775	416,175
Less Cost of Sales:		
Direct Labor	24,367	27,246
Materials	179,604	165,643
Overhead	71,858	106,961
Total Cost of Sales	(275,829)	(299,850)
Contribution to G & A expenses - Dairy	167,946	116,325
Revenue - Crops		
Sales	62,379	86,772
Non-Cash Inventory Adjustments	811	157,406
Total Revenue	63,190	244,177
Less Cost of Sales:		
Direct Labor	20,520	28,144
Materials	56	11,490
Overhead	64,459	114,404
Total Cost of Sales	(85,035)	(154,038)
Contribution to G & A expenses - Crops	(21,845)	90,139
Boarding Fees - Estray Horses		
	14,989	26,384
Less Cost of Sales:		
Direct Labor	-	-
Materials	5,520	11,514
Overhead	-	-
Total Cost of Sales	(5,520)	(11,514)
Contribution to G & A expenses - Estray Horse Boarding	9,469	14,870
Boarding Fees - BLM (Wild) Horses		
	1,330,936	1,616,776
Less Cost of Sales:		
Direct Labor	72,391	43,287
Materials	741,747	978,924
Overhead	207,070	141,625
Total Cost of Sales	(1,021,208)	(1,163,836)
Contribution to G & A expenses - BLM Wild Horse Boarding	309,728	452,940
Composting Project		
	28,668	29,886
Less Cost of Sales:		
Direct Labor	11,203	11,437
Materials	-	-
Overhead	-	-
Total Cost of Sales	(11,203)	(11,437)
Contribution to G & A expenses - Composting Project	\$ 17,465	\$ 18,449

These financial statements were compiled from unaudited accounting data and without footnotes, as such, its use is intended for informec users only.

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
PRISON RANCH**

Statements of Operations

For the Nine Months ending March 31, 2016 and 2015

(Continued)

	March 31, 2016	March 31, 2015
General and Administrative Ranch Expenses:		
Salaries - Staff	\$ 190,038	\$ 192,464
Fringe Benefits and other Payroll expenses	60,089	68,582
Inmate Labor - Office	17,341	16,866
Inmate Worker's Compensation Insurance	4,093	3,978
Travel expenses	1,382	185
Miscellaneous Office expenses	2,289	1,615
Telephone Expenses	120	190
Postage and Mailing	6	1
Advertising/Public Relations	148	-
Insurance	5,657	4,433
Dues and Subscriptions	150	174
Buildings and Grounds Improvements	25,243	4,242
Utilities	36,470	46,111
Miscellaneous expenses	60,601	9,915
Administration Fees	-	36,000
Total General and Administrative Manufacturing Expenses	\$ (403,627)	\$ (384,756)
Earnings available for program support	\$ 124,482	\$ 347,737

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
SCHEDULE OF INTERFUND SALES**

For the Nine Months ending March 31, 2016 and 2015

	PER STATEMENTS OF OPERATIONS	INTERFUND SALES	AFTER REMOVING INTERFUND SALES		
	March 31, 2016			March 31, 2015	
Revenue:					
Industry Sales	\$ 1,895,079	\$ (55,872)	\$ 1,839,207		\$ 1,739,481
Less Cost of Sales	<u>(1,296,440)</u>	<u>54,064</u>	<u>(1,242,376)</u>		<u>(1,221,360)</u>
Gross Profit from Industry Sales	<u>598,639</u>	<u>(1,808)</u>	<u>596,831</u>	\$ 596,831	<u>518,121</u>
Ranch Sales	1,959,751	(91,144)	1,868,607		2,311,552
Less Cost of Sales	<u>(1,431,642)</u>	<u>91,144</u>	<u>(1,340,498)</u>		<u>(1,579,059)</u>
Gross Profit from Ranch Sales	528,109	0		528,109	732,493
Freight (Net of Revenues/Expenses)	<u>1,827</u>			<u>1,827</u>	<u>2,751</u>
General Manufacturing Expenses:					
Staff Salaries	378,934		378,934		377,146
Staff Fringe Benefits and other Payroll expenses	141,963		141,963		143,280
Inmate Labor	46,704		46,704		48,020
Inmate Worker's Compensation Ins.	14,701		14,701		13,859
Travel expenses	7,653		7,653		843
Commissions	-		-		6,124
Office expenses	14,860	(1,196)	13,664		9,540
Telephone	444		444		2,182
Postage and Mailing	242		242		354
Advertising/Public Relations	148	(148)	-		-
General Insurance	7,257		7,257		5,133
Dues and Subscriptions	1,609		1,609		1,665
Improvements and Small Equipment	-	(18)	(18)		(1,962)
Buildings & Grounds Improvements	26,795		26,795		4,725
Utilities	58,839		58,839		91,866
Administrative Fees	-		-		36,000
Miscellaneous expenses	68,504		68,504		16,769
Capitalized Institutional Overhead	(5,033)		(5,033)		3,512
Warranty expense	<u>1,408</u>		<u>1,408</u>		<u>2,801</u>
Total General Manufacturing Expenses:	<u>(765,029)</u>	<u>(1,362)</u>		<u>(763,667)</u>	<u>(761,233)</u>
Net Income from Operations:	<u>\$ 363,546</u>	<u>\$ 445</u>		<u>\$ 363,101</u>	<u>\$ 492,132</u>

These financial statements were compiled from unaudited accounting data and without footnotes, as such, its use is intended for informec users only.

**NEVADA DEPARTMENT OF CORRECTIONS
SILVER STATE INDUSTRIES
SCHEDULE OF INTERFUND SALES**

For the Nine Months ending March 31, 2016 and 2015
(Continued)

	PER STATEMENTS OF OPERATIONS	ELIMINATION ENTRIES	AFTER REMOVING INTERFUND SALES	
	March 31, 2016		March 31, 2015	
General and				
Administrative Expenses:				
Staff Salaries	\$ 324,047		\$ 324,047	\$ 325,769
Staff Fringe Benefits and other Payroll expenses	151,694		151,694	150,931
Travel expenses	5,653		5,653	3,308
Rent	31,846		31,846	40,148
Office expenses	1,448	\$ (139)	1,309	890
Telephone	8,191		8,191	4,081
Postage and Mailing	851		851	808
Advertising/Public Relations	546	\$ (307)	240	3,145
General Insurance	5,057		5,057	3,874
Vehicle expenses	1,014		1,014	1,727
Dues and Subscriptions	2,644		2,644	2,797
Depreciation expense	64,934		64,934	64,934
Improvements and Small Equipment	-		-	813
Utilities	1,720		1,720	3,307
Miscellaneous expenses	176,679		176,679	48,909
Total General and Administrative Expenses	<u>(776,324)</u>	<u>(446)</u>	<u>\$ (775,879)</u>	<u>(656,064)</u>
Other Income (Expenses)				
Interest Revenue	9,905		9,905	5,448
Finance Charges	290		290	350
License Plate Fees	404,728		404,728	391,459
Capital Improvement	28,650		28,650	55,989
Rental Income	88,300		88,300	72,300
Administrative Fees	231,205		231,205	314,821
Miscellaneous Revenue	-		-	-
Net Income	<u>\$ 350,300</u>	<u>\$ (0)</u>	<u>\$ 350,300</u>	<u>\$ 676,435</u>

**STATUS OF FUND FOR NEW CONSTRUCTION OF
FACILITIES FOR PRISON INDUSTRIES**

FUND FOR NEW CONSTRUCTION OF FACILITIES FOR PRISON INDUSTRIES
 Historical Revenues and Expenditures for FY 2012 through FY 2016 Year-to-Date (YTD)

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016 YTD as of 06/02/2016
<i>Beginning Balance:</i>	\$235,168	\$308,619	\$373,827	\$467,938	\$539,940
Revenue:					
Inmate Wage Assessments:	\$73,419	\$91,420	\$93,385	\$70,282	\$48,744
Interest Income:	\$32	\$221	\$726	\$1,720	\$1,895
<i>Total Revenue:</i>	<u>\$73,451</u>	<u>\$91,641</u>	<u>\$94,111</u>	<u>\$72,002</u>	<u>\$50,640</u>
Expenditures Incurred:	\$0	\$26,433	\$0	\$0	\$250,940
<i>Ending Balance:</i>	<u><u>\$308,619</u></u>	<u><u>\$373,827</u></u>	<u><u>\$467,938</u></u>	<u><u>\$539,940</u></u>	<u><u>\$339,640</u></u>
				Authorized Expenditures:	<u>\$95,567</u>
				Projected FY 2016 Ending Balance:	\$244,072

NRS 209.192 Fund for New Construction of Facilities for Prison Industries.

1. There is hereby created in the State Treasury a Fund for New Construction of Facilities for Prison Industries as a capital projects fund. The Director shall deposit in the Fund the deductions made pursuant to paragraph (c) of subsection 1 or paragraph (b) of subsection 2 of [NRS 209.463](#). The money in the Fund must only be expended to house new industries or expand existing industries in the industrial program to provide additional employment of offenders or for any other purpose authorized by the Legislature. The money in the Fund must not be expended for relocating an existing industry in the industrial program unless the existing industry is being expanded to provide additional employment of offenders.

2. Before money in the Fund may be expended for construction, the Director shall submit a proposal for the expenditure to the State Board of Examiners. Upon making a determination that the proposed expenditure is appropriate and necessary, the State Board of Examiners shall recommend to the Interim Finance Committee, or the Senate Standing Committee on Finance and the Assembly Standing Committee on Ways and Means when the Legislature is in general session, that the expenditure be approved. Upon approval of the appropriate committee or committees, the money may be so expended.

3. The interest and income earned on the money in the Fund, after deducting any applicable charges, must be credited to the Fund.

(Added to NRS by [1991, 1586](#); A [1993, 422](#); [1995, 2591](#); [1997, 3177](#); [2001, 2391](#); [2010, 26th Special Session, 5](#))

**DISCONTINUED PRISON INDUSTRY PROGRAMS,
OTHER POTENTIAL PRISON INDUSTRY PROGRAMS, AND
COMMITTEE RECOMMENDATIONS**

**Board of State
Prison Commissioners**

BRIAN SANDOVAL
Governor

BARBARA CEGAVSKE
Secretary of State

ADAM PAUL LAXALT
Attorney General



**STATE OF NEVADA
DEPARTMENT OF CORRECTIONS**



Northern Administration
5500 Snyder Avenue, Carson City, NV 89702
Phone: (775) 887-3285 - Fax: (775) 887-3138

Southern Administration
3955 W. Russell Road, Las Vegas, NV 89118
Phone: (702) 486-9938 - Fax: (702) 486-9961

BRIAN SANDOVAL
Governor

JAMES E. DZURENDA
Director

Prison Industries is working with Richie Brothers Auctioneers to dispose of the Alpine Steel items. We are preparing for their August auction. Prison Industries is working to transfer the Alpine equipment to Richie Brothers' site for valuation and auction. Neither Richie Brothers nor Prison Industries has determined the value of the equipment. Those amounts will be determined once the auction takes place.

NRS 209.4818 Committee on Industrial Programs: Duties.

1. The Committee on Industrial Programs shall:

- (a) Be informed on issues and developments relating to industrial programs for correctional institutions;
- (b) Submit a semiannual report to the Interim Finance Committee before July 1 and December 1 of each year on the status of current and proposed industrial programs for correctional institutions;
- (c) Report to the Legislature on any other matter relating to industrial programs for correctional institutions that it deems appropriate;
- (d) Meet at least quarterly and at the call of the Chair to review the operation of current and proposed industrial programs;
- (e) Recommend three persons to the Director for appointment as the Deputy Director for Industrial Programs whenever a vacancy exists;
- (f) Before any new industrial program is established by the Director, review the proposed program for compliance with the requirements of subsections 2, 3, 4 and 7 of [NRS 209.461](#) and submit to the Director its recommendations concerning the proposed program; and
- (g) Review each state-sponsored industry program established pursuant to subsection 2 of [NRS 209.461](#) to determine whether the program is operating profitably. If the Committee determines that a program has incurred a net loss in 3 consecutive fiscal years, the Committee shall report its finding to the Director with a recommendation regarding whether the program should be continued or terminated. If the Director does not accept the recommendation of the Committee, the Director shall submit a written report to the Committee setting forth his or her reasons for rejecting the recommendation.

2. Upon the request of the Committee on Industrial Programs, the Director and the Deputy Director for Industrial Programs shall provide to the Committee any information that the Committee determines is relevant to the performance of the duties of the Committee.

3. As used in this section, “state-sponsored industry program” means a program for the vocational training or employment of offenders which does not include a contract of employment with a private employer.

(Added to NRS by [2001, 2391](#); A [2007, 68](#); [2013, 1806](#))