

STUDY OF INDUSTRIAL PROGRAMS  
FOR PRISONS

*Bulletin No. 87-8*

LEGISLATIVE COMMISSION  
OF THE  
LEGISLATIVE COUNSEL BUREAU  
STATE OF NEVADA

August 1986



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CHAPTER 572

AN ACT relating to the state government; establishing a committee to select sites for new prisons; requiring advance planning of those prisons; establishing a committee to study industrial programs for prisons; making appropriations; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. 1. The committee to select sites for new prisons, consisting of seven members, is hereby created. The interim finance committee shall appoint five legislators to the committee. The public works board shall appoint one of its members to the committee. The director of the department of prisons shall appoint a representative of the department of prisons to the committee.

2. The interim finance committee shall designate one of the members of the committee as chairman.

Sec. 2. 1. The committee to select sites for new prisons shall meet as often as is necessary to review proposals for sites for new prisons. The committee shall submit its findings and proposals to the interim finance committee.

2. After receiving the interim finance committee's approval of proposed sites, the committee shall prepare advance plans for new prisons at those sites and submit the plans to the 64th session of the legislature.

Sec. 3. 1. For each meeting of the committee to select sites for new prisons:

(a) Each legislator is entitled to receive the compensation provided for a majority of the members of the legislature during the first 60 days of the preceding session;

(b) The member of the public works board is entitled to receive the compensation provided for his attendance at meetings of the public works board; and

(c) All members of the committee are entitled to receive the per diem allowance and travel expenses provided by law for state officers and employees generally.

2. The expenses incurred pursuant to subsection 1 must be paid from the appropriations made pursuant to paragraphs (a) and (b) of subsection 1 of section 7 of this act.

Sec. 4. 1. The committee to study industrial programs for prisons, consisting of 11 members, is hereby created. The interim finance committee shall appoint to the committee five legislators and three persons who are representatives of business and industry. The director of the department of prisons shall appoint two representatives of the department of prisons to the committee. The lieutenant governor shall serve as a member of the committee.

2. The interim finance committee shall designate one of the members of the committee as chairman.

Sec. 5. 1. The committee to study industrial programs for prisons shall meet as often as is necessary to review existing industrial programs for prisons and proposals for new programs, and to encourage businesses to cooperate in establishing new programs.

2. The committee shall prepare and submit a report of its findings and recommendations to the 64th session of the legislature.

Sec. 6. 1. For each meeting of the committee to study industrial programs for prisons:

(a) Each legislator and the lieutenant governor are entitled to receive the compensation provided for a majority of the members of the legislature during the first 60 days of the preceding session; and

(b) All members of the committee are entitled to receive the per diem allowance and travel expenses provided by law for state officers and employees generally.

2. The expenses incurred pursuant to subsection 1 must be paid from the appropriation made pursuant to paragraph (c) of subsection 1 of section 7 of this act.

Sec. 7. 1. There is hereby appropriated from the state general fund to the interim finance committee:

(a) The sum of \$1,470,000 for the costs of the selection of a site for and the advance planning and design of a new prison.

(b) The sum of \$500,000 for the costs of the selection of a site for and the advance planning and design of another new prison.

(c) The sum of \$25,000 for expenses incurred by the committee to study industrial programs for prisons.

2. Any remaining balance of an appropriation made pursuant to subsection 1 must not be committed for expenditure after June 30, 1987, and reverts to the state general fund as soon as all payments of money committed have been made.

Sec. 8. Any revenue received on or after July 1, 1986, and before January 1, 1987, which would but for this section be credited to the state general fund and if so credited would increase the unappropriated balance of that fund above the balance remaining after the making of both distributions required by section 8 of Assembly Bill No. 540 of this session, but not more than \$25,000,000 in all is hereby appropriated to a fund for the construction of new prisons and other capital improvements. Interest earned on the money in the fund must be credited to the fund. Money so reserved may not be withdrawn except by further act of the legislature.

Sec. 9. This act becomes effective upon passage and approval.



REPORT OF THE LEGISLATIVE COMMISSION  
TO THE MEMBERS OF THE 64TH SESSION OF THE NEVADA LEGISLATURE:

This report is being submitted in compliance with Senate Bill 446 of the 63rd session of the Nevada legislature which created a committee to review existing industrial programs for prisons and proposals for new programs, and to encourage businesses to cooperate in establishing new programs.

Senate Bill 446 established an eleven member committee, under the auspices of the joint interim finance committee, consisting of five legislators, three persons who are representatives of business and industry, two persons appointed by the director of the department of prisons and the Lieutenant Governor. The members of the committee include:

Senator Nicholas J. Horn, Chairman  
Assemblyman John E. Jeffrey, Vice-Chairman  
Senator John M. Vergiels  
Assemblyman David E. Humke  
Assemblyman Bob Thomas  
Lt. Governor Bob Cashell  
Al Puliz, President, Puliz Moving & Storage  
Ray Vega, President, Vega Enterprises  
Bill Champion, Vice President of Personnel, Bally Grand,  
Las Vegas  
George Sumner, Director, Department of Prisons  
Ron Angelone, Assistant Director, Department of Prisons

The Prison Industry Committee held four meetings and toured successful prison industry operations in Colorado, Oklahoma, Illinois, Texas and Virginia. To facilitate the tours, the committee was fortunate to receive a grant from the National Institute of Corrections. The committee also received another technical assistance grant from the National Institute of Corrections which enabled Howard Skolnik, Superintendent of Illinois Correctional Industries, to assess the current prison industry program in Nevada.

The committee reviewed a great deal of information and has attempted in this report to present its findings and recommendations briefly and concisely. All supporting documents and minutes are on file in the fiscal division of the legislative counsel bureau and available to any member.

This report is transmitted to the members of the 64th session of the Nevada legislature for its consideration and appropriate action.

Respectfully Submitted,

Legislative Commission  
Legislative Counsel Bureau  
State of Nevada

Carson City, Nevada  
August 1986

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LEGISLATIVE COMMISSION

Assemblyman Louis W. Bergevin, Chairman  
Assemblyman Bob L. Kerns, Vice-Chairman

Senator James H. Bilbray	Assemblyman Robert W. Sader
Senator Helen A. Foley	Assemblyman James W. Schofield
Senator Lawrence E. Jacobsen	Assemblyman Danny L. Thompson
Senator Kenneth K. Redelsperger	Assemblyman Barbara A. Zimmer
Senator Sue Wagner	

## SUMMARY OF RECOMMENDATIONS

This summary represents the major conclusions reached by the prison industry committee. These conclusions are based upon suggestions made at public hearings; written communications to the committee; information obtained as the result of tours of successful prison industry operations; testimony provided by Howard Skolnik, superintendent, Illinois Correctional Industries; and the department of prison's plan for prison industries as submitted to the committee.

The committee recommends:

1. The establishment of a nine-member prison industries advisory board, appointed by the interim finance committee. Three members of the board will be appointed from members of the interim finance committee; one member appointed as a representative of business and industry; one member appointed as a representative of organized labor; and two members appointed as representatives of manufacturing. The director of the department of prisons and the director of the department of general services should also serve on the board. The board should elect its chairman and otherwise provide for its organization. Board members should serve 2-year terms and be eligible to be reappointed.

- A. All members of the board, with the exception of the directors of departments of prisons and general services, should be entitled to receive salary compensation provided for a majority of the legislature during the first 60 days of the preceding session.

The prison industry board members should also receive compensation for travel and per diem expenses in the manner provided by law. All compensation will be paid from the prison industry fund.

- B. Board meetings should be at least quarterly and the board should report to the interim finance committee semi-annually.
- C. The board should be charged with reviewing potential industrial programs prior to their implementation for the following criteria:
  1. Employ the maximum number of offenders possible.
  2. Provide for the use of money produced by the program to reduce the cost of maintaining the offenders in the institutions.
  3. Produce a profit for the department.
  4. Have an insignificant effect on the number of jobs available to the residents of this state.

5. Provide training to the inmates that will give the inmates a marketable skill (BDR 16-87).
2. Establishment of a 50¢ administrative fee on each license plate manufactured at the department of prisons with the revenue credited to the prison industry fund. Based upon the Department of Motor Vehicles' estimate of license plate production, this fee should generate \$290,000 in annual revenue. (BDR 43-91)
3. Combining the prison industry and farm funds into one single fund entitled "prison industry and farm fund." The farm, however, will maintain a separate budget account for its fiscal activities. (BDR 16-89)
4. That the director of the department of prisons, with the approval of the director of the department of general services, establish a procedure for extraordinary and emergency purchases by the department's industry program. (BDR 16-92)
5. That the director of the department of prisons appoint, from a list of three names supplied by the advisory board, an assistant director for industry programs who will be in the classified service except for retention purposes. (BDR 16-87)
6. That the director of the department of prisons present the comments of the advisory board to the board of prison commissioners when presenting new industry programs for their approval. (BDR 16-87)
7. That six new positions be established and funded through the general fund for four years. However, all operating (including travel) and equipment costs for these new positions should be funded from the industry fund. These positions with their effective date of hire are as follows:
  - A. Assistant Director for Industries (grade 45)--March 1, 1987.
  - B. Management Assistant III (grade 27)--March 1, 1987.
  - C. Institutional Business Manager I (grade 35)--July 1, 1987.
  - D. Regional Sales Managers (2--1 North & 1 South) (grade 34)--July 1, 1987.
  - E. Senior Accountant (grade 34)--January 1, 1988.
8. That authority be provided in the prison industry budget effective July 1, 1987, for seven new industry foremen positions (grade 31) to operate the following industry programs if market studies indicate they are feasible:

- A. Furniture manufacturing and metal fabrication--NNCC.
  - B. Bookbinding and soap/detergent manufacturing--NSP.
  - C. Commercial laundry--SDCC.
  - D. Auto upholstery and school bus seat renovation--SDCC.
  - E. Furniture refurbishing--SNCC.
  - F. Metal fabricating--SNCC.
  - G. Data entry--NWCC.
9. That the department of prisons' recommendation to fund the "start-up" costs of the department's proposed new industry programs from the general fund be adopted. The department estimated that \$325,000 in capital improvements and \$454,000 in equipment will be required to expand the prison industry program. As part of this recommendation, the committee is recommending the funding for the equipment (\$454,000) as well as the previous industry debts (\$200,000 industry and \$100,000 farm) be repaid through a 25 percent assessment on the annual net profit from the industry program. (BDR S-351)
10. The establishment of a 12-man inmate work crew complete with a bus and supervisor to work on various buildings and grounds projects in the Reno, Sparks, Carson City area.
11. That the department of prisons charge private industries which operate in the prison a monthly rental fee for shop space at a range between 5¢ and 25¢ a square foot. The director of the department shall have the discretion in establishing the rate (NRS 209.461). This fee will be assessed to the Vinyl Products; L.V. Food Distributors; Nevada Plasma, Inc., and Desert Plasma, Inc. Based upon the current space occupied by those businesses, it is estimated that \$44,248 in annual revenue will be generated for credit to the industry fund.
12. That the litre payment that is received from the blood/plasma programs be credited totally to the industry fund beginning in fiscal year 1989 instead of being divided between the institution's budget account and the store fund. The department of prisons estimates \$70,000 in additional annual revenue (effective FY 89) will be available in the industry fund that was previously deposited to the store fund. The committee also recommends the correctional officers associated with the operation of the blood/plasma program be transferred to the industry fund.



## INTRODUCTION AND BACKGROUND

The 1981 legislature, through passage of Senate Bill 334, appropriated \$200,000 from the state general fund to the prison industry fund for the purpose of providing working capital. Included in this legislation was the requirement that the appropriation be repaid in three installments with the first installment of \$70,000 due before July 1, 1985. During the 1985 legislature, it became evident the prison industry fund would not have sufficient funding to make the initial installment on the repayment and to continue operating. Legislation was approved (A.B. 633) by the 1985 legislature which changed the initial installment date to "before July 1, 1989."

The 1985 legislature, in approving S.B. 446, was cognizant that the existing industry program needed improvement. The legislature wanted the industry programs reviewed to determine how the programs currently operate and how the programs may be improved and/or modified in the future to make the programs more productive and cost efficient.

The scope of the committee's work involved a review of the past and existing industry programs at the department. Information as provided by director Sumner revealed the following industry programs are currently operating: (Please refer to Table I; current count column)

The department of prisons also provided unaudited financial statements (Table II) for fiscal years 1982 through 1985 which disclosed the industry program had operated at a cumulative loss of \$165,064 for those fiscal years.

In addition, the department provided an in-depth breakdown of inmate assignments as of June 4, 1986 (Tables IIA - IIE).

The department of prisons also provided information (Table IIF) which summarizes substantial and meaningful inmate assignments by major institution (as of June 4, 1986). Included in this information, the department indicated 3,045 inmates housed in major institutions were eligible for meaningful work assignments. However, only 1,450 inmates currently hold meaningful work assignments with 356 inmates holding work assignments in industry programs (as of June 4, 1986). This results in a net of 1,595 inmates not having meaningful work assignments. If market studies for the new industry programs recommended by the department of prisons prove feasible, the department estimates that an additional 160 inmates can be employed. The department of prisons has also estimated that within five years an additional 760 inmates can be employed in industry programs (Please refer to Table I; Total Count Five Years).

Table 1

NEVADA DEPARTMENT OF PRISONS  
 PRISON INDUSTRY SUBCOMMITTEE  
 PROJECTED POSITIONS & ROOM AND BOARD REVENUE  
 FIVE YEAR PLAN BEGINNING 3/1/87

INSTITUTION & INDUSTRY	CURRENT COUNT	PROJECTED INCREASE	TOTAL COUNT FIVE YRS	ESTIMATED AVERAGE WAGE/HR	ESTIMATED AVERAGE MO WAGE	ROOM & BOARD RATE	ESTIMATED R & B REV MONTHLY	ESTIMATED R & B REV PER YEAR
NHCC								
NEW FURNITURE	12	3	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
USED UPHOLSTRY	12	3	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
AUTO MECHANIC	4	6	10	\$0.52	\$90.13	\$3.00	\$30.00	\$360.00
AUTO BODY SHOP	6	4	10	\$0.52	\$90.13	\$3.00	\$30.00	\$360.00
WELDING & METAL FABRICATION								
(PARK FURN/BEDS)	6	9	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
DAIRY & JUICE	12	4	16	\$0.52	\$90.13	\$3.00	\$48.00	\$576.00
PRIVATE SECTOR	65	0	65	\$3.35 a	\$580.67	\$197.04	\$12,807.60	\$153,691.20
COMMUNITY INDUSTRY	25	12	37	\$1.00	\$173.33	\$19.60	\$725.20	\$8,702.40
NEW INDUSTRY IN OLD KITCHEN AREA	0	45	45	\$0.52	\$90.13	\$3.00	\$135.00	\$1,620.00
	142	86	228	N/A	N/A	N/A	\$13,910.80	\$166,929.60
SDCC								
COMMERCIAL LAUNDRY	0	20	20	\$0.52	\$90.13	\$3.00	\$60.00	\$720.00
AUTO UPHOLSTRY	4	21	25	\$0.52	\$90.13	\$3.00	\$75.00	\$900.00
AUTO REFURDISHING	22	18	40	\$0.52	\$90.13	\$3.00	\$120.00	\$1,440.00
COMMUNITY INDUSTRY	6	0	6	\$1.00	\$173.33	\$19.60	\$117.60	\$1,411.20
PRIVATE SECTOR	41	0	41	\$3.35 a	\$580.67	\$197.04	\$8,078.64	\$96,943.68
	73	59	132	N/A	N/A	N/A	\$8,451.24	\$101,414.88
SHCC								
FURN REFURDISHING	0	15	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
WELDING & METAL FAB	0	15	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
PRIVATE SECTOR	0	40	40	\$3.35 a	\$580.67	\$197.04	\$7,881.60	\$94,579.20
	0	70	70	N/A	N/A	N/A	\$7,971.60	\$95,659.20

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Table 1  
(continued)

NEVADA DEPARTMENT OF PRISONS  
PRISON INDUSTRY SUBCOMMITTEE  
PROJECTED POSITIONS & ROOM AND BOARD REVENUE  
FIVE YEAR PLAN BEGINNING 3/1/87

INSTITUTION & INDUSTRY	CURRENT COUNT	PROJECTED INCREASE	TOTAL COUNT FIVE YRS	ESTIMATED AVERAGE WAGE/HR	ESTIMATED AVERAGE MO WAGE	ROOM & BOARD RATE	ESTIMATED R & B REV MONTHLY	ESTIMATED R & B REV PER YEAR
NWCC								
DATA ENTRY	0	18	18	\$0.52	\$90.13	\$3.00	\$54.00	\$648.00
COMMUNITY INDUSTRY	60	15	75	\$1.00	\$173.33	\$19.60	\$1,470.00	\$17,640.00
PRIVATE SECTOR	0	20	20	\$3.35 a	\$580.67	\$197.04	\$3,940.80	\$47,289.60
	60	53	113	N/A	N/A	N/A	\$5,464.80	\$65,577.60
NSP								
BINDERY/PRINT SHOP	18	42	60	\$0.52	\$90.13	\$3.00	\$180.00	\$2,160.00
SOAP FACTORY	7	3	10	\$0.52	\$90.13	\$3.00	\$30.00	\$360.00
LINEN FACTORY	8	7	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
PRIVATE SECTOR	0	20	20	\$3.35 a	\$580.67	\$197.04	\$3,940.80	\$47,289.60
	33	72	105	N/A	N/A	N/A	\$4,195.80	\$50,349.60
SUBT EXISTING FAC	308	340	648	N/A	N/A	N/A	\$39,994.24	\$479,930.88
ELY								
GARMENT FACTORY	0	60	120	\$0.52	\$90.13	\$3.00	\$360.00	\$4,320.00
PRIVATE SECTOR	0	40	80	\$3.35 a	\$580.67	\$197.04	\$15,763.20	\$189,158.40
	0	100	200	N/A	N/A	N/A	\$16,123.20	\$193,478.40
LOVELOCK								
MEAT PROCESSING	0	30	60	\$0.52	\$90.13	\$3.00	\$180.00	\$2,160.00
VEGETABLE HYDROPONIC	0	60	120	\$0.52	\$90.13	\$3.00	\$360.00	\$4,320.00
PRIVATE SECTOR	0	40	40	\$3.35 a	\$580.67	\$197.04	\$7,881.60	\$94,579.20
	0	130	220	N/A	N/A	N/A	\$8,421.60	\$101,059.20
GRAND TOTAL	308	570	1068	N/A	N/A	N/A	\$64,539.04	\$774,468.48

TABLE II  
 NEVADA DEPARTMENT OF PRISON'S INDUSTRY PROGRAM  
 PROFIT & LOSS BREAKDOWN  
 SOURCE-UNAUDITED FINANCIAL STATEMENTS FROM DEPARTMENT OF PRISONS

INDUSTRY	RETAINED EARNINGS FROM PRIOR FISCAL YEAR	FY 82	FY 83	FY 84	FY 85	TOTAL
FURNITURE & REFURBISHING	\$188,552 A	\$3,652 A	(\$94,187)A	(\$73,960)	\$44,588	(\$119,000)
MATTRESS FACTORY	\$0	\$0	\$0	(\$1,485)	\$4,145	\$2,660
BOOKBINDERY	\$0	\$0	(\$3,223)	(\$3,917)	(\$3,052)	(\$10,192)
SOAP & DETERGENT FACTORY	\$0	(\$438)	(\$31,204)	\$8,653	(\$5,067)	(\$28,056)
GARMENT FACTORY	\$0	(\$10,959)	(\$16,931)	(\$4,168)	\$0	(\$32,048)
KDS	\$0	\$1,104	(\$665)	\$0	\$0	\$439
VINYL PRODUCTS	\$22,134	\$2,473	\$8,955	\$1,902	\$0	\$35,464
MECHANO	\$25,475	\$8,678	\$0	\$42	\$0	\$34,195
CLEAR CREEK	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	<b>\$236,161</b>	<b>\$4,510</b>	<b>(\$137,255)</b>	<b>(\$72,933)</b>	<b>\$40,614</b>	<b>(\$165,069)</b>

A-INCLUDES MATTRESS FACTORY

B-DOES NOT INCLUDE RETAINED EARNINGS FROM "PRIOR FISCAL YEARS"



Table II B

NEVADA WOMEN'S CORRECTIONAL CENTER - (NWCC)

12.

<u>Education</u>	<u>Culinary</u>	<u>Maintenance</u>	<u>Prison Industry (State/Private)</u>	<u>Community Industry (State/City/Private)</u>	<u>General Services (Internal)</u>
69 FTA	4 Cooks 4 Salad 2 Pots 2 Dishes 2 Clerks 1 Baker 1 Dock 4 Carts 2 Cooks Helpers 1 Dining Room 13 Sanitation	2 Maintenance Asst	0	34 State Agencies 8 Carson City School District 8 Micrographica (on-site) 10 NCF 12 Carson Nugget 12 Sierra Convalescent/ Eagle Valley Childrens Home 1 Private Company	See Below
<u>69 TOTAL</u>	<u>36 TOTAL</u>	<u>2 TOTAL</u>	<u>0 TOTAL</u>	<u>85 TOTAL</u>	

General Services (Internal)

- 2 - Laundry
- 1 - Infirmary Clerk
- 2 - Law Library Clerks
- 1 - Canteen Clerk
- 5 - Canteen Workers
- 1 - Front Lawn (landscaping)

12 TOTAL (General Services Internal)

POPULATION: 225  
 ASSIGNMENTS: 204  
 DIFFERENCE: 21

Table II C

NORTHERN NEVADA CORRECTIONAL CENTER - (NNCC)

<u>Education</u>	<u>Culinary</u>	<u>Maintenance</u>	<u>Industry (State/Private)</u>	<u>General Services (State/City)</u>	<u>General Services (Internal)</u>
45 FTA	11 Cooks	1 Welder	18 Plasma Center	-0-	See below
18 College classes	9 Cook's Helpers	1 Plumber	41 Vinyl Products		
2 Librarians	3 Culinary Clerks	1 Painter	39 Prison Industry*		
4 Clerks	5 Clipper Room	2 Carpenters			
9 Teacher Aides	1 Pots	1 Electrician	*furniture manu-		
1 Tester	3 Beverage	1 Greasetender	facturing, auto		
	13 Bakery	1 Warehouse Clerk	and support		
<u>79 Total</u>	1 Sandwiches	1 Tool Clerk			
	2 Salad	1 Maintenance Clerk	<u>98 Total</u>		
	3 Head Waiters	6 Boiler Room			
	2 Greasemen				
	3 Carbage	<u>16 Total</u>			
	7 Food Carts				
	<u>63 Total</u>				

General Services (Internal)

<u>Laundry</u>	<u>Hospital/Dental</u>	<u>Law Library</u>	<u>Misc. Clerks</u>	<u>Miscellaneous</u>
1 Clerk	1 Dental Assistant	5 Law Clerks	1 Supply Clerk	1 Personnel Barber
1 Presser	4 Hospital Attendants		1 P and P Clerk	1 Gym Equipment
4 Sheet Crew	2 Dental Techs		1 Gym Clerk	9 Unit 5 (psych unit) workers
2 Markers	1 Hospital Attendant Tr.		5 Captain Clerks	5 Garbage Truck
4 Dry Cleaners	1 Hospital Lab Tech		2 Psych Clerks	8 Braille Transcribers
2 Washers	2 Hospital Clerks		4 Canteen Clerks	
1 Dryer			2 Payroll Clerks	
2 Countermen			3 I.D. Clerks	
1 Tailor				

77 Total (General Services Internal)

POPULATION: 960  
 ASSIGNMENTS: 333  
 DIFFERENCE: 627

Table II D

6/4/86

SOUTHERN NEVADA CORRECTIONAL CENTER

<u>Education</u>	<u>Culinary</u>	<u>Maintenance</u>	<u>Industry (State/Private)</u>	<u>General Services (City/State)</u>	<u>General Services (Internal)</u>
64 FTA	10 Cooks	2 Electricians	10 Plasma Center	-0-	See below
5 ENT Instructors	13 Cook helpers	1 Air Conditioning	11 Auto Body		
3 ENT Instructor Trainees	10 servers	1 Carpenter			
4 ENT Students	1 Saladman	1 Trash Truck	<u>21 Total</u>		
5 Ed Clerks	1 Butcher	1 Boiler room			
1 Library Clerk	1 Stocker	1 Welder			
	1 Garbage	1 Plumber			
<u>82 Total</u>	1 Wall-in Box	1 Parking Lot Maint.			
	1 Utility	3 Carpenter Asst.			
	3 Bakers	1 Maint Helper			
	1 Donuts	4 Warehouse			
	1 Bread	2 Maint Clerks			
	2 Food Carts				
	1 Pots	<u>19 Total</u>			
	7 Deserts				
	2 Clerks				
	1 Bread cutter				
	<u>57 Total</u>				

General Services (Internal)

<u>Laundry</u>	<u>Medical</u>	<u>Gym</u>	<u>Misc. Clerks, etc</u>	
4 Tailors	1 Clerk	1 Clerk	2 Freedom Training	1 Housing Clerk
1 Presser	2 Attendants	2 Store Clerks	5 P and P	1 Care and Treatment Clerk
2 Washers	2 Dental	1 Comersman	2 law clerks	2 Ethnic Clerks
2 Dryers			4 Procedure Clerks	1 Admin Clerk
2 Trainees			5 Unit Clerks	1 Vendor
			1 Lt Clerk	2 Canteen
			1 JWD Clerk	5 Barbers
			1 Fire Crew Clerk	
			2 Vitamin/Diet Clerks	

56 Total (General Services Internal)

POPULATION: 616  
 ASSIGNMENT: 235  
 DIFFERENCE: 381

14.

Table II E

6/4/86

SOUTHERN DESERT CORRECTIONAL CENTER (SDCC)

<u>Education</u>	<u>Culinary</u>	<u>Maintenance</u>	<u>Industry (State/Private)</u>	<u>General Services (State/City)</u>	<u>General Services (Internal)</u>
173 FTA	12 Cooks	7 Unit Maint.	54 Food Processing	5 Air Force	See Below
1 Library Asst.	12 Cook Helpers	1 Cul. Maint.	27 Auto Body	(Government)	
9 Teacher Assts.	12 Waiters	1 Inst. Maint.	17 Plasma Center	<u>5 Total</u>	
1 Ed. Clerk Inventory	8 Clipper Room	1 Air Cond.	<u>98 Total</u>		
1 Ed. Computer Op.	4 Pots	1 Welder			
3 Ed Clerks	3 Stock	2 Welder Helpers			
1 Librarian	4 Dock	2 Electricians			
<u>189 Total</u>	1 Clerk	1 Plumber			
	6 Bakers	1 Laundry Maint.			
	<u>62 Total</u>	1 Maint Clerk			
		6 Boiler Room			
		1 Gas Pump Attendant			
		1 Warehouse			
		<u>26 Total</u>			

General Services (Internal)

<u>Laundry</u>	<u>Medical</u>	<u>Hobbycraft</u>	<u>Misc. Clerks</u>	<u>Miscellaneous</u>
1 Clerk	2 Dental Asst.	10 hobbycraft	4 I.D. Clerks	9 Inmate Coffee Shop
3 Pressers	7 Med Techs	4 PI hobbycraft	3 Intake Clerks	5 Barbers
4 Sheetmen	3 Tech Trainees		5 Law Library	2 Boxing Program
2 Washers	1 X-Ray Tech		3 P and P	11 Fire Crew
2 Dryers	1 Clerk		1 Property	
2 Countermen			2 Psych	
			5 Unit	
			4 Custody	
			1 Acct. Clerk	

97 General Services (Internal)

POPULATION: 1045  
 ASSIGNMENTS: 477  
 DIFFERENCE: 568

6/4/86

Table IIF

NEVADA DEPARTMENT OF PRISONS

BREAKDOWN OF SUBSTANTIAL AND MEANINGFUL INMATE ASSIGNMENTS

INSTITUTION	POPULATION	EDUCATION*	CULINARY	MAINTENANCE	PRISON INDUSTRY (STATE/PRIVATE)	COMMUNITY INDUSTRY (STATE/CITY/PRIVATE)	GENERAL SERVICES (INTERNAL)**	TOTAL # INMATES W/MEANINGFUL & SUBSTANTIAL ASSIGN.	# INMATES INELIGIBLE FOR MOST JOBS (RESTRICTED HSG)	DIF FLR
NSP	590	52	55	12	49	-0-	32	201	158	131
NWCC	225	69	36	2	-0-	85	12	204	13	8
NNCC	960	79	63	16	98	-0-	77	333	102	525
SNCC	616	82	57	19	21	-0-	56	235	50	131
SDCC	1045	189	62	26	98	5	97	477	68	500

\*includes Full Time Academics (High School and College Combined) and other educational programs/assignments

\*\*includes clerks, law library, barbers, medical, canteen, etc.

A complete breakdown by institution is attached)

GRAND TOTAL OF INMATES IN MAJOR INSTITUTIONS: 3436  
 INMATES w/MEANINGFUL/SUBSTANTIAL ASSIGNMENTS: 1450  
 INMATES INELIGIBLE FOR MOST JOBS (RESTRICTED HSG): 391  
 DIFFERENCE: 1595

CONSERVATION CAMPS AND RESTITUTION CENTERS (ALL INMATES HAVE SUBSTANTIAL/MEANINGFUL ASSIGNMENTS)

FACILITY	POPULATION
ISCC	104
WCC	133
CCCC	175
PCC	51
ECC	122

FACILITY	POPULATION
NNRC	55
SNRC	33

TOTAL POPULATION CONSERVATION CAMPS: 585  
 TOTAL POPULATION RESTITUTION CTRS: 88



Table II G  
NEVADA WOMEN'S CORRECTIONAL CENTER

<u>AGENCY</u>	<u>POSITION</u>	<u>GRADE</u>	<u>YEARLY SALARY</u>	<u>TOTAL YEARLY SALARY</u>	<u># OF POSITIONS</u>	<u>INMATE WAGES</u>	<u>DIFFERENCE (SAVINGS)</u>
DOP - ADMIN.	ADMIN. AIDE II	21	\$13,401.83	\$40,205.49	3	\$5,784	\$34,421.49
PAROLE & PROBATION	COORDINATOR	18	11,992.22	11,992.22	1	1,820	10,172.22
DEPT. OF TOURISM	ADMIN. AIDE II	21	13,401.83	26,803.66	2	3,856	22,947.66
DEPT. OF EDUCATION	ADMIN. AIDE I	20	12,901.54	12,901.54	1	2,892	10,009.54
STATE PRINTING	ADMIN. AIDE I	20	12,901.54	12,901.54	1	1,928	10,973.54
MICROGRAPHICS	MICRO OPERATOR	21	13,401.83	201,207.45	15	28,920	172,287.45
PURCHASING	KEY DATA TECH (½)	23	7,233.46	13,684.23	1	3,856	9,828.23
17.	ADMIN. AIDE I (½)	20	6,450.77				
EMPLOYMENT SECURITY	DATA ENTRY OPR.	21	13,401.83	40,205.49	3	5,784	34,421.49
DEPT. OF TAXATION	ADMIN. AIDE II	21	13,401.83	40,205.49	3	5,784	34,421.49
MOTOR POOL	ADMIN AIDE I	20	12,901.54	12,901.54	1	1,928	10,973.54
GOVERNOR'S MANSION	ADMIN. AIDE I	20	12,901.54	12,901.54	1	2,892	10,009.54
CENTRAL DATA PROC.	KEY DATA OPR.	23	<u>14,466.92</u>	<u>14,466.92</u>	<u>1</u>	<u>3,856</u>	<u>10,610.92</u>
	TOTALS:		\$158,758.68	\$440,377.00	33	\$69,300	\$371,077.11

Table II G  
NORTHERN NEVADA CORRECTIONAL CENTER

<u>AGENCY</u>	<u>POSITION</u>	<u>GRADE</u>	<u>YEARLY SALARY</u>	<u>TOTAL YEARLY SALARY</u>	<u># OF POSITIONS</u>	<u>WAGES</u>	<u>DIFFERENCE (SAVINGS)</u>
STATE MOTOR POOL	VEHICLE SV. WKR.	25	\$15,642.04	\$31,284.08	2	\$3,964	\$27,320.08
BLDG. & GROUNDS	GROUNDSMEN	20	12,901.54	103,212.32	8	15,856	87,356.32
BLDG. & GROUNDS	GROUNDSMEN	20	12,901.54	12,901.54	1	2,973	9,928.54
GOVERNOR'S MANSION	HOUSEKEEPER	20	12,901.54	38,704.62	3	5,946	32,758.62
DOP - ADMIN.	GEN. MAINT.	20	12,901.54	12,901.54	1	1,982	10,922.54
NEV. HIGHWAY PATRL.	GEN. BLDG. MAINT.	28	17,631.07	70,524.28	4	11,568	58,956.28
NEV. NAT'L GUARD	GROUNDSMEN	20	12,901.54	25,803.08	2	4,820	20,983.08
ROOFING CREW	GEN. BLDG. MAINT.	28	17,631.07	70,524.28	4	7,928	62,596.28
DEPT. PRISON - WHSE	WAREHOUSEMEN	23	<u>14,466.92</u>	<u>57,867.68</u>	<u>4</u>	<u>9,904</u>	<u>47,963.68</u>
	TOTALS:		\$129,878.80	\$423,723.42	29	\$64,941	\$358,785.42

18.

TOTAL STATE POSITIONS SALARY	=	\$864,100.53
TOTAL BENEFIT PACKAGE	=	<u>130,256.78</u>
TOTAL	=	\$994,357.31
TOTAL INMATE SALARY	=	<u>134,241.00</u>
DIFFERENCE	=	\$860,116.31

The department of prisons is also estimating the annual room and board revenue paid by these inmates will approximate \$774,000 (please refer to Table I; Estimated R & B Revenue Per Year). An additional annual savings of approximately \$860,000 is estimated by the department of prisons by employing inmates in "community industry" positions (please refer to Table IIG). This savings results from employing inmates in state agencies with the savings being realized in the reduced salary that is paid the inmates. The department of prisons indicates this is currently being done and would not affect existing state employees.

Tours of Successful Prison Industry Programs

The committee conducted formal tours of successful prison industry programs in Colorado, Oklahoma and Illinois (November 21-25, 1985) and in Texas and Virginia (January 7-11, 1986). The specific programs that were reviewed are:

	<u>Colorado</u>	<u>Oklahoma</u>	<u>Illinois</u>	<u>Texas</u>	<u>Virginia</u>
Furniture Shop	X	X	X		
Janitorial Products	X				
Metal Fabrication	X				
Sign Shop	X				
Print Shop	X				
Sewing Shop	X		X		
Data Entry		X			X
Microfilming		X			
Hotel Reservations		X			
Soap & Detergent Mfg.			X		
Chicken & Hog Farm				X	
Egg Program				X	
Tire Recapping				X	
Canning Plant				X	
School Bus Renovation					X
Slaughter/Butcher Oper.					X
Laundry Plant					X
Drapery Mfg.					X

The following various comments/observations were the result of the review of the industry programs in those states:

1. The mission of the industry program should be clearly defined (i.e., work intensive, profit oriented, training).
2. Before expanding any programs, an examination should be completed on existing resources to determine what can be accomplished with the existing resources.
3. An examination should also determine whether products should be manufactured from "scratch" or if "pre-manufactured goods" should be utilized.

4. Where possible, industry programs should be "front ended" with vocational education programs for training.
5. The size of the Prison Industry Advisory Board should be limited to 4 or 5 members (i.e., legislator, organized labor, etc.).
6. The prison industry advisory board should have specific duties.
7. The prison industry advisory board should be reimbursed for travel and per diem costs associated with their meetings. The meetings should be held monthly.
8. The prison industry market(s) should be defined (i.e., State Use Law).
9. The legislature should not fund industry programs until the department of prisons has a specific industry program plan (i.e., number of inmates to be employed, list of equipment/tools required, market expectations, etc.).
10. Existing industry programs should be established and perfected before expansion into new industry programs.
11. The marketing program should stress quality control (i.e., insure customer satisfaction).
12. The financial reporting should be monthly.
13. There should be separate accounting for the various prison industry programs to identify which industry programs are profitable.
14. Space is a critical issue for storage of raw materials, finished goods and actual manufacturing.
15. Extensive use of inmates should be made by the general services department (i.e., landscaping, moving, liter pick-up, pruning, janitorial, sprinkler system repairs, etc.).
16. Room and board charges are levied against those inmates employed in the private sector industry (i.e., inmates making minimum wage).
17. Starting pay for industry personnel (civilian staff) should be approximately 10 percent higher than that of correctional officers.
18. State purchasing should not be used when purchasing raw materials to insure timeliness of deliveries.
19. Agri-business is work intensive.
20. Oklahoma derives approximately \$1,065,000 from a 35¢ tag assessment.

Based upon these tours and the information that was obtained, the committee is recommending the following legislation:

1. The establishment of a nine-member prison industry advisory board appointed by the interim finance committee for two-year terms. The advisory board would be comprised of three legislators who are members of the interim finance committee, two members representing manufacturing, one member representing organized labor and one member representing business and industry. In addition, the director of the department of prisons and the director of general services would be members of this board.

The committee felt the board should be advisory rather than policy making. It is felt the board will provide the necessary bridge to private industry; therefore, forestalling many problems. The committee also feels that an advisory board would provide technical assistance and ensure the groups they are representing would not be adversely affected by the industry programs.

The committee recommends the board members should be compensated for their travel and per diem and receive a salary the same as that paid the majority of the legislature during the first 60 days of the preceding session. The board should meet at least quarterly and should report semi-annually to the interim finance committee on their activities.

As part of the board's responsibilities, the committee is recommending they review potential industry programs for the following criteria:

1. Employ the maximum number of offenders possible.
  2. Provide for the use of money produced by the program to reduce the cost of maintaining the offenders in the institutions.
  3. Produce a profit for the department.
  4. Have an insignificant effect on the number of jobs available to the residents of this state.
  5. Provide training to the inmates that will give the inmates a marketable skill.
2. The establishment of a procedure whereby the director of the department of prisons, with the approval of the director of general services, can make extraordinary and emergency purchases without complying with Chapter 333 of NRS (State Purchasing Act). During the committee's tours, information provided by representatives of the programs toured indicated that the rapid acquisition of raw materials was an important aspect to insure the program would be competitive. The committee did not feel comfortable in removing the Department of Prisons from the auspices of state purchasing.

However, the legislation recommended will provide the results desired by the committee and is a replicate of existing legislation (NRS) for the department of museums and history.

3. The establishment of a 50¢ administrative fee on each license plate manufactured at the department of prisons with the revenue credited to the prison industry fund. A review of license plate programs in other states indicates that 36 states, as of 1983, operate license plate plants as part of their industry programs. The Oklahoma Correctional industry program received revenue of approximately \$1,065,000 in fiscal year 1985.

The administrative charge assessed on the license plates would represent a charge to DMV for access to the inmates and institutional services. Information provided by the department of motor vehicles discloses an estimated 580,000 license plates (Table III) will be produced during the year ending December 31, 1986. Based upon the 50¢ per license plate administrative charge, an estimate of \$290,000 in annual revenue would be available for credit to the industry fund.

TABLE III  
LICENSE PLATE PRODUCTION

1983 - 1985  
Individual Pieces

	1983	1984	1985	Estimated 1986
Regular Issue	<u>271,000</u>	<u>422,800</u>	<u>396,000</u>	<u>410,500</u>
Trailer	12,000	15,500	19,750	18,000
Motorcycle	8,000	4,472	7,331	6,500
Personalized	15,911	31,908	23,970	21,000
Special	<u>7,506</u>	<u>12,577</u>	<u>41,475*</u>	<u>14,000</u>
	<u>314,417</u>	<u>487,257</u>	<u>488,526</u>	<u>470,000</u>
Motor Carrier	<u>111,000</u>	<u>84,645</u>	<u>103,200</u>	<u>110,000</u>
TOTALS	<u><u>425,417</u></u>	<u><u>571,902</u></u>	<u><u>591,726</u></u>	<u><u>580,000</u></u>

\* Includes 24,000 exempt plates.

4. The establishment of a 12-man inmate work crew complete with a supervisor and bus. This crew would be used exclusively on Buildings and Grounds projects in the Reno-Sparks-Carson City area. Testimony received by the committee from the department of general services as well as comments received during their tours indicated this would be a viable program. This crew would be used on buildings and grounds maintenance projects at locations such as the Capitol grounds, at Stewart and at the Nevada Mental Health Institute. Testimony provided by the department of general services indicated the 12-man bus would cost approximately \$28,000 and the operating costs, excluding the supervisors salary, would approximate \$12,000 annually.

The committee considered but is not recommending stricter use laws which would require state and local agencies to purchase prison made products. Currently, NRS 333.290 and 333.410 require the chief of the state purchasing division to purchase supplies or materials from state institutions if they can be secured at an equal quality and price and with timely delivery. After reviewing these statutes, the committee felt they were sufficient and that strenghtening the "state use law" would not be necessary. The committee chose to have the prison be successful with quality products at competitive prices.

#### Review of Nevada's Correctional Industries - Consultants Report

At the request of the committee, director Sumner secured a technical assistance grant from the National Institute of Corrections to contract for an assessment of Nevada's existing industry program and to advise of potential industry programs.

Mr. Howard Skolnik, Superintendent of Illinois Correctional Industries, provided consultant services in this area. Mr. Skolnik conducted an on-site review of the Nevada correctional industries program between April 19, 1986, and April 26, 1986. A summary of Mr. Skolnik's findings and recommendations are as follows (Please refer to Appendix A for the entire report):

1. FINDING: There is no administrative structure that provides for accountability, planning or the development of controls for correctional industries.

RECOMMENDATION: It is recommended that an individual be placed in charge of industries throughout the state. Farm operations should be brought under the same individual responsible for industries. Oversight of private sector operations and placement of inmates in the community could

also fall under this position to assure a coordinated effort among various work related components within the system. This individual should report to the director of the department of prisons and be located in Carson City to assure ready contact with other agencies as required. Initial staffing of a central office should include two positions reporting to the head of industries - one coordinating all fiscal operations including cost accounting, inventories and financial statements and one overseeing marketing, sales and planning. Production control should be maintained by the head of industries until substantial growth (sales in excess of \$5 million) is achieved. There should also be two sales representatives--one in the Reno area and one in the Las Vegas area added to staff. Filling at least one of these positions should occur as soon as possible.

2. FINDING: Current statutes are ambiguous regarding correctional industries. It is not clear from existing legislation whether or not correctional industries can or should receive preferential treatment under any circumstances.

RECOMMENDATION: A formal review of existing legislation should be initiated. Such a review should be charged with developing a comprehensive legislative package for correctional industries. Such a package should have, at the least, exemption from state bid and purchasing requirements when state agencies purchase from correctional industries, exemption from bid requirements when local units of government purchase from correctional industries, a review of purchasing laws to assure responsiveness to a "business" oriented program often needing fast turn around to take advantage of discounts in raw material purchases. A review of current restrictions, either implicit or explicit, regarding the types of businesses that correctional industries can enter should also be undertaken. Finally, there should also be major policy decisions made before a legislative package is finalized. Should a state-use law be enacted? Should correctional industries be established as an independent not for profit corporation using the model of either Federal Prison Industries or PRIDE of Florida? Should correctional industries be allowed to borrow directly from lending institutions either for capitalization and/or operating capital? These are among the policy decisions that need to be made.

3. FINDING: Safety issues are not being addressed in existing correctional industries programs. There appears to be either a lack of awareness or a lack of concern regarding health and safety issues within the shops.



RECOMMENDATION: A review by the appropriate state agency of health and safety issues be undertaken and the recommendations of that agency be given first priority for implementation. Personal safety equipment for staff and inmates should be purchased as soon as possible and use of such equipment should be a mandatory requirement for working in industries.

4. FINDING: New industries and new products are identified on, at best, an intuitive basis. There is no formal process for gathering and analyzing data before making decisions.

RECOMMENDATION: Formal market research should be undertaken before finalizing decisions regarding new industries for either existing operations or proposed new institutions. Expansion requiring little or no capitalization can be done on an intuitive basis. The expenditure of millions of dollars should only result from a thoughtful analysis of the likelihood of that expenditure having long-term benefits. There does not currently appear to be the necessary resources within the department of prisons to conduct such a study and the necessary data collection is clearly beyond the scope of this evaluation. Contracting for such an evaluation prior to the expenditure of large amounts of funds appears to be the most expedient approach and perhaps additional technical assistance in this area can be obtained through NIC. Low or moderate cost expansion may be possible on an intuitive level. Clearly, resources can be committed to providing commodities and equipment for the new institutions as well as for providing for the internal needs of DOP.

5. FINDING: There is a sense that correctional industries cannot grow, but will be lucky to maintain its current level. This may be the result of a previous \$200,000 "loan" that was never paid back. It may be from staff trying to operate at a profit while severely under-capitalized and in some instances operating in physical plants that were clearly never built for their current use. It clearly has set the stage for a self-fulfilling prophecy.

RECOMMENDATION: Correctional industries must be provided adequate capital on a non-loan basis. No business can succeed without equity. Yet the loan to correctional industries placed the operation in a position of not being able to use income to expand and grow, but rather requiring it to see that income was adequate to pay off a loan. It must be recognized that if the capitalization of correctional industries, along with the development of a strong

internal management structure, is accomplished, the long-term benefit to the State of Nevada should be far in excess of the short-term results of a loan payback. Infusion of funds should occur in two ways: 1) Purchase of equipment and building or building modification. The funds provided for these purchases should be done without expectation of payback. For those businesses that do not succeed - and if the market studies are done before major expenditures chances of failure should be minimal - some of the capitalization can be recovered through the sale of the equipment and physical plants or can be converted into other program or living space. 2) Funds should be provided to allow for adequate operating expenses for at least 90 to 180 days for new operations. This will allow for the beginning of a cash flow before the enterprise fund must carry operating expenses. If this money is provided without payback expectation, then the enterprise fund should develop the solvency required to assure the perpetual operation of correctional industries as a self-supporting operation.

Mr. Skolnik was also requested to provide more specific recommendations regarding new industries and a location by location set of recommendations regarding expansion. Mr. Skolnik's report on this subject was prefaced by a cautionary statement which indicated that a detailed market study should be completed before initiating any industry programs. The potential programs as recommended by Mr. Skolnik were split into two groups--low investment requiring less than \$50,000 and high investment requiring over \$50,000. Information regarding Mr. Skolnik's specific recommendations can be found in Appendix A.

#### Prison Industries Plan--Nevada Department of Prisons

The department of prisons, after reviewing Mr. Skolnik's report, submitted a proposed industry plan to the committee (Please refer to Appendix B) which included estimated start-up costs, potential markets, number of square feet required and number of inmates to be employed.

In this proposal and during testimony, the department of prisons recommended the funding of six key positions with general fund dollars in order to facilitate the successful operation of the prison industry program. Those positions with their effective dates are as follows:

1. Assistant Director for Industries (Grade 45)--March 1, 1987.
2. Management Assistant III (Grade 27)--March 1, 1987.
3. Institutional Business Manager I (Grade 35)--July 1, 1987.
4. Regional Sales Manager (two--1-North and 1-South) (Grade 34)--July 1, 1987.
5. Senior Accountant (Grade 34)--January 1, 1988.

The committee concurred with the recommendations of the department of prisons and is recommending the funding of these positions with general fund dollars. Mr. Skolnik, however, in his report recommended that funding of the positions be for a specified period, probably two years, after which the enterprise fund will be expected to absorb these costs. Mr. Skolnik indicated this would be desirable if the goal of the industry program of self-sufficiency is to be achieved. He further indicated the motivation of the staff will be increased as their paychecks become directly contingent upon the success of the program. The committee took this into consideration and is recommending these six positions be funded with general fund dollars for four years, thus providing adequate time for the program to become self-sufficient. The committee then felt the positions should be funded from the industry fund.

The committee is recommending all operating (including travel) and equipment costs associated with the six positions be funded from the industry fund with no general fund support being provided.

The department of prisons, in their proposal, recommended the expansion of the existing industry program as indicated in Table IV with the estimated growth in the number of inmates employed in those programs at 160. The department of prisons has also provided estimates which indicate they anticipate increasing the number of inmates employed in industry programs by 760 within 5 years. (Table IVA.)

TABLE IV  
DEPARTMENT OF PRISONS' RECOMMENDED  
START-UP OF THE FOLLOWING NEW OR MODIFIED INDUSTRIES

<u>Site</u>	<u>Industry</u>	<u>New Inmate Employment</u>	<u>Costs</u>	<u>Description</u>
NNCC	Dairy	4	\$ 85,000	8 oz. pkg. Machine Juice Equipment
NNCC	Furniture Mfg/Metal Fabrication/Uphol- stery & Refurbishing	15	\$150,000	Upgrade Mfg. & Produc- tion Equip. (Lamination press, edge bander, commercial saws)
NSP	Bindery/Print	42	\$ 50,000	Additional bindery equipment
NSP	Industry Building	n/a	\$100,000	For 4,000 sq. ft.
NSP	Mattress/Sheets/ Pillowcases/Towels	7	\$ 6,000	Sewing machines & electric scissors
NSP	Soap/Detergent/ Janitorial	3	\$ 25,000	Janitorial industry start-up costs
			\$ 25,000	Building engineering & freight elevator
SDCC	Commercial Laundry	20	\$155,000	Equipment & truck
SDCC	Auto Upholstery & School Bus Seat Renovation	21	\$ 15,000	Equipment for commercial upholstery
SNCC	Furniture Refurbishing	15	\$ 75,000	Equipment & engineering to existing maintenance shops
SNCC	Metal Fabrication	15	\$ 25,000	Equipment & engineering to existing maintenance shops
SNCC	Industry Building	n/a	\$150,000	For 6,000 sq.ft.
NWCC	Data Entry	18	\$ 3,000	Maintenance & terminal repair
TOTAL		<u>160</u>	<u>\$864,000</u>	

To facilitate the expansion of the industry program, as detailed in Table IV, the department of prisons recommended the new foreman positions as indicated in Table V:

Table IV A

NEVADA DEPARTMENT OF PRISONS  
 PRISON INDUSTRY SUBCOMMITTEE  
 PROJECTED POSITIONS & ROOM AND BOARD REVENUE  
 FIVE YEAR PLAN BEGINNING 3/1/87

INSTITUTION & INDUSTRY	CURRENT COUNT	PROJECTED INCREASE	TOTAL COUNT FIVE YRS	ESTIMATED AVERAGE WAGE/HR	ESTIMATED AVERAGE HO WAGE	ROOM & BOARD RATE	ESTIMATED R & B REV MONTHLY	ESTIMATED R & B REV PER YEAR
<b>NNCC</b>								
NEW FURNITURE	12	3	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
USED UPHOLSTRY	12	3	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
AUTO MECHANIC	4	6	10	\$0.52	\$90.13	\$3.00	\$30.00	\$360.00
AUTO BODY SHOP	6	4	10	\$0.52	\$90.13	\$3.00	\$30.00	\$360.00
WELDING & METAL FABRICATION (PARK FURN/BEDS)	6	9	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
DAIRY & JUICE	12	4	16	\$0.52	\$90.13	\$3.00	\$48.00	\$576.00
PRIVATE SECTOR	65	0	65	\$3.35 a	\$580.67	\$197.04	\$12,807.60	\$153,691.20
COMMUNITY INDUSTRY	25	12	37	\$1.00	\$173.33	\$19.60	\$725.20	\$8,702.40
NEW INDUSTRY IN OLD KITCHEN AREA	0	45	45	\$0.52	\$90.13	\$3.00	\$135.00	\$1,620.00
	142	86	228	N/A	N/A	N/A	\$13,910.80	\$166,929.60
<b>SDCC</b>								
COMMERCIAL LAUNDRY	0	20	20	\$0.52	\$90.13	\$3.00	\$60.00	\$720.00
AUTO UPHOLSTRY	4	21	25	\$0.52	\$90.13	\$3.00	\$75.00	\$900.00
AUTO REFURBISHING	22	18	40	\$0.52	\$90.13	\$3.00	\$120.00	\$1,440.00
COMMUNITY INDUSTRY	6	0	6	\$1.00	\$173.33	\$19.60	\$117.60	\$1,411.20
PRIVATE SECTOR	41	0	41	\$3.35 a	\$580.67	\$197.04	\$8,018.64	\$96,943.68
	73	59	132	N/A	N/A	N/A	\$8,451.24	\$101,414.88
<b>SHCC</b>								
FURN REFURBISHING	0	15	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
WELDING & METAL FAB	0	15	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
PRIVATE SECTOR	0	40	40	\$3.35 a	\$580.67	\$197.04	\$7,881.60	\$94,579.20
	0	70	70	N/A	N/A	N/A	\$7,971.60	\$95,659.20

Table IV A  
(Continued)

NEVADA DEPARTMENT OF PRISONS  
PRISON INDUSTRY SUBCOMMITTEE  
PROJECTED POSITIONS & ROOM AND BOARD REVENUE  
FIVE YEAR PLAN BEGINNING 3/1/81

INSTITUTION & INDUSTRY	CURRENT COUNT	PROJECTED INCREASE	TOTAL COUNT FIVE YRS	ESTIMATED AVERAGE WAGE/HR	ESTIMATED AVERAGE HO WAGE	ROOM & BOARD RATE	ESTIMATED R & B REV MONTHLY	ESTIMATED R & B REV PER YEAR
<b>NWCC</b>								
DATA ENTRY	0	18	18	\$0.52	\$90.13	\$3.00	\$54.00	\$648.00
COMMUNITY INDUSTRY	60	15	75	\$1.00	\$173.33	\$19.60	\$1,470.00	\$17,640.00
PRIVATE SECTOR	0	20	20	\$3.35 a	\$580.67	\$197.04	\$3,940.80	\$47,289.60
	60	53	113	N/A	N/A	N/A	\$5,464.80	\$65,577.60
<b>HSP</b>								
BINDERY/PRINT SHOP	18	42	60	\$0.52	\$90.13	\$3.00	\$180.00	\$2,160.00
SOAP FACTORY	7	3	10	\$0.52	\$90.13	\$3.00	\$30.00	\$360.00
LIHEN FACTORY	8	7	15	\$0.52	\$90.13	\$3.00	\$45.00	\$540.00
PRIVATE SECTOR	0	20	20	\$3.35 a	\$580.67	\$197.04	\$3,940.80	\$47,289.60
	33	72	105	N/A	N/A	N/A	\$4,195.80	\$50,349.60
SUBT EXISTING FAC	308	340	648	N/A	N/A	N/A	\$39,994.24	\$479,930.88
<b>ELY</b>								
CARPENT FACTORY	0	60	120	\$0.52	\$90.13	\$3.00	\$360.00	\$4,320.00
PRIVATE SECTOR	0	40	80	\$3.35 a	\$580.67	\$197.04	\$15,763.20	\$189,158.40
	0	100	200	N/A	N/A	N/A	\$16,123.20	\$193,478.40
<b>LOVELOCK</b>								
MEAT PROCESSING	0	30	60	\$0.52	\$90.13	\$3.00	\$180.00	\$2,160.00
VEGETABLE HYDROPONIC	0	60	120	\$0.52	\$90.13	\$3.00	\$360.00	\$4,320.00
PRIVATE SECTOR	0	40	40	\$3.35 a	\$580.67	\$197.04	\$7,881.60	\$94,579.20
	0	130	220	N/A	N/A	N/A	\$8,421.60	\$101,059.20
<b>GRAND TOTAL</b>	<b>308</b>	<b>570</b>	<b>1068</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$64,539.04</b>	<b>\$774,468.48</b>

TABLE V  
DEPARTMENT OF PRISONS'  
RECOMMENDED FOREMEN

<u>Location</u>	<u>Program</u>	<u>Pay Grade</u>
NNCC	Furniture Manufacturing & Metal Fabrication	31
NSP	Bookbinding and Soap/Detergent Manufacturing	31
SDCC	Commercial Laundry	31
SDCC	Auto Upholstery & School Bus Seat Renovation	31
SNCC	Furniture Refurbishing	31
SNCC	Metal Fabrication	31
NWCC	Data Entry	31

In addition, certain new industry programs such as expansion of the bookbinding at NSP and the programs at SNCC will require certain capital improvement projects to be funded by the 1987 legislature. (Please refer to Table IV.)

The committee reviewed the department of prisons' proposal for new industry programs (Table IV) and concurred with Mr. Skolnik that additional market studies should be conducted. The committee, however, recommended the department be given the authority in the industry budget on July 1, 1987, for the seven new foreman positions to facilitate the start-up of the programs should the market studies dictate. The committee also recommended that all start-up costs associated with the industry expansion (estimated at \$779,000 by DOP), with the exception of the juice operation, be funded by the general fund. The department indicated sufficient funding is available to start the juice operation. The committee also recommended the department repay the funding provided for the start-up equipment (estimated at \$454,000) and the previous debt (\$300,000) through a 25 percent assessment against the annual net profit from the industry program.

The department of prisons also made certain recommendations regarding industry programs for the proposed new prisons in Ely and Lovelock.

The department of prisons is recommending a garment factory in the Ely facility which would manufacture all inmate issue clothing for the DOP, gowns for hospitals and institutions and a variety of garments for other state prisons and institutions. The department estimates that 120 inmates may be employed in this program (Please refer to Table IVA). A portion of the Ely facility (industrial area) would also be promoted for a private sector industry using the "employer model." The department is estimating 80 inmates may be employed in this program. (Please refer to Table IVA.)

For the Lovelock facility, the department of prisons is recommending an industry with emphasis on food processing. This industry program will include slaughtering, butchering, vegetable farming and food packaging. The department of prisons will also attempt to make use of the geothermal potential of the Lovelock site to raise vegetables. The majority of the products from these programs would be consumed by the department of prisons. The department estimates that 180 inmates will be employed in this program. (Please refer to Table IVA.) As in the Ely facility, a portion of this facility will have an industrial area which will be promoted for a private sector industry using the "employer model." The department is estimating that 40 inmates may be employed in this program. (Please refer to Table IV.)

The department of prisons also prepared a summary statement regarding 16 major issues (Please refer to Table VI). Although the committee did not take specific action on the department of prisons' 16 major issues, they did recommend certain legislation such as the prison industry advisory board, the combination of the prison farm fund and prison industry fund and the charging of 50¢ administrative charge per plate for license plates manufactured by the license plate factory at Nevada state prison. The committee did consider, but did not recommend, proposed legislation which would have eliminated the repayment requirement from the prison farm and prison industry funds. The committee, however, is recommending the debt be repaid through a 25 percent assessment against the annual net profit from the industry program.

Included within the department of prisons' proposal was a section entitled, "Private Sector Industry Operating in the Prisons, an Overview." The department of prisons indicates there are three major private sector industries which are currently operating at the department of prisons. Two of the industries produce a product while the third is a blood/plasma program.

The blood/plasma programs are currently operated within the general fund budgets and the store fund. Correctional officers, as well as the revenue for their salaries, are accounted for in the institution's budget (general fund). Any funds remaining after the inmate workers and the correctional officers' salaries are paid are deposited to the inmate store fund. The department of prisons recommended the correctional officers be transferred to the industry budget with the corresponding revenue. The department of prisons also recommended the implementation of "use fees" as detailed in Table VII.



TABLE VI

NEVADA DEPARTMENT OF PRISONS  
SUMMARY STATEMENTS REGARDING THE  
DEPARTMENT'S POSITION ON 16 MAJOR ISSUES

1. Administrative staff at the major institutions cannot be expected to successfully operate and manage both the business of Prison Industries and the operations of a prison.
2. Success of Prison Industries requires sufficient management staff. Prior plans addressed management strategies but failed to plan for sufficient staff to implement plan.
3. Include a Division of Prison Industries within the Nevada Department of Prisons. Fund the five proposed administrative positions from the State General Fund. Fund the industry foremen from the industry enterprise fund.
4. Include within the scope of the Nevada Prison Industry Division all internal industries and farm, as well as a subdivision called General Services. General Services includes all work programs conducted outside the prisons excluding only the conservation camps and restitution centers.
5. Prison Industries should be profit oriented and self-sufficient before any other considerations are made. Inmate work intensive opportunities will grow as the industries grow. The industries will not grow if the first priority is employing the greatest number of inmates at a quick pace.
6. Target markets should be all subdivisions of Nevada Government, charities and non-profit organizations, as well as all other states and the subdivisions of Government therein.
7. Initial capitalization of new industries should be considered an investment by Nevada. There should be no expectation or requirement of repayment.
8. Establish an Advisory Board to review and approve all new industries, products, C.I.P.'s, and equipment purchases. The Director of the Department of Prisons should be a member of the board. The board should have no more than seven members.
9. The Nevada Prison Industries Division will be unfairly hindered by the 5% service charge required by State Purchasing. The competitive nature of the industry requires that the Prison Industries receive some relief on this issue. The Department suggests that raw material should be obtained through the existing State Purchasing Division, but without a 5% fee. Even with the \$500.00 fee limit per order the Prison Industries Division will be less competitive.
10. Terminate the existing farm fund and transfer the balance of this fund to the Prison Industries Enterprise

11. Equal emphasis should be given to private sector industry within the prisons and state operated industry within the prisons. The Department should, whenever possible, look to casino related industries for the private sector involvement within the prison.
12. Private sector industry, employing inmates outside the prisons, should only be emphasized to the extent that no negative impact is felt by the Department's commitments to the Nevada Division of Forestry.
13. Plasma programs conducted within the prison should be considered a private sector industry employing inmates within a prison, and a use fee should be charged accordingly.
14. The Department of Motor Vehicles should pay an administrative fee of 50\_\_per plate to the Industry Enterprise Fund.
15. Starting salary for industry foreman should be Grade 30. A level for senior industry foreman should be established at Grade 32. Entry level hiring should be based on the product produced, the technical expertise required, and the volume of the shop.
16. Equipping and furnishing the two new prisons in Ely and Lovelock will be the single largest job ever undertaken by Nevada Prison Industries. Because the industries will begin work before the institutions are completed, a plan for progress payments should be made from the initial construction funds to be allocated for each institution, similar to an earlier arrangement between State Public Works and the Department when SDCC was furnished. This arrangement is typically considered advanced working capital.

TABLE VII

DEPARTMENT OF PRISONS'  
RECOMMENDED USE FEES  
PRIVATE INDUSTRY PROGRAMS

1. Rent charged at 15¢ per square foot per month (Deposited in industry account).
2. Payment of correctional officers' salaries (Deposited in industry account).
3. Payment of metered utility fees (Deposited in institutions budget account).

The department of prisons recommended the existing industry programs which produce a product also operate under the above referenced use fee structure. Currently, the waterbed factory at NNCC pays for utilities and the correctional officers' salaries. The vegetable processing plant at SDCC pays for the correctional officer salary and some utilities. Neither of the existing programs pay rent for shop space.

Subsequent to making the recommendation regarding the 15¢ per square foot for rent, the department of prisons requested the committee endorse a range of rent charges at 5¢ to 25¢ per square foot.

The committee concurred with the department's recommendations as it relates to the private sector industry operation (both blood/plasma and manufacturing). The Department of Prisons is estimating an additional annual revenue in the amount of \$44,248 will be generated based upon the 5¢ to 25¢ per square foot rental charge being assessed to existing programs. (Please refer to Table VIII.)

TABLE VIII

DEPARTMENT OF PRISONS'  
EXISTING PRIVATE INDUSTRIES  
ESTIMATED ANNUAL RENTAL INCOME

Vinyl Products	10,560 sq. ft.	\$ 6,336
L.V. Food Distributors	9,365 sq. ft.	\$16,857
Nevada Plasma, Inc.	3,584 sq. ft.	\$ 6,451
Desert Plasma, Inc.	5,220 sq. ft.	\$ 9,396 <sup>1</sup>
DCI Plasma Inc.	2,820 sq. ft.	\$ 5,208 <sup>1</sup>
 TOTAL	 <u>31,549 sq. ft.</u>	 <u>\$44,248</u>

<sup>1</sup> DCI Plasma, Inc. currently is paying \$5 per litre. Other blood/plasma operations pay \$3 per litre. The rental fee is based upon diverting a portion of the \$2 per litre excess to the industry fund.

In addition to the above revenue, the department estimated \$70,000 in additional annual revenue would be available for credit to the industry fund that was previously deposited to the store fund. This estimate is based upon April 1986 revenue collections. Subsequent to this estimate, the department indicated the transfer of these funds between the store and industry fund would have a negative impact on the store fund. The department, however, indicated it would be viable in two years (FY 89) to affect the transfer. The committee concurred with the revised recommendation of the department.

#### PRIVATE SECTOR/PRISON INDUSTRY ENHANCEMENT PROGRAM

The Justice Assistance Act, as signed by President Reagan on October 12, 1984, continued the Prison Industry Enhancement Certification Program originally authorized within the Justice Systems Improvement Act of 1979. This legislation provides exemption from federal constraints on the marketability of prison made goods by permitting the sale of these products in interstate commerce and to the Federal Government. Up to 20 prison industry projects may be certified for this exemption when their operation has been determined by the Bureau of Justice Assistance to meet statutory and guideline requirements. A brief summary of those criteria follows:

1. Applicants must, by state legislation or rule, be able to collect and provide financial support to a crime victim compensation program or crime victim assistance program.
2. Applicants must consult with representatives of local union central bodies or similar labor organizations prior to the submission of the application for project certification.
3. Applicants must consult with representatives of local businesses that may be affected prior to the submission of the application for project certification.
4. Proposed wage plans should be comparable to wages paid for work of a similar nature in the locality in which the project is located.
5. Paid inmate employment will not result in the displacement of employed workers or be applied in skills, crafts or trades in which there is a surplus of available gainful labor in the locality or impair existing contracts for services.

6. Inmate participation is voluntary and that inmate workers have agreed in advance to the specific deductions made from their gross wages.
7. Inmate workers will be entitled to benefits and compensation as a result of injuries sustained in the course of employment.
8. Applicants must provide for substantial involvement of the private sector.

It should be noted that the Nevada prison industry program has received certification for the exemption from federal constraints which enables them to contract with agencies of the Federal Government and engage in interstate commerce for the sale of prisoner-made goods.

Currently, the Vinyl Products Water Bed Manufacturing Program at northern Nevada correctional center is operating under the private sector prison industry enhancement certification program. Information included in the quarterly performance report to the Bureau of Justice Assistance for the quarters ending September 30, 1985, December 31, 1985, and March 31, 1986, reveals:

	8/13 - 9/30/85	10/01 - 12/31/85	1/01 - 3/31/86	Total
Average Workforce	83	97	72	--
Average hours worked per day	7.50	7.50	6.50	--
Average days worked per week	5	5	5	--
Hourly wage range	\$3.35-4.00	\$ 3.35-4.45	\$ 3.35-4.00	--
Average monthly wage	\$ 549.00	\$ 537.00	\$ 502.00	--
Gross wages paid	\$79,818.00	\$156,258.00	\$103,827.00	\$339,903.00
Contribution to Crime Victim Compensation Program	\$ 3,992.00	\$ 7,811.00	\$ 5,192.00	\$ 16,995.00
Deduction for room and board	\$20,504.00	\$ 39,014.00	\$ 25,490.00	\$ 85,008.00
Deduction for Federal income taxes withheld	\$ 7,793.00	\$ 14,511.00	\$ 8,883.00	\$ 31,187.00
Other deductions (Social Security, etc.)	\$ 5,628.00	\$ 11,010.00	\$ 7,423.00	\$ 24,061.00

### The Private Sector and Prison Industries

The committee reviewed a report entitled The Private Sector and Prison Industries which summarized the key findings of a study sponsored by the National Institute of Justice entitled, "Private Sector Involvement in Prison Based Business." This report identified the following as being important for private industry involvement in prison industries.

1. Interest of correctional administrators and elected officials;
2. Willingness of private companies to become involved with a prison;
3. Availability of prison labor; and
4. Legislation authorizing private sector involvement.

This report identifies six models for private sector involvement with prison industry. These models represent various roles that the private sector might play in influencing the operation of a prison industry.

1. The Employer Model--The private sector owns and operates a business that uses inmate labor to produce goods or services. The business has control of the hiring, firing and supervision of the inmate labor force.

An example of this model is the Best Western International's use of female prisoners for its telephone reservation center located inside the Arizona Correctional Institute for Women in Phoenix.

2. The Investor Model--The private sector capitalizes or invests in a business operated by a state correctional agency, but has no other role in the business.

An example of this model is the Wahlers Company, a Phoenix based manufacturer of office furniture. Wahlers invested in a furniture plant that is owned and operated by Arizona Correctional Industries (ARCOR) at Perryville. Wahler's provided the plant's equipment in exchange for a share of the plant's financial returns; ARCOR built the plant.

3. The Customer Model--The private sector purchases a significant portion of the output of a state-owned and operated business, but has no other role in the business.

An example of this model is the Utah Printing and Graphics Shop at Draper, which is operated by the Utah Correctional Industries and sells to both public and private sectors. Because a significant portion of the shop's output (over 40%) is purchased by the private sector, the marketplace has influenced the shop to operate like a private sector shop.

4. The Manager Model--The private sector manages a business owned by a correctional agency, but has no other role in the business.

Currently there is no existing example of the manager model. In this model the state would replace civil service employees with an outside professional team usually to take advantage of management and technical expertise not available through the civil service.

5. The Joint Venture Model--The private sector manages or helps to manage a business in which it has jointly invested with a correctional agency.

Currently there is no existing example of the joint venture model. In this model, a prison industry is jointly owned and operated by a private firm and a correctional agency via a partnership sharing financial risks and rewards and management responsibilities.

6. The Controlling Customer Model--The private sector is the dominant customer of a business that it owns or has helped to capitalize and which it may help to operate.

An example of this model is the electrical/mechanical assembly shop operated by the Minnesota Correctional Industries at Stillwater assembling disk drives and wiring harnesses for Magnetic Peripherals, Inc., a subsidiary of Control Data Corporation (CDC). CDC is the sole customer and provides technical assistance to the Department of Corrections in plant layout and also trains the supervisors, provides production schedules and quality control standards.

The research conducted for this report indicated:

1. In January 1985, there were 26 private sector/prison industries in existence.
2. There is no one ideal form of private sector involvement in prison industries.
3. Small businesses are more likely to prefer the employer model, while large corporations tend to favor the controlling customer or customer model.
4. Private sector prison industries require extra resources from the prison and the business.
5. Communication and cooperation between the business and the prison will not guarantee success, but their absence may guarantee failure.
6. Wage disparities do not lead to friction among prisoners.

7. Private sector involvement in prison-based businesses offers specific advantages to companies with specific labor needs.
8. There are hidden costs inherent in prison-based businesses.
9. Private sector involvement in prison industries has created problems in defining the legal status of inmate workers.

Finally, the report has the following recommendations that should be heeded in developing private sector/prison industries:

Recommendations for Correctional Agencies:

1. Before beginning, ensure that appropriate state enabling statutes exist, and that the project meets federal legislative and administrative requirements for shipment in interstate commerce, if appropriate.
2. Develop a plan for recruiting the private sector and for maintaining the businesses once they are operational. The plan should address internal organizational development, targeted public education, and organized private sector recruiting.
3. Identify groups likely to react adversely to the private sector initiative and consult with them early in the planning phase.
4. Clearly state in a formal contract the responsibilities and obligations of both the private sector business and the correctional agency.
5. If the correctional agency has a strong correctional industry program, it should seriously consider implementing either the customer or controlling customer model. Larger corporations would be good candidates to approach regarding possible interest in these models.
6. If the agency has no correctional industry program or has a weak program, it should seriously consider implementing the employer model. Smaller businesses or entrepreneurs would be good candidates to approach regarding possible interest in these models.
7. Note that there are models other than the three mentioned above. An agency with a weak correctional industry program might benefit, for example, from the manager model or the joint venture model.



Recommendations for private businesses.

1. Obtain the active support of key corrections officials (in both the central office and the institutions) before attempting to implement a project.
2. A private business without a standard product line should be cautious about participation in a prison based operation because of the high cost of retraining prisoner workers each time a new product or production process is introduced.
3. Examine the relevance of the Fair Labor Standards Act to the proposed project. If a genuine employer-employee relationship will exist between the private business and the prisoner worker, then the minimum wage provisions of the FLSA may apply to that business.
4. Consider staffing the project with specially trained production supervisors. Private sector production management personnel should receive special training from the correctional agency in security and safety procedures.



APPENDICES

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APPENDIX A

Report on Nevada's Correctional Industries--Howard K. Skolnik,  
Superintendent of Illinois Correctional Industries.



HOWARD L. SKOLNIK  
21 IROQUOIS DRIVE  
SPRINGFIELD, IL. 62704

George Sumner, Director  
Nevada Department of Prisons  
P. O. Box 7011  
Carson City, Nevada 89702

May 15, 1986

Dear George:

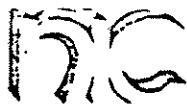
I have enclosed the final copy of the report on correctional industries. You will note that it is divided into two sections. The first section is a result of the on site visit in late April. The second section is a result of the specific requests of your legislative sub-committee. I did not address the implementation schedule as I felt that I did not have enough information to project construction, hiring or market studies timing with accuracy.

I hope that you find this satisfactory. I would like to thank Pat Anderson and your staff for their cooperation over that first weekend. I would especially like to thank Robin Bates who humored my every whim for information and access to individuals assuring that only running out of time would limit this report.

Very truly yours,

  
Howard L. Skolnik





U.S. Department of Justice

National Institute of Corrections

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Washington, D.C. 20534

Ref: NIC T/A #86-206

This technical assistance activity was funded by the Prisons Division of the National Institute of Corrections. The Institute is a Federal agency established to provide assistance to strengthen state and local correctional agencies by creating more effective, humane, safe and just correctional services.

The resource person who provided the on-site technical assistance did so on a contractual basis, at the request of the Nevada Department of Prisons, and through the coordination of the National Institute of Corrections. The direct on-site assistance and this subsequent report are intended to assist the Nevada Department of Prisons in addressing issues outlined in the original request and in efforts to enhance the effectiveness of the agency.

The contents of this document reflect the views of Mr. Howard Skolnik. The contents do not necessarily reflect the official views or policies of the National Institute of Corrections.



Nevada Correction Industries  
May 4, 1986

## INTRODUCTION

At the request of George Sumner, Director of the Nevada Department of Prisons (DOP), a review of the Nevada Correctional Industries program was conducted on site between April 19, 1986 and April 26, 1986. One or more site visits were made to the following facilities: Nevada State Prison (NSP), Northern Nevada Correctional Center (NNCC), Nevada Women's Correctional Center (NWCC), Southern Nevada Correctional Center (SNCC), and Southern Desert Correctional Center (SDCC).

The purpose of this review was to assess the status of correctional industries in Nevada and provide a plan for the Department of Prisons and for submission to the Nevada State Legislature to "help...establish a viable industries program in Nevada." After arriving on site, the request was expanded to include developing proposals for industries at two soon to be constructed institutions, a maximum security facility at Ely and a medium security facility at Lovelock.

This report will address the request of Director Sumner through an overall review of statutes and administrative policy as they affect industries, an institution by institution assessment of the current status of industries, and recommendations for both an overall organizational structure and specific proposals.

Director Sumner indicated his immediate goal for correctional industries was to make it self supporting. It was his desire to do what was necessary to accomplish that before any major effort at increasing assignments was initiated. The rationale for this approach is sound - generating funds for future expansion and modernization of plants through profits can only be accomplished with a strong focus on profitability, particularly since it was indicated that the majority of inmates who are eligible for work assignments in fact do have some form of out of cell activity.

It is with these goals and objectives in mind that this report is submitted for consideration.

## OVERVIEW

An overview of correctional industries in Nevada revealed the following:

### Administrative

There was no statewide structure for industries. At the present time, there is no level below the Director of DOP that is responsible for coordination between industry program components, for production and sales goals, or most importantly, is accountable for all operational aspects of industries. The associate Warden of Programs does have responsibility for daily operation of those industry programs within his/her institution. Fiscal control is exerted through the central office with some limited oversight on

the part of the Associate Warden. It is of no small significance that the administrative structure and decision making process was described in a different way by almost everyone asked.

A single person below the level of the Director should be held accountable for the development and implementation of policy and procedure governing planning, production, safety, sales and fiscal responsibilities for correctional industries throughout the state. This person should also have oversight responsibilities for farm operations and private sector programming when within the institution. Dependant on the level of this person's position in the table of organization, he/she could also be charged with developing and overseeing all work programs in both the public and private sector that are in the free community.

The system currently finds itself conflicting as different objectives are pursued. The cash flow problems restrict the amount of raw materials that can be bought and maintained on inventory. The construction of the new institution all but require the development of inventories to provide the goods and equipment that will be required on a timely basis. The absence of central staff to help plan for such manufacturing further compounds this problem.

Finally, it should be pointed out that in 1983, aspects of that plan addressed some of the problems that currently exist. An audit around the same time also described procedures that should have been put into place to eliminate many of the current problems. The fact that neither set of recommendations have been implemented further indicates the need for a central staff to assure that there is continuity in implementing improvements for correctional industries. Top level management can't focus only on industries at the expense of security and other program areas.

### Statutes and Administrative Rules

Current statutes are somewhat confusing. NRS 333.410 provides for preference for purchasing from correctional industries. NRS 333.290 provides the Chief of the Purchasing Division the authority to award bids to correctional industries only if the quality of the goods are equal to and the cost less than the lowest bid that meets specifications. It is not at all clear which of these two statutes has preference. (Section 1530.0 of the Purchasing Rules states that competitive bidding is not required when purchasing from one agency to another - this is also apparently in conflict with the above statutes).

Authority for local purchasing is limited to \$1000 except for the repair and maintenance of heavy equipment. This is inadequate for local responsiveness to unexpected orders. Additionally, even this limited authority is not provided to most industry locations (although the current lack of internal controls probably would warrant continuation of limiting the authority). It appears that local government can buy directly from correctional industries.

Nevada Correction Industries  
May 4, 1986

however, even here purchases are limited to \$10,000 or less before bids are required. Finally, correctional industries must pay the Department of Administration for purchasing raw materials. Current cash flow problems make large purchases of raw materials impossible, thereby increasing the cost of operating correctional industries without realizing any benefit. A review of the purchasing function as it applies to correctional industries as both a consumer of raw materials and a supplier of finished goods should be conducted with an eye to providing correctional industries the maximum flexibility possible without losing necessary fiscal and administrative controls.

### Fiscal

The fiscal information currently available is at best, of questionable reliability. Inventories are not supervised and inventory instructions are non-existent. There is no consideration given to the process of formalizing the value of work in process or finished goods. Information regarding the actual cost of some raw materials does not always get to the shop supervisor who is currently responsible for pricing. Overhead factors are not routinely provided to the shop supervisors who must attempt to determine on their own how much of the price of a given product should be overhead. The consequences of this unstructured approach are:

1. prices may or may not be adequate to cover the actual costs of production,
2. financial statements (profit and loss) are of no value as they cannot accurately reflect operations without auditable inventory and pricing information,
3. management lacks the critical information required to make good decisions.

It will be essential for the profitable operation of correctional industries that fiscal responsibility rests with the central staff of correctional industries. This staff should first address the establishment of a uniform pricing procedure and the implementation of a cost accounting system. Inmate labor can be used for all but the final verification of the information in such a system. Concurrently with the development of the cost accounting system, a system of monitoring cash flow should be developed. Short term problems will no doubt emerge in cash flow until final decisions are made by the administration and the legislature regarding the direction of correctional industries. A centralized list of priority vendors should be developed to assure the continued flow of raw materials should cash flow become a major problem. Additionally, top management should receive at least weekly a report that shows overall the weekly invoices for all of industries, the weekly receipts, the cash in the bank, the cash in transit, the current amount of accounts receivable, the current accounts payable and the "balance". The following format is suggested:

Nevada Correction Industries  
May 4, 1986

	This week	last week	(+/-)
Cash in account	\$000	\$000	\$000
+Cash in transit	000	000	000
	---	---	---
sub total	000	000	000
+acc'ts receivable	000	000	000
	000	000	000
sub total	000	000	000
-acc'ts payable	000	000	000
CURRENT BALANCE	000	000	000
Current weeks invoices - \$000			
Current weeks receipts - \$000			

As history is developed these reports can be provided comparing current week ending to the same period of the previous year(s). The report should also show the change from week to week as shown in the example above. This information is of particular importance because correctional industries is a "cash business." As dividends are not given out to stock holders and financial statements are not used to obtain new investors, the real issue is how much money is now or will soon be available. This will be particularly true as expansion strains the enterprise fund.

Northern Nevada Correctional Center - Carson City

This institution has a number of small operations. It perhaps personifies the problems in the State with the operation of correctional industries. There is no one who is clearly in charge of the program, particularly for fiscal and profit and loss aspects. Inmates appear to be running much of the operation, most notably the furniture/ furniture refinishing shop and the welding and steel shop. Security for these operations was non-existent, although that appeared to be a problem throughout the institution and not just in industries. The use of safety equipment seemed entirely foreign to the operations. Safety glasses were not in evidence anywhere in the furniture shop during site visits. Storage for both finished goods and raw materials was chaotic and unstructured with much material being stored outside in spite of substantial square footage being available for storage but not being readily accessible due to locked doors and plant layout. Inventory control was impossible given current operations. Quality of finished goods was generally poor, yet both staff and inmates appeared proud of their work. This seemed to be due to lack of both training and performance standards against which to check work.

The auto repair and body and fender plant appeared to be the only operation with ready potential for profitable operation and acceptable quality. Headed by a civilian vocational instructor for the previous four or so weeks, this operation is billing at

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approximately \$1000-1400 per month. As quality is improved to satisfactory levels and previously poor work is redone at no charge, this shop should begin to establish the reputation needed for growth. Doing minor repair work to surplus state vehicles to increase their value at public auction should be explored with the Department of Administration.

Two operations also represented the best the system had to offer, Vinyl Products manufacturing of water bed mattresses and the ranch, currently producing milk with an average annual profit of \$40,000 and an enterprise fund balance of \$300,000. There appears to be program expansion within existing operations that could easily be done in conjunction with the Vinyl Products plant. Two quick suggestions would be to do the silk screening of vinyl labels for the water beds at MSP. Vinyl Products is currently paying \$.30 each for about 400,000 such labels a year. Additionally, a pallet operation that both disposed of pallets that Vinyl Products can't use after raw material is removed and produced pallets of the proper size to ship finished goods would be a quick operation to start with little capital investment and a significant market. Such support industries would also provide additional incentives for private sector manufacturers to locate within the Department of Prisons. The Vinyl Products operation provides 50 to 100 work assignments at minimum wage, pays for utilities and security and does not compete with private sector operations in the United States. It is a concept which should be further explored in the system as an alternative to funding Correctional Industries. Discussion with staff of this program did, however, indicate a possible problem resulting from the current program of deduction from inmate earnings. Apparently the sliding scale currently in place results in inmates not wanting to work overtime since a larger percentage of money is withheld than without overtime. An examination of the system of withholding is in order if any significant expansion of private sector programming is anticipated.

The ranch should expand its operation to include packaging of milk in eight ounce containers as well as making juice drink, a "gator aid" type product and lemonade. The same packaging equipment would allow for all of this expansion and could easily be paid for out of available funds. Consideration for bringing this operation under the same umbrella as correctional industries should be a definite part of the development of any new reporting or management systems.

The old "ranch house" which has been scheduled for demolition could, with minor expense, provide much needed warehouse space for both raw materials and finished goods for all three institutions in the Carson City area. It would also be necessary to obtain rolling stock (trucks) through either federal or state surplus to provide much needed local transportation between area institutions and for nearby customers.

Expansion at this facility may be accomplished by using the old "cutlery" building after the proposed new one is complete. There are approximately 5500 square feet available in the current dining

area. This space might allow for an adequate plant to be developed for a small operation such as soap production, drapery or flat goods manufacturing, the manufacture of brushes and brooms, etc. Another possible use of this space would be to develop a microfilming operation. The in-house records in the Department of Prisons could be a good starting point for such an operation. A policy for record retention should be developed that would then allow for the microfilming of outdated records for ex-offenders who have completed their sentences for a given period of time. A box factory for both Vinyl Products and correctional industries use is another possible application for this soon to be available space.

#### Nevada State Prison -Carson City

There are currently three major work programs within the institution, the tag plant, the bindery/print shop and the mattress/soap shop.

**Tag Plant** The tag plant is operated by the Department of Motor Vehicles (DMV). The physical plant was built and equipped by that Department. Civilian staff are provided, materials purchased, and inmates compensated through funds from the Department of Motor Vehicles. The plant has a production capacity based on a 4 1/2 hour work day of 780,000 units per year. Current production is over 600,000 units. The shop was clean, well maintained and appeared to have good inmate morale. Although the institution does not provide staff or maintenance to DMV, there are hidden costs to the DOP. Water and sewage, as well as some operating supplies (towels, toilet paper, etc.) are provided through the institution. Additionally, the DMV does not contribute to the security costs incurred by the DOP as a result of their operation - movement of material in and out of the institution, additional shakedown resulting from the existence of a metal plant within the institution, movement of inmates to and from the facility, etc. It would appear consistent with the general philosophy of the State of Nevada which charges agencies for processing purchases through the Department of Administration to charge DMV for access to inmates and institutional services. An evaluation of what would be a reasonable charge for such services should be conducted by both DOP and DMV. Money obtained in this fashion should be deposited in the correctional industries enterprise fund to encourage the growth and expansion of DOP operated programs.

**Bindery/Print Shop** In spite of severe statutory limitations, this operation has demonstrated considerable growth during the current fiscal year. Sales in FY 83 were \$30,700; FY 84 were \$62,200 and FY 85 were \$68,900. Sales through the third quarter of the current fiscal year have exceeded \$88,000 for a year end projection of over \$115,000. This plant has the greatest immediate potential for developing significant levels of profit. There are currently 12 inmates working in this shop with plans to add 5 more in the immediate future to handle current work loads. Given existing floor space, no more than 20 inmates should be worked on any given

shift, allowing for an increase of the shop to a three shift total of 60 inmates. This would permit production levels to reach as much as \$1,500,000 using the current physical plant and equipment. Additional expansion is also possible by extending the building north towards the boiler house. Such expansion would allow separation of the printing operations from those of the bindery for better control both operationally and fiscally. Storage space must also be identified for much additional growth to occur.

Current statutes prohibit printing for the State except under the auspices of the State Printing Office. Additionally, current operational structure does not allow printing for the public. The existing target market is therefore local government and other tax supported non-state or federal units. It is the current feeling of staff that they can expand significantly within that market and that statutory changes are not required. The excellent relationship that currently exists with the state printing office contributes to that position. Given the possibility that future personnel may not have as positive relationship as current staff, strong consideration should be given to at least exempting correctional industries from the provisions in NRS 344.055 which would allow the state printing office to remove equipment from correctional industries at their discretion and transfer such equipment to other agencies. Additionally, correctional industries ought to be able to purchase the equipment they feel is necessary to meet market needs without approval of the printing office as long as they are not authorized to bid on any State work.

**Mattress** This operation currently has about twelve inmates assigned to the manufacturing of both mattresses and sheeting. The physical plant is far from adequate. Finished goods must be moved out of the shop through a window to a fork lift (raw material is brought in the same way). This practice is not only dangerous, but frequently requires that the supervisor of this shop move the product entirely on his own due to the availability (or lack thereof) of medium security inmates to handle the product outside the shop, which is also outside the main secure compound. It is obvious that there are serious safety problems with this entire process.

Safety within the shop is also less than desirable. Although the shop is clean and appears well maintained, there is inadequate ventilation for the manufacture of cotton mattresses. Storage of raw materials is also a problem. Storage is maintained on a lower level with no direct access from the shop area. At the least, the development of a conveyor system to allow for the movement of both raw material and finished goods would be of considerable benefit to this operation. The quality of the products from this shop appear to be among the best in the system, and were described favorably by the Director of the Department of Administration.

This shop appears to have suffered significantly from the cash flow problem. The products of this operation are material intensive. Raw materials will run from 60 to 75% of the sales price, even in a

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high volume setting. The lack of cash has not allowed this shop to pursue the kind of expansion that they should be capable of. Recent sales levels have been -fiscal year 1984: \$69,300, fy 85: \$55,700, and through the first three quarters of fy 86: \$59,300 for an annual rate of \$79,000.

Given the number of transient beds in the State of Nevada, it would seem likely that a large market for this product might be found in the hotel industry in the State. The recent addition of sheets and pillow cases should further increase the total sales volume for this shop. Manufacturing bedding related products should be capable of earning \$500,000 per year in a multiple shift operation, however, physical plant modifications would be most desirable if any expansion is attempted and should be done for the safety of current operations.

Soap This plant, currently operated in the same physical location as the mattress shop, should be limited to liquid products, tested for airborne pollutants or closed. The polyvinyl curtain used to separate this plant from the mattress plant is flammable, and limited in its ability to keep dust out of the mattress plant.

On the other hand, soap production has a high profit potential, with 49% of the sales price covering raw materials in a moderate size operation. At sales levels of \$70,000 this shop has not begun to realize the manufacturing or profit potential it is capable of. It will be necessary to invest in capital improvements in both building and equipment to assure a safe operation if keeping this product line is agreed to. If such a decision is made, a review of formulations as well as the development of material safety data sheets will also be necessary.

Possible space for expansion exists in the in-service training center. Unfortunately, this space is on the second floor and has no ready access, thereby rendering it useful only for light manufacturing or service industries. About 4500 square feet is available in this location and if market studies support the type of industry not requiring substantial raw material, it should be used accordingly.

#### Southern Nevada Correctional Center -Jean

This location does not currently have any formal correctional industries program. Short term potential does exist through institutional maintenance operations. The auto shop which works on employee and state vehicles may be expandable, however, existing equipment does not allow work to be performed on newer vehicles as the necessary diagnostic equipment does not exist. The welding shop has designed and manufactured weight lifting and exercise equipment for the institutional gym. There do not appear to be any such manufacturing operations in Nevada. There may be a market for such equipment in Las Vegas. If such a market exists, it would not take a major capital investment to initiate this industry.



There is also a building that used to house the craft shop. This building was constructed by inmates, and doubling its size should not be a significant expense. Removing interior walls in this building might allow the development of a reupholstery shop and/or wood refinishing program. If a market for such services exists in the Las Vegas area, further exploration would be warranted. The possibility of developing small "clean" industries such as data entry or microfilming may also be possible in the unused day room facilities in the living units.

Finally, there is a plastic pail manufacturing facility near the institution. Management of that manufacturing plant should be contacted to see if there are small items they are purchasing that can be produced within the facility at a lesser cost, benefiting both the institution and the plant. For any major correctional industries program, it will be necessary for the construction of a physical plant. Should the decision be made to construct such a building, it would appear that the area southeast of the institution just past the carpenter shop would be a good location, readily accessible by both inmates and transportation.

#### Southern Desert Correctional Center - Indian Springs

This facility had one of the best physical plants for correctional industries, both existing and future. Current operations are fairly new and include furniture refinishing (primarily upholstery), auto repair and body and fender work and salad production. A laundry with potential as an industrial operation also exists.

Furniture refinishing -There is a furniture refinishing shop already in existence. If there is any intention of expanding that operation, ventilation systems for dust and vapors should be installed. Additionally, existing equipment is inadequate for a major operation. There should be a large potential market for this shop in the casino and hotel industry in Las Vegas. The manufacturing of new furniture for hotels and casinos should also be examined and may find less resistance from local industry than refinishing. Existing space within the industry area could support a small furniture manufacturing operation, however at least 15,000 square feet will be required for manufacturing on a large scale. An additional 10,000 square feet for the storage of raw material and finished goods is also desirable for a major manufacturing effort.

Auto restoration -This is an approximately 8000 square foot operation that shows among the best quality work noted in any existing DCP run operation. There is major potential in this operation, however existing diagnostic equipment is inadequate. Strong consideration for focusing on the expansion of this shop, to include minor work to increase the value of state surplus vehicles before being auctioned if such vehicles are also auctioned in the Las Vegas area is appropriate. If such vehicles are only auctioned

in the Carson City and Reno area than focus for such an operation should be restricted to NNCC. Markets should be found for this location however as it has considerable potential. Surplus trucks should be immediately located and renovated in this industry to provide much needed transportation for existing industry operations.

Laundry - Moving the maintenance department and purchasing "pass through" equipment should permit a moderate size commercial laundry to provide service to area hospitals and hotels if the market supports such a business. If these services are currently being provided "in-house" by the hospitals and hotels, further exploration of such an industry is definitely justified as cost savings are almost guaranteed and a large number inmate work assignments are likely.

Salad production - This private sector operation provides a large number of assignments in the preparation of salads for Las Vegas area casinos. There is apparently some question regarding both the payment of appropriate funds to the DOP and the adequate payment of wages to the inmates. If these issues cannot be resolved, consideration should be given to the State seizing the equipment and operating the program themselves. Whether or not the problems can be resolved, it should be determined if there are products such as packaging used in this operation which might be produced by correctional industries.

#### Nevada Women's Correctional Center - Carson City

The major emphasis at this facility is a day release program. Seventy-two women are released daily to work in the free community earning from \$1.00 per hour to minimum wage. Those working in state offices earn from \$1-2.00 per hour. The concept of the women going out of the institution to work provides the majority of advantages available through a work program - productive activity, a decent income and institutional control. This program aspect should be encouraged and emphasized as much as possible.

There is also a small operation of about 12 inmates who do the preparation of documents for microfilming within the institution. A 4-5 inmate sewing shop rounds out the "industry" programs located within the institution. A Nixdorf data entry system with 18 terminals is also sitting unused at this institution. Although not owned by the state, this equipment has been unused at this location long enough to indicate that a donation may well be possible. Donating this equipment and installing it in a corner of the under used gymnasium would provide quick and fairly inexpensive industry programming at this facility. The major inhibitor to correctional industries at this location is a lack of available space and a ready market.

#### NEW INSTITUTIONS

Industries should be included in the construction of the new institutions at Lovelock and Ely. The capitalization of industries should be part of the funding of construction of the facilities, and the design and equipping of an industries building should involve industries personnel as soon as possible. Capitalizing through construction of the new institutions rather than on a loan basis will allow income from those institutions to be utilized to expand the correctional industries operations much more expediently. Requiring industries to pay back this capitalization as a loan will result in a more immediate return to the general fund, but at the expense of correctional industries being able to reduce costs of prison expansion through its own rapid expansion.

### Ely

Since this is to be a maximum security institution, industry development should minimize the likelihood of security problems. A potential industry that will meet this requirement while providing for an internal market of \$250,000 is a garment industry manufacturing inmate clothing. At this market level, only 20 - 30 jobs will be provided, however, market expansion to include uniform production for the DOP as well as other state and local agencies can be added as can hospital gowns, and perhaps flat goods for use in hotels, restaurants and casinos.

### Lovelock

This is a scheduled to be built medium security institution. Again, the consideration for including correctional industries should be incorporated as the plans for this institution are developed. Plants for processing meat, milk and juice may be good possible industries for this location. Additionally, consideration can be given to the manufacture or processing of food stuffs for recipients of public assistance such as instant milk or cheese. If these approaches are considered, capitalization should come from the bond funds used to construct the institution. These industries will cost \$3,000,000 -5,000,000 to initiate.

Finally, area businesses in both Ely and Lovelock should be examined to determine if the potential for providing goods and services through DOP run industries exists, or if there is a desire to expand operations to within the new institutions by the private sector. For any more specific recommendations to be made, a much more detailed study of the potential market(s) within Nevada and the surrounding area should be undertaken before actual construction is begun. If necessary, the industry buildings should be constructed last, perhaps even after the new institutions open to assure that the decisions regarding correctional industries are the best possible.

## RECOMMENDATIONS

5. Book plan for improving Nevada's correctional industries can be provided. Some major issues must be clarified before a full plan can be implemented. One major decision has already been made - correctional industries will be operated in a profitable manner. Nevertheless, still to be resolved is how correctional industries should be structured within the department, should the emphasis be on State operated programs or private sector operations, should the target market be the State of Nevada or the private sector, should capitalization be provided to the DOP or should it be "loaned" and should statutes be changed to allow more flexibility for correctional industries?

The following recommendations result only from the observations made during the site visit. They should be examined in light of the whole system before they are implemented.

1. **FINDING:** There is no administrative structure that provides for accountability, planning or the development of controls for correctional industries.

**RECOMMENDATION:** It is recommended that an individual be placed in charge of industries throughout the State. Farm operations should be brought under the same individual responsible for industries. Oversight of private sector operations and placement of inmates in the community could also fall under this position to assure a coordinated effort among various work related components within the system. This individual should report to the Director of the Department of Prisons and be located in Carson City to assure ready contact with other agencies as required. Initial staffing of a central office should include two positions reporting to the head of industries - one coordinating all fiscal operations including cost accounting, inventories and financial statements and one overseeing marketing, sales and planning. Production control should be maintained by the head of industries until substantial growth (sales in excess of \$5,000,000) is achieved. There should also be two sales representatives - one in the Reno area and one in the Las Vegas area added to staff. Filling at least one of these positions should occur as soon as possible.

2. **FINDING:** Current statutes are ambiguous regarding correctional industries. It is not clear from existing legislation whether or not correctional industries can or should receive preferential treatment under any circumstances.

**RECOMMENDATION:** A formal review of existing legislation should be initiated. Such a review should be charged with developing a comprehensive legislative package for correctional industries. Such a package should have, at the least, exemption from State Bid and purchasing requirements when state agencies purchase from correctional industries, exemption from bid requirements upon local bids of government purchase from correctional industries, a review

of purchasing laws to assure responsiveness to a "business" oriented program often needing fast turn around to take advantage of discounts in raw material purchases. A review of current restrictions, either implicit or explicit, regarding the types of businesses that correctional industries can enter should also be undertaken. Finally, there should also be major policy decisions made before a legislative package is finalized. Should a State-use law be enacted? Should correctional industries be established as an independent not for profit corporation using the model of either Federal Prison Industries or PRIDE of Florida? Should correctional industries be allowed to borrow directly from lending institutions either for capitalization and/or operating capital? These are among the policy decisions that need to be made.

**FINDING:** Safety issues are not being addressed in existing correctional industries programs. There appears to be either a lack of awareness or a lack of concern regarding health and safety issues within the shops.

**RECOMMENDATION:** A review by the appropriate State agency of health and safety issues be undertaken and the recommendations of that agency be given first priority for implementation. Personal safety equipment for staff and inmates should be purchased as soon as possible and use of such equipment should be a mandatory requirement for working in industries.

**FINDING:** New industries and new products are identified on, at best, an intuitive basis. There is no formal process for gathering and analysing data before making decisions.

**RECOMMENDATION:** Formal market research should be undertaken before finalizing decisions regarding new industries for either existing operations or proposed new institutions. Expansion requiring little or no capitalization can be done on an intuitive basis. The expenditure of millions of dollars should only result from a thoughtful analysis of the likelihood of that expenditure having long term benefits. There does not currently appear to be the necessary resources within the Department of Prisons to conduct such a study and the necessary data collection is clearly beyond the scope of this evaluation. Contracting for such an evaluation prior to the expenditure of large amounts of funds appears to be the most expedient approach and perhaps additional Technical assistance in this area can be obtained through NIC. Low or moderate cost expansion may be possible on an intuitive level. Early resources can be committed to providing commodities and equipment for the new institutions as well as for providing for the internal needs of DCP.

**FINDING:** There is a sense that correctional industries cannot grow, but will be lucky to maintain its current level. This may be the result of a previous \$200,000 "loan" that was never paid back. It may be from staff trying to operate at a profit while severely under-capitalized and in some instances operating in physical plants that were clearly never built for their current use. It

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clearly has set the stage for a self fulfilling prophecy.

RECOMMENDATION: Correctional industries must be provided adequate capital on a non-loan basis. No business can succeed without equity. Yet the loan to correctional industries placed the operation in a position of not being able to use income to expand and grow but rather requiring it to see that income was adequate to pay off a loan. It must be recognized that if the capitalization of correctional industries, along with the development of a strong internal management structure, is accomplished, the long term benefit to the State of Nevada should be far in excess of the short term results of a loan payback. Infusion of funds should occur in two ways: 1) Purchase of equipment and building or building modifications. The funds provided for these purchases should be done without expectation of payback. For those businesses that do not succeed - and if the market studies are done before major expenditures chances of failure should be minimal - some of the capitalization can be recovered through the sale of the equipment and physical plants or can be converted into other program or living space. 2) Funds should be provided to allow for adequate operating expenses for at least 90 to 180 days for new operations. This will allow for the beginning of a cash flow before the enterprise fund must carry operating expenses. If this money is provided without payback expectation, then the enterprise fund should develop the solvency required to assure the perpetual operation of correctional industries as a self supporting operation.

## INTRODUCTION

On May 7, 1986 Director George Sumner, Nevada Department of Prisons requested that the report on correctional industries be expanded to include more specific recommendations regarding new industries and a location by location set of recommendations regarding expansion. This report will reiterate some of the substance of the report on correctional industries of May 4, 1986. Due to the difficulty in providing some of the specifics requested without a more detailed market study, the first part of this report will provide some possible industries with information regarding potential volume, space requirements, equipment costs, inmate assignments, etc. Although sites may be mentioned, these industries are generically presented for location as the Nevada Department of Prisons sees fit. As pointed out in the previous report, refinement to meet the specific needs of individual institutions or markets will be required, and the data necessary for adequate market studies can not be collected, or evaluated in the time available for this review.

## POSSIBLE INDUSTRIES

Possible industries will be submitted in two groups - low investment requiring less than \$50,000 and higher investment - over \$50,000. Some initial generic factors should also be presented. Construction of physical plants for correctional industries will cost between \$30 and \$50 per square foot (these costs are based on construction experience in Illinois and cover necessary HVAC costs and union labor which may be different in Nevada). Construction costs for warehouse space can be projected at \$20 - 25 per square foot with the same assumptions used as above. A rule of thumb for a manufacturing operation is \$50,000 per work station. This allows for equipment, storage and office space and obviously can vary significantly according to the type of operation.

### Low Capital Investment

Packaging of toiletries for hospital usage - This is a small operation that would require very little space. It is a possibility for a day room in one living unit at Southern Nevada Correctional Center. Capital investment would be around \$5,000 for a shrink wrap machine. Three to five work assignments would be created dependant on the market from hospitals, local jails and other operations requiring combs, toothbrushes, toothpaste, etc.

Ranger target manufacturing - This is a product addition for the print shop/book bindery at the Nevada State Prison. The

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printing of targets for firing ranges for local and state police and correctional staff would add up to one or two assignments with no additional expenditure of funds.

Typewriter ribbon rehabilitation - This operation would also be ideal for a day room in one of the living units at Jean. A cost of \$5,000 for a shrink wrap machine and a few hundred dollars for solvents and other supplies would permit initiation of the rehabilitation of electric typewriter ribbon cartridges. Two to three work assignments would be created in this operation which would take used typewriter cartridges, clean them, insert new ribbons and resell them at below-new ribbon prices. The market would have to be evaluated to determine if this operation would be kept busy. The solvents used to clean the old cartridges are flammable and ventilation as well as security considerations should enter into the location of this operation which should not require more than 250 square feet.

Manufacturing park benches, picnic tables and playground equipment - This operation would require between 1500 and 4000 square feet depending on the results of a market survey on the product components. Between four and ten inmates could be put to work, again dependent on the market. The necessary tools, most of which are hand tools, for such a project already exist at NNCC in the furniture operation. This might be a better use of the space currently devoted to furniture production at NNCC. Both furniture and furniture refinishing should be relocated to new physical plants constructed with the necessary safety, ventilation and fire suppression systems.

Truck farming - It is not known if the land around the NNCC would be suitable for growing vegetables. If it is, such use should be considered. Requiring little capital investment, such an operation could provide work assignments for as many inmates as could be cleared by security to work in the fields. The types of crops grown should be determined by the need for labor which will make such an operation more likely to be profitable, and by their use either in the salad plant at SDCC or in DOP institutions as part of the menu.

Cleaning service - Teams of five to six inmates could be identified in Carson City area institutions that would clean state office buildings. Ideally, these operations would utilize cleaning supplies manufactured in correctional industries and could also be developed for cleaning office buildings or other facilities in the private sector. Although little capitalization would be required (supervisory staff, transportation and cleaning supplies) considerable public relations work might be required. Additionally, this operation may have an impact on the private sector which will require evaluation before implementation.



Envelope stuffing - Again, an operation that could be located in the day rooms of living units at Jean, in the library or gym building at the NWCC, the in-service training center at NSP or any other small area including cells, this operation would require no capitalization. It could be implemented immediately as an inexpensive service to government or private sector Nevada business involved in mail marketing or other mass mailings. The number of inmates that would be involved should be contingent on the number of customers and the volume of mail they generate.

Nursery - NSP has the frame of a greenhouse outside. Repairing this would require minimal capital expenditure and plants could be grown for both indoor and outdoor use. Usage requirements of government agencies as well as area business would control the types of plants to be grown. Additionally, if a truck farm is determined to be feasible, this operation could be expanded to start plants for the truck farm. The number of inmates required would be dependent on the ultimate size of this operation, but could range from 3 to 25.

Aquaculture - The hot springs outside of NSP may be appropriate for fish farming. An evaluation of the water by a University or other area resource would be required. Requiring little capitalization, this could provide work for 2-5 inmates, provide both a ready food source and cash flow with little initial investment. Nevertheless, an evaluation of the ability of the water to allow such a dense population of fish should be conducted before any further consideration is given.

#### High Capital Investment

Furniture manufacturing - This operation should be given major priority. An initial market of office and institutional furniture for the new institutions should allow for initiation of this industry. The Director of the Department of Administration has indicated a willingness to buy wooden bookcases in large volume, and a potential market in the hotel and casino business also exists. To assure the necessary plant to provide for a high quality product, approximately 17,500 square feet of manufacturing and office space will be required with an additional 7000 - 10,000 square feet of storage for raw material and finished goods. Equipment costs to furnish the plant for the manufacturing of both wooden and plastic laminated furniture will be approximately \$600,000. Thirty to fifty inmate assignments per shift will be created in this plant. More can be developed dependent on shipping and receiving procedures. This type of an operation should be located where inmate turnover will not be too great as the training of inmates will require a significant time investment and the quality and volume of products will be highly reflective of the

stability of the inmate work force.

Furniture refinishing - This operation can be located in as little as 5000 square feet or as much as 15,000 square feet dependent on the market and available space. Again, consideration should be given to ventilation, fire suppression and other safety systems necessary in this type of operation. Warehouse space for both surplus furniture (that needing refinishing) and finished goods should be considered. State surplus furniture could be transferred automatically to such an operation for refinishing and resale. This can be approached either as a process for eliminating surplus property or as a means for increasing its value with the work being paid for by the Department of Administration who would then sell the surplus either to other state agencies or to the public at auction. Equipment cost should be contingent on the type and size of the operation that the market would support. A range of \$100,000 to \$250,000 will allow for a complete operation with state-of-the-art equipment.

Micrographics - Described in the first report, this operation would require 5000 to 15,000 square feet, between \$75,000 and \$150,000 in equipment and create 15 to 40 inmate work assignments. Location should ideally be in the Carson City area to service the primary potential customer, the State of Nevada. Again, the DOP should evaluate its record retention system as it may well provide adequate work to start and operate this operation for a few years.

Metal office furniture - This type of operation will require between \$3,000,000 and 4,000,000 to start. A 30,000 square foot building for production and storage will be required at a probable cost in excess of \$1,000,000. Equipment costs will also be in excess of \$1,000,000. Tooling and design work, not including A&E required for the physical plant will cost in excess of \$1,000,000 and should include market studies to predict future usage and have such designed into the plant. Between 40 and 50 inmate assignments will be created. There are obvious security considerations in having a metal plant in a prison, however these concerns can be greatly reduced through adequate plant design. Additionally, there are significant start-up costs for an industry such as this where a significant part of the sales price is raw material, and given the current financial status of correctional industries, such start-up funds would have to be made available from a source other than correctional industries' enterprise fund. This operation would not be recommended unless a market study revealed significant potential.

Food preparation - Consideration in the construction of the new food services facility at NMCC should include converting it to a correctional industry and providing food services for

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all Carson City facilities. Two approaches can be considered: "regithermics", a quick-chill process that allows for portion control preparation with storage of up to six weeks, and flash freezing with a greater storage life although allegedly a lesser quality. Both processes will reduce staffing requirements at other locations since food will only have to be heated and served, rather than prepared as well.

Garbage - Statutes and existing processes in Nevada should be evaluated before this industry is implemented. The development of a land fill as well as the necessary facility to recover those items that are recyclable will provide assignments for up to 50 inmates. If such an operation is feasible, costs will include about \$20,000 for the necessary studies for location of a fill, \$5000 for fencing, \$100,000 for a grader that will dig trenches as well as cover and compact garbage and \$65,000 for a truck. A review of environmental considerations as well as current provision of such services should be performed prior to initiating expenditures for this type of operation.

Clothing manufacturing - Again described in the previous report, this operation should be targeted for the new maximum security facility at Ely. Equipment and space requirements will be contingent on projected volume. Equipment will cost from \$1500 to \$7500 per work station with the average around \$2500. Each work station should be capable of about \$20,000 per year given a five hour day of actual production time. Each work station requires about 25 square feet of production space and 10 square feet of isle space. Storage space for both finished goods and raw materials will be dependent of volume but should be at least 2500 square feet. The manufacture of flat goods (sheets, pillow cases, etc.) should be incorporated into this operation when it is built.

Cardboard containers - Again recommended in the prior report, there appears to be a ready market of sufficient quantity just though internal usage and that of Vinal Products to warrant this type of operation. Estimated capitalization costs are about \$100,000 and space requirements are 6000 to 10,000 square feet including storage. About 12 assignments would be created. This operation should be targeted for the Carson City area because of initial markets.

Meat Processing - This operation can be developed either with a slaughter house or to receive hanging carcasses for processing. Meat can be processed for use within the DOP, other state agencies and hotels and casinos. As many as 25 inmates a shift can be assigned in this type of operation which will require 10,000 square feet including freezer space. Equipment will cost \$100,000 to \$150,000. This operation also requires a reefer truck for at least \$75,000

NEVADA CORRECTIONAL INDUSTRIES - RECOMMENDATIONS (2)  
MAY 11, 1986

depending on the size selected.

### Summary

These industries are not meant to be all inclusive of possible new operations nor even representative of all potential operations. They represent some operations that have successfully been initiated within correctional facilities and which appear to have potential for the Nevada system. Clearly, in spite of the extremely tight timetable that is currently available, additional study and evaluation should be conducted before significant expenditure is undertaken.

The following approach is recommended in light of current scheduling and structure. These recommendations should be quickly reviewed for possible application by individuals knowledgeable about Nevada's potential market as well as the probable impact of these operations on existing Nevada business. An advisory board to correctional industries should be developed as an adjunct or continuation of the existing Legislative sub-committee. Assuming the Sub-committee can conduct an initial evaluation of these recommendations, an advisory board would continue the review with additional market studies. The Sub-committee should conditionally fund those industries that are approved through the first review by the end of May, 1986. The actual expenditure of those funds could then be conditional on both the concurrence of the advisory board after adequate market studies performed by DQP and evaluated by the board and the agreement of the central staff of correctional industries who should be hired before major capital expenditures to minimize the probability of inadequate planning and follow-up that characterized earlier attempts at strengthening correctional industries.

This approach would permit the legislature to identify the limits of its commitment, while providing the controls and evaluation that should be in place before the expenditure of large sums of money.

Finally, strong consideration should be given to expanding correctional industries by increasing the private sector involvement in operations. Existing space is not readily available to entice the private sector, however either constructing space for lease to a private sector company, or allowing the construction of a plant by the private sector would solve this problem. This report will not address this area beyond the scope of the May 4. report.

### INSTITUTIONAL REVIEW

This section will review potential space by location with

NEVADA CORRECTIONAL INDUSTRIES - RECOMMENDATIONS (2)  
MAY 11, 1980

consideration for the type of industry that might be appropriate. Industries will be divided into heavy - which will include manufacturing where either raw material or finished goods can not readily be carried by hand. light - which will include manufacturing where both raw material and finished goods can be easily moved and service - which will include operations without a product requiring raw material.

Nevada State Prison

This location has limited existing space. The tag plant and the print shop/bindery have physical plants that are reasonable for current usage. The soap shop and mattress factory are located in a physical plant less than adequate. The plant currently being used for soap and mattress would be acceptable for either a service industry or a light industry that had no hazardous chemicals or dust. The institutional in-service training facility is also only acceptable for light or service industries. The print/ bindery operation can be separated into two plants by extending the existing building towards the boiler house. If additional industries are desired at this location, construction of a physical plant will be necessary.

Nevada Women's Correctional Center

Again, space is a major problem. Potential space does currently exist in the gymnasium which is apparently rarely used by the population. Data entry and micrographics are logical choices for this location given existing programs and equipment. More non-traditional programming will require the construction of additional space.

Northern Nevada Correctional Center

This location has available space, however its current utilization is not very efficient. The auto repair, both mechanical and body/fender show potential in their existing physical plants. Unless there is an unexpected increase in business, the existing plant should allow for significant expansion. The plant housing furniture refinishing, metal and furniture production is significantly underutilized. This building should have one industry designated and be laid out to allow for good product flow and storage of raw material and finished goods. After one such operation is set up, remaining space should be evaluated for a possible second operation. This space is satisfactory for heavy, light or service industries. Space will also be available in the cutlery building after the new plant is completed. This space can also be used for heavy, light or service industries.

Southern Nevada Correctional Center

Space at this facility is limited to that identified in the first report. The institutional maintenance shops could use any type of industry as could the former craft shop. Potential at this location is limited by available square footage. Day room facilities in living quarters should be limited to service industries or some light industry, keeping in mind the primary building use is sleeping and toxins, dust and noise should be kept to a minimum.

### Southern Desert Correctional Center

This facility has the greatest potential due to existing space. Space is available for heavy, light or service industries and should be evaluated in light of the requirements outlined above. Emphasis on auto repair and furniture refinishing or manufacturing would appear to be the best initial industries. Industry at this location should be targeted to meet the needs of casinos and hotels in Las Vegas. There are inadequate government agencies in the vicinity to warrant developing businesses primarily to meet State needs. Local government may be another viable alternative market.

### New Institutions (Ely and Lovelock)

Industry construction at new institutions should follow the general outline in the previous section, with initial decisions made now and reviewed before the expenditure of funds by a body identified by the legislature. Again, a mixture of both public and private industries should be considered, although this report does not address the private sector.

### STAFFING

Staffing has been alluded to throughout both reports, however some final points should be made. The current available funds do not allow for the type of staffing that will be required to return industries to solvency. General funds will be required, however, such funds should be for a specified period, probably two years, after which the enterprise fund will be expected to begin to absorb these costs. This approach is necessary if the goal of self sufficiency is to be achieved. The motivation of staff will obviously be increased as their paychecks become directly contingent on the success of the program.

Staff responsible for the direct operation of programs should be paid out of the enterprise fund on a much more rapid basis. If funds are provided to draw against (not a loan, but an investment in the "company") then this staff should be immediately paid from income.

## CONCLUSION

Nevada has great potential for a successful industries program. The necessary support to assure adequate capitalization and required institutional cooperation clearly exist. Lacking at this time are clear legislative mandates, a set of Departmental priorities and most importantly, internal leadership and coordination. Previous efforts to make industries work have fallen short because of organizational failure. Until industries has central leadership and adequate physical plants and equipment it will be a "step child" program in its own eyes and those of the Department of Prisons. Until the capacity to effectively use available resources is made a permanent part of the system, correctional industries will be no more or less than a vocational program, and expectations beyond training inmates will not be fulfilled.





**APPENDIX B**

**Plans Developed by Legislative Subcommittee on Prison Industries,  
Nevada Department of Prisons.**



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MEMORANDUM

TO: Chairman and Members of the  
Prison Industry Committee (S.B. 446)

DATE: May 16, 1986

FROM: George W. Sumner, Director

SUBJECT: Prison Industries Plan

---

The Nevada Department of Prisons has finished developing a proposal for this committee. The plan was developed with emphasis towards as much specificity as possible. Estimates are provided on start up costs, potential markets, number of square feet required and number of inmates to be employed. We have also developed a list of summary statements regarding each major issue that has been identified by the committee. Further, each individual section of the plan is preceded by summary statements which allow for a quick review of the contents.

This plan is based on our "in-house" experience, tours of other state industry programs, an evaluation from an expert in the field and on the work done in committee hearings.

---

George W. Sumner, Director  
Department of Prisons

GWS/sr

## EXECUTIVE SUMMARY

The 1979 Legislature enacted NRS 209.459 which established a program for the employment of offenders in services and manufacturing. Chapter 209 also makes provisions for deductions of room and board, family support and restitution to victims. In 1985, SB 446 established a prison industries committee composed jointly of members of the legislature, the Department of Prisons and the private sector. This committee's main purpose was to research successful prison industries programs in the United States and to develop feasible programs that would benefit the State of Nevada as well as provide meaningful work for idle inmates. With the support of the Legislators, the Department of Prisons has developed a Prison Industries program which currently employs approximately 100 inmates.

With an ever increasing inmate population, which now is in excess of 4100, inmate idleness has become a major concern of the Department. At NNCC, for example, with a population of 967 there are only 504 inmates involved in productive assignments. Other institutions have a similar inmate idleness ratio.

It is, therefore, paramount that a Division of Industries be established to reduce the idleness within the Department of Prisons and to successfully operate and expand the Prison Industries Program.

The primary mission of the Division of Industries will be to be cost-effective and to provide a safe and humane work environment for inmate employees. Further, it will provide an opportunity for inmates to work productively in an atmosphere where they will be encouraged to develop a sense of accomplishment and self-worth through strong work ethics replicated by "real world" work experience. The Prison Industries job assignments will stress similar work performance standards and rewards as found in the private sector.

Prison Industries has come to be viewed not only as a way to combat the ever growing problem of inmate idleness but also as a way to generate revenue for the state offset prison costs.

By generating revenue for the Department of Prisons, through a self-supporting industry program, tax money normally used to support idle inmates can be diverted to other areas of need. Additionally, inmates will be required to contribute to the Victim's Compensation Fund and their own room and board. Other benefits will be the inmates' ability to contribute to their family's welfare while incarcerated and increase revenues in the Offender's Store Fund by giving inmates more money to spend. This fund supports the inmate law libraries and various recreation programs.

Paraphrasing Chief Justice Warren Burger "factories with fences rather than warehouses with walls" not only provides for a safer, humane environment for inmates and staff, but also reduces the need to divert good tax dollars toward the support of an idle inmate. Further, the productively occupied inmate presents a less serious threat to the safety and security of any penal institution.

NEVADA DEPARTMENT OF PRISONS  
SUMMARY STATEMENTS REGARDING THE  
DEPARTMENT'S POSITION ON 16 MAJOR ISSUES

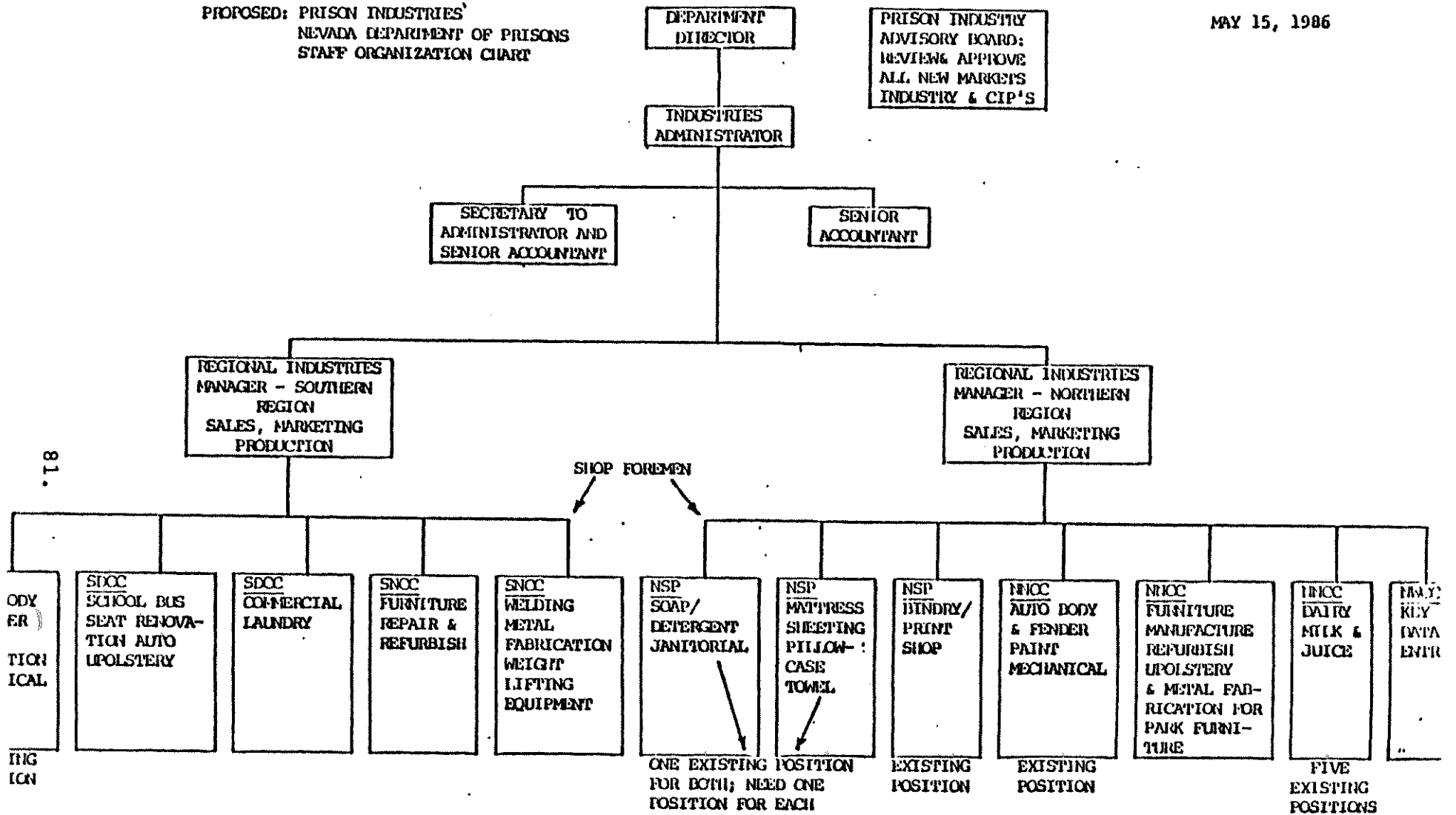
1. Administrative staff at the major institutions cannot be expected to successfully operate and manage both the business of Prison Industries and the operations of a prison.
2. Success of Prison Industries requires sufficient management staff. Prior plans addressed management strategies but failed to plan for sufficient staff to implement plan.
3. Include a Division of Prison Industries within the Nevada Department of Prisons. Fund the five proposed administrative positions from the State General Fund. Fund the industry foremen from the industry enterprise fund.
4. Include within the scope of the Nevada Prison Industry Division all internal industries and farm, as well as a subdivision called General Services. General Services includes all work programs conducted outside the prisons excluding only the conservation camps and restitution centers.
5. Prison Industries should be profit oriented and self-sufficient before any other considerations are made. Inmate work intensive opportunities will grow as the industries grow. The industries will not grow if the first priority is employing the greatest number of inmates at a quick pace.
6. Target markets should be all subdivisions of Nevada Government, charities and non-profit organizations, as well as all other states and the subdivisions of Government therein.
7. Initial capitalization of new industries should be considered an investment by Nevada. There should be no expectation or requirement of repayment.
8. Establish an Advisory Board to review and approve all new industries, products, C.I.P.'s, and equipment purchases. The Director of the Department of Prisons should be a member of the board. The board should have no more than seven members.
9. The Nevada Prison Industries Division will be unfairly hindered by the 5% service charge required by State Purchasing. The competitive nature of the industry requires that the Prison Industries receive some relief on this issue. The Department suggests that raw material should be obtained through the existing State Purchasing Division, but without a 5% fee. Even with the \$500.00 fee limit per order the Prison Industries Division will be less competitive.
10. Terminate the existing farm fund and transfer the balance of this fund to the Prison Industries Enterprise

11. Equal emphasis should be given to private sector industry within the prisons and state operated industry within the prisons. The Department should, whenever possible, look to casino related industries for the private sector involvement within the prison.
12. Private sector industry, employing inmates outside the prisons, should only be emphasized to the extent that no negative impact is felt by the Department's commitments to the Nevada Division of Forestry.
13. Plasma programs conducted within the prison should be considered a private sector industry employing inmates within a prison, and a use fee should be charged accordingly.
14. The Department of Motor Vehicles should pay an administrative fee of 50¢ per plate to the Industry Enterprise Fund.
15. Starting salary for industry foreman should be Grade 30. A level for senior industry foreman should be established at Grade 32. Entry level hiring should be based on the product produced, the technical expertise required, and the volume of the shop.
16. Equipping and furnishing the two new prisons in Ely and Lovelock will be the single largest job ever undertaken by Nevada Prison Industries. Because the industries will begin work before the institutions are completed, a plan for progress payments should be made from the initial construction funds to be allocated for each institution, similar to an earlier arrangement between State Public Works and the Department when SDCC was furnished. This arrangement is typically considered advanced working capital.



PROPOSED: PRISON INDUSTRIES  
 NEVADA DEPARTMENT OF PRISONS  
 STAFF ORGANIZATION CHART

MAY 15, 1986



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EXPLANATION/JUSTIFICATION  
FOR EACH INDUSTRY POSITION

The Department proposes that the five administrative positions be funded from the General Fund. The proposed positions for new shop foremen and all existing shop foremen would be funded from the Prison Industry Enterprise Fund.

INDUSTRIES ADMINISTRATOR

This position should be funded at the level of Warden. The Administrator should have extensive private sector experience in production, sales and marketing. This single person below the Director should be responsible for development and implementation of policy and procedure governing planning, production, safety, sales, and fiscal aspects of prison industries throughout the state.

For purposes of definition, the Industries Administrator will be responsible for all prison industries, the farm, and a subdivision to be called General Services. General Services would include all off site (community) work programs, excluding only the conservation camps and restitution centers.

SECRETARY FOR THE INDUSTRIES ADMINISTRATOR

Funded at the level of Management Assistant III.

SENIOR ACCOUNTANT

This position is essential to the success of the industries plan. In a previous plan, developed "in-house" in May of 1983, the Nevada Department of Prisons did not include a senior accountant assigned to the Department Administrator. Further, the plan used an accountant from the Department's fiscal division. Recently the Department received contract consultant services from Howard Skolnik, the Superintendent of the Illinois Department of Corrections, Industry Program. Mr Skolnik made reference to this arrangement and stated:

"It will be essential for the profitable operation of correctional industries that fiscal responsibility rests with the central staff of correctional industries".

In another section of his report Mr. Skolnik states:

"Fiscal control is exerted through the central office (Prison Administration - Fiscal Division) with some limited oversight on the part of the Associate Warden. It is of no small significance that the administrative structure and decision making process was described in a different way by almost everyone asked".

The Prison Industries Program needs a senior accountant to be responsible for all fiscal aspects of the program. The necessity for this position is further explained in light of the fact that the program will be both a "consumer" of raw materials and a "supplier" of finished goods.

At the present time an accountant at Grade 31, devotes 50% work time to the farm/dairy and Prison Industries. The other 50% of the work effort is devoted to the General Fund accounting activity. The proposed Senior Accountant would assume the farm/dairy and Prison Industries presently carried out by the accountant. This accountant would then devote full time to the General Fund.

#### REGIONAL MANAGER, SALES, MARKETING, PRODUCTION

Each institution of the Nevada Department of Prisons has operated independently because there has been no central organization or staff. Much of the current dysfunction can be attributed to no coordination efforts directed at marketing, sales and production. There have been other industry plans formulated and tailored for the Nevada Department of Prisons. The missing element has always been the lack of staff to implement a good program. Mr. Skolnik recognized these past efforts and commented:

"It should be pointed out that in 1983, a plan for correctional industries was developed. Many aspects of that plan addressed some of the problems that currently exist. An audit around the same time also described procedures that should have been put into place to eliminate many of the current problems. The fact that neither set of recommendations have been implemented further indicates the need for a central staff to assure that there is continuity in implementing improvements for correctional industries. Top level management can't focus only on industries at the expense of security and other program areas".

These comments go right to the central issue of the current situation. The staff at the major institutions cannot possibly run a shop for industries with all the inherent requirements for success.

The Nevada Department of Prisons needs a manager for both the Southern and Northern region. These positions should be funded at a Grade 34, Step 1.

#### SHOP FOREMAN

These positions should be funded at Grade 30 (entry) and Grade 32 (journeyman). The Department currently has three shop foremen, funded from the Enterprise Fund. One of these individuals supervises the mattress, sheeting, pillow case, towel, soap and detergent factory at NSP. Another supervises the bindery/print shop at NSP. The third supervises the automotive restoration,

upholstery, auto mechanical and furniture refurbishing activities at SDCC.

There is one vocational educational instructor at NNCC acting as a shop foreman also. All of the industry currently in place at NNCC, except for the private sector operation (Vinyl Products) is under this supervisor. That position is funded from the General Fund at a Grade 32. The cost of maintaining this position at a current grade is approximately \$24,137,41, assuming Step 1 and employer paid retirement. The Department proposes that the Vocational Education Instructor be converted to a shop foreman and that the position be funded from the Enterprise Fund. There should be no cut in wages as a result of this conversion.

To compensate for the existing needs and to provide for the proposed expansion, the Northern Nevada Correctional Center will need one industry foreman in addition to the one staff person already there. This position should be funded at a Grade 30, Step 1.

1. All furniture and metal fabrication industries.
2. All auto industries.

Under the Department's plan the NNCC farm/dairy would be converted to an industry and brought under the Prison Industry staff and none would suffer a cut in salary. No additional staff are proposed for this industry.

#### NSP

To provide for the proposed expansion of the bindery/print shop and the proposed separation of the soap/mattress factory, the Department proposes one additional shop foreman to make a total of three. This position should be funded at Grade 30, Step 1.

1. Day shift - bindery/print shop.
2. Mattress/sheeting/pillow case/towel.
3. 3 days per week - soap/detergent/janitorial supplies.  
2 days per week - swing shift bindery/print shop.

#### SDCC

To provide for the proposed expansion and to compensate for existing needs, the Department proposes that two positions be added. This will bring the SDCC total industry foreman to three. The two additional positions should be funded at Grade 30, Step 1.

1. Commercial laundry.
2. Auto renovation - body/fender/paint/mechanical.
3. School bus seat renovation and auto upholstery.

SNCC

The Jean institution has no current positions or industry. The Department proposes two shop foremen to supervise two proposed industries. Both of these positions will be requested at Grade 30, Step 1.

1. Welding/metal fabrication.
2. Furniture refurbishing.

NWCC

A proposed industry for NWCC is key data entry. One position is requested to supervise this operation. This position is proposed at Grade 30, Step 1.

RECAPITILATION

The Department proposes:

Administrative positions - 5 (new)	Shop foremen - 4 (existing)
Shop Foremen - 7 (new)	Dairy employees - 5 (existing)

ADDENDUM

After the prisons plan for staffing Prison Industries was completed, it became apparent that an essential position was omitted.

In addition to the Senior Accountant, the Industries Division should have a Business Manager I, funded at Grade 35.

The business issues will be such that this position is necessary. The Department will verbally explain this need at the hearing.

PRISON INDUSTRIES PROPOSED STAFFING - LEGISLATIVE STUDY

ANTICIPATED GENERAL FUND POSITIONS

\*\*\*\*\*

EMPLOYEE/EMPLOYER PAID			EMPLOYER PAID			
POSITION	SALARY	FRINGE	TOTAL	SALARY	FRINGE	TOTAL
<b>MANAGER</b>						
44-1	\$36,467.00	\$6,309.94	\$42,776.94	\$32,837.00	\$9,208.59	\$42,045.59
44-7	\$41,778.00	\$7,003.03	\$48,781.03	\$38,451.00	\$10,517.77	\$48,968.77
44-15	\$50,120.00	\$8,091.66	\$58,211.66	\$45,204.00	\$12,092.57	\$57,296.57
<b>NGT ASST III</b>						
27-1	\$17,604.00	\$3,672.28	\$21,276.28	\$16,202.00	\$4,799.50	\$21,001.50
27-7	\$19,900.00	\$3,948.95	\$23,848.95	\$18,316.00	\$5,223.36	\$23,539.36
27-15	\$23,533.00	\$4,366.73	\$27,919.73	\$21,659.00	\$5,893.63	\$27,552.63
<b>SR ACCOUNTANT</b>						
34-1	\$23,533.00	\$4,386.73	\$27,919.73	\$21,659.00	\$5,893.63	\$27,552.63
34-7	\$26,759.00	\$4,775.46	\$31,534.46	\$24,628.00	\$6,468.91	\$31,116.91
34-15	\$31,906.00	\$5,395.67	\$37,301.67	\$28,731.00	\$7,311.57	\$36,042.57
<b>REGIONAL MGRS</b>						
34-1	\$47,066.00	\$7,693.11	\$54,759.11	\$21,659.00	\$6,601.88	\$28,260.88
34-7	\$53,518.00	\$8,535.10	\$62,053.10	\$24,628.00	\$7,294.25	\$31,922.25
34-15	\$63,812.00	\$9,878.47	\$73,690.47	\$29,365.00	\$8,398.92	\$37,763.92
36-1	\$51,268.00	\$8,241.47	\$59,509.47	\$26,877.00	\$7,618.72	\$34,695.72
36-7	\$58,404.00	\$9,172.72	\$67,576.72	\$32,094.00	\$9,035.32	\$41,129.32
36-15	\$69,742.00	\$10,652.33	\$80,394.33	\$23,593.00	\$7,052.89	\$30,645.89
<hr/>						
TOTAL BOTTOM (34)	\$124,670.00	\$22,062.07	\$146,732.07	\$92,357.00	\$26,503.60	\$118,860.60
TOTAL MIDDLE (34)	\$141,955.00	\$24,262.54	\$166,217.54	\$106,023.00	\$29,524.29	\$135,547.29
TOTAL TOP (34)	\$169,371.00	\$27,752.53	\$197,123.53	\$124,955.00	\$33,696.69	\$158,651.69
TOTAL BOTTOM (36)	\$139,471.00	\$23,993.60	\$163,464.60	\$86,397.00	\$25,113.73	\$111,510.73
TOTAL MIDDLE (36)	\$158,581.00	\$26,432.23	\$185,013.23	\$99,666.00	\$28,041.84	\$127,707.84
TOTAL TOP (36)	\$188,993.00	\$30,313.20	\$219,306.20	\$103,348.00	\$28,657.00	\$132,005.00

ASSUMES ALL POSITIONS OTHER THAN MA III AND SR ACCOUNTANT HAVE POLICE/FIRE RETIREMENT

ANTICIPATED ENTERPRISE FUND POSITIONS

\*\*\*\*\*

<b>SHOP FOREMAN</b>						
30-1	\$139,300.00	\$19,729.65	\$159,029.65	\$125,440.00	\$30,803.61	\$156,243.61
30-7	\$157,892.00	\$22,155.91	\$180,047.91	\$142,177.00	\$34,706.68	\$176,883.68
30-15	\$187,306.00	\$25,994.43	\$213,300.43	\$168,665.00	\$40,883.68	\$209,548.68

ALL POSITIONS WILL HAVE POLICE AND FIRE RETIREMENT

EXISTING P.I. POSITIONS - ENTERPRISE FUND  
 \*\*\*\*\*

POSITION	SALARY	FRINGE	TOTAL	SALARY	FRINGE	TOTAL	
P.I. SUPERVISOR 35-1				\$22,603.00	\$6,822.02	\$29,425.02	NOT FUNDED
P.I. ACCOUNTANT 31-1, \$20747 (.25)	\$5,187.00	\$1,012.78	\$6,199.78				
DRMSBY HOUSE CORRECTIONAL OFFICER (2) 28-1, \$16511				\$33,022.00	\$9,251.73	\$42,273.73	
VINYL PRODUCTS CORRECTIONAL OFFICERS (4) 28-1, \$16511				\$66,044.00	\$16,952.46	\$82,996.46	
CARSON NUGGET CORRECTIONAL OFFICERS (1.4) 28-1, \$16511				\$23,115.40	\$6,941.51	\$30,056.91	
NSP-MATTRESS FACTORY P.I. FOREMAN (1) 31-15, \$27947	\$27,947.00	\$5,198.08	\$33,145.08				
MNCC-FURNITURE FACTORY P.I. FOREMAN (1) 31-1, \$19095				\$19,095.00	\$6,003.95	\$25,098.95	VACANT
SDDC-AUTO REFRIG P.I. FOREMAN (1) 31-5, \$22556	\$22,555.00	\$4,494.56	\$27,050.56				
NSP-BOOKBINDERY VOC ED INSTRUCTOR (1) 32-15, \$26295				\$26,295.00	\$7,682.99	\$33,977.99	
<b>TOTALS</b>	<b>\$55,690.00</b>	<b>\$10,705.43</b>	<b>\$66,395.43</b>	<b>\$190,174.40</b>	<b>\$53,654.67</b>	<b>\$243,829.07</b>	



REVENUE PROJECTED NOT INCLUDING SALES

\*\*\*\*\*

LICENSE PLATES		
225,000		\$112,500.00
PLASMA CTR LITERS		
APRIL 1986		\$73,405.44
PLASMA CTR SPACE		
.15/FT2		\$15,847.00
LVFD SPACE		
.15/FT2		\$9,000.00
		<hr/>
TOTAL REVENUE		\$210,752.44
EXCLUSIVE OF SALES		

ASSOCIATED START UP COSTS WITH INDUSTRIES PLAN

\*\*\*\*\*

	NBR INMATES EMPLOYED	EST STARTUP COSTS (000'S)	NBR SHOP FOREMAN	EXIST EQP REQUEST
ADMIN STAFF EQUIP.	4	6.5	0	0
NCC				
AUTO REFURBISHING	10		1	\$9,740.00
FURN MFG/UPHOLSTERY	35	150	1	\$10,350.00
CARDBOARD BOX	15-26	150-175	1	0
MILK/JUICE	16	85	1	
PLASMA CTR	25		100	
NSP				
MATTRESS/LINEN	10	6	1	\$2,000.00
BINDERY/PRINT	40	150	1.5	\$10,500.00
SOAP/DETERGENT	10	50	.5	
MCC				
DATA ENTRY	12	3	0	
SDCC				
AUTO REFURBISHING	20		1	\$12,500.00
COMMERCIAL LAUNDRY	20	155	1	
UPHOLSTERY -BUS	20	1.5-25	1	
PLASMA CTR	19		200	

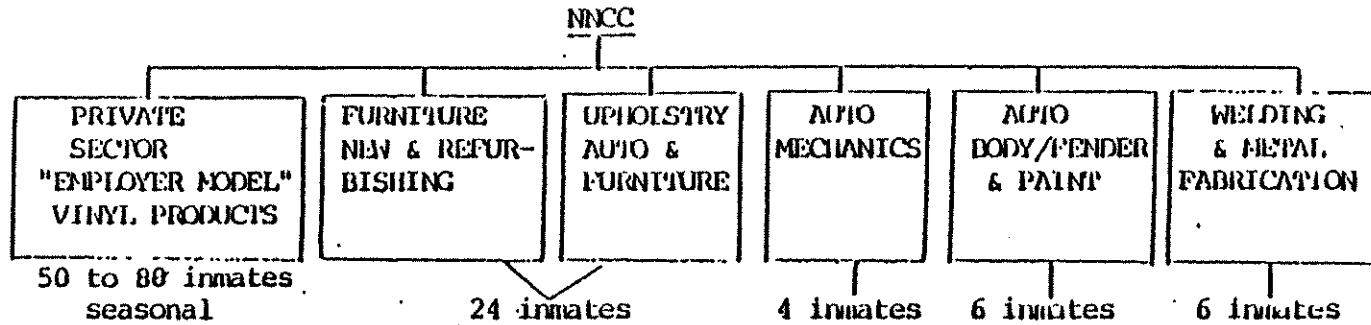
SNCC

FURN REPAIR/REFURB	15-20	75	1	
METAL FABRICATION	15	25	1	
PLASMA CTR	13		200	
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TOTAL	300-316	<u>857-905.5</u>	17	\$45,090.00

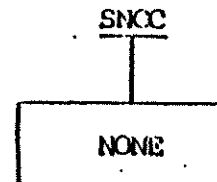
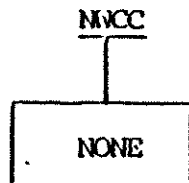
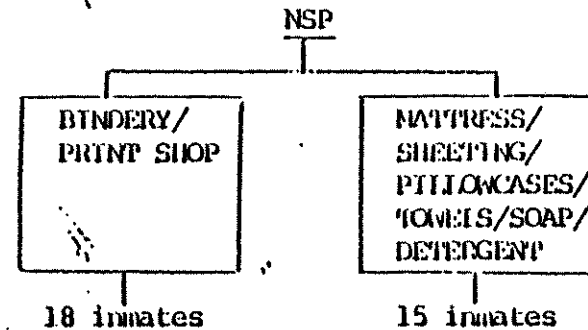
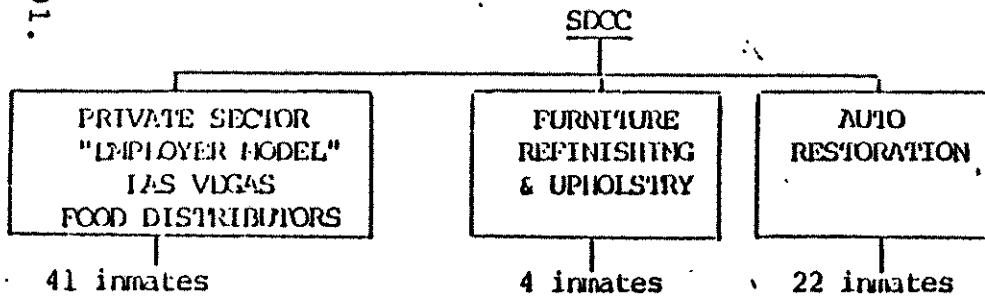
THE CARDBOARD BOX FACTORY IS INCLUDED IN THESE PROJECTIONS, HOWEVER, THE DEPARTMENT IS NOT PREPARED TO GO FORTH WITH THIS INDUSTRY WITHOUT MARKET RESEARCH. THE FIGURES SHOULD BE CONSIDERED WITH THIS IN MIND.

EXISTING PRISON INDUSTRY  
NEVADA DEPARTMENT OF PRISONS

DATE: May 15, 1986

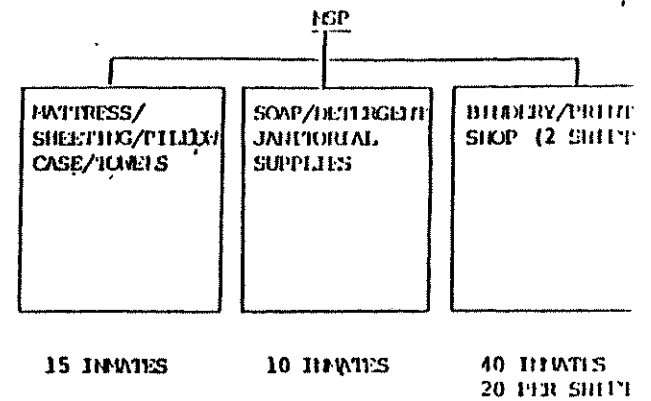
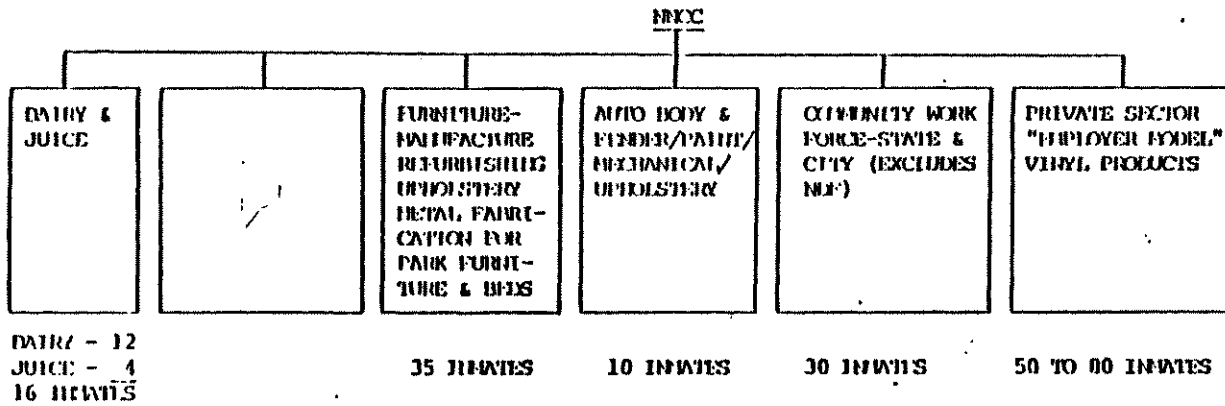


91.

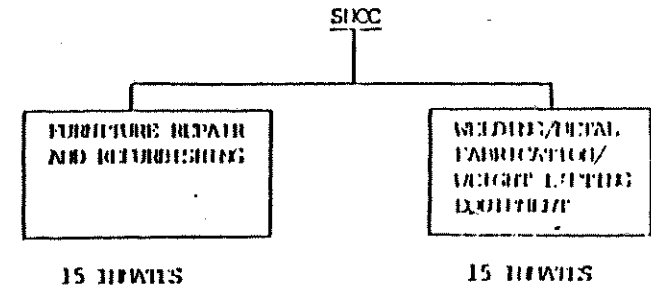
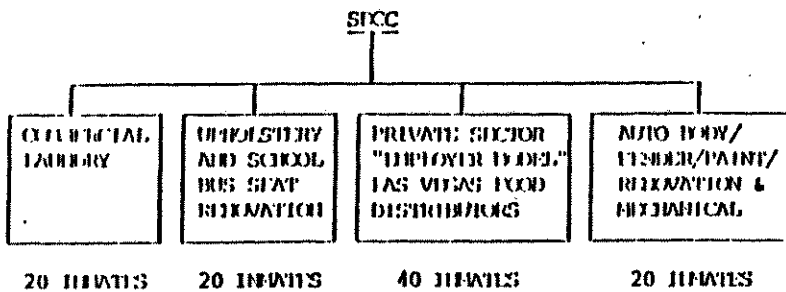
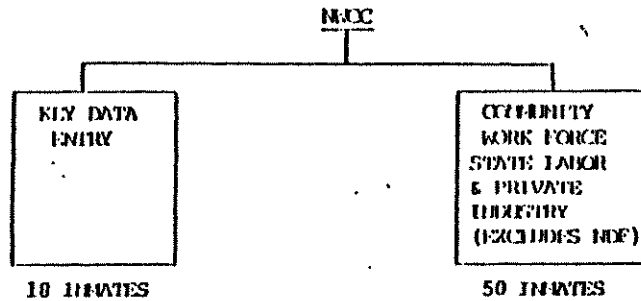


FLORIDA DEPARTMENT OF PRISONS  
PROPOSED TRADES ORGANIZATION

DATE: May 15, 1966



92.



INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Northern Nevada Correctional Center

INDUSTRY: Auto Body/Fender/Paint/Mechanical

NEW

EXISTING

MODIFIED

PRODUCT(S): Auto Renovation

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: Combine all auto functions  
under one general industry.

SHOP LOCATION ON DIAGRAM: NNCC #4 and #7

SQUARE FEET: \_\_\_\_\_

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: N/A

COST TO ESTABLISH NEW INDUSTRY: N/A

TIME TABLE FOR IMPLEMENTATION: Immediate

NUMBER OF INMATES EMPLOYED: 10

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: The above mentioned shops are currently considered as two  
subdivisions - Auto Body and Paint and Mechanical Repairs. All  
auto operations should be considered one industry and supervised  
as such by one shop foreman.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Northern Nevada Correctional Center

INDUSTRY: Dairy/Juice

NEW

EXISTING

MODIFIED

PRODUCT(S): Milk and Juice

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: Add 8 ounces packaging mach  
and juice equipment

SHOP LOCATION ON DIAGRAM: NNCC Ranch/Dairy

SQUARE FEET: N/A

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: N/A

COST TO ESTABLISH NEW INDUSTRY: Approximately \$85,000. for packaging and  
and juice equipment.

TIME TABLE FOR IMPLEMENTATION: 4 months approximately

NUMBER OF INMATES EMPLOYED: 12 - Dairy / 4 - Juice

NUMBER OF SHOP FOREMAN REQUIRED: None additional

COMMENTS: The existing dairy should be converted to an industry under t  
Nevada Prison Industry umbrella. The market should be expanded by  
adding 8 ounce milk containers, in addition to the bulk cartons  
currently in use. Juice should be added and packaged in 8 ounce  
containers.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Northern Nevada Correctional Center

INDUSTRY: Furniture-Manufacture, Refurbishing, Upholstery, Metal Fabricati

NEW                       EXISTING                       MODIFIED

PRODUCT(S): Oak Veneer Desks and Office Furniture, Bookshelves, Bulletin Boards, Culinary Tables, Institution Beds, Metal Lockers, Picnic Tables for Parks

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: Upgrade Fibersin Furniture to Oak Veneer. Add production equipment.

SHOP LOCATION ON DIAGRAM: NNCC #8

SQUARE FEET: \_\_\_\_\_

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: \_\_\_\_\_

COST TO ESTABLISH NEW INDUSTRY: Approximately \$150,000. to upgrade manufacture and production equipment. (Lamination press, edce bander, industrial saw)

TIME TABLE FOR IMPLEMENTATION: Immediate

NUMBER OF INMATES EMPLOYED: 35

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: Previously, furniture and metal fabrication were treated as two separate industries. The Department proposes that the two be combined. Metal fabrication is closely tied to the general category of furniture industrv.

NEVADA DEPARTMENT OF PRISONS  
PROPOSAL FOR NEW AND EXISTING PRISON INDUSTRY

NORTHERN NEVADA CORRECTIONAL CENTER NARRATIVE

NNCC has a very successful industry, operated by the private sector within the prison. Vinyl Products operates what is commonly referred to as the "employer model". The company uses inmate labor to produce a product. The company has control for the hiring, firing and work supervision of the inmate labor force. Vinyl Products pay for it's own metered security (correctional) officer. The existing contract with Vinyl Products might serve as a basis for future contractual arrangements with private sector industry inside the institutions. Vinyl now employs between 60 and 100 inmates. The manpower needs depend upon seasonal demands. The operation began in August of 1984. The weekly payroll is approximately \$9,000.00.

The remainder of the NNCC prison industries are totally operated by the Nevada Department of Prisons, and have been significantly less successful than the private sector shop. Prior to the Governor's budget cuts in the Fall of 1982, the bulk of NNCC shops were operating as vocational/educational programs. Rather than lose everything they were converted to prison industries. There have been various attempts since then to make them work.

Much of the problems with the NNCC industries is related to the poor quality of products. It can be safely said that the institution tried to do too much with too little staff and or too little raw material, have been too slow in satisfying orders and generally conducted business poorly.

DEPARTMENT'S PROPOSAL

1. The Department should continue to operate the furniture manufacturing and refurbishing factory. The auto upholstery functions should be removed from this shop and placed in an area with auto/body/fender/paint.

The Director of the Department of General Services has been unhappy with the line of desks and chairs. Again, quality and appearance were issues. Also, a secondary problem was the shipping damage due to the lack of packaging. The shop has re-evaluated those concerns and has developed a new line of oak veneer office furniture. Also, the shop has developed a freight package to avoid shipping damage. The new products list and price information appears in a separate section of this report. The Director of the Department of General Services has indicated that a line of bookcases and shelves would be welcomed. The Department has developed a line of bookcases accordingly. The shop will also manufacture bulletin boards and blackboards.



Under the Department's plan the metal fabrication and welding shop would be included in the furniture industry; and all of these related tasks would be supervised by one shop foreman. The products from this section would include institution beds, culinary tables, picnic tables and metal lockers for conservation camps.

The Department will be adding two new prisons in Ely and Lovelock, two new camps, and acquiring the Washoe County Detention Center. There are also plans to build a women's prison. All of this growth will provide the single greatest market that Nevada prison industries has had. The furniture shop will be impacted the most. Among other things this shop will build 1,466 beds for Phase I and II of Ely and Lovelock (the first phase total for both will require 466 single bunks and 267 double bunks). The shop will build the kitchen and dining room tables, and office furniture for the staff. Add to this the furnishing for the new camps and A and B Block renovation and the potential is tremendous.

A project of this size must be subsidized by progress payments from the construction budget of the institutions. Prison industries could not carry the costs until the institutions are built.

2. The existing kitchen and dining room at NNCC will be vacated when the new budgeted kitchen and dining room is constructed. This old building will provide in excess of 5,500 square feet of industry space for a light industry. The Department has not selected an industry for this building. The latest projections indicate that it will be vacant in July of 1987. Depending on the results of market research the Department will propose an industry to the Advisory Board. One of the products under consideration is cardboard boxes for shipping and a variety of cardboard files and cardboard storage boxes. At first glance this appears to be a market with potential. Consumers might include the industries operated by this Department, the license plate plant, the plasma centers, and Nevada Governments.
3. The dairy at NNCC is not currently under the prison industries umbrella. This is an unacceptable arrangement. The Department proposes that the dairy be included as a Nevada prison industry. The Department proposes that the operation at the farm be expanded to include a packaging machine for eight ounce milk and juice containers. The Department is not suggesting that the large milk packages be eliminated, only that the operation be expanded to include smaller, individual containers. This would expand the potential markets for milk. Additionally, the dairy should produce a juice product to be packaged in the same eight ounce containers. The market for a juice product would include at least 4,000 inmates now incarcerated in Nevada.

The Department also proposes that the Prison farm fund be eliminated and the proceeds deposited in the industries enterprise fund. Appropriate legislation bill drafts are a separate part of this report.

The dairy has been a very successful operation. The fund balance is approximately \$300,000.00. With support from the proposed administrative staff, the dairy would not suffer any negative consequences from being included under the prison industries umbrella.

4. The Department proposes that the old abandoned ranch house be restored and converted to a Prison Industry warehouse. Aside from the fact that this building has some historical significance, it will offer a good storage area for completed industry products awaiting delivery or shipment. The building is constructed from the same quarry stone that the maximum security prison was built from. It will not be suitable for inmate housing because of the cost related to structural upgrading for earthquakes. However, the space could be well used as a warehouse. A new floor and roof will be the major improvements required.
5. The auto body and fender shop, as well as the auto paint shop, are included in the same general area at NNCC. The primary problem with this operation has been the lack of a shop foreman. The Department proposes that this industry be retained. Additionally, auto upholstery should be removed from the current location, where it is combined with furniture upholstery and included in the area where auto works is done. Under the Department's plan there will be one major shop for auto body and fender, paint, and auto upholstery. One shop foreman would supervise this operation.

The committee may be interested in the major equipment requests that NNCC has included in their prison industry budget preparations for 1987:

SHOP	EQUIPMENT-ITEM	ESTIMATED COST
Auto Mechanics	Transmission Jack-Hydraulic	\$ 740.00
Auto Mechanics	Brake Drum-Disk Lathe	\$6,000.00
Auto Paint	Spray Paint Booth	\$3,000.00
Metal Fabrication	Pipe/Tubing Bender-Hydraulic	\$7,600.00
Furniture Upholstery	Sewing Machine	\$ 950.00
Furniture Upholstery	Electric Scissors	\$1,800.00

#### SUMMARY

NNCC will have five subdivisions of industry:

<u>#1</u>	<u>#2</u>	<u>#3</u>
Furniture:	Auto:	Not Yet Determined
Manufacture	Body & Fender	
Refurbishing	Paint	
Upholstery	Upholstery	
Metal Fabrication	Mechanical	
(Park Furniture, Prison Beds, Institution Beds)		
	<u>#4</u>	<u>#5</u>
	Dairy	Private Sector
	Juice	Vinyl Products
		Plasma

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Nevada State Prison

INDUSTRY: Bindery/Print

NEW

EXISTING

MODIFIED

PRODUCT(S): Printing, Bookbinding, Silkscreening

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: Expand product line to include a variety of three ring binders and related products.

SHOP LOCATION ON DIAGRAM: #3

SQUARE FEET: Approximately 6,000

NEW BUILDING CONSTRUCTION REQUIRED: Build on additional industries

SQUARE FEET: building of 4,000 square feet in the area below 5 Tower.

COST TO ESTABLISH NEW INDUSTRY: Approximately \$25. per foot for a metal industry building. \$50,000. for additional equipment for pad holders and a variety of binders.

TIME TABLE FOR IMPLEMENTATION: 6 - 12 months

NUMBER OF INMATES EMPLOYED: 20 day shift/20 evening shift (evening shift would start at 2 days per week)

NUMBER OF SHOP FOREMAN REQUIRED: 1½

COMMENTS: The proposed evening shift at the bindery would start at 2 days per week only. The foreman would supervise the soap detergent factory the remaining 3 days.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Nevada State Prison

INDUSTRY: Mattress Factory

NEW       EXISTING       MODIFIED

PRODUCT(S): Mattress/Sheets/Pillowcases/Towels

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: Remove soap/detergent facto:  
to new location. Add sewing machines and commercial electric  
SCISSORS.

SHOP LOCATION ON DIAGRAM: Second floor north building. Parallel 5th St:

SQUARE FEET: 4,200 (shared with soap/detergent factory)

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: N/A

COST TO ESTABLISH NEW INDUSTRY: N/A

TIME TABLE FOR IMPLEMENTATION: N/A

NUMBER OF INMATES EMPLOYED: Approximately 10

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: Soap/detergentzand mattress operations are currently in the sa  
building. Should be divided for health and safety reasons. Soap  
should be moved to IST. Mattress and sheeting could then be  
expanded. Safety concerns would be satisfied. \$6,000.00 would cov  
2 new sewing machines and electric scissors.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Nevada State Prison

INDUSTRY: Soap/Detergent

NEW       EXISTING       MODIFIED

PRODUCT(S): Soap/Detergent

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: Add janitorial (mops, brushes, brooms, pails) and move to adjacent building.

SHOP LOCATION ON DIAGRAM: Second floor north building paralled 5th Street.

SQUARE FEET: 4,200 (shared with mattress factory)

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET:

COST TO ESTABLISH NEW INDUSTRY: \$25,000. for addition of janitorial.

Approximately \$20,000. for building, engineering and freight elevator.

TIME TABLE FOR IMPLEMENTATION: 6 - 9 months

NUMBER OF INMATES EMPLOYED: Approximately 10

NUMBER OF SHOP FOREMAN REQUIRED: 4

COMMENTS: Move soap/detergent away from mattress/sheeting. The two should not be located in same area for health and safety reasons. Soap/detergent would move to area soon to be vacated by In-Service Training. After move add janitorial. IST has approximately 4,400 square feet of available space.

NEVADA DEPARTMENT OF PRISONS  
PROPOSAL FOR NEW AND EXISTING PRISON INDUSTRY

NEVADA STATE PRISON (MAXIMUM SECURITY) NARRATIVE

The maximum security prison has three major industry areas. The tag plant is operated by the Department of Motor Vehicles and is not under the prison industries umbrella. The two other industries are mattress/sheeting/pillow case/towel/soap/detergent and bindery/print shop.

The two shops that are operated by the Department of Prisons have been marginally successful but suffer from the same lack of central administrative staff. The shop foreman must stop production to market and sell their products. Both industries have enormous potential that needs to be developed. Unlike the shops at NNCC (except Vinyl and dairy) quality has not been a problem with the products produced at NSP.

DEPARTMENT'S PROPOSAL

1. The tag plant, operated by the Department of Motor Vehicles should pay a 50\_\_per plate use fee to the industries enterprise fund. The fee should be considered as an administrative fee and a cost related to the production of license plates.

The Department is not suggesting that the tag plant become a prison industry. It is reasonable, however, for the Department of Prisons to expect compensation for all the apparent and hidden costs related to this plant.

The legislation/bill drafts to support this proposal are contained in a separate section of this report.

2. The bindery/print shop is among the best operations in the Department of Prisons. It is also the industry with the greatest immediate potential for growth and increased profits. The Department proposes that this industry shop be expanded, using the vacant area between 5 Tower and C-Block.

The Department is satisfied with the existing legislation as it pertains to this industry, except for the statute which prohibits the purchase or elimination of printing equipment without authorization from State Printing. This statute should be changed to allow these decisions to be made "in-house". A legislation/bill draft is included in a separate section of this report.

It is apparent from the growth of the bindery/print shop that the bindery portion is underdeveloped. The Department has undertaken a market study regarding the potential for a line of custom three ring binder. That study will follow this narrative. The Director of the Department of General Services has also recommended a line of binders.

Depending on the growth realized from such an industry, the Department may add an additional evening shift to the bindery/print shop. The shop just recently added six new inmate workers, to bring the total to 18. The maximum number of inmates is 20. Adding another shift would bring the potential total to 40. The Department is proposing a third industry foreman who would supervise the soap/detergent industry three days per week and the evening bindery shift 2 days per week.

The bindery/print shop should also expand the line of product labels and packaging labels for all products made by industries operated by the Department of Prisons. Labels for the private sector industries, operating in the prisons, is prohibitive because of the interstate commerce certification criteria; namely that the inmate producing the product be paid at the prevailing wage in the community. The Department assumes that this salary requirement would equally apply to inmates who make labels for those products.

3. Currently, the soap/detergent, and mattress industries are combined in one area. The mattress factory has recently expanded to include production of sheets, pillow cases and towels. The quality of the products from these two industries has been maintained at a very acceptable level, despite the fact that the shop foreman must supervise two unrelated production lines, and occasionally must shut down to market his products.

The Department is proposing that the soap/detergent industry be relocated to an adjacent building at NSP. The "In-Service Training" Division will soon be moved to a prison administrative building at NNCC. Under the Department's plan this space would be used by the NSP school. The soap/detergent factory would relocate to where the school is now. It is absolutely necessary to separate soap from mattresses because of detergent dust and other airborne pollutants. The proposed new location of the soap/detergent industry will need engineering for proper ventilation, safety equipment, and a freight elevator. (These are items that are not available in the current location.)

This arrangement will have the secondary advantage of allowing expansion room for mattresses, sheets, pillow cases, and towels. The Director of General Services has indicated that a large market now exists for sheets and pillow cases.

Once relocated the soap/detergent industry should expand it's line of products to include janitorial supplies such as broom, brushes, pails, and mops.

Initially, the soap/detergent/janitorial shop would be open only three days per week. One new shop foreman would supervise this shop. The same foreman would supervise on evening shift at the bindery/print shop, two days per week.

The committee may be interested in the major equipment requests that NSP has included in their prison industries budget preparations for 1987:

SHOP	EQUIPMENT-ITEM	ESTIMATED COST
Bindery/Print	Envelope Feeder	\$3,500.00
Bindery/Print	Wire Stitcher	\$2,000.00
Bindery/Print	Computer	\$5,000.00
Mattress/Sheeting	2 Sewing Machines	\$4,000.00

SUMMARY

NSP will have three subdivisions of industry:

<u>#1</u>	<u>#2</u>	<u>#3</u>
Bindery	Mattress	Soap
Printing	Sheets	Detergent
	Pillow Cases	Janitorial
	Towels	



MEMORANDUM

TO: Robin Bates, Chief Classification and Planning Officer

FROM: Fred Allen, Bookbindery Supervisor

SUBJECT: Marketing Analysis

DATE: May 27, 1986

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In regards to your request on potential for the sales of 3 ring binders, I feel that there is a far greater potential than we are capitalizing on. At present, as you know, we are involved in several services, one of them being 3 ring binders.

Some of the equipment used in manufacturing the binders is also utilized in the bindery functions as well. So any increase in equipment to expand the 3 ring binder service would also expand our rebinding service capabilities. The 3 ring binders have been a part of our services for some time but has never really been tapped to it's full potential.

In the past, we have only contacted customers with a flyer that was mailed to them a couple times a year. Recently, however, we have stepped up our contact with existing customers and contacted potential customers to make the aware of the services available to them.

Since the program was changed from Vocational to Prison Industries, the sales have increased every year from approximately Twenty Thousand Dollars (\$20,000.00) to over One Hundred Thousand Dollars (\$100,000.00) this year. This was accomplished with very little sales representation. The only sales calls that were made were by me on an as work load permitted basis. I tried calling past customers two days a week to check on their satisfaction and contact new customers. As you can see, there is very little time spent on sales. As should be, however, the small amount of time spent has increased our sales four to five times what is was three years ago.

Until recently, the bindery operation has been a secondary operation with the main emphasis on printing. About a year and a half ago, we started making a pad holder which is nothing more than a 3 ring binder with a pad instead of rings. I will use those, along with the binders, because that is the product I have pushed.

The potential for binders is unlimited with a good sales force. The potential customers are all state agencies, city and county agencies, schools, and non-profit organizations. All state agencies use binders. At present, we have supplied binders for Economic Development, the City of Sparks, various schools throughout the state and non-profit organizations. The agencies I have called all have shown interest in the binders. We have had calls for price quotes on amounts from 1500 pad holders for the Lions Club to 150 pad holders for Carson Recreation Department. To date, approximately three thousand (3,000) pad holders and binders have been sold. Other orders are on the bookbindery floor and there is a promise of future orders starting at the beginning of the new fiscal year.

I have contacted most of the northern counties and spent three days in Las Vegas on a sales trip. On that three day trip to Las Vegas, I contacted, to list a few:

Dr. Moses, Lyon County School District (interested and would present to school district)

Lyon County Sheriff Department (several officers placed orders)

Mineral County High School (left sample, one school bought 200)

David Bash, Chief Youth Parole Bureau (interested, will contact non-profit organization he is involved with, Police Olympics and Nevada Constables Association)

Las Vegas Metropolitan Police Department, Detention Services Division (very interested, requested price quotes)

Clark County Law Library, Deniston J. Kay (presently rebinding over 300 books)

Clark County Library, Alice Dopp (presently rebinding second order)

Nellis Air Force Base, Col. Reaver (will check with command for interest)

Chaparral High School, Mr. McCoy (interested and will talk to Activities sponser)

Valley Special School (interested and will talk to board)

Tonopahugh High School (interested in bid)

Tonopahugh Sheriff's Department, Mr. Davis (working on approximately 200 pad holders)

Tonopahugh, Director of Chamber of Commerce, Mr. Perchetts (will keep in mind)

North Las Vegas City Hall Purchasing (will look into using services)

Las Vegas High School, Frank Brusa (interested and will check with staff)

Clark County Purchasing, Mr. Mulcahy (interested in screening and binding)

Rancho Manor High, Dr. Brown (left sample)

Western High School, Dr. Craw (will present to student store and wants ideas for conference)

Bonanza High School, Leon Paul (interested and will present at staff meeting)

Clark County Community College, Jack Regan (interested and will contact me) - Autumn Keyes (wants price quote) - Robb Bay, Student Activities (will call)

University of Nevada, Las Vegas (representative bust, left sample)

Las Vegas City Hall (interested, talked to her on phones and left sample)

Clark County School District

Nye County High School (will use when new budget starts)

All potential customers contacted above showed interest in our services. In the Reno-Carson-Douglas and Lyon County areas, I have called on numerous city and county agencies or have several customers from each county that range from printing to bindery services.

If the shop were expanded, it would increase our capabilities for quicker turn around times and with a sales effort, the possibilities are unlimited.

In summary, the expansion of the bindery operation would not only add additional revenue but would also open opportunities in the rebinding area. All the equipment needed for making binders is also used in remanufacturing books so the equipment could serve two functions. The possibilities of utilizing the prison bindery for all the states' school book rebinding needs would save the state thousands of dollars in the purchase of new books and repair of old.

Currently all of our rebinding work comes from the northern part of the state with only 3 customers from the south that were contacted in the last two months. The southern part of the state is untapped.

We are also trying to set up a system to sell binders to the State of Washington Department of Corrections. They would resell what we manufacture. As you can see, the biggest portion of the state is untapped and we still have forty-nine more states to check on. I hope this information helps you in your evaluation.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Nevada Women's Correctional Center

INDUSTRY: Data Entry

NEW       EXISTING       MODIFIED

PRODUCT(S): Data Entry

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: N/A

SHOP LOCATION ON DIAGRAM: Building #21 NWCC

SQUARE FEET: N/A

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: N/A

COST TO ESTABLISH NEW INDUSTRY: \$3,000. for repair and upkeep of terminal

TIME TABLE FOR IMPLEMENTATION: 60 days

NUMBER OF INMATES EMPLOYED: 12

NUMBER OF SHOP FOREMAN REQUIRED: 0

COMMENTS: The data entry equipment from the old private sector operation  
has been donated to the Department. Repairs and upkeep should cost  
no more than \$3,000. The institution is researching markets at thi  
time.

NEVADA DEPARTMENT OF PRISONS  
PROPOSAL FOR NEW AND EXISTING PRISON INDUSTRY

NEVADA WOMEN'S CORRECTIONAL CENTER NARRATIVE

Of the five major institutions, NWCC has the largest number of inmates working in the community. These inmates work for State Government, a local casino, Sierra Convalescent Center, and the Eagle Valley Children's Home. NWCC does not have an "in-house" industry at this time. The manufacture of children's dolls and a data entry operation have both suspended operations at NWCC. These two industries were operated by the private sector. The data entry operation left behind all the equipment.

DEPARTMENT'S PROPOSAL

1. The data entry equipment has since been donated to the Department. Although some repair is necessary, it appears that the equipment will be sufficient for a prison operated data entry shop.

The Warden of the Women's Prison is conducting market research for potential contracts. At the present time there are no commitments but American Airlines shows some promise. The Department proposes that this light industry be developed at NWCC.

2. The plasma operation for female inmates was eliminated due to financial considerations. The women had been transported to NNCC to bleed. The plasma company paid for the officer escort. There was insufficient numbers of inmates participating to cover the expenses.
3. The community work force includes more than 65 inmates working for the State, City and private sector. This does not include the female NDF crew which is a separate program. The Department will continue to look towards community work programs for the female population. The existing women's facility has no space for any industry except the aforementioned data entry. The current programs in the community have been extremely successful.

NOTE: A portion of the women who work for State Printing are now doing the work at the Women's Prison. This involves 10 women who prepare documents for micrographics.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Southern Desert Correctional Center

INDUSTRY: Commercial Laundry

NEW       EXISTING       MODIFIED

PRODUCT(S): Same

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: N/A

SHOP LOCATION ON DIAGRAM: #3 and #4

SQUARE FEET: \_\_\_\_\_

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: N/A

COST TO ESTABLISH NEW INDUSTRY: Approximately \$155,000.00

TIME TABLE FOR IMPLEMENTATION: 3 to 6 months

NUMBER OF INMATES EMPLOYED: Approximately 20

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: SDCC has existing space for this proposed industry. Clark County is a large untapped market. (This would also eliminate the need to expand the laundry at Jean, which is a proposed 1987 C.I.P. SDCC would do all the laundry for SNCC, ISCC, JCC). \$155,000.00 would approximately cover the required equipment and truck.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Southern Desert Correctional Center

INDUSTRY: Auto Renovation

NEW       EXISTING       MODIFIED

PRODUCT(S): Body and Fender/Paint/Mechanical

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: N/A

SHOP LOCATION ON DIAGRAM: SDCC #3

SQUARE FEET: \_\_\_\_\_

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: N/A

COST TO ESTABLISH NEW INDUSTRY: N/A

TIME TABLE FOR IMPLEMENTATION: Immediate/Existing

NUMBER OF INMATES EMPLOYED: 20

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: Existing successful industry. Needs market promotion and  
business development.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Southern Desert Correctional Center

INDUSTRY: Upholstery and School Bus Seat Renovation

NEW

EXISTING

MODIFIED

PRODUCT(S): Same

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: N/A

SHOP LOCATION ON DIAGRAM: SDCC #3

SQUARE FEET: \_\_\_\_\_

NEW BUILDING CONSTRUCTION REQUIRED: No

SQUARE FEET: N/A

COST TO ESTABLISH NEW INDUSTRY: \$15,000. to \$25,000. for shop equipmer

TIME TABLE FOR IMPLEMENTATION: 6 months or less

NUMBER OF INMATES EMPLOYED: 20

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: The Clark County School District has indicated interest.

Possibly 2,000 seats per year. Shop could also upholster all

Clark County vehicles.



NEVADA DEPARTMENT OF PRISONS  
PROPOSAL FOR NEW AND EXISTING PRISON INDUSTRY

SOUTHERN DESERT CORRECTIONAL CENTER NARRATIVE

SDCC has the most available square feet of industry space. Within the industrial buildings at SDCC the Department now has three shops. Two are operated by the Department of Prisons, Auto Restoration and Furniture Refinishing. One is operated by the private sector, vegetable and salad production.

DEPARTMENT'S PROPOSAL

1. Las Vegas Food Distributors is a private sector industry operating at SDCC. This shop employs approximately 40 inmates. There are some problems with the existing contract and the Department is now re-negotiating the use fees. Aside from the fact that the Department industry fund has not been fairly compensated by Las Vegas Food Distributors, the operation has been successful employing an average of 40 inmates.
2. The auto restoration industry has had a great deal of success with quality but has not produced the quantity of work necessary for a profit producing business. This is due to the lack of administrative staff to research markets and promote the product. All the other elements of a successful industry are in place, i.e. sufficient shop space, quality product, experienced foreman, sufficient work force. The Department proposes that the industry be retained. Under the Department's plan, this shop would include all auto related functions except upholstery.
3. The Department proposes that a new shop be established at SDCC for school bus seat repair/upholstery and auto upholstery. The Department has conducted some market research in Clark County. The Department foresees no major obstacle to entering this market and successfully competing. Eventually this shop should expand to include upholstery service to all the various subdivisions of Government in Clark County.
4. Furniture refinishing and upholstery is an existing (small) industry at SDCC. The Department proposes that this shop be relocated to SNCC as soon as possible. Under the Department's plan, SDCC will concentrate on autos and SNCC will specialize in furniture repair and refinishing.
5. Because of the physical characteristics of the SDCC industrial area, a commercial laundry should be added. The soap space is now available and the local market is tremendous. The Department has not conducted a thorough market study, however it is the Department's intention to develop markets with the Clark County hospitals, jails, institutions, SNCC, and all other laundry users in the local governments.

The committee may be interested in the major equipment requests that SDCC has included in their prison industry budget preparations for 1987:

SHOP	EQUIPMENT-ITEM	ESTIMATED COST
Auto Renovation/Repair	Rolling Tool Boxes & Hand Tools	\$1,200.00
Auto Renovation/Repair	Engine Analyzer	\$5,500.00
Auto Renovation/Repair	Car Lift	\$4,000.00
Auto Renovation/Repair	Steam Cleaner	\$1,800.00

#### SUMMARY

Under the Department's plan, SDCC will have four subdivisions of prison industry:

<u>#1</u>	<u>#2</u>	<u>#3</u>
Auto Restoration Body/Fender Paint Mechanical	Commercial Laundry	Private Sector
	<u>#4</u>	
	Auto Upholstery School Bus Seat Renovation	

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Southern Nevada Correctional Center

INDUSTRY: Metal Fabrication

NEW       EXISTING       MODIFIED

PRODUCT(S): Playground equipment, weight lifting equipment.

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: N/A

SHOP LOCATION ON DIAGRAM: SNCC #11 Temporary

SQUARE FEET: 3,800 approximately

NEW BUILDING CONSTRUCTION REQUIRED: The Department has requested an industrial building in the 1987 C.I.P.'s.

SQUARE FEET: Approximately 6,000 square feet at approximately \$20.00 per square foot, \$120,000.

COST TO ESTABLISH NEW INDUSTRY: \$25,000.00 for equipment.

TIME TABLE FOR IMPLEMENTATION: 6 months

NUMBER OF INMATES EMPLOYED: 15 inmates

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: This will be located temporarily in the existing maintenance shops until the Department can obtain an industry building for SNCC.

This metal fabrication shop will not produce a same or similar product that the NNCC metal fabrication shop produces, therefore the two shops will not be in competition with each other.

INDUSTRY SPECIFICATION SHEET  
NEVADA DEPARTMENT OF PRISONS

INSTITUTION: Southern Nevada Correctional Center

INDUSTRY: Furniture Repair and Refurbishing

NEW       EXISTING       MODIFIED

PRODUCT (S): Same

PROPOSED MODIFICATION FOR EXISTING INDUSTRY: Move from SDCC to maintenance shop at SNCC.

SHOP LOCATION ON DIAGRAM: SNCC #10 - Temporary

SQUARE FEET: 4,500

NEW BUILDING CONSTRUCTION REQUIRED: The Department has requested an industrial building in the 1987 C.I.P.'s.

SQUARE FEET: Approximately 6,000 square feet at approximately \$20. per sq. ft. \$120,000.

COST TO ESTABLISH NEW INDUSTRY: \$75,000.00 for equipment

TIME TABLE FOR IMPLEMENTATION: 6 months

NUMBER OF INMATES EMPLOYED: 15 - 20 approximately

NUMBER OF SHOP FOREMAN REQUIRED: 1

COMMENTS: SNCC has never had any industry and has suffered from inmate unemployment problems.

NEVADA DEPARTMENT OF PRISONS  
PROPOSAL FOR NEW AND EXISTING PRISON INDUSTRY

SOUTHERN NEVADA CORRECTIONAL CENTER NARRATIVE

SNCC does not have any industry. The primary problem has been the lack of available shop space. The Department has requested an industrial building for SNCC in the 1987 Capital Improvement Project (CIP) requests.

The only immediate arrangement for now can be found in the maintenance buildings at SNCC. These two buildings can be used for welding/metal fabrication and furniture refurbishing. The largest of the two buildings is approximately 4,500 square feet. The smaller building is approximately 3,800 square feet.

DEPARTMENT'S PROPOSAL

1. The furniture refurbishing shop at SDCC should be moved to SNCC. Under the Department's plan, SDCC will concentrate on all auto related industries and a commercial laundry. SNCC will concentrate on furniture repair and refinishing. Until the industrial building is available this shop would be in the existing maintenance shops.
2. SNCC should develop a metal fabrication industry which includes a variety of gymnasium and park/playground equipment. Under the Department's plan the shop would concentrate on weight lifting equipment and heavy wood and metal playground equipment.

The Northern Nevada Correctional Center will be producing metal fabrication products in Carson City, but will limit it's product line to institution beds, culinary tables, and picnic tables.

SNCC will not be competing with NNCC by producing metal fabrication products such as weight lifting equipment and park tables.

3. The Department will vigorously pursue a private sector industry to use a portion of the proposed new industry building at SNCC.

SUMMARY

SNCC will have three subdivisions of industry:

<u>#1</u>	<u>#2</u>	<u>#3</u>
Furniture: Refinishing & Repair	Metal Fabrication	Private Sector Employer Model

## NEW PRISONS

The Department, in conjunction with the Subcommittee on site selection, has planned for an industrial area for the Ely Prison. The architects have presented initial design concepts with this in mind. The industrial area will include approximately 13,000 square feet of shop space. The Department is planning for a large garment factory. The product line will include all inmate issue clothing for the Nevada Department of Prisons, gowns for hospitals and institutions, and a variety of garments for other state prisons and institutions.

A portion of the Ely industrial area would be promoted for a private sector industry, using the "employer model".

Although the planning for the Lovelock institution has not progressed as far as Ely, the Department has envisioned an industry with an emphasis on food processing. The implementation of such an industry requires more specialized shop space, and therefore, more advanced planning. Such an industry would include slaughtering, butchering, vegetable farming and food packaging. The Department will attempt to make use of the geothermal potential of the Lovelock site to raise vegetables. Again, most of the products would be consumed by Department of Prisons inmates. This industry is better suited for a medium security facility, such as Lovelock, than the new maximum security prison in Ely.

INDUSTRY OPERATING IN THE PRISONS  
AN OVERVIEW

The private sector industries operating in the Nevada Prisons are addressed in the individual sections of this report. However, there are several contemporary issues which merit separate discussion here.

There are essentially three major private sector industries which are now operating in Nevada Prisons. These type of operations are commonly referred to as the "employer model". Two of these industries are orthodox industry shops, producing a product. The third industry is blood/plasma.

<u>INDUSTRY</u>	<u>PRODUCT</u>	<u>LOCATION</u>
Vinyl Products	Water Beds	NNCC
Vegetable Processing (LVFD)	Salads	SDCC
Plasma	Blood/Plasma	SNCC/SDCC/NNCC

NOTE: There are three separate companies operating plasma operations at the Nevada Prisons.

There are two major issues confronting the Department that relate to these private sector industries.

First, the plasma center revenues received by the Department are not deposited in the industries enterprise fund. This is a problem that needs to be corrected. Plasma operations should not be treated differently than any other private sector industry operating in the prisons.

Second, the Department is in the process of re-negotiating the contracts with private sector industry to insure that the Department is fairly compensated for the use of the prison industry shop space and officer salary. The Department is also attempting to standardize the use fees.

The contracts are being reviewed with the following use fees as a standard:

1. .15 cents per square foot per month.
2. Payment for correctional officers salary.
3. Responsible for own metered utility fees.

Currently, Vinyl Products pays for the correctional office and utilities, but not for shop space. Las Vegas Food Distributors pays for a correctional officer and some utilities, but not for shop space.

The plasma centers are more difficult to standardize. Following this narrative a separate statement regarding those operations will appear.

There is a possibility that these proposed use fees will cause the Las Vegas Food Distributors to abandon the operation at SDCC. It is the Department's position that Las Vegas Food Distributor has been extremely profitable and absent that high profit margin they will not continue. Nonetheless, the Department is committed to correcting the gross inequity of the Las Vegas contract, and the lesser problem with Vinyl.

It can be argued that the State of Nevada and the Department of Prisons benefits from the private sector industries because of the deductions from inmate salaries for room and board and the victim's compensation fund. The Department recognizes that benefit, but submits that the industry fund must also receive revenue from private sector use fees, in order for the overall industry program to grow and maintain self-sufficiency.



## PLASMA CENTERS - NDOP

Currently there are three separate plasma center operations within various facilities in the Nevada Department of Prisons. They are Nevada Plasma Inc. located at the Northern Nevada Correctional Center, Stewart; Desert Plasma Inc. located at the Southern Desert Correctional Center, Indian Springs; and DCI Plasma Inc. located at Southern Nevada Correctional Center, Jean. All plasma centers reimburse the department for utility costs on a square foot basis that is billed quarterly to consider any recent utility rate increases. Beginning July 1, 1986, Plasma Centers, with the exception of DCI Plasma due to the higher liter payment, will be paying the department a monthly rental fee for space used on square foot basis. Inmate plasma donors generally donate twice a week and receive \$5.00 per donation. The ratio between liters obtained and the twice weekly draws is roughly .66 liter per draw, i.e. 2 draws equals 1.32 liters. Payments for officer salary costs are deposited in revenue GL 4206 in each insititutional budget

### NNCC - NEVADA PLASMA INC.

Existing contract calls for a payment of three dollars per liter obtained per month from which the department pays salaries of the plasma center's inmate workers and salary of correctional officer coverage with the balance deposited in the stores fund. For April 1986, liter payments were \$7,324.13; inmate workers wages were \$2,087.87; officer coverage costs were \$4,622.93 and the store fund deposit was \$613.33. Correctional officer coverage at NNCC runs roughly 80-100% higher than coverage at the other institutions due to use of a Senior Correctional Officer, Grade 29-15, for plasma coverage and his overtime. Consequently there are some months when there is no residual balance to be deposited into the store fund. The other institutions use two Correctional Officers, Grade 28-3 or 28-5, thereby avoiding overtime costs and incurring lower basic salary costs.

### SDCC - DESERT PLASMA INC.

Existing contract calls for a payment of three dollars per liter obtained per month from which the department pays salaries of the plasma center's inmate workers and salary of the correctional officer coverage with the balance deposited into the store fund. For April 1986, liter payments were \$7,678.13; inmate workers wages were \$2,265.00; officer coverage costs were \$2,862.34 and store fund deposit was \$2,550.79.

### SNCC - DCI PLASMA INC.

Existing contract calls for payment of five dollars per liter obtained per month from which the department pays the salaries of the plasma center's inmate workers and the salary of correctional officer coverage. From the payment received two dollars per liter is taken off the top and deposited into the store fund. From the remaining three dollars inmate workers salaries are paid and the residual balance is

then deposited into the institution's revenue account to cover officer coverage salary costs. In actuality the residual deposited as institutional revenue more than covers the actual salary costs with a little extra for goodwill. For April 1986, liter payment totaled \$7,324.13; inmate workers salaries were \$920.00; store fund deposit was \$2,933.00 and institutional revenue (officer coverage) was \$3,478.00.

NORTHERN NEVADA CORRECTIONAL CENTER

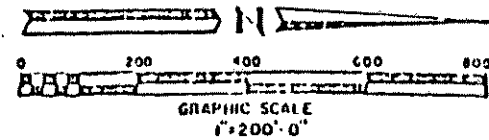
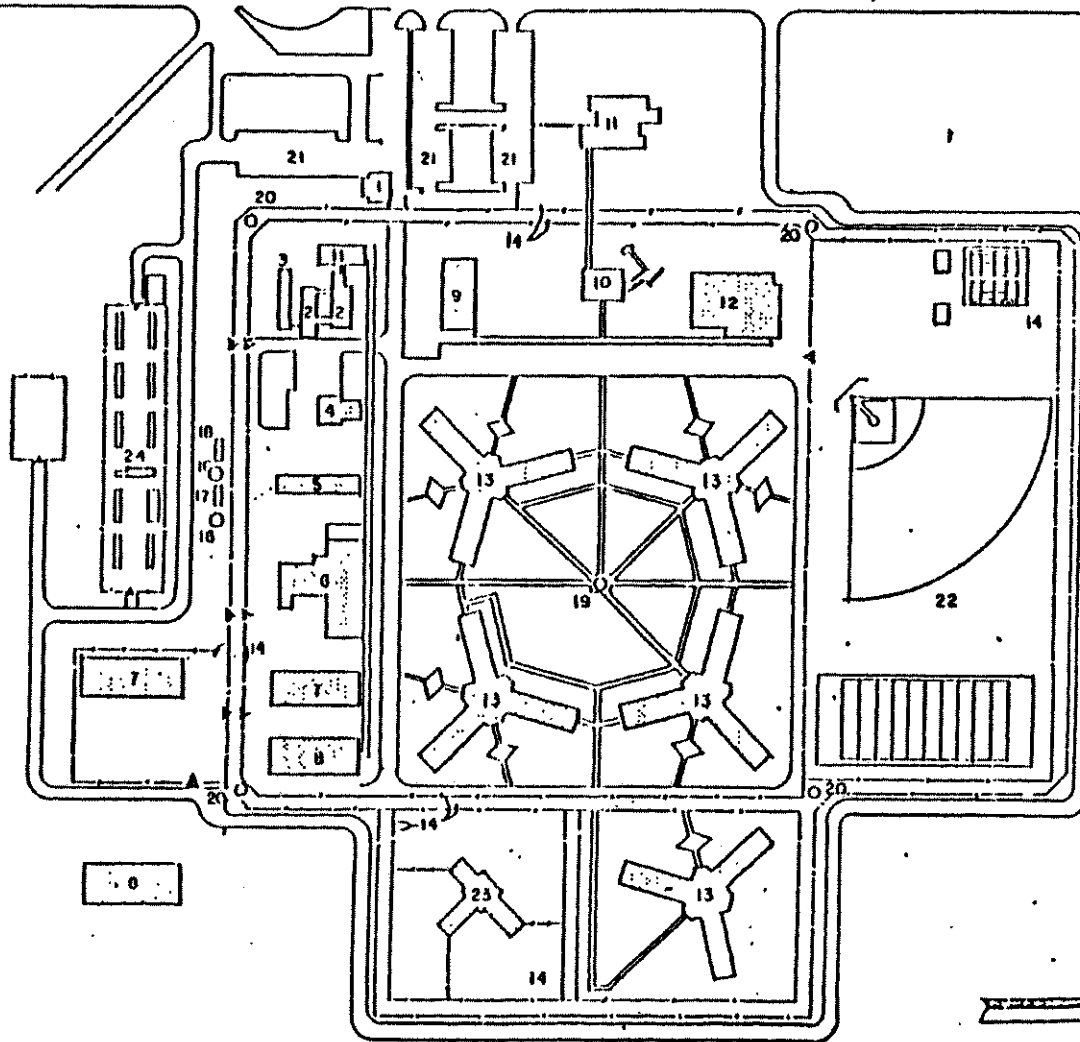
3.5'

TO FARM

TO SITE WALL

- MAIN GATE HOUSE
- INFIRMARY
- PLASMAPHERESIS CENTER
- OCATIONAL
- LAUNDRY/BOILER PLANT
- POD SERVICE
- INDUSTRIAL
- WAREHOUSE
- CLASSROOM
- VISITORS CENTER
- ADMINISTRATION
- MULTI-PURPOSE
- HOUSING
- SECURITY FENCING
- WATER TANK
- JUMP HOUSE
- TRANSFORMER
- JARD STATION
- JARD TOWER
- WORKING
- OUTDOOR RECREATION
- PSYCHIATRIC UNIT
- BIOR CAMP

123.

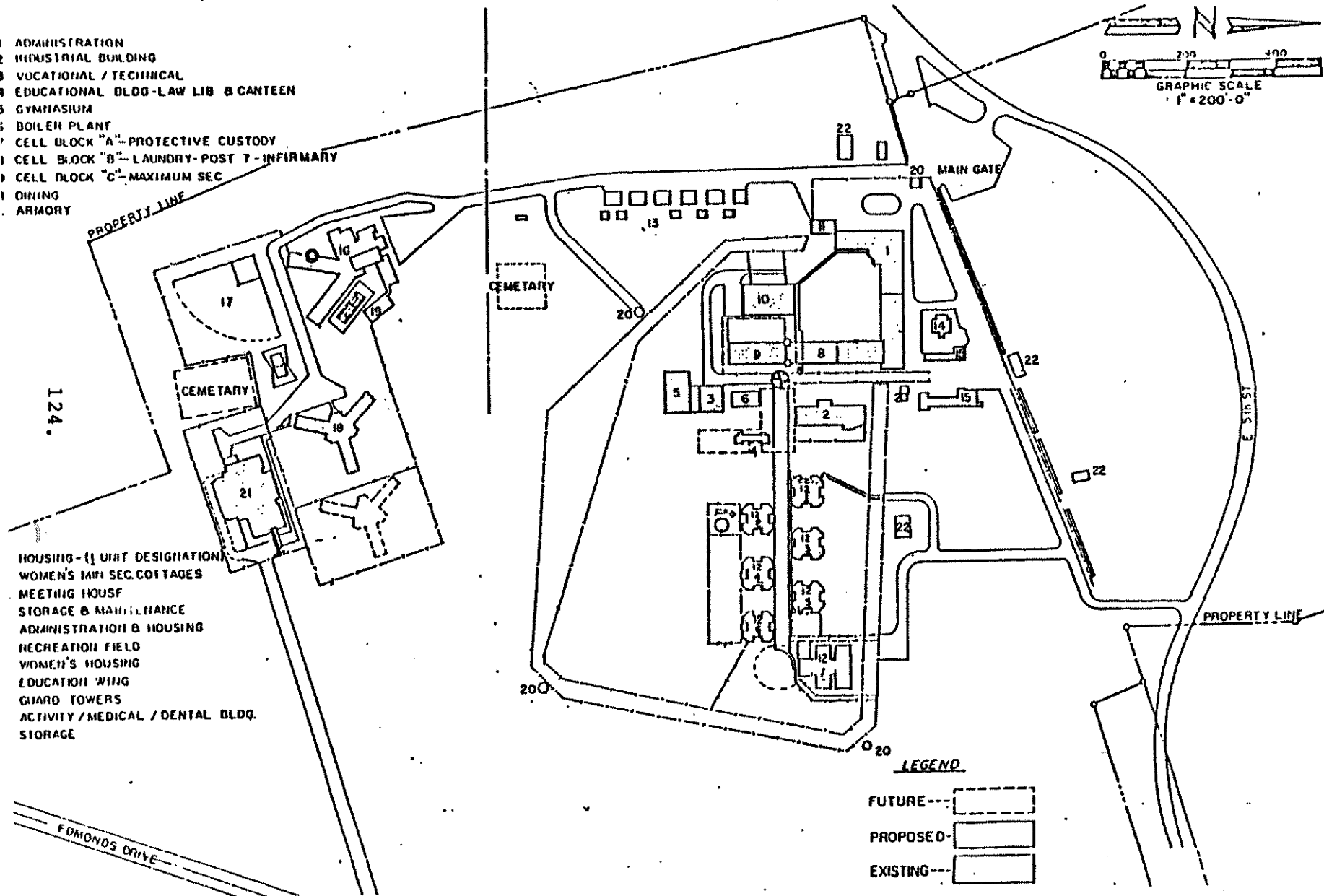
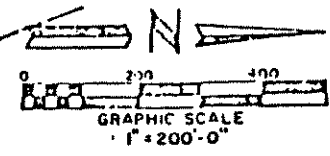


NEVADA  
STATE PUBLIC WORKS BOARD  
CARSON CITY

MASTER SITE PLAN  
NORTHERN NEVADA  
CORRECTIONAL CENTER  
DATE: 11-1-61

NEVADA STATE PRISON  
AND  
NEVADA WOMEN'S CORRECTIONAL CENTER

- 1 ADMINISTRATION
- 2 INDUSTRIAL BUILDING
- 3 VOCATIONAL / TECHNICAL
- 4 EDUCATIONAL BLDG-LAW LIB & CANTEEN
- 5 GYMNASIUM
- 6 BOILER PLANT
- 7 CELL BLOCK "A"-PROTECTIVE CUSTODY
- 8 CELL BLOCK "B"-LAUNDRY-POST 7-INFIRMARY
- 9 CELL BLOCK "C"-MAXIMUM SEC
- 1 DINING
- ARMORY



- HOUSING - (1 UNIT DESIGNATION)
- WOMEN'S MIN SEC. COTTAGES
- MEETING HOUSE
- STORAGE & MAINTENANCE
- ADMINISTRATION & HOUSING
- RECREATION FIELD
- WOMEN'S HOUSING
- EDUCATION WING
- GUARD TOWERS
- ACTIVITY / MEDICAL / DENTAL BLDG.
- STORAGE

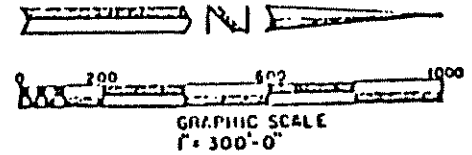
LEGEND

- FUTURE --- [dashed box]
- PROPOSED --- [solid box]
- EXISTING --- [solid box]

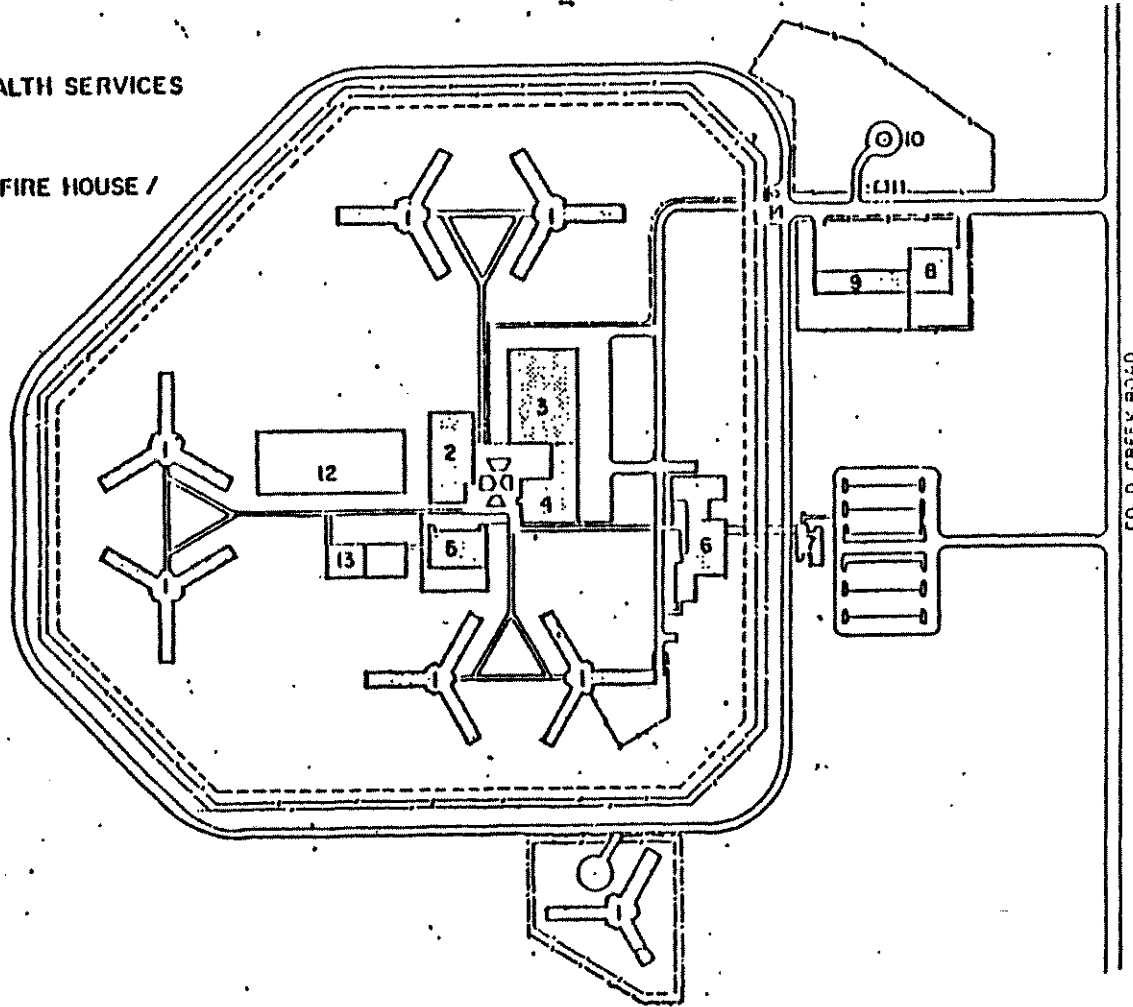
NEVADA  
STATE PUBLIC WORKS BOARD

MASTER SITE PLAN  
NEVADA STATE PRISON  
AND  
NEVADA WOMEN'S CORRECTIONAL CENTER

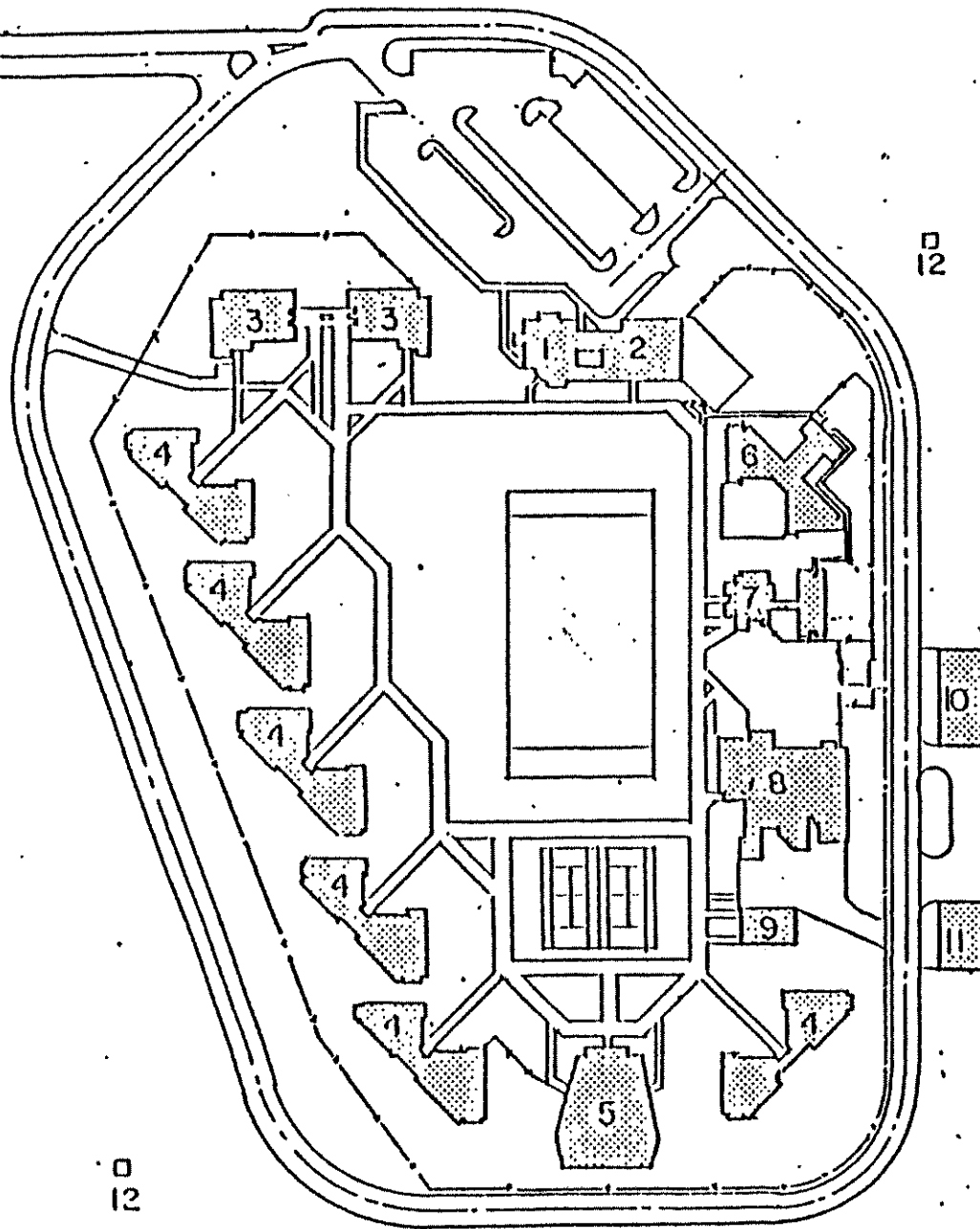
# SOUTHERN DESERT CORRECTIONAL CENTER



1. DORMITORY
2. EDUCATIONAL BUILDING
3. INDUSTRIAL / VOCATIONAL BUILDING
4. FOOD SERVICE / LAUNDRY
5. RECREATION BUILDING
6. CENTRAL CONTROL / VISITING / HEALTH SERVICES
7. ADMINISTRATION
8. CENTRAL STORES
9. CENTRAL PLANT / MAINTENANCE / FIRE HOUSE / GARAGE
10. WATER TANK
11. PUMP HOUSE & WELL
12. ATHLETIC FIELD
13. HARD COURT
14. GUARD TOWER



JEAN



**SOUTHERN NEVADA  
CORRECTIONAL CENTER**

1. Admin
2. Visiting
3. Educ/Voc
4. Housing Unit
5. Gym
6. Close Custody Unit
7. Health Services
8. Culinary
9. Laundry
10. Warehouse/Fire Station
11. Maintenance
12. Tower

126.

12

STATE OF NEVADA  
DEPARTMENT OF PRISONS  
OFFICE OF THE DIRECTOR  
MEMORANDUM

TO: Carol Ceccarelli

DATE: April 23, 1986

FROM: JoAnna Grayson

SUBJECT: INCOME STATEMENT - PRISON INDUSTRIES - THIRD QUARTER FY 86

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The income breakdown is as follows:

Bookbindery	\$13,191.74
Detergent Factory	8,823.00
Furniture & Refurbishing	(4,606.67)
Mattress Factory	1,367.14
SDCC Auto Shop	1,696.33
Sheets & Towels Mfg.	-0-

PRISON INDUSTRIES

Balance Sheet

March 31, 1986

ASSETS

Current Assets

Cash		\$105,876.53
Accounts Receivable		24,018.82
Raw Material Inventory		123,534.71
Goods In Process Inventory		11,378.06
Finished Goods Inventory		<u>9,019.72</u>

Total Current Assets

\$273,827.84

Fixed Assets

Hand Tools	\$ 2,206.85	
Less Accum. Deprec.	<u>(290.67)</u>	1,916.18
Office Equipment	1,730.80	
Less Accum. Deprec.	<u>(1,455.83)</u>	274.97
Machinery & Equipment	58,194.68	
Less Accum. Deprec.	<u>(35,784.81)</u>	22,409.87

Total Fixed Assets

24,601.02

Total Assets

\$298,428.86

LIABILITIES AND RETAINED EARNINGS

Liabilities

Accrued Salaries Payable	\$ 1,834.74
Note Payable	200,000.00
Accounts Payable	39,956.95
Ranch Truck Use Payable	12,211.27
Accum. Annual Leave Payable	14,047.73
Accum. Sick Leave Payable	<u>27,941.27</u>

Total Liabilities

\$295,991.96

Retained Earnings

Retained Earnings	\$(15,171.14)
Net Income	<u>17,608.04</u>

Total Retained Earnings

\$ 2,436.90

Total Liabilities and Retained Earnings

\$298,428.86



PRISON INDUSTRIES

Income Statement

July 1, 1985, through March 31, 1986

Revenue

Sales	\$287,606.93
Client Income	8,428.03
Officers Wages Income	<u>87,966.49</u>

Total Revenue \$384,001.45

Cost of Goods Sold

Cost of Goods Manufactured	\$184,238.34
Finished Goods Inventory July 1, 1985	<u>10,807.11</u>
Goods Available For Sale	195,045.45
Less Finished Goods Inventory	<u>9,019.72</u>

Cost of Goods Sold \$186,025.73

Gross Profit \$197,975.72

Operating Expense

Salaries	\$ 60,070.42
C/O Salaries	79,846.32
Small Hand Tools	394.54
Telephone	386.49
Insurance	2,594.72
Travel	551.25
Uniform Allowance	714.48
Equipment Repair	6,636.27
Truck Fuel & Oil	1,163.29
Truck Repair	247.07
Vinyl Bus	128.53
Office Supplies	3,073.04
NNCC Room & Board	4,716.54
NWCC Payroll	13,326.70
Miscellaneous	1,298.65
Building Maintenance	122.11
Use of Ranch Truck	4,854.02
Small Appliances	230.87
Office Equipment	<u>12.37</u>

Total Operating Expense 180,367.68

Net Income \$ 17,608.04

PRISON INDUSTRIES

Manufacturing Statement

July 1, 1985, through March 31, 1986

Raw Material

Raw Material Inventory July 1, 1985		\$117,921.70
Raw Material Purchase	\$159,214.27	
Transportation In	<u>62.39</u>	
Cost of Goods Delivered		<u>159,276.66</u>
Raw Material Available For Use		<u>277,198.36</u>
Raw Material Inventory		<u>123,534.71</u>
Raw Material Used		\$153,663.65

Direct Labor \$ 24,914.10

Overhead Costs

Deprec. Hand Tools	\$ 290.67	
Hand Tools Written Off	243.19	
Deprec. Expense Office Equipment	187.02	
Deprec. Expense Machinery Equipment	<u>4,282.03</u>	
Total Overhead Cost		<u>29,917.01</u>

Total Manufacturing Cost \$183,560.66

Add: Goods In Process Inventory July 1, 1985 12,035.74

Deduct: Goods In Process Inventory 11,378.06

Cost of Goods Manufactured \$184,238.34

BOOKBINDERY

Balance Sheet

March 31, 1986

ASSETS

Current Assets

Cash	\$ (4,403.73)	
Accounts Receivable	6,397.07	
Raw Material Inventory	11,164.59	
Goods in Process Inventory	-0-	
Finished Goods Inventory	<u>-0-</u>	
Total Currents Assets		\$ 13,157.93

Fixed Assets

Printing Equipment	\$ <u>756.00</u>	
Total Fixed Assets		<u>756.00</u>
Total Assets		\$ <u>13,913.93</u>

LIABILITIES AND RETAINED EARNINGS

Liabilities

Salaries Payable	\$ 604.50	
Accumulated Sick Leave Payable	12,948.72	
Accumulated Annual Leave Payable	2,871.35	
Accounts Payable	<u>5,256.86</u>	
Total Liabilities		\$ 21,681.49

Retained Earnings

Retained Earnings	\$(20,959.30)	
Net Income	<u>13,191.74</u>	
Total Retained Earnings		\$ <u>(7,767.56)</u>

Total Liabilities and Retained Earnings \$ 13,913.93

BOOKBINDERY

Income Statement

July 1, 1985, through March 31, 1986

Revenue

Sales \$ 88,243.92

Total Revenue \$ 88,243.92

Cost of Goods Sold

Cost of Goods Manufactured \$ 45,064.63  
 Finished Goods Inventory July 1, 1985. -0-  
 Goods Available For Sale 45,064.63  
 Less Finished Goods Inventory -0-

Cost of Goods Sold 45,064.63

Gross Profit \$ 43,179.29

Operating Expense

Salaries \$ 26,915.23  
 Telephone 66.16  
 Insurance 224.55  
 Equipment repair 2,311.59  
 Office equipment expense 12.37  
 Office supplies 288.52  
 Miscellaneous 139.13  
 Hand tools 30.00

Total Operating Expense \$ 29,987.55

Net Income \$ 13,191.74

SOAP FACTORY

Balance Sheet

March 31, 1986

ASSETS

Current Assets

Cash		\$(47,883.72)	
Accounts Receivable		350.69	
Raw Material Inventory		24,891.43	
Finished Goods Inventory		<u>3,990.28</u>	

Total Current Assets			\$(18,651.32)
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Fixed Assets

Machinery and Equipment	\$ 5,522.53		
Less Accumulated Deprec.	<u>(3,927.37)</u>	<u>1,595.16</u>	

Total Fixed Assets			<u>1,595.16</u>
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Total Assets			<u><u>\$(17,056.16)</u></u>
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LIABILITIES AND RETAINED EARNINGS

Liabilities

Salaries Payable	\$ 615.12		
Accumulated Sick Leave Payable	4,120.68		
Accumulated Annual Leave Payable	1,317.76		
Ranch Truck Use Payable	4,070.43		
Accounts Payable	<u>9,412.13</u>		

Total Liabilities			\$ 19,536.12
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Retained Earnings

Retained Earnings Adjustment	\$(45,415.28)		
Net Income	<u>8,823.00</u>		

Total Retained Earnings			<u>(36,592.28)</u>
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Total Liabilities and Retained Earnings			<u><u>\$(17,056.16)</u></u>
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SOAP FACTORY

Manufacturing Statement

July 1, 1985, through March 31, 1986

Raw Material

Raw Material Inventory July 1, 1985		\$ 16,403.96
Raw Material Purchased	\$ 41,118.60	
Transportation In	<u>-0-</u>	
Cost of Goods Delivered		<u>41,118.60</u>
Raw Material Available For Use		<u>57,522.56</u>
Raw Material Inventory		<u>24,891.43</u>
Raw Material Used		\$ <u>32,631.16</u>

Direct Labor

\$ 1,060.57

Overhead Costs

Hand Tools Written Off	<u>-0-</u>	
Depreciation Expense Machinery Equipment	<u>854.84</u>	
Total Overhead Cost		\$ <u>1,915.41</u>

Total Manufacturing Cost

\$ 34,546.57

Add: Goods in Process Inventory July 1, 1985

-0-

Deduct: Goods in Process Inventory

-0-

Cost of Goods Manufactured

\$ 34,546.57

SOAP FACTORY

Income Statement

July 1, 1985, through March 31, 1986

Revenue

Sales \$ 58,494.91

Total Revenue \$ 58,494.91

Cost of Goods Sold

Cost of Goods Manufactured \$ 34,546.54  
 Finished Goods Inventory July 1, 1985 1,707.80  
 Goods Available For Sale 36,254.34  
 Less Finished Goods Inventory 3,990.28

Cost of Goods Sold \$ 32,264.06

Gross Profit \$ 26,230.85

Operating Expense

Salaries \$ 13,303.02  
 Small Hand Tools 20.19  
 Travel 182.25  
 Equipment Repair 280.00  
 Truck Fuel & Oil 288.75  
 Truck Repair 41.70  
 Office Supplies 1,443.06  
 Small Appliances 230.87  
 Ranch Truck Use Expense 1,618.01

Total Operating Expense \$ 17,407.85

Net Income \$ 8,823.00





APPENDIX C

Suggested Legislation

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SUMMARY---Creates advisory board on industrial programs for correctional institutions and requires appointment of assistant director of department of prisons for industrial programs. (BDR 16-87)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to industrial programs for correctional institutions; creating an advisory board; requiring the appointment of an assistant director of the department of prisons for industrial programs; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND  
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 209 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. "Advisory board" means the advisory board on industrial programs.

Sec. 3. 1. The advisory board on industrial programs is hereby created.

2. The advisory board consists of the director of the department of prisons, the director of the department of general services and seven members appointed by the interim finance committee as follows:

(a) Three state legislators.

(b) Two persons who represent manufacturing in this state.

(c) One person who represents business in this state.

(d) One person who represents organized labor in this state.

3. The members of the advisory board shall select a chairman from among their membership.

4. Each member of the advisory board appointed by the interim finance committee must be appointed to a term of 2 years and may be reappointed.

5. Except during a regular or special session of the legislature, each legislator who is a member of the advisory board is entitled to receive the compensation provided for a majority of the members of the legislature during the first 60 days of the preceding regular session for each day or portion of a day during which he attends a meeting of the advisory board or is otherwise engaged in the work of the advisory board. Each nonlegislative member appointed by the interim finance committee is entitled to receive compensation for his service on the advisory board in the same amount and manner as the legislative members whether or not the legislature is in session. Each member of the advisory board is entitled to the per diem allowance and travel expenses provided for state officers and employees generally. All compensation, allowances and travel expenses must be paid from the prison industry fund.

Sec. 4. The advisory board shall:

1. Be informed on issues and developments relating to industrial programs for correctional institutions;
2. 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;
3. Report to the legislature on any other matter relating to industrial programs for correctional institutions which it deems appropriate;
4. Meet at least quarterly and at the call of the chairman to review the operation of current and proposed industrial programs;
5. Recommend three persons to the director for appointment as the assistant director for industrial programs whenever a vacancy exists; and
6. Before any new industrial program is established by the director in an institution of the department, review the proposed program for compliance with the requirements of subsection 2 of NRS 209.461 and submit to the director its recommendations concerning the proposed program.

Sec. 5. NRS 209.011 is hereby amended to read as follows:

209.011 As used in this chapter, unless the context otherwise requires, the terms defined in NRS 209.021 to 209.085, inclusive, and section 2 of this act, have the meanings ascribed to them in those sections.

Sec. 6. NRS 209.151 is hereby amended to read as follows:

209.151 1. The director shall appoint an assistant director for industrial programs who:

(a) Is responsible to the director for the administration of all industrial and agricultural programs for the employment of offenders, except honor camps and centers for the purpose of making restitution; and

(b) Shall enforce all policies and regulations of the department relating to industrial and agricultural programs.

2. In addition to the assistant director appointed pursuant to subsection 1, the director shall appoint such other assistant directors [who] as are necessary.

3. The assistant directors are in the classified service of the state except for purposes of retention.

[2.] 4. During any absence of the director, he shall designate an assistant director or a warden to act as director of the department without increase in salary.

[3.] 5. The assistant directors shall carry out such administrative duties as may be assigned to them by the director and shall not engage in any other gainful employment or occupation.

Sec. 7. NRS 209.459 is hereby amended to read as follows:

209.459 The director [,] shall present the recommendations of the advisory board on industrial programs to the board of state prison commissioners and, with the approval of the board [, shall] of state prison commissioners, establish and carry out a program for the employment of offenders in services and manufacturing conducted by institutions of the department or by private employers.

Sec. 8. NRS 209.461 is hereby amended to read as follows:

209.461 1. The director shall:

(a) To the greatest extent possible, approximate the normal conditions of training and employment in the community.

(b) To the extent practicable, require each offender, except those whose behavior is found by the director to preclude participation, to spend 40 hours each week in vocational training or employment, unless excused for a medical reason.

(c) Use the earnings from services and manufacturing conducted by the institutions and the money paid by private employers who employ the offenders or lease space or equipment within the institutions to offset the costs of operating the prison system and to provide wages for the offenders being trained or employed. If restitution to a specific person is not being paid, the director shall deduct an amount he deems reasonable for deposit with the state treasurer for credit to the fund for the compensation of victims of crime.

(d) Provide equipment, space and management for services and manufacturing by offenders.

(e) Employ craftsmen and other personnel to supervise and instruct offenders.

(f) Contract with governmental agencies and private employers for the employment of offenders, including their employment on public works projects under contracts with the state and with local governments.

(g) Contract for the use of offenders' services and for the sale of goods manufactured by offenders.

2. Every program for the employment of offenders established by the director must:

(a) Employ the maximum number of offenders possible;

(b) Provide for the use of money produced by the program to reduce the cost of maintaining the offenders in the institutions;

(c) Produce a profit for the department:

(d) Have an insignificant effect on the number of jobs available to the residents of this state; and

(e) Provide occupational training for offenders.

3. The director may, with the approval of the board:

(a) Lease spaces and facilities within any institution of the department to private employers to be used for the vocational training and employment of offenders.

(b) Grant to reliable offenders the privilege of leaving institutions or facilities of the department at certain times for the purpose of vocational training or employment.

Sec. 9. Section 6 of this act becomes effective upon passage and approval.





SUMMARY---Establishes additional fee for license plates for credit to prison industry fund. (BDR 43-91)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

AN ACT relating to motor vehicles; establishing an additional fee for license plates to defray the cost of producing the plates; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND  
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 482 of NRS is hereby amended by adding thereto a new section to read as follows:

In addition to any other applicable fee, there must be paid to the department a fee of 50 cents for each license plate issued for a motor vehicle, trailer or semitrailer. The fee paid pursuant to this section must be deposited with the state treasurer for credit to the prison industry fund to defray the cost of producing the license plate.

Sec. 2. NRS 482.490 is hereby amended to read as follows:

482.490 Each person who applies for a manufacturer's, distributor's, dealer's or rebuilder's license plate, or pair of plates shall pay at the time of application [, in lieu of any other fees specified in this chapter,] a fee according to the following schedule:

For each plate or pair of plates for a motor vehicle, including  
a motorcycle..... \$12  
For plates for a trailer or semitrailer..... 12

This fee is in lieu of any other fee specified in this chapter except the fee imposed by section 1 of this act.



SUMMARY---Combines prison industry fund and prison farm fund. (BDR 16-89)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State or on Industrial Insurance: No.

AN ACT relating to industrial programs in prisons; combining the prison industry fund and prison farm fund; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND  
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 209.189 is hereby amended to read as follows:

209.189 1. The [prison industry fund] fund for prison industries is hereby created as an enterprise fund to receive all revenues derived from programs for vocational training and employment of offenders [.] and the operation of the prison farm.

2. Money in the fund must be maintained in separate budgetary accounts, including at least one account for industrial programs and one for the prison farm.

3. Subject to the approval of the state board of examiners, the director may expend money deposited in this fund for the promotion and development of these programs [.] and the prison farm.

Sec. 2. NRS 209.187 is hereby repealed.

Sec. 3. 1. At the close of the 1986-87 fiscal year, the state controller shall transfer the assets and liabilities of the prison farm fund abolished by section 2 of this act, to the extent that the assets have not been encumbered for the fiscal year 1987-88, to the fund for prison industries.

2. The assets transferred pursuant to subsection 1 may only be used for payment of existing or outstanding obligations of the prison farm fund, the operation of the

prison farm, the development of programs at the farm and any administrative costs associated with the farm and its programs.

3. Any existing or outstanding obligations of the prison industry fund must be paid from the appropriate budgetary account of the fund for prison industries.

Sec. 4. The legislative counsel shall, in preparing the supplement to the Nevada Revised Statutes with respect to any section which is not amended by this act or is further amended by another act, appropriately correct any reference to the prison industry fund or prison farm fund.

SUMMARY---Authorizes director of department of prisons to establish procedure to make emergency purchases for certain programs. (BDR 16-92)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

AN ACT relating to the department of prisons; authorizing the director to establish a procedure to make emergency purchases for certain programs; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND  
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 209 of NRS is hereby amended by adding thereto a new section to read as follows:

The director may establish a procedure for the emergency purchase of supplies, materials or equipment for industrial and agricultural programs in institutions of the department with money dedicated for that purpose. No such purchases may be made without the prior permission of the chief of the purchasing division of the department of general services. If such a procedure is established by the director, the provisions of chapter 333 of NRS do not apply to those emergency purchases.

Sec. 2. NRS 333.380 is hereby amended to read as follows:

333.380 Rules of the chief must provide the procedure for:

1. The purchase of commodities not scheduled under this chapter.
2. Emergency purchases, defining emergencies and stating the conditions under which emergency purchases may be made [.] , by an agency not specifically authorized by statute to establish its own procedure for emergency purchases.
3. Purchases made with money from the state purchasing fund.



SUMMARY---Changes schedules of repayment of appropriations to certain prison funds. (BDR S-351)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: No.

AN ACT relating to correctional institutions; changing the schedule of repayment of appropriations to the prison industry fund and prison farm fund; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND  
ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 2 of chapter 520, Statutes of Nevada 1981, as amended by section 1 of chapter 511, Statutes of Nevada 1985, at page 1561, is hereby amended to read as follows:

Sec. 2. [The money appropriated by section 1 of this act must be repaid to the state general fund by the department of prisons according to the following schedule:

1. \$70,000 before July 1, 1989;
2. \$70,000 before July 1, 1991; and
3. The remainder before July 1, 1993.]

1. The department of prisons shall pay to the state general fund from the prison industry fund before September 30 of each year an amount equal to 25 percent of any net profit produced during the preceding fiscal year from the operation of programs for the employment of offenders until the department has repaid to the state general fund all of the money appropriated by section 1 of this act.

2. After the department of prisons has repaid to the state general fund all of the money appropriated by section 1 of this act, the department shall continue

making the payments to the state general fund from the prison industry fund as provided in subsection 1 until the department has repaid to the state general fund all of the money appropriated by section 2 of chapter 579, Statutes of Nevada 1981, at page 1247, to the prison farm fund.

3. The department of prisons is not required to make payments pursuant to subsection 1 or 2 in any fiscal year in which the programs for the employment of offenders do not produce a net profit.

Sec. 2. Section 2 of chapter 511, Statutes of Nevada 1985, at page 1561, is hereby repealed.