

**MINUTES OF THE
NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S
COMMITTEE ON INDUSTRIAL PROGRAMS
(NRS 209.4817)
September 21, 2011**

SUMMARY OF MINUTES

The first meeting of the 2011–12 Interim for the Nevada Legislature's Interim Finance Committee's Committee on Industrial Programs was held at 9:30 a.m. on Wednesday, September 21, 2011, in Room 4401 of the Grant Sawyer State Office Building in Las Vegas, Nevada. The meeting was simultaneously videoconferenced to Room 3137 of the Legislative Building in Carson City, and to the Great Basin College, Greenhaw Technical Arts Building, Room 118 in Elko, Nevada.

COMMITTEE MEMBERS PRESENT IN LAS VEGAS:

Assemblyman James Ohrenschall, Chairman
Senator David R. Parks, Vice Chairman
Bruce Aguilera, Vice President/General Counsel, Bellagio
Allen J. Puliz, Puliz Moving and Storage
Mike Magnani, Labor Union Representative
Greg Cox, Director, Nevada Department of Corrections

COMMITTEE MEMBERS PRESENT IN CARSON CITY:

None

COMMITTEE MEMBERS PRESENT IN ELKO:

Senator Dean A. Rhoads
Assemblyman John Ellison

COMMITTEE MEMBERS ABSENT:

Greg Smith, Administrator, Purchasing Division
Michael Mackenzie, Principal, Operations Improvement Company

STAFF MEMBERS PRESENT IN CARSON CITY:

Nicolas C Anthony, Senior Principal Deputy Legislative Counsel, Legal Division
Rick Combs, Assembly Fiscal Analyst, Fiscal Analysis Division
Cheryl Harvey, Committee Secretary, Fiscal Analysis Division

STAFF MEMBERS PRESENT IN LAS VEGAS:

Sarah Coffman, Program Analyst, Fiscal Analysis Division

OTHERS PRESENT IN LAS VEGAS:

Brian Connett, Deputy Director, Industrial Programs, Nevada Department of Corrections
Diane Dastal, Administrative Services Officer II, Nevada Department of Corrections

EXHIBITS:

[Exhibit A](#) – Agenda and Meeting Packet

[Exhibit B](#) – Alpine Steel – Design of Ferris Wheel

[Exhibit C](#) – Department of Motor Vehicles – License Plate Factory Relocation Analysis

[Exhibit D](#) – Department of Corrections – Prison Industries – Review of Number of Inmates that Worked.

[Exhibit E](#) – Department of Corrections – Prison Industries – Review of Deductions from Inmate Wages.

[Exhibit F](#) – Department of Corrections – Prison Industries – Status of Fund for New Construction.

I. CALL TO ORDER.

Senator David Parks called the meeting to order at 9:50 a.m. He welcomed the Committee members in Las Vegas and the members attending in Elko. He asked that the Committee secretary take roll and it was determined a quorum was present.

II. PUBLIC COMMENT.

Jim Liebherr, Kelter Corporation, testified to the Committee about a proposal that was submitted to the Prison Industries months before to provide fresh brewed coffee, hamburgers and hot dogs freshly made for the inmate population. The proposal was declined without justification. In addition the lack of communication from the Deputy Director's office had been frustrating. The proposal would employ three to five inmates, provide a 15 percent incentive to Prison Industries based on the net profits of Kelter Corporation. Kelter Corporation had been seeking a justification as to why the proposal was declined, expressing it would operate a 18-month pilot program to determine if the calculated returns could be achieved.

Senator Parks mentioned no action would be taken on this item since it was not posted on the agenda. Senator Parks asked if Mr. Liebherr responded to a request for proposals. Mr. Liebherr said the Kelter Corporation submitted a proposal on its own, it was not a request from Prison Industries.

III. SELECTION OF CHAIRMAN AND VICE-CHAIRMAN – NRS 209.4817.

This agenda item was taken out of order.

Senator Parks explained NRS 209.4817 duties to the members. Ms. Sarah Coffman, Program Analyst, Legislative Counsel Bureau, explained the regular Committee members had been appointed during the regular Interim Finance Committee's meeting on August 31, 2011. The regular Committee members

consist of Senator David Parks, Senator Dean Rhoads, Assemblyman John Ellison, Assemblyman James Ohrenschall, Mr. Bruce Aguilera, Mr. Michael Magnani, Mr. Michael Mackenzie, and Mr. Allen Puliz. She also noted that Mr. Greg Cox, Director, Nevada Department of Corrections, and Mr. Greg Smith, Administrator, State Purchasing Division, were standing members of the Committee by virtue of the positions held. Traditionally the chair and vice chair had been selected from the legislative members of the Committee. Ms. Coffman requested nominations for Chairman of the Interim Finance Committee's Committee on Industrial Programs. Senator Rhoads nominated Senator Parks, Assemblyman Ellison seconded the motion. Senator Parks respectfully declined the nomination.

SENATOR PARKS MOVED TO SELECT ASSEMBLYMAN JAMES OHRENSCHALL AS CHAIRMAN OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS.

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

Assemblyman Ohrenschall thanked the Committee and hoped with direction from the members, he would do as good a job as Senator Parks and Assemblyman Marvel had done in the past.

Chairman Ohrenschall requested nominations for a vice chairman.

MR. BRUCE AGUILERA MOVED TO SELECT SENATOR PARKS AS VICE CHAIRMAN OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS.

CHAIRMAN OHRENSCHALL SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

IV. APPOINTMENT OF ALTERNATE MEMBERS OF COMMITTEE ON INDUSTRIAL PROGRAMS.

This agenda item was taken out of order.

Ms. Coffman said NRS 209.4817 provided the appointment of alternate members for the Committee, serving a two year term. The fiscal staff of the Legislative Counsel Bureau received the names of three alternates for the non-legislative members including Richard Serlin for Bruce Aguilera, Debra Miller for Mike Magnani and Scott Stolberg for Allen Puliz.

In addition, Ms. Coffman said four legislatures had expressed interest in participating in the Committee as alternates, Senator Manendo for Senator Parks, Senator Brower for Senator Rhoads, Assemblyman Hogan for Assemblyman Ohrenschall, and Assemblyman Hambrick for Assemblyman Ellison.

SENATOR PARKS MOVED TO ACCEPT THE ALTERNATES FOR THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS.

CHAIRMAN OHRENSCHALL SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

V. APPROVAL OF MINUTES OF THE MEETING OF THE NEVADA LEGISLATURE'S INTERIM FINANCE COMMITTEE'S COMMITTEE ON INDUSTRIAL PROGRAMS FOR DECEMBER 16, 2010.

SENATOR RHOADS MOVED FOR APPROVAL OF THE DECEMBER 16, 2010, MEETING MINUTES.

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

VI. REPORT ON PRISON INDUSTRY PROGRAMS DISCONTINUED DURING THE 2009-11 BIENNIUM.

Mr. Brian Connett, Deputy Director, Industrial Programs, Nevada Department of Corrections (NDOC), identified the following Prison Industries had been closed: Impact Design, an embroidery operation, in February 2009 which employed approximately 35 inmates; Silverline Equipment, a water truck manufacturer at Southern Desert Correctional Center (SDCC) closed, which employed 36 inmates; Shelby American located at SDCC which employed 50-60 inmates closed; Alpine Steel, a metal fabricator, located at High Desert State Prison (HDSP), shut down for three months during the summer, which impacted 20 inmates; Vinyl Products, a manufacturer of mattresses, closed in April 2011, which employed approximately 36 inmates. Diamond Mountain Distributors, an operation for card sorting, consolidated the operations at HDSP and SDCC. The operation at SDCC was not shut down, but severely reduced.

Answering Senator Rhoads question, Mr. Connett responded that approximately 160-170 inmate positions had been lost.

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

Mr. Connett introduced Mr. Randy Bulloch, owner of Alpine Steel, a metal fabrication plant, to explain long-term range plans for the operation at HDSP. Mr. Bulloch, explained Alpine Steel had operated in the Prison Industry program at HDSP since March 2006. Alpine Steel had actually hired a number of the inmates upon their release. It had to shut down the operation for a time during the summer, but brought the production back at a much smaller scale.

Mr. Bulloch further explained Alpine Steel was a structural steel fabricator subcontractor. He stated most of the work went into the construction industry. Alpine Steel took the raw steel and fabricated it into pieces that were assembled on the job site to help build the columns, beams and the hand railings, that went into a building.

Compass Investments owned 40 acres of property across the street from Mandalay Bay in Las Vegas, where the county commission had approved a 500-foot Ferris wheel to be constructed. Compass Investments was seeking the building permits, hoping to receive the permits within the month. Ledcor was the general contractor and was ready to start construction.

Alpine Steel's intention was to fabricate the Ferris wheel at HDSP, possibly using 2.5 to 3.0 million tons of steel. There was also a 200,000 square foot commercial facility that final design had not been completed. Alpine Steel was anticipating between 8-10 tons of steel to fabricate the facility. Mr. Bulloch showed the design of the Ferris wheel ([Exhibit B](#)) to the Committee members. He said before the steel can be fabricated, the professional drawings had to be created to give details on how long the steel needs to be cut, and where the holes would be inserted. High Desert State Prison had done some of the detailing in the past.

Mr. Bulloch stated if the Ferris wheel permits were approved, 40 inmates at HDSP would be employed for the project. With the proceeds from the Ferris wheel, Alpine Steel's intent was to become current in its accounts receivables with Prison Industries and remain current.

Assemblyman Ellison said he read an article in USA Today, about the proposed Ferris wheel. The jobs that the Ferris Wheel would create made Assemblyman Ellison very happy. Mr. Aguilera stated his understanding was that Harrah's may be pursuing the construction of a Ferris wheel and he asked if that would affect this project. Mr. Bulloch understood there was another project moving forward also. It was a race to the finish. He stated Alpine Steel's project was fortunate because the bearing alone take about two years to construct, and it had procured some

bearings that were already built in Germany. Construction was ready to start as soon as the building permit was completed. By September 2013 the Ferris wheel should be erected, and the commercial building should be under full construction.

Mr. Connett reiterated this kind of work provided job skills to the inmates. The welders and the fabricators make good money when released. This was a very good teaching tool for inmates and Prison Industries.

Mr. Puliz asked about the issues with payments from Alpine Steel. He questioned if Alpine Steel was going to make the normal construction payments to Prison Industries, or if payments would be made at the end of the project. Mr. Bulloch said Alpine Steel's intention was to make the account whole as quickly as possible and keep payments current to Prison Industries throughout the project.

Senator Parks asked Mr. Connett to give the Committee an overview of what steps were being taken to recruit new industries to the program. Mr. Connett said he was personally involved with the Chamber of Commerce's leadership program. He attends as many functions as he can to spread the word about Prison Industries. Also, Mr. Connett indicated there was an ad put out on Craig's list that had not turned out very successful. The internet had not turned out to be as fruitful as he thought.

Mr. Puliz commented that maybe Mr. Connett should get involved with the Nevada Development Authority of Western Nevada (EDAWN). New California companies were locating into Northern Nevada. Mr. Connett said he would be very happy to pursue this recommendation.

VIII. STATUS REPORT ON THE LICENSE PLATE FACTORY AS IT RELATES TO THE CLOSURE OF NEVADA STATE PRISON.

Mr. Connett provided the Committee with a summary of the issues relating to the license plate factory located at Nevada State Prison (NSP), which was slated for closure in April 2012. Prison Industries had been in discussions with the Department of Motor Vehicles regarding the relocation of the license plate factory. A meeting had been scheduled for October 3, 2011, with the Department of Administration to discuss the issue of relocation.

Senator Parks said the Committee members should have received from the Department of Motor Vehicles (DMV) the License Plate Factory Relocation Analysis ([Exhibit C](#)). Mr. Connett said the proposal received would be the topic of discussion at the October 3, 2011, Department of Administration meeting.

Mr. Aguilera asked if there was any intent to remove the license plate factory from the prison system to a private company. Mr. Connett replied the analysis that the DMV furnished was considering all options for the license plate factory. Senator Parks added that one of the constraints was a provision in NRS 482.267 that directs license plates shall be manufactured in the Department of Corrections. Senator Parks recognized a private party would have a challenge to compete with the Prison Industries program.

Senator Parks indicated Southern Desert Correctional Center (SDCC) might be a good location to relocate the license plate factory. The SDCC was a crowded facility, but with the departure of other industries the license plate factory would be a good fit. Since 70 percent of the license plates were sent to Southern Nevada, Senator Parks was curious what the cost eliminates would be with the shipping cost from SDCC versus Northern Nevada. Senator Parks asked Director Cox to consider the shipping cost during further discussions.

Mr. Greg Cox, Director, Department of Corrections, stated he would be attending the meeting and would discuss multiple operations. Assemblyman Ellison noted that he just received the analysis for the license plate factory. He asked what it might take to move a facility this size. Director Cox replied he would discuss all the options with the Department of Administration.

IX. STATUS REPORT FROM THE DEPARTMENT OF CORRECTIONS AND COMMITTEE RECOMMENDATIONS REGARDING THE FOLLOWING ITEMS:

A. PRINTING/BINDERY SHOP – NEVADA STATE PRISON.

Mr. Connett stated the bindery shop was in the process of relocating to Northern Nevada Correctional Center (NNCC) due to the closure of Nevada State Prison (NSP). It was anticipated the bindery shop would be up and running at NNCC by October 15, 2011.

Senator Parks asked how long the bindery shop would be down while the relocation took place. Mr. Connett anticipated the bindery shop to be shut down for five business days. The new facility was 40 percent larger and would allow for significant expansion of the operation.

Senator Parks asked if the employed inmates would also move with the operation to NNCC. Mr. Connett indicated that the classification of the employed inmates needed to be reviewed first to see if they could be transferred to NNCC. Not all the inmates would be moving with the bindery shop. Prison Industries would have an opportunity to train more inmates located at NNCC.

Senator Parks questioned the cost and funding of the relocation. Mr. Connett said Prison Industries was looking at funding the relocation within the budget for the bindery shop.

B. METAL AND FURNITURE SHOP – NORTHERN NEVADA CORRECTIONAL CENTER.

Mr. Connett deferred this item under Agenda item XIII.

C. DRAPERY SHOP – ELY STATE PRISON.

Mr. Connett deferred this item under Agenda item XIII.

D. DIAMOND MOUNTAIN DISTRIBUTORS – SOUTHERN DESERT CORRECTIONAL CENTER, HIGH DESERT STATE PRISON, AND WARM SPRINGS CORRECTIONAL CENTER.

Mr. Connett said Diamond Mountain had been sold. The new owners had consolidated the operation at HDSP to make it more efficient.

X. REVIEW OF NUMBER OF INMATES THAT WORKED JULY 2009 THROUGH JUNE 2011.

Mr. Connett briefly reviewed the inmate workforce report for FY 2011 ([Exhibit D](#)). He pointed out the drapery shop in June 2011 showed no inmates, but actually 20 inmates were employed. Also, the tag plant showed no inmates employed in June 2011, but 13 were employed. With those changes, Mr. Connett pointed out the total inmate population changed from 490 to 500 working inmates, changing the percentage from 3.9 percent to 4.1 percent.

Senator Parks asked if Mr. Connett was aware of other states' statistics regarding the number of inmates working. Mr. Connett stated there may be significant differences between the states. If the state had a preference law, requiring all of the state agencies to purchase goods produced by the prison industries, then the percentages of inmates employed were slightly higher. Across the country, prison industry plants were closing, losing thousands of inmate work positions. Mr. Connett said the State of Wyoming was the only state moving forward, primarily because of the oil revenues surplus the state was receiving. Wyoming continued to purchase goods that Prison Industries manufactured. Most other states Mr. Connett spoke with said they were struggling or closing plants, which was unheard of in the past. The reduction in inmate workforce was due to the closing of various plants.

XI. REVIEW OF DEDUCTIONS FROM INMATE WAGES FOR ROOM AND BOARD, PRISON INDUSTRIES CAPITAL IMPROVEMENT FUND, AND THE VICTIMS OF CRIME FUND – FY 2010 AND FY 2011.

Mr. Connett reviewed the deductions from inmate wages ([Exhibit E](#)). He pointed out payroll assessments were directed back to the Department of Corrections, noting the inmate wages had severely gone down due to the loss of employment.

Senator Parks asked if the 24.5 percent assessment from the inmates wages was a statutory requirement. Mr. Connett said the assessment was required under statute.

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

Mr. Connett explained to the Committee the five year balances for new fund construction and what the funds were allowed to be used for. ([Exhibit F](#)).

Answering Mr. Aguilera's question, Mr. Connett said it was difficult to spend the money in the construction fund for relocation of the tag plant, when it cannot be used to expand an existing industry that was not doing well. In reading the DMV analysis report, Senator Parks stated it looked like relocating the tag plant would cost anywhere from \$350,000 - \$750,000. Senator Parks also agreed with Mr. Aguilera, stating he did not think a legal opinion would allow the funds to be directed for the relocation of the tag plant.

Mr. Aguilera asked if other states' license plates were manufactured by private entities. Perhaps Prison Industries could manufacture other states' license plates to employ more inmates. Mr. Connett responded that he knew of only two states, Mississippi and New Mexico, that outsource the manufacturing of their license plates to a private entity located in Canada. Mr. Connett assumed the contract would have to be negotiated through DMV. Senator Parks expressed his concerns regarding the sweeping of funds from a wide variety of existing funds during the 26th Special Session. He had objected to the sweeping of funds from the Prison Industry construction account.

Mr. Connett thanked the Committee for writing a letter to the Governor's Office on behalf of the print shop, in regards to finding funds to help expand the facility. Senator Parks asked if any of the new construction funds would be available in the relocation of the print/bindery shop. Mr. Connett responded that the current plan was not to use the funds. He explained using inmate labor for the relocation, in addition to only moving three miles, had resulted in very low moving costs.

XIII. REVIEW OF FINANCIAL STATEMENTS OF SILVER STATE INDUSTRIES FOR THE YEAR ENDING JUNE 30, 2011.

Ms. Diane Dastal, Administrative Services Officer II, Prison Industries, reviewed the financial statements for Prison Industries ([Exhibit G](#)). Senator Parks asked if Prison Industries was experiencing collection difficulties and what efforts were taken to improve the situation. Mr. Connett explained Alpine Steel represented 50 percent of the outstanding receivables. As stated earlier, Alpine Steel was in the permit stages of constructing a Ferris wheel employing Prison Industry inmates. The intention was for Alpine Steel to bring the account current once it started receiving proceeds from the Ferris wheel project. Mr. Connett informed the Committee they anticipated all the other receivables to be collected. Senator Parks recalled about one year ago a business closed down its operation leaving Prison Industries a very substantial receivable. Mr. Connett said the previous card sorting owners closed the business owing Prison Industries about \$500,000.

Regarding the auto and upholstery shop, Mr. Aguilera asked if the business came from local car dealers or individuals. Mr. Connett answered most of the business was from word of mouth. The operation receives older vehicles that require parts and modifications. The parts were very difficult to find. The vehicles brought in could take one to three years at times because the customer was waiting to locate a part.

Mr. Puliz asked if Prison Industries looked at its warranty policy, stating maybe extended warranties were more than should be allowed. Mr. Connett responded he would take a look at the warranty policy. Senator Parks asked at the next meeting maybe there could be a breakdown of what the warranty cost were.

Mr. Connett stated to the Committee that the supervisor, who had worked at the drapery shop for 20 years, left with a two-day notice. Prison Industries had to figure out what jobs needed to be completed. A correctional officer that had been working at the drapery shop felt he could run the program. This industry had been operating at a loss for 10-12 years. Mr. Connett spoke with a couple of customers, stating one customer had enough drapery work to employ the inmates for up six months, and maintain the program at its breaking even point. The customer indicated to Mr. Connett that bids on work were completed, but nothing was finalized. Previous administration liked to keep this industry open because it was the only industry at Ely State Prison (ESP). The program helped keep the inmates working. The Committee needed to weigh the mission, keep inmates working and continue to experience net losses or recommend discontinuing this program.

Senator Parks asked if the drapery operation was discontinued at ESP, would Prison Industries have another use for the occupied space. Mr. Connett said there was no interest in expanding an existing industry or opening a new industry at ESP with potential customers. If the drapery shop closed Prison Industries would move the equipment into another industry. No other use has been identified for the occupied space. Assemblyman Ohrenschall asked how many inmates were employed at the drapery shop and had they been working there for a long time. Mr. Connett said there were 20 inmates employed at the ESP drapery shop, and they had worked there for many years.

Mr. Puliz said the Committee and Prison Industries had always recommended to keep the drapery shop open since it was the only industry at ESP and the incentive was needed to manage the inmates. He asked if Prison Industries was changing its recommendation. Mr. Greg Cox answered there was a lot of considerations, especially with the financials and the continued net loss. Across the country, with the decrease in Prison Industries operations, various industries had been looked at to determine which Prison Industries could be profitable in Nevada. Of course it was desired to keep industries operating at all of the facilities. Prison Industries would consider any of the Committee's recommendations. Mr. Cox appreciated that the operation had been at ESP for a long time, but recognized the fact that the industry needs to at least break even.

Senator Parks stated it was not desired to continue a program that was going to drain all of the other programs, but at the same time meet the challenge of being able to offer employment to the inmates at ESP. Mr. Connett offered a solution for the Committee's consideration. Monitor the program over for the next six months to determine if any improvements to the operation's financials have been achieved. Senator Parks asked with the departure of the supervisor was staffing sufficient to proceed. Mr. Connett said they would make use of the staff that was located at ESP. Senator Parks stated he looked forward to receiving a status report of the drapery shop at the next meeting.

Further explaining the financials at the ranch, Mr. Connett said the staff, which included the dairy, was doing an excellent job at holding the cost down. Prison Industries anticipated the price of hay going up to \$270 a ton with the new contract which was bid through the state procurement process. The price of hay was three times the price it was in 2009, which was \$92 a ton. Prison Industries was working with Bureau of Land Management (BLM) to increase the number of horses it boards between eleven and twelve hundred. The ranch had been very profitable in 2011, although the increase in hay prices would reduce the profits for 2012. Prison Industry was working with BLM to do other chargeable services, such as veterinarian services and hoof cleaning. The five-year contract was due for renewal next year with the BLM. Prison Industries was looking forward to

renegotiating with the BLM. The BLM was aware of the cost of hay, and it was considering the possibility of letting Prison Industries charge more for its boarding fees based on the cost of hay.

Senator Rhoads was curious what BLM was paying the State of Nevada per horse per month. Mr. Connett responded Prison Industries was getting \$3.00 per day per horse. Senator Rhoads asked if the \$3.00 included vaccination, contraceptives, and the trimming of the horses hoofs. Mr. Connett replied no, Prison Industries was working with BLM to charge for those services. Chairman Ohrenschall asked how many horses were held at the facility. Mr. Connett said it fluctuates because the BLM continually transfers horses to longer term holding facilities on the east coast. Prison Industries tried to maintain a specific amount of horses. Mr. Ohrenschall asked if the skills the inmates were learning were marketable. Mr. Connett said these were skills that were much more marketable in northern Nevada than they were in southern Nevada. Inmates have been released and gone into the business of training horses.

Senator Rhoads questioned only \$123 was reported for overhead on the financial statement under Boarding Fees – Estray Horses. Mr. Connett said the estray horses were state horses not federal horses. The state ran out of money for this particular program and as a result the program was discontinued.

Assemblyman Ohrenschall asked if the 16 inmates reported working at Northern Nevada Correctional Center (NNCC) with the horses was included in the 36 inmates that worked on the ranch. Mr. Connett said the 16 inmates were in addition to the 36 inmates working at the ranch. There was a dairy operation, a compost operation, and a few inmates that raise organic vegetables.

Senator Parks asked Mr. Connett to briefly explain the BLM contraceptive program for the Committee members. Mr. Connett said the BLM was trying to decrease the number of horses in the wild. One way of decreasing horses was by injecting a contraceptive into the horses, thereby making the horse sterile for a certain amount of time. If the horses were reintroduced into the wild the BLM did not have to worry about the horse reproducing.

Assemblyman Ellison asked if the ranch program was still breaking in colts for the adoption program. Mr. Connett responded the ranch trained 20-25 horses every quarter. The ranch inmates work and train the horses through inmate labor. The ranch had seen a high increase of interest from the local media. The ranch continued to brake in colts and auction them once the horses were trained. Mr. Hank Curry was continuing to be a wonderful asset to the horse program. The auctions were promoted by the BLM and in the local media.

Senator Rhoads asked if there was a break down to show what the cost was to train and sell the horses. Mr. Connett said the program was provided a minimum amount for each horse from the BLM. If the auction raises more than the minimum amount, the program gets the profit. Senator Rhoads understood but still requested to see a breakdown of the costs per horse. Mr. Connett said he would be more than happy to present the costs at the next Industrial Programs meeting. Senator Parks asked if the statement could show the horses that were trained and the non-trained horses sold at the auction. Mr. Connett explained there was a holding pin of a thousand horses. Mr. Curry pulls out 20-25 horses and trains the inmates on training the horses.

XIV. PUBLIC COMMENT.

Senator Parks stated that he was aware Nevada State Prison was going to be vacant soon. He was curious if there was any future use of the facility. He asked if there could be discussion at the next meeting as to the use of the Nevada State Prison as it pertained to this Committee.

Director Cox offered the members a tour of the Industrial Programs. Mr. Connett expressed his thanks for taking the time to serve on the Committee.

Mr. Magnani said some time ago the motorcycle production was shut down, there was some motorcycles that Prison Industries was attempting to sell online. Mr. Magnani requested an update to the status of the built motorcycles. Mr. Connett informed the Committee that three motorcycles were for sale. Prison Industries was looking at reducing the price based on the current market. The motorcycle operation has been discontinued.

XV. ADJOURNMENT.

Stating that there was nothing further to come before the Committee; Chairman Ohrenschall adjourned the meeting at 12:03 p.m.

Respectfully submitted,

Cheryl Harvey, Committee Secretary

APPROVED:

Date: _____