



EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 10, 2021

Agency Submitting: Department of Corrections

Items of Revenue or Expense, or Both	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Effect on Future Biennia
Inmate Wages (Expense)		\$26,998,140	\$29,120,444	\$58,240,889
Deductions to Revenue (Expense)		\$3,070,216	\$3,070,216	\$6,140,433
Cat 01 New Staff (Expense)		\$49,328	\$61,859	\$123,718
Cat 04 Operating (Expense)		\$88	\$88	\$176
Cat 05 Equipment (Expense)		\$2,454		
Cat 26 Information Services (Expense)		\$2,361	\$451	\$902
Total	0	\$30,122,587	\$32,253,058	\$64,506,118

Explanation

(Use Additional Sheets of Attachments, if required)

Senate Bill 140 (BDR 16-39) amends NRS 209.461 and in Section 6 requires offenders that are employed and paid by the NDOC to be paid a "living wage," which is defined as the State of Nevada minimum wage. Section 7 amends the NRS 209.463 to limit deductions from the wages of employed offenders to 1) an amount determined by the Director to meet the obligations that offenders have to support his or her family, 2) an amount determined by the Director to meet the obligations that offenders have to pay restitution to the victims of his or her crimes, and 3) an amount to be deposited into the individual account of the newly-created Offenders' Release Fund, which is calculated as the difference between the total wages paid and the two deductions for family support and victim restitution. Sections 3-5 amend the law defining the Prisoners' Personal Property Fund to conform to the creation of the Offenders' Release Fund. SB140 therefore requires the NDOC to pay significantly more wages to offenders and eliminate the deduction of Room, Board, and Transportation Charges as a source of Department revenue substituting for General Fund revenue, as well as administering new accounts. NDOC has determined a negative fiscal impact to NDOC in the amount of (\$30,122,587) in SFY22 and (\$32,253,058) in SFY23 with future biennia impact of (\$64,506,118.) Please refer to attached exhibits for details.

Name Adrienne Monroe

Title ASO III

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, March 09, 2021

Please note that this does not include other agencies that utilize inmate labor.

Those budget accounts currently utilizing inmate payroll in fiscal year 22 and 23 in the Governor's Recommended Budget and not included in this fiscal note for the NDOC are listed below:

- 1349 Administration - Spwd - Buildings & Grounds
- 1354 Administration - Fleet Services
- 2720 NDE - Department Support Services
- 3650 Military
- 3775 DPS - Training Division
- 4196 DCNR - Forestry - Fire Suppression
- 4198 DCNR - Forestry - Conservation Camps
- 4235 DCNR - Forestry - Nurseries
- 4660 NDOT - Transportation Administration
- 4712 DMV - License Plate Factory

Name Jim Rodriguez

Title Executive Branch Budget Officer

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Per NRS 461, the Director is to provide job training for rehabilitative purposes and inmates cannot be identified as employees. Should this bill as proposed determine that inmates are eligible for changes in wages, other sections of the bill would increase costs based on the difference in inmate wages paid, as well as the lack of reimbursement for the room and board, PI capital improvement and department charge deductions currently authorized by statute which are proposed to be eliminated.

Please note, the wages impact considered do not include any other agency's costs such as NDF, Buildings and Grounds, Education or PI private industry employers. It is also unclear without further discussions whether or not NDOC would need to collect federal taxes, issue W-2s among other things if we paid inmates minimum wage. Therefore, the fiscal impact does not consider any of those operational expenses if we are responsible for those efforts.

Section A1: Line Item Detail by GL

Budget Account: 3710 null

The Nevada Department of Corrections' (NDOC) mission is to improve public safety by ensuring a safe and humane environment that incorporates proven rehabilitation initiatives that prepare individuals for successful reintegration into our communities. The NDOC philosophy is to pursue this mission with integrity, act in a professional and ethical manner, be responsible for its actions and raise the department to the highest standards. The NDOC provides professional staff to protect the community and provides opportunities for offenders to successfully re-enter the community through education, training, treatment, work, spiritual development and being sensitive to the rights and needs of victims. Major tasks of the Director's Office include long-range planning, classification of inmates, inmate records, transportation of inmates, investigations, information services, food services, plant operations, safety and health assurance, accounting, fiscal and personnel services, training, contract services and procurement. Statutory Authority: NRS 209 and the Nevada Constitution Article V, Section 21.

[See Attachment]

Item No	Description	Actual 2019-2020	Work Program 2020-2021	W04 Year 1 2021-2022	W04 Year 2 2022-2023
E680	STAFFING AND OPERATIONS				
	SB140 requires an AA3 for the accounting.				
REVENUE					
2501	APPROPRIATION CONTROL	0	0	49,328	61,859
	TOTAL REVENUES FOR DECISION UNIT E680	0	0	49,328	61,859
EXPENDITURE					
01	PERSONNEL				
	Personnel Services are primarily funded with General Fund appropriations and are offset by revenue received from the RGL 3583 State Criminal Alien Assistance Grant, RGL 4751 Transfers from Inmate Welfare Fund and RGL 4683 Transfer from Programs. As of Federal Fiscal Year 2018 the SCAAP grant was recommended for elimination.				
5100	SALARIES	0	0	30,900	42,898
5200	WORKERS COMPENSATION	0	0	663	752
5300	RETIREMENT	0	0	4,790	6,649
5400	PERSONNEL ASSESSMENT	0	0	274	261
5500	GROUP INSURANCE	0	0	6,543	9,060
5700	PAYROLL ASSESSMENT	0	0	91	85
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	671	935
5800	UNEMPLOYMENT COMPENSATION	0	0	45	58
5840	MEDICARE	0	0	448	622
	TOTAL FOR CATEGORY 01	0	0	44,425	61,320
04	OPERATING EXPENSES				
	Provides for operating supplies, printing, copying, telephone communication, postage, vehicle operation, certifications/inspections, lease payments, loan payments, contract payments, miscellaneous expenses, and insurance premiums which includes the cost for employee bond, tort liability, vehicle comp/collision and property contents insurance. Operating Expenses are funded primarily with General Fund appropriations with some offsets from RGL 3583 Returned Check Charge, RGL 4201 Reimbursements for Inmate Records, RGL 4251 Gifts and Donations (place holder), RGL 4254 Miscellaneous Revenue from the Social Security Administration, Costco rebate, recycling credits and RGL 4697 Transfer from Prison Store for a portion of the interest income earned on the Prisoners Personal Property account, budget account 6090.				
7050	EMPLOYEE BOND INSURANCE	0	0	3	3
7054	AG TORT CLAIM ASSESSMENT	0	0	85	85
	TOTAL FOR CATEGORY 04	0	0	88	88
05	EQUIPMENT				
	Equipment generally consists of large, costly, durable items that are not permanently attached to a structure and are funded with General Fund appropriations.				
8241	NEW FURNISHINGS <\$5,000 - A	0	0	2,454	0
	TOTAL FOR CATEGORY 05	0	0	2,454	0
26	INFORMATION SERVICES				

State of Nevada - Budget Division
 Line Item Detail & Summary
 2021-2023 Biennium (FY22-23)

Item No	Description	Actual 2019-2020	Work Program 2020-2021	W04 Year 1 2021-2022	W04 Year 2 2022-2023
	Category 26 is funded with General Fund appropriations and used to record expenditures related to information technology services provided primarily by the EITS for internal information technology services (EITS assessments) and by outside vendors for various expenditures such as software maintenance, computer hardware and software purchases.				
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	324	324
7556	EITS SECURITY ASSESSMENT	0	0	128	127
7771	COMPUTER SOFTWARE <\$5,000 - A	0	0	330	0
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	1,579	0
	TOTAL FOR CATEGORY 26	0	0	2,361	451
	TOTAL EXPENDITURES FOR DECISION UNIT E680	0	0	49,328	61,859
	TOTAL REVENUES FOR BUDGET ACCOUNT 3710	0	0	49,328	61,859
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 3710	0	0	49,328	61,859

Section B1: Summary by GL

Budget Account: 3710 null

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REVENUE					
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	TOTAL REVENUES FOR BUDGET ACCOUNT 3710	0	0	49,328	61,859
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5400	PERSONNEL ASSESSMENT	0	0	274	261
5500	GROUP INSURANCE	0	0	6,543	9,060
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5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	671	935
5800	UNEMPLOYMENT COMPENSATION	0	0	45	58
5840	MEDICARE	0	0	448	622
	TOTAL FOR CATEGORY 01	0	0	44,425	61,320
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7050	EMPLOYEE BOND INSURANCE	0	0	3	3
7054	AG TORT CLAIM ASSESSMENT	0	0	85	85
	TOTAL FOR CATEGORY 04	0	0	88	88
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	Equipment generally consists of large, costly, durable items that are not permanently attached to a structure and are funded with General Fund appropriations.				
8241	NEW FURNISHINGS <\$5,000 - A	0	0	2,454	0
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State of Nevada - Budget Division
 Line Item Detail & Summary
 2021-2023 Biennium (FY22-23)

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7556	EITS SECURITY ASSESSMENT	0	0	128	127
7771	COMPUTER SOFTWARE <\$5,000 - A	0	0	330	0
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	1,579	0
TOTAL FOR CATEGORY 26		0	0	2,361	451
TOTAL EXPENDITURES FOR BUDGET ACCOUNT 3710		0	0	49,328	61,859

State of Nevada - Budget Division
Line Item Detail & Summary
2021-2023 Biennium (FY22-23)

Section C1: Summary by GL (within DU Type)

Budget Account: 3710 null

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E	ENHANCEMENT				
REVENUE					
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	TOTAL REVENUES FOR ENHANCEMENT	0	0	49,328	61,859
EXPENDITURE					
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5300	RETIREMENT	0	0	4,790	6,649
5400	PERSONNEL ASSESSMENT	0	0	274	261
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State of Nevada - Budget Division
 Line Item Detail & Summary
 2021-2023 Biennium (FY22-23)

Item No	Description	Actual 2019-2020	Work Program 2020-2021	W04 Year 1 2021-2022	W04 Year 2 2022-2023
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	1,579	0
	TOTAL FOR CATEGORY 26	0	0	2,361	451
	TOTAL EXPENDITURES FOR ENHANCEMENT	0	0	49,328	61,859
	TOTAL REVENUES FOR BUDGET ACCOUNT 3710	0	0	49,328	61,859
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 3710	0	0	49,328	61,859

NEVADA DEPARTMENT OF CORRECTIONS

Inmate Services Division

BDR 16-39 Fiscal Impact Analysis

	<u>FY22</u>	<u>FY23</u>	<u>Future Bienna</u>
Wages	26,998,139.90	29,120,444.53	58,240,889.06
Deductions	3,070,216.42	3,070,216.42	6,140,432.84
Total	30,068,356.32	32,190,660.95	\$ 64,381,321.90
Staffing Costs Cat 01	\$ 49,328.00	\$ 61,859.00	\$ 123,718.00
Operating Cat 04	\$ 88.00	\$ 88.00	\$ 176.00
New Staff Equipment Cat 05	\$ 2,454.00	\$ -	\$ -
Information Services Cat 26	\$ 2,361.00	\$ 451.00	\$ 902.00
	\$ 54,231.00	\$ 62,398.00	\$ 124,796.00
Total	\$ 30,122,587.32	\$ 32,253,058.95	\$ 64,506,117.90

NEVADA DEPARTMENT OF CORRECTIONS

Inmate Services Division

NDOC-paid Inmate Positions

B/A Description	Paid Positions ¹	Hours/Week	Wages	
			FY22	FY23
3706 Medical	31	858	435,240.00	468,720.00
3708 OSF	89	2,872	1,456,182.00	1,568,196.00
3710 Director's Office	n/a	-	-	-
3711 Programs	0	-	-	-
3716 WSCC	95	2,631	1,333,800.00	1,436,400.00
3717 NNCC	150	4,500	2,281,500.00	2,457,000.00
3719 PI	240	3,777	1,915,119.18	2,062,436.04
3722 SCC	n/a	-	-	-
3723 PCC	n/a	-	-	-
3724 NNTH	0	-	-	-
3725 TLVCC	n/a	-	-	-
3727 PI Ranch	66	2,785	1,411,906.86	1,520,515.08
3728 PI Capital Projects	0	-	-	-
3738 SDCC	246	9,840	4,988,880.00	5,372,640.00
3739 WCC	n/a	-	-	-
3741 HCC	n/a	-	-	-
3747 ECC	n/a	-	-	-
3748 JCC	n/a	-	-	-
3749 SSCC	n/a	-	-	-
3751 ESP	104	3,614	1,832,408.37	1,973,362.86
3752 CCC	n/a	-	-	-
3754 TCC	n/a	-	-	-
3759 LCC	138	5,520	2,798,640.00	3,013,920.00
3760 CGTH	8	320	162,240.00	174,720.00
3761 FMWCC	207	8,280	4,197,960.00	4,520,880.00
3762 HDSP	264	10,560	5,353,920.00	5,765,760.00
3763 IWA	44	1,320	669,240.00	720,720.00
Total	1,682	56,878	28,837,036.41	31,055,269.98

NV Min Wage eff. 7/1/2021 \$ 9.75 (higher tier)

NV Min Wage eff. 7/1/2022 \$ 10.50 (higher tier)

Inmate Payroll (FY19) 1,838,896.51

Inmate Payroll (FY20) 1,934,825.45

Net Increase for NDOC-paid Wages 26,998,139.90 29,120,444.53

Note:

1) Does not include NDF payroll for all conservation camps, non-NDOC agency payroll (e.g., B&G, Education, etc.) for institutions, private industry PI payroll, and private sector wages for transitional housing facilities

NEVADA DEPARTMENT OF CORRECTIONS

Inmate Services Division

NDOC-related Inmate Deductions

BA	CAT	GL	Description	FY16	FY17	FY18	FY19	FY20	FY21 (proj)	Average¹
3763	00	4201	Reimbursement ¹	475,188.96	503,864.25	486,814.44	576,090.85	667,449.81	540,000.00	541,881.66
6090	04	9382	Room and Board Charge	2,101,515.14	2,525,042.33	2,898,389.90	2,835,993.47	1,948,004.78	532,998.86	2,461,789.12
6090	04	9382	PI Capital Improvement	58,508.40	65,160.91	66,219.37	74,292.26	68,547.22	60,488.78	66,545.63
Total				2,635,212.50	3,094,067.49	3,451,423.71	3,486,376.58	2,684,001.81	1,133,487.64	3,070,216.42

Note:

1) The average excludes FY21 projections; no reimbursement transfers processed YTD

Accounting Assistant 3

SFY22	SFY23	Future Bienna
\$ 49,328.00	\$ 61,859.00	\$ 123,718.00

See NEBS 210 Reports
for Details