*

BDR 16-39
SB 140

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 1, 2021

Agency Submitting: Department of Motor Vehicles, Office of Project Management

Items of Revenue or Expense, or Both	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Effect on Future Biennia
Wage Increase (B/A 4712 CAT 04) (Expense)		$134,029	$178,705	$357,410
Total	0	$134,029	$178,705	$357,410

Explanation (Use Additional Sheets of Attachments, if required)

BDR 16-39/SB 140 requires, among other provisions, inmate offenders that are placed in offender employment programs be paid a living wage, and further defines it as the state's minimum wage, which is currently $9.75/hr. The bill also creates the Offender's Release Fund, makes certain revisions relating to deductions, placement of offenders in certain programs to facilitate employability, and makes certain changes relating to the Prisoner's Personal Property Fund. This bill would become effective on October 1, 2021.

The Department employs 16 inmate staff at the DMV License Plate Factory (LPF). The LPF is located on the grounds of the Northern NV Correctional Facility, just outside the gate. Funding for inmate wages is included in the LPF overall operating budget. Currently the Department pays approximately $64,000 per year for inmate wages. Requiring an increase to minimum wage for all inmate staff would increase the budget approximately $134,029 in FY22 and future biennia approximately $178,705 per year.

Name Angela Smith-Lamb

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, March 19, 2021

The agency response appears reasonable.

Name Jim Rodriguez

Title Executive Branch Budget Officer

BDR /Bill/ Amendment #: **BDR 16-39/SB 140** Agency Name: **Department of Motor Vehicles**
Division Name: **OPM** Date: **3/16/2021**

Basis for Calculation:

(1) The Department currently employs sixteen (16) inmates at the License Plate Factory (LPF) on the grounds of the Northern NV Correctional Facility.

(2) As of January 2021, the average hourly rate of pay among all inmates employed at the LPF is $2.58.

(3) As of January 2021, the combined monthly total hours worked by inmate staff was 2,077.

(4) As of January 2021, the combined monthly total wages paid was $5,354.25; multiplied by 12 equals $64,248 in wages paid to inmates in a 12 month period.

(5) Projected wages paid to inmate staff in FY21/22 calculated at 2,077 hours multiplied by $9.75, multiplied by 9 months (last 3/4's of FY22 based on bill's effective date).

(6) Projected cost increase for wages paid to inmate staff (using flat growth projections for hours) for future years calculated at 2,077 hours x $9.75 x 12 months - 2,077 hours x $2.58 x 12 months.

Summary of Totals				
Category	**FY 20/21** ***(Based on FY18 Actuals)***	**FY 21/22**	**FY 22/23**	**Future Biennia (FY24 + FY25)**
Increased cost to Department for projected wage increase for inmates to $9.75/hr.	$ -	$ 134,028.81	$ 178,705.08	$357,410
	$ -			$0
Totals	**$ -**	**$ 134,029**	**$ 178,705**	**$ 357,410**