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BDR 16-39
SB 140

EXECUTIVE AGENCY

FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: April 1, 2021

Agency Submitting: State Department of Conservation and Natural Resources, Nevada Division of Forestry

Items of Revenue or Expense, or Both	Fiscal Year 2020-21	Fiscal Year 2021-22	Fiscal Year 2022-23	Effect on Future Biennia
Inmate Payroll (Expense)		$15,313,944	$16,466,403	$32,932,806
Total	0	$15,313,944	$16,466,403	$32,932,806

Explanation (Use Additional Sheets of Attachments, if required)

Senate Bill 140 (BDR 16-39) Section 6 would require the state to pay inmate workers a “living wage,” which is defined as the State of Nevada minimum wage. The Nevada Division of Forestry (NDF), in coordination with Nevada Department of Corrections (NDOC), employs up to 740 inmate workers at a time in 9 conservation camps around the state. NDF trains and employs an average 1,500 inmate workers per year, with an average turnover rate of 6 months. NDF’s Conservation Camp Program partnership with NDOC began in 1958. The purpose of the program is to provide inmate workers who have exhibited good behavior and who are 2 years from the end of their sentence, credit for time served and an opportunity to receive national level training and certifications in natural resource management and wildland fire suppression. This program was created through multiple legislative sessions in conjunction with the counties/cities where the camps were built to reduce recidivism rates in prisons by providing transition time between prison and release. In exchange for work completed, inmates on NDF work crews are paid a wage to assist with restitution ($2.10 per day on natural resource projects and $24 per day on wildland fires), days off their sentence, and training for employment once released.

See attached supporting attachment 1 for a detailed explanation for this fiscal note.

Name Dara Ludi

Title ASO III

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Friday, March 19, 2021

The agency's response appears reasonable.

Name Catherine Bartlett

Title Executive Branch Budget Officer 2

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: BDR 16-39 / SB 140

Name of Agency: Nevada Division of Forestry

Division/Department: Department of Conservation and Natural Resources

Date: 3/17/2021

Senate Bill 140 (BDR 16-39) Section 6 would require the state to pay inmate workers a "living wage," which is defined as the State of Nevada minimum wage. The Nevada Division of Forestry (NDF), in coordination with Nevada Department of Corrections (NDOC), employs up to 740 inmate workers at a time in 9 conservation camps around the state. NDF trains and employs an average 1,500 inmate workers per year, with an average turnover rate of 6 months.

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An increase to inmate payroll would require additional General Fund as follows:

- BA 4198 would need an increase in General Fund of $14,075,839 in FY22 and $15,109,373 in FY 23. Budget account 4198 is funded with 70% general fund and 30% project revenue. NDF placed the entire increase for this request upon the general fund because an additional $4.2 million in project revenue is not feasible. NDF has not met revenue targets any year at the current split but has been able to manage with salary savings and decreased operating expenditures. NDF based natural resource project pay on a standard 10-hour work shift to match that of an NDF Crew Supervisor.

- BA 4196 would need an increase in General Fund of $1,238,105 in FY22 and $1,357,030 in FY 23

  NDF based wildland fire response pay on a 16-hour work shift, which is the maximum number of work hours per to meet industry safety standards, except during the initial 24-hours from the fire start. Actual hours worked per day may be less than 16. Some of these increased costs in BA 4196 would be reimbursed by state, federal, and local government wildfire partners; however, how an exact determination cannot be made due to the complexity of fire billing.

The overall estimated general fund increase in response to Section 6 of SB140 for the FY22-23 biennia would be $31,780,348. This is based on Nevada's approved minimum wage of $10.50 per hour for FY22 and $11.25 per hour for FY23. Projections are based on a 4-year average of inmate work hours for both natural resource management and wildfire response, excluding FY2020 because COVID-19 and the Ely Camp temporary shutdown do not accurately reflect future projections, minus

the 4-year average costs paid for the services in BA 4198 and 4196, respectively. If any camp closures were necessary based on crew reductions to reduce the impact, there would be additional significant costs based on land use agreement requirements.

DESCRIPTION OF FISCAL EFFECT

BDR/Bill/Amendment Number: BDR 16-39/ SB 140

Name of Agency: Nevada Division of Forestry

Division/Department: Department of Conservation and Natural Resources

Date:

NDF is currently estimating that BA 4198 would need an increase in General Fund of $14,209,029 in FY22 and $15,242,563 in FY 23
NDF is currently estimating that BA 4196 would need an increase in General Fund of $1,427,100 in FY22 and $1,546,024 in FY 23
Grand total of estimated general fund increase needed over the 22/23 biennia is $32,424,715

These totals are based on the following assumptions:

1- NDF took a 4 year average of inmate labor hours worked on project and wildland fires, excluding FY2020 as the COVID-19 and Ely Camp temporary shutdown do not accurately reflect future projections, minus the average 4 year cost at current rates ($2.10/day for natural resource projects and $24/day for wildland fires)

2- NDF based natural resource project pay on a standard 10 hour work shift to match that of an NDF Crew Supervisor

3- NDF based wildland fire response pay on a 16 hour work shift, which is the maximum amount of hours per day any employee can work by industry safety standards unless durin the initial 24-hours from the fire start. Actual hours worked per day may be less than 16.

4- NDF placed this entire minimum wage increase on the general fund so as not to increase the amount of project revenue required in the budget account. NDF does not believe that any increase in project revenue of this magnitude would be feasible given current project/emergency response demand, crew production rates, and current staffing levels (with 13 positions held for budget reductions until August of 2022). As a reminder, budget account 4198 is currently funded by 70% state general fund and 30% project revenue.

5- NDF placed the state minimum wage for FY 22 at $10.50/hour and FY 23 at $11.25/hour based on our understanding of Nevada's state minimum wage increase.

	Inmate Project Payroll 4198/0222-0444/ 7194	**Inmate Nursery Payroll** 4235/ 0661, 0662/ 7194	**Inmate In Camp worker Payroll** 4198/0222-0444/ 9116	**Inmate Fire Payroll** 4196/0110/ 7194
FY16	$241,363.83	$5,224.80	$69,336.63	$215,368.60
FY17	$218,365.73	$4,668.30	$69,336.63	$269,148.20
FY18	$137,840.90	$4,594.80	$69,336.63	$160,047.65
FY19	$147,713.40	$4,666.20	$69,336.63	$306,834.98
	Pre-COVID-19 4 yr. Avg.	Pre-COVID-19 4 yr. Avg.	Pre-COVID-19 4 yr. Avg.	Pre-COVID-19 4 yr. Avg.
	$186,320.97	$4,788.53	$69,336.63	$237,849.86

9,910.41 24 Hr. Days
158,566.57 16 Hr. Days

	Inmate Project Payroll/ Days	**Inmate Nursery Payroll/ Days**	**Inmate In Camp Worker Payroll**	**Inmate Fire Payroll/ Hours, Regular time for a standard 16 hour shift/day**
	88,724.27	2,280.25	180 I/M's X $/Hr. X 10Hr. DayX 260 Days	237,849.86
FY22 $10.50/Hr.	$9,316,048.25	$239,426.25	$4,914,000.00	$1,664,949.00
FY23 $11.25/Hr.	$9,981,480.27	$256,528.13	$5,265,000.00	$1,783,873.93

	Inmate Project Payroll Avg. **Increase** in 4198/7194 funding **required**	**Inmate Nursery Payroll** Avg. **Increase** in 4235 funding **required**	**Inmate In Camp Worker Payroll** Avg. **Increase** in 4198/9116 funding **required**	Total additional funding required in B/A: 4198 and 4235	**Inmate Fire Payroll/ Hours, Regular time for a standard 16 hour shift/day** Avg. **Increase** in 4196 funding **required**
FY22 $10.50/Hr.	$9,129,727.29	$234,637.73	$4,844,663.37	$14,209,028.38	$1,427,099.15
FY23 $11.25/Hr.	$9,795,159.30	$251,739.60	$5,195,663.37	$15,242,562.27	$1,546,024.07

	Budgeted Inmate Payroll	**Additional Funding Needed**
4198 & 4235 FY22	$133,189	**$14,075,839**
4198 & 4235 FY23	$133,189	**$15,109,373**
4196 FY22	$188,994	**$1,238,105**
4196 FY23	$188,994	**$1,357,030**