

ATTACHMENT B

Nevada Department of Corrections
FY 2012 / 2013 - Budget Overview

Historical Overview of the Department's Finances

Inmate Population History and Forecast

The overall inmate population grew significantly from FY 2005 through FY 2008. Population stabilized with decreases in both FY 2009 and FY 2010. The forecast from JFA is for very low growth during the next 10 years.

Overall Inmate Population (Yearly Averages)

FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011 Leg Approved	FY 2012 Projected	FY 2013 Projected
11,258	11,787	12,813	12,992	12,818	12,529	13,009	12,750	12,792

It is important to note that, while the overall population has flattened with minimal growth projected, the Department has seen a trend towards a higher percentage of inmates requiring medium security custody or above. This is largely due to the impacts of AB 510, which passed in the 2007 Legislative Session. AB 510 extended additional time credits to our lower level inmates. This has resulted in a reduction in the number of minimum security inmates.

General Fund Expenditure Levels

The following chart demonstrates general fund expenditures by the Department for FY 2007 through FY 2010 and the proposed expenditures in FY 2012 and FY 2013.

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	G06 * Proposed 2012	G06 * Proposed 2013
G/F Rec'd.	244,037,686	260,186,988	293,908,697	258,581,506	256,021,541	245,984,305
% Increase over 2007	0.00%	6.62%	20.44%	5.96%	4.91%	0.80%
# I/M	12,813	12,992	12,818	12,529	12,750	12,792
G/F / Inmate	19,046	20,027	22,929	20,639	20,080	19,230

Note: Projected expenditures for 2012 and 2013 are still being revised in coordination with the Budget Division. This chart includes budget reductions highlighted later in this presentation.

As demonstrated in the chart above, the proposed budget for the next biennium requests GF expenditure levels below 2008 expenditure levels. General Fund requested for 2013 nears the expenditure levels of 2007.

Cost Per Inmate

Nevada's cost per inmate is very low when compared to other states and the National average. A study by the Bureau of Justice Statistics in 2001 revealed that Nevada had the second lowest cost per inmate of all Western States. At \$17,572, our annual costs were well below the average of \$25,231. Further, at that time the National average was \$22,650 annually per inmate or \$62.05 per day.

	FY 2007	2008	2009	2010	2011	2012	2013
Total Annual Rate	19,709	20,662	23,697	21,382	20,531	20,080	19,230
Total Daily Rate	54.00	56.61	64.92	58.58	56.25	55.01	52.68
Medical Portion of Daily Rate	8.62	8.99	10.30	10.40	8.99	10.20	10.22

Staffing Ratios

The primary cost within corrections is labor. Nevada has amongst the lowest staffing of any state. According to a 2005 Bureau of Justice Statistics report, Nevada had significantly less staff per inmate as follows:

Total Staff - Nevada	- 5.1 inmates to each staff
Western average	- 3.5 inmates to each staff
US average (all states)	- 3.3 inmates to each staff
C/O Staff - Nevada	- 7.4 inmates to each staff
Western average	- 5.5 inmates to each staff
US average (all states)	- 4.9 inmates to each staff

As demonstrated by the report, Nevada has 46% less total staff per inmate than the Western State average and 35% less Correctional Staff.

Comparative Pay – Correctional Officers

An occupational study by the Bureau of Justice Statistics in 2008 revealed that Correctional Officers in Nevada are paid higher than the average of Western States. Correctional Officers in Nevada averaged \$51,600 versus the Western States average of \$41,433.

At present, we do not have any other good comparative data for other position types.

Priorities of Government Project

The Department completed the Priorities of Government project which divides our efforts into "Activities". These priorities are then described, quantified and prioritized. The priorities of the Department are as follows:

CORE FUNCTIONS

1. Safely and Securely Confine Convicted Felons – Medium, Close and Maximum Security
2. Safely and Securely Confine Convicted Felons – Minimum Security
3. Medical Services for Inmates

CORE FUNCTIONS – SUPPORT ACTIVITIES

4. Programs – Inmate Specific Activities with Defined Goals
5. Inspector General's Office
6. Prison Industries (NON-GF)
7. Inmates Services (NON-GF)

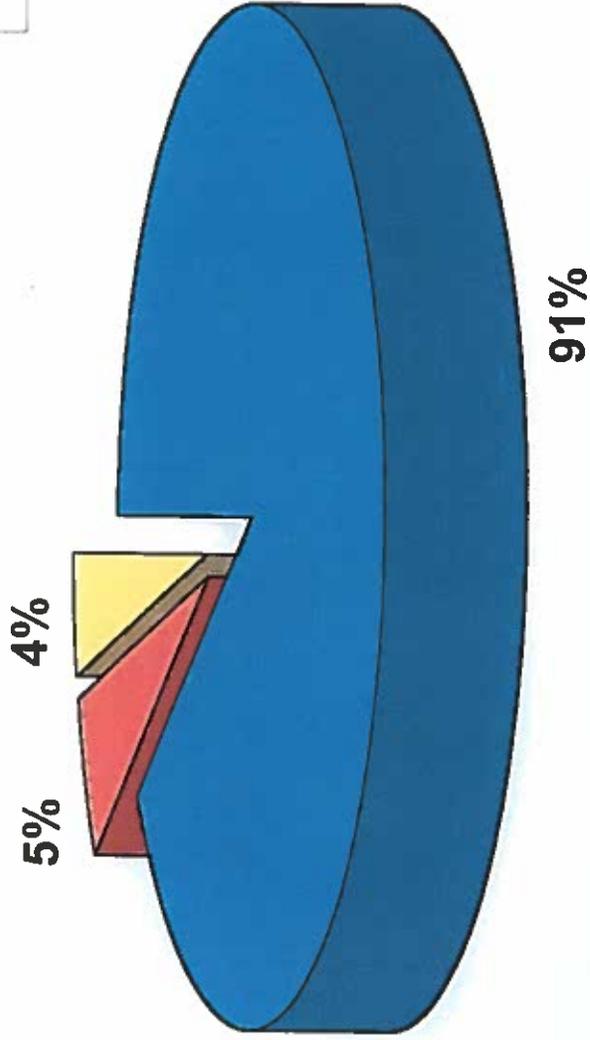
INFRASTRUCTURE ACTIVITIES

8. Fiscal Services
9. Personnel, Payroll and Training
10. Information Technology
11. General Administration

We found the Priorities of Government project to be very instructive. We discovered that fully 91% of all general funds allocated to the Department are used directly to provide the core functions. Further, it revealed that only 4% of all expenses are used for the combined infrastructure activities. While we do not have good comparative data from other State agencies, we believe this is very lean and leaves little room for infrastructure reductions.

PRIORITIES OF GOVERNMENT - Fiscal Year 2013 Activity Funding - General Fund

- Core Activities - Safety & Securely Confine Convicted Felons / Medical Services for Inmates
- Core Activities Support Functions - Programs / Inspector General / Inmate Services / Prison Industries
- Department Infrastructure - Fiscal / Personnel & Payroll / Information Technology / Gen. Admin.



The Department has included the following budget reductions (2012-2013) in its initial submittal:

1. Phased-Closure of Nevada State Prison -	\$ - 15,600,000
2. Elimination of rural differential pay (5% for custody staff) -	\$ - 2,502,962
3. Elimination of RAD pay (\$7.50 per day in So NV) -	\$ - 2,596,580
4. Elimination of Swing Differential pay (5% for impacted staff) -	\$ - 2,252,964
5. Elimination of coffee, tea, flavored fruit drinks from inmates -	\$ - 420,671
6. Background check fee for visitors (\$15) to recover some costs -	\$ - 450,000
7. Eliminate inmate foot locker replacement -	\$ - 750,205
	<u>\$ 24,138,382</u>

Additional Budget Reductions Under Consideration by the Budget Division

- 1. Closure of Three Minimum Security Camps - \$ 6,200,000**
The Forestry Division has identified the need to close three camps to achieve their budget reduction target (Pioche CC, Wells CC and Tonopah CC).
- 2. Reduction of Medication Costs - \$ 940,776 biennial savings**
We have carefully reviewed our pharmacy inflation costs and believe we can eliminate any increases.
- 3. Elimination of Staff Needed to Fully Open Three Lakes Valley - \$2,086,458 biennial savings**
- 4. Conversion of Senior Correctional Officer Positions to Correctional Officer as positions become vacant - \$95,000 biennial savings**
The Department has evaluated the functions of Senior Correctional Officers when compared to Correctional Officers. These positions effectively perform the same function. The classification of Senior Correctional Officer has been used by the Department to provide promotional opportunities to help us retain these staff members. Historically, the Department has lost many staff members, who are high achievers, to local police departments that pay a much higher salary.