

BOARD OF COMMISSIONERS
KENNY C. GUINN
GOVERNOR
BRIAN SANDOVAL
ATTORNEY GENERAL
DEAN HELLER
SECRETARY OF STATE

STATE OF NEVADA

JACKIE CRAWFORD
Director



DEPARTMENT OF CORRECTIONS

Leading Nevada Corrections Into the Future

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July 1, 2004

BOARD OF PRISON COMMISSIONERS

Old Supreme Court Chambers
Capital Complex
June 8, 2004

DATE: June 8, 2004

LOCATION: Old Supreme Court Chambers

PRESENT: PRISON BOARD MEMBERS
Governor Kenny C. Guinn
Secretary of State Dean Heller
Attorney General Brian Sandoval (absent)

CORRECTIONS STAFF

Director Jackie Crawford
Assistant Director of Operations Glen Whorton
Assistant Director of Support Services Darrel Rexwinkel
Program Administrator Dorothy Nash Holmes
Economist Fritz Schlottman

DEPARTMENT OF ADMINISTRATION

Perry Comeaux, Director

STATE LANDS DIVISION

Pam Wilcox, Administrator

ATTORNEY GENERAL'S OFFICE

Deputy Attorney General Sonia Taggart

Deputy Attorney General James Spencer

PRESS

Associated Press Cy Ryan

Nevada Appeal Geoff Dornam

The meeting came to order for the Board of Prison Commissioners at 10:00 am on June 8, 2004 running concurrent with the Board of Examiners Meeting.

I. Discussion and vote of the Casa Grade Reentry Center (action required)

GOVERNOR: Isn't this really the first step that we're taking now based on the concept that Legislative Body approved Jackie at the last session? They approved the concept of a program, a release program for work at Casa Grande that is purported to do right?

DIRECTOR CRAWFORD: Yes Governor they did, this whole concept is an outgrowth of your Fundamental Review, which was approximately two years ago. We went before the Legislature and they authorized me to actively pursue a Casa Grande concept and so we began to explore what was available in Las Vegas. As a result, obviously, there were several people who did not want us and so we finally arrived at this site, which is on Russell I believe and I think Wynn Road. The whole concept itself is for the purpose of reentry for offenders and we're hoping that they were advocating for a 200-bed that will ultimately go to 400. The first 200, which the Legislature has approved us was for the first phase and then the second phase if it's successful, which it will be, will go to 400. Inmates through the jobs in which they acquire will pay for this lease of this facility. It's very unique, it's different and I think it's going to be very successful. Some people have indicated to us well will this work? We've been in this business for 20 years from the restitution centers. Reentry is probably another terminology. We have a restitution center in Reno and it is full all of the time. It's 98 beds and we probably if we had them we could go to 200 easily. So we're very confident about this facility and where we want to go. We do have, for those of you who do not and have not heard about the facility, we do have renderings over here on the side and I would like to go through those briefly if I may.

GOVERNOR: Please do.

DIRECTOR CRAWFORD: Starting here we have what we call the Administration Building. The Administration Building will have conference rooms and we'll be teaching classes. We'll also be counseling inmates and they will be doing all kinds of preparation for job reentry back into the community. We also created what we call a One Stop Shop and the One Stop Shop, and I will go down here to this floor plan, will allow for the Parole Board, which will be three members of the Parole Board Commission in the Southern Region. We had regional offices down south that were scattered all over so

we consolidated those offices and that's Prison Industries, we're also looking at a number of other regional offices, but the Parole Board and their hearing rooms will also be located in this area here. The purpose of this entire concept is to save money, to get inmates back out into the community and reduce the recidivism rate. In doing that, we believe that we're not going to have to be building more and more prisons because ultimately prisons are very costly, they're very pricy and nationally this is what the trend is and President Bush has indicated that he is putting into next year's budget approximately 3 to 4 hundred million dollars for reentry. So, we're mainstream nationally. We also anticipate that this is going to become a national model. I'm very excited about it. We have met with all the editorial boards; we have also met with many, many community leaders. Everyone is very receptive and very excited about it. The facility itself will be concrete and steel and will be very durable. It will be sited on approximately six acres. Also, let me point out to you that this is going to be constructed through a private company. This is the Molasky Group and I would like to introduce Mr. Molasky.

GOVERNOR: Excuse me Jackie. Can you just stop there for a minute to make sure that we get this right because I think we were going to call a State Board of Prison Commission Tuesday, June 8th, which is really commensurate with our Board and then we would have a dual meeting for this presentation for this particular item, but this was advertised for 10:00 am.

PERRY COMEAUX: I think the intension Governor was to have the meetings concurrent for purposes of this item.

GOVERNOR: That's my fault, I was thinking this was after this rather than running it concurrent then you don't have to stay here.

DIRECTOR CRAWFORD: Do you want me to continue or shall I discontinue?

GOVERNOR: No, you're on the matter of record now for the regular Board, but I think as we get into this presentation I would like to at least call to order and I think legally you might have to help me with this for Tuesday, June 8th at 10:00 am in the Old Supreme Court Chamber Building, the Notice of Public Hearing for the State Board of Prison Commissions which really is the two of us and Brian is not here so if we would just open this meeting then I think it can go in terms of the record so we just don't have to reproduce and do the same thing afterwards. It's really two items and then if we have to take any action pursuant to this as a Prison Commission then we can do it at the same time. Is that right?

DEAN HELLER: I heard that Governor and I think that's fine.

GOVERNOR: Okay so it is a little after 10 and we'll open that but only what has been said here if you want to just summarize that quickly now for the record and show that it should be in the record for the Prison Commission that would be fine to. You are really giving an introduction. Okay?

DIRECTOR CRAWFORD: Okay so you want me to summarize and shut up and sit down. Stay tuned this gets better.

GOVERNOR: I've been married for 40 years and I've never told a lady to shut up.

DIRECTOR CRAWFORD: This is a concept that I think the State of Nevada will be extremely proud of and I will go into more detail in a few moments. The boards are there for your review and then perhaps some other questions we can answer.

IRWIN MOLASKY: Good morning Secretary Heller and staff and the press. I am here to answer any questions that you might have and if you want we can go through the concept I will but the Director is very capable of doing that.

PERRY COMEAUX: Governor, one thing I would add for the record is the Legislature did appropriate, I believe it was 2.6 million dollars, somewhere around in there, to the Interim Finance Committee for the purposes of opening and operating this facility during this biennium. Because of the timing of the thing I don't think any of that money is going to be required until next biennium but that just is an indication that the Legislature did intend that the Director move forward with this. There's a requirement to accompany that appropriation that in order to receive any of that money that the transition housing plan that the Department has put together has got to be approved by the Board of Examiners and the Interim Finance Committee. I know that plan has been distributed to the Board. The official approval of that is not on this agenda but we do have an agreement for a special meeting for formal approval of that plan and the Interim Finance Committee will have an opportunity to approve the plan at their meeting Wednesday of next week.

GOVERNOR: And then after the lease portion, let's make sure I understand that and what I think we have to do. Under the process that we used with the Natural Resources Building we as a Board of Examiners and the Public Works Board and the departments that we work with, we did not have to go to the IFC for the final approval. The reason we went to that IFC on that project was because we had to lease that land to the trust, right?

PERRY COMEAUX: Correct.

GOVERNOR: And that took action by us as a Board and also the Interim Finance Committee.

PERRY COMEAUX: That's correct Governor.

GOVERNOR: And in this case it's identical that we would not have to go back to them for the allegations since they've already approved the concept and they've already approved the original dollars to go in and open it this next year, which will not be ready because it won't be underway.

DIRECTOR CRAWFORD: About July 05.

GOVERNOR: 05, so what we're really asking for here is we're going through the process because even though the State owned that land, we still have to have the Board approve a lease of State land and also the Interim Finance has to approve the lease of State land. So now, we just reverse this position and we're going to go out and we're going to lease a piece of land and this Board has to approve the leasing of that land and also the Interim Finance Committee has to approve it even though the money will come from the bonds, right?

PAM WILCOX: Certificates of Participation.

GOVERNOR: Certificates of Participation that's what they're going to have.

PERRY COMEAUX: And actually Governor the State is going to buy the land and lease it to that trust corporation just like we did for Transportation.

GOVERNOR: But we're going to buy it out of the proceeds.

PERRY COMEAUX: Correct.

GOVERNOR: Then under that purchase agreement the State would have no responsibility for it if we didn't follow through.

PAM WILCOX: There's another corporation clause and in the lease purchase.

GOVERNOR: So in essence we certainly fully intend to because I think as we get to the next step of this we will see the actual Performa sheet for expenditures and revenues and what this would do to save the State we will be looking at that standpoint so it's a very good deal but the important thing here is we're only looking to lease this, well to purchase it, but then the State has to take action cause the State's not purchasing it really. The other group is going to purchase it and we're going to lease it from them. Right?

SONIA TAGGART: The State purchases it and then leases it the Nevada Real Property Corporation and then leases it back to the State to use as a transitional housing authority and then at the end of the term of the 35 years it comes back to the State free and clear.

GOVERNOR: And if something happened in that 35 years then those who issued the Certificate of Participations would have the right if we didn't accrue it to take that property over.

SONIA TAGGART: To take back, to utilize the facility, to lease it and then they'll have a right at the end of the 35 years, the State owns the property and the building.

GOVERNOR: If we carry through on the deal.

SONIA TAGGART: Even if we don't carry through.

GOVERNOR: We still own it even at the end?

SONIA TAGGART: Even at the end, but during the interim they have the ability to lease it and acquire revenues.

GOVERNOR: That's right, that's the same way we had the other one, that's right.

SONIA TAGGART: In that respect it's identical to the Conservation and Natural Resources Building.

GOVERNOR: So this is really the way I am looking at this. It's just for everybody here that hasn't worked on it. This is the first step that we have to take in order to move forward but it's a matter of leasing and if something comes up between now and the time we take the action in the second portion then this action would be null and void if we decided not to do something. Isn't that the way that works?

PAM WILCOX: That is correct. Because it's not effective until a future date and that would be the date of the closing of the COPs. If we never close them it never becomes effective.

GOVERNOR: Okay, and you can't close them unless we get all the other approvals. Do those members of the Parole Commission understand that? We have two commissions going here.

DEAN HELLER: My question is what are we actually approving? We got the ground lease. I realize that that's what the Board of Examiners but we also have the Prison Commissioners that are discussing and voting on the Case Grande Reentry. Are we

approving a contract for the actual, what, we've got two approvals here going simultaneously.

DIRECTOR CRAWFORD: Yes we do have and I am probably as equally confused as you are at this point but let me try to clarify. The ground lease is what we're really asking that you all approve. What I'm sharing with you today is the concept for you then to grant me approval to go forward to IFC with the concept. That you do approve of this concept as a community center. It's two issues here and that's what is confusing.

GOVERNOR: I know what we're doing. Are you going to move to approve?

DEAN HELLER: Yes, I move to approve.

GOVERNOR: To approve the lease?

DEAN HELLER: Yes

GOVERNOR: Okay, under the Board of Examiners?

DEAN HELLER: Correct under 3-A.

GOVERNOR: And I second that. Any questions, any other comments? This is really a first step that doesn't hold us to anything binding that we can return and change. All those in favor say aye. Governor: Aye

DEAN HELLER: Aye

GOVERNOR: So ordered.

DEAN HELLER: Now do we have to approve the concept?

GOVERNOR: Well we don't do we? We've approved the concept.

DIRECTOR CRAWFORD: What I will present to you Governor and what I need from you all to say "yes Director Crawford we approve of this concept and we think you should go forward and present it to IFC". This is an informational item but I do need that from you.

GOVERNOR: Wait a minute, if it's an informational item we can't take action.

DIRECTOR CRAWFORD: Well they said yes, you know, so I'm following those orders so if you can say yes to that.

GOVERNOR: Your talking about the Prison Commission. That is action.

DIRECTOR CRAWFORD: Yes.

GOVERNOR: This is the discussion in both of the casting of the reentry center.

DIRECTOR CRAWFORD: Yes and I would like to have you all grant approval to me to go forward with this concept.

GOVERNOR: And again when this comes back to the Prison Commission later on we would still have the opportunity to not approve it in its final form if we didn't like it so this is really conceptionally the same as the Legislature has already done.

DIRECTOR CRAWFORD: Yes, conceptionally I need to go forward.

GOVERNOR: I'm just trying to get all of us on the same line so that everybody has said we agree with the concept and we've now approved of the leasing as the Board of Examiners and then you'll take that to them on the leasing and they've already approved their concept when they approved the money.

DIRECTOR CRAWFORD: And they want to hear from you that you all approved it.

JAMES SPENCER: We need to take that as a Board of Prison Commissioners Governor, it's not on the June doc item for this meeting, the Board of Examiners. What the Director is requesting at this point, the ground lease is fine.

GOVERNOR: When I asked you earlier you said we opened the meeting it was at 10:00.

DEAN HELLER: We opened the Commissioners.

JAMES SPENCER: I'm sorry we opened it. Okay then we're running concurrent.

GOVERNOR: We're running concurrent I guess that was my question.

JAMES SPENCER: The directive now, we're changing hats being the Prison Commissioners.

GOVERNOR: Yes we're running concurrently.

JAMES SPENCER: I misunderstood you if we are running concurrently then it's fine. I have not seen an agenda for the Prison Commission but if it started at 10:00 also and your voting on it I will add it here and then it's fine.

GOVERNOR: Okay.

DEAN HELLER: If it's legal, I'll approve it, Item 1.

GOVERNOR: Okay, Item 1 on the Prison Commissioners, okay I second it. All in favor say aye.

DEAN HELLER: Aye.

GOVERNOR: Aye. We are running concurrently so we will finish these and then we'll come back to the discussion and vote for the Nevada Department of Corrections' request to assume operations and medical service that will come back later. Just don't ever do this again, let's do it one after the other.

The meeting of the Board of Examiners stands adjourned and we are still in session for the Prison Commission. Alright on the Board of Commissioners we've already approved Item 1 so we'll move to Item II - discussion and vote for the Nevada Department of Corrections' request to assume operations and medical service of the Nevada Women's Correctional effective October 1, 2004 and this is an action item. Jackie

DIRECTOR CRAWFORD: Governor and members of the Prison Board, Jackie Crawford for the record. I appeared before a subcommittee on the women's prison and privatization and at that time I shared with them that we had received three bids and that you and I had looked at those bids and analyzed them very carefully and believed that it would be in the State's best interest for us to go forward with operating the women's prison ourselves. There was a unanimous vote to carry that forward and we would then go to IFC and they will then approve that concept, which you all had approved. This is the direction in which we were moving toward. Quite frankly, we believe because the institution we need multi purpose, multi classification for the institution. That the bids were not sufficient that we believed to meet the needs of that population. Additionally, no vendor bid on medical, therefore, it was then left to the Department of Corrections to assume that responsibility. We believe that would have fragment even more the operations and that we would not have what we call continuing of care for the women. This population is special and unique in that it houses not only our only State intake reception center, death row, maximum security and also medium security. We house our minimum security in the camps so therefore us absorbing also the medical is even more expensive for the system so I think in the State's best interest that probably it will cost us a little bit more but in the long run I think it will be less because I think we're going to mitigate revocation. We're going to be able if we have to exceed our population it will not cost us the same as it would with a private vendor. Each vendor was very qualified in submitting their proposals but we just believe that it's the best thing I think to do for the State of Nevada.

GOVERNOR: Jackie in our discussion I think one of the most important ones also in keeping and that has caused us the most grief in the last five years at least that I've been here. We had numerous meetings regarding the women's prison as it relates to a couple of items but certainly priority number one and most important was the cost of health care and the fact that a private agency comes in and since it's a stand alone prison they didn't have I guess you would say the size, the volume that they could utilize throughout our prison system and therefore when you had this tremendous increase at least its survived in here and I'm sure before that increase, but I don't know the figures, but medical cost I know has increased somewhere around 15 to 18 percent and so where we've had difficulty working with the private sector is that they said "But you don't have an escalation clause. We sign these contracts with the cost of the hospitalization for the female inmates" and that's a very, very high number and it's unpredictable and so I think what they were doing in my mind was trying to still hold onto the contract but were cutting in other corners to the point where we said we cannot tolerate that and it was difficult for them to tolerate. I believe whenever these bids came up, at least the ones you showed me the other day, none of those bids included hospitalization/medical/mental health costs for the female prisoners and therefore even though we're going to bid it out we're going to bid out kind of the basic things, the tangible elements of the facility and the actual security and then we were then going to take on the most explosive, the most costly side of this prison operation.

DIRECTOR CRAWFORD: That is correct.

GOVERNOR: Which is the health care and I don't know of any business operation, at least where I came from, we would want to say well, we'll privatize this and give you the area where you got more volume than you can take care of over here then you can control your cost as opposed to us taking on medical costs. That was one of the reasons that I think it was vital for you to make the presentation to the subcommittee and on to the IFC and certainly for me the need to make sure that these two are together so that you can add it to the total prison volume and get economy and scale because without that it becomes very, very expensive and I don't know how you can have medical services that you can only tap into one particular area. That's an important part of this item. Yes, it's going to cost, I believe the figure was around 700 thousand dollars more, 700, 800 thousand maybe a little more or a little less but I think you've done some awfully creative things in other parts of the prison like lease out available space and now you're up to 6 or 7 million dollars that have a potential for profit. We've closed Jean Prison.

DIRECTOR CRAWFORD: We've had netted 7 million dollars profit.

GOVERNOR: Just by leasing space. But by closing the Jean prison down three or four years ago we've been saving over 6 million dollars so I think you've done some creative things but in this line of work as you presented these programs to me over the last few years, I became very concerned about the quality. Now we're not going to try to run the

best program in America but we certainly want to run a program that's commensurate with our other health facilities and allow us to do it through the economy scale. I think it's very important for everybody to understand that yes it's going to cost us more but it could cost us a lot more if we get into litigation because we're not providing at least the minimal aspect of health care and just one of our prison when we've got all the rest of them that we're providing better than that.

DIRECTOR CRAWFORD: It became a parody issue and again as the Governor has articulated we had to look at it carefully and analyze it and I was most appreciated that we were allowed, we meaning the Department of Corrections, to do what the parody study and also the proposal. It helped us look at what we doing, how we were doing it and what was the best way for the State of Nevada and that's when we discovered there were some errors, a parody issue and we presented that to the subcommittee with that and they were all unanimous. When you are privatizing, it's interesting because twice if you remember the companies will cancel on you if they feel their not meeting their profit margin and it leaves you basically, where do you want to go and what we need to do. With the State operating it we're in control. We're in control of our cost, we're in control of managing it and I'm not concerned ongoing whether or not there's going to be a cancellation of a contract. That means a lot in operating prisons because that provides use of the building and stability is very important. I believe that privates have a place. I believe that most places are very successful in the minimum security camps or facilities but when you operate a multiple classification facility it's a whole new ballgame and you're being all things to all people and I think that was somewhat difficult for them to maybe perhaps manage. The bids that came in would not manage effectively and the type of service we wanted to deliver to those people and the Governor recognized that immediately when I submitted to him those proposals so I'm very pleased and I want to thank him for his insight and support.

GOVERNOR: But you really need approval from us to take back control of Southern Nevada Women's Correctional Facility much like we did the Summit View.

DIRECTOR CRAWFORD: And I could go forward into IFC.

GOVERNOR: Okay and they've already had their subcommittee and voted unanimously on this.

DEAN HELLER: I have one question. You know this was probably a pilot program to begin with, you know, people trying to compare the costs between government run facilities and a private company. In your opinions since you're the Director, this exercise in privatization, at least at this facility, do you consider it a failure?

DIRECTOR CRAWFORD: I don't think I want to call it a failure, I think I should say that I think that both sides are to blame if you really want to know the truth. One, we

underbid the contract and on the other side we accept it and then when we later try to live with that contract, I think that makes us very liable and so I think perhaps we've learned something that the lowest bid is not always the best bid but more importantly is how we patch our contracts is because if those contracts were so tight, there's no flexibility for your vendor and they become disillusioned and we become disillusioned so is it a total failure? No. Have we learned several things from it? Absolutely. This is not the population to privatize.

DEAN HELLER: But what would be the future in your opinion of privatization for facilities like this?

DIRECTOR CRAWFORD: I think that privatization has its place. I think that we can begin to go into community services of some type. I think it's very successful there. There is food service they say that is very successful. We tried medical, it didn't work because you know we were at Ely and they decided that they weren't making enough money so then obviously they pulled out so I would have to say that we run a very good ship and we were very verbal in the past so it's hard for the outside vendor to come in and compete with us. We're good at what we do and we do it very well and on a very thin budget and a lot of people ask me, "How do you do that?" and we know how to run prisons and we're good at it and we're proud about it. But, if you wanted to privatize something I would say services are probably the most important ones to privatize.

GOVERNOR: But I think the other thing that these people get into some of these areas we have someone mentioned to me by escalation of costs. Look those of us, you've been there Dean and I been in a private sector, and whenever we go out and tie ourselves up we have escalation clauses in virtually everything we did. When I looked at the prison system certainly there was not an escalation clause there that will allow them to say, if your medical costs, your handling it is going up 18 percent a year, you can have 18 percent over five years that would have been 100 percent or so, so your lucky they didn't get that and when they don't get that they start looking at other areas to stay in business and that is do they pay their people less money, do they have less benefits, do they start having no raises and they have more turnover and then you got untrained people that then puts your exposure very high. Just because you have an independent contract with a private sector doesn't mean that the State is no longer held responsible for the situation in which they incarcerate people into because we've approved that so they are out of their control and we're out of our control and it's spinning and with a government that oversees you with your own feelings and how you want to run it like Jackie saying is very important to us in terms of having one there who can say listen we giving the services that you should be getting, medical services, food services programs and the work rehabilitation programs and you have a little bit more consistency even though we pay more than they do in terms where the cost differential is, but we pay enough salaries, even we paying there we've had a high turnover rate. But, you can't have the turnover rate that they had like for instance at Summit.

DIRECTOR CRAWFORD: Again, let me also share in my comment to you that salaries are low when they bid. Their benefits lack what we provide. Number one, the turnover is not meant for stability and turnover also creates a lot of turmoil and confusion with your inmate population and also with the Department because we're never really quite sure who is there. I will share with you that we looked at these bids and I think they've been comparable to what we could provide, we probably would consider, however, they just were not and we were not willing to go back through that exercise again. This is not a population you should privatize it's a special needs population.

DEAN HELLER: Just one other question. I don't take their words for gospel but I was reading in the paper recently saying that the efficiency of the prisons that we could do it more effectively but it would cost us a million dollars more.

DIRECTOR CRAWFORD: That's correct.

DEAN HELLER: And I was entertained by that comment but I want to know where that million dollars comes in. Is it the salaries and the benefits or is it the medical care?

DIRECTOR CRAWFORD: It's both but the salaries of the highest one vendor, their highest salary was \$27,000. Ours is \$33,000 and then the vendors were 20 percent and ours is 42 so obviously that doesn't provide the increase and then you couple that with the medical and the mental health issues.

DEAN HELLER: So you combine those two, that is that million dollars that it would cost.

DIRECTOR CRAWFORD: Also keep in mind that if we were contracting and let's say hypothetically that we have 473 beds that we contract for and let's say our population begins to escalate and goes up 60 to 70. It's not going to cost the State anymore except for inmate treatments where the privates then, that's where they make their money because it's the cost per inmate, per day so you wind up and that almost becomes that million dollars that we think we would be saving, we're not.

GOVERNOR: I read that number in the paper also and it did say a million dollars but when we talked,

DIRECTOR CRAWFORD: Well, it bounces around.

GOVERNOR: I thought it was 700, yeah but it doesn't bounce around 300 I'll tell you.

DIRECTOR CRAWFORD: \$794,247.

GOVERNOR: It's \$794,000 automatically.

DIRECTOR CRAWFORD: But again keep in mind that's start up costs so I'm sure that that,

DEAN HELLER: So you guys are deceptive.

GOVERNOR: No I think that's what was quoted, that's what came out of the meeting. That million dollars, somebody said well it's going to cost a million dollars more but that meeting was on Monday and I met with you on Thursday and it was a 700 and something that I remember, now I haven't been staying with it but I didn't forget the numbers.

DIRECTOR CRAWFORD: I was just advised Governor that we revised the pay scale because there was an error in it and it came down. We are probably close to five dollars, am I correct Darrel, a .25 cent different than the highest bidder?

DARREL REXWINKEL: Well, numbers are numbers Governor. We're taking the facility over October 1st, which means there's 273 days left in the fiscal year. That million-dollar number is the annual number and the \$725,000 let's say is a nine-month number. So, it depends on what you're talking about, annualized basis or the remainder of fiscal year 2005. But, on an annual basis it's a million dollars and for the remaining 9 months of fiscal 2005 from the time we're taking over, it's about \$725,000 plus some starter costs. We did meet with the staff after the last subcommittee Interim Finance Committee who reduced our costs by approximately \$250,000 in total for FY05. So, it depends what day you're talking about with the numbers.

GOVERNOR: But I think when you look at what we've doing it gives us a great deal more latitude and it might not be in the final analysis because we can take more of the inmates and move them into work programs whereas before, if I remember right, there was always the issue with the private sector that if you took inmate X out and put them in there, they say your taking the healthy ones out and leaving us with the ones who have more illnesses and are more expensive. We didn't agree with that. That eliminates that and gives us a lot more flexibility in moving these people and it might save us money in the long run and not only that if there're out there and they get sick we can move them back rather quickly as opposed to said agreement, that person went out there and got sick and now your not moving them back here and so I don't know if you count those costs in there but that can be a lot of money.

DIRECTOR CRAWFORD: Well again Governor, you go back to if we bring them back into the facility it's not going to cost us anything. In the long run we're saving money because that population is going to increase and it's not going to cost the taxpayers for that increase like it would if you were in a private because they charge you per day, per

inmate and those costs out and over and above the cap if I went up to the Board and what was it Darrel you said if we added an additional 60 inmates?

DARREL REXWINKEL: Approximately adding 60 inmates above what all the projections were based on, that would cover the million dollars.

DIRECTOR CRAWFORD: Whereas, you know, that the company they have maybe a lower costs but then that's where we make it up is in an increase.

GOVERNOR: Okay, well there's some things that we try that certainly we're all in favoring of things like privatizing but I look at privatizing worker's compensation I say that it was lending itself to the very fact that we can do better than that. We have done better but if you have 5 or 7 years now experience in the women's prison case, it wasn't working as smoothly and anywhere nearer as well as this one over here so there are some areas that you maybe try and it's a pilot program you get into it, it may not be the thing to do and the right thing to do is to pull back and protect yourself but because if something happens there because of somebody else's inability to hire the right kinds of people, train them or if the turnover is just way too high and we just sit there and watch it, we're going to have some responsibility that can add up to lots of money. We're responsible and when I look at some of those internal audit areas that concerns me with what's happening in one place. You need parody. If you don't have parody and see it's difficult to get there with male and female but by the same token we know the health issues here have to have more attention. I support this 100 percent. We know if somebody in there at 10 or 12 dollars an hour that things are trained to handle inmates. It's a very difficult situation to be in.

DIRECTOR CRAWFORD: Well in Las Vegas you know being in an urban area it's a very heavy market with the other public safety jails, I mean you know we have difficulties in retaining so there would not have been, I felt that with the vendors we would have been set up for failure and we didn't go through that again.

GOVERNOR: Okay, any further questions Item II?

DEAN HELLER: I think that answers all the questions.

GOVERNOR: Okay we'll stand for a motion.

DEAN HELLER: I think we've had enough examples of poorly run prisons in the last couple of months; we don't want a better example of that. Having said all that I thank you for being here and explaining some of the questions that I had. I will approve agenda Item II on Prison Board.

GOVERNOR: Okay and I'll second. Any further discussion? All in favor say Aye.

DEAN HELLER: Aye.

GOVERNOR: Aye, so approved. Okay thank you very much, we will now go to public comment. Hearing none we'll go to Board. Hearing none, we stand adjourned.

APPROVED THIS DAY _____ MONTH OF _____ 2005

GOVERNOR KENNY C. GUINN

ATTORNEY GENERAL BRIAN SANDOVAL

SECRETARY OF STATE DEAN HELLER

Recorded and transcribed by
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