In anticipation of questions from the BOP regarding proposed budget reductions, I am providing the following information:

1. The effects of budget cuts to date: To date we have made or are proposing the following reductions.

1 Excess SCAAP Grant Revenue	1,596,637	Per discussion with LCB and EBO
2 Close SSCC effective 7/1/08	1,259,482	Mothball status; W/P C12886
3 Closure of Disruptive Group LCC	798,053	Approved IFC 6/26/08; W/P C40011
4 26 Frozen Positions ESP	825,901	Approved IFC 6/26/08; W/P C40099
5 2 Frozen Positions Director's Office	128,264	B/A and Purchasing Tech and adjusted for vacancy savings
6 Delay Phase V HDSP	3,111,726	Adjusted to maintain payment of assessments; W/P C12932
7 Change Shifts to Eliminate Swing Shift Diff		Not approved by Prison Board
8 Delay Womens 200 beds to 5/09 and not staff 100 beds	912,109	Reduced by $10,240 for assessments and $87,482 for utility and increased for uniforms $10,347
9 Delay ISCC Phase I and Phase II staffing	213,025	Phase I to 4/10 and Phase II to 8/10 (E691 B/A 3725)
10 8 Frozen Positions NSP	590,908	Added due to non approval of shift diff by Prison Board; close unit 5
11 SNCC Payment of Assessments	-47,755	Allow payment of actual DoIT Assessments and to pay incumbent in PCN 250
	9,398,350	

The impact of these reductions have been the layoffs of three RN's (all of whom I believe have found other positions). We have accomplished this with no further layoffs and no early releases. AB510 has contributed to our ability to do this and we are anticipating a further reduction of approximately 1000 inmates by the end of this calendar year based on parole board and JFA and Associates projections. This reduction, to offset any projected growth, will be essential to delay phase V at HDSP. I would also point out that these reductions give us a $101,600 reserve as the reductions are this amount above the 3.3% requested to date. The closure of Unit 8 at NSP which allowed us to freeze 8 Correctional Officer positions was accomplished through existing vacancies and transfer of inmates (including the dog program) to other areas of the facility or other facilities. Even without the reduction in population, we should be able to accomplish the above should the population only remain flat and not reduce.

2. The possible impact of an additional 14.4% reduction: The impact of these cuts are less clear but will probably include the following:

FY 10 FY 11

a. the closure of NSP	19,008,052	19,240,373
b. revenue from SNCC lease	4,599,000*	4,599,000*
c. close NSP medical	1,079,810	1,078,984
d. close a camp (site to be determined)	1,600,000	1,600,000
e. close a camp (site to be determined)	1,300,000	1,400,000
f. eliminate shift differential for swing	750,000	750,000
g. close a camp (site to be determined)		1,600,000**
f. close a camp (site to be determined)		1,700,000**

* This revenue is based on approximate $20 per day per bed net income. We feel this is a conservative but safe number as we have been given estimates between $15 and $35 per day.

** An alternative to the camp closures in FY 11 would be the closure of another major institution. We do not feel that the population will allow this as minimum inmates can be placed in a medium beds but the opposite is not true. We are also not comfortable that the net savings to the state would be what is estimated due to the potential increased costs for fire suppression and the loss of revenue for the Division of Forestry.

We anticipate, based on current population projections, that these closures can be made without significant early release of inmates, and hopefully without any early releases. The final impact of AB 510 will be a significant determinant of this. However, these closures will result in staff layoffs of potentially 170 - 230 employees.

A. How has Nevada kept up with the increasing population from 1996 - 2007? This has been accomplished primarily through construction as described below.

B. Were new prisons constructed during that period. Yes - see openings and closures below

C. Were existing prisons expanded during that period? Yes - see openings and closures below

D. Where and to what capacity?

Opened:

1997/98? -	WSCC	320 beds (expansion)
1998	LCC Phase II	615 beds (new construction, delayed opening)
2000	HDSP Phase I	1200 beds (new construction)
2001	HDSP Phase II	1200 beds (new construction)
2006	SNCC reopened	600 beds
2005	Casa Grande	400 beds (new construction)
phased in	Pioche Camp	150 beds (expansion)
phased in	Stewart Camp	210 beds (expansion)
2008	FMWCC	240 beds (expansion)
2008	NNCC	240 beds (expansion)
2008	SDCC	480 beds (expansion)

Closure:

1996	WSCC	70 beds
2001	SNCC	600 beds
2002	SNRC	90 beds
??	NSP Short line	20 beds
??	NSP Federal unit	40 beds
2008	SNCC	600 beds
2008	SSCC	112 beds
2008	NSP Unit 5	52 beds

Proposed/in process

2009	HDSP	1200 beds (expansion)
2009	FMWCC	300 beds (expansion)
2010	Indian Springs Camp	262 beds (expansion)
2011	Prison 8	1500 beds (expansion to include 118 bed Regional Medical Facility)

Additionally during the early 2000's we closed and reopened 300 beds at NSP.

If all current projections are accurate, we will have a period of time where we may be able to lease up to 600 beds at HDSP and 200 beds at FMWCC to generate revenue offsetting camp closures. This will clearly be contingent on population growth. As a point of interest, national data show prison populations grow more significantly during both difficult economic times and at the termination of armed conflicts. Both are potential impacts on our department in the coming biennium. Nevertheless, data from our largest county, Clark, indicate a reduction in all crime except forcible rape during the past year.

It should be evident that all reductions have an effect on the operation of our Department, either long or short term. We have been very fortunate that we have been able to meet reductions up to this point without compromising the safety and security of the public, staff or inmates. It is our intention to continue to manage our department in that fashion. To date we have avoided the elimination of any inmate programs, staff training or reentry programs and we intend to continue to maintain these critical areas as they will be the most difficult to resume later and are the most essential to successfully meeting our statutory responsibilities.

If you have any questions please let me know.

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