

Governor Brian Sandoval  
*Chairman*

James R. Wells, CPA  
*Clerk of the Board*



Attorney General Adam Paul Laxalt  
*Member*

Secretary of State Barbara K. Cegavske  
*Member*

## STATE OF NEVADA BOARD OF EXAMINERS

209 E. Musser Street, Room 200 / Carson City, NV 89701-4298  
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<http://budget.nv.gov/Meetings>

### MEETING MINUTES

**Date and Time:** January 9, 2018, 10:00 AM

**Location:** Old Assembly Chambers of the Capitol Building  
101 N. Carson Street  
Carson City, Nevada 89701

**Video Conference Location:** Grant Sawyer Building  
555 E. Washington Avenue, Ste. 5100  
Las Vegas, Nevada 89101

### MEMBERS PRESENT:

Governor Brian Sandoval – Present in Las Vegas  
Attorney General Adam Paul Laxalt  
James Wells, Clerk

### OTHERS PRESENT:

Dennis Gallagher, Chief Deputy Attorney, Attorney General's Office  
John Terry, Assistant Director Engineering, Department of Transportation  
Jim Wright, Director, Department of Public Safety  
Steve Canavero, Superintendent, Department of Education  
Brett Barley, Deputy Superintendent, Department of Education  
Marta Jensen, Administrator, Division of Healthcare, Financing and Policy  
Debra Sisco, Administrative Services Officer, Division of Healthcare, Financing and Policy

## 1. Call to Order / Roll Call

**Governor:** Good morning everyone, I will call the Board of Examiners Meeting to order. I want to first thank Buildings and Grounds for all their hard work in getting our sound system back up. Mr. Attorney General, can you hear us loud and clear in Carson City?

**Attorney General:** Loud and clear Governor.

**Governor:** All right, thank you. For the record, the Secretary of State will not be participating in this meeting but is excused.

## 2. Public Comment ( No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item)

**Governor:** We will move to agenda item number 2, Public Comment. Is there any member of the public here in Las Vegas that would like to provide public comment to the Board? I hear and see none. Is there anyone present in Carson City that would like to provide public comment to the Board?

**Clerk:** There is none, Governor.

**Governor:** All right, thank you Mr. Wells.

## 3. Approval of the December 12, 2017 and December 18, 2017 Minutes (For possible action)

**Governor:** We will move to agenda item number 3, Approval of the December 12, 2017 and December 18, 2017 meeting minutes. Mr. Attorney General, have you an opportunity to review the minutes and do you have any changes?

**Attorney General:** I have reviewed the minutes and have no changes. I move to approve.

**Governor:** The Attorney General has moved to approve the December 12, 2017 meeting minutes, as well as the December 18, 2017 meeting minutes. I second the motion. That motion passes 2-0.

**4. Request to Purchase State Vehicles** (For possible action)

Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the state without prior written consent of the State Board of Examiners.

<b>AGENCY NAME</b>	<b># OF VEHICLES</b>	<b>NOT TO EXCEED:</b>
Department of Administration – Fleet Services Division	1	\$30,035
Department of Agriculture – Plant Industry	1	\$26,879
Department of Agriculture – Plant Industry	1	\$27,842
<b>Total</b>	3	\$84,756

**Governor:** We will move to agenda item number 4, Request to Purchase State Vehicles. Good morning Mr. Wells, please proceed.

**Clerk:** Good morning Governor, there are three requests for vehicles in agenda item number 4 this morning.

The first request is from the Department of Administration, Fleet Services Division, to purchase a new monthly rental vehicle for the Parole and Probation which was totaled in an accident. This vehicle will be purchased using insurance proceeds and agency reserves and is subject to approval of a work program at the February Interim Finance Committee (IFC) meeting.

The second and third requests are from the Department of Agriculture to add one vehicle for the Mormon Cricket Program and to replace one vehicle for the Environmental Protection Agency Pesticide Enforcement program that has met the age and/or mileage requirements in State Administrative Manual. These vehicles were included in the Agency’s Legislatively approved budget as replacement vehicles; however, the Department has requested to retain the vehicle for the Mormon Cricket Program to keep up with increased inspections and survey activities.

There are Representatives from the Departments available to answer any questions the Board may have.

**Governor:** Thank you Mr. Wells. I have no questions. Mr. Attorney General?

**Attorney General:** I have no questions, I move to approve.

**Governor:** The Attorney General has moved to approve the Request to Purchase State Vehicles, as presented in agenda item number 4. I second the motion. All in favor say aye. That motion passes 2-0.

## **5. Request to Pay a Cash Settlement** (For possible action)

Pursuant to Article 5, Section 21 of the Nevada Constitution, the State Board of Examiners may approve, settle or deny any claim or action against the State, any of its agencies or any of its present or former officers, employees, immune contractors or State Legislators.

### **Department of Transportation (NDOT) – Administration - \$65,000**

The Department requests settlement approval in the total amount of \$815,000 to fully resolve an eminent domain action to acquire 1.11 acres of land owned by I-15 and Cactus Avenue, LLC, for an interchange along I-15 at Cactus Avenue in Las Vegas. The roadway improvement is complete, and NDOT previously deposited \$750,000 with the Court. NDOT now requests an additional \$65,000 to resolve the action.

**Governor:** We will move on to agenda item number 5, Request to Pay a Cash Settlement, Mr. Wells.

**Clerk:** Thank you Governor. Item 5 is a Request for Approval of a Cash Settlement from the Department of Transportation relating to the Interstate 15 and Cactus Avenue interchange project in Las Vegas. This request in the amount of \$65,000 will fully resolve an eminent domain action to acquire approximately 1.11 acres of real property. With this additional \$65,000, the total settlement would be \$815,000.

There are Representatives from the Department of Transportation available to answer any questions.

**Governor:** Mr. Gallagher, did you wish to make a presentation?

**Dennis Gallagher:** Very briefly, Governor and Mr. Attorney General. With me is John Terry, the Assistant Director of NDOT and its Chief Engineer. In Las Vegas, Senior Deputy Attorney General Janet Merrill is present. She was the principle Deputy assigned to this particular case.

NDOT is requesting your permission to expend an additional \$65,000 to settle this case. The case itself is somewhat complex in that the property owner filed for bankruptcy which stayed the condemnation proceedings. \$50,000 of the requested \$65,000 would be payable to the lenders that have started to foreclose on the property, pre-bankruptcy. The remaining \$15,000 would go to the property owners and in exchange for that, the property owners will give up any reversionary rights that they have pursuant to Chapter 37 or the Pistol Amendment to the Constitution. Likewise, the lenders will forego all of their interest in the property and the property would be conveyed to the State of Nevada, free and clear of all encumbrances and fees simple.

This property was acquired back in 2014 when the eminent domain action commenced. It was necessary for the Cactus Interchange. The construction there has been completed.

This will close the matter completely. There was a wide discrepancy between the various appraisals. NDOT's initial appraisal came in just under \$200,000 for the property. The property owners estimated that it was over \$6 million. In the sense of that range and the potential for a jury verdict, finding somewhere in between there, NDOT believes this settlement is a good settlement.

In addition to acquiring the property, fee simple and extinguishing any possible claims, NDOT will avoid the risk of trial plus an estimated \$75,000 to \$100,000 in taking the matter to trial.

The Department believes that this settlement is fair, just and equitable to all the parties involved and recommends to the Board of Examiners' to approve this settlement.

**Governor:** Thank you Mr. Gallagher. You were very comprehensive. I think this is a very, very good result for the State. Ms. Merrill, congratulations and good work. Mr. Gallagher, good work to you as well. Mr. Attorney General, do you have any questions?

**Attorney General:** No, Governor. I move to approve agenda item number 5.

**Governor:** Attorney General has moved to approve the request by the Nevada Department of Transportation to pay a cash settlement in the sum of \$65,000 as presented in agenda item number 5. I second the motion. That motion passes 2-0.

## **6. Request to Designate Positions in State Government as Critical Labor Shortages** (For possible action)

### **Department of Public Safety – Director's Office**

Pursuant NRS 286.523, the Director of the Department of Public Safety (DPS) requests that the Board of Examiners designate DPS Officer I and DPS Officer II position classifications as "critical labor shortages" and grant a Public Employees Retirement System exception. This will allow for the reemployment of qualifying retired employees to fill the DPS Officer I and DPS Officer II positions for which a critical labor shortage has been appropriately identified.

**Governor:** We will move to agenda item number 6, Request to Designate Positions in State Government as Critical Labor Shortages. Mr. Wells.

**Clerk:** Thank you Governor. Pursuant to NRS 286.523, it is the policy of the State to ensure that the reemployment of retired employees is limited to positions of extreme need. An employer who desires to employ retired public employees to fill positions for which there is a critical labor shortage must make the determination of reemployment based upon the appropriate and necessary delivery of services to the public in an open meeting. The Board of Examiners' has the authority to designate positions in state government for which there are critical labor shortages.

In determining whether to designate a position as a critical labor shortage, the Board is to consider and make findings on the efforts made to fill the positions through other means, the turnover rate for the position, the number of openings and number of qualified candidates, the length of time the positions have been vacant, any special circumstances, education or experience requirements for the positions and the history and success of recruitment efforts.

There has been a copy of the written findings that have been provided to the Board Members this morning that were compiled by the Department of Public Safety. There is a slight change in the process since we did this two years ago. The Public Employees' Retirement System has created a form that must be approved by this body and submitted. So, the Board Members were provided with copies of that form this morning.

The Department of Public Safety has requested and the Board approved the designation of these, DPS Officer I and II classifications in January of 2016. The statute provides that the designations are only good for two years and if they wish to continue them, they must come back and request them to be recertified as critical labor shortage. That's what this item does.

Should the Board approve the designation of the critical labor shortage, there should be two motions. One is the actual designation of the critical labor shortage positions. The second would be to use the written findings and submit them to the Retirement System.

Director Wright and his staff are here to present a detailed overview of this item for the Board Members.

**Governor:** Thank you Mr. Wells. Director Wright, please proceed.

**Director Wright:** Good morning, Governor, Attorney General. For the record, Jim Wright, Director of the Department of Public Safety.

It was two years ago almost to the day that we were before you when we asked for you to consider and approve a critical labor designation for DPS Officers I and II's within the Department of Public Safety due to the vacancies, hiring and retention difficulties we were experiencing at that time. You granted this designation for a two-year period, which we have been very appreciative of and the process has been very, very beneficial to us.

We are here today to request a continuance of this designation so we can continue utilizing our critical fill positions to help us operationally in some of our vacancies until they are filled.

I also want to remind you, there are two ways we can use retired individuals. First is as a temporary hire, which these individuals are limited to 1,039 hours or \$24,751, whichever comes first. Critical fill allows us to use a retired individual basically on a full time basis. These are the positions that we are seeking this critical designation for.

As Director Wells had mentioned, NRS 286.523 spells out that the entity has to make record in an open meeting. I would ask Director Wells that if our form has been submitted, do I need to verbally put it on record. And, Governor, if you would allow me to make that record in this open meeting, I would appreciate it at this point.

**Governor:** Yes, please proceed. I have a document in front of me that is titled, Critical Need Position Designation Form.

**Director Wright:** Yes, and you can follow along with me on that. The NRS spells out specific items that we must make record in an open meeting on. One of the items is the history of the rate of turnover for the positions. We provided some history from 2012 to 2017. I will focus on the 2016 – 2017 where our turnover rates in 2016 were 31.78% and in 2017, 29.84%. We started to have a drop in that turnover rate.

If you remember from our discussions two years ago, we had some talk about these numbers. Turnover rate versus vacancy rate versus actual seats vacant. The other number that is important to me that I focus on is just how many seats are vacant that we are dealing with.

That comes up in the next item which is the number of positions and number of qualified candidates on that. Overall, today, as of an hour ago, we have 83 officer positions. That was a reduction because as of last night we had 113, we had an additional hire for our academy which starts next month, which brought that down to should be 82 positions. We were crunching numbers all day yesterday and these things change by the hour it appears.

With that, that is our number based on 31 of them being hired into the academy next month. That is not to say that we cannot get additional hires between now and next month into that academy for that number to continue to drop.

Next, the length of time the positions have been vacant. We have found that these positions that have been vacant vary anywhere from ten days to one year.

Next was the difficulty in filling the position due to special circumstances and experiences required for the positions. Positions require written and physical fitness exams, extensive background investigations, successful completion of Peace Officer Standards and Training academy and field training. Further, other local and regional law enforcement agencies pay more than the State and we have been subject to losing staff going to other agencies.

Our Capital Police Officers which are the Officer I's covered in this designation earn less income because they are a lesser rank than the others and are not eligible for heart and lung benefits, which makes it more difficult for that class to fill those positions.

Next is history and success of the efforts to recruit the positions. We have in the last two years put a great emphasis on this to where we have gone through and done online recruitment system through the State. In years 2016 and 2017, we attended a total of 51 career fairs. 23 were out of state and 28 were in state. We have posted on any job

posting availability we have and we are really putting a strong emphasis on our website and social media options that we have capabilities of taking advantage of and doing that.

We also, during this time period, did a recruitment video which we had played in theaters and we did not find that that video was giving us numbers that we had hoped for, so we pulled that from theaters and we have that on our website and are looking to enhance more clips that we can put out in social media because we feel that is the avenue and the forum that we can get wider distribution on.

Just yesterday we had officers do a news segment on our vacancies and the positions and career opportunities with the Department. We have partnered with our National Guard for Work for Warriors to recruit transitioning active duty military and veterans interested in law enforcement careers. We hold special training or testing opportunities for folks on weekends. We reach out as best as we can and all avenues we can. We hit colleges and military bases. We go into the criminal justice programs in colleges and other forums of that nature.

Our theme that we are trying to push here is, New Year, New Career. Come be part of the DPS Total Force.

Those items are the specific, for making record, according to the NRS. I also have some additional information for you, sir, I know you may have some questions on other items regarding this, but we have done a heck of a job trying to address this and you know, facing the fact that we have lost people. Just quick numbers that I looked at before coming over: Last, 2017, we lost 107 sworn officers. That could be all ranks of officers that left. We track that for POST certificate purposes. It appears that about 36% of those that left, left for other agencies with more pay and benefits. We had about 25 retirees. The rest of that were either folks that got in, found out this was not the career they were looking for or it could have been rejection on probation from training aspects and a whole host of other personal reasons. Also, people moving out of state and then there was obviously several that were basically organizational beneficial attrition that created that 107 vacancies, or 107 that left.

With that, sir, we can pause now and if you or the Attorney General have any questions, we have some more information to share with you and may come up in your questions.

**Governor:** Thank you Director Wright. Actually, I am a little surprised that only a third of the officers that you have lost have gone to other agencies. That actually is a good sign, I would imagine.

**Director Wright:** It is. There have been some leave and I will share with you that I did see some employees go to the school district in Clark County and here in Carson City. Of the few that left, about half of them have returned to us. It is good to see that sometimes the grass is not always greener on the other side and we are just pleased that they came back.



I would like to also mention that 30 of those positions were brand new positions authorized to Parole and Probation (P&P) effective January 1<sup>st</sup> in the budget, for the new P&P initiatives that were granted during the Session.

All in all, with the people leaving and coming back, I think that shows we have been working hard on this. This critical fill has been a benefit for us and definitely helped. I will assure you that it has never been abused. We have looked, I think as we total these up, and probably no more than 30 retirees have been used during this two-year period. Again, it is been a blend of both those temporary hires and the critical fill, the ones that we've used full time.

I will also report to you that it is transitioning the way I had projected. The Highway Patrol had half a dozen positions utilized by them to help in their operations. They're phasing those out at the end of this week. We are able to shift a couple of those over to P&P to help them with their operational needs as well.

As I said, two years ago, I did not see this being the permanent fix. It is a temporary fix. We will continue to do that. With your approval of a continuance of this, which we hope that we can gain today, it will just help us and the plan is, as we continue on, as we fill these positions, that we've had a critical fill or a temporary in, we can start reducing that force as we move forward.

**Governor:** Thank you Director Wright. I am looking at the document now. I am a little curious, I think one element that perhaps is missing that maybe we should consider including in the future, you have talked about the number of openings; length of time the position has been vacant, difficulty in filling and the history of success of your recruitment efforts. There is no discussion in here about what the consequences would be if we were not to approve this. If you would make a record as to what the consequences to public safety would be.

**Director Wright:** The consequences could be that we would have probably 21 individuals terminated at the end of this week and we would hope that we had not jeopardized their retirement status during that period, which I do not believe we would have. It would mean immediate removal of 21 individuals at the end of this week, which have been helping us with operational capabilities for the Department of Public Safety.

**Governor:** My final question, Director Wright, is what is your response to, instead of two years, approving this for one year?

**Director Wright:** You know, Governor, I would appreciate anything because it has been beneficial. I have been thinking about it and I will throw this out here for consideration - I was prepared to come today and ask for 17 months. No longer than 17 months. 17 months is an odd number, but calculating that out, that would take us to the end of our 2019 budget period. The caveat would be, as we fill positions and can attrition these critical fills out, we would do so.

**Governor:** Just looking at your trajectory, things are getting better, so that may be a better timeline for you. All right, I have no further questions. Mr. Attorney General, do you have any questions?

**Attorney General:** No Governor, thank you.

**Governor:** Just to make sure I have this right, what you are seeking, Director Wright, is first a designation of a critical labor shortage, within the Department of Public Safety and then secondly, approval of this Critical Need Position Designation Form that is to be presented to PERS with one edit which is to change the 83 to 82 on Page 2.

**Director Wright:** That is correct, sir.

**Governor:** All right. Mr. Attorney General, do you have a motion?

**Attorney General:** I move to approve that.

**Governor:** The Attorney General has moved to approve a designation for the Department of Public Safety of a Critical Labor Shortage, as well as the Critical Need Position Designation Form, amended to represent 82 officer vacancies. I will second the motion. That motion passes 2-0, thank you Director Wright and best of luck.

**Director Wright:** Thank you Governor and thank you Attorney General, I will do my best.

**Governor:** Wait; let me take another motion to clarify for 17 months. Mr. Attorney General, if you would make one more motion to make this applicable for 17 months.

**Attorney General:** I move to make this Critical Labor Shortage for 17 months.

**Governor:** All right, thank you. I will second the motion. That motion passes 2-0.

**Director Wright:** One last comment. We will try our hardest to get those taken care of, hopefully before that 17-month period. Like I said, that just coincided with that fiscal year, bringing a closure to end of that fiscal year.

**Governor:** Director Wright, I wanted to compliment the men and women of the Department of Public Safety. I had an opportunity to participate in the New Year's Eve security efforts here in Las Vegas. They truly made us all proud. They did an incredible job. It was a great moment for everybody to protect the public on what was a massive event.

**Director Wright:** Thank you sir. We were deployed here in Northern Nevada as well, with our State Emergency Operations Center. I was out there that night with our Fusion Center. We had operations supporting Reno as well as South Lake Tahoe, as the folks were celebrating the New Year.

**Governor:** Thank you again and please pass that on to the troops. I really appreciate it.

**Director Wright:** I will sir.

**Attachment A** – Updated document from the Department of Public Safety  
– Director’s Office.

**7. Authorization to Contract with a Current and/or Former State Employee** (For possible action)

**Department of Public Safety – Office of Traffic Safety**

Pursuant to NRS 333.705, subsection 1, the Office of Traffic Safety requests authority to contract with Peter Mulvihill to assist the agency in drafting/updating agency regulations as required by statute. This will be a part-time contracted position working five to ten hours per week for a six month period.

**Governor:** We will move to agenda item number 7, Authorization to Contract with a Current and/or Former State Employee, Mr. Wells.

**Clerk:** Thank you Governor. Item 7 is a request to contract with current and/or former employee pursuant to NRS 333.705 Subsection 1.

This request is from the Department of Public Safety, Office of Traffic Safety to contract with a former State Fire Marshal to assist with drafting and adopting regulations for the DUI/Ignition Interlock Program which was approved in Senate Bill 259 from the 2017 Legislative Session and for the Program for the Education of Motorcycle Riders that is outlined in NRS 486.372 which have not previously been drafted and approved. The former employee who retired in September 2016 would work through a temporary staffing agency between 5 and 10 hours per week for approximately six months at a rate of \$35 per hour.

There are Representatives from the Department of Public Safety to answer any questions that the Board Members may have.

**Governor:** Thank you Mr. Wells. I have no questions. Mr. Attorney General?

**Attorney General:** I have no questions and move to approve.

**Governor:** The Attorney General has moved to approve or authorize to contract with a current and/or former state employee as presented in agenda item number 7. I second the motion. That motion passes 2-0.

## **8. Request for an Allocation from the Interim Finance Committee Contingency Account (For possible action)**

### **Department of Corrections – Correctional Programs**

Pursuant to NRS 353.268, the Department requests an allocation of \$130,305 in Fiscal Year 2018 from the Interim Finance Committee Contingency account to fund the addition of one Program Officer 2 position, four Program Officer 1 positions and other associated costs. The requested positions are needed to ensure compliance with Senate Bill 268 which was enacted during the 2017 Legislative Session to verify an offender's full legal name and date of birth before issuing a photo identification card. This action would result in an increase of the agencies authorized positions from 99 full time equivalents to 104 full time equivalents.

**Governor:** We will move on to agenda item number 8, Request for an Allocation from the IFC Contingency Account. Mr. Wells.

**Clerk:** Thank you Governor. Item 8 is a request for a positive recommendation to the Interim Finance Committee pursuant to NRS 353.268 for an allocation from the General Fund Contingency Account. The Contingency Account has a current approximate balance of \$15.5 million to cover the unanticipated costs for the balance of the 2017 – 2019 biennium.

This request in the amount of \$130,268 for Fiscal Year 2018 is from the Department of Corrections to add staff needed to insure compliance with provisions of Senate Bill 268 which was enacted from the 2017 Legislature relating to verification of inmate identity and date of birth prior to issuance of a photo identification card. The Board approved a request in November for five permanent and two temporary staff for this purpose for both years of the biennium. However, the Interim Finance Committee only approved the two temporary staff at their December meeting and that was to address the verification for inmates being released eminently. The Committee directed the Agency to address certain interpretations of the bill's language and return to IFC with an additional request, if needed, for the remaining positions. This item represents that request.

There are Representatives available from the Department of Corrections to present this item and answer any questions the Board Members may have.

**Governor:** Thank you Mr. Wells. I do not have any questions. I thought this was a good bill, I signed it. I think it is important and we need to get the people behind this to get it going. I do not have any questions. Mr. Attorney General?

**Attorney General:** I have no questions, move to approve.

**Governor:** The Attorney General has moved to approve the request for an allocation from the IFC Committee Contingency Account by the Department of Corrections in the sum of \$130,305 for the purposes presented in agenda item number 8. I second the motion. That motion passes 2-0. Thank you.

**9. Approval of Proposed State Administrative Manual Changes**  
(For possible action)

Additions, revision and deletions to the following chapters of the State Administrative Manual (SAM) are hereby submitted to the Board of Examiners for approval, pursuant to NRS 353.040:

- 2600 – Claims
- 2700 – State Accounting System
- 2800 – Chart of Accounts

**Governor:** We will move to agenda item number 9, Approval of Proposed State Administrative Manual Changes (SAM). Director Wells.

**Clerk:** Thank you Governor. Item 9 seeks approval to revise three chapters of the State Administrative Manual. Chapter 2600 – Claims, Chapter 2700 – State Accounting System, Chapter 2800 – Chart of Accounts.

Chapter 2600 has been revised to clean up and clarify certain language to remove duplicative language already included in statute, regulation or other source documents; to remove language which is no longer applicable; and to consolidate certain sections. Chapters 2700 and 2800 were consolidated into the appropriate sections in Chapter 2600 and are no longer necessary.

There are three new sections in Chapter 2600. The first clarifies when the payment of professional licensure or continuing education costs is allowable and that is Section 2629; the second is a break out of the sponsorship of conferences where the state agencies is the host and to break that out from refreshments and host fund restrictions. That's a new Section 2638; and then the third clarifies medical malpractice insurance coverage requirements for state employees, that is 2656.

We did receive one comment and that comment was incorporated into the final documents that have been provided in the packet today. The change related to Section 2616, the original revision discussed supporting documentation requirements for expenditure transactions only. The revised language identifies the requirements for documentation of all types of transactions.

If there are additional questions, I have a staff member who will walk you through and answer any additional questions.

**Governor:** Thank you Director Wells. You are very thorough. It seems essentially routine, is that a fair characterization?

**Clerk:** Yes Governor. What we found is that the State Administrative Manual in many cases had not been updated in a long time and basically, this is to kind of eliminate duplicative language that is already in statute. That means, if statute changes in the future, we do not have to change SAM again. Then, a lot of it is to kind of identify the existing practices and make sure they are spelled out for our State Agencies to follow.

**Governor:** Thank you. I have no further questions or comments. Mr. Attorney General?

**Attorney General:** I have no questions. I move to approve agenda item number 9.

**Governor:** The Attorney General has moved to approve the proposed SAM changes as presented in agenda item number 9. I second the motion. That motion passes 2-0.

**10. [Approval of Proposed Leases](#)** (For possible action)

**Governor:** We will move to agenda item 10, Approval of Proposed Leases, Mr. Wells.

**Clerk:** Thank you Governor. There are three leases in agenda item 10 for approval by the Board this morning and no additional information has been requested by any of the Members.

**Governor:** Thank you. I have no questions. Mr. Attorney General?

**Attorney General:** I have no questions, I move to approve agenda item number 10.

**Governor:** The Attorney General has moved to approve the leases presented in agenda item number 10. I second the motion. That motion passes 2-0.

**11. [Approval of Proposed Contracts](#)** (For possible action)

**Governor:** Agenda item number 11, Proposed Contracts. Director Wells.

**Clerk:** Thank you Governor. There are 41 contracts in agenda item 11 for approval by the Board this morning.

Contract number 37 is contingent upon the approval of a work program at the February IFC meeting. Contracts 2, 3 and 4 have been withdrawn by the agency and will be brought back to the Board at a later date.

Members have requested additional information on the following: Contract number 17 between the Department of Education and ACS Ventures, LLC, contract number 18 between the Department of Education and Augenblick, Palaich and Associates, contract number 21 between the Department of Health & Human Services, Division of Health Care Financing and Policy and the University of Nevada, Reno School of Medicine and contracts number 23-25 which are also for the Division of Health Care Financing and

Policy and they relate to the Medicaid Management Information Systems Modernization Project.

**Governor:** Dr. Canavero, if you would please come forward. I had asked for these two items to be heard. This is obviously a big priority for me, with regard to K-12 education. With that, funding is the accountability. That is what this contract is all about. If you could take us through what this contract will do, how things are going and how we are performing. I would appreciate it.

**Steve Canavero:** Certainly. Steve Canavero, State Superintendent, Public Instruction. General Laxalt and Governor, Contract 17 is with ACS Ventures and as you had eluded to, part of the reform package in 2015 was not necessarily just diversifying revenue sources and then adding additional revenue to support students with disabilities, students who are English language learners (ELL) and students in poverty. Also, we would commit to holding ourselves accountable. That included both the Department ensuring that we monitor these programs, but an additional step was taken out of 2015, which was to hire a third-party consultant to evaluate the programming for seven programs. They are listed here and they range from the Zoom Program, Victory Program, the Read By Grade 3, the Underperforming Schools Turnaround, the Social Worker Grants in schools and the Nevada Ready 21 and the Great Teaching and Leading Fund.

We have received, heading into the 2017 Legislative Session, this report that was seminal in our ability to advocate continuing to stay the course. The ACS Venture Group produced the report, we brought it to the Legislature and said that there are signs for ways that we can improve the implementation but there are leading indicators that these programs would be successful. The one that they said needed some additional work was the Under Performing Schools Turnaround, which we were responsive to in changing considerably how we administer those funds.

Contract 17 just extends that work, heading into the next biennium and will result in December with another final report. Frankly, what I find exciting here is that I am hoping that they will confirm what we found inside, using our own analysis of the programs. They will have a broader data set that they did not have initially, given that they obviously as you know sir, when you institute a new program, in the Legislative Session, it is halfway through the school year before it really kicks off and then you really have one full year to look at before the Legislative Session kicks in. We will really have two and a half years of data now to review for the ACS Ventures to review.

We know internally and what we have presented to the State Board and we have evaluated Zoom, Victory, Read By 3 and anecdotally some data around social workers in schools. Let me just kind of move through those. When we looked at Zoom in comparison to schools that are not receiving the Zoom Funding, first and foremost sir, it is hard to actually find comparison schools given \$100 million in service over the biennium to students who are English language learners covers a lot of students.

What we have found, given the best sampling that we could do is that Zoom schools were modestly performing higher than the non-Zoom funded schools. Again, it is difficult and it

will probably be a challenge for ACS Ventures as well to find a control, if you will, to compare against.

For Victory, it was not so difficult. With the Victory schools, we were able to identify other schools that have high concentrations of poverty but just not the threshold of poverty that triggered the Victory funding, serving schools in our most impoverished zip codes in the State. We found clear performance gaps, meaning the Victory schools out performed those schools that were not Victory schools but were serving similarly situated kids. Students of like.

The Read By 3, as we continue to work, the reports from the field and before the State Board were positive leading indicators and focusing more instructional practice with the learning coaches, the reading coaches in the early elementary. We will not really know a lot about Read By 3 until we are able to pull in the Measure of Academic Progress (MAP) data and the interim assessments that the Districts are using, as well as our State assessments. We think that is an area that ACS Ventures will get beyond our anecdotal and what we've sensed to be true in the field and what we see in the data.

Finally, Social Workers in our schools; overwhelmingly, the reports from the field are positive impacts for teachers and students. Where we see, and as you know, often times we will see higher numbers of bullying when we initiated the bullying law, primarily because of the visibility of the bullying law and now folks understand and we can name it so we get a higher instances. The Social Workers in our schools have provided a tremendous support. Over 200 social workers in our schools now, a tremendous support to our teachers, to our school communities.

Nothing but positive information back to the State where we are continuing to address the pipeline of available Social Workers to continue to work in this area. So much so that we have developed a school intervention, a partnership with Clark County School District to serve 30 of their schools. The majority of them highlighted having a Social Worker as being a critical component to success to alleviate some of the out of school pressures and the in-school pressures on school counselors and teachers to provide and connect our students with out of school service.

The Social Workers, we could go on and on there, but what I started with, in terms of the empirical data, it's hard right now to draw a straight line between lower incidents of bullying or suicide in the presence of our Social Workers given the new nature of the work and the new visibility, if you will, of the metrics that we're using.

I hope that gives you a good oversight, but I'm very bullish on the programs and their success. One of the aspects of the ACS Ventures, not just in ensuring our accountability to our tax payers that we're making the necessary changes or the improvements are commensurate with those investments, but also it gives the Department a great third-party to evaluate some of the program administration that we may need to do and changes we may need to make.

Happy to answer any questions, sir.



**Governor:** Thank you Dr. Canavero. Going back to Zoom, essentially what you have said is we have saturated the highest Zoom schools with regard to the ELL students and refresh my memory, are we now looking in order to expand it to reach those ELL students that perhaps are not attending a Zoom school, but may be attending another school?

**Steve Canavero:** Steve Canavero. You are correct. In the bill that you signed, SB 178, it is that middle ground. This kind of moves into Contract 18 but the idea is that, at the end of the day, the investments are made and that we understand what the cost of effective services to English language learners are, out of the Zoom model as a way to inform the State's uniform weight for ELL students.

The 178 funds are in this gap. They are going to underperforming schools to serve ELL students or students in poverty in alignment with those services that we know are effective under the Zoom school program. So, from this, we're learning and now we're putting those into schools without the high concentration of English learners that the Zoom schools would qualify for.

**Governor:** Thank you Dr. Canavero. Then, finally with regard to this, there was a mention here on the Nevada Ready 21. Do you care to provide a little bit of testimony or record with regard to that and the Great Teaching and Leading Fund?

**Steve Canavero:** Steve Canavero. I believe Deputy Superintendent Barley and Rahming are both in the North, so I will ask them to come up and perhaps fill in some of the information on Nevada Ready 21. That was a program that when evaluated by ACS Ventures also was green. They acknowledged, similar to what you acknowledged sir, in this bill that our students in many cases are technology rich at home and technology poor in our classrooms. Predominantly in middle school, those formative middle school years and so the access to the technology and the high-quality instruction and the instruction support for our teachers. We know that our teachers also need support and Nevada Ready 21 provides both, the instrument, the tool, the technology, the infrastructure within the school to access the internet and the material and then also the professional development for our teachers to make instructional shifts that for many of them are not accustomed to if they have been in the classroom for 20 plus years.

They found that the program is being implemented with fidelity and now we are moving up the grade level chain, so we have cohorts of schools in the Nevada 21 Program, the 1:1 Program. And now that they will be entering into eighth grade and I believe in some cases to ninth grade.

The idea behind the Great Teaching and Leading Fund and the Teach Nevada Scholarships are really around pipeline. As we have been in discussions and listening to you and taking your lead around the workforce development, education is one of those priority sectors that we know is a gap.

The Great Teaching and Leading Fund has provided what I would call now, perhaps inappropriately, but I think for illustrative purposes, a marketplace of providers for teachers. The New Teacher Project, the Teach for America in addition to our traditional university

system have responded by opening up and expanding their pipeline to be able to put out more teachers. As you know the problem that we face is a new import state, we cannot produce enough teachers to fill the vacancies. Empirically, we are producing more teachers and we are lowering the number of vacancies across the State. It is still a challenge for us, but it has — from emergency level, come down a little bit.

We do still see, with the State Board and really with your direction, putting these programs together. The example would be Great Teaching and Leading and Teaching Nevada Scholarship to ensure that we not just expand the pipeline but we also diversify our workforce so that our teachers look like the students that they serve. Diversity is an important aspect that we can incentivize in the Teacher Nevada Scholarship, but we wouldn't have a place to move them if we didn't have the Great Teaching and Leading Fund to expand.

We are seeing that and to incentivize the placement of our teachers in our highest vacancy schools. The State Board and the Department have administered this sort of concurrent with one another to ensure that we meet multiple aims to serve students through these two programs. At the end of the day, while we do still see high vacancies in some of our most challenging schools where we need our best teachers, we are seeing generally the number of vacancies go down.

If Deputy Superintendent Barley wishes to add anything more, I will turn it over to him.

**Brett Barley:** Thank you Superintendent Canavero. Good morning Governor and Mr. Attorney General. The only thing I would add about the Nevada Ready 21 Program is that originally, when that bill passed in 2015, there was a single cohort of middle schools that moved through – they are entering their third year now.

In the most recent grant administration, thanks to some legislation that came out of the 2017 session, we have continued to add flexibility for schools that want to apply through that program. The recommendations from the Review Committee that will be going to the Commission on Educational Technology will include bringing in schools outside of the kind of traditional and the original cohort that we saw come out of the 2015 Session, using different types of devices. That was a request and a recommendation that we heard through the legislative process. I believe at least one school will be funded in the Washoe County School District if the recommendations from the Review Panel are accepted by the Educational Commission on Technology to fund a Windows based program in the Washoe County School District. That would be a departure from previous practice.

**Governor:** Thank you. Just kind of an open-ended question Dr. Canavero, there has been a massive investment in it as producing results. What is your opinion, if this funding were to go away or be deluded in any way?

**Steve Canavero:** Steve Canavero for the record. My opinion, it would be detrimental to the number of students we can serve. It is a math problem. When we know it is \$1,200 per pupil for the Zoom Program or for SB178 and Victory, they all sort of aggregate around the \$1,000 mark. I think it would impair our ability to effectively serve, at scale, the

students. I think looking at the long-view, this is a stone in a path towards modernizing the Nevada Plan. I think we would either delay the horizon of how much time it would take to do that and modernize our plan, or it would fundamentally erode the ability to even come up with a time horizon.

The Zoom in particular, if we look at that, which has been in place since 2013, and then doubled in 2015, it has fundamentally changed the culture of instruction and meeting the needs of ELL's. I mean, we are a minority-majority school district here in Clark County. What we are getting from the data, and I just talked about empirical achievement data. I did not even really get into their ability to acquire the English language sufficient to engage in learning. That alone we see positive returns on.

I think there would be a detrimental impact. Not just on a particular school/student/community level but also I on State policy.

**Governor:** Thank you. Before we go into Contract 18, Mr. Attorney General, do you have any questions with regard to Contract 17?

**Attorney General:** No Governor, thanks.

**Governor:** Any further testimony on Contract 18, Dr. Canavero?

**Steve Canavero:** Thank you, Governor Sandoval. This has been a discussion and evolution; it goes well back to 1865. I will not bore you with all of those details. Where this contract sits is, I think at an important intersection for the State. This contract you authorized when you signed SB178, which was a \$72 million out to our schools, \$1,200 per pupil to support the lowest performing schools and specific students, ELL and students in poverty.

The reason why that this is an important study and review is we are really seeking to update all of what we have learned both at the policy level, the funding level and then actionable recommendations from this consultant who has a long history of working in our State, by reviewing work in 2012 and the A.I.R. study on the funding formula for our State, which actually was built off of work in 2006. Then, the interim study which led to the investments in 2015.

The goal of the State to no longer be one of less than a few states who differentiate their funding on the uniform statewide basis for the unique needs of students and in those four categories: gifted and talented, special education, English learners and students at-risk or in poverty.

This is a really important contract for our State. They will engage as soon as we get approval here today. They will review those very important documents that I just referenced and then make recommendations going forward. Really one, to help us appreciate the glide path into the weights, something that I had tried to do shortly after the 2015 Session, heading into 2017. It's very challenging to say the least. The expertise here, I think will get us there to some definitive recommendations.

I think there is also a role there for them to play as we have a broader discussion around funding. Nevada has historically been a State of very few, where we relied heavily upon sales tax to fund education and you know intimately what that does in the ups and downs of the economy. Additionally, the questions that are outstanding related to the ability of Districts to raise local revenue, in addition to the basic support guarantee.

I think there are critical conversations that the State has been having and will continue to have and with this contract, it is specific support for a path forward. They will provide the final report, I believe in October and they have kind of an interim report and then a final report. The final report is submitted to everyone, including you sir and the interim report will be working with the Legislative Committee on Education to ensure that it fits and ducktails with their work plan. I would be happy to answer any questions you might have.

**Governor:** Thank you, excellent presentation. You answered the one question I did have which was that the recommendations be provided prior to the next Session of the Legislature. I think that it is incredibly important to have this information to inform the Legislature and the next Governor. I have nothing further, Mr. Attorney General; do you have any questions with regard to Contract 18?

**Attorney General:** No Governor, thanks.

**Governor:** Thank you, Dr. Canavero.

**Steve Canavero:** Thank you sir.

**Governor:** We will move to Contract 21.

**Marta Jensen:** Good morning, my name is Marta Jensen; I am the Administrator for the Division of Healthcare, Financing and Policy. To my left, I have brought Deb Sisco with me, Chief of our Fiscal Services.

This contract is a revenue interlocal agreement to receive funds in the amount of \$3,548,068 to support and fund the non-federal share of the Supplemental Graduate Medical Education Program, for a non-state/government owned or operated teaching hospital. This contract is with the University of Nevada, Reno, School of Medicine and it is the first contract expanding our Graduate Medical Education (GME) program to allow additional providers into that program which allows the Division to enhance our current GME Supplemental Payment Program.

Previously, we were only allowed to have University Medical Center of Southern Nevada (UMC) as the only public hospital in the State that could participate. We are excited to see that Centers for Medicare & Medicaid Services (CMS) has approved our State Plan Amendment allowing us to include all public hospitals but also to work with the School of Medicine in Reno, which is a benefit. We have worked really hard; our staff has worked really hard with the University to get this rolling and up and going. We really think it is a win-win for the State in the sense that, we are able to better provide and support the provisions of the services in the teaching environment, but we also allow Medicaid

recipients another access point to receive the care that they need. Then of course, we bring additional federal funding into the State.

**Governor:** Thank you. I had asked for this contract to be set aside because of the doctor shortage that we do have in the State and how this will go a long way in hopefully solving that problem. I was just at Renown and saw a lot of white lab coats with University of Nevada emblems on them. I was pleased to see that. I guess I am getting to a question which is this, do you know how many slots this is going to buy us or increase the amount of positions or graduates that we will have?

**Debra Sisco:** For the record Deb Sisco, Governor and Attorney General. This will provide four slots at Humboldt General. It will provide the upcoming slots available at Northeastern but a reminder on our direct GME program is it is not in relation nor is there a limit on the number of interns and residents that can participate in this program.

**Governor:** That is good news. You said, four positions in Winnemucca?

**Debra Sisco:** At Humboldt General, yes.

**Governor:** Yeah, so there is a priority on rural hospitals?

**Debra Sisco:** Correct. In addition, we do have several openings at Renown which this contract directly applies to. Due to the turnover and based upon the year of the student, those numbers vary each year as to the number of interns and residents that we include in these programs but we make them all a full-time equivalent and we try to maximize all the federal dollars.

**Governor:** Do you prioritize certainly specialties for the interns or the residents? Or, is this essentially, everyone we can get we will search them out?

**Debra Sisco:** Deb Sisco for the record, as long as they are an intern and resident with the hospital and partner with the University of Nevada, School of Medicine, all can be included.

**Governor:** All right. I have no further questions. Mr. Attorney General, any questions?

**Attorney General:** No thank you.

**Governor:** All right, thank you very much. We will move to contracts 23-25, Department of Health and Human Services, Healthcare, Financing and Policy.

**Marta Jensen:** Again, Marta Jensen, Administrator for the Division of Healthcare, Financing and Policy. Contract 23 is the first amendment to the original contract which provides ongoing independent verification and validation services for the design, development and implementation phase of our Medicaid Management Information System on the Modernization Project.

This amendment increases the current contract amount by \$3,288,617 and it also extends the termination date from March 31, 2019 to September 19, 2020. The contract amount now will be \$6,282,423.

CMS requires that we have an independent verification and validation for all IT projects that are federally funded. Because of the scope change and the extension of the HP or the DXC contract, we needed to extend this contract even further. We are funded 90/10. So, federal funding is 90%, 10% is for the State. Because of the scope change, some of the scope of work for this vendor we would increase the I.B. and B. team capacity to support increased reviews associated with the, what we call Windows of Work.

We will also increase team capacity to meet the new requirements per the Medicaid Enterprise Certification Tool Kit, which is Version 2.2. It was released July 31, 2017. We needed to add some requirements and so they have to review the requirements and design specification documents. Then they also have to look at the conversion assessment to validate the data conversion results.

**Governor:** I have some of those notes, what I am looking for is, could you translate all that for us and kind of put it in Medicaid for Dummies, you know, for what exactly it is that we are doing here.

**Marta Jensen:** Under Contract 25, we have to extend the contract with HP, also known as DXC, we have to extend that for various reasons, which I will get into when we are on that contract, but we are required through the Feds to have this independent validation done and we have to contract with a vendor. This is the vendor that we chose when the modernization project first started. So, we have to extend their services to meet the new go-live date which is February 4, 2019 to make sure that we maintain that certification and we get a certified system from CMS.

**Governor:** All right, if you want to go ahead and just push through the next two contracts, please do so.

**Marta Jensen:** Okay. Contract 24 is with Public Knowledge. Again, this is a contract with an existing vendor that has assisted us through the modernization project. They provide various services for us. They help us with our standard interfaces and they helped us through the transition. And again, because the HP/DXC contract is due to be extended by seven months, we would need to extend this contract as well. Again, this is 90/10 funding. The contract amount is \$4,637,580. Again, it is just an extension of a vendor that is required for this contract.

**Governor:** Okay and then the final one, which was I think the one I would like a little more detail on. That is a massive amount of money. We are talking about a \$422 million contract and I am just really curious what we are getting for that and why it costs so much.

**Marta Jensen:** This contract is with HP Enterprise, who is now called DXC but they are a fiscal agent that performs all of our services from provider enrollment, prior authorizations,

and claims and payments. They also are handling the Medicaid Management Information System (MMIS) modernization.

Due to some changes that had occurred, whether they were legislatively mandated changes or they were requests in our budget; we extended services for medical nutrition therapy for podiatry. We have also had day-to-day changes. When providers call and they say that they are having a problem with PA's or it could be claims/payment. If it is a small portion, we will try to find a workaround, but in some cases, if it affects the provider base, which is close to 28,000 right now, we have to do a system change. So this is part of that day-to-day operation.

We have two systems. We have the existing MMIS which is a legacy system, everything is hard coded. We have to update that system because that is what we use to do business, as of today, but we also have the modernization system which will go into a code freeze, meaning no changes would be made starting in August and then it would go live in February. We are updating the two systems. When we closed down the existing MMIS, the providers are not losing any functionality when the new system comes on board.

Now, the total contract, the \$423 million that is for all of the service that HP provides to us. It's not just isolated to the MMIS modernization, it's for those fiscal agent services as well. This contract is for an extension of approximately \$26 million, again 90/10 funding is available and this is to handle the MMIS modernization with those additional changes that we had to make since the original implementation of the modernization.

I will say this is Phase 3 of the modernization. Phase 1, we did provider enrollment and we made that online for the providers. It was a—there were no issues, which was actually really good for us. We're up to about 40% of the provider base that uses that. The second phase was doing online prior authorizations. Again, that went into effect, I believe in July of 2017, again no issues.

It is worth it to make sure that we take the time to do it right so we do not have issues with our provider base because we need them to obviously see our recipients, have the services and then we need to pay timely and appropriately.

**Governor:** Thank you, I could not agree more. Is this funding connected to the Affordable Care Act (ACA)?

**Marta Jensen:** That is a good question. Because it is not really of the ACA, but the 90/10 funding is available for any system upgrades. I do not know that I can tie that necessarily to the ACA.

**Governor:** I think I understand your answer. Say that again for me, I just want to make sure I have it.

**Marta Jensen:** I believe there is a separate rule that actually allows us to receive the 90/10 funding. It is not related specifically to the ACA, but it was during that same time period that this rule came out. I just do not know that rule off the top of my head.

**Governor:** Okay, but this is obviously associated with whatever it is, our enrollment is, around 600,000, right now, in terms of managing all those lives?

**Marta Jensen:** Absolutely. We have approximately 650,000 people that are receiving Medicaid benefits at this time. 212,000 of our expanded population.

**Governor:** Thank you. All right, I have no further questions, Mr. Attorney General, any questions with regard to Contracts 23-25?

**Attorney General:** Yes Governor, just two questions. If I understood correctly, there are two systems. The Legacy is the older one and that will be phased out, once the new one goes fully online? Is that correct?

**Marta Jensen:** Yes sir.

**Attorney General:** And that's expected next year?

**Marta Jensen:** February 4, 2019 is the current go-live date for the new system.

**Attorney General:** Okay. And then, for all three of these contracts, the dollar figures that we are looking at, does that represent our 10% or are we paying 10% of these figures?

**Marta Jensen:** We are paying 10% of that figure.

**Attorney General:** Okay, great. No further questions.

**Governor:** All right, I have nothing further. Thank you very much. That is all we have, correct Mr. Wells?

**Clerk:** That is correct, Governor.

**Governor:** All right. If there are no further questions or comments, the Chair will accept a motion to approve Contracts 1, 5-41 in agenda item number 11.

**Attorney General:** Move to approve.

**Governor:** I second the motion. That motion passes 2-0.



**12. Approval of Proposed Master Service Agreements (For possible action)**

**Governor:** We will move on to agenda item number 12, Approval of Proposed Master Service Agreements, Mr. Wells.

**Clerk:** Thank you Governor. There are 17 master service agreements in agenda item 12 for approval by the Board this morning. No additional information was requested by any of the Members.

**Governor:** All right. I have no questions. Mr. Attorney General, any questions on agenda item number 12?

**Attorney General:** Move to approve agenda item number 12.

**Governor:** The Attorney General has moved to approve the proposed Master Service Agreements presented in agenda item number 12. I second the motion. That motion passes 2-0.

**13. Information Item – Clerk of the Board Contracts**

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from November 18, 2017 through December 18, 2017.

**Governor:** We will move on to agenda item number 13, which is an Information Item Clerk of the Board Contracts, Mr. Wells.

**Clerk:** Thank you Governor. There were 38 contracts under the \$50,000 threshold that were approved by the Clerk between November 17, 2017 and December 18, 2017. As you said, this item is informational only, and no additional information was requested by any of the Members.

**Governor:** Any questions Mr. Attorney General?

**Attorney General:** No questions, thank you Governor.

## 14. Information Item – Reports

Pursuant to NRS Chapter 353, the Governor’s Finance Office, Budget Division presents a reconciled fund balance report for the TORT Claim Fund, Statutory Contingency Account, Stale Claims Account, Emergency Account, Disaster Relief Account, IFC Unrestricted Contingency Funds and IFC Restricted Contingency Funds as of December 12, 2017.

TORT Claim Fund	\$ 6,533,960.71
Statutory Contingency Account	\$ 870,835.05
Stale Claims Account	\$ 1,283,599.26
Emergency Account	\$ 279,841.00
Disaster Relief Account	\$ 8,038,757.58
IFC Unrestricted Contingency Fund General Fund	\$15,470,350.45
IFC Unrestricted Contingency Highway Fund	\$ 1,676,832.35
IFC Restricted Contingency Fund General Fund	\$12,979,390.00
IFC Restricted Contingency Highway Fund	\$ 2,396,373.00

**Governor:** We will move to agenda item number 14, another information item, Mr. Wells.

**Clerk:** Thank you Governor. Agenda item 14 represents an informational report on the available balances in the various contingency accounts that are managed either by the Board of Examiners or the Interim Finance Committee as of December 12, 2017. These accounts are intended to cover the contingencies through the 2017 – 2019 biennium. I would be happy to answer any questions regarding any of the individual balances.

**Governor:** Thank you Mr. Wells. My standard question, how are we doing?

**Clerk:** I think that the Tort Claim Fund is in pretty decent shape. The Statutory Contingency Account, that one has got me a little bit nervous. I believe it was last month that we took the money out for the Forestry Division for firefighting efforts this year. That is not a lot of money to get us through the next year and a couple of months. As long as we manage that, I think we will be okay. The Stale Claims Emergency Account and Emergency Relief Account, I think are in decent shape, given what we know that is out there. Then, the big unknown right now is the IFC Unrestricted General Fund Contingency, that \$15.5 million. We continue to see several requests coming in a year or so.

**Governor:** Thank you Mr. Wells. Mr. Attorney General, any questions on agenda item number 14?

**Attorney General:** No questions, thank you Governor.

**15. Public Comment** ( No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically included on an agenda as an action item)

**Governor:** We will move to agenda item number 15, public comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board? I hear and see none. Any public comment from Carson City?

**Attorney General:** There is none Governor.

**16. Adjournment** (For possible action)

**Governor:** Move to agenda item number 16. Is there a motion to adjourn?

**Attorney General:** Move to adjourn.

**Governor:** Attorney General has moved to adjourn. My only comment is to wish everybody a blessed and happy new year. Thank you very much. I will second the motion. That motion passes 2-0, this meeting is adjourned. Thank you.