

MINUTES

MEETING OF THE BOARD OF EXAMINERS

June 14, 2011

The Board of Examiners met on June 14, 2011, in the Guinn Room on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller
Clerk Stephanie Day

Others Present:

Peter Barton, Department of Cultural Affairs, Museums and History
Mike Willden, Department of Health and Human Services
Charles Duarte, Department of Health and Human Services, Health Care, Financing and Policy
Nancy Bowman, Attorney General's Office
Lori Myer, Department of Business and Industry, Industrial Relations
Ken Kiphart, Department of Public Safety, Office of Traffic Safety
Cody Phinney, Department of Health and Human Services, Mental Health and Developmental Services
Dave Prather, Department of Health and Human Services, Mental Health and Developmental Services
Lani Smith, Department of Employment, Training and Rehabilitation
Carolyn Misumi, Department of Taxation
Jennifer Bauer, Department of Public Safety
Mark Teska, Department of Public Safety
Laura Smolyansky, Department of Information Technology
Emily Nunez, Office of Energy
Tina Sanchez, Department of Public Safety
Luana Ritch, Department of Health and Human Services, Health
Tamara Nash, Department of Employment, Training and Rehabilitation
Maureen Cole, Department of Employment, Training and Rehabilitation
Mechelle Merrill, Department of Employment, Training and Rehabilitation
Dennis Perea, Department of Employment, Training and Rehabilitation
Leah Lamborn, Department of Health and Human Services, Health Care, Financing and Policy
Janice Prentice, Department of Health and Human Services, Health Care, Financing and Policy
Dorrie, Kingsley, Department of Health and Human Services, Health Care, Financing and Policy
Mark Costa, Department of Cultural Affairs
Mike Fischer, Department of Cultural Affairs
Julie Chapman, Department of Public Safety, Parole and Probation
Kimbelee Tarter, Department of Administration, Purchasing
Clark Leslie, Office of the Attorney General

Brenda Ford, Department of Employment, Training and Rehabilitation
Ernest Figueroa, Office of the Attorney General
Phil Wheyrick, Department of Health and Human Services, Health
Dawn Rosenberg, Department of Corrections
Teri Preston, Department of Administration, Buildings and Grounds
Patrick Cates, Department of Wildlife
Jason Holm, Department of Health and Human Services, Welfare and Supportive Services
Greg Weyland, Department of Education
Roger Rahming, Department of Education
Steve Canavero, Department of Education
Steve Woodbury, Commission on Tourism
Larry Friedman, Commission on Tourism
Rudy Malfabon, Department of Transportation
Robert Chisel, Department of Transportation
Dennis Gallagher, Office of the Attorney General

PRESS

Sean Whaley, Nevada News Bureau

***1. APPROVAL OF THE APRIL 12, 2011 BOARD OF EXAMINERS' MEETING MINUTES**

Clerk's Recommendation: I recommend approval.

Motion By: _____ **Seconded By:** _____ **Vote:** _____

Comments:

***2. APPROVAL OF THE MAY 10, 2011 BOARD OF EXAMINERS' MEETING MINUTES**

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By:** Secretary of State **Vote:** 3-0

Comments:

Governor: Good Morning, ladies and gentleman. I would like to call this Board of Examiners meeting to order. All members are present. We will go right into the agenda. Agenda items 1 and 2 are approval of the April and May meeting minutes. Have all of the members had an opportunity to review the minutes for those two months?

Attorney General: I would like to make one quick edit on page 16 of the April 12th minutes, the last item there where it says Attorney General if we are going to be fiscally prudent, actually it should be fiscally instead of physically prudent. And that is the only correction that I had. It's at the bottom of page 16.

Governor: All right. Then the chair will accept a motion to approve agenda items 1 and 2 with the change suggested by the Attorney General on the April 12th, 2011 minutes on page 16 at the bottom of the page to delete physically and to insert fiscally. Is there a motion?

Attorney General: I will move for approval.

Secretary of State: Second.

Governor: There is a motion by the Attorney General to approve agenda items 1 and 2 as amended and second by the Secretary of State. Are there any questions on the motion? Hearing none, all in favor of the motion please say aye. The motion passes.

***3. STATE ADMINISTRATIVE MANUAL REVISIONS**

The State Administrative Manual (SAM) is being submitted to the Board of Examiners for approval of additions and revisions in the following Chapters: **0200 – Travel, 0500 – Insurance and Risk Management, 1400 – State Motor Pool Division, 2600 – Claims, 3000 – Federal Grant Procedures**

Clerk's Recommendation: I recommend approval.

Comments:

Governor: We will move on to Agenda Item No. 3, State Administrative Manual revisions.

Clerk: Item No. 3 is the State Administrative Manual revisions. There are a few revisions being requested for this Board of Examiners' Meeting. There are the chapters 200 on Travel, 500 for Insurance and Risk Management, 1400 for the State Motor Pool Division, 2600 is Claims and 3000 is Federal Grant Procedures. Would you like me to go into some detail on those?

Governor: Essentially, what I am looking for is what the genesis of these changes are; why do we have them; what do we seek to accomplish by them?

Clerk: Chapter 200 Travel, the change is removing the exception for the in-state lodging policy that employees traveling at the GSA's CONUS rate do not have to provide receipts in order to be reimbursed for lodging. Receipts would be required if this were to pass. Section 500, the Risk Management section, there are some changes in the insurance and the self-insurance sections for property claims, which removes State insurance coverage for employee's personal property, as employees do not notify Risk Management regarding their personal property nor are they paying State insurance premiums to cover their personal property. This would no longer be included. There is a new section for the property section pertaining to Fine Arts/Exhibits that are covered under the Property and Contents Insurance. The Commercial Crime section is updated to reflect new policy limits. Automobile Physical Damage, Risk Management will provide more assistance when another party is at fault for claims over agency deductible. Personal Vehicles, Risk Management does not insure personal vehicles, so this revision will eliminate the reimbursement of the employees' out-of-pocket expenses. There is Section 0521, the Safety and Health Program. It revises the wording to state that, "The Agency's Written Safety Program shall include an outline of a safety training plan for all employees, including mandatory training for managers, supervisors, and other agency-designated staff." There are some changes to Ergonomic Equipment and Workplace Violence. Section 0524 on Workers' Compensation, there are some changes to the Claims reporting and changes to the Early Return to Work Program. Section 1400 is the State Motor Pool Division. There are changes to the Vehicle Utilization Guidelines that will match the requirements in Section 1322 of the State Administrative Manual, just making those sections compatible. Section 2600 Claims is a Refreshments/Host Fund so that we can add the wording "Host funds cannot be used to purchase alcoholic beverages." Section 3000 Federal Grant Procedures, there is a change to the definitions of Vendors and Subrecipients. There is also guidance for issuing grant awards by requiring the agencies to establish procedures regarding specific things in those grant awards. And then there is also changes to the Monitoring of Subrecipients, which requires agencies to establish a monitoring plan for subrecipients and provides guidance on subrecipient monitoring. If you would like additional information on any of those items we do have individuals here who can speak to those.

Governor: One question that I have, does any of the new legislation that was passed have anything to do with the contents of these amendments? In other words are we approving this and then we will have to go through this exercise again?

Clerk: Thank you, Governor. I am not sure on that. I don't believe any of these are related to bills that were passed during the session.

Governor: In regards to 1407, Vehicle Utilization Guidelines, yesterday at the Internal Audit meeting there were some recommendations by Internal Audit to the Motor Pool with regard to utilization. Mr. Wells had indicated that he was going to accept those recommendations. Are those relevant to this 1407?

Clerk: I believe Keith Wells is here and he can speak to that.

Keith Wells: Good morning, Governor. The revisions, Governor, I wanted to make in that section is just going to match the new utilization requirements that we talked about yesterday with the Committee to bring us in line with that.

Governor: Again, I just want to make sure that we don't do this twice.

Keith Wells: We're not going to do it. It's all done.

Governor: Are there any questions from any of the committee members? Hearing none, the chair will accept a motion for approval of the State Administrative Manual Revisions as presented.

Attorney General: I will move for approval of Item No. 3.

Secretary of State: Second it.

Governor: We have a motion by the Attorney General and a second by the Secretary of State to approve Item No. 3 of the agenda. Are there any questions on the motion? Hearing none all of those in favor of the motion please say aye. The motion passes.

***4. STATE ADMINISTRATIVE MANUAL REVISIONS**

Direction for potential changes to the State Administrative Manual regarding cash settlements.

***This item is related to information item #12B on this agenda.**

Clerk's Recommendation: I recommend approval.

Motion By:

Seconded By:

Vote:

Comments:

Governor: The next item on the agenda, is Agenda Item No. 4, State Administrative Manual Revisions.

Clerk: Item No. 4 is an action item regarding the State Administrative Manual, it is a requesting some direction for potential changes to the State Administrative Manual regarding cash settlements. This item is related to information Item No. 12B on this agenda and if it is ok with you I would like to take those together. Item 12B is an information item that is related to the last meeting that was held by the Board of Examiners. It is a statewide review of cash settlements

paid from agency operating budget accounts or agency settlement accounts. We did request information from the state agencies and their responses are included. Erring on the side of caution, we did include all of the responses from the state agencies even though we did not feel that you were really looking for some of the items that were included here. We do have agencies that are in the audience that could come up and testify on any items that you may have any questions on.

Governor: Thank you. I have gone through these. There are the items that brought this originally to this Board's attention from the Department of Transportation, and the great majority of these have to do with small dollar settlements with prisoners. I did have a question, there are four settlement items that have to do with DETR and Services to the Blind and VOC Rehabilitation that were higher dollar matters and I was unsure given the information that we have here, what those had to do with. Is there somebody here from DETR who could answer that question?

Maureen Cole: Do you have specific questions?

Governor: We just have a very vague print out and the request was to ask all of the state agencies to provide this Board with all of the cash settlements that the State has engaged in, and I see that some of these go back to 2007 and 2008 and the dollar amounts range from \$8,300 to \$79,989. I was just seeking some more information on the nature of those settlements.

Maureen Cole: Would it be helpful to start with the larger money?

Governor: Yes.

Maureen Cole: That claim was for Ronald Bussen, that was an employment claim for wrongful termination. Some of the claim that remained with the State was in addition to the wrongful termination, a failure to accommodate a disability. That went to hearing and we were represented by the Attorney General's Office. A settlement agreement was reached where Mr. Bussen was paid a total of \$155,632.31 in back pay and accrued vacation and sick pay. After deductions that came to the \$79,989. In addition, the sum of \$105,190.28 was paid to Mr. Bussen through the State Tort Claims Fund and that matter was brought to the Board of Examiners on September 11, 2007.

Governor: There was a portion of the settlement that did go to the Board of Examiners, and there was a portion that did not?

Maureen Cole: Yes, sir, that's correct.

Governor: Is there a reason why some of it did and some of it did not?

Maureen Cole: Well, it's not really clear. We've asked for that file to be retrieved so that we can take a closer look at it. The Deputy Attorney General who handled the matter does not have any details and is unable to explain clearly why there was that differentiation. But perhaps the file will be helpful in that regard. A settlement in 2008 was entered into with a client named Terry Reed. The amount of that settlement was \$7,618, and this was resolution for a dispute over tuition payments by the Bureau for this individual client. It was unclear in the file when it

was reviewed by the Hearings Officer exactly what the Bureau had committed to pay for this client, and on the advice of our Deputy Attorney General, we had to get to that sum of \$7,618. In a similar kind of situation involving a client named Adrienne Lattin who entered into a settlement agreement after litigation was initiated. So the division entered into a settlement agreement with a client named Adrienne Lattin in 2008 for the amount of \$8,300. And that was again a settlement with regard to tuition payments for this client. Again, unclear in the file exactly what had they committed to, and the circumstances for the discussion about how much the Bureau would pay on her behalf to further her education. Ms. Lattin is a sister to the other settlement that was entered into in 2007, Zachary Lattin. Again, unclear in the file exactly what the Bureau had committed to pay for tuition for college education for Mr. Lattin and part of the concern with Ms. Lattin's case was that there was some residual bad feeling from the settlement for her brother.

Governor: So I guess the bottom line is you're still waiting to get those files so that you can determine why part of it came to this Board and part of it did not?

Maureen Cole: And again these were all matters that were handled privately with the Attorney General at this time.

Governor: No. I'm not questioning whether it was a good or a bad settlement. I think the issue is that there have been settlements that have occurred outside the knowledge of the Board of Examiners when we're trying to determine a policy, I believe, that's correct to see which cases should be coming through Board of Examiner's approval or not. And this, at least in my mind, this effort was to get the universe and those settlements that have been occurring statewide and to make a determination based on that as to what the policy of this Board should be.

Maureen Cole: I'm unclear, sir, as to why those decisions were made, but it does appear from some of the e-mail that we've seen in these files, that we were told the Board of Examiners reviewed some of it.

Attorney General: And that's correct. Governor, there is a threshold limit, and I want to say it's 75,000. It's 75,000, and so anything that's under 75,000 is not required to come to the Board of Examiners, and I suspect that's what that occurred here. I guess my question would be, it did come out of tort litigation however. It came out of general fund for two of them, and then one was voc rehab and general fund. So that tells me that somehow the individual agencies have their own authority and money to provide to the settlement accounts, and that's what I'm curious about, because I think that's what happened with Department of Transportation. Instead of the tort litigation fund, they had separate funds with money where they have these settlements come from. I'm just curious how that process works.

Maureen Cole: It's a little unclear as to timing, but these settlements, the settlements to the Lattins and to Mr. Reed were paid out of client service funds, and so the determination was that was the appropriate resource to use for those payments.

Attorney General: Okay. And I guess then that would be the question for us or maybe for the Department of Administration policy with respect to any type legal settlement where that money comes from at least so that it can be monitored and that would be my only question.

Governor: Is there someone here from NDOT? Good morning, sir. Have you had an opportunity to review this sheet with regard to settlements?

Rudy Malfabon: Yes.

Governor: They are the ones that have to do with separation from 2011 that we're aware of. There are many others, one for \$7 million, another for \$5.1 million, some pretty high dollar settlements. I understand that they don't come before the Board of Examiners. Were those settlements reviewed or considered by the Board of Transportation?

Rudy Malfabon: These settlements were typically contractors' requests for additional compensation. I don't believe that they always go to the Transportation Board, but in cases of construction claims, they typically are negotiated by NDOT and settled and not brought to the transportation Board.

Governor: Sir, are these cases that are in litigation or not?

Rudy Malfabon: They can be in litigation. Some of these I know that we negotiate all the way up to even when we're headed to court on some of these cases, such as with imminent domain cases, I've been involved in projects where I was representing the Department in court and we reached a settlement even before they pass it on to the jury for decision.

Governor: Historically, were those types of settlements subject to Board of Transportation approval?

Rudy Malfabon: No, they were not.

Governor: So these are all settlements that are occurring without any review by the Board, just within the Department of Transportation?

Rudy Malfabon: Yes. On the larger settlements, typically the director in the director's report would mention those to the Board, but it was more of a report.

Governor: Most of these occurred in 2007 and 2008. Actually, there's one for February 1, 2011 that looks like they returned \$2 million to the state. Is that the proper reading?

Rudy Malfabon: Yes.

Governor: But in any event, I just want to make sure that I understand the nature of these payments. You're saying today that these all are obviously contested construction claims, and the Department of Transportation has made these payments to contractors in a litigation situation for the most part, and some of them perhaps not?

Rudy Malfabon: For the most part, most of these are not in a litigation situation, and typically negotiated settlements based on a claim from the contractor. In some cases they might even go to a claims review board. We have a procedure for taking claims to a claims review board.

Governor: And who comprises that claims review board?

Rudy Malfabon: Typically, it's a three-member board, one selected by the Department, one by the contractor, and one neutral member, typically who has some construction experience, and both sides get to present in a very defined setting. Each get their side and get to rebut, so sort of like a mini trial. It's administered by the Department of Transportation, and Admin. Services Division.

Governor: And I don't want to belabor this, because it's perhaps the forum for this discussion is in the Board of Transportation. But I think it's important that all this be brought to this Board's attention. Do any other committee members have any questions or comments with regard to this 12A item?

Attorney General: Governor, I'd agree with you. I have a comment. Looking at this I can tell some of these there's a distinction between some tort litigation versus employee action versus the contractual claims that I'm hearing. It's my understanding that any type of tort litigation where there are individuals named here should, if the dollar amount is over \$75,000, come before the Board of Examiners. That's what I want to verify that that's within the policy for any agency that it should come before the Board of Examiners and not remain within that agency and approved by that agency alone. Everything else here I agree with you. I think they're based on contracts that they have with these individuals and contractors, and claims, and those should be coming before the Board of Transportation depending on our policy that we set.

Governor: So the only outlier here is the \$150,000 settlement. That is one that in the future would come to the Board of Examiners, correct?

Rudy Malfabon: That is correct. It was my understanding that there was some issue of confidentiality in the settlement agreement and that obviously the direction of the imminent we would bring those to this Board for approval.

Governor: For purposes of the record, based on my review of this settlement schedule, everything else on this schedule would not include a tort claims fund in excess of \$75,000 that should have come before this Board. I don't know if the Attorney General has the same observation that I have.

Attorney General: I agree. Other than what we've highlighted today, I did not see anything else on this agenda.

Governor: Is there anything else with regard to agenda item 4, or any potential action this Board should be considering?

Clerk: Thank you, Governor. If there is any additional direction you would like the Department of Administration to take or any changes to the State Administrative Manual, that could be included in the discussion today.

Governor: It's my understanding that this Board should be reviewing every proposed settlement in excess of \$75,000 that implicates the tort claims fund.

Clerk: I believe that the State Administrative Manual the way it's written, that is very clear.

Governor: We then we have this one example of a case that did not move through that process, but other than that the system is working.

Clerk: Yes, it is.

Governor. Will there be a reminder memo sent to all the state agencies that that is the process?

Clerk: We would be happy to do that, yes.

Governor: So I'll specifically request that the Department of Administration do that.

***5. SALARY ADJUSTMENTS**

A. Distribution of Salary Adjustments to Departments, Commissions and Agencies, pursuant to Chapter 391, Senate Bill 433, Sections 6, 7, 8, of the 2009 Legislative Session.

The 2009 Legislative Session made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet certain salary deficiencies for fiscal year 2011 that might be created between the appropriated money of the respective departments, commissions, and agencies and the actual cost of the personnel of those departments, commissions, and agencies that are necessary to pay for salaries. Under this legislation, the following amounts from the General Fund and/or Highway Fund are recommended:

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
2870	Nevada Historical Society	\$15,396	
3743	Public Safety, Investigation Division	\$92,444	
	Total	\$107,840	

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: We'll move onto Agenda Item No. 5, please, Salary Adjustments.

Clerk: Agenda Item No. 5 is the funds appropriated by the 2009 legislative session to cover the difference between the 6 percent salary reduction that was proposed in the 2009 legislative session for the current biennium and the 4.6 percent furlough that was approved by the legislature. On the agenda today are two items, one for the Nevada Historical Society in the amount of \$15,396, and the other item is general fund for the Department of Public Safety Investigation Division for \$92,444. This was included in the 2009 legislature and it is in a budget account within the Department of Administration that it handles for the Board of Examiners. The funds do exist.

Governor: That's good to know. So this was something that was anticipated and now we have these requests because the respective department or division has calculated what that amount should be?

Clerk: Yes, that is true, and I would anticipate that you will see more at the July meeting and probably the August meeting also.

Governor: Why is that?

Clerk: The agencies are finding out how much they have left. The last pay periods are hitting the FY11 books at this time, and they'll be coming forward with their requests.

Governor: I don't have any questions on this agenda. Do any of the other Board members have any questions? I'll accept the motion with regard to Agenda Item No. 5.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: The motion for approval by the Attorney General on Agenda Item No. 5, was seconded by the Secretary of State. Are there any questions or discussions on the motion? Hearing none, all in favor of the motion say aye. Motion passes unanimously.

***6. SALARY ADJUSTMENTS**

- A. Distribution of retirement buyouts and terminal leave for eliminated positions to Departments, Commissions and Agencies, pursuant to Assembly Bill 487 of the 2011 Legislative Session.**

The 2011 Legislative Session made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet certain salary deficiencies created by the elimination of positions resulting in a layoff and consequently a payment for employee retirement buyouts and terminal leave payouts. Under this legislation, the following amounts from the General Fund and/or Highway Fund are recommended:

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
1320	Department of Administration, Information Technology Division	\$107,437	
	Total	\$107,437	

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: We move onto Agenda Item No. 6.

Clerk: Agenda Item No. 6 is also a Board of Examiners salary adjustment item. This is actually from the 2011 legislative session. General fund positions that were recommended and approved for elimination replaced the funds for either retirement buyouts and/or terminal leave payments in a single appropriation in the Board of Examiners. This is a request for a Department of Administration Information Technology position that's being eliminated. The reason that we are coming to the Board of Examiners so early is this entire budget account is going away. It is a one-person budget account, so there will not be any savings in FY12 to cover any of this. This is a buyout that needs to occur in FY11, therefore it's coming to the June meeting.

Governor: Thank you. Any questions from Board members with regard to Agenda Item No. 6? Hearing none, the chair will accept a motion.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: We have a motion by the Attorney General, second by the Secretary of State for approval of Agenda Item No. 6. Are there any questions or discussion on the motion? Hearing none, all in favor of the motion please say aye. Motion passes unanimously.

***7. STATE VEHICLE PURCHASE**

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.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
Department of Administration – Buildings and Grounds	4	\$13,948
Total:		\$13,948

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: We'll move onto Agenda Item No. 7.

Clerk: Agenda Item No. 7 is a request to purchase four state vehicles. Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer, or employees of state without prior written consent of the State Board of Examiners. The Department of Administration Buildings and Grounds division is requesting four used vehicles for a total of \$13,948 for all four vehicles.

Governor: I do have a question. Is there somebody here with regard to this agenda? Just out of curiosity, we're getting some vehicles for free, and we're buying vehicles within excess of 100,000 miles and typically we're disposing of those. Is there a reason why we're doing this?

Clerk: The Buildings and Grounds division is an internal service fund, and they are very frugal. So they take other vehicles that other agencies no longer use. They have them repainted and a lot of the time, especially in Carson City, they're only driving a couple of miles within the Capitol complex area, or possibly to Lowe's to pick up parts or whatever. So they are actually in the area. The high mileage, we understand that most agencies would be replacing their vehicles at the time that B&D is actually purchasing the vehicles, but it works for them.

Governor: Can I use this any time the other agencies are trying to dispose of vehicles?

Clerk: Absolutely.

Governor: All right. I don't have any other questions. Do any of the Board members have questions with regard to Item No. 7? The chair accepts a motion for approval.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Motion by the Attorney General to approve Agenda Item No. 7, second by the Secretary of State. Are there any questions or discussion on the motion? Hearing none, all in favor of the motion please say aye. Motion passes unanimously.

***8. REQUEST FOR GENERAL FUND ALLOCATION FROM THE INTERIM FINANCE COMMITTEE (IFC) CONTINGENCY FUND**

Pursuant to NRS 353.268, an agency or officer shall submit a request to the State Board of Examiners for an allocation by the Interim Finance Committee from the Contingency Fund.

A. Department of Education – Career and Technical Education - \$12,130

The Department is requesting an allocation from the Interim Finance Committee Contingency Fund in the amount of \$12,130 to meet the minimum required Maintenance of Effort (MOE) for the Carl D Perkins Vocational and Technical Education Grant.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: Move onto Agenda Item No. 8.

Clerk: Agenda Item No. 8 is a request for a general fund allocation from the Interim Finance Committee Contingency Fund. It is for the Department of Education Career and Technical Education. They are requesting an allocation in the amount of \$12,130 to meet the minimum

required maintenance of effort for the Carl D. Perkins Vocational and Technical Education Grant. The state is required to maintain funding at least at prior year levels. The maintenance of effort level for FY09 was \$488,232. FY11's amount was \$476,103, and that is what is the difference, the \$12,130, and this is required for the Federal needs of effort match.

Governor: Thank you. I have no questions on this Agenda Item. Do any other members of the Board have questions? The chair will accept a motion.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Motion by the Attorney General for approval of Agenda Item No. 8, second by the Secretary of State. Are there any questions or discussion on the motion? Hearing none, all in favor of the motion please say aye. Motion passes.

***9. LEASES**

Three statewide leases were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By:** Secretary of State **Vote:** 3-0

Comments:

Governor: Agenda Item No. 9, Leases.

Clerk: Agenda Item No. 9, there are three leases on the Agenda for the Board's consideration this morning. I would like to note a change on Item No. 2, the Gaming Control Board lease. The lease description is inaccurate. It should say, "This is an extension of an existing lease which has been renegotiated to house the Gaming Control Board in Laughlin." It says Carson City, but it should be Laughlin.

Governor: Do all these leases show that the State is going to save a significant amount of money? Is that accurate?

Clerk: Yes, that is. And I would like to point out Item No. 3, we are actually receiving a full year's worth of free rent on Item No. 3 due to the negotiations that occurred.

Governor: At least by my rudimentary calculations, I don't think we're getting a free year, but we're going to be saving a significant amount of money on the continued amount of that lease as well because we'll be going from 1.365 per square foot to \$1.15 and \$1.22, based on the significant amount of square feet; is that accurate?

Clerk: Yes, that is.

Governor: In the future, and I've asked for this before, when we do have these situations, it would be helpful to have that savings calculated so we can demonstrate how much money we are saving the State on a going forward basis.

Clerk: Thank you. We will do that for you.

Governor: Any other questions with regard to Agenda Item No. 9, leases one, two, and three? The chair will accept a motion.

Attorney General: Move for approval.

Secretary of State: Second.

Governor: Motion by the Attorney General for approval of Agenda Item No. 9, leases one, two and three, a second by the Secretary of State. Are there any discussions or question on the motion? Hearing none, all in favor of the motion please say aye. Motion passes.

***10. CONTRACTS**

One hundred and forty nine independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: Move onto Agenda Item No. 10, Contracts.

Clerk: Item No. 10 is the contracts. There are 149 contracts for the Board's review and approval this morning. The June Board of Examiners' meeting is always the largest meeting of the fiscal year. A lot of contracts run through the fiscal year which is ending on June 30, and I believe that there are quite a few agencies here if you have some specific questions.

Governor: I do. And I received this packet yesterday, so there unfortunately will be a lot of questions that I have that maybe we could have avoided. The contracts that I have circled are 5, 6, 17 through 24, 48, 52, 54, 60, 63, 109, 112, 133, 135, and that's it under the contracts portion. Do we have any other members of the Board have any contracts they'd like to move out for consideration?

Attorney General: Except for Item 64 through 69 which is similar to 63.

Governor: The first are contracts 5 and 6. These are sole source contracts and my understanding based on the memo, and I do appreciate the memo that was submitted, they are sole source given the recent passage of Assembly Bill 449; is that accurate?

Secretary of State: Yes.

Governor: I think I just got this contract as well. I guess my question is, given the new makeup of the Nevada Commission on Economic Development, which will now be chaired by the Governor, and he will be a member, as I look at the language in the proposal, it says that the contract will be reporting to key stakeholders or with stakeholders, and I wasn't clear who the stakeholders are. When they form this contract and do the research as to who the potential clusters are going to be, and the other information they're going to provide, who will that information be coming to?

Secretary of State: Obviously Section 85 of the bill mandates that this report be delivered on or before October 1, 2011, which puts us on a significant time constraint. The language and the scope of work in the contract talks about an advisory committee for the site. The AB 449 is similar, although slightly different language as to who should oversee this study, but the intent is to really deliver a study that is consistent with your vision, Governor, along with the legislative leadership whoever that may be in the next session. And so we intend to convene and try to work with your office, and Commissioner Skaggs who is also here can speak to this. Try to coordinate with him, obviously including the Lieutenant Governor, members of Higher Education are included in Assembly Bill 449 as part of the stakeholders. I don't know whether if that is possible to convene a meeting of the new Board in time so that work can begin, but we can certainly do so informally and then work at your direction and as to who you might have included and brought to the table so the study meets your expectations.

Governor: No, I appreciate that. With regard to timing and deliverables I agree that there's a very short window and mid-October 2011 is when the work is to be completed. As part of the timing and deliverables, the proposal provides that the entity performing the study will communicate the results and envision several interim internal reports and presentation consultation sessions based on major analytical tasks designed to inform stakeholders throughout the process. And I was just seeking some guidance and clarification as to what that is.

Secretary of State: I think that's a lot of fluff language to say and that we hope that the study meets your expectations.

Governor: Mr. Skaggs, do you have any observations with regard to the study, I see you here in the audience?

Mr. Skaggs: I did meet with the Secretary for the second time today to discuss this study and the inclusion of all the counties and the stakeholders to review the outputs, particularly the rural counties. Also, the insurance to the this Section 85 which will satisfy the diversification plan for the state that we're required to have, both diversification and communication.

Governor: I want to make sure we have good communication from the outset, because we do have a very short window, and I want to ensure, because the language of it is they're going to consult with high-level stakeholders. I wasn't sure who high-level stakeholders are, but I want to ensure that everyone has a share at the table who has input.

Mr. Skaggs: Yes, sir. I think that was intended to mean the Advisory Council.

Governor: And that bill takes effect July 1, correct?

Mr. Skaggs: Yes, sir.

Governor: So there's a lot to be done in a very short amount of time, and it would be my hope to get the newly constituted committee or commission aboard together so that we can have a line of communication with this contractor as to what's going on.

Mr. Skaggs: Totally agree, sir. We will make that happen.

Governor: I don't have any other questions, and Mr. Secretary of State, were there any comments you wanted to make with regard to these two contracts?

Secretary of State: No, Governor.

Governor: The next were the series of contracts with the Commission on Tourism.

Larry Friedman: With me is David Peterson, Director of Research, who is the person responsible for two of the contracts.

Governor: I'm just receiving clarification that several of these contracts have to do with relationships with entities in foreign countries that essentially are providing international representation, placing stories with the media, maintaining the foreign website, conducting sales missions, and the reason for contracting with these entities is because they already have contracts with LVCDA?

Larry Friedman: With the exception of China, that is correct. LVCDA did the RFP. We were part of the process, and we are putting back on the fame of Las Vegas and working with the other four offices.

Governor: And do those contractors provide us with a separate service than that which is being provided to LVCDA?

Larry Friedman: Very much so. Among other things, they do import to us quarterly, but we work with them on an ongoing basis. We work directly with them producing fam trips that may start in Las Vegas but then will go out throughout rural Nevada and into the Tahoe area with the travel reps, etcetera. So they work directly with myself and with our public relations department as well.

Governor: And then moving on to the Chinese contract, that's a sole source contract?

Larry Friedman: That is correct. We were the first to have representation in China for Las Vegas. And when they went through their RFP process they felt that their needs were different from ours and it's a state agency in China. But we didn't bode the strong government contacts in addition to the industry contacts. They were looking for the industry contacts.

Governor: Another question I have is why has this contractor been chosen in preference to the other that says this contractor has exceeded all your expectations? What are the measurements that you base that conclusion on?

Larry Friedman: I think the first one for China was the fact that we were the first state to have a Memorandum of Understanding with the Chinese government. Also, in terms of the quality of the travel writers and the tour operators that she has been able to bring over specifically to Nevada, and some of the special events that she's been able to coordinate. But I think really it began with the first state to have the Memorandum of Understanding.

Governor: We have this contract with this entity in Kansas, which is the call center?

Larry Friedman: It's much larger than a call center. Really the relationship with Roof started with their work on developing e-mail campaigns and qualifying the leads for the e-mail campaigns. With time as their work has grown, it has now included the call center and the fulfillment center. They are the only entity that does the kind of work that they do in the United States with the e-mail blasts that is dedicated to tourism and with the lead generation. With the T&S contract, while we went out with an RFP under the guidance of purchasing, we supplied eight names for the RFP, they had another approximate 100, and T&S was the only firm that responded. We did not have a Nevada firm respond.

Governor: That was one of my questions, and the other one was we're spending \$600,000 for them to measure how we're doing?

Larry Friedman: It's over a four-year period, and for some it would be an alarming amount of money, but that is the cost of quality research, but it's not just end-of-the-year research, it's ongoing. So that if we do a television campaign in Los Angeles or Phoenix, we're able to get rapid results as to whether we're hitting our mark.

Governor: So they're looking at what we're doing perhaps on all these international contracts as well?

Larry Friedman: They're domestic, but what they're looking at is it basically comes down to four verbs that somebody was exposed, was influenced, came, and they spent.

Governor: How are we doing?

Larry Friedman: We're doing extremely well. Thanks for asking. We're very pleased with the results of our advertising campaign in that we've been able to maximize the Internet and use it not only for our urban gateways, but to bring exposure to lesser-known destinations for comparatively less money.

Governor: And I hear anecdotally that we are as a state doing better; is that accurate?

Larry Friedman: That is correct. Throughout the state visitation is up, and also as we talked to whether it be the Elko CVB or the Ely CVB etc., that they believe that there isn't any part of the state in terms of tourism that isn't talking about things being better than a year ago. A year ago we were hearing anecdotally from people like Virginia City that their visitation was up but the spending was done. But I think that there is statewide sense that things are improving.

Governor: And when you say improving, is that both the volume of visitors and the amount of spending?

Larry Friedman: And the amount of spending.

Governor: Do any other Board members have questions? Next is 48, Mr. Willden, and whenever there's a contract that says \$330 million it gets my attention. And we only have one page on that, so we're seeking some background with regard to this agenda item. And I know there are other contracts that are similarly situated, some smaller ones with the rural counties, but this one is the largest obviously.

Mike Willden: I serve as the Director of Health and Human Services. Sometimes a picture is worth 1,000 words, so I brought a picture. What the DISH contract is, this is the disproportionate share hospital contract. A little bit of background, we call it is DISH, Disproportionate Share Hospital. It's been in statute since 1991, the governing statute is NRS 422.380 to 390. And basically for the last 20 years this has been a program where local government, in this case it's Clark County, makes an intragovernmental transfer to us, us being Health and Human Services, specifically the Medicaid program. We use that county intragovernmental transfer to match federal funds, and then we turn around and make payments to disproportionate share hospitals. And so if you look at the pictures that I passed around, you can see at the top that Clark County makes an intragovernmental transfer, this is the FY11 example. This contract would be for the next five years, \$66 million dollars a year. So Clark makes a transfer to us, and Washoe also makes a transfer to us. That contract's not before you today but will be soon. We match with the federal dollars, put it into a budget account, and then the statute has us make payments under five pools. So there's pools of money that are paid out to hospitals for various reasons in those pools. And so this is a great way to use local government dollars, match federal funds and make payments to hospitals to help them offset their indigent care costs.

Governor: Have all these agreements been finalized?

Mike Willden: The Clark DISH has two agreements, primarily the Clark agreement and the Washoe County agreement I was talking with Mr. Duarte earlier, The Washoe County agreement missed the commission meeting agenda, so that will have to be on the next Board. The Clark County agreement obviously is the one before you. On the agenda there are some other Board items dealing with our upper payment limit program, and as you know, Governor, we not only run a disproportionate share hospital payment program, but we run a public hospital upper payment limit payment program for in-patient and out-patient for public hospitals. We're currently working on the federal government private hospital UPL program. We also have a UPL program with the University, which is one that you've called out, and we have a graduate medical education. All of those are where we get funds from local government or the university system match federal dollars and then they nearly double the payments back to the hospitals to help them offset their costs; very effective programs.

Governor: And you brought up the private hospital UPL, how are you doing on that?

Mike Willden: Mr. Duarte probably should answer that. I think we're in the last stages of the bell lap I think of getting that done. He could explain when he was back in Baltimore about a month ago in final negotiations, so I can have him update.

Charles Duarte: I'm the Administrator for Nevada Medicaid. Staff and I were back in Baltimore meeting with federal officials last month. All indications are that the private hospital UPL state contract with the federal government will be approved hopefully next month, and then we can start driving federal funds to match some of the costs that are being offset by other parts of the department. So we're optimistic that will be approved hopefully next month.

Governor: I appreciate your hard work. I know that has been an ongoing negotiation and discussion with the federal government, but it sounds like it's going to have a good outcome.

Charles Duarte: We've been at that one 15 months now, so we are hopeful.

Governor: Do any other Board members have any questions with regard to this Agenda item? I do appreciate your providing this information. It's very helpful. Then I have Health 54. Could you give me just a little more background and state what that contract is?

Charles Duarte: Agenda Item 54 is a contract that we've had for almost 20 years with the University of Nevada Las Vegas Center for Health Information and Analysis. Under NRS 449 there is a whole host of criteria spelled out where hospitals have to provide information to the Center for Health Information and Analysis called CHIA. They do reports on hospital costs and also on certain quality measures for in-patient procedures. So basically we develop our report published by health division that shows diagnoses and hospital admissions by hospitals so you can see what their billed charges are, you can see the frequency of those admissions, and get quality information. So they do both quality and cost reporting for us as a part of NRS 449 and 439. In addition, a bill passed in 2007 to create a transparency website for hospital quality reporting and also for outpatient hospital services and ambulatory surgical centers, and CHIA has developed that website. This contract incorporates their prior requirements under the NRS, but also the requirements from the 2007 session under AB146 for transparency reporting by hospitals. So all that's encompassed in this contract, and we'd probably make some amendments to it based on the closing of the legislative sessions and additional transparency in the...

Governor: That was going to be my next question because I just signed several bills that have to do with reporting by hospitals. Is this contract envision that additional reporting?

Charles Duarte: This contract is not efficient in that reporting, so we are going to have to come back to the Board of Examiners after we evaluate those bills and decide how we're going to be amending the contract.

Governor: Where will the money come from for that additional reporting?

Charles Duarte: Senate Bill 338 is one of the bills that had a fiscal note on it that our agency put on the system. It was for \$67,200 to fund new reporting requirements in that bill that CHIA would have to perform. Right now there's discussion internally within the Department as to how we might fund that because there was no appropriation. But there are other provisions in the bill that we believe are very favorable to the health division of the Public Health Agency and the Department, and so we need to complete some discussion with the director on that. But there's a possibility of using some of their sanctioned monies to support the additional reporting requirements of 338. 338 provided for additional use of sanctioned funds by the health division. And we think it would be very appropriate to use that for hospital reporting.

Mike Willden: Bottom line there won't be use of general funds for that.

Governor: It is what it is. I was just curious where it would be coming from. Any other Board members have any questions with regard to that? I appreciate the information. We'll move onto contract number 60. My question on this one has nothing to do with the merits of the contract. Mr. Wheyrick, a very simple question. When I read these contracts, I know they require reporting and this one is regarding tuberculosis in the state. How are we doing, have we had any cases, or are we doing well in that regard as a state?

Phil Wheyrick: Yes, sir. In 2008, the TB case rate was 3.9. It goes to 4.0 in 2009, and in 2010 it was 4.3. I'm not sure whether that's per 1,000 or 100,000 – per 100,000.

Governor: So the fact that it's staying stable is obviously a good thing.

Phil Wheyrick: It's rising slow, and this is Luana Ritch, she's the Bureau Chief for the Bureau of Emergency Response and Vital Statistics.

Governor: Did you have any other comments you wanted to provide?

Luana Ritch: Just to say that this contract and this funding is within our current fiscal year and addresses the key resource of being able to test appropriately and timely for this disease. If we were not to have that capacity within the state, we would have a significant number of samples to send to either a regional laboratory or in the city.

Governor: Please don't interpret my questions in any way questioning the merit of this contract. As I go through these it strikes a little bit of my curiosity about how we're doing in this regard, so it's good news.

Luana Ritch: We also placed on the Health Commission website for the office staff acknowledging any of our disease that basically gives an overview of how we're doing in various disease control items.

Governor: You just prompted another question. How are we doing in relation to other states with regard to tuberculosis?

Luana Ritch: We are doing well.

Governor: Thank you very much. Next are Agenda Items 60 through 69.

Romaine Gilliland: I am Administrator of the Division of Welfare and Supportive Services. Starting with 63?

Governor: 63, correct.

Romaine Gilliland: 63 is a contract with the First Judicial to provide hearing master support for the state-administered Child Support Enforcement Program, as are the following contracts with the other judicial areas.

Governor: Is this something that the state has done historically?

Romaine Gilliland: Yes. This is something that has been done historically. I also have with me Louise Bush who is the program chief for the Child Support Enforcement Program, and she can provide some additional detail if needed.

Louise Bush: Louise Bush, Chief of Child Support Enforcement. Yes, we have had inter-local contracts with the judicial districts to provide hearing master and court services to the program. This ensures us to have the court calendars that we need to proceed in our program to meet our federal performance measures.

Governor: You have federal performance measures, so therefore you fund the counties to provide the services?

Louise Bush: It's basically to expedite the process. The judicial districts have a responsibility to provide services, but by us having the hearing masters in place we can ensure that we have the number of court calendar slots that we need to move the cases along.

Governor: So is this subsidizing the counties so they can expedite...

Louise Bush: It's the judicial districts, which do fall into some of the county.

Governor: What's the total amount of money?

Louise Bush: Well, each contract has a different amount of money.

Governor: I have that right in front of me. Two-thirds of it comes from federal funds, and then the other third says state share of collections. What is that source of income?

Louise Bush: The state share of collections is the money a program collects from the public assistance cases in which we have served, because when they're on public assistance they assign their rights to the child support to the program. During the time that the TANF recipient is on TANF, we have the right to collect the monies that we have expended out.

Governor: And is there any measurement of the efficacy of all these contracts?

Louise Bush: The measurement would be shown in our performance measure for order establishment and paternity establishment. During this past federal fiscal year, federal fiscal year 10, we did have an increase from 85 percent of paternity establishment to 100 percent, and our order establishment significantly increased as well. If we can get our current collections moving along by enforcement, that'd be great too.

Governor: Thank you. I know the Attorney General had questions as well.

Attorney General: You've answered most of my questions, but I do have one with respect to the new inter-local agreements. This is something that is traditionally done, so why are there

new agreements? Are you contracting with new individuals to be hearing masters, or every four years we enter into an agreement?

Louise Bush: It's basically a renewal. We do it as a new contract, and the fact that we may have changed a little bit of the term, but still it's a renewal.

Attorney General: I didn't notice, Clark County, do we do the same thing with Clark County?

Louise Bush: Yes, we do. It's just that with Clark County their contract is currently in place and these contracts here we have aligned so that all the judicial district contracts come to you at the same time. So these are actually contracts for three years versus the four, so we can be sure that they're all lined up.

Clerk: Your question on the new inter-local agreement, it's the way that the items are written up at the Budget Division. They're either a new contractor in a local agreement, or an amendment to an existing. It's just the way that the write-ups occur on the agenda.

Governor: We'll move onto Contract Number 109. Is there anybody here for Contract 109 from Environmental Protection? This is a contract that Environmental Protection will be paying for 275 pre-operated heaters, and I was just curious as to the background on that contract.

Clerk: I'm not sure we can absolutely find the answer for you.

Governor: Will it jeopardize the contract or anything else if we were to hold this one until the next meeting? If you'll make a note to whoever's responsible for this contract and I'll follow up just to get some background on this.

Clerk: We will have Leo Drozdoff get the answer for you, and get back with you, and that will be the same way with 112 that you called. That is also an NVEP contract. Do you have a specific question that you would like answered on 112?

Governor: Just the purpose of the contract. I noticed that it's vague and I wanted a little more specificity in regard to that. We'll move onto number 133. I was just curious as to a little more background on this contract.

Mechelle Merrill: I'm the Chief of Vocational and Rehabilitation. The background that I can provide you is this contract is to provide multiple services to clients of the Vocational Rehabilitation program and there are some from the Bureau of the Blind and Hearing Impaired. Due to high caseloads and the nature of the work we do as counselors is to (inaudible) services and we coordinate services with others, Easter Seals in this case, to work in the field with the clients, but the majority of what's done in this one is with transition population, which already have counselors instructed this is a priority population, getting adults transitioned from special ed settings into employment settings, and there's additional services that need to be provided to do so, assessments and job development and on-the-job training programs, coordinate with the school district employees.

Governor: How many people do we serve with this program, do you know?

Mechelle Merrill: Well, this program serves all of northern Nevada including the rural counties, Carson City, Reno/Sparks. It'll fluctuate how many are being served at any one time, so it's hard to give you an absolute on that. I think what it does, and a better way to help you understand is that it works to support meeting the goals for each individual caseload from each counselor. So through the help of this program, we meet our statewide goals.

Governor: Ok, Thank you very much. Move onto contract number 135. I pulled this out because given I'm going to be Chairman of Economic Development, it's important for me to know what this Trained Employees Now Program is providing with more specificity, please.

Mike Skaggs: This is a contract obviously between DETR and us to be able to deliver rapid response training funds to new companies. And so the criteria is the state average wage, which is the \$19.50 roughly hourly rate. But we had to get in a position to be able to respond quickly on training funds.. This money is actually set aside for the DETR budget for the contractor.

Governor: So could you give a real world example of how this will work if a new company were to come into the state and need employees?

Mike Skaggs: Yes, sir. This was the money we used on the Aminex project, so that would be one where we had to make a commitment early that we had the funding set aside to fulfill their requirements, because they ultimately hired a lot of people. We can make a commitment to them and we see that they meet the characteristics that by the time we can have a commission meeting we can deliver the money.

Governor: I think it's important to put this into real-world terms. How many folks at that Aminex manufacturing plant that were formerly unemployed are now employees as a result of this program, do you have any idea?

Tamara Nash: I believe there is approximately 400.

Governor: Do any of the Board members have any questions with regard to contracts 1 through 149?

Secretary of State: I just have two disclosures with respect to Contract No. 137. The contractor is Help of Southern Nevada, I serve on that other board, but I'm not compensated. With respect to Contract No. 147, the contractor is the Tiberti Company, Theo Tiberti is my Godfather. I don't get any financial benefit from the contract.

Governor: And I have, with regard to Contract 24, in an abundance of caution given the United States Supreme Court's decision in the Ethics Commission and Michael Carrigan, I haven't had a chance to really review that case in total, but with regard to contract no. 24, between the Commission on Economic Development and The Ferraro Group, Greg Ferraro is the principal in that entity is a friend of mine. So I will not participate in the vote with regard to that agenda item. So with that the chair will accept a motion with regard to this agenda item, contracts 1 through 149, with the exception of Contract No. 24.

Attorney General: Governor, I'll move for approval on contracts 1 through 149, with the exception of 24.

Secretary of State: Second.

Governor: We have a motion for approval of this agenda item, contracts 1 through 149 excepting 24, motion by the Attorney General, second by the Secretary of State. Are there any questions or discussion on the motion? Hearing none, all in favor of the motion please say aye. Motion passes unanimously. I'll ask one of the other two members to handle contract no. 24.

Attorney General: Governor, I'll move for approval of Item No. 24.

Secretary of State: Second.

Attorney General: Any further discussion? All those in favor signify by saying aye. Item no. 24 on the agenda no. 10 has been approved.

***11. MASTER SERVICE AGREEMENTS**

Sixteen master service agreements were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By:** Secretary of State **Vote: 3-0**

Comments:

Governor: We'll move onto Agenda Item 11, Master Service Agreements.

Clerk: Item No. 11 is the Master Service Agreements. There are 16 agreements before you this morning for your review and consideration.

Governor: I had questions, and these are all similarly situated Master Service Agreements, 1, 4, 7, 10, and 13. They are all reporting services that are located out of state. My question was are there entities within Nevada that can provide those services?

Kimbelee Tartar: Actually yes. We had approximately 22 proposals submitted, so there are local entities that have been awarded. It was a multiple award, and as the contracts are getting negotiated, they're coming forward to the Board. So all the contracts that are contemplating being award, which I believe is approximately eight, will eventually be presented to the Board. Out of that there are Nevada-based companies that are providing services. These are typically for actually transcription of meeting minutes. They're not onsite, so it's sending an electronic file to somebody to have it transcribed and then being returned, a voice file to what could be printed and become a written document. Our contracts that we also have with court reporters which do contemplate more of an onsite service, those are all Nevada-based companies. So there are some Nevada-based companies responding to the transcription services contracts, but there are some out-of-state simply because of the fact that these types of contracts don't require someone to actually be there for the service to happen, and it's a multiple award in this manner because certain agencies have time stipulations and it allows them to contact a company, give them the time period they need to have the document returned, and if that company cannot meet their needs, then they can go to the other companies and find somebody who can.

Governor: I have no other questions with regard to agenda item no. 11. Any other Board members have any questions with regard to this Agenda item? Chair will accept a motion.

Attorney General: Move for approval of Item No. 11.

Secretary of State: Second.

Governor: We have a motion by the Attorney General to approval Agenda Item No. 11, Master Service Agreements 1 through 16, seconded by the Secretary of State. Are there any questions or discussion on the motion? Hearing none, all in favor of the motion please say aye. Motion passes.

12. INFORMATION ITEMS

A. Department of Taxation

In response to questions raised by the Attorney General at the Tuesday, May 10, 2011 meeting of the Board of Examiners, the department is providing additional information regarding their JP Morgan contract and their compliance with NRS 356.010.

Comments:

Governor: Agenda Item 12A.

Clerk: Item No. 12A is in response to questions raised by the Attorney General at the May 10, 2011 meeting of the Board of Examiners. Additional information has been provided by the Department of Taxation regarding their JP Morgan contract and compliance with NRS 356.010 and Director Nielson is here.

Attorney General: Thank you for providing that information to us. I appreciate it. For the record, you are complying with the statute. You did receive Board and Finance approval for locating the money in an outside lockbox outside the state of Nevada, so thank you.

Chris Nielson: I just want to add to that that since the last meeting we have begun the RFP process to contact Greg Smith and his staff and have begun writing the scope of work, and that is moving forward and at this point we don't anticipate any problems, and hopefully, we'll be able to contract out with an in-state provider. I think that would be the best-case scenario, but we'll keep you posted.

Governor: This was a concern by the Board of Finance. The Department of Taxation will be going out with an RFP in the very near future to be completed by this fall, October, is that correct, Mr. Nielsen?

Chris Nielson: Yes, Governor. Just to recap what happened in the last meeting, the Board approved a one-year extension from July 1, 2011 to June 30, 2012, so it's our expectation that we can get the RFP in place and the bidding process to occur well before that June 30, 2012 date.

So regardless of whether it's JP Morgan Chase or a new vendor there is a seamless transition so we don't jeopardize any distributions of tax money.

Governor: Thank you for being so responsive. Any other questions?

- B. Statewide review of cash settlements paid from agency operating budget accounts or agency settlement accounts.**
***This item is related to action item #4 on this agenda**

Comments:

13. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: Move onto Agenda Item No. 13. Are there any Board member comments? Are there any members of the public who would like to provide public comment to this Board meeting? I will close the public comment portion of the agenda.

***14. ADJOURNMENT**

Motion By: Attorney General Seconded By: Secretary of State Vote: 3-0

Comments:

Governor: Item No. 14 is adjournment. Is there a motion to adjourn?

Attorney General: Move to adjourn.

Secretary of State: Second.

Governor: There's a motion by the Attorney General, second by the Secretary of State for adjournment. All those in favor of the motion please say aye. Motion passes. This meeting is adjourned. Thank you very much.

Respectfully submitted,

STEPHANIE DAY, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER