

MINUTES

MEETING OF THE BOARD OF EXAMINERS

January 10, 2012

The Board of Examiners met on January 10, 2012, 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
Secretary of State Ross Miller
Clerk Jeff Mohlenkamp

Others Present:

William Chisel, Department of Taxation
Ray Lummos, Department of Taxation
Shannon Berry, Department of Administration, Purchasing Division
John Christopherson, Department of Conservation and Natural Resources, Division of Forestry
Dennis Gallager, Attorney General's Office
Nancy Bowman, Attorney General's Office
Kimberley King, Department of Transportation
Dave Prather, Department of Health and Human Services, Mental Health and Developmental Services
Richard Nelson, Department of Transportation
Michon Martin, Attorney General's Office
Katie Armstrong, Attorney General's Office
Brody Leiser, Department of Taxation
Mike Willden, Department of Health and Human Services
Jeff Morrow, Department of Health and Human Services, Child and Family Services
Lynn Carrigan, Department of Health and Human Services, Health Care Financing and Policy
Tamara Nash, Department of Employment Training and Rehabilitation
Brenda Ford, Department of Employment Training and Rehabilitation
Carolyn Misumi, Department of Taxation
Sue Smith, Department of Health and Human Services, Welfare and Supportive Services
Lori Wilson, Department of Health and Human Services, Welfare and Supportive Services
Charles Duarte, Department of Health and Human Services, Health Care Financing and Policy
Michelle Campbell, Department of Health and Human Services, Health Care Financing and Policy
Clark Leslie, Attorney General's Office
Dawn Rosenberg, Department of Corrections
Deb Reed, Department of Corrections
Jennifer Bauer, Department of Public Safety
Patrick Cates, Department of Wildlife
Johnean Morrison, Department of Public Safety, Highway Patrol
Teri Preston, Department of Administration, Public Works, Buildings and Grounds
Mike Torvinen, Department of Health and Human Services

Press

Sandy Cherub, Associated Press

Ed Vogel, Las Vegas Review Journal

Cy Ryan, Las Vegas Sun

Sean Whaley, Nevada News Bureau

Geoff Dornan, Nevada Appeal

1. PUBLIC COMMENTS

Comments:

Governor: Good morning, Ladies and Gentlemen. I'd like to call the Board of Examiners meeting to order. We'll proceed with the first item on the Agenda, Public Comment. Is there any member of the public in Las Vegas or Carson City that would like to provide Public Comment to the Board?

*2. FOR POSSIBLE ACTION – APPROVAL OF THE DECEMBER 13, 2011 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Okay. Let's see now. We'll move to Agenda Item No. 2, Approval of the December 13, 2011 Board of Examiners' Meeting Minutes. Have the members had an opportunity to review the minutes?

Secretary of State: Yes, Governor.

Governor: Any changes?

Secretary of State: No.

Governor: Chair will accept a motion for approval.

Secretary of State: Move for approval.

Governor: Secretary of State has moved for approval of Agenda Item No. 2, December 13, 2011 Board of Examiners' Meeting Minutes. I will second the motion. Any questions or discussion on the motion? Hearing none, all in favor, please say aye. Opposed no. Motion passes.

*3. 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 Taxation - \$260,164

Pursuant to NRS 353.268, the Department of Taxation is requesting an allocation of \$260,164 from the Interim Finance Contingency Fund to establish and maintain a Tobacco Master Settlement Agreement Enforcement Unit in Fiscal Year 2013.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 3, Request for General Fund Allocation from the IFC Contingency Fund. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request from the Department of Taxation for funding in the amount of \$260,164 from the IFC Contingency Funds for Fiscal Year 2013. This is to establish a program that will create new positions, and it is to provide additional work when dealing with the enforcement of the Tobacco Settlement Agreement. The Department has sufficient funds through vacancy savings in Fiscal Year '12 to cover this fiscal year. I believe representatives from the Department are here to answer your questions.

Governor: I see Mr. Chisel. Are you here on this item, Mr. Chisel?

William Chisel: Yes, Governor. For the record, my name is Bill Chisel. I'm the Director of Taxation. With me is Michon Martin, who manages the Tobacco Enforcement Unit in the Attorney General's office, and is handling the current nationwide arbitration. We're requesting about \$260,000 in IFC Contingency Funds for the biennium. The team is slated to start as soon as possible, so we will start in Fiscal Year 2012. It's a three-person team that would track cigarettes for the MSA. This is the most cost efficient method we have in tracking these cigarettes. Some other states are using million dollar software programs to do this tracking, but we established -- we were going to use there people, one with a database person, who would create a database for the state, and we would track the cigarettes that way. The reason for the request is that Nevada is involved in a nationwide arbitration with tobacco companies, regarding the Master Settlement Agreement, the MSA. The stakes for the arbitration are high. We're looking at about \$40 million a year in tobacco money. And the arbitration is starting in the year 2003, and then they'll -- once that's resolved, they'll go to 2004, 5 and so forth. So overall, we're looking at about just an estimate of \$360 million at stake here. And the risk of losing substantial amounts of money increases over the years if we do not institute this team. So that's what we're looking at. Are there any questions?

Governor: Thank you, Mr. Chisel. And I don't question the need for this and that it's essentially a condition precedent to our successful participation in that arbitration. My question is, and this is coming from the general fund, and was this something that we should have asked for in the legislative session to be apportioned to the MSA monies? Because I understand that MSA pays for everything else, but guess the bottom line is why isn't the MSA money paying for these positions?

William Chisel: Well, that's a good question. It should be paid for the money or for the team. I mean, they do pay for the Attorney General's group, but at this point we need the funding to get the team going. And any delay until the next session could be costly to the state.

Governor: And as I said, I'm going to support this because we need it, but the next question would be this is something we're gonna need going forward. And as we build the budget this year, should that budget request be modeled that the money should come from these MSA funds?

William Chisel: Definitely.

Governor: I don't know, Ms. Martin, if you have any comment in that regard.

Michon Martin: Good morning, Governor. And I would agree, the Attorney General's office has been funded historically through MSA payments. The tax department has not. So that would be something to look at going forward.

Governor: Given these positions will be used exclusively for MSA purposes, correct?

William Chisel: That's correct.

Governor: Mr. Secretary, do you have any questions?

Secretary of State: No, Governor.

Governor: Anything further, Mr. Chisel?

William Chisel: No, that's it.

Governor: All right. Thank you. If no further questions, Chair will accept a motion for approval of the request for the general fund allocation in the sum of \$260,164.

Secretary of State: I'll move for approval.

Governor: Secretary of State has moved for approval. I will second the motion. Are there any questions or discussion on the motion? Hearing none, all in favor, please say aye. Motion passes unanimously. Thank you.

***4. FOR POSSIBLE ACTION – AUTHORITY TO PAY MINING CLAIM REFUNDS**

A. Department of Taxation – \$5,767,114

Pursuant to Senate Bill 493, Section 16.7 of the 2011 Legislature, the Department of Taxation must submit mining claim refund requests to the Board of Examiners for approval. The Department is requesting authority to pay 175 refund requests totaling \$5,767,114.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 4, Authority to Pay Mining Claim Refunds in the sum of \$5,767,114. Mr. Mohlenkamp.

Clerk: Thank you, Governor. This is an item that has come before the Board a couple times now, and you're seeing another sizeable claim. In connection with Senate Bill 493, the Board of Examiners can authorize payment of these mining claims. Before the Board is \$5,767,114. I want to make a correction for the Board. There are three claims that in your materials have not been -- they're not clear enough for the Board to be able to have looked at this and understand who the payee is. Namely, if you look at Page 8 and 9 in your package under Tab No. 4, you will see Items 30, 31 and 66.

Governor: That's a (inaudible).

Clerk: The actual payee, obviously, is not Inc. It is something far more than that. As a result, we've been advised by the A.G.'s office that we need to pull these three. So the revised amount is going to be \$5,689,309, and it will be 172 claims as opposed to 175. I expect that these three claims that were not on the list properly will show up on the next. And just so the Board knows, we are, with this request, about 82 percent of the total liability. And I'm not certain whether we'll get to 100 percent, but we're getting near the end of this or at least from a dollar perspective we are.

Governor: And remind, Mr. Mohlenkamp, they have until 2013, "they" being those that are seeking refunds, the time period within which they have to do that.

Clerk: That's my understanding.

Governor: Eighty-two percent of them, that's good. Any questions, Mr. Secretary?

Secretary of State: No, Governor.

Governor: Chair will accept a motion for approval to provide authority to pay mining claim refunds in the amount of \$5,689,309, 172 claims, and we will exclude Items 30, 31, and 66.

Secretary of State: So moved.

Governor: There's a motion by the Secretary. I will second the motion. Any questions or discussion on the motion? Hearing none, all in favor, please say aye. Motion passes unanimously.

***5. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A FORMER EMPLOYEE**

A. Department of Adjutant General and National Guard – Military

Pursuant to Assembly Bill 240, Section 1, Subsection 3 of the 2011 Legislature, the Office of the Military seeks a favorable Board of Examiner's decision regarding the Office of the Military's determination to use a temporary services contract to employ a former Administrative Assistant to provide coverage during the recruitment and training period of a new employee due to a vacancy during the closing of the state and federal fiscal years. The term of the contract services is August 8, 2011 through February 14, 2012.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 5. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request for contract with a former employee. We have an individual who has been employed since August 8 as a contractor, a former employee. The National Guard Military is requesting for the continuation of this association with a former employee through a contractual relationship to extend until February 14, which is the date of the next Board of Examiners' Meeting. This is a position that we would not support a long-term relationship, but that we think this is reasonable for them to hire and then have to do their necessary training, because there's some important things they're doing, trying to close out Federal years, grants, things of that nature.

Governor: Is there a representative here from the Guard?

Clerk: Yeah.

Jennifer McEntee: Good morning. I'm Jennifer McEntee (sp?), for the record, Office of the Military, and accompanying me is Lieutenant Colonel Kevin Knupp (sp?), the civil base engineer.

Governor: Good morning. I understand what we're doing here. What I don't want is for us to get in this position again. So we have a contract employee who's handling this. Are we training somebody right now to take over the position once February 14 comes?

Jennifer McEntee: Governor, we just exhausted the layoff list. Nobody was interested. And we obtained the current list and we'll begin interviewing this week.

Governor: Okay. When you say the layoff list...

Jennifer McEntee: There were two individuals on the layoff list and both of them declined. They've found other employment, so we requested the regular list and obtained that this morning.

Governor: Will that give you enough time between now and February 14 to get somebody hired and trained?

Jennifer McEntee: It will be close. It will be close.

Governor: I guess what I'm trying to avoid is for you to be back on February 14 and asking for another month's extension to get this person trained.

Jennifer McEntee: Sir, we're gonna do everything we can to hire as soon as possible the best candidate, whoever that turns out to be, and our other option is to visit other states. And there's

nobody that performs this position within the state of Nevada, but throughout the states there are other people. So we may be able to ask them for assistance if we run into a problem.

Governor: The other issue is if it takes that long to identify an individual and get them hired, there won't be somebody there to train them, which puts us back in the situation that we're in. Lieutenant Colonel Knupp?

Lieutenant Colonel Knupp: Good morning, Governor. Is there a way to, at this point, to extend that maybe another four weeks or something, so that we could avoid this in the future, or do we have to go with the...

Governor: You have to go with what's agendized today, if that's correct, Attorney General.

Lieutenant Colonel Knupp: Well, we will make that work then, Governor.

Governor: Mr. Secretary, do you have any questions?

Secretary of State: No, Governor.

Governor: Thank you very much. The Chair will accept a motion to authorize a contract with a former employer.

Secretary of State: So moved.

Governor: There's a motion by the Secretary of State. I will second the motion. Any questions or discussion on the motion? Hearing none, all in favor, please say aye. Motion passes. Thank you very much.

Jennifer McEntee: Thank you.

Lieutenant Colonel Knupp: Thank you, sir

***6. FOR POSSIBLE ACTION – REQUEST FOR BLANKET PRE-APPROVALS FOR CONTRACTING WITH FORMER EMPLOYEES WHO MEET CERTAIN CRITERIA**

Pursuant to the State Administration Manual (SAM) 323 (2), the Department of Transportation seeks a favorable Board of Examiner's decision regarding pre-approvals for former employees who work in seasonal, intermittent or other temporary capacities if the person will be performing or producing services for which the business or entity is employed.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 6. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is the first request for blanket approvals for contracting with former employees. The Department of Transportation has requested this blanket approval from the Board, which is allowed in SAM under certain circumstances. The State Administrative Manual 323, Section 2 allows for this, and that's attached in your Agenda packets, I believe. What they're specifically requesting for is for summer interns hired through the university system, to be able to be hired, even if they're former employees, without having to come back through the Board each time. This is something that was identified as one of those types of exceptions that we were looking for. Seasonal employees hired for winter snowplow operations, once again, another type of example of what we had identified, would probably come forward and should be at least considered. The third item they are looking for is the relocation of -- if there's individuals who need to be relocated or if they were leaving because their positions are no longer in the same location. This I have talked with Director Martinovich about. I had some concerns that this was maybe overreaching what was contemplated in both the bill that created this and then in the State Administrative Manual. She has agreed to withdraw that third aspect of the request. She does note that there are six individuals who fall under this, and she would like to come back on a case-by-case basis for those individuals to come before the Board for approval. And I told them that I would mention this to the Board and so that you could have your consideration on that in the future. I don't know when they'll come up. Certainly, it's when they're looking to enter into a former employee contractual relationship, so it could be as early as February for one or more of the employees.

Governor: Thank you, Mr. Mohlenkamp. Is there a representative from the Department of Transportation here?

Susan Martinovich: Governor?

Governor: Yes. Good morning.

Susan Martinovich: This is Susan Martinovich. I'm in Las Vegas. Thank you very much. And thank Director Mohlenkamp, is that, yes, the Department supports what Mr. Mohlenkamp indicated. And just so you know, we will be coming back for the February meeting for one of the individuals, specifically, so that we could get an exception to AB240. Thank you.

Governor: Thank you. And that's why I asked for -- Mr. Nelson's here as well. It's just a confirmation that Mr. Mohlenkamp had accurately represented your position on this issue.

Susan Martinovich: Yes, he did, Governor. Thank you.

Governor: All right. I have no further questions. I fully support the request, with regard to summer interns and seasonal employees. I do appreciate your withdrawing the other one, because I would prefer to do those items on a case-by-case basis, but -- and know, I don't want you to construe my comments today to be a rejection of those requests in the future.

Susan Martinovich: Thank you, Governor. We may also look at looking at the emergency provisions that might be allowed in taking that step, but definitely we'll work through the budget office to make sure that we're still following the requirements.

Governor: But just for a little more detail, the individuals in this third category are people that their positions are being relocated by the Department, and they choose not to, for example, if it's an individual who resides in Las Vegas and...

Susan Martinovich: Governor, yes. We've looked at reorganizing our Department to improve customer service and efficiency. And one of the areas that we think is pretty important is to move this section of (inaudible) agents up to northern Nevada. One of the individuals, in particular, has indicated they cannot move. They have some potential health issues, some marriage issues, just a lot of personal issues, and they cannot move. And so they are seeking to do the same service that they provide to us with a consulting firm that's already on board with us working on the project, Neon Project. And we definitely support that, because these individuals are very capable and we think it is a benefit to the Department. So that's what we were looking at moving forward with this.

Governor: Thank you very much. Do you have any questions, Mr. Secretary?

Secretary of State: No, Governor.

Governor: All right. With regard to Agenda Item No. 6, Chair will accept a motion for blanket pre-approval for contracts with former employees who meet the criteria, as described in the letter dated December 14, 2011, from Director Martinovich to Director Mohlenkamp. Specifically, the summer interns hired through the university system and the seasonal employees hired for winter snowplow operations.

Secretary of State: So moved.

Governor: There's a motion by the Secretary of State. I'll second the motion. Are there any questions or discussion on the motion? Hearing none, all in favor, please say aye. Motion passes. Thank you very much.

***7. VICTIMS OF CRIME PROGRAM (VOCP) APPEAL**

Pursuant to NRS 217.117 Section 3, the Board may review the case and either render a decision within 15 days of the Board meeting; or, if they would like to hear the case with the appellant present, they can schedule the case to be heard at their next meeting.

A. Myles Machado

Mr. Machado is appealing the denial of his application for VOCP assistance. Mr. Machado's application was denied due to late filing of the police report.

Recommendation: It is recommended that Myles Machado's appeal be denied.

Motion By: Secretary of State	Seconded By: Governor	Vote: 2-0
Comments:		

Governor: Next item on the Agenda is Victims of Crime Program Appeals. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board again are two appeals that have come forward. Pursuant to NRS 217.117, the Board may review and render a decision with regard to these cases

that have been already through the hearing process, through the hearings of appeals, I'm sorry, through Victims of Crime. The first is Myles -- I'm not sure of the pronunciation, but Myles Machado, and this was denied due to a late filing of the police report. And the second is Stephen E. Sabo, Jr. This was due to the late filing for coverage under Victims of Crime. So there are two different instances before the Board for consideration.

Governor: Thank you, Mr. Mohlenkamp. Is there a representative from Victims of Crime present?

Rebecca Salazar: Yes, sir. I'm Rebecca Salazar, Program Manager for Victims of Crime.

Governor: Okay. Good morning, Ms. Salazar. We're gonna break these in two pieces. I'd like to address Mr. Machado's case first. Just so that I ensure that I have it right, is the reason for the denial of his claim is that it was done 30 days after the date of the incident versus the 5 days, correct?

Rebecca Salazar: That's correct.

Governor: And the finding was that he essentially didn't provide a reasonable explanation for why that police report wasn't filed within 5 days versus the 30 days?

Rebecca Salazar: That's correct.

Governor: All right. Is Mr. Machado or representative present on his behalf?

Rebecca Salazar: No, sir.

Governor: All right. Now, Ms. Salazar, I'm not sure if you can respond to these questions, but it's established that he suffered a severe head injury at the time of the incident, correct?

Rebecca Salazar: Yes.

Governor: And that there's no dispute that immediately after he was assaulted and battered that he was transported to the hospital for treatment?

Rebecca Salazar: Yes.

Governor: And that he also had some preexisting mental conditions as well?

Rebecca Salazar: Correct.

Governor: So I guess where I'm going is -- you know, and I have some pictures here that I asked for, and I'm not gonna share those because they're pretty graphic, but he suffered a pretty severe head injury and was essentially incapacitated at home during those five days, that perhaps the position that you had taken was that he should have filed that police report.

Rebecca Salazar: Yes, Governor. This was a statutory denial from my office, so anytime a police report's not filed within the five days, it's an automatic denial, unless there is a physical

reason for them to not file, like he's in a coma, or he was in the hospital for an extended period of time. In this case, Mr. Machado indicated in the hearing before the appeals officer that he was in the hospital for four hours and he received stitches and then he was released. So the hearing officer and the appeals officer did not find that to be cause to waive the five day deadline.

Governor: But there is an exception in the statute, it's not an absolute rule that if...

Rebecca Salazar: Correct.

Governor: ...if he doesn't -- any individual doesn't file within those five days, there's reason to consider the explanation for that.

Rebecca Salazar: Yes.

Governor: And as I said, at least the pictures I'm looking at, he's got stitches across the top of his forehead and took a blow to the head, was rendered unconscious at the time of the attack and was transported and, as I said, also had a pretty severe preexisting mental illness. As I said, I, you know, when I look at this, I don't think it's unreasonable for him to have waited 30 days. I don't think that it has prejudiced the Victims of Crime Program in any way. I don't think anybody argues that he was attacked and that he was treated immediately thereafter. Mr. Secretary, do you have any questions?

Secretary of State: Just a couple. Throughout this process, did you get any indication or statements that were received or testimony that would've been received from any other witnesses to this incident, separate from the testimony of Mr. Machado and the submitted police reports?

Rebecca Salazar: No, sir.

Secretary of State: The police report specifically mentioned that he indicates that he was walking with friends when the incident occurred. Was there any information submitted that would corroborate that statement?

Rebecca Salazar: No.

Secretary of State: Is that typical in some of your hearings that the claimant would have an opportunity to bring witnesses and solicit testimony to corroborate their statements that they were in fact a victim?

Rebecca Salazar: Yes, both before the hearing officer and the appeals officer, they are welcome to bring any witnesses to offer any corroborating evidence or statements.

Secretary of State: And through the hearing process, do you make any attempt to determine whether or not the claimant's claims are credible, in that certainly in this instance, one possible explanation could be that he just simply slipped and fell, and no doubt he had injuries, but that he wasn't in fact a victim of crime, which would entitle him to compensation from the state?

Rebecca Salazar: No, the program largely relies on the police report and the victim's statements. Not much more beyond that.

Secretary of State: Okay. Thank you.

Governor: And Ms. (inaudible) I didn't read anything in the transcript that would have questioned whether he was essentially telling the truth, that he was attacked on the strip. I mean, it was in front of the Paris, I think it was. 'Cause I had the same question, at least in my mind, as the Secretary, is that two of his friends or neighbors were with him, and I thought that there was an omission there, in terms of on his part, that they hadn't provided statements. But in any event, there was nothing that came up that would question his truthfulness, with regard to whether he was a victim of a crime?

Rebecca Salazar: I would agree with that. There was nothing that indicated he was not being truthful.

Governor: Mr. Secretary, do you have any further questions?

Secretary of State: No, Governor.

Governor: Okay. Do you have a -- do you know which way you're gonna go on this, Mr. Secretary?

Secretary of State: Governor, this is a close one. I've had instances on this Victims of Crime before where I've certainly been sympathetic to the fact that there is an exception clause and it shouldn't be an absolute bar if you haven't filed the police report within five days. Number one, I don't think many victims know of that requirement and, you know, that could be a failure of any number of areas in the system in not notifying them. And certainly there are causes that the statute contemplates where it would be reasonable that they wouldn't file the police report. In this instance, it doesn't look like it's that substantial of a delay. He came in only 30 days after. And I will -- I put a lot of weight in the hearings officer's representation that there doesn't appear to be any indication that he was fabricating these charges. And so that's it. I would move for approval. I would move -- let me correct that, but be more precise. I would move to approve the appeal and deny the findings of the (inaudible) officer and request that the Victims of Crime Program compensate him for the injuries that he suffered.

Governor: Thank you, Mr. Secretary. I will second the motion. I do believe that Mr. Machado has established an adequate and reasonable basis for receiving benefits from the Victims of Crime Program, within the requirements of the statute. Any further questions or discussion on the motion? Hearing none, all in favor, please say aye. Motion passes.

B. Stephen E. Sabo, Jr.

Mr. Sabo is appealing the denial of his application for VOCP assistance. Mr. Sabo's application was denied due to late filing of the application.

Recommendation: It is recommended that Stephen E. Sabo, Jr.'s appeal be denied.

Motion By: Secretary of State Seconded By: Governor Vote: 2-0
Comments:

Governor: Okay. We'll move on to the next individual, Stephen Sabo. Mr. Mohlenkamp, do you have any comments?

Clerk: Governor, this instance, as I mentioned, is a little different. Rather than not filing a police report, they have not come forward to the Victims of Crime, this particular individual. The crime occurred on March 1, 2005, according to the records. This individual did not file with Victims of Crime until April 14, 2011. So it's a full six years later. There is a one year provision. They have to file within one year of the date of injury, so this is a full six years later, and so fairly different circumstances here.

Governor: Thank you, Mr. Mohlenkamp. Ms. Salazar, do you have any comment with regard to Mr. Sabo's appeal, or Sabo? I don't know the correct pronunciation.

Rebecca Salazar: No. I think my packet explains it well. He was injured, as Mr. Mohlenkamp said, in 2005 and didn't apply until six years later. It's my understanding that he was sent to prison for four years, but that didn't happen until 2007. So that gave him two years from the date of injury to apply before he was sent to prison.

Governor: Thank you, Ms. Salazar. Is Mr. Sabo present or a representative on his behalf?

Rebecca Salazar: No, sir.

Governor: And as was mentioned by Mr. Mohlenkamp, I view that this appeal similar to what Mr. Mohlenkamp has represented. Mr. Sabo's clearly outside the one year requirement for filing or seeking benefits from the Victims of Crime Program, and I don't believe that in his packet that he has provided an adequate basis for seeking an exception for that requirement. Mr. Secretary, do you have any comments?

Secretary of State: No, Governor. I'll move for approval of...

Governor: (Inaudible) for approval (inaudible)?

Secretary of State: I'll move for request -- I will move to deny under the findings of the hearings officer, and move to approve his request for an appeal and that his medical bills be compensated. Properly stated?

Governor: No, I don't think so. I mean, I -- we had -- this is with regard to Mr. Sabo. My position on this is that he is appealing the finding of the hearings officer denying his benefits.

Secretary of State: Right. I apologize, Governor. I move to approve the findings of the hearings officer and deny the appeal of Mr. Sabo.

Governor: Thank you, Mr. Secretary. I will second the motion. Any questions or discussion on the motion? Hearing none, all in favor, please say aye. Opposed no. Motion passes. Thank you.

***8. LEASES**

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

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State Seconded By: Governor Vote: 2-0

Comments:

Governor: Agenda Item No. 8, Mr. Mohlenkamp, Leases 1 through 10.

Clerk: Actually, I think we have 11 on the Agenda.

Governor: Oh, I see. I looked -- it stopped on that page.

Clerk: Yeah.

Governor: You're correct, Mr. Mohlenkamp, 1 through 11.

Clerk: Thank you, Governor. Actually, but you're gonna turn out to be right, because I need to withdraw one of the items. Lease No. 8 is an error on our part. Actually, that has been heard by the Board before and so it does not need to be heard today. So there are actually 10 leases for consideration by the Board, if No. 8 is withdrawn. You will note that we have changed a little bit of the formatting in trying to demonstrate the efficiency of these leases and whether they're -- we're able to save money, and whether we're able to find basically better deals for the state. And I'm pleased to indicate that you'll see almost all of these have that. So hopefully this new format is working good.

Governor: Thank you, Mr. Mohlenkamp. And this is extremely helpful for me so that we can see that almost on every lease we're saving money. For example, some of them are de minimis, but others are significant. There's one lease that's going to save \$57,000 over the two year lease term. There's another that's going to save close to \$46,000 over a four year lease term. There's another, a savings of \$111,212, that's Lease No. 7. So I want to compliment all those who are out there negotiating these leases, because it does -- when you start to add these up, it provides a significant savings to the state. Mr. Secretary, do you have any questions with regard to Agenda Item No. 8?

Secretary of State: No.

Governor: Chair will accept a motion for approval of Leases 1 through 7 and 9 through 11.

Secretary of State: So moved.

Governor: The Secretary has made a motion for approval of leases, the leases described in Agenda Item No. 8, 1 through 7 and 9 through 11, with the exclusion of Lease No. 8. All in favor of the -- I'll second the motion. All in favor, please say aye. Motion passes. Thank you.

***9. CONTRACTS**

Sixty-five independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Mr. Mohlenkamp, Agenda Item No. 9.

Clerk: Thank you, Governor. There are 65 contracts before the Board for consideration. I have a few announcements to make about a few of these. First of all, there's two that are not gonna -- that are gonna be pulled for consideration today. The first is Item No. 42. This is contract with Amerigroup Nevada, Inc. I anticipate you'll see that on the next Agenda. Also, Item No. 63 has been pulled for the need for additional information before the consideration by the Board. In addition to those that have been pulled from the Agenda, Item No. 14, in the contract description should indicate Southern Nevada Army National Guard rather than Northern. So I think that could go forward with that disclosure. And lastly, Item No. 53 should indicate 100 percent general funds, as opposed to 50 percent general fund and 50 percent county assessments. Those are the only disclosures with regard to these Agenda items that I have.

Governor: Thank you, Mr. Mohlenkamp. And by way of background and explanation on 42, I was the one who sought to have this item approved. I do understand it's a very important contact, and I've spoken with Director Willden about this, but it's a significant amount of money. It's \$266 million. And when we get our packets, there's essentially one sheet of paper that provides explanation with regard to this contract. This is in no way to be construed that this is critical of the contractor in this case. I just have several specific questions with regard to how it's going before I'm in a position to be able to approve the contract. So having said that, with regard to Agenda Item No. 9, I have questions on Contracts 4, 18, 21, 24, 25, 41, 44, 49, 57, 61 and that's all. Mr. Secretary, do you have any contracts that you want to go over?

Secretary of State: (Inaudible).

Governor: With regard to Contract No. 4, and I understand this is your contract, Mr. Secretary, I was just seeking a little more background. My understanding is you've had trouble filling this position?

Secretary of State: Yes, Governor. This position's been vacant for about four months. We first hired for this position when it became vacant in September of 2011. At that point we'd received 14 applications. Eight or nine of those were immediately rejected of not having met the qualifications for the Chief of Enforcement. Diana Foley, who we ultimately hired, was the only one we felt was capable of performing the duties. Shortly thereafter you appointed the Securities Administrator, Carolyn Ellsworth, to the District Court bench.

Governor: Sorry about that.

Secretary of State: That in turn caused another vacancy. She's definitely qualified, and I think is gonna be a fantastic District Court judge. We promoted Diana Foley to the Securities Administrator spot, and so now we have the vacancy in the Chief of Enforcement. And it's an essential position.

Governor: And Mr. O'Callahan (sp?) meets the former hiring requirements that you were seeking?

Secretary of State: Yes, Governor. We've reviewed it extensively with the Attorney General's office for authority to contract out for this position. And they agree that we have the statutory authority to hire. We have also reviewed it extensively with the (inaudible) system, because he is a former employee of Clark County and has some retirement issues there. He's extensively qualified for the position, having been a former criminal prosecutor his entire career, probably handled more jury trials than any prosecutor down there, dealt with extensive fraud cases. This is really a position that serves as the attorney for the division, but also oversees all of the enforcement, which includes five criminal investigators. And we have a substantial caseload, 65 criminal investigations open, 107 investigations open on the compliance side, 42 inspection files for a total of 214 open cases, amongst only 18 staff. So the amount of staff we have in that division is already at a 30 percent decrease from when I took office, so they're a bit underwater and could certainly use the help. And I would mention also, just for the record, that they generate a substantial amount of revenue. Projected in 2012, that division will bring in \$20 million. In fines and fees alone, they brought in \$3.3 million, and in 2011, \$1.4 million thus far. And that has dropped off a little bit due to the fact the state hasn't received any auction rate security settlements recently, but, I think, also attributed to the fact that they're understaffed. And so if we can get them up and running, hopefully, they'll be able to generate some more revenue.

Governor: Last question is the contract term is 2 years and 356 days, so will this be a permanent contract with this individual?

Secretary of State: No, Governor. The reason we structured it that way is so that when I left office, somebody else would be at liberty to bring in their own person. This, if it was vacant, would be an (inaudible) appointee of the Secretary of State. So I've got less than a thousand days left in my term, and this contract contemplates remaining in effect until then. And then the next Secretary of State would have the authority to bring in their own person. Sounds like a lot of money, but it actually equates to the annual salary of the position, which is \$95,150. And when you break it out over a 40 hour work week, it's just over \$45 an hour, which I think is pretty reasonable, given his experience and the fact we're hiring an attorney on board. And there's savings for the state. It represents about a 26 percent savings by structuring this through a contract as opposed to hiring him on as an employee.

Governor: And will he be devoting his whole practice to this?

Secretary of State: No, Governor. He is an independent contractor, and so it's anticipated that we would use him in a full-time capacity. And certainly, if he wanted to take on additional clients, he could do so, as long as it didn't interfere with his duties with the division.

Governor: Thank you, Mr. Secretary. Move on. No. 18. Good morning, sir.

Christian Munson: Good morning. My name is Christian Munson (sp?). I'm the Deputy Administrator for Professional Services with the State and Public Works (inaudible).

Governor: And my question here is what is the DMV South Reno facility? Is that that vacant piece of land that's out there in South Meadows?

Christian Munson: Yes, sir.

Governor: So is there -- what does this contract contemplate with regard to that vacant piece of land?

Christian Munson: This contract and one other just like it for a DMV in southern Nevada is for programming and schematic design only. And in architecture vernacular, that's kind of like the conceptual planning for a project, but not the construction detailing or the bid documents necessary to go out to construction. So it's just planning only.

Governor: So is there a plan to build a DMV facility in South Reno? I know we've purchased - - that property was purchased a while ago, but, I guess, this is the first -- the reason I brought this up is I wasn't aware that we were proceeding forward with these initial plans to construct a new DMV facility in South Reno.

Christian Munson: Yes, sir. The property was purchased, I think, in 2003, for the purpose of constructing a DMV eventually on that site. These contracts are not for construction. They're only for planning. And the effort really, I think, is to define what a DMV should be, going forward the next 10, 15, 20 years. So we're gonna spend more effort in identifying future needs, on automobiles, circulation, how technology through computers and GPS systems, that type of thing, might change a DMV. So this contract is more of an investigative one, planning only.

Governor: Is that -- I mean, this is with an architectural firm. So do these architects do all these studies with traffic and the things that you just described?

Christian Munson: They do so with the help of consultants that would come on board with their team, but there would be conceptual planning for a DMV building on that site, so that's the reason for an architectural firm to be involved.

Governor: I suppose that Director Breslow's not here or a representative from DMV? My reluctance is this, is that this is a quarter million dollars to, as you say, can do this conceptual planning for a DMV building in South Reno, when I really haven't had a conversation with the director, whether we still need that, or the one over there on Kietzke is still adequate. There is just, I suppose, some policy issues I'm curious about before we spend a quarter million dollars on a building that may never be built.

Christian Munson: I understand that concern and I appreciate that. While the director's not here, I do know that their facility over on (inaudible) Lane suffers from inadequate parking. I know that there's a struggle there, and also program concerns with that facility that can't be really addressed through a remodeling of that particular building. But they have indicated and indicated at the legislative session this last year when this project was approved at that point, that there was a need and a desire to move forward in South Reno, as well as the Las Vegas site, with at least the conceptual planning. The understanding would be that it might be 2013, even 2015 before the construction money would be requested of the legislature.

Governor: So when you say this was approved, what type of approval was there by the legislature for this project?

Christian Munson: This, along with, I think, 51 other projects were approved to form the 2011 Capital Improvement Program. So they were authorized and funded through the legislative process to make our CIP program.

Governor: Okay. And I probably should know this, but, I mean, I don't recall their seeking or there being an approval for the construction of a building in South Reno. But are you saying that the approval was at least for these preliminary funds to do essentially, pardon the pun, the groundwork for the construction of this facility?

Christian Munson: Yes, sir. The planning project was approved in the legislative session as a part of 2011 CIP.

Governor: All right. Thank you very much.

Christian Munson: You're welcome.

Governor: Mr. Secretary, do you have any questions on this one?

Secretary of State: No.

Governor: Thank you, sir. Next contract is 21, Commission on Economic Development and the Board of Regents. Mr. Mohlenkamp, this is an extension or essentially additional funding to a contract that this Board previously approved?

Clerk: Governor, I understand what they're asking for. They received -- they have additional funds that are available under the State Career Enhancement Program, and what they're looking to do is allocate some of those funds toward this proposal, basically. Essentially, it doubles the money or it puts 50 percent more money to increase their ability to do training, you know, for people to get ready for work. I don't have the details on the specific type of training they're gonna do with this funding, and I was hoping that there would be a representative here, but I can certainly get that data, or we can hold this over, if you'd like.

Governor: Well, I agree. I'm not -- I'm very supportive of job training and these efforts that the state needs to engage in, specifically with regard to economic development. I just want to ensure that when we're spending \$750,000 that we're doing it in the areas that are consistent and compliment our Economic Development Plan. And I would be very confident that if there was somebody there that they would say that they are, but I just wanted some specificity with regard to when we give this money to the -- or we send this money to the Board of Regents, that they are indeed coordinating their retraining efforts with the areas that we have need and are working to establish through the Economic Development Plan.

Clerk: Yeah, you know, Governor, from my discussions with the director, Mr. Willden, that there have been -- really have been working to engineer their training to be very targeted towards the sectors that Nevada needs to advance. I know they're been working with the Economic

Development team in that regard. And so I would think that they really are doing that, but I don't have specific information at this point in time.

Governor: Thank you. Contract No. 24, Mr. Willden. And thank you, Mr. Willden. I understand this contract and several others within the Agenda today have to do with the UPL or the Upper Payment Limit. And I know it's a very complex area, and I'd appreciate it if you could essentially provide a simplified explanation as to what these contracts are accomplishing and what they mean to the state.

Mike Willden: Thank you for the Governor for the -- thank you, Governor. For the record, I'm Mike Willden. I serve as the Director of Health and Human Services. And with me at the table is Lynn Carrigan, who is the Chief Financial Officer of Medicaid. I've handed out a little three-page what I would call the ABC's of Medicaid financing. As you know, Governor, there are several opportunities that states have under Federal law to make, if you will, enhanced payments through the program, and opportunities where we can use other people's money, other than the general fund, to make payments to improve Nevada's healthcare system, particularly to our hospitals. Today, you see Items 24 through 40 that deal with those. You've asked just for Items 24 and 25, but all of the items, 24 through 40, basically relate to the same thing. The three-page -- well, before I go into the three-page handout, just to remind you of some of the issues or the programs that we run. And, again, this is where we're leveraging other people's money, other than general fund, to act as the non-Federal share in the Medicaid program. Sort of simply stated, the Medicaid program has a set of rules. The Federal government will pay for roughly 55 percent of the healthcare costs, and so the state has to come up with roughly 45 percent of the healthcare costs, and we do that either through a direct use of general fund or by using other people's money. Where we use other people's money is in programs like the Disproportionate Share Hospital Program, where we use local dollars to act as the non-Federal share to make payments to hospitals who provide a disproportionate amount of services to indigent patients. The programs here today that we're looking at, we run several or two Upper Payment Limit Programs, where we can pay bigger payments to hospitals. When I say bigger payments, Medicaid pays one rate. Medicare pays a higher rate. And if you can find a funding source, then you can pay the difference to the hospitals of what Medicare would've paid them versus what Medicaid pays them. We run a Graduate Medical Education Program, which is Item No. 25. We run school-based claiming programs where we use the schools' money as the non-Federal share. And as you know, we're working on a private hospital Upper Payment Limit Program that we haven't yet got all the I's dotted and T's crossed. We run a County Match Program, where we use county dollars to fund institutional care for certain recipients. So that said, the three-page chart here, let me just kind of walk through what Items 24 and 25 do. The first two charts in your packet are how the inpatient and outpatient Upper Payment Limit Program works for public hospitals. So I, in my own little writing, and I apologize for that, in the upper left corner, I have a blue list and a yellow list of numbers there. The yellow list is how we are contracting or signing the inner local agreements with the various counties who provide the non-Federal share for this Upper Payment Limit Program. So the yellow list, you know, BOE Items 24, 27, 29, 31, 34, 36, 38 and 40 all are how we contract with those local governments, Clark, Humboldt, Lander, Lincoln, Mineral, Pershing, Lyon and White Pine County, to get the non-Federal share to match those dollars with Federal dollars, and then we, in turn, make those yellow payments in the boxes. So the counties put forward the non-Federal share, we match it with Federal dollars under the 45/55 matching things, and we make payments to the counties. The blue list is how the counties provide what we call a voluntary contribution, in excess of the

non-Federal share, to the state, and that helps us fund the box of what we call the net state benefit. So the blue money isn't funding the payments to hospitals. It basically funds a reserve account that we use then to fund other Medicaid programs. So it's a win-win-win program, where the local governments put up money. The hospitals in their areas, their counties get these enhanced payments, significantly more than the amount that they contribute. And then we keep a net state benefit that we use, like general fund, to fund other services in the Medicaid program. So that's how the public hospital inpatient and outpatient work. And then on the third sheet is how graduate medical education works, and that's Item 25. And on the graduate medical education chart, the county, Clark County, puts in money, and the similar thing happens as in the Upper Payment Limit Program. We use their money, and we fund -- we use that to match Federal dollars and make an enhanced payment back to UMC, because they are teaching hospital -- or use residents to provide services, and under Federal rules, if we can find a non-Federal share, we can make enhanced payments to the hospital. And then, again, we get a small net benefit out of that. What you don't see on the BOE Agenda today, and I've noted on all three things, there's a blue thing that says future BOE, future BOE on all of the charts. At the next BOE, you will see the Clark County contract come forward on the voluntary contribution for Clark County. We missed, you know, being able to get that to this Board, so that would have to come forward to the next BOE. And that's about a \$40 million voluntary contribution from Clark County over a five year period. So in summary, that's how it works. We get voluntary contributions. We get the non-Federal share. We use those to match Federal funds. We make enhanced payments to these public hospitals. And we get some benefit out of it that we reinvest into the Medicaid program. Hope that's ABC's and not too complex.

Governor: No, I appreciate, Mr. Willden, your providing that explanation, because it's probably as complex as it gets, but it also highlights your abilities and efforts to not only manage the program, but manage it in a way that brings an additional \$12 million to the Medicaid program, which in turn serves more people and provides more services. So I as much asked you to come up here to provide an explanation is to also compliment you and your staff for all of your efforts in this regard, because these are some of the things that essentially happen behind the scenes, but really have a big impact for the people of state of Nevada, and I wanted to thank you for that.

Mike Willden: Thank you, Governor. Mr. Duarte and his staff do an excellent job of running these programs and leveraging other people's money wherever we can to match with Federal dollars. And I can assure you, there aren't too many programs out there in the Federal guidelines, in the Federal world that we aren't currently leveraging. And the only one that we are not, that I can think of, that's not off the ground is the private hospital UPL, and, as you know, we've been working on that the last two years. Hopefully, we'll be able to bring some contracts forward to the Board soon.

Governor: But this UPL has been in the works for how many months, Mr. Willden?

Mike Willden: The private hospital one we've been working on, we just -- 25 months to develop that funding mechanism. These others took, I mean, they've been in place many, many years. The public hospital and these others have been in place many years. They take months to develop. There's a state plan approval process. There's lots of negotiations with the hospital system, getting the money provided, but, yes, the private hospital one we've been working on the last two years. We submitted a state plan in January, two years ago, just barely got the approval from the Feds, and now we're going through the next steps to get...

Governor: And that was my next question. You've accomplished all the Federal approvals and hurdles, and we have everything we need from the Federal government. It's just a matter of finalizing these negotiations between the private hospitals?

Mike Willden: That's correct.

Governor: And while you're here, Mr. Willden, I did have a question with regard to Contract No. 41. And just essentially, this is an outside entity that is going to essentially audit the Medicaid payments? I see Mr. Duarte has come to the table.

Charles Duarte: Good morning, Governor and Secretary of State. Charles Duarte, for the record. Be happy to answer any questions.

Governor: Mr. Duarte, if you would just provide a brief explanation. Again, I don't question the need for this, but I think it's important to have a full understanding of exactly what this contractor's going to do and what it means to the state.

Charles Duarte: Yes, certainly, be glad to. When the Affordable Care Act passed back in March of 2010, it included a provision to expand state Medicaid agencies responsibilities to audit facilities, primarily hospitals, nursing facilities, et cetera. And the reason for this audit was to obviously improve program integrity overall. For the state of Nevada, we had been doing a lot of these activities, actually using this same vendor, Health Management Systems, in a slightly lesser capacity for recoveries and audits, but my staff was doing that as well. And I have staff here who are responsible for facility overpayment investigations and recovery work, which brings in about three million a year just for state efforts. But this was a requirement of the Affordable Care Act, which basically was for states to implement a program that started in the Federal Medicare program about four years ago by the same name, Recovery Audit Contracting. And the idea is that we will enter into contingency fee agreements with these audit firms to look at facility payments, and if there are inappropriate payments, that we will recover those, and they will get a contingency fee based on the amount of that recovery is. You can see 8.75 percent. And for underpayments, which occasionally get identified, they would get a fixed fee for that. And so this is primarily a contingency fee based contract, using the services of HMS to audit facilities that are contracted with the Medicaid program.

Governor: So they'll be complimenting what you're doing right now?

Charles Duarte: Precisely.

Governor: And do they have a history in other states of how they've performed? I mean, do you have any idea, have they had success in other places?

Charles Duarte: HMS is a rather large company that has done a lot of recovery work in other states. They have contracts not specifically in this function of recovery audits, but in doing what we call third-party liability audits of facilities and providers in 22 states. And they had a contract -- they're actually a subcontractor to a firm that worked with us for about five years doing these types of third-party recovery audits and were very successful in the state of Nevada in assisting us in recovering monies from facility overpayments. So they do have a track record related to

audit activity, but I believe this is a new line of business for them, and there are a lot of vendors out there who are somewhat new to this activity. I do have a staff member here who may be able to answer questions regarding the procurement and their specific experience in this area, but I don't believe they were a certified recovery audit contractor for Medicare, previously. Okay. This is new business for the Medicaid program. Again, it was a pilot in the Medicare program, and there were a limited number of pilot providers for Medicare, so a lot of these companies are new to the Medicaid program for recovery audits.

Governor: Thank you, Mr. Duarte. And perhaps after six months or so, I'd appreciate a report on how they're doing.

Charles Duarte: Be happy to do that. We're gonna be watching this closely as well.

Governor: Thank you. Any questions, Mr. Secretary?

Secretary of State: (Inaudible).

Governor: And I'm not -- Mr. Willden, I'm not sure, but I'm moving to Contract 44.

Phil Wyrick: Good morning, Governor.

Governor: Good morning.

Phil Weyrick: (Inaudible) Phil Weyrick, Administrative Services Officer for the Health Division.

Governor: Good morning, Mr. Weyrick. And my question here is just there was an interesting statement in here about the survey work is being divided between UNR and UNLV. Contract negotiations with the universities took an inordinate amount of time. Is there...

Phil Weyrick: Yes, yes.

Governor: ...is there a problem or...

Phil Weyrick: In the past. This isn't a new effort. Behavioral risk factor surveillance system surveys have been going on for many, many years, probably decades. It's always been done in the past by a private company. My administrator, Rich Whitley, has been trying over the last year to build a partnership between the two university systems so that we can, you know, get some money back into the state instead of allowing a private contractor to do this work. So that did take some negotiating skills to get the two universities to work together and to be able to split the workload. And although we did it as fast as we could, it just took some time through the different bureaucracies to get that done.

Charles Duarte: Governor, I wanted to also point out that you'll see the other contract for the other university coming back (inaudible) I believe it's in the February Agenda; is that correct?

Male: Yes, sir.

Charles Duarte: So you'll see that coming up on the next Agenda.

Governor: Thank you very much. 57. Is somebody here from Department of Corrections?

Deborah Reed: Good morning. My name is Deborah Reed. I'm Deputy Director of Support Services. I'm here to answer your questions.

Governor: Thank you, Ms. Reed. And I -- this one was just interesting to me that...

Deborah Reed: It is.

Governor: ...so we're going to be buying all our shoes from California prisons. Is there -- the ones we have now are -- it's not, I mean, I guess what's the -- what was the reason for having to do this contract?

Deborah Reed: What has happened over time is that our -- at different facilities we have different activity levels for our inmates. And at some of our higher activity facilities, like Southern Desert and High Desert, the lower grade shoe that we were using were not lasting for any length of time. We estimated that they were lasting in an active facility about two months, and so we were replacing shoes all the time. And what we did is, based on recommendations from another state, they highly recommended California's shoes. So we did a test of them. And we have -- they're estimating between six and nine months that they're lasting now versus two months at our high activity facilities.

Governor: So this will -- I don't know if it'll save a substantial amount of money, but have you quantified that in any way?

Deborah Reed: I'm not sure, because we're buy -- the shoes that we have bought from the ones that we tested from California are lasting anywhere from six to nine months in our active yards. The thing that kind of makes it hard to determine is inmates do have the ability to buy shoes from our stores too. And if they don't -- if they wanna buy Nikes or whatever shoe that they want, they're not gonna get the prison issue ones, because the administrative regulations only allow them so much personal property. So it's really kind of hard to measure, but the fact that the old shoes that we were using last about six months. It's about \$25 for every six months, because we were replacing them at that cycle. The ones that we're buying now for \$9.15 from California lasted six to nine months, and we've got a couple pairs, I guess, over that limit. So I think in the long run there will be savings, but it's hard to tell.

Governor: Thank you very much, Ms. Reed. My last question is on Contract 61, Wildlife.

Patrick Cates: Good morning.

Governor: Good morning.

Patrick Cates: Patrick Cates, Deputy Director, Department of Wildlife. Be happy to answer any questions.

Governor: My question here is we're contracting with BLM to perform the duties of this juniper removal and underbrush removal, I guess. Do they turn around and hire a private contractor, or do they do the work themselves?

Patrick Cates: Both. They use BLM fire crews primarily, but depending on the nature of the work, they may bring in contractors for some part of it. It's my understanding they're going to be using their fire crews for this.

Governor: And I've seen personally that some of our inmate crews perform this function, at least up at Lake Tahoe. Is this something that our inmates could do for this contract as well?

Patrick Cates: We consulted with Forestry about that possibility, and the remoteness of the location was an issue for them. The nearest crew is out of Carson City. This is up by Cedarville, northern Washoe County, about a five, six hour drive each direction. And they would have to camp out and have guards and all that sort of stuff. It really wasn't cost effective for them.

Governor: Understood. Thank you very much. Okay. I have no further questions. Mr. Secretary, do you have any questions with regard to Agenda Item No. 9?

Secretary of State: No, Governor.

Governor: Chair will accept a motion for approval of contracts numbered 1 through 65, with the exclusion of 42 and 63.

Secretary of State: So motioned.

Governor: Second the motion. Are there any questions or discussion on the motion? Hearing none, all in favor, please say aye. Motion passes.

10. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Comments:

Governor: Move on to Agenda Item No. 10, which is Board Member Comments. I have none. Secretary?

Secretary of State: No.

Governor: Are there any members of the public in Carson City or Las Vegas who have any Public Comment for the Board?

***11. FOR POSSIBLE ACTION – ADJOURNMENT**

Motion By:	Seconded By:	Vote:
Comments:		

Governor: Hearing none, I'll close the Public Comment period and adjourn the meeting. Thank you, ladies and gentlemen. Happy New Year.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER