

MINUTES
MEETING OF THE BOARD OF EXAMINERS

July 13, 2012

The Board of Examiners met on Friday, July 13, 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
Attorney General Catherine Cortez Masto
Clerk Jeff Mohlenkamp

Others Present:

Mary Liveratti, Aging and Disability Services Division
Kimberlee Tarter, Purchasing
Joe Reynolds, Attorney General's Office
Diane Comeaux, Division of Welfare and Supportive Services
Claudia Vecchio, Department of Tourism and Cultural Affairs
Greg Smith, Purchasing
Marla McDade Williams, State Health Division
Amber Howell, Division of Child and Family Services
Brian Connett, Department of Corrections
Frank Woodbeck, Department of Employment, Training and Rehabilitation

1. PUBLIC COMMENTS

Comments:

Governor: Morning, everyone. I'd like to call the Board of Examiners' meeting to order. We will begin with Item 1 on the Agenda, Public Comments. Is there any member of the public here in Carson City that would like to provide public comment to the Board? In Southern Nevada is there any member of the public that would like to provide public comment?

Clerk: I don't think so, Governor.

Governor: All right. Thank you very much.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE JUNE 5, 2012 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By: Governor** **Vote: 2-0**

Comments:

*3. FOR POSSIBLE ACTION – APPROVAL OF THE JUNE 13, 2012 BOARD OF EXAMINERS' MEETING MINUTES

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General **Seconded By: Governor** **Vote: 2-0**

Comments:

Governor: We move on to Agenda No. 2, approval of the June 5, 2012 Board of Examiners' meetings minutes as well as Agenda Item No. 3, which are the June 13, 2012 Board of Examiner meeting minutes as well. And, Attorney General, have you had an opportunity to review the minutes?

Attorney General: I have.

Governor: Any changes?

Attorney General: No. I would move for approval of Agenda Item No. 2 and 3.

Governor: I will second the motion. Any questions or comments regarding the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Opposed, no. Motion passes.

***4. FOR POSSIBLE ACTION – REQUEST FOR GENERAL FUND ALLOCATION FROM THE INTERIM FINANCE COMMITTEE 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. OFFICE OF THE STATE CONTROLLER – \$42,200

The Office of the State Controller is requesting an allocation of \$42,200 from the Interim Finance Committee’s Contingency Fund to fund a contract with Deloitte & Touche, LLP for an eXtensible Business Reporting Language (XBRL) technology solution for a Single Audit Reporting project.

Clerk’s Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 4, Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request for a Contingency Fund allocation from the Interim Finance Committee. There was -- Office of Controller is requesting an allocation of \$42,200. This is to provide for technology -- XBRL Technology for solution to enhance our Single Audit Reporting capabilities.

Governor: Any questions regarding Agenda Item No. 4?

Attorney General: No.

Governor: I have none. Chair will accept a motion for approval.

Attorney General: Move for approval of Agenda Item No. 4.

Governor: Second the motion. Any questions or comments regarding the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

***5. FOR POSSIBLE ACTION – SALARY ADJUSTMENTS**

Distribution of Salary Adjustments to Departments, Commissions and Agencies, pursuant to Senate Bill 505, Sections 7, 8, 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 for fiscal year 2012 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
1005	Agency For High Level Nuclear Waste	\$2,280	
2600	Department of Tourism and Cultural Affairs – Nevada Indian Commission	\$689	
4173	Department of Conservation and Natural Resources – State Lands	\$2,460	
	Total	\$5,429	

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

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

Clerk: Thank you, Governor. Before the Board, we had this on the last Agenda and so you've seen a few more requests for salary fund adjustments and basically this is, once again, a reminder. This is the difference between what was funded by the legislature, what was in the Governor's budget. Instead of making up the difference, they allowed the agencies to come back for that difference -- that incremental difference. So before you, you have three different requests and we've reviewed these and believe they're acceptable.

Governor: That is the total sum of \$5,429. I have no questions.

Attorney General: Neither do I.

Governor: The Chair will accept a motion for approval.

Attorney General: Move for approval of Agenda Item No. 5.

Governor: Second the motion. Any questions or comments regarding the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Motion passes unanimously.

***6. FOR POSSIBLE ACTION – PROVIDER AGREEMENT**

A. Department of Health and Human Services – Division of Aging and Disability Services

The Division of Aging and Disability Services (ADSD) is requesting Board of Examiner approval of the services provider agreement and the provider application. ADSD will enlist contracted providers for the Homemaker Program, Community Options Program for the Elderly, Personal Assistance Program, Elder Protective Services Program, Assistive Technology for Independent Living, Senior and Disability RX for Part D prescription drug plans and Autism Treatment Assistance Program.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 6.

Clerk: Governor, before the Board is a request for the Division of Aging and Disability Services for a standard provider agreement. What this does is it allows the Division to go out and acquire different providers to provide services and not have to come back before the Board for each of those agreements. So we would be essentially agreeing to this standard form as long as they abide by that standard form of contract. They would be able to go forward. There's a number of these that exist elsewhere in state government. There's quite a few honestly with the DHHS, but there's others that exist as well. And I know representatives are here from the Division if you have any questions, but this will allow them to move forward with those agreements more expeditiously and get a pool of providers that they then can use. My understanding of this is that the clients then would then be able to select from the pool of vendors for their own personal choice on who's going to provide the services.

Governor: And this is nothing new. This is something the state and Health and Human Services has done before.

Clerk: I know it's been done in other areas with the Health and Human Services. I do not know if it's new within the agent -- if this is a new development or if this is something that's been done in the past.

Mary Liveratti: Good morning. My name is Mary Liveratti and I am the Administrator for the Division for Aging and Disability Services. We currently do have these for autism services and

Jeff is right. It provides a pool of service providers so that our clients can have choice to -- many times our clients will pick one agency to do something and then want to have a change, because for some reason it doesn't work out. It's not a good fit. So we are looking to expand this too and have some consistency across our other services. And I've got a list of the services if you're interested in those. That would include our homemaker services, personal attendant services, adult daycare, companion, chore, respite, personal emergency response systems (inaudible) rights when we go in and do a protected services. Many times we want to put services in to try to stabilize the situation. So that would include homemaker services for elder protective services, mental health evaluations and also temporary assistance to displaced seniors, which means that we might need to find a safe place to move the elder who's in a situation that they're very vulnerable and we need to do that quickly and usually it's residential care, so we use group homes for that.

Also we have our Senior Disability Rx Program. We provide the premium subsidy for people that get Part D under Medicare. So we cannot steer people towards any Part D provider. The federal government requires us to do it with all federal approved Part D providers. So that would enable us to have these service agreements with all the Part D providers rather than having a contract with each one of those. And then, as I said, (inaudible) services are using these right now.

Governor: This sounds like this could be hundreds of contracts.

Mary Liveratti: Yes. There's quite a few contracts that I don't -- you know, what we do is we have the scope of work set up. If people can meet our qualifications, agree to the conditions to provide our services and then our rates, if they'll accept our rates, then we use the provider agreement. So there's not a lot of negotiations. It's pretty standardized and -- but yes. And we do all (inaudible) interested in providing these services. We want to make sure that our clients have a choice to -- a wide range of choices and options to pick from. And I wouldn't say just -- that we do pre-authorize the amount of service. So we do control that on our end so that it's not unlimited services and we do review that on an ongoing basis.

Governor: I guess where I'm going is the alternative would be for this Board to have to review...

Mary Liveratti: That's right.

Governor: ...a lot of contracts whereby you have the expertise and it also allows you to be nimble...

Mary Liveratti: Um-hum.

Governor: ...so that you can move around within each one of those areas that you specified.

Mary Liveratti: And it's also because we're a little more efficient, it helps businesses that are trying to contract with us that we can get those services up and going quicker, so -- but it would be a burden on your Board, yes.

Governor: Do you have any further questions, Madam Attorney General?

Attorney General: No.

Clerk: Governor, I just want to add that there is a budgetary limit as well. I understand for fiscal year '13 the total amount of these contracts, however it's configured, will be less than \$6,000,000, but it's budgeted in how much money is available to provide these services. So there's a confining area.

Governor: You raise another question. Is there a threshold? So, in other words, if there was one big contract, would it make its way here to the Board or do they...

Mary Liveratti: No, we haven't discussed that.

Governor: Okay.

Mary Liveratti: There's no threshold I'm aware of.

Clerk: If the Board approves this, then there would be -- essentially they wouldn't have to come back for any of the additional provider agreements regardless of the size, but, once again, they're confined by how much dollars they can allocate in total. So if they have 10 contracts for homemaker services or 50 or whatever the number is, they're still limited by a certain dollar threshold that they have for that specific service. So that threshold, they can't exceed that.

Governor: Understood. Thank you, Ms. Liveratti. There are no further questions. Chair will accept a motion for approval of the provider agreements as described under Agenda Item No. 6.

Attorney General: Move for approval.

Governor: Second the motion. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye

Governor: Aye. Motion is approved.

***7. FOR POSSIBLE ACTION – 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 Public Safety – Emergency Management Division	1	\$7,700
Total:		\$7,700

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 7, Vehicle Purchase, Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is one vehicle from the Department of Public Safety, the Emergency Management Division in the amount of \$7,700.

Governor: I have no questions. Chair will accept a motion for approval.

Attorney General: Move for approval.

Governor: Second the motion. Any questions or discussion on the motion. Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Motion passes.

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

A. Department of Employment, Training & Rehabilitation (DETR)

Pursuant to Assembly Bill 240, Section 1, Subsection 2 – 3 of the 2011 Legislature, DETR requests authority to contract with a former employee, through a temporary service, for assistance with the department's submittal of the 2013-2015 biennial budget request due on August 31, 2012. The term of assignment would be upon approval through September 30, 2012.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 8, Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is a request from the Department of Employment, Training and Rehabilitation to contract with a prior -- a former employee. In this case, there is an individual who is going to assist with budget preparation. They are looking for a limited duration contract to run through September 30. The Department has indicated significant change over in their physical staff and need to bring in some expertise on a limited basis to help them fully develop their budget. We believe this is a reasonable request especially with the fact that we'd like the budget to come in on time and prepare it well. So I would support this.

Governor: Thank you, Mr. Mohlenkamp. I share your desire. Good morning, sir. I guess my only question would be I understand there's been knowledge lost because of the change over, so there'll also be people that are getting trained up so that they'll be ready to go within the next budget cycle.

Frank: Yes, sir. Yes. I was just here to answer that one question. Mr. Mohlenkamp did a great job explaining what we are doing here.

Governor: Madam Attorney General, do you have questions?

Attorney General: I don't. I just have a comment. Thank you very much for bringing this here. And just clarification, to be pursuant to AB240, this is the correct way to handle any time you're dealing with a former employee. We contract with Manpower. And I'm not so sure all the state agencies understand that even though they may be contracting with Manpower, if it's a former employee who falls into the timeline, they still needed to bring it before us. And I'm just curious about your comments on that.

Clerk: No, Madam Attorney General. You're absolutely correct. The bill that provided for this requirement I think clearly identifies that even those types of contracts that are coming through those types of agencies need to have this type of approval through the Board. And I believe that Kimberlee Tarter, she's the resident expert, and so correct me if I'm wrong, but that's my understanding.

Kimberlee Tarter: Yes, you're absolutely correct. That was the way that the bill was worded and then we pursued that with policy, so we did amendment to SAM. There's a specific form and procedures for state agencies to follow if they're looking at entering into an agreement with a former state employee or current state employee through Manpower or any other temporary employment agencies, so...

Attorney General: So, Kimberlee, does that apply to state boards and commissions as well or just state agencies?

Kimberlee Tarter: It applies to just state agencies, but the boards and commissions were actually exempted in the language.

Attorney General: Okay. Thank you. Thank you very much.

Clerk: There are a couple other exemptions built within -- built into these (inaudible) but -- and so those have been taken into consideration involving SAM and all of the direction. We have also reached out at the Governor's direction to state agencies to try and compile a list of those groups and so we have been going through that to try and make sure that we're catching all of those relationships that exist. So I don't think we're there yet. I don't think we've got all of them, but we're -- I think we are narrowing it down. I think there's fewer than there ever have been in the past. And now I believe the word's out there that they need to come (inaudible). Hopefully, we don't have any new ones being created without coming through the Board.

Attorney General: All right. Thank you.

Governor: Thank you, Frank. If there are no further questions with regard to Agenda Item No. 8, Chair will accept a motion to authorize this contract with a former employee.

Attorney General: Move for approval.

Governor: Second. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Motion passes.

***9. FOR POSSIBLE ACTION – STATE ADMINISTRATIVE MANUAL**

The State Administrative Manual (SAM) is being submitted to the Board of Examiners' for approval of additions in the following Chapter: **1500 – Purchasing.**

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

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

Clerk: Thank you, Governor. We have a State Administrative Manual modification we're proposing. This is Chapter 1500. and what we're trying to do here is -- part of the initiative that came out of your office to streamline regulatory processes and reduce what we believe is unnecessary red tape. We're eliminating the requirement of the Budget Division to approve equipment purchases. There already are protocols within the agencies where there's multiple levels of approval to take place. And so we have yet another level of approval that we believe is redundant and unnecessary. This has actually come out of my staff, this recommendation. Apparently they've been trying to fight this battle for a while. But when you came out with your initiative to try and reduce the regulatory and unnecessary processes, this is one of the things that blows right to the top. So a year later I'm actually getting to it. So just to be clear, that there still is process for ENTS, which is in the Technology Division, to go through and approve all equipment purchases related to IT. But the Budget Division requirement is now not required, if this approved. All purchasing requirements, all of the steps that they have to go through within SAM still apply. It only eliminates that extra approval that we currently have in place.

Governor: Thank you, Mr. Mohlenkamp. Please thank your staff as well. I have no questions. Madam Attorney General? Chair will accept a motion for approval to the change in the State Administrative Manual.

Attorney General: Move for approval.

Governor: Second. Questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Motion passes.

***10. FOR POSSIBLE ACTION – 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. Virginia Macanany and Louise Long**
Ms. Macanany and Ms. Long are appealing their denial of their application for VOCP assistance. The appeal was denied due to ineligible crimes.

Recommendation: It is recommended that the Board uphold the denial of this claim.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 10, Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is an appeal. We have two individuals. I don't -- I'm gonna probably mess up the pronunciation. Virginia Macanany and Louise Long have appealed the denial of their claim for coverage under the Victims of Crime Program. This appeal was denied and now it comes before the Board as the last avenue. The reason it was denied is because it was deemed to be an ineligible crime. Burglary is not covered under the statute, so as a result there was no ability to provide coverage. And I believe we have representatives down south who can answer questions if you need.

Governor: Thank you. And I've had an opportunity to review the entire record of it. Presume you're Mr. Farmon?

Willie Farmon: Yes, I am.

Governor: Good morning, Sir.

Willie Farmon: (Inaudible).

Governor: Sir, if you would just state and spell your name and then let us know the nature of your appeal.

Willie Farmon: Okay. First of all thank you very much.

Governor: Excuse me, Mr. Farmon, if you'd turn your microphone on there, that little button. Yeah, there you go.

Willie Farmon: Thank you very much. My name is Willie W-I-L-L-I-E, middle initial "B," for "Bernard," last name pronounced and spelled F-A-R-M-O-N, Farmon.

Governor: And, sir, you've been through this process and I understand that there was this crime of burglary...

Willie Farmon: Yes, sir.

Governor: ...at the home. And you are seeking this Victim of Crime benefits so that they could have -- the victims could have perhaps monetary assistance so that they can (inaudible) self-defense training, something of that nature. And the decisions have been consistent in that, pursuant to the regulations, there's specified offenses that are eligible for this compensation, which burglary is not one of them.

Willie Farmon: I understand.

Governor: Yeah.

Willie Farmon: Now, my statement, in the manual, relocation benefits are provided to burglary -- are not provided to burglary victims. Although, the Nevada...

Clerk: Mr. Farmon, can you make sure your mic is on? (Inaudible).

Willie Farmon: In the manual, relocation benefits are not provided to burglary victims, I understand. Although the Nevada VOCP does not assist with crimes providing property damage, alone such crimes can cause mental stress and anxiety, and they have. Relocation expenses I understand are for cases where the victims will be in danger of physical or emotional injury if the victim is unable to relocate to a safe environment away from the perpetrators. By prohibiting or eliminating burglary from eligibility or home invasion, etc., for relocation benefits, one seems to ignore the intent of the mission of the Victims of Crime Program in this particular case, which is to secure the victims. These two senior ladies, one which is my lovely mother-in-law, will and have suffered emotional consequences from the burglary that they would have if they were victims of a strong-arm robbery or if they're being stalked. Neither of these crimes necessarily would require physical injury to qualify. So because both these ladies have suffered emotional and are currently plagued with anxiety, I hereby petition the Board to grant relocation counseling as well as self defense courses to each of the victims to fulfill the mandated program to provide assistance to them, because they are victims. Although the crime perpetrated against them is simply not listed. The result of this crime is the deciding factor or should be the deciding factor in the relocation, a decision, not necessarily the crime type.

The crime occurred January 13 of this year. That's many, many, months, many, many months ago. My wife, my mother-in-law and her partner, I get phone calls -- well, I've gotten phone calls maybe in the beginning, during the month of January and February at least three calls a day,

two at night. Every time they'd hear a sound, they'd either call my wife or myself. It's been going on for months and it's a bit much. And your consideration for relocation as well as the self defense courses would not only build the confidence for them, but it would also give me and my wife a little more free time to get on with other things, but they're the most important thing right now and have been since January 13, which is unusual and the crime happened on Friday the 13th and here I am another Friday the 13th. Thank you very much for your time.

Governor: Thank you. And, you know, I reviewed the police report. They never saw the perpetrator. My understanding is what happened is they came home. The house had been invaded. They had some money and some jewelry that was stolen. They didn't see if it was a male or a female. They did see a vehicle outside, but they couldn't see who the driver was, but there had been a forceful entry through the door.

Willie Farmon: Right. But they saw -- they saw the perpetrator. They came and they saw him exiting the garage.

Governor: Okay. 'Cause that isn't in the police report.

Willie Farmon: Well, that's the truth.

Governor: No. And I'm not trying to say what -- I'm just telling you what...

Willie Farmon: Well...

Governor: ...the information that I have.

Willie Farmon: Well, okay. For the police report, if they didn't see them, how did they know that they saw them leaving, I mean, they saw the car leave?

Governor: Okay. I'm not here to...

Willie Farmon: Oh.

Governor: ...to question any of that. I'm just telling you the record that I have...

Willie Farmon: I truly understand.

Governor: ...before me. Madam Attorney General, do you have any questions?

Attorney General: I don't. I just have a couple of comments. Mr. Farmon, thank you very much.

Willie Farmon: Thank you.

Attorney General: And I'm sorry that this happened to your mother-in-law and her partner. A couple of comments though, one, clearly we don't have the authority to provide the

compensation that you seek out of this fund, because it's limited under the statute to certain crimes. But with that said, there might be other avenues or areas that we can explore to assist your mother-in-law outside of this fund. There's several aging services -- the Division of Aging Services here in the State of Nevada. There's several senior services and...

Willie Farmon: Yes. Because 72 and 83 years of age.

Attorney General: Perfect. And that's what I'm saying, so why don't we do this, after this, let's make contact, reach out to my office. We've got some victim assistance folks in my office and let's talk and see if there's another way we can assist your family members in another manner and help them achieve what you're trying to achieve and maybe not use this fund that obviously we can't utilize.

Willie Farmon: I understand. My...

Governor: Excuse me, Mr. Farmon, if you'd please...

Willie Farmon: Okay. See, I'm not trying to re-write the law, but in this particular case, it says here, now if they had been on the corner where they live and the people had put a gun to them or said here give me your wallet, give me your purse, give me your jewelry, they would qualify. You guys understand? They would totally qualify. Now, they were in their home. Their home was burglarized. They live on the ground floor. They're elderly. They look, like, wow, that's going to be easy for me to come back and do this again. That's their paranoia. Also when they were -- when they initially talked to me on the phone, they were more afraid of the people coming back. They weren't concerned about how many dollars or the jewelry. They're concerned about the guys being mad at them or telling someone else, oh, it's easy, go in there, no problem. They're 72 and they're 83 years old. That's all I have to say.

Attorney General: Nope. I appreciate that. And for that reason, please, let's talk afterwards and figure out if there's a way that we can assist them.

Governor: Thank you Madam Attorney General. And she left the room, but Ms. Liveratti who had just testified is the head of Agent Services and...

Willie Farmon: I was noticing that. Thank you.

Governor: So I'll also ask that she follow up with you. If you could leave your contact information, we'll see if there's something else that they might be eligible for.

Willie Farmon: Okay.

Governor: But in this case, at least with regard to the Victims of Crime Fund, this isn't simply eligible for assistance for that.

Willie Farmon: And the self defense courses, I guess, would not.

Governor: They would not (inaudible) at least in this area. There maybe that in another one that they would. Any further questions, Madam Attorney General?

Attorney General: No.

Governor: There's a representative from the Victims of Crime Program. Not sure if you wanted to make any presentation.

Rebecca Salazar: Thank you, Governor. This is Rebecca Salazar, Program Manager for Victims of Crime. I don't have anything to add at this time. Thank you very much.

Governor: Ms. Salazar, are you aware of any other programming that maybe available to these ladies?

Rebecca Salazar: No, Sir. I'm not, but I certainly could spend some time looking into that.

Governor: All right. Thank you.

Willie Farmon: Thank you.

Governor: Having no further questions, the Chair will accept a motion.

Attorney General: For the reasons of the state as part of the discussion, Governor, I would move to affirm the denial of this case.

Governor: Second the motion. Any questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Opposed, no. Motion passes. Thank you, sir.

Willie Farmon: Thank you. Have a great afternoon.

***11. FOR POSSIBLE ACTION – TORT CLAIM**

Approval of tort claim pursuant to NRS 41.037

- A. **United States of America on behalf of Arthur F. Ingram III – TC 16241**
Amount of Claim – \$473,166.92

Recommendation: The report recommended that the claim be paid in the amount of \$473,166.92.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Agenda Item No. 11, a Tort Claim, Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is...

Willie Farmon: Have a good day. Bye-bye.

Clerk: ...for consideration of a Tort Claim. This is in the amount of \$473,166.92. And there is representatives from both Tort Claim and from the Attorney General's office to be able to provide testimony if you require.

Governor: I'd ask if the representatives could come forward. Good morning.

Joe Reynolds: Good morning, Governor Sandoval and Attorney General Cortez Masto. My name is Joe Reynolds and I'm the Deputy Attorney General for the State of Nevada here on behalf of the State and the Controller's office. With me is Nancy Bowman, who's the Tort Fund Claims Manager for the Attorney General's office.

Governor: Okay. Will you take us through the nature of this case?

Joe Reynolds: Certainly, Governor. Some of the pertinent facts of this case arose over nine years ago in 2003 under the administration of former State Controller, Kathy Augustine. The nature of the litigation was between the United States Justice Department and the State of Nevada and the Controller's office that formally commenced in 2009 regarding a federal law called USERRA, which involved militarily bona fide issues of first impression regarding state's rights. And the Sovereignty of State Constitutional Officers and the authority of the federal government were raised in this case. There were issues of first impression without easy answers. The Justice Department originally sought approximately \$1.1 million against the State, literally on an even trial. We reached a settlement for less than half that amount without the admission of any liability or fault on behalf of the State. Even the Controller's office had resolved all claims against the State in this matter.

Governor: Could you be more specific? What was the issue here?

Joe Reynolds: The issue involved the Chief Deputy position of the Controller's office that was originally hired by Kathy Augustine. He was deployed in military service and returned. The issue became under USERRA whether he was entitled to his former Chief Deputy position. That was an unclassified position and the central issue here became whether -- State Constitutional Officers have the authority to appoint the most senior top level advisors in their administration. And we disagreed with the Justice Department's view.

Governor: Does that law allow for an alternative appointment? I mean, was that the only position that he could be offered?

Joe Reynolds: That was one of the issues, Governor, that was litigated. The judge -- the federal court issued a ruling determining USERRA as not (inaudible) irrespective of whether someone could be entitled to that former Chief Deputy position, but whether any position was subject to

reappointment under those provisions. And the district court did rule -- they did make a ruling regarding that.

Governor: So there was a motion practiced. So was the ruling that although that position wasn't available, another one should have been made available?

Joe Reynolds: That was a decision, a rule, yes, made by the district court in this case.

Governor: Did it have to be within the Controller's office or could it have been somewhere else?

Joe Reynolds: It's my understanding that it needed to be within the Controller's office. I'm not 100 percent on that.

Governor: And when you say the even trial, so was this the decision by the federal court a decision based on a Summary Judgment motion?

Joe Reynolds: There was a Summary Judgment motion practiced by both parties last fall. And the court made a ruling regarding that. Both parties were still prepared fully to go to trial. The trial was to commence on the 8th of this year. There was numerous motion practice occurring on both sides regarding whether the trial should (inaudible) omission of evidence, the interpretation of USERRA. That occurred about ten days before trial.

Governor: And when you say it was a state's rights issue, if you could give me a little more specifics with regard to that theory.

Joe Reynolds: Certainly. One of the defenses raised by the State was the Sovereignty of State Constitutional Officers under Nevada Constitution and the Tenth Amendment to the United States Constitution as to whether Congress could enact federal legislation to dictate the appointment powers of the State Constitutionally elected official. In other words, whether a newly elected Constitutional official had the authority to appoint who they chose as a Chief Deputy or any other top level classified person, or whether under this federal law they were mandated and obligated to hire someone they didn't interview for the position.

Governor: No. And I understand the collision of the issues here is you've got a law that certainly is important and is to protect, you know, those men and women that serve the country, and then if they have to leave their position, when they come back, they'll have some place to go and that they shouldn't lose their position by the simple fact that they're help defending -- not a simple fact, by the fact that they're defending our country. Then you have a Constitutional Officer with a very small office who -- and there's been a change of administration there and do they have to, you know, do they have to be pursuant to that law, do they have to provide that position within that office. So he was on deployment for four years; is that...

Joe Reynolds: Five years.

Governor: Five years.

Joe Reynolds: Or just under five.

Governor: And so he comes back and says I want my job back and it wasn't available. There -- was there an offer of alternative appointment?

Joe Reynolds: Yes. There was an offer to the Chief Administrative position. Excuse me, I apologize. There was an offer to the Chief Accountant position in the office. That was an issue that was also litigated. And what type of evidence we could present at trial before a jury regarding (inaudible) was something that was argued about between the parties (inaudible).

Governor: And what was -- but the job was actually offered or was not? 'Cause in here it's unclear to me.

Joe Reynolds: That position was offered and there was actually a dispute as to whether it was ever withdrawn or not. The district court did make a Summary Judgment finding regarding that. And with respect to our preparation of the trial limited our ability to present evidence that we believe would've supported our position that was never formally withdrawn. But that was a factual question. Now he's going to go partly before the jury and partly was decided (inaudible).

Governor: So it was your position then -- position was offered and it was not accepted?

Joe Reynolds: Correct. That again was fine. Be clear that the court did make a Summary Judgment ruling regarding that and...

Governor: So it found as a matter of law that the offer was not made?

Joe Reynolds: They had found it as a matter of law that, if I remember correctly, not that the offer was made, but whether it was withdrawn or not. And the court completed the Summary Judgment that it was withdrawn.

Governor: Then we're looking at a payment of \$473,166?

Joe Reynolds: Correct.

Governor: I have no further questions. Madam Attorney General, do you have any questions?

Attorney General: No, Governor, no.

Governor: Do we have a policy now in the future so if this happens again? I'd hate for this to happen again.

Joe Reynolds: I believe that this case was a culmination of perfect storm of facts and federal and state issues. My understanding is that the State does have a USERRA policy manual and we (inaudible) litigate the State's interest. We did the best we could.

Governor: You know, I'm not being critical of that in any way. I just said this is something I don't want to repeat, put it that way. And I am sure that for the State's benefit as well as returning veteran's benefit that we don't have to confront this again.

Joe Reynolds: Absolutely agree.

Attorney General: And then, Governor, (inaudible) and I appreciate the staff trying to answer that question, but that's probably a better question our Personal Division to ensure that any new policies or this policy as a result of this litigation is implemented through personnel to our state agencies statewide. So that's something that we'll be willing to obviously work with personnel and something (inaudible) as well.

Governor: Mr. Mohlenkamp, an update?

Clerk: Yeah, Governor, you know, because the Division of Human Resources if part of my department, I would be more than happy to engage with the Attorney General's office to make sure that we understand the factual basis of what's required of us so that we don't have a repeat of this, so that we can make sure the policy is clear. It sounds like it's fairly new to us. I knew we have a lot of returning veterans, you know, that come back and -- but generally they're in a classified service. They're not, you know, direct appointees a Constitutional Officer. And so I think that this has some nuances to a problem we don't normally encounter, but we will reach out and try to make sure we're clear on that.

Governor: Thank you very much. No further questions. The Chair will accept a motion for payment from the Tort Fund in the sum of \$473,166.92.

Attorney General: Move for approval.

Governor: Second the motion. Any further questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Motion passes. Thank you.

***12. FOR POSSIBLE ACTION – LEASES**

Six Statewide leases were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Mr. Mohlenkamp, Agenda No. 12.

Clerk: Thank you, Governor. Before the Board are six leases for consideration. The first lease is with the Attorney General's Office in the amount of \$42,078. The second is the Board of Occupational Therapy, \$29,960. The third item is with the Department of Employment, Training and Rehabilitation for \$630,837. The fourth is with Health and Human Services. This is the Bureau of Health Care Quality Compliance and this is \$676,966. The fifth is the Welfare and Support Services, part of DHHS once again, \$2,093,755. And then the last, Department of Transportation for \$260,946. And I do believe that there are representatives to discuss that on one lease that you identified, No. 5.

Governor: I just had a couple of questions with regards to Lease No. 5. Good morning.

Diane Comeaux: Good morning.

Governor: And if you would just take us through what you're trying to do here. I understand that you've moving away from the Kings Row and moving closer to...

Diane Comeaux: In Old Town.

Governor: Yeah, Old Town Mall. Thank you. Sorry, I had a moment. In any event, so it looks like a very good thing, but I just wanted to kind of get some of the details on it, please.

Diane Comeaux: Okay. For the record, I'm Diane Comeaux, serve as the Administrator for the Division of Welfare and Supportive Services. This is a lease that we've been working on for quite some time. We had in the previous session requested funding to go ahead and move from our Kings Row location and separate into two offices. One would be a full service office where we would have people actually processing the applications and those things and that's the lease that's before you, is our larger office. The other office we're gonna and are still looking for a site. We'll be located hopefully in the Sparks area and it will be simply a store front. It will have a lobby and then the applications will go over to the other office for processing. The reason we're doing this is to try to get better coverage closer to our clients. We did a pretty good analysis of our clients in Reno by zip code and so we chose specific areas that were closer to them. The areas that we were looking at were on the bus line so that we were sure that they had access to our offices. This is first time we've attempted to do this model. If we're successful in doing this, then we will also implement some similar offices in the Las Vegas area.

Governor: Oh thank you. Are you gonna be right in Old Town Mall?

Diane Comeaux: No. The lease that you're looking at is actually a build to suit on a lot that is directly behind the Reno Old Town Mall. There was space available in there and we did a lot of negotiations. We (inaudible) buildings around see a lot of negotiations with the landlord. But because of the amount of tenant improvements that we need and some of the other issues, it was more advantageous for him to just do the build to suit. He already owned the property and that would be a better way for him to go.

Governor: All right. And the other thing I like about this lease is you're (inaudible)...

Diane Comeaux: We are.

Governor: ...in the Old Town Mall. So there's some synergy as well there, but congratulations and thank you very much.

Diane Comeaux: Thank you.

Governor: I have no further questions with regard to Agenda Item No, 12. Madam Attorney General?

Attorney General: No.

Governor: The Chair will accept motion for approval of Leases one through six in Agenda Item No. 12.

Attorney General: Move for approval.

Governor: Second. Questions or discussions on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Motion passes.

***13. FOR POSSIBLE ACTION – CONTRACTS**

Seventy-Seven independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: Mr. Mohlenkamp, Agenda Item No. 13, Contracts.

Clerk: Thank you, Governor. Before the Board are 77 contracts for consideration. I do want to note that Contract No. 75 has been removed from the Agenda. The Silver State Health Exchange Board, their Exchange Board was supposed to have met yesterday to consider this contract. There was not a meeting. There was some concerns, I guess, over posting issue and so the meeting was cancelled. This contract wound up being approximately between 70 and 80 percent of the total cost of running the exchange. I'm going for (inaudible), so it is a very meaningful contract and one that needs to be considered by the Board prior to coming before this Board. So as a result, it's been removed from consideration until that Board can convene and take a look at it.

Governor: Thank you, Mr. Mohlenkamp. And do you have any understanding when the Silver State Health Exchange Insurance Board will meet to consider this item?

Clerk: Because the timing of this is very important to moving forward with the Exchange, I believe they are going to move fairly rapidly to convene and to consider this contract and this particular association. So I believe that they're gonna try and get something done next week. I don't know the timetable, whether it's gonna be early in the week or whether it's gonna be later in the week. I haven't heard yet, but I know that they were moving to rapidly reconvene a meeting. There's a posting requirement. I believe it's three days public notice. So it'll have to be, you know, sometime at least mid week or beyond before they get the meeting. I will advise you as to when I become aware of their new date, so then I can let you know. I know they are very interested in moving forward, but we felt that the Board really needed to consider before it came before this Board.

Attorney General: And, Jeff, once they do consider it and are ready to send it to the Board of Examiners, would that be placed on our Agenda in the normal course or would we look to do some sort of emergency meeting?

Clerk: That's something that once I become aware of their date, I will consult with the Board members on whether this is something that would be on the normal August Agenda or there'd be other (inaudible).

Governor: So I believe our next scheduled Board of Examiners meeting is August 14; is that correct?

Clerk: Yes.

Governor: And with regard to this Agenda Item No. 13, I have for my hold outs, 29, 33 through 39, 50, 55, 63 and 74. Madam Attorney General, did you have any other contracts you'd like to be held out?

Attorney General: I did have questions about 63 and 64, but I did not have the opportunity to get it to folks ahead of time, so if they are not here, I will just follow up with them. I was just curious about this (inaudible) with the Department of Corrections (inaudible).

Governor: I think they're here, aren't they?

Clerk: I'm looking around to see if somebody from the Department of Corrections is here (inaudible).

Governor: Oh, they're in Southern Nevada. I think Director (inaudible) is there. A new course, Director Cox--well, I think that's Director Cox. Is that you?

Unidentified Male Speaker: (Inaudible) Director Cox.

Governor: Not yet. When we get to those contracts, we'll do that. All right then. First, did you have any others, Madam Attorney General? First item is Contract 29, Commission on Tourism. Believe Ms. Vecchio is here. Good morning,

Claudia Vecchio: Morning.

Governor: If you would give us your background on nature of the contract and I have a few questions.

Claudia Vecchio: Absolutely. Claudia Vecchio, Director of the Department of Tourism and Cultural Affairs. And Greg Smith is here with Purchasing and he will be chiming in as necessary. The Department of Tourism and Cultural Affairs determined several months ago that we had a need to bring in an outside agency to help us with our bidding efforts. And so we went about crafting and developing an RFP, which we did in collaboration with our partners in Purchasing. And that RFP was (inaudible) earlier this year in the spring. And through the regular process of the RFP, finalist agencies were determined, scored by an evaluation committee and went to world presentations and then ultimately an agency was selected being Burson-Marsteller. And so at this point, we're working through the follow up to contractual obligations with that agency.

Governor: And how many applicants did you have for...

Claudia Vecchio: We had 19 agencies that submitted proposals for this. I believe 11 of which were from out of state and 8 of which were from in state.

Governor: And this was handled like any other RFP is handled, correct, Mr. Smith?

Greg Smith: Yes. Governor, for the record, my name is Greg Smith, Purchasing Administrator. It's good to see you folks again.

Governor: We missed you.

Greg Smith: Well, we can work with wonderful people like Kimberlee Tarter. You need to let her shine sometimes too. Thank you. Absolutely, sir. This RFP was -- as a matter of fact, I'd mentioned to Claudia this is the first time her and I have ever met. While they work with our staff, this has happened like any other RFP we do, no special treatment, no favors requested. As a matter of fact, going back about 15 years when I first did this contract for tourism, one of the first things I came, we received one proposal and got Lieutenant Governor Lorraine Hunt at that time asked me to go back out and find out why we couldn't get more people proposing and (inaudible). At that time, it was (inaudible) advertising community that the current company had the business locked up, that the state really wasn't open for business. So I'm quite proud that we had 19 proposers, 8 from in state and 11 from out state vying for this business.

Governor: And this evaluation committee, who composed this evaluation committee?

Claudia Vecchio: The evaluation committee was composed of experts from the Nevada Tourism Industry. They represent destination marketing organizations as well as hotel groups and then those within the Commission on Tourism would be directly working with this agency, our Director of Marketing and PR. So it was a group of tourism experts that were from Nevada.

Greg Smith: If I may add too, for the record, Greg Smith, this was probably one of the more solid evaluations committees that we had in power. When I say solid, often times the state puts three or five people on an evaluation committee who are quote “our best experts” at what they’re looking to do. And sometimes some of the folks are a little stronger than others. This was an incredibly strong and proficient evaluation committee.

Governor: Well, when you say the strength of the committee, my understanding is there were private sector members on there. There was somebody from the RSCVA. There was somebody from the Elko Visitors Authority. There was somebody from the Primm Valley Resort; is that correct?

Claudia Vecchio: Yes, Governor, that is correct. They represented really a good cross section of the industry, so we didn’t just have one segment of the industry represented. We wanted to represent the private sector. We represented the public-private sector. We represented hotels. We represented destination marketing organizations. So I think we had a very good cross section of the industry represented.

Governor: So they -- just to kind of paraphrase the process, so this evaluation committee considered all 19 applications or proposals. They were scored. And then how many people or how many of these entities made that first cut? Or did each and every one of them have an opportunity to make the presentation?

Claudia Vecchio: What we did according to the outline in the RFP is that we -- the RFP was separated into three components and I’m giving you this factor only to answer the question. We had the public relations component, we had a digital component and we had an advertising component. We were open to getting the best agency each of those components so it could be that we ultimately ended up with three agencies. As we went through -- as this evaluation committee went through and did the scoring, we had finalists so that we represented the top three in each of those sectors, if you will. So we had four finalist organizations and that’s exactly what was outlined in the RFP. We had four finalist organizations that came in for an oral presentation. In terms of the scoring, what happened is the preliminary proposals, if you will, were scored. This was an entirely quantitative process. There was no discussion during this initial scoring. We all got the proposals. We scored them independently, one from another. And then when we came into the room with Purchasing, they just added up the scores and that’s where the finalist presentations, how they tallied.

At that point, when the finalists were identified, scoring went to zero for the oral presentation. So the companies that came in for that were sort of coming in at a level playing field. And then the -- this was a more qualitative process, because we were all in the room, but unanimously, this evaluation committee selected Burson-Marsteller with perfect scores across the board. So that’s just how that evaluation process kind of went.

Greg Smith: If I might add to, just for a little bit of background, Governor, the items that the 19 were scored on were demonstrated competence, experience and performance of comparable engagements, conformance with terms of the RFP, expertise and availability to key personnel, cost, and then all of them were scored on that. And I hate to sound flippant, but it's almost like the Miss America contest where the folks go through and then the finalists go through to another stage and they're all deemed to be equal at that point. And then the capabilities presentation is performed in front of these folks.

Governor: And then if my understanding of the law is correct with regard to bitter preference, and I've talked about this often on this committee with regard do we want to help Nevada firms, but in this -- but at least with regard to law, that there is a provision that if there is a tie, a Nevada firm would get the nod, but if it's a small business that's owned by a veteran, then that would get a preference.

Greg Smith: Services disabled veteran owned business, yes, it is.

Governor: And then the third would be, but it wouldn't be applicable in this case with regard to public works, which was a piece of legislation that was approved last legislative session.

Greg Smith: That is correct, Governor. At the current time, again, for the record, Greg Smith, those are the only three opportunities for any type of in-state Nevada that -- or, excuse me, business preference.

Governor: You know, I did -- yeah, with regard to Burson-Marsteller, they got perfect scores as you say and then I think I read somewhere, perhaps in the media, that you had said that one of the things that stood out was that they have a presence in some of Nevada's major markets.

Claudia Vecchio: That is absolutely correct. The business sets around selecting Burson-Marsteller is very good for Nevada and that the Nevada Commission of Tourism staffers know that. We know this state. This agency has offices in each of our key feeder markets. We have eight percent of our tourism, of our travelers, in Nevada come from Nevada. Ninety-two percent come from these key feeder markets and internationally. So when we're looking at 20 percent of everybody coming from Los Angeles, having a firm that has an office in Los Angeles has contacts in Los Angeles, has media contacts in Los Angeles, is incredibly beneficial to the state as we look at watching a new brand, and we look at doing events in these various feeder markets and we look at all the opportunities that we have in these feeder markets to drive travel. Having that on the ground contact is gonna be incredibly beneficial to us as we move forward. So I think that that part of this, from a business sense, will be really the game changer that will help drive travelers to Nevada. For every 115 travelers that come to Nevada, one job is created. So the more we can drive people here, the more jobs that we'll ultimately be able to create.

Governor: And how do you respond at some of the criticism, which is Burson-Marsteller, New York, New York, this is the math, how are we gonna know what's in Elko and Ely and Austin and Eureka, all of these smaller communities as well as the ones in Southern Nevada.

Claudia Vecchio: Absolutely, the headquarter offices for Burson-Marsteller, they share in Washington. You see a New York headquarters. The group we're gonna be working with is out of Los Angeles and San Francisco, much more western focused team. Travelers who come to Nevada have to be educated. And the fact that this team needs to be educated, I think, is an incredibly good thing, because often times, we as Nevadans can't really see the forest through the trees and some things we forget are there. And I think the fact that this agency, these folks have to come into Nevada and learn about it and so they will know how to best educate people about it. It's incredibly beneficial for us. I came to Nevada nine months ago and needed to learn a lot of things as well and that opportunity to learn and that exploration and that kind of looking at it with fresh new eyes is really what is going to be so important from a marketing stand point, because in marketing, it's not about us, it's about the consumers. And they will know how to craft those messages about those places, which they will learn about. And any agency would have to re-learn some of these things. But they'll be able to craft the message so that it's not about Nevada, but it's how Nevada resonates with this incredibly cluttered market and how it will resonate with Los Angeles travelers. So, again, I think the value of that education will ultimately be incredibly important for how they're best able to convey the messages to our key feeder markets.

Governor: And they will also have the benefit of the experts in your office, correct?

Claudia Vecchio: Absolutely. The experts in our office plus the experts of our partners across the state. We work very closely with the convention and visitors authorities in Elko and partners in Ely and partners in Mesquite and partners in Tonopah. And all of that expertise is available to these people. What they will then do is say, okay, this is what I know about that market, but this is what people in Los Angeles, people in San Francisco, this is what they need and how they need it and that's where the magic's gonna happen.

Governor: I have no further questions. Madam Attorney General? Thank you very much.

Claudia Vecchio: Thank you.

Governor: Next I have Contracts 33 through 39. I see that Director Hill is in Southern Nevada. Good morning, sir?

Director Hill: Good morning, Governor and Madam Attorney General. Appreciate the opportunity to be here today. We have seven contracts before you (inaudible) Agenda Items 33 and 39. And they all spring from the same process where we several months back issued an RFP for Regional Development Authorities. We received -- had responses that were ultimately approved in that process, some of them which are before you today and three in which we will be back in August. The only reason for that discrepancy in time is simply the short timeframe we had between the time that we made these appointments and agreed on the funding and the time that we had to meet the deadline for today's meeting. A couple of the entities weren't able to do that for mostly reasons that their Boards were not able to meet before that deadline. So nothing other than just that timeline should be read into the reason for the difference in timing.

AB449 required that we issue this RFP for Regional Development Authorities. This is a process that we had utilized in the past for most of the state, but that process had not been utilized in Clark County or Washoe County. For the two major population centers in the state, that funding had either come in the past directly from the general fund or had been routed through the Commission on Economic Development, but simply as a past through amount. So this process then requires the entire state to go through the same RFP which also allows for a more thorough conversation between our office and the Regional Development Authorities and how we partner in economic development, so I think that was valuable.

The approval for these contracts has to come through the Board of Examiners, but also by law and maybe 449 and NRS 231, any contract that our office enters into, that is \$100,000 or more must be approved by the Board of Economic Development. So this afternoon we will be having a meeting for the four contracts that actually exceed \$100,000.

We did have a three person committee review the proposals. That committee consisted of myself, Frank Woodbeck, who is the Director of DETR, and Dan Klaich, who's the Chancellor of the Nevada System of Higher Education. Both of whom have quite a bit of experience in this area and are non-voting members of the Board of Economic Development. So we thought they were terrific choices. They had to do quite a bit of work. The stack of the responses to our RFP was literally a foot high. So we appreciate the work that they did and the input that they had.

This process allowed us to appoint a Regional Development Authorities to define the scope of work for each of the Development Authorities and to define the funding level from our office. In fiscal year 2012, that funding level was \$2.6 million. In fiscal year 2013, we are proposing that that funding level be raised to 2.8 million. We added that additional \$200,000, which came from our budget for a number of different reasons. One is that the request of the Regional Development Authorities was to expand their mission. Some weren't able to do that without additional funding, but primarily in the Las Vegas area we felt that it was important that their funding level be raised. So their funding -- and that contract is not before you today, but it is a significant portion of the total \$2.8 million grant and it will be back in August.

The set of contracts today are the Economic Development Authority of Western Nevada which is \$675,000, the contract in Elko which is 75,000, the -- what is a new organization called the Highway 95 Regional Development Authority, which is a combination of basically county based Economic Development Authorities in the past in Pershing, Mineral and Church Hill. That contract is for a 125,000. Lander County which actually next week will be considering joining Elko, and we are encouraging that, but right now we are separate. Lander County is 40,000. The Lincoln County is 60,000. The Northern Nevada Development Authority which is comprised of the Carson, Lyon, Douglas counties as well as the Fallon area, and -- or the area in Church Hill County outside of Fallon, and then Nye County which is \$90,000.

The considerations that we took into -- well, the considerations that the committee looked at when determining funding considered their current funding status, the relative proportion of both population and the economy in the state. And those two considerations are somewhat at odds with each other at this point. The quality of the responses to the RFP, including the content and the plan for economic development over the next year, the proposed metrics that we received

from the respondents, as well as the budget over and above what the state was asked to provide. We also considered whether we felt consolidation of the Development Authorities was beneficial and whether the respondents considered that. And then we also considered the other resources that the state provides to -- in our office, provides to the Development Authorities, including planning grants that we've provided additional marketing dollars that have been provided as well as how we allocate our personnel in working with the Development Authorities.

As a part of each of these contracts, we have included eight standard metrics, four of which relate to the recruitment process, and then the others related to assistance of start up businesses, assistances of businesses that are already in existence in Nevada, the number of businesses assisted and obtained workforce training grants. And also we are asking the Development Authorities to keep the data on reasons that companies that have considered Nevada choose not to locate in our state. We have a lot of anecdotal evidence about those decisions and we think that keeping that data is important.

So I'm happy to answer further questions. I guess I would close by saying that I think this really marks the end of economic development -- or largely the end of economic development restructuring in the state. It has taken a lot of effort on the part of many and including the executive branch and the Governor, the legislature and all the professionals around the state and the communities involved in economic development and our partners there. And I'd like to thank them for the amount of work they put in. I think they've done a terrific job and I think we're starting to see those results, so happy to answer any questions you may have.

Governor: And thank you, Director Hill. And you basically got into what my comment was gonna be, not really a question. I guess the question would be we have the state covered now in terms of economic development. There's not a part of the state that doesn't have an economic development team on the ground. Given the -- and as you mentioned, we have our team now. The pieces are on the field and although we have had some good success, but we're ready and locked and loaded and ready to go now, correct?

Director Hill: We are, Governor. I believe that to be the case.

Governor: All right. And I too want to compliment you, 'cause I know this has been a tremendous amount of work and travel throughout the State of Nevada. There's been a lot of collaboration. I think everybody feels like they have, you know, a stake in all of this. And I'm really pleased with how this is ruled out and it's because of your leadership, your team's leadership and this cooperation throughout the State of Nevada.

Director Hill: Thank you.

Governor: Madam Attorney General, do you have any questions on this?

Attorney General: No.

Governor: Okay. Thank you, Mr. Hill. We will move on to Contract No. 50.

Marla McDade Williams: Good morning, Governor and Madam Attorney General. I'm Marla McDade Williams, the Deputy Administrator with the State Health Division. Have with me, Stacey Johnson, our ASO3.

Governor: And I, you know, this -- my question -- and I appreciate, I did get some follow up information on that and this is a contract with University of Utah and there is not anyone in Nevada who has the capability to provide this service. Are we trying to develop that expertise here in Nevada so that we can keep this work here?

Marla McDade Williams: We have a Dr. Tracey Green and Christine Mathew, the program manager over this program, have been working very closely with the School of Medicine as well as the State Health Lab to bring the contracts, we have two separate contracts, back into the state. The School of Medicine, Dr. Barsky, is working internally to try to develop this specialty, because this is a highly specialized physician.

Governor: Do you know what type of progress has been made on that?

Marla McDade Williams: I don't. I would have to get an update from Dr. Barsky. My understanding at this point is that when the School of Medicine does take over the screening contract, they still intend to contract with Dr. Longo at the University of Utah. Their internal allocation of resources to actually develop the specialty is something that I can have him follow up with.

Governor: I have no further questions. Madam Attorney General? All right. Thank you. And are you here for 55 as well?

Marla McDade Williams: What is (inaudible)?

Governor: No, I guess not. Sorry, I didn't mean to scare you like that. Okay. Good morning.

Amber Howell: Morning, for the record, my name is Amber Howell. I am the Administrator for the Division of Child and Family Services. And with me is Chris Lovisnosch (sp?), who is the Program Manager over the training unit.

Governor: And good morning. And I wasn't gonna question any of the utility of the contract. I was just looking for a little bit more explanation as to what exactly it's doing.

Amber Howell: Absolutely. A little bit of history, we've been working with the universities for several years over developing core training curriculum throughout the state. We've been reviewed by the federal government two times and both times we received feedback. But in the state and with the county sometimes we operate, like, three separate countries and they're really looking for consistency statewide, especially around training. So what the training contract does is provides a number of specific core training courses that are similar throughout the state. Each case worker gets the same amount of training. It's a worker academy similar like a police academy or something like that where they have to take a certain number of training before they can handle any child welfare cases. And so what we have done within this contract is make it

performance based deliverables so that universities have to meet specific deliverables to continue to get funding. There's reporting requirements of them. And so it's put us in a really good spot on a statewide level, because we have responsibility for child welfare to be able to make sure we're in control of what the workers -- what kind of training they're getting, when they're getting the training, how often, and if training isn't working, we're able to intervene or withhold funds from the universities to make changes so that workers are getting adequate training.

Governor: Is this somewhat like a common core for everybody so that everyone, the workers that you're getting, all have the same training, the same background, same instruction?

Amber Howell: Absolutely, statewide.

Governor: Great. That's all I have for questions. Madam Attorney General?

Attorney General: No.

Governor: Thank you. And next is Contract 63 and 64. Those were the Department of Corrections (inaudible).

Brian Connett: Good morning. My name is Brian Connett. I'm Deputy Director for Prison Industries in the Department of Corrections. I will be happy to answer any questions about those two items.

Governor: All right. I guess will you provide just a general overview of what the program is and your relationship with the BLM?

Brian Connett: Certainly. Again for the record, Brian Connett, Department of Corrections Prison Industries has had a relationship with the Bureau of Land Management for quite a number of years to house and board the horses that are gathered in Nevada and elsewhere. They bring the horses to us where we then take care of the care and welfare for those horses and charge the BLM on a per diem rate per horse.

Governor: Do you have the inmates or I wouldn't say running the program, but operating the program?

Brian Connett: What we have is inmates that are used to train the horses. We pull out about 70 horses a year that we train so that they can be adopted by the public. And we've had other agencies as well, such as the U.S. Border Patrol, the U.S. Army Marine Corp. Color Guard, Las Vegas Metro PD, the Women's All Horse Girl Team in Southern California, the Marine Corp. Warfare Facility, Arizona Search and Rescue, BLM Law Enforcement and, of course, the public as well. What we do, sir, is we have inmates that pull these out and we do the training based on what is called lease resistance. And these horses are both training the inmate and the inmate is training the horse. The inmates gain a lot of knowledge and skill set and learn about taking care of someone and someone that really doesn't have an issue with them being an inmate or what they have done in the past. So it's both the inmate taking care of the -- and training the horse and horses having that wonderful impact on the inmate.

Governor: Are there any costs to the state? Does this revenue contract cover all the expenses associated with the program?

Brian Connett: For the record, Brian Connett. This is a revenue generating contract and will cover all the costs for this program.

Governor: And what about the horses that aren't selected for training?

Brian Connett: The horses -- for again the record, Brian Connett. The horses that are not selected for the training program are just boarded by Prison Industries. And at whatever time that BLM deems necessary to take those horses to a longer term holding facility, that that becomes BLM's decision. But up until that point, we take care and board those horses.

Governor: This is a different question. Is that facility that's on the Pyramid Lake highway, is that one of those longer term bordering facilities? Are you familiar with that?

Brian Connett: No, sir, I'm not. But we are -- Prison Industries or Department of Corrections is not affiliated or associated with that facility at all.

Governor: I understand that. All right. I have no further questions. Madam Attorney General?

Attorney General: Thank you. The Prison Industries Ranch, where is it located?

Brian Connett: That is located adjacent to Northern Nevada Correctional Center, what we call NNCC.

Attorney General: And is this new contract that you've entered into, is this increasing the capacity for you to house and train the horses? Or is it just continuing the existing relationship and contractual relationship that you had with the BLM since 2000?

Brian Connett: For the record, Brian Connett, Madam Attorney General, we are looking at increasing our capacity out there so that we can increase our current capacity by possibly up to 1500 head.

Attorney General: And the revenue that is generated from this project, does it go back to the Department of Corrections or does the money go back into the general fund?

Brian Connett: The money currently runs and helps -- stays with Prison Industries, but it helps run that facility, that operation out there under our ranch operations.

Attorney General: Okay. So all the money goes back into the ranch operations and/or supporting Prison Industries?

Brian Connett: That is correct.

Attorney General: Thank you. Oh, thank you very much. This was something that I was not familiar with and I appreciate the contract, the revenue that comes into the state, but more importantly, the work with the BLM, working with these wild horses. At least what I'm looking at here now, we've just talked about it, it has been a success to the extent that we've had -- you've trained 760 horses and then have sent them to areas such as the U.S. Border Patrol, the U.S. Army, the Drill Team in Southern California. I mean, I think that's an incredible service that is provided. So thank you very much.

Brian Connett: Thank you, Madam Attorney General. And I certainly do invite -- because of its close proximity to the capital, I certainly invite both of you out to the ranch to see that in action. We're very, very proud of that project and certainly invite you out there to take a look at it.

Attorney General: Thank you.

Governor: Thank you very much. Move on to Contract 74.

Frank Woodbeck: Good morning.

Governor: Good morning, Mr. Woodbeck.

Frank Woodbeck: For the record, Frank Woodbeck, Director of Department of Employment, Training and Rehabilitation. Here to brief you on the pilot program for Jobs for America's Graduates. That particular program is in 33 states across the country right now. And it's a state based national non-profit organization dedicated to preventing drop outs among young people who are most at risk. In more than three decades of operation, JAG has delivered consistent, compelling results helping nearly three quarters of a million young people stay in schools through graduation, pursue post secondary education and secure quality entry-level jobs leading to career advancing opportunities.

The primary program mission is to keep young people in high school through graduation and to provide an array of counseling, employability skills development, career association, job development and job placement services that will result in either a quality job leading to a career after graduation and/or enrollment in post secondary education. It's a training program. It is a public/private partnership in most states where the private sector is part of the Board and generally the Board is headed by the Governor of the state. Last year some of the metrics regarding this particular program, last year at the time of highest unemployment among teenagers in American history and toughest graduation requirements, the results across the 33 states where JAG operates, quite compelling. The results for the class of 2010, the graduation rate was 93 percent. The overall job placement rate was 54 percent. The full-time jobs rate of those working was 67 percent. The full-time placement rate was 88 percent. And the further graduation rate was 47 percent. And those numbers have been consistent over the past 31 years serving over 800,000 high risk youth in recessions and recovery in almost every social economic environment.

In Nevada, they have issued an informal solicitation seeking proposals from qualified vendors to lead the effort and organize in one year a statewide pilot program of the JAG model in Nevada. Over time could become a signature achievement in boosting graduation, employment and college success rates. The model will be tested in eight schools, five in Clark County, two in Washoe County and one in Lyon County, across the state with a focus on the 11th and 12th grades at approximately 2 to 300 students beginning the school year of 2012-2013. The three entries submitted proposals in response to solicitation, children's cabinet, communities and schools, and community services agency. The maximum contract amount of \$600,000 was part of our fee. \$450,000 is being provided by Department of Employment, Training and Rehabilitation, and \$150,000 coming from Nevada Works, which is the Northern Workforce Investment Board.

This program does qualify in part for Work Force Investment Act Youth Funding in future years and that's the basis of the majority of the funding for the programs across the country in these states. This is for the time period of the pilot program from August of this year through June of 2013. Community Service Organization was awarded the contract for the oversight of this project this year.

Now, this program ties extremely well with our strategy providing a pathway of success for our youth. JAG is a bridge to career enhancement and career development for young folks and a terrific link from K through 12, through to higher education; certificate programs, apprenticeships or entry level employment. I'd be happy to answer any other questions regarding.

Governor: And thank you, Director Woodbeck. How are the schools going to be selected? You said five Clark, two, Washoe, one Lyon?

Frank Woodbeck: Yes. Those schools are selected by the school districts in constitution with (inaudible) from your staff.

Governor: And how many students did you say are going to be affected?

Frank Woodbeck: Two to three hundred students.

Governor: And the schools, how will those students be selected, do you know?

Frank Woodbeck: They will be selected -- I'm not absolutely sure on that, but in general, they are high risk students who might otherwise drop out. And so consequently they're -- so we're not (inaudible) the student population, if you will. We are going after students who are at risk and probably would drop out or may drop out and are having a tough time.

Governor: Any questions, Madam Attorney General?

Attorney General: No.

Governor: Thank you.

Frank Woodbeck: Thank you.

Governor: I have no further questions with regard to Agenda Item No. 13, Contracts 1 through 77. Chair will accept a motion for approval of Contracts 1 through 77 with the exception of 75, which was withdrawn.

Attorney General: I'll move for approval.

Governor: Second. Questions or discussion on the motion? Hearing none, all in favor, please say aye.

Attorney General: Aye.

Governor: Aye. Motion passes unanimously.

***14. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS**

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

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Governor

Vote: 2-0

Comments:

Governor: And we move on to Agenda No. 14, Master Service Agreements, Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are four separate Master Service Agreements. They all are within the Controller's office with the purpose of providing for debt collection services. As you know, most of the debt collection has been centralized within the Controller's office. This allows for us to be able to secure services in order to -- and they can choose and select a variety of different groups in order to get our money back.

Governor: Thank you, Mr. Mohlenkamp. I have no questions. Madam Attorney General? Chair accepts a motion for approval.

Attorney General: Move for approval.

Governor: Second. There's a motion for approval of Master Service Agreements one through four within Agenda Item No. 14. All in favor of the motion, please say aye.

Attorney General: Aye.

Governor: Aye. Opposed, no. Motion passes unanimously.

15. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS

Governor: Agenda Item 15. Are there any Board member comments? Is there any public comments here in Carson City? Any public comment in Southern Nevada?

***16. FOR POSSIBLE ACTION – ADJOURNMENT**

Motion By: Attorney General Seconded By: Governor Vote: 2-0

Comments:

Governor: All right. Then the chair will accept a motion for adjournment.

Attorney General: I'll move to adjourn.

Governor: Second. All in favor, please say aye.

Attorney General: Aye.

Governor: Aye. This meeting is adjourned. Thank you, ladies and gentlemen.

Respectfully submitted,

JEFF MOHLENKAMP, CLERK

APPROVED:

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL CATHERINE CORTEZ MASTO

SECRETARY OF STATE ROSS MILLER