

# **MINUTES**

## **MEETING OF THE BOARD OF EXAMINERS**

August 11, 2015

The Board of Examiners met on August 11, 2015, in the 2<sup>nd</sup> floor Chambers of the Laxalt Building, 401 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

### **Members:**

Governor Brian Sandoval  
Attorney General Adam Paul Laxalt  
Secretary of State, Barbara K. Cegavske  
Clerk for James R. Wells, Clerk

### **Others Present:**

Greg Smith, Department of Administration, Purchasing Division  
Dr. Tracy Green, Department of Health and Human Services, Public and Behavioral Health  
Chelsea Szklany, Department of Health and Human Services, Public and Behavioral Health  
Amber Law, Department of Health and Human Services, Public and Behavioral Health  
James Smack, Controller's Office  
Keith Wells, Department of Administration, Fleet Services  
Grant Hewitt, Treasurer's Office  
Mindy Martini, Department of Education  
Dr. Steve Canavero, Department of Education  
Doug Russell, Data Recognition Corporation  
John Bandy, Data Recognition Corporation  
Katie Dunlap, Data Recognition Corporation  
Bonnie Talbot, Data Recognition Corporation  
Debbie Tarantino, Jobs for America's Graduates  
Patrick Cates, Department of Wildlife  
Greg Cox, Department of Corrections

## 1. PUBLIC COMMENTS

### Comments:

**Governor:** Good morning, everybody. I will call this Board of Examiners Meeting to order. I want to thank Claudia Vecchio for allowing us to use this room at the Department of Tourism. I kind of want to make it permanent. I like this room. So, why don't we commence with Agenda Item No. 1, Public Comment. Is there any member of the public here in Carson City that would like to provide comment to the Board? Hearing none, I'll move to Las Vegas. Is there anyone present in Las Vegas who would like to provide public comment to the Board?

**Las Vegas:** Governor, no one here for comment.

## \*2. FOR POSSIBLE ACTION – APPROVAL OF THE JULY 7, 2015 BOARD OF EXAMINERS' MEETING MINUTES

**Clerk's Recommendation:** I recommend approval.

**Motion By:** Secretary of State

**Seconded By:** Attorney General

**Vote:** 3-0

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### Comments:

**Governor:** Let's move to Agenda Item No. 2, which is approval of the July 7, 2015 minutes. Before we get into that, what I would suggest, because of my review of the minutes, they included many, many errors. And so, my understanding and I think Greg Smith is in Las Vegas, is that we have changed vendors and we had the same issue with the Department of Transportation Board Meeting Minutes. And, I guess I'd like a little comment with regard to why we changed a vendor and if this doesn't improve, if we could go back to the previous vendor.

**Greg Smith:** Governor, this is the first I had heard that we were having problems with this. We absolutely can switch back to the previous vendor or any other vendor we need to do to get this right. I apologize. I was not aware that we were having problems.

**Governor:** Well, the first two meetings that I've chaired, yesterday and today, both of the minutes, as I said, I lost count of the number of errors and misspelling and words that were inserted and excluded and some of them are pretty meaningful in terms of the changes, it completely changes the context of the minutes. So, I don't know why we changed, but I kind of liked the way we did it the old way. I don't know if the other members have any comments, but, if you're saying we can go back, I'd prefer to do that.

**Greg Smith:** Governor, I will get with Jen and Janet and the folks over at Administration and correct this immediately.

**Governor:** And then, with regards to these minutes, I would respectfully ask that we continue these until the next meeting because we'll be here for a long time making all the corrections that need to be made. So, if there's no further discussion, the Chair will accept a motion to continue the consideration of the approval of the July 7, 2015 Board of Examiners Meeting Minutes until our next meeting.

**Secretary of State:** So moved.

**Governor:** The Secretary of State has moved, is there a second?

**Attorney General:** Second.

**Governor:** The Attorney General has seconded the motion, all in favor of the motion say aye. [Ayes around] That motion passes 3-0. Thank you, Greg.

**\*3. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE**

**A. Department of Health and Human Services, Division of Public and Behavioral Health, Southern Nevada Adult Mental Health Services**

Pursuant to NRS 333.705, the division requests authority to contract with a former Lake's Crossing Center, Correctional Lieutenant, to provide training for key forensic positions at the Rawson-Neal Hospital Rapid Stabilization Unit and the new Stein Hospital.

**Clerk's Recommendation: I recommend approval.**

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

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**Comments:**

**Governor:** We'll move on to Agenda Item No. 3, which is Authorization to Contract with a Current and/or Former Employee.

**Clerk:** Thank you Governor, Item 3 is pursuant to NRS 333.705. The Department of Health and Human Services, Division of Public and Behavioral Health, Southern Nevada Adult Mental Health Services is requesting authority to contract with a former Lake's Crossing Center Correctional Lieutenant, to provide training to key forensic positions at the Rawson-Neal Hospital, Rapid Stabilization Unit and the new Stein Hospital. The contractor has 26 years of experience working with this population and is knowledgeable of the security safety matters and day-to-day operations of the forensic facility. Representatives from the Division are available to answer any questions the Board may have.

**Governor:** Good morning, Dr. Green. You don't want to take the lectern. No, it's okay. Please proceed.

**Dr. Green:** For the record, Dr. Tracy Green, Chief Medical Officer for the Department of Health and Human Services, Division of Public and Behavioral Health. With me today is Chelsea Szklany, Deputy over Clinical Services, as well as, Amber Law, who is our ASO III. This is a request to wave the requirements for hiring a previous employee. Lieutenant Mike Mason has, as Janet mentioned, worked with Lake's Crossing for 26 years as the Lieutenant. He has a unique skill set and given the expanse of the job that we're doing in Southern Nevada to open the forensic facility, there really is no one better qualified to assist us with opening the facility.

**Governor:** Is there anyone else who can do this?

**Dr. Green:** For the record, Dr. Tracy Green. There is a Lieutenant at Lake's currently and he is holding the job, but other than that, there is nobody that we have identified with these qualifications.

**Governor:** And, how critical is it to the opening of the Stein Hospital and the other operations?

**Dr. Green:** Again, Dr. Tracy Green for the record, this is absolutely the most critical position. He is not only providing oversight and training, but he's assisting with policies and procedures to assure that safety is our primary objective but in addition to that, he really is integrating with the team so that we can create a forensic hospital in the South.

**Governor:** If this were not to be approved, would it create some due or unnecessary risk, moving forward?

**Dr. Green:** Again, for the record, Dr. Tracy Green. Yes, this would create due risk. I absolutely do not believe we could proceed without Lieutenant Mason.

**Governor:** And, if this weren't approved, would it delay the opening of the Stein Hospital?

**Dr. Green:** Again, Dr. Tracy Green. Absolutely. At this point, we have such limited experience in forensic leadership, especially at the level of the Sergeants and Lieutenants. And, the difference between this and corrections is that this is a behaviorally compromised population with forensic involvement. So, absolutely, I think this would put us back.

**Governor:** Well, this is also a topic of litigation, is it not? I mean, not the fact of retaining this, but because of the delay and our having a back log of consideration of some of these patients or inmates, correct?

**Dr. Green:** Correct. For the record, Dr. Tracy Green. We are under a consent decree because of untimely restoration or movement from Clark County Detention Center and other detention centers to get our clients, our patients to restoration or to assessment for restoration to competency. Because of that, we are under a consent decree. There are three parts to the consent decree. One we termed short, medium and long-term solutions. The long-term solution is, in fact, the opening of Stein as a unit, under Rawson-Neal. The intermediate measures we have

been doing and we have complied with all of them. In fact, we have expanded the intermediate measures but we still are challenged with moving the clients within a timely manner.

**Governor:** But the key to all this is opening Stein, correct?

**Dr. Green:** Yes, for the record, Dr. Tracy Green. Stein will provide us with at least 47 beds and perhaps 63 beds, in Southern Nevada, to actually allow us to comply with timeliness.

**Governor:** And, aren't we spending \$10,000 per person to fly them up here, up to the North for those assessments?

**Dr. Green:** Dr. Tracy Green. So, currently, I believe the total plane is \$4,000-5,000 and that would cover approximately 6-8 inmates. Chelsea, if I'm off on that, perhaps you could add, but I believe that is the range. And, as you know, we've had a number of storms. We've had difficulty with weather. All of those are also causing us issues so we have begun ground transportation which you can imagine with 6-8 inmates, requiring not just a driver but also security guards and the long drive to both Las Vegas and back; that really does delay our ability to move our clients back and forth.

**Governor:** And then, backing up a little bit, but in terms of compliance with that consent decree, we need to move or else we could be in violation of that consent decree, correct?

**Dr. Green:** For the record, Dr. Tracy Green. Absolutely. In fact, we are reaching some challenges currently with some questions about our timeliness. And again, although we have not met the timeliness of 14 days, as we were required comes January of this year, we are doing all of the measures in the intermediate requirements and our long-term is Stein Hospital. So, in order to meet the timeliness, we are going to need that facility and those beds in the South.

**Governor:** And, assuming—or, hypothetically, if this were approved, when would Stein open, do you have any idea?

**Dr. Green:** For the record, Dr. Tracy Green. Currently we are anticipating actually receiving inmates November 15<sup>th</sup>.

**Governor:** Okay. I have no further questions. Board members?

**Secretary of State:** You asked them all.

**Governor:** Sorry. I think that's important.

**Secretary of State:** No, that's good. It was very good. I do want to thank the doctor. Thank you Governor. I do want to thank you Dr. Green, because you have kept us up-to-date on everything that has been going on. I'm really, really pleased with that and since this has always been in my Senate District, I really held it near and dear to the heart because of the things that have happened but how you've turned it around. I just want to thank you very much for all of the

work that you've done. This, I know, has been extremely well thought out, what we need to do the next step. So, thank you. And, Governor, I would like to move for approval.

**Governor:** I just want to ask one more question, if I may, Madam Secretary of State, but you know, I kind of walked you through all these legal requirements and such, but there's also an important question that needs to be answered, but in terms of the best interests and health and welfare of the patients or the inmates, will this improve that situation?

**Dr. Green:** Again, for the record, Dr. Tracy Green. That is the key opportunity that we have is to better serve those inmates that need to get evaluated. So, for the wellbeing of the inmates, as well as, for the wellbeing of other clients that are waiting, perhaps not receiving adequate treatment or receiving treatment at this point, this is critical to the health and wellbeing of the Nevadans that are in Clark County as well as other counties.

**Governor:** Thank you Dr. Green. Madam Secretary of State.

**Secretary of State:** I move for approval on Agenda Item No. 3.

**Attorney General:** I second.

**Governor:** Secretary of State has moved to approve the authorization to contract with a former employee as described in Agenda Item No. 3. The Attorney General has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [Ayes around] Oppose, no. That motion passes 3-0. Thank you very much.

**\*4. FOR POSSIBLE ACTION – AUTHORIZATION TO APPROVE A PROVIDER AGREEMENT**

**A. Department of Health and Human Services – Child and Family Services**

The division is requesting Board of Examiners' approval of the following provider agreement forms to enable them to enter into an agreement with providers of:

- Observed Drug Testing Services
- CARES/SART Examination: Child and Adolescent Abuse Exam

**Clerk's Recommendation: I recommend approval.**

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

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**Comments:**

**Governor:** Agenda Item No. 4, Authorization to Approve a Provider Agreement.

**Clerk:** Item No. 4 is a request from the Division of Child and Family Services to approve a blanket provider agreement under which the Division can contract for drug testing services to

provide these services in rural areas that are not serviced by State Purchasing Contracts or within 30 miles of the client's location. They're asking also for another blanket provider agreement to contract for child abuse response and evaluations, sexual assault response team examination services, to determine if sexual abuse has occurred to children and adolescents referred by the Division. Representatives from the Division are here if the Board has any questions.

**Governor:** I have no questions. This is pretty routine.

**Clerk:** Yes.

**Governor:** Questions from Board Members. If there are no questions, the Chair will accept a motion to approve the provider agreements included in Agenda Item No. 4.

**Attorney General:** Move to approve.

**Secretary of State:** Second.

**Governor:** The Attorney General has moved for approval. Secretary of State has seconded the motion. All in favor say aye. [Ayes around] That motion passes 3-0.

**\*5. FOR POSSIBLE ACTION – TRAVEL POLICY CHANGES**

**A. Office of the State Controller**

Pursuant to NRS 281.160, the State Controller's Office requests a change to their travel policy regarding reimbursement for meals and per diem.

**Clerk's Recommendation:** I recommend approval.

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

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**Comments:**

**Governor:** We will move to Agenda Item No. 5, Travel Policy Changes.

**Clerk:** Thank you. Pursuant NRS 281.160, the State Controller's Office requests a change to their travel policy regarding the reimbursement of meals and per diem. Former Controller Wallin revised the State Controller's Office, Travel Policies to be more restrictive than the State's Travel Policies utilized by other agencies. The Board of Examiners approved those changes at their September 9, 2014 meeting. The Agency is requesting to remove these changes.

**Governor:** Is there somebody here from the Controller's Office? Good Morning.

**James Smack:** Good morning, Governor. Thank you. James Smack, Chief Deputy Controller for the record. Good morning Mr. Attorney General and Madam Secretary of State, as well. The Controller's Office under the direction of the previous Controller instituted a policy that was



approved by Board of Examiners last year, which made our travel policy more restrictive than the State policy. The idea behind this was to save money on in-state, out-state and training budget categories by changing the policy for reimbursement for meals as the lesser of the actual paid amount for the meal or the per diem allowed by federal standards.

We have had two specifics become apparent since the change in the policy. First of all, we have not been able to demonstrate a savings by changing the policy. In fiscal year '14, the last year the State Policy and the Controller's Office Policy were the same. There was a total of 92 trips between the three aforementioned budget accounts with a total per diem reimbursement of \$11,612. In fiscal year '15, there were 64 trips with a per diem reimbursement of \$8,699. That would make a per diem reimbursement of \$126 per trip in fiscal year '14 and before the change to the more restrictive policy. It was \$135 per trip in fiscal year '15, after the change was implemented. So, we haven't recognized the change or any real substantial savings from this.

The substantial savings we've been seeing as an office is basically looking at our travel as a whole and trying to limit the amount of travel, utilize the new video conference system within our office to be able to do meetings between our Las Vegas location and here in Carson City, utilizing the State plane to keep travel expenses down to a bare minimum and working that way, this is a good idea, but it just isn't demonstrating what it was intended to do.

The other thing is, it's also taking a lot of additional time of part of our operation staff in order to process the requests and make sure that they are being handled correctly and that all the receipts match up and everything like that. So, since we're not really demonstrating a savings, we're just requesting to change back to the original State policy.

**Governor:** Thank you, Mr. Smack, and that was my question is just to ensure that it was fiscally and net neutral. Because if it was going to cost more, I wasn't sure if that was included in your budget for this fiscal year, but you've answered that question. I have no further questions. Thank you very much.

**Secretary of State:** Move for approval.

**Governor:** Secretary of State has moved for approval of the travel policy changes for the Office of the State Controller.

**Attorney General:** I Second.

**Governor:** The Attorney General has seconded the motion. Any questions or discussion? All in favor say aye. [Ayes around] That motion passes 3-0.

**\*6. 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 Administration – Fleet Services	1	\$18,640
Department of Administration – Fleet Services	83	\$2,039,507
Department of Agriculture – Pest, Plant Disease, Noxious Weed	1	\$24,321
Department of Agriculture – Consumer Equitability	1	\$22,243
Department of Agriculture – Livestock Inspection	4	\$14,000
Department of Agriculture – Registration/Enforcement	1	\$24,572
Department of Veterans Services	3	\$134,882
Department of Corrections	16	\$576,149
<b>Total</b>	<b>110</b>	<b>\$2,854,314</b>

**Clerk's Recommendation: I recommend approval.**

**Motion By: Secretary of State**

**Seconded By: Attorney General**

**Vote: 3-0**

**Comments:**

**Governor:** We'll move to Agenda Item No. 6, State Vehicle Purchase.

**Clerk:** Thank you Governor. Item No. 6, requests 110 vehicles that are included in the agencies budgets for 2016. The first item is for Fleet Services to purchase one vehicle, to replace a vehicle due to an accident resulting in total loss of that vehicle. The second item is for Fleet Services to purchase 83 vehicles to replace existing Fleet Service vehicles which have met the requirement for replacement. The third item is for the Department of Agriculture to purchase a new vehicle for their Pest, Plant, Disease and Noxious Weed Division. The fourth item is for the Department of Agriculture to purchase a replacement vehicle for their Consumer Equitability Division. The fifth item is also for the Department of Agriculture to purchase four used Nevada Highway Patrol trucks to be used for their Brand Inspectors. The sixth item is for the Department of Agriculture to purchase a replacement vehicle for Registration Enforcement Division. The seventh item is for the Department of Veterans Services to purchase three replacement vehicles. This also includes a 14-passenger wheelchair accessible bus. The eighth item is for Department of Corrections to purchase 16 replacement vehicles for their fleet.

**Governor:** Thank you. Keith, do you mind coming up, just for a moment. Maybe you do mind. I guess, will you come up for a moment? Will you make a little bit more of a record with regard to the vehicle purchase.

**Keith Wells:** Good morning Governor, Members of the Board. For the record, Keith Wells, Fleet Services Administrator. Governor, I can only speak about the vehicles for the Fleet Services Division. The first that was mentioned was totaled in an accident. Built within our budget we have a strategic plan to replace vehicles. We have a planned obsolescent lifecycle strategy, everything. Those 83 are routine request to ensure that the State's fleet is healthy, maintained, customer satisfaction is high, maintenance costs are low. So, this is just a routine

request that we would do every year to ensure that we're cost effectively and strategically managing that fleet.

**Governor:** Do you get rid of cars that may have high mileage that are running well though?

**Keith Wells:** Well, I have maintained cars in the fleet longer, the last two years then we ever have in the past and we're documenting that just to see how the operating costs are. In the fleet setting, you have to have a strategy when to replace it for budgetary purposes and it's also for customer satisfaction. The vehicles are used every day in a fleet setting, so they literally just get worn out. So, when they reach about 100,000 miles to 125,000, with eight years, approximately, on the average vehicle, they're wearing out. There's many vehicles on this current request I have that haven't even reached 100,000 miles but they're 10-12 years old. They're just—they're wore out. But, we do try and run them as—we keep our vehicles in our fleet as long as we can keep the customer satisfaction high, operating costs low, resale value high and we're pushing that out further every year because they are better than they used to be.

**Governor:** And, speaking of resale, what happens to them?

**Keith Wells:** The vehicles go to public auction and the return on investment is good. We get mid-book value. So, there's an industry gauge that tells how much a car is worth. We get mid-book value, which is very good. And, it's a public auction. It's a contracted vendor. There's three auctions in the south and two in the north each year and it works well.

**Governor:** Who typically buys those vehicles?

**Keith Wells:** The typical consumer is auto dealers. Those vehicles are sold—dealers show up and they put them back on their used car lots and they sell them. And the private sector shows up too, the public, excuse me, but the majority of them go to dealers.

**Governor:** And then, do you get more miles out of the natural gas and the electric vehicles, like those Prius?

**Keith Wells:** No. No, we don't. We have a love/hate relationship—

**Governor:** That's not what you told me when we were buying them.

**Keith Wells:** That's not what the manufacturer told me. Ah, yeah. We are very proactive in the alternative fuel world. Actually, our biggest challenge is just trying to buy something that customer enjoys. And alternative fuel vehicles, the hybrids, some people like them and some people don't. So, it's a—

**Governor:** These—everybody here, right?

**Keith Wells:** Yeah.

**Governor:** It's not Avis. I mean, you get your car and it works well, right? It has air conditioning and—

**Keith Wells:** Yeah, that—yeah, we try and give them the best car we can. I want to make sure everybody's happy.

**Governor:** So, there aren't any BMWs and Cadillacs in there right?

**Keith Wells:** No, I would probably be at a different hearing if we had those.

**Governor:** Well, you're talking about customer satisfaction, that's one way to get it. In all seriousness, these are standard vehicles, they're not real fancy. They've got, you know, the necessary elements included with them, correct?

**Keith Wells:** Yeah, Governor, all the vehicles we purchase are already placed on a State contract, so it's limited what you can get. The manufacturers nowadays, they build a base vehicle. Everything comes as a package now. Everything has power windows, power door locks. You know, we have a complicated methodology that we look at when we buy vehicles. We look at everything from our relationship with the manufacturer, the vendor, customer service, the warranty, it's lifecycle costs, how well it's resale value has held up. We have a whole list. So, we try and find the best possible vehicle that will provide the longest lifecycle for the State, the highest customer satisfaction and the highest resale value at the end of its life. And, we don't buy anything that we don't need and we push those vehicles as far as we can in their life as possible.

**Governor:** My last question and then the Secretary of State has a question, where does the balance come because weren't you also doing a leasing program as well?

**Keith Wells:** Yes, I just started that leasing program. There's only eight vehicles currently on the ground. We're moving really slow. I mean, so far to date, the lease is more expensive than a traditional outright purchase, but the vehicles that have been targeted to be put on that lease so far are vehicles that are going to be placed in service for a predetermined amount of time, meaning there was a grant or something that says the vehicle will leave State service at a predetermined time. So, in my opinion, those are great targets for a pilot program because we don't want to let that vehicle stay in the fleet once that program is gone. That's how the State's fleet creeps and gets bigger and bigger unnecessarily.

But, I will be looking at all these replacement vehicles for candidates for that lease program as well. I'm just slowly working with the vendor putting vehicles in service. Because one of the problems is trying to get the vendor on board with how the program—how the State operates. I want to make sure the leasing program is successful. I don't want to just push it out.

**Governor:** Thank you, Keith. Madam Secretary of State.

**Secretary of State:** Thank you, Governor and thank you, Keith. Just a couple of questions for you based on the few cars that I have in the Secretary of State's Office. The vehicles don't get as much mileage as some of the others, but when they're old and when they should be replaced, what we keep getting is, it has to have the mileage. I think we just had, so that the window would stay up, they just fixed that and so that the doors don't automatically lock as you had talked about. So, I'm just wondering, when does a car really retire, even if the mileage isn't there? Is it only mileage that you're going on?

**Keith Wells:** No. When we look at replacing the vehicles, we have almost 1,000 vehicles in our fleet. I replace approximately 10% of those every year. We look at mileage and we look at condition and we look at operating cost. Then we look at our budget. So, you know, I know exactly which vehicles you're talking about. Your Agency has had your vehicles for a long time and the challenge for us, honestly was, the utilization was low. And when the utilization is low, what happens is those vehicles is age will catch up on them faster than miles. However, your vehicles have—I believe some of them even radios maybe. If a vehicle has anything—not police radios, not--

**Governor:** A radio, really?

**Secretary of State:** Maybe, maybe. If it works. If it works. And, when it works. You can go over a bump and it doesn't work.

**Keith Wells:** No, they have—no, but if a vehicle has any specialized equipment like a police radio or something, I can't just move it from your location to another location.

**Secretary of State:** Well, we only have two that have—have the—

**Keith Wells:** Right.

**Secretary of State:** --hardware.

**Keith Wells:** But, I have worked with your staff for many years trying to move those. They are on our radar screen. What happens is, I—I try not to let a vehicle exceed approximately 10 years in our fleet. So, regardless of the mileage—

**Secretary of State:** We're way over that.

**Keith Wells:** Yeah, well, your vehicles are around a 2006 model. 2004-2006, if I remember correctly. We will get them replaced. But, nothing in the fleet, in my fleet, stays in any longer than approximately 10 years, unless it's a special application vehicle.

**Secretary of State:** Okay.

**Keith Wells:** You know, and not to defend what we've done but if we wouldn't have had a fiscal crisis from 2008 until now, your vehicles would've been gone a long time ago. But we did, at the direction of the Budget Office, start reducing the number of replacement vehicles.

**Secretary of State:** And, I understand that.

**Keith Wells:** So, we're playing catch up. And a lot of the vehicles that are in this request are specifically vehicles that we have had on our list for a long time to catch up.

**Secretary of State:** Okay.

**Keith Wells:** From this moment forward, we should start getting our fleet back to a healthier—

**Secretary of State:** We just thought even some of those vehicles that you had with 100,000 miles might have been better than what we currently have. So, we're willing to look, before you trade them in. But, I was just curious if mileage is the only—because that's that what seems to stick with it is the miles instead of the condition of the car, so I didn't know how you weighed--

**Keith Wells:** No, the condition is important. I mean, our policy internally is, absolutely nothing is deferred on our vehicles. There is not—maintenance items are not allowed to be deferred, everything is fixed regardless of the age. It has to be safe and it has to be functional. So, if something is wrong, there has been a breakdown in our operation.

**Secretary of State:** Okay. I really appreciate it. Thank you Governor.

**Governor:** Any other questions with regard to Agenda Item No. 6? Oh, Greg?

**Greg Smith:** Governor. Two quick tidbits of information that I think you folks would find of interest on this subject. Number one, we have a pretty productive, though probably not very sophisticated hand-me-down program, I guess I would say at the State with vehicles. Agencies are well educated in contacting our office so that we are kind of able to shift one vehicle with relatively high mileage to another agency who is not going to drive it all that much. And, we're able to set the prices because there's a reimbursement factor, particularly to the Highway Fund, that has to be paid but we're able to go with a relatively low Blue Book transfer type of a fee to get an agency who is now only going to use a vehicle maybe once a week, every other week, a little bit of a high mileage vehicle but still a late model vehicle to be able to use much cheaper than they could go out and get a new one.

The second thing I wanted to let you know when you were asking about the cars. In addition to the dealerships, the buyers that come out to the auction, you'd be amazed at how many of our Highway Patrol vehicles end up in Central America as a taxi cab. They come up and buy them anywhere from \$4500-5500 is the traditional price and they take them down there and paint them yellow and turn them into taxi cabs and drive them until the wheels fall off, so I just thought you'd like to know that.

**Governor:** Probably make Twitter I bet. That little comment there. All right, thank you. Any other questions or comments with regards to Agenda Item No. 6?

**Secretary of State:** Can I ask one more?

**Governor:** Yeah, Madam Secretary of State.

**Secretary of State:** Thank you Governor. The vehicle that was totaled, was that something that wasn't the driver's at-fault and did our insurance cover that?

**Keith Wells:** For the record, Keith Wells. In this case, the Agency was at fault.

**Secretary of State:** Okay.

**Keith Wells:** The vehicle was totaled and Risk Management reimbursed us for the vehicle, plus we sold it to a salvage company for—we recovered approximately \$8,500. And the initial purchase price of that vehicle was about \$17,000. So, we did pretty well.

**Secretary of State:** Okay, thank you. Thank you Governor.

**Governor:** If there are no further questions, the Chair will accept a motion to approve the State vehicle purchase as described in Agenda Item No. 6.

**Secretary of State:** So moved.

**Governor:** The Secretary of State has moved, is there a second?

**Attorney General:** Second.

**Governor:** Second by the Attorney General. All in favor say aye. [Ayes around] That motion passes 3-0. Thank you Mr. Wells.

**\*7. FOR POSSIBLE ACTION – REQUEST FOR ALLOCATION FROM THE INTERIM FINANCE COMMITTEE CONTINGENCY ACCOUNT**

**A. Office of the Treasurer - \$247,500**

Pursuant to NRS 353.268, the Treasurer's Office requests an allocation of \$247,500 from the Interim Finance Committee Contingency Account to fund Phase 1 of the startup costs for the Education Savings Account Program created in SB302 during the 2015 Legislative Session.

**Clerk's Recommendation: I recommend approval.**

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

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**Comments:**

**Governor:** We'll move to Agenda Item No. 7, which is a request for allocation from the IFC Contingency Account, from the Office of Treasurer in the sum of \$247,500.

**Clerk:** Thank you Governor. Pursuant to NRS 353.268, the Treasurer's Office requests an allocation of \$247,500 from the Interim Finance Committee Contingency Account to fund Phase 1 of the startup costs for the Education Savings Account created under SB302 during the 2015 Legislative Session. Phase 1 is a technology request to build and maintain a new enrollment program, as well as, manage the accounting of all students, participating entities and funds. This request is a loan from the IFC Contingency Account and the Treasurer's Office intends to pay it back from the 3% Administration Fees once the accounts are established. We have representatives here.

**Governor:** Good morning.

**Grant Hewitt:** Good morning Governor.

**Governor:** So, what I'd ask you to do is kind of take us through what's included for those costs or what we're getting for those costs and then just a little bit, a narrative on how it's going.

**Grant Hewitt:** Sure. Grant Hewitt, for the record, Chief of Staff in the Treasurer's Office. A little bit of background is where I'll start. SB302 created the most expansive school choice, Education Savings Account Program in the nation. We were amended into the program late in the process and have been working to get up to speed to be ready to launch come January.

Just last week, we were able to—or maybe it's a week and a half. A week and a half ago, we were able to launch our early enrollment form, which is a paper form. We are excited to announce today that we've had over 1,000 applications received into our office, just in the first week and a half.

To put this into perspective, the longest ESA Program in history is in Arizona. In their first year, they had about 113 accounts. In their second year, they had about 300 accounts. In their—today, in their fifth year, they have 1,300 accounts. I should be past 1,300 accounts by the end of next week, easily, making us one of the largest ESA Programs in the country.

What we're here today is seeking our, kind of, first phase of startup funding for the program. We are interested in receiving funds to be able to create and develop a proprietary enrollment process and user interface for parents and participating entities, schools to prevent fraud and to help move through the enrollment process in an easy to understand manner. We are moving away from the Arizona model where they use a debit card and we are trying to go with an entirely digital payment process; this way to prevent fraud of the system and to limit the ability of participating entities to misuse funds. So, it will require a double check from the participating entities side, to the parent side, to request funds and then authorize the transfer of those funds, but this is all brand new. Every other state that has an ESA Program is doing everything



completely manually. They have four full time staff in Arizona to manage their 1,300 accounts. They are dealing with paper receipts. They are adjudicating every expense.

So, our hope is, our plan is to take this enrollment software that we create and then match it up with a company called Benefit Wallet, which currently provides HSA/FSA type services. They have already been in the ESA space, exploring getting into the space. They would join us in creating a seamless process. So, from our user interface to their payment platform, the user would never know that they're leaving the State of Nevada. They would not know that Benefit Wallet is on the backend making those payments, doing that process. So, we feel that by doing this we are going to reduce our staff costs long term. So, maybe we can keep our staffing for 5,000 accounts to four people rather than 1,300 for four people like is being done in Arizona.

So, that's the high level of where we are today, Governor. We're excited about where we are. With over 1,000 applications, we feel very confident that we'll be able to make the payments back to the State. We intend to pay the State back using the 3% fee. We looked at the Department of Education's initial fiscal note on it, on the Program and they estimated that they would be getting about \$900,000 in revenue from the 3% fee, based upon approximately 5,800 accounts that they would be servicing. I believe their estimate was low on the number of accounts. We've already had 1,000 in a week.

Our research shows that there's about 6,000 open private school seats in Nevada today that could utilize an ESA Account. Moving past that, that doesn't take into account any students who want to become opt-in students or you know, home educated students through the program, having their parent be the participating entity. There are approximately 8,000 home school families in Nevada today. We believe about 60% of those, in talking with the Home School Association of Nevada, that about 60% of those would be interested in utilizing an ESA Account. 40% just want to stay out of the State's system completely. So, we feel very confident that we can make these payments back. As it was mentioned, this is Phase 1 of our ask and I know the next question is probably going to be, what's Phase 2 and we are working through developing those costs. Our entire budget kind of revolves around how much automation of the process that we can do. The more automation, the less staff cost. So, as we move down this next phase to get our IT up and running, then we can come back and ask for staff, hopefully around October for our first staff request. So, that's our plan today and we're excited to be here.

**Governor:** Thank you, Mr. Hewitt. That was a very thorough answer. Are you able to sort by region and age who these applicants are?

**Grant Hewitt:** Grant Hewitt, for the record. If you give me a couple of days I can. I can sort by region today. In our initial data points that we're sending over to DOE for these early enrollments, in our spreadsheet, we don't have age but I can have a staffer get it for us.

**Governor:** And then, I get asked quite often by individuals who have children that are currently—or who are enrolled in private school—and what their options are.

**Grant Hewitt:** Governor, that's a loaded question and I appreciate it. So, for private school parents who are currently enrolled in a private school, the Legislature set a time limit. It's the

only restriction to our program. It's 100 consecutive school days, immediately preceding our date of application that we receive it.

So, a parent who was in a private school last year, obviously doesn't meet that requirement. However, the bill also allows for a pro-rated system. So, what we have done is, using current education statutes and laws, there is a process by which if a class is not offered at your private school, you can ask your school district if you can participate in that class. We will accept that as the 100 days, but you're going to get a pro-rated payment. So, you're not going to receive the full amount of the ESA, you would receive whatever that pro-rated amount is.

We're currently working with our partners at the Department of Education, and let me say, they have been great to work with. We're working with them to determine the process by which someone who enters the program as a pro-rated student, how do they get a full ESA down the line? It's probably going to be a time waiting period, but we haven't been able to sort that out yet. So, there is a path for folks who are sitting in private schools today, but they're going to have to go through some steps to do it and they're going to have to want to do it.

The other option they have is to dis-enroll their children from their private school, enroll in a virtual academy or attend a public school for 100 days and then go back. That's obviously the cleanest path to do it. And, I know a lot of private schools—I had a meeting yesterday with 30 private schools in Las Vegas who are dealing with this situation. They have parents who are leaving and they have parents who are wanting to hold their seats. That's the private sector going to make that decision on how that works and some are offering a holding fee, others are saying pay your full tuition but don't come and get the 100 days, but that's the private marketplace that's going to determine that.

**Governor:** And, I wasn't trying to put you in an awkward position, Mr. Hewitt. I just think it's important because that question gets asked quite often. In fact, is there a site where people can look at FAQ and get answers?

**Grant Hewitt:** Grant Hewitt, again, for the record. At the NevadaTreasurer.gov site, there's a big blue banner that says ESAs and folks can click on that and that's how they can fill out an early application. That's where they can get FAQs. It also has an email address, NevadaSchoolChoice@NevadaTreasurer.gov. That email comes directly to my desk and I answer every single email that we get. We have a database of 1,700 families who have expressed interest in the program already and we provide updates to those families frequently based upon new information on the program.

**Governor:** I guess there's no way to estimate how many applications you're going to get between now and the end of the year, but if it's consistent with what you've gotten in the first week and a half, it could be a large number.

**Grant Hewitt:** Absolutely. We average anywhere from 50-60 a day at the moment.

**Governor:** I have no further questions. Madam Secretary of State.

**Secretary of State:** Thank you Governor. And, thank you, Mr. Hewitt, for being here. I have to ask the question, why the 100 days? What was that—I wasn't in the hearing, so I don't know but that's my first question. The second question is, what about students that have never been in school at all. I mean, they're going to come—there's preschool, there's kindergarten. Do they actually have to go to a public school for 100 days before they transfer over, if they've never been in a public school at all, any school?

**Grant Hewitt:** Again, Grant Hewitt for the record. Thank you for the question. Probably one of our most common questions. As I mentioned, we were amended into the bill late, however, talking with the sponsor of the bill, Senator Hammond, it became clear that this was a budgetary discussion about the 100 days. It's how, today, if you are not sitting in a public school, there is not a DSA allotment for you out of the Distributive School Account. What funds ESAs are the DSA side of the school funding formula. So, to get that trigger, of having an allotment for you, you need to be in for a count day or for the average quarterly counts. And so, 100 days was kind of decided as, you know, if they went with a traditional count day, you'd hit that because a semester is only 84 days, so you'd end up finding two semesters to do it. They'd hit that date to count the student. So, that was the first thing.

It's about a \$200M hole in the budget if we go and allow every private school student, all 20-some-thousand of them into the program on day one and I don't think the legislature was prepared to deal with that reality. There is a large discontent with private school parents about the 100 days.

**Secretary of State:** Can I just stop you for a second?

**Grant Hewitt:** Yeah.

**Secretary of State:** So, is it a one time—so, one time you have to have 100 days and then you don't ever have to do that again? So, it's a one-time?

**Grant Hewitt:** Grant Hewitt, for the record. That's absolutely correct. It's a one-time 100. And then you renew every year by a simple—hopefully for us it's a button on the user interface with our new software, that you'd renew your contracts every year going forward. Money rolls over every year if you don't spend it all.

For preschools, kindergarteners, children—I'm going to put this into a larger bracket, children under the age of 7, the law is a little bit ambiguous about how do you deal with children under the age of 7. So, as we go through the regulatory process, we will ask the Legislative Commission to weigh in and give their legislative intent and advice, but ultimately there are two options here. One, you won't be able to apply for an ESA until you are age 7, and so you are required to have the 100 days, but only 7-18 are allowed to have an ESA. Or, that students under the age of 7, or 6 and under, aren't required to have the 100 days but are allowed to enroll in the program. So, it's going to be either, they can have it without the 100 days, or we don't accept applications for students for students under the age of 7. Our office, to deal with this, are accepting applications today for children who are in this 6 and under category. We're putting

them in a pending status until the legislature gives us final determination through the Legislative Commission and the regulatory process.

**Secretary of State:** Thank you. I happen to have five grandchildren are all under the age of 7, so I was curious as to how that was going to play out and—

**Grant Hewitt:** We will accept their applications.

**Secretary of State:** --and the Attorney General has a daughter as well, under that age, so thank you for clarifying that. Thank you Governor.

**Grant Hewitt:** They can apply today, so send in an app.

**Governor:** Any other questions. Thank you Mr. Hewitt, that was very thorough. If there are no further questions, the Chair will accept a motion to approve the request for allocation from the IFC Contingency Account from the Office of the Treasurer in the sum of \$247,500.

**Attorney General:** So moved.

**Secretary of State:** Second.

**Governor:** The Attorney General has moved. The Secretary of State has seconded the motion. All in favor say aye. [Ayes around] That motion passes 3-0, thank you.

**\*8. FOR POSSIBLE ACTION – APPROVAL OF AN AMENDMENT TO A DEVELOPMENT AND FINANCING AGREEMENT**

**A. Department of Administration – Public Works Division**

Pursuant to Assembly Bill 299, of the 2005 legislative session, the State Public Work Division, on behalf of the Department of Conservation and Natural Resources Division of State Lands; the Department of Corrections; and the Reno Sparks Indian Colony (RSIC), is requesting approval of an amendment to the original Development and Financing Agreement (approved at the December 2012 BOE meeting), between the RSIC and the State of Nevada, through the above referenced state agencies. The agreement will result in the design and construction of a Department of Corrections Restitution Center. The amendment adds 11.02 acre feet of water rights to the agreement, for a total of 15.33 acre feet of water, to ensure sufficient water is available to support the Restitution Center once it is complete and operational.

**Clerk's Recommendation: I recommend approval.**

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

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**Comments:**

**Governor:** Agenda Item No. 8, approval of an amendment to a Development and Financing Agreement.

**Clerk:** Thank you Governor. Pursuant to Assembly Bill 299 of the 2005 Legislative Session, the State Public Works Division, on behalf of the Division of State Lands, Department of Corrections and Reno-Sparks Indian Colony is requesting approval of an amendment to the original Development and Financing Agreement, approved by the Board of Examiners at their December 2012 meeting. The amendment adds 11.02 acre feet of water rights to the agreement for a total of 15.33 acre feet of water. This will ensure sufficient water is available to support the Restitution Center once it's completed. And, we have representatives from the State Public Works Division available to answer questions.

**Governor:** I have no questions. Board Members? The Chair will accept a motion to approve the amendment to a Development and Financing Agreement as described in Agenda Item No. 8.

**Attorney General:** So moved.

**Secretary of State:** Second.

**Governor:** The Attorney General has moved for approval. The Secretary of State has seconded the motion. All in favor say aye. [Ayes around] That motion passes 3-0.

## **\*9. FOR POSSIBLE ACTION – LEASES**

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

**Clerk's Recommendation:** I recommend approval.

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

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### **Comments:**

**Governor:** We'll move to Agenda Item No. 9, Leases.

**Clerk:** Thank you Governor. There are 15 leases in Exhibit 1 for approval by the Board. No additional information has been requested by any of the members.

**Governor:** No, and I had had a question on Lease 12, but I had that question answered, so I have no questions. Board Members?

**Secretary of State:** No.

**Governor:** If there are no questions, the Chair will accept a motion to approve Leases 1-15 as described in Agenda Item No. 9.

**Attorney General:** So moved.

**Secretary of State:** Second.

**Governor:** The Attorney General has moved for approval. The Secretary of State has seconded the motion. All in favor say aye. [Ayes around] That motion passes 3-0.

**\*10. FOR POSSIBLE ACTION – CONTRACTS**

Thirty-two independent contracts were submitted to the Board for review and approval.

**Clerk's Recommendation:** I recommend approval.

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

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**Comments:**

**Governor:** We'll move to Agenda Item No. 10, Contracts.

**Clerk:** Thank you, Governor. There are 32 contracts listed in Exhibit 2 for approval by the Board today. Members have requested additional information on the following: Contract No. 8, between the Department of Education and CTB/McGraw-Hill. Contract 9 between the Department of Education and Jobs for Nevada graduates. Contract 11 between Department of Education and Infinite Campus. Contact 19 between the Department of Wildlife and Morris Ag Air. Contract 22 between the Department of Wildlife and Owyhee Air.

**Governor:** Owyhee.

**Clerk:** Thank you. I knew I'd get it wrong. Contract 31 between DETR and the Center of Innovation. Agency personnel are available to answer any questions relating to these contracts. And then I also forgot to mention Items 20 and 21, we have a technical change that I can review with the Board if you'd like.

**Governor:** Why don't you go ahead and do that now.

**Clerk:** So in Exhibit 2, Page 5, for Item No. 20 in the middle of the paragraph it states, "This amendment increases the maximum amount from \$1,115,087." That should be from \$1,104,607 to a total of \$2,219,694. The amount of the amendment on the Agenda is correct. Okay. And Item No. 21, again, in the middle of the paragraph it states, "This amendment increases the maximum amount from \$2,714,030." That amount should be from \$2,743,892 to \$5,557,921. And again the amount of the amendment on the agenda is correct.

**Governor:** So we can still consider those two as part of our motion?

**Clerk:** Yes.



**Governor:** Okay. All right then. If I could ask the Department of Education representatives to come forward, please. Good morning.

**Mindy Martini:** Good morning, Governor. I'm Mindy Martini, the Deputy Superintendent for Business and Support Services with the Department of Education. This first item, Item No. 8, provides for a new contract with CTB/McGraw Hill. This group would develop, administer, report, score, everything to do with our assessments for K-12 education. As you'll recall, these services were previously provided by Measured Progress. With me today is Dr. Steve Canavero, who is the Deputy for Student Achievement, who can answer any questions that you may have specifically about the contract.

**Governor:** Morning Dr. Canavero. Do you have any—I guess it's the first time shame on them, second time, shame on us. So, I kind of want to hear from you how we know—we have the assurances that this time, it's going to work well.

**Steve Canavero:** Steve Canavero. Governor, Madam Secretary of State and General Laxalt, appreciate the opportunity to speak about this contract. You know, maybe just a little bit more detail and some back story, just to kind of layout the, sort of, context into why we're here. I'll start with just statutes. So, the 389.550 requires the State to administer assessments annually in specific grades and specific subjects. And, that's been amended through time, but it requires us to assess our students across the State and it also requires that we utilize the services of an external vendor for the scoring/reporting of this service. I think when it was installed, I think wisely, the Legislature recognized the limitation of a state agency to do this type of work and then requires us to utilize a vendor.

I would say it started in the late 90s with NERA, but then really formally in the early 2000s with No Child Left Behind. We started to contract with external vendors. Our first two experiences did not go well and then in 2005, I believe after we fired our second assessment contractor, we went with Measured Progress, which has served the State for two five-year cycles and my understanding of the State Purchasing and Contract Requirements allow us to extend a contract up to but not beyond five years and we've taken that opportunity in the last two cycles. That put us into a sort of traditional and normal pattern to develop a new scope of work, late calendar year of '14. Then we issued that scope of work through purchasing in the form of a Request for Proposal from the vending community to do this next cycle of work.

The big difference, I would say this time, that we knew in the winter of '14 and then early 2015, we knew that we had a number of different assessments that were prescribed by the Legislature that we needed to administer in the year, one of those being the Smarter Balanced Assessment System, another being the End of Course Assessment System, the sun-setting of the High School Proficiency Exam, all those changes the Legislature put in place in 2013.

We didn't know at the time of some of the challenges that we would have with the delivery of the Smarter Balanced Assessment System that we experienced in April of this year. So, this process went forward, in advance of all of that and we had 11 vendors bid on this proposal and the proposal as Deputy Superintendent Martini implied contains a number of provisions, one of which is the delivery of the Smarter Balanced Assessment System. Another is the Science in 5, 8



and 10. The development and really the completion of our End of Coursework, end of middle school and high school, that new graduation requirement, the sun-setting of the HSPE, as well as, the Nevada Alternative Assessment, which we provide to our eligible students with specific disabilities from 3 through high school. So, a significant amount of work and a fairly large contract.

So, the 11 proposals were reviewed by a seven member review team, really facilitated by our partners in State Purchasing. Facilitated by that group. We had representatives from the school districts, representatives from the Department of Education and representatives from the State Board of Education on that panel to review those. There's a number of criteria that are explicated within the RFP that that group of individuals' reviews based on those criteria range from sort of, capacity to do this work, which gets to your question. Similarly situated, where were they successful in other environments, delivering a similar product that we're asking for. Personnel, capacity of the organization to do the work. So, a number of criteria were laid out. That process resulted in CTB/McGraw Hill being the highest scoring vendor. Then that is referenced back to the State Superintendent and we work—and then we engage in negotiation [tape cut] –costs and services. Part of those negotiations get to your question, sir, which is, how do we know that this will be different than the experience we had before.

We do have representatives here, at team here from CTB/McGraw Hill and DRC, Data Recognition Corporation. This is a contract that, like many, that have a prime and a number of subcontractors. One of the principal subcontractors on this particular proposal is the Data Recognition Corporation, DRC. I'll mention a little bit about that a little later. There's a corporate transaction that went back before you to assign this to DRC. DRC purchased CTB/McGraw Hill early in this process. We were well informed, of course, throughout the whole.

So, just a couple of, I think, points of interest in relation to how is this perhaps different. One of the areas that we recognize is that DRC and CTB have delivered the Smarter Balanced Assessment System in fixed form. So, what you would see on a computer screen, you select your answers, but it doesn't do the computer adaptive, meaning, as you answer questions correctly or incorrectly the assessment changes the questions it gives to you. So, that's the really intellectually honest, sort of powerful notion of the Smarter Balanced Assessment System is in its computer adaptive form. As students interact with it and answer questions correctly, it gets more rigorous and if they answer questions incorrectly, it gets less rigorous to really understand where a child performs on a continuum rather than just very specific grade level standards.

They have provided this in Missouri and Michigan, fixed form, meaning it's not computer adaptive, but they have a relationship with Smarter Balanced, so that was a positive on our side. They have delivered a computer adaptive assessment and primarily in Pennsylvania, in Philadelphia, a large school district in Pennsylvania and they had demonstrated the capacity to serve the number of concurrent users that we require in our State to meet the demands that we were unable to meet or the vendors were unable to scale the existing system to meet.

The technical piece, I'll do my best to—I'm not a technical person, but sometimes I may be confused as one by the—I've just picked up on their jargon. I think one of the key differences

that the Smarter Balanced System that Measured Progress, open source code, their platform if you will—we're utilizing DRC's platform that they have successfully launched computer adaptive assessment system. We're not going to rely—DRC will not rely upon Smarter Balanced's Open Source Code System in order to deliver the Smarter Balanced Computer Adaptive System for Grades 3-8. So, that was—you know, and it's tested, and that was I think one of the reasons why the group of seven individuals who scored this application scored them highly.

I could go on for a long time on this, but I imagine that you all have specific questions that we can address.

**Governor:** Just a few and I would like the vendors to come forward in a minute.

**Steve Canavero:** Okay.

**Governor:** Is there any issue associated with the school district's infrastructure? Is that all adequate?

**Steve Canavero:** Steve Canavero. That's a really good question. You know, early on, in March and April when we began to experience the difficulty in administering the Smarter Balanced Assessment, we quickly realized that it was not Nevada's problem. That our districts were ready, the technology, the infrastructure, our school superintendents, their staff did an admirable job testing their systems. We conducted, I think, two statewide tests to ensure that they had the appropriate speed, that they were connected and that they had the right computers to deliver the assessment. My understanding is that it's a fairly—it's not robust, it doesn't require the most modern computer. You can actually run this on a computer that we would call 'old', let's say, or the technology people would call old but that we all probably use every day.

So, it wasn't in the infrastructure problem. And, in those cases where we did have infrastructure challenges, superintendents worked with their staff and their boards to find alternatives and mitigate those solutions. Some of that, in some very remote rural situations, they would transport the students to a testing center for a day. So, they were able to meet the need. And we were ready, we will be ready. I think technology and the infrastructure for our State, we have some areas to improve upon of course, but it was not the challenges that we had, we tried to, and Superintendent Erquiaga tried to be very clear that it was not an issue related to the school districts and school staff personnel readiness.

**Governor:** So, before we get to the vendors, I was going to ask if any of the other Board Members had questions for Dr. Canavero.

**Secretary of State:** Anxious to hear from the vendors.

**Governor:** And they can answer this question as well, but track record. McGraw Hill and the others have a solid track record?

**Steve Canavero:** Steve Canavero. Based upon the criteria and when I reviewed the RFP, yes, I think they have a track record. In my personal opinion and granted, it's really up to the seven reviewers and through the State Purchasing process that goes through this, I think we've got the right vendor. Only one other vendor delivered the computer adaptive, Smarter Balanced Assessment System at scale. That's American Institutes for Research, AIR and they did not bid on this particular contract. So, I'm not suggesting that they would be the right vendor if they did, but just to give you—this is fairly new work and we have to accept past performance in similar context and similar situated conditions as evidence of future performance. So, I think that this team of DRC and CTB represent that.

**Governor:** And, you touched on my next question, which is similar but not the same. So, there hasn't been an identical testing scenario in another jurisdiction as to what is going to happen here in Nevada?

**Steve Canavero:** Steve Canavero. Governor, you're correct. And so, you're right, similar but not the same. Fixed form in some case with the questions that we're going to have students interact with, and then computer adaptive without those questions. So now the question is, can we take the two and marry them? Within the scope of work, we have some very critical dates, one of those is in January. In our meetings with the vendor and Superintendent Erquiaga and myself, meeting with their executive staff, they have provided to us sort of how they have worked with states approaching the Smarter Balanced—Missouri and Michigan for example, and they can speak to that. But, they've also represented to me that, even though in January is sort of this critical date where we sort of test the whole system to ensure that we could do it, they represented to me and obviously it's our desire to have that much earlier in the year so that we know, you know, if we need to exercise Plan B or Plan C, we're able to do that much earlier in the year, rather than in the midst of a testing environment.

**Governor:** So, there is going to be a run through in January, kind of a test and then April is when the big one comes?

**Steve Canavero:** Steve Canavero. If we are able to have the contract approved today, we will begin work, literally today and tomorrow. It's laid out in the Scope of Work, but there are key milestones and benchmarks to be met along the way, should any of those, let's say fail to be delivered upon, then it would be a discussion around Plan B, or what are the conditions that need to be true in order to get this right. I just used January as sort of this—it's kind of like this drop dead, in the contract proposal, but just want to represent that we will have critical checkpoints along the way to test the vendor's readiness to deliver the assessment in March.

**Governor:** Last question that I have because I've been through this with Xerox and I've been through this with Measured Progress, and I don't want to jinx anything, but do we have adequate protection in the contract should the vendor in this case, not perform to expectations?

**Steve Canavero:** Steve Canavero. So, we utilize the Model State Contract. There's minor modifications and I've been—I've never done this specific contract with this assessment, but we've been doing many contracts, negotiating with different vendors in order to—using the State

Contract. And, we have a close relationship with our Deputy Attorney General and obviously with General Laxalt's Office to ensure, and Purchasing, to ensure that we're getting it right in terms of, you know, both on the liability side, but also on what provisions are in the contract.

So, I can tell you that the provisions exist, the same provisions that we exercised to hold—in partnership with General Laxalt's Office, to hold MP in breach of contract. Those provisions all exist in this contract as well. As well as the holding Smarter Balanced in breach of their Interlocal Agreement. So, we have termination for cause, termination without cause, termination for breach. We have liability provisions, 100% of the contract value for a breach of contract. I think on the tort claims, I don't really know what that means, but it's in the contract, unlimited liability. But then, there's also elements in the contract as well for liability and this is really specific to Superintendent Erquiaga's very clear directive that we need to ensure that student data privacy and we're appropriate stewards of our children's data across the State. There are provisions in the contract, I think new provisions for the first time that create liability or the presence of a liability, whatever the lawyers would call it, for the State to exercise should they fail to uphold the privacy provisions within the contract.

**Governor:** Thank you. Madam Secretary of State.

**Secretary of State:** Thank you Governor and thank you Doctor, it's nice to see you again. In reference to the Governor's question to you about McGraw Hill doing this in other states, I know ours is different because we have our own questions but there are other states that they have worked in along these lines, and do you know how many states that they have done something similar to what they'll be doing here, is my first question? And, the other question is, we've used McGraw Hill in other areas, I think, books. Can you just kind of give us a refresher course on the other things that we've used and how successful those other things with McGraw Hill have been? Thank you.

**Steve Canavero:** Steve Canavero. Madam Secretary of State, you're kind of hiding behind the screen there. So, they have—and they can speak to this in greater detail but from Michigan, Missouri, Idaho, Pennsylvania, just come immediately to mind, in states that they've worked in, just that I recall from reading through the scope, in various forms. Again, they'll be working on our End of Course Test as well, which is a significant portion of this contract, so their capacity to do that work—they've been able to demonstrate, I think it's in Idaho where they've delivered the End of Course Assessments. So, they have capacity in developing and designing and delivering and scoring, the reporting, all of those assessments. So, they have—and DRC primarily, because DRC is going to be the technical, sort of, backbone, CTB/McGraw Hill, the content side of it. So, there is significant experience here. So, I can understand why they were scored highly in the capacity to deliver and the qualifications of staff.

CTB/McGraw Hill is a national brand. It's been in use for quite some time. I think its Terra Nova, I believe is their—what a lot of people are familiar with under their Norm-Referenced Assessments from many years ago. I think the State used that for some time, but within the school districts, they have a broad presence as well. From curriculum, but also the assessment side. I believe, if my memory serves me correctly that Clark County School District RFP that they were just awarded an interim assessment to this same vendor. So, there's some synergy

there. We also utilize WIDA, the World-Class Instructional Design, is our ELL assessment. CTB and DRC are really the backbone of that delivery and design as well, to support that consortium. So, there's, a lot of sort of overlapping circles with the selection of this vendor.

**Secretary of State:** And, if I might, Governor, and also with software, not just the physical books, but we have the software as well that they've been designing and so we do have that. Okay, thank you.

**Steve Canavero:** Steve Canavero, yes.

**Secretary of State:** Thank you.

**Governor:** And, Secretary of State asked a great question but I want to make sure I'm clear, so we have other contracts, we being the State of Nevada, with McGraw Hill and they've performed well pursuant to those contracts? Or, is performing well?

**Steve Canavero:** Steve Canavero. I'd have to get back to you on that question. I don't—not directly. Like, for example, the WIDA work that we've done—so the districts and the work that we've done, they support that consortium, we don't contract directly with them even though we purchase the WIDA product.

**Governor:** Any other questions for Dr. Canavero?

**Attorney General:** Do we have all of them up so we can still ask them questions, or?

**Governor:** Are the McGraw representatives here in Carson City? And, good morning. If you would first identify yourselves for the record and you've heard the narrative with regard to the questions. So, if you could provide some background with regard to your company, your performance in other jurisdictions and your expectations with regards to this contract.

**Doug Russell:** Very good, thank you Governor. My name is Doug Russell. I'm the Senior Vice President of our Education Programs at Data Recognition Corporation. And with me, I have John Bandy, who is our CIO, Chief Information Officer, Katie Dunlap and Bonnie Talbot, who are familiar with the program. I'll start off by talking about, just our experience first and then I'll let our CIO talk about the technology, if that would be acceptable.

So, DRC has been in existence since 1978. We're a full-service assessment company. We have 21 states that we service today, 13 of those states have online technologies that we've employed. Last year we processed over 10 million online applications; our system did not go down at all. We had full success in all the states that we serviced. Pennsylvania is one of our largest states, from a population standpoint but we also have states such as Michigan. Michigan, I'll just stop for a second and take them—they were all paper based until last year. This past year, they went almost 80% online and we did that without a flaw. There was no downtime at all. We do that through making sure that our technology has been tested thoroughly. We also have what we call a fairly sophisticated technology readiness plan, making sure not only that the technology is

capacity loaded or benchmark loaded, testing both bandwidth and capacity of local systems, but we also have the ability to make sure that individual districts and school buildings have their systems properly configured to run on the system.

The other comment I'll make is the fact that we're not new to this. We've been doing online testing for over 10 years. We made a very strategic decision to make the investment in our own systems and depended upon our own technology and we are fully vertically integrated. So, all of our software developers, all of our operations are based within our company. We're not dependent upon third-parties. We control that within our organization. So, we have the flexibility to be reactive and to be able to make sure that we meet the demands that are necessary in the industry and in individual states. I'll let you comment on some of the technology.

**John Bandy:** For the record, John Bandy, CIO at Data Recognition Corporation. I've been the CIO at DRC for the past five years and an employee of DRC for the past 10 years working in the technology area of the company. Some of the differentiators that DRC brings to the table is, we maintain all of the systems ourselves in house. So, nothing is outsourced, it's all within our control. And we add expertise through professional services to make sure we have the best in class systems available for assessment industry. We know that online testing is new to a lot of states. We know that there's a process of adoption.

The other hallmark I think is, we work very closely with State Departments and the Districts and the Schools to make sure that they're ready, that the tools are easy to use, they're intuitive, they're reliable and we go through a lot of different training programs because not only do they need to be reliable, they have to know how to use them properly in order to have the best experience.

As I mentioned, we do keep everything in house, so we do make sure that all the systems are ready well in advance of the testing window. We go through rigorous load and performance testing well in advance of the window. We follow a very tried and true methodology, if you will, of preparing for the capacity that we need. We work closely with the State and determine testing windows, testing sessions and calculate peak load times and then we exceed capacity of those peak load times by at least five times that amount. Because we know testing times can shift, not everybody stays to the schedule that was determined ahead of time, so we want to make sure that we have a lot of headroom in those testing windows. That has proven very successful for us and all of our client states, as Mr. Russell mentioned, we haven't had any problems in any of our client states.

The factor there is, we do have a whole host of readiness tools to make sure that schools are in fact ready and we're one of the few vendors that offer some mitigating tools to help if a school does have low or limited bandwidth at their disposal, offering some caching options into the local schools which was not available to the State in the last year's testing window. So, if there are schools that have some challenges, we can help them still have a very good online testing experience. We've been using this platform that was proposed for the State for five years. It is constantly refreshed and added with new technology. We support all the platforms that are common in the schools, the Chrome Books and the iPads and the Windows and Macs and Linux.



We test them to make sure they're all—they all function identically and meet the needs of the assessment.

**Attorney General:** Governor, no go ahead.

**Governor:** I have a few questions and then I'll go to you, Mr. Attorney General. Have you had any history of data breaches with any of your previous contracts?

**John Bandy:** John Bandy, for the record. We have not had any data breaches with any of our previous contracts.

**Governor:** And, is it your responsibility, under the contract, to reach out to all the schools? Because there's some pretty remote schools in Nevada. I want to make sure that you have the capacity to get out there because Dr. Canavero mentioned it, there's a little community called Hawthorne, Nevada and they were having to bus their kids to Tonopah in order to take that test. I'm sure those children would be much more comfortable taking a test in their own environment.

**John Bandy:** John Bandy, for the record. We do have the responsibility to reach out to all testers in all schools that are testing and we work with them to make sure that they have a test experience that will work for them. I'm not exactly familiar with the situation you're describing, but I would hope that we could provide an experience that they could use the test engine locally in their school. In the past, we've worked with states like Alaska where they have some very trying remote areas and have been successful with them doing online testing. So, we are willing to do whatever it takes to try to make that work to the best of everyone's interest.

**Governor:** Thank you. Mr. Attorney General.

**Attorney General:** Can you just explain in some detail the difference between the Smarter Balanced Open Source Platform and the platform you all bring to the table?

**John Bandy:** John Bandy, for the record. I think the biggest difference is, there's a lot of overlap and functionality. So, both systems support the item types that Smarter Balanced delivers. Our system supports the CAT that Smarter Balanced has specified. We support the forms for fixed forms. So, functionality, they're very, very similar. I think the main difference, the Smarter Balanced system was based 100% on Open Source. It was all developed in the prior two years, prior to this past assessment season and it was the first time it was used in a production environment. So, it did not have the history of going through maybe pilots and test cases to work out some of the problems that were experienced. So, those were kind of worked out in a live environment, if you will.

Our proprietary system is also mostly written in Open Source tools, so it's not a tools difference. The tools are fine in both systems. We have and we brought this current system up five years ago, we were able to bring through pilots and test it and make sure that some of those problems were identified in a non-high-stakes environment. Then, as we rolled it into a high-stakes environment, we experienced more success. Then, over the five years' time, any bugs or issues



that were identified have been worked out and without any significant failures at all. So, that's probably the main difference, is the robustness of the system developed over five years, versus a brand new system that was used for the first time.

**Attorney General:** As part of the process of bidding, do you understand what went wrong and are very comfortable being able to fill this role going forward?

**John Bandy:** John Bandy, for the record. As part of the process, we try to get as much information as we can about what happened in the previous administration. We didn't live through it, so I'm sure there's a lot more information that we're not aware of. But I think we are aware of the major issues that occurred and we are very comfortable with the capacity. We have similar states with more capacity demands. We have states with less capacity demands. We understand you have a large district and we also understand there's a lot of rural districts. So, we have very similar footprints in other states that are identical. Large districts, small districts, rural districts, high capacity, high peaks, and we work through those and assess each of those situations. We are very comfortable meeting those demands.

**Attorney General:** Have you successfully come in a situation like this with either failed Open Source platform in the last few years or another new program, have you all successfully come in and sort of rescued this kind of a program?

**Doug Russell:** Doug Russell, for the record. A couple of comments I would make in light of that is that, one of the things that we have developed over the years is a transitional process to help states, not only that have had difficulty in administering online assessments, but haven't started an online assessment program at all. They're 100% paper and pencil. What are the phases that we take them into an online environment? So, we've had success in doing that in approximately 10 states, from that stage, from nothing, from an online environment, taking them all the way through to 100% online environment. And, each state is unique. Each state has unique characteristics that have to be managed. We're a very collaborative partner within the organization.

One of the things I wanted to comment on also is the fact that, we are very networked into the Smarter Balanced organization so we understand how that development of that content is taking place and we test that content as we get that into our system. So, we're not waiting at the end, we're doing that as it becomes available. So, if there are any issues or any concerns, we're able to identify that very early in the process and make sure that everyone is aware of that.

**Governor:** Follow-up?

**Attorney General:** Yes. If I understood the Doctor's description initially, you all have done successfully in, I guess, Michigan and Missouri, a fixed form or fixed test and now, obviously we need the adaptive, can you help just explain how you're going to bridge this? Because I gather you're basically the closest fit, but you haven't actually done exactly what we need. If I'm correct in that, can you explain how you're going to get there?

**Doug Russell:** Sure. Doug Russell, again for the record. I will make two comments and then John, if you can chime in here as well. One is that, we had done and delivered the fixed form environment in Michigan and Missouri last year, and we did that based upon a collaborative nature of saying, where were the items coming from and how were the items being developed. We were originally going to be delivering the CAT last year and based upon some delays of the items, Michigan and Missouri both felt that the risk was too great to wait for the completion of the items from Smarter Balanced. So, we took the initiative to work collaboratively to say, what are the alternatives to make sure you have a successful assessment and we perform that.

As it relates to a Computer Adaptive Test, or a CAT as we've been referring to, we've been doing—and I also should mention that the computer adaptive engine has also been developed and in place for the last seven years in the State of Pennsylvania where we have processed well over 5 million Computer Adaptive Tests in the State of Pennsylvania on an ongoing basis with great success.

So, we're not waiting for any of the development of this engine. What we will do is, we will take the items and the content, match them to our engine, run them through to make sure that they're rendered properly in the Computer Adaptive Test Engine that we already have built. It's not something that's being built, in the process, it's done. And make sure that the quality tests are done in that venue.

**John Bandy:** John Bandy, for the record. I think that, just to maybe help clarify the Missouri and Michigan situation as Mr. Russell added, really when you're doing a Computer Adaptive, one of the main differences is not only the test engine functions differently, but you have to have a significantly larger number of items because it's calculating your item difficulty or to go up or to go down as you work through the test. That was one of the main challenges with the Smarter Balanced item development.

**Attorney General:** If I can interrupt, what's an item?

**John Bandy:** A test question.

**Attorney General:** Okay.

**John Bandy:** So, that was kind of the main—John Bandy again, that was kind of the main reason that, as we worked collaboratively with Michigan and Missouri, was the item—the number of items available of high quality, we felt didn't meet the needs of a computer adaptive item bank, so we went to the fixed form. It wasn't for the lack of the computer adaptive algorithm being available.

**Governor:** Madam Secretary of State.

**Secretary of State:** Thank you Governor. And thank you for being here. I have a couple of questions about the tools in the classroom and refers to, do all the students have a laptop or is everything done manually and then the administration is the one that computes it? I just wanted

to walk through exactly how you're doing that. Then, what about the training of the actual—those who administer the test, is it the teachers? Do you have different people coming in that are administering that? What is our state doing? How are we administering the test? And how is the training going? Is that McGraw Hill? Is that Department of Education? Who is doing that?

**Steve Canavero:** Steve Canavero. You know, it's a partnership. So, in all of this work, it's a partnership with the State and the vendor to ensure that our teachers and our school sites are ready and prepared to deliver.

**Secretary of State:** So, all the classroom teachers will be administering for their classrooms?

**Steve Canavero:** So, depending upon the context, I would say traditionally, that is the case, but there are in some instances where they would go to a proctored setting and then, just depending upon how the logistics within the school site work and the availability of the computer lab and— and so, I don't—I couldn't say that there's one specific way that it is handled across the State, but there's various ways and predominately, it's a least common factor problem that the administration works on to understand how many computers are available, how much time does it take and then they'll work with the school site to schedule accordingly.

**Secretary of State:** Because I do know that that's the number one issue over the years that we've talked to teachers about is the training and lack of. So, I'm hopeful that that will be taken care of. Then, I might add, that I would love to work with the Department of Education on your technology. Because as Secretary of State, [tape cut] --going out to all the different clerks, finding out that they don't always have that capability of the electronics working, during elections and so, if you get it and you have it, I want to share it with you. So, I'd like to collaborate on how you get that to work, because we have not only Hawthorne, but there's other small rural areas that are struggling with being able to have the technology work. So, there's about three that are really struggling, so if you have solutions, I'll work with you. Thank you Governor.

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

**Attorney General:** One more follow on. Just wanted to follow on the Governor's initial question when you all came up and that's just, security of all this information. Obviously we've got—federal government just lost everyone's security clearances on down to things that happened at local and private levels. So, what do you all do to stay on top of all this?

**Doug Russell:** Doug Russell, for the record. And, I'll start and then Mr. Bandy can follow-up, but one of the things we take very seriously is the security of our organization. One aspect of our business outside of education is that we do a lot of defense work for the Department of Defense. So, through that Department of Defense, we've had to become DIACAP Certified and we get audited every 30 days, or excuse me, every 60 days approximately, on making sure that we have secure standards for both our data, how our systems interact, how our servers interact as well. John, would you continue on there?

**John Bandy:** John Bandy, for the record. We do have other lines of business as Mr. Russell added and we take those security practices into the education area as well. We work with the IRS to do document processing for W-2s. We work with the military. But that's not really the main reason why we make sure education—we take all of our client's data very seriously. We do numerous security practices. We follow the NIST, National Institute Standards of Technology, the Federal Security Guidelines and we are compliant to them. We are currently working on an ISO27001 Certification which is also another security standard, very similar to NIST for our education business. We do annual penetration tests of our network, where we actually hire people to try to break in to make sure that it's hacker proof if you will. And, each one of these are thoroughly examined for any conditions, any exceptions, any even minor things that we would look for and we work then to remediate those issues. This is an ongoing security process that we have, that we follow very rigorously and very seriously.

**Attorney General:** Thank you.

**Governor:** Any other questions? Dr. Canavero, do you have any follow-up?

**Steve Canavero:** Governor, I do not.

**Governor:** All right. And, I appreciate your coming to the table and being here and answering all these questions because failure is not an option and you're dealing with one of the largest school districts in the nation and you're dealing with one of the smallest school districts in the nation and a little bit of everything in between. It really was a disservice to the students and parents of this State as to what happened last time. So, we really need this to work. And, I appreciate your thoroughness and we sure wish you the best of luck on this, but Dr. Canavero, if you would keep us apprised as time moves forward, just to make sure that everything is running smoothly and as we expect. Thank you very much for being here today.

All right, let's move to Contract No. 9. JAG.

**Mindy Martini:** Thank you, Governor. For the record, Mindy Martini, Deputy for the Department of Education. This item concerns the JAG Program, which stands for Jobs for America's Graduates. Our Nevada Program has been so successful. It was so successful that we received new funding of a little over \$4.5M to expand it over this current biennium. The program is implemented in 10 of our school districts. During the last school year, which would be school year 2015, it was implemented in 23 schools and served about 730 students. For the current year, it will be expanded to 35 schools and will serve approximately 1,300 students. Then, for the upcoming school year, 2017, it's expected it will go to 48 schools and serve about 1,800 students.

Examples of successes of this program, outcome data is quite good. In the Class of 2014, there was an 82% graduation rate, which is just fabulous. So, very exciting on that. Again, this is for students who are at-risk and not on track to graduate. The other exciting piece of this was almost 90% of the 2014 seniors, when there's a follow-up within 12 months after graduation, the

students were either in fulltime work, fulltime school or in the military. So, a very good outcome.

With us in the Las Vegas site is Debbie Tarantino who is with the JAG Program if you have any specific questions.

**Governor:** I do not and, unless Ms. Tarantino, is there anything you wanted to add?

**Debbie Tarantino:** Just wanted to thank the Governor and the Legislature for providing us with these funds. I know it will make a lot of kids successful and we've been working really hard and I know we'll make you all proud of what we do.

**Governor:** No, and you have made us proud and you're preaching to the choir, as far as I'm concerned. I mean, for me personally because I've visited the JAG Schools, I've met the kids, I've met the specialists, I've seen the transformation personally that it has made in those kids. But, what I hadn't heard is what Ms. Martini talked about in terms of those graduation rates, because these were kids that were 30-40% graduation rate, if I'm correct, 30-40%. And, this JAG Program has literally changed their lives. And, you know, it's just remarkable. I didn't know about this 90% figure either and you know, these are kids that are now going on to higher ed or sometimes certification process or as you say, in a job or joining the military. So, I am very pleased about the expansion. Are all the school districts aware of this, is there a line of schools that would like to get a JAG Program?

**Debbie Tarantino:** Debbie Tarantino. We do have some schools on tap for the 2017 year. It's just bringing them on a little bit at a time and in this year, actually, Nye County came to us in the Spring of last year and asked us for a program and we were able to provide that. So, they'll be starting next week—school started this week, but our specialists will be starting next week and we hope that there will be a lot of people standing online waiting for us.

**Governor:** Is that in Pahrump or Tonopah?

**Debbie Tarantino:** Debbie Tarantino. In Pahrump.

**Governor:** Any other questions on this Agenda Item? Madam Secretary of State?

**Secretary of State:** Thank you Governor, if I might. I just—I do want to say, congratulations, because you started this your very first session, very first time out and it was a pleasure to learn about this. And then, for anybody that doesn't know, that you've been the Chair of ECS and this was a high priority in educating the other states about this program. So, I just wanted to tell you, congratulations and congratulations to the Department of Education. This is truly exactly what it's supposed to do. It did it. And our success rate in a lot of things in education, you know, didn't pan out for a lot of things, this is one that I'm really proud to say I was able to take a vote when I was in the legislature, so congratulations.

**Governor:** Thank you and keep up the good work, Ms. Tarantino. And, let me know about some of these new schools because I'd love to visit those as well.

**Debbie Tarantino:** Debbie Tarantino. Thank you Governor. We will.

**Governor:** Great, let's move to Contract No. 11, which is again, Department of Education and the Infinite Campus.

**Mindy Martini:** Again for the record, this is Mindy Martini. Yes, the contract with Infinite Campus. As many of you know, NRS 386.650 provides our State Superintendent where he must prescribe a uniform program for the collection, maintenance and transfer of data for each school district and each school district is required to adopt this standardized process. Infinite Campus, this is the first time in all of the history of Nevada that we are fortunate that all of our school districts will be on the same student information system.

What Infinite Campus does is it consolidates the student data into one source. So, it does three things. It's going to provide a unique identifier for the students. It's going to allow for the electronic exchange of student data. Like, almost in, I think real time. And, now that we're moving from a single count day to average daily enrollment, this system will make it efficient, it will make it standardized across the State. This is the first time we've received funding during the Session for the Statewide edition and this will allow us to talk to Clark, Washoe and the Charter School Authority who are already using Infinite Campus and then additional funding was given to bring the rural other school districts on board. So, very exciting. Dr. Canavero will have more specifics, but yeah, very exciting program.

**Governor:** Dr. Canavero, I don't know if you have anything to add, will you at least comment on the data security associated with Infinite Campus?

**Steve Canavero:** Steve Canavero. And, the feedback you're getting from Mindy is, I'm convinced it's because she's bionic. Just from all—I don't know how she does all this work. There are obvious technical data security issues that Infinite Campus has demonstrated their capacity to meet or exceed. As Mindy had indicated, Clark County, Washoe County, State Public Charter School Authority are on this system currently. Every school district in the State is on some system, whether it's Power School, which was the old system, Infinite Campus or a sort of legacy product from a national company that Clark County then exchanged for Infinite Campus. So, that side has been vetted. Historically, we've taken those disparate sort of systems and then enrolled them at the State in the SAIN System, in our State System. Now, we will be able to utilize a single system, which I think keeps, you know, fewer doors open, if one could even argue that we had any legitimate concerns or causes to be concerned with regard to security breaches in the past, this just continues to shore up that element, for the school site element, all the way to the State.

**Governor:** Thank you, any other questions. Madam Secretary of State.



**Secretary of State:** Thank you. I did want to give the Doctor a bad time though, because Mindy worked for LCB for a long time and this is an issue we worked on for so long. So, I'm so happy to hear about that going together, but you stole her from Legislative Council Bureau. But it was a good steal. It really was. It was good. She's wonderful and she is bionic. I agree with you. Thank you.

**Steve Canavero:** Steve Canavero. If I could just clarify, I have to give credit where credit is due. It's actually Superintendent Erquiaga who is responsible for stealing Mindy. I'm the benefactor, but—

**Governor:** Again, thank you very much. We'll move to Contract No. 19, which is Department of Wildlife. And, just perhaps to save a little time, my question isn't in regard to the utility of this contract, it is the use of bond funds to pay for it. So, if you could comment on that please.

**Patrick Cates:** Okay. For the record, Patrick Cates, Deputy Director for the Nevada Department of Wildlife. This contract, Morris AG Air, is going to be funded with Question 1 Bonds. Question 1 Bonds were passed by the Nevada Legislature in 2001. It was approved by the voters in 2002. The Department of Wildlife has an allocation under that law of \$27.5M in bonds that can be sold. We've sold, I don't have the exact number, but approximately \$25M of that. And, the purpose, if I could just read it to you, it's for the acquisition of real or personal property or interest in real or personal property to enhance, protect and manage wildlife and wildlife habitat or enhance recreational opportunities related to wildlife or both, or for the development and renovation of facilities or the improvement of existing habitats for fish and other wildlife. This contract is primarily for aerial seeding and herbicide for fire restoration, so it would fall under improvements of existing habitat for fish and other wildlife.

**Governor:** Are there any other sources of revenue to pay for this or is this the only way you can get this done?

**Patrick Cates:** It's not the only way we could get it done. We do have Habitat Conservation Fees, for instance, that we could use. There are some other funding sources. We also have opportunities to match Federal funds to get this work done. We have a balance currently of Question 1 Bonds of about \$2M in cash that hasn't been spent and we're eager to spend that down and sort of hold our other fees in reserve because the State doesn't want to be holding on to bond money for too long.

**Governor:** Do you know how long that bond is, those bond payments? I guess, where I'm going with all this and I'm going to support the contract, but spending a \$500K of bond money, for a one-time item, even if it is seeding and technically fits within the definition of the bond, I just have a question about that.

**Patrick Cates:** Well, it's for projects as needed and I can tell you in practice, every time we look at these projects, it's a consortium of money that we can bring to the table. We get a lot of money from BLM. We have our grants from the Fish and Wildlife Services. And we bring staff time together as match. So, it would really be a combination of a lot of funds and—and it is for a



variety of projects and not just one big project. And, frankly, most of it would go to benefit sage-grouse and mule deer. We think it's a pretty good investment and consistent with the Question 1 Program.

**Governor:** That's all I have, thank you Mr. Cates.

**Patrick Cates:** Thank you.

**Governor:** Any other questions? All right, thank you. Stay up there Mr. Cates, because I think there was a question on No. 22, with Owyhee Air Research. I asked this question every time and you know that, is there going to be a time where we could use the UAVs to perform this function versus fixed wing aircraft?

**Patrick Cates:** For the record, Patrick Cates. We are using UAVs.

**Governor:** It's a manned aircraft.

**Patrick Cates:** I'm sorry?

**Governor:** No, I just—given the evolution of aviation and given Nevada's designation as one of the test sites for UAVs, and given the function that's being performed here in terms of monitoring wildlife movements, it would seem that a UAV could do this and do it well. I'm wondering if the Department is exploring any type of transition from the traditional aircraft to a UAV to perform this function.

**Patrick Cates:** I can tell you that, yes, we are exploring use of UAVs. We actually have two UAVs currently. One was purchased by the Agency and one, we have a biologist who is a UAV enthusiast and built his own. We are using them, have been experimenting with them probably for about the last year, year and a half. We've been using them in our Diversity Division for bird surveys. For instance, we used a drone to do some surveys along the Truckee River when NDOT was building the Southeast Connector. They were building the bridge, before they did that, we did some surveys looking for bird nests. We have used it in the Tahoe Basin to do surveys of aspen stands to check the conditions of those stands and also look for birds. We see a lot of opportunity. We can use them for monitoring our water developments. They seem well suited to stream survey so instead of sending a biologist on a half day hike up a water shed, we can send the drone up and check the conditions of the water. So, we're experimenting more and more with that.

But, there are some limitations with the currently technology. The drones that we have have very limited range and battery life. We can only fly them for about 15-20 minutes before we have to return them and also, as I understand, FAA regulations, with drones, they have to be flown in line of sight. So, that's a bit of a limitation as well.

So, for this contract, what this is for is to track animals that we've put collars on, radio collars on. Mostly we're talking about big game, but also be sage-grouse and a variety of other species. And

these planes stay in the air for hours and cover hundreds and hundreds of miles. At this point at least, the commercially available drones don't have that capability, that's more military grade aircraft.

I can tell you we work closely with the US Geological Survey on a variety of things and they have an entire Unit dedicated to UAV technology. They received some raven drones from the military a couple of years ago and they've been running some experiments doing surveys. Surveys on Sandhill Cranes for instance, although it looked very promising, some of the difficulties they've had some concerns that we've had as well is, the drones are noisy and they tend to disturb birds and you know, make them fly out of their nests.

**Governor:** Noisier than an airplane?

**Patrick Cates:** Well, the airplanes fly at higher altitude. So, we're working through all the techniques and how best to use them—

**Governor:** No, and I'm not debating you or questioning you, given where Nevada is and the potential here, I just wanted—and I wasn't aware that you were already utilizing them. So, that's great news and I'm not saying you should be using a UAV for this contract—

**Patrick Cates:** Understood.

**Governor:** I guess, you've already answered the question that I have is that you were exploring ways to utilize the UAVs and trying to find where the efficiencies are.

**Patrick Cates:** Absolutely. We're using them in a lot of ways and finding more ways to use them. I think we're a ways off for using them for like, big game surveys and that sort of thing because you just need something that can stay in the air a lot longer, but as the technology improves, I'm sure we'll find more ways to use them.

**Governor:** Thank you Mr. Cates, that's all I have. Any other questions? All right, thank you very much.

**Patrick Cates:** Thank you. Governor, if I could, there was just one point I wanted to make?

**Governor:** Of course.

**Patrick Cates:** Related to drones, not only are we finding ways to use them but we're also a little bit challenged in their use by the public. Drones are prohibited for use in hunting. We currently have a regulation that prohibits use of drones in hunting and our Commission is reviewing that regulation and looking at updating it so that it's clear that it includes drones. I actually did bring our hunting guide which has an article about use of drones in hunting, if you would like to have that.

**Governor:** Sure, but you're not insinuating that I'm using a drone to hunt are you?

**Patrick Cates:** No sir, just wanted to point out all the ways we're faced with it.

**Governor:** No, I like to hear that and if you could hand that to me, I'd appreciate it. Thank you. See, Mr. Willden is in Las Vegas and I know he's a prolific hunter and he'd probably be interested in this story as well, thank you Mr. Cates. All right, we're limited on time so I'm going to expedite things. We'll move to Contract No. 31, which I believe you had asked to be held, Madam Secretary of State?

**Secretary of State:** Thank you Governor. Actually your staff, as usual, got back to me and in a timely manner and gave my staff, the questions that we had. But, I do have some that I will talk to the Department of Education about. This is a Committee that I Chaired for several years, I do have a couple others, but they did give me the answers that we asked for, so I think we can move on. Thank you.

**Governor:** All right, thank you. I believe that completes the review of the Contracts, included in Agenda Item No. 10. The Chair will accept a motion to approve Contracts 1-32, with the changes that were stated with regards to Contracts No. 20 and 21.

**Attorney General:** So moved.

**Secretary of State:** Second.

**Governor:** The Attorney General has moved for approval. Secretary of State has seconded the motion. All in favor say aye. [Ayes around] That motion passes 3-0.

## **\*11. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS**

Three independent contracts were submitted to the Board for review and approval.

**Clerk's Recommendation: I recommend approval.**

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

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**Comments:**

**Governor:** We'll move on to MSAs, Agenda Item No. 11.

**Clerk:** There are three Master Service Agreements in Exhibit 3 for approval by the Board. No additional information has been requested by any of the members.

**Governor:** I have no questions, Board Members?

**Secretary of State:** None.

**Governor:** The Chair will accept a motion for approval of the Master Service Agreements described in Agenda Item No. 11.

**Attorney General:** So moved.

**Secretary of State:** Second.

**Governor:** The Attorney General has moved for approval. Secretary of State has seconded the motion. All in favor say aye. [Ayes around] That motion passes 3-0.

## 12. **CONTRACTS APPROVED BY THE CLERK OF THE BOARD ([Attached as Exhibit 4](#)) – INFORMATION ITEM**

Pursuant to NRS 333.700 subsection 7 (a), the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 – \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from June 17, 2015 through July 13, 2015.

Forty-three independent contracts were submitted to the Board for review.

### **Comments:**

**Governor:** We'll move to Agenda Item No. 12, which are Contracts Approved by the Clerk of the Board. I had asked, or I have a question with regard to Contract No. 19, which is Department of Corrections.

**Speaker:** Thank you Governor and Members of the Board. Really quick, I'll just go over this contract. As you all are also Members of the Board of Prison Commissioners, you're kind of familiar with this. The contract is a contract the Department entered into with the American Association of State Correctional Authorities, or Administrators, I should say. Basically, they are reviewing our Use of Force Policies. They are reviewing the last three years of actual incidents of Use of Force within the Institutions and what we're hoping for is a report to present to the September Board of Prison Commissioners Meeting on that and they're about halfway through their work now.

**Governor:** Remember, the Director said that we'd have it ready to go for the next Board of Prison Commissioners Meeting.

**Speaker:** And, the Director is there, so [crosstalk]

**Governor:** Oh, Director Cox, I didn't see you, come up. So, I'm going to hold you to that.

**Greg Cox:** Governor, Greg Cox, Director for Department of Corrections, for the record. Yes, we'll meet that criteria. I know that they're working very, very hard. They've actually been to

our major facilities in Lovelock, Ely, and also at High Desert in Las Vegas. So, the group is working very hard to comply with that and I see no reason why they cannot at this time.

**Governor:** Thank you Director Cox. Any other questions from Board Members?

**Secretary of State:** Just one question. Thank you Governor, if I might, I do want to thank Director Cox and his staff. When there are any issues that arise and I call and ask questions, they get back to me immediately and answer the questions that I have. So, I just again, wanted to thank the Director and his staff, thank you.

**Governor:** Thank you. This is an information item. Any other questions from Board Members with regard to Agenda Item No. 12?

**Secretary of State:** Nope.

### **13. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS**

**Comments:**

**Governor:** Public comment. Is there any member of the public here in Carson City that would like to provide public comment to the Board? Any public comment from Las Vegas?

**Las Vegas:** No Governor, just staff, thank you.

**Governor:** Thank you.

### **\*14. FOR POSSIBLE ACTION – ADJOURNMENT**

**Clerk's Recommendation:** I recommend approval.

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

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**Comments:**

**Governor:** Thank you. Is there a motion to adjourn?

**Secretary of State:** Adjourn.

**Governor:** Secretary of State has moved, is there a second?

**Attorney General:** Second.

**Governor:** The Attorney General has seconded the motion, all in favor say aye. [Ayes around] Motion passes 3-0, this meeting is adjourned, thank you ladies and gentleman.

Respectfully submitted,

For   
JAMES R. WELLS, CLERK

APPROVED:

  
GOVERNOR BRIAN SANDOVAL, CHAIRMAN

  
ATTORNEY GENERAL ADAM PAUL LAXALT

SECRETARY OF STATE BARBARA K. CEGAVSKE