

*****Please note due to a system malfunction the meeting was not recorded. The minutes have been created in part from written testimony provided by the speakers.*****

MINUTES MEETING OF THE BOARD OF EXAMINERS

November 10, 2015

The Board of Examiners met on November 10, 2015, in the Guinn Room on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

MEMBERS:

Governor Brian Sandoval
Attorney General Adam Paul Laxalt (via Video-Conference from Las Vegas)
Secretary of State Barbara Cegavske (via Video-Conference from Las Vegas)
James R. Wells, Clerk

OTHERS PRESENT IN CARSON CITY:

Connie Boynton, Governor's Finance Office, Internal Audit
Todd Myler, Department of Health and Human Services, Aging and Disability Services
Dave Stewart, Department of Health and Human Services, Welfare and Supportive Services
Greg Locato, Department of Conservation and Natural Resources, Environmental Protection
Naomi Lewis, Department of Health and Human Services, Welfare and Supportive Services
Julia Peek, Department of Health and Human Services, Public and Behavioral Health
Pat Sheehan, Department of Administration, Enterprise IT Services
Jessica Hoban, State Public Charter School Authority
Kelly Lafayette, Department of Administration, Public Works
Leanne Lima, Department of Administration, Public Works
Janice Prentice, Department of Health and Human Services, Health Care, Financing and Policy
Bonnie Long, Department of Health and Human Services, Health Care, Financing and Policy
Ellen Crecelius, Department of Health and Human Services
Mindy Martini, Department of Education
Steve Canavero, Department of Education
Liz O'Brien, Department of Wildlife
Tony Wasley, Department of Wildlife
Brian Wakeling, Department of Wildlife
Bob Haughian, Department of Wildlife
Sheila Lambert, Department of Administration, Grants Office
Mary Woods, Department of Administration, Director's Office
Jeff Haag, Department of Administration, Purchasing Division
Shelley Hendren, Department of Employment, Training and Rehabilitation
Kirsten Coulombe, Department of Health and Human Services, Child and Family Services
Danette Kluever, Department of Health and Human Services, Child and Family Services
Janet Murphy, Governor's Finance Office, Budget Division
Sue Smith, Department of Health and Human Services, Welfare and Supportive Services
Rick Rassier, Department of Health and Human Services, Child and Family Services
Priscilla Colegrove, Department of Health and Human Services, Child and Family Services
Amy McKinney, Department of Motor Vehicles

Terri Albertson, Department of Motor Vehicles
Patrick Cates, Department of Administration
Wayne Thorley, Secretary of State
Nicolette Johnston, Treasurer's Office
Nick Trutanich, Chief of Staff, Attorney General's Office
Lawrence Van Dyke, Attorney General's Office
Grant Hewitt, Treasurer's Office
Tara Hagan, Treasurer's Office
Joi Davis, Legislative Council Bureau, Fiscal Division
Matthew Dillon, Department of Conservation and Natural Resources, Water Resources

OTHERS PRESENT IN LAS VEGAS:

Wendy Simons, Department of Veterans Services
Amy Garland, Department of Veterans Services
Eric Witkoski, Attorney General's Office
Gina Robison-Billups, Women's Money/NSOT

1. PUBLIC COMMENTS

Comments:

Governor: Called the Board of Examiners meeting to order. The Secretary of State and the Attorney General participated from Las Vegas. Insured the video-conferencing link was working correctly and inquired from the audience whether or not there was any public comment either in Carson City or in Las Vegas. There was none.

*2. FOR POSSIBLE ACTION – APPROVAL OF THE OCTOBER 13, 2015 BOARD OF EXAMINERS’ MEETING MINUTES

Clerk’s Recommendation: I recommend approval.

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: Asked if members had an opportunity to review the minutes, and whether or not there were any changes?

Attorney General: Proposed the following changes to the minutes:

On page 38, in the last testimony by Mr. Trutanich on the third line from the bottom, “We’re in” should be replaced with “or attorney/client privileges”.

On page 40, in the first testimony by Mr. Trutanich on the third line, it reads “Essentially what that contract is for is for a fixed fee, at the District Court of \$285,000 and it’s essentially for all litigation from the moment that the complaint was filed until Friday”. “Friday” should be replaced with “trial”. The next sentence reads “\$285,000 and”; it should read “\$285,000. And”. Also on page 40 in the same testimony, the second to last sentence, “Not only to” should be replaced with “do” “Nevada parents” and “for their” should be replaced with “deserve” “clarity and expediency on this issue, but they also deserve the best possible defense that the State can reasonably afford”.

Secretary of State: Did not have any changes and moved for approval including the changes made by the Attorney General.

Attorney General: Seconded the motion.

Governor: Asked for those in favor to say aye. [ayes around] Motion passed 3-0.

*3. FOR POSSIBLE ACTION – APPROVAL/REVIEW OF AN EMERGENCY CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE

A. Department of Health and Human Services – Health Care, Financing and Policy

Pursuant to NRS 333.705 subsection 4, the Department of Health and Human Services, Division of Health Care Financing and Policy seeks a favorable recommendation regarding the division's determination to use the emergency provision to contract with a former Administrative Services Officer from October 26, 2015 through February 19, 2016 to provide training on various budget and fiscal activities and consult with administration on division related issues, including the development of a new rate methodology for Newborn Intensive Care Unit patients.

B. Department of Education

Pursuant to NRS 333.705 subsection 4, the Department of Education seeks a favorable recommendation regarding the department's determination to use the emergency provision to contract with a former Administrative Services Officer from June 17, 2015 through October 16, 2015 to provide training, knowledge transfer and technical assistance with the allocation and payment models for the Distributive School Account, Class Size Reduction, Full-day Kindergarten and other state programs.

Clerk's Recommendation:

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: Moved to agenda item number 3, approval/review of an emergency contract with a current and/or former employee.

Clerk: Stated that Item 3 contains two requests seeking a favorable recommendation regarding the use of the emergency provisions to contract with a former employee. Pursuant to subsection 4 of NRS 333.705, an agency may contract with a former employee without first obtaining Board of Examiners approval if the term of the contract is for less than 4 months and the head of the using agency determines an emergency exists. If an agency contracts with an individual pursuant to this exception, they must submit a copy of the contract and a description of the emergency to the Board of Examiners for review. The Board then notifies the agency whether or not they would have approved the contract had it not been entered into under the emergency provision.

Governor: Called for representatives from the Division of Health Care Financing and Policy to discuss item A.

Janice Prentice: Introduced herself as the Chief of Rates and Cost Containment for the Division of Healthcare Financing and Policy and stated the contract for services to consult and train staff and that the services are needed due to the complexity of the Medicaid budget and the fact that DHCFP has both a new CFO and new Administrator. The contractor is the previous CFO and has historical knowledge that will assist with building the new budget, rate setting and various projects. Stated that the contract period was originally proposed to be from October 26, 2015 to February 19, 2016, but that Ms. Lamborn had not yet started. Stated the contract will not extend past the February date.

Ellen Crecelius: Introduced herself as the Deputy Director for the Department of Health and Human Services and added that Ms. Lamborn will be on call, as needed, for an average of about 24 hours a week.

Governor: Asked who would be trained during the contract period.

Janice Prentice: Stated it would be new CFO Bonnie Long and new administrator Marta Jensen.

Governor: Recognized the complexity of the Medicaid budget and the need for training the new employees. Asked if the other members of the Board had any questions. Hearing none, asked the Department of Education to come forward and discuss item B.

Mindy Martini: Introduced herself as the Deputy Superintendent for the Department of Education and explained why the Department utilized the provisions of NRS 333.705 to hire a former employee under emergency conditions. The former employee, Robin Pawley, was the Department's Administrative Services Officer (ASO) III overseeing the DSA and related accounts when he retired from State service on June 2nd. Due to the timing of Mr. Pawley's retirement, there was no possibility for an overlap period to train a new incumbent to the position. This particular position oversees allocations of funds to all of the school districts and charter schools in Nevada. This not only includes the Distributive School Account, but also funds for Class-Size Reduction, Full-Day Kindergarten, Special Education, Gifted and Talented, etc. Because Session had just ended and the new fiscal year was starting, all of the payment workbooks needed to be updated. Also, newly passed legislation required the timely allocation of funds for new and continued programs. The Department also felt that it was imperative that Mr. Pawley provide us with guidance documents for cross-training purposes and because of these issues, believed it was in the best interest of the State and the Department to contract with Mr. Pawley – who is an expert in school finance and had been with the Department for many years. Ms. Martini stated that during the 4-month emergency period, Mr. Pawley provided training not only to the incumbent in the ASO III position, but also to the rest of the District support team for cross-training purposes. In addition, he completed guidance documents to assist the team in allocating funds in the future after he was no longer there.

Governor: Thanked Ms. Martini for her testimony and stated he had no other questions. Asked if either of the other members had questions for Ms. Martini. There were no other questions. Asked for a motion to approve the items described in agenda item 3A and B.

Attorney General: Moved to approve.

Secretary of State: Seconded the motion.

Governor: Asked if there were any other questions or discussion. Hearing none, asked for all in favor to say aye. [ayes around] Motion passed 3-0.

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

A. Department of Health and Human Services – Public and Behavioral Health

Pursuant to NRS 333.705, subsection 1, the Department of Health and Human Services, Division of Public and Behavioral Health requests retroactive authority to contract with a former employee from November 5, 2015 through January 31, 2016 to provide training, expertise in

policies, security, and safety and forensic knowledge for the Rapid Stabilization Unit at the Rawson Neal Hospital and the Stein Hospital. This is an extension of the emergency contract that was approved at the August 11, 2015 meeting of the Board of Examiners.

B. Department of Administration - Purchasing

Pursuant to NRS 333.705, subsection 1, the Department of Administration, Purchasing Division, requests retroactive authority to contract with former employees from June 1, 2013 through May 31, 2017 through a Master Services Agreement (MSA) to act as uniformed security guards to various State agencies. Purchasing currently has an MSA who has used and is proposing to continue to use former employees through the term of the contract.

C. Department of Education

Pursuant to NRS 333.705, subsection 1, the Department of Education requests authority to contract with a former Department of Education, Administrative Services Officer, through a temporary service, to provide technical assistance with the allocation and payment models for the Distributive School Account, Class Size Reduction, Full Day Kindergarten, and grants management, fiscal support and oversight for all state and federal grant programs managed by the Department, through December 31, 2016.

Clerk's Recommendation:

Motion By: Secretary of State

Seconded By: Attorney General

Vote: 3-0

Comments:

Governor: Moved to agenda item number 4, Authorization to Contract with a Current and/or Former Employee.

Clerk: Stated that Item 4 contains three requests to contract with current and/or former employees pursuant to NRS 333.705.

The first request is from the Department of Health and Human Services, Division of Public and Behavioral Health to contract with a former employee with expertise in forensic security to provide security and safety training for the Rawson Neal and Stein Hospital Rapid Stabilization Units. This is an extension through January 31, 2016 of a four month emergency contract approved by the Board of Examiners at the August 11, 2015 meeting which expired on November 4, 2015.

The second request is from State Purchasing who contracts with Allied Barton Security Services through a Master Services Agreement to provide uniformed security guards to various State agencies. It came to the attention of State Purchasing that Allied Barton was not notifying them or the State agency when Allied Barton was using a former State employee to perform these services. Subsequently, Allied Barton provided State Purchasing with a list of seven former State employees currently employed with Allied Barton. With one exception, the former employees had less than 2 years of service with the State. The lone exception is a former employee who retired in July. Allied Barton also uses these employees on other contracted jobs with non-State of Nevada employers.

The third request is from the Department of Education to contract with a former Administrative Services Officer from today through December 31, 2016 to provide training and technical assistance services to the Department fiscal staff due in part to unexpected turnover. This is an extension of the emergency contract listed under Item 3B.

Governor: Stated he did not have any questions regarding agenda items 4A and 4B and asked if the other members had any questions on those two items. Neither the Secretary of State nor the Attorney General had any questions on items 4A or 4B. Asked the Department of Education to describe the reason for the extension of the employee in item 4C.

Mindy Martini: Reintroduced herself and stated that one of the major reasons for requesting to continue contracting with Mr. Pawley was an unexpected leave of absence taken by the ASO III that supervises the Department Support Team at the end of September. The Department Support unit provides budgeting, fiscal and payroll services and the employee, after being absent for over a month, just submitted her resignation.

Ms. Martini stated they are beginning the recruitment process now and are fortunate that Mr. Pawley, who for many years completed the duties of the vacated position, has agreed to continue assisting the Department, if authorized by the Board, in catching up and training the new employee after they are hired.

Ms. Martini also stated another reason for asking to contract with Mr. Pawley is for historical knowledge purposes. Senate Bill 508, as approved during the 2015 Session, modernizes the Nevada Plan for school finance. It provides for weighted funding for certain populations; it provides for average daily enrollment rather than a single count day; it revises hold harmless provisions; and it provides for transparency of the equity allocation model utilized in determining allocations of funds to school districts and charter schools. The provisions of this measure will require the work of experts in school finance across the state. Ms. Martini stated there may be instances during the biennium of the need for historical knowledge to determine the impact of proposed changes to the historical school funding mechanism and that there are currently only a handful of persons that truly understand the Nevada Plan for School Finance – Mr. Pawley being one of them. Ms. Martini said it would be a benefit to have the ability to periodically consult with Mr. Pawley as the work to revise and reform the Nevada Plan occurs. The intent of the request is not for regular hours for Mr. Pawley through December 31, 2016 but only the ability to have him on call if he were needed during the interim as the Nevada Plan revision discussions occur.

Governor: Suggested the Department come back in 90 days with an update to determine if additional time is still needed.

Mindy Martini: Stated the Department would be happy to come back in 90 days with a request to continue Mr. Pawley's contract, if needed.

Governor: Stated he had no further questions and asked if other members had any questions regarding agenda item 4A, B or C? The other members did not have any questions.

Secretary of State: Moved for approval of agenda item 4A, B and C with the provision that the Department of Education bring the request in item 4 C back to the board in 90 days if the extension is still needed.

Attorney General: Seconded the motion.

Governor: Asked if there were any other questions or discussion. Hearing none, asked for all in favor to say aye. [ayes around] Motion passed 3-0.

***5. FOR POSSIBLE ACTION – DELEGATED AUTHORITY TO THE CLERK OF THE BOARD**

BOE Requirement	NRS	Current Delegated Authority	Proposed Delegated Authority
Contracts, Cooperative Agreements, Interlocals	333.700	Authority to approve contracts for amounts less than \$50,000.00. Approval of contracts entered into by the State Gaming Control Board for purposes of investigating an applicant for or a holder of a gaming license.	<u>No Change</u>
Stale Claims Account	353.097(4)	Authority to approve all stale claims, as defined in subsection 1 of NRS 353.097, from the Stale Claims account.	<u>No Change</u>
Refunds for overpayment of taxes, license fees and other charges	353.110(2)	Authority to approve all refunds relating to an overpayment of a license fee, tax or other charge made to any state agency or officer.	<u>No Change</u>
Petty Cash Account	353.252(1)	Authority to authorize a state agency to establish a petty cash account of not more than \$500.00 out of the agency's budgeted resources.	<u>No Change</u>
Emergency Account	353.263(4)	Authority to determine whether an emergency exists as defined in subsection 1 of NRS 353.263, and approve expenditures from the Emergency Account.	<u>No Change</u>
Statutory Contingency Fund	353.264(3)	Authority to approve the payments of claims, as defined in subsection 2 of NRS 353.264.	<u>No Change</u>
Bad Debts	353C.220(1)	Authority to designate a debt of not more than \$50.00 as a bad debt.	<u>No Change</u>
Home Storage of State Vehicles	SAM 1306	Department head or designee may approve home storage or State Vehicles for their respective departments and report to the Clerk.	Approved by the Board of Examiners for each vehicle stored at home
DETR report of Provider Agreements	Per the March 2014 Board of Examiners	Annual report to the Board of Examiners.	Report to the Clerk on behalf of the Board

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Moved to agenda item number 5, Delegated Authority to the Clerk of the Board.

Clerk: Stated that Item 5 is a review of authority delegated by previous Boards to the Clerk. There are seven duties which have been delegated to the Clerk through actions of the Board. The first is for the approval of contracts for less than \$50,000. Items between \$10,000, which was the previous threshold for Clerk approval, and \$50,000 are reported as an information item to each meeting. The Clerk is also authorized to approve the payment of: Stale claims; Refunds relating to the overpayment of license fees, taxes or other payments to the State; Claims from the Statutory Contingency Account; and Expenditures from the Emergency Account. The Clerk is further authorized to: Determine an emergency exists in order for an agency to access funds from the Emergency Account; Establish petty cash accounts up to \$500; and Designate a debt of not more than \$50 as a bad debt that does not have to be written off pursuant to an action by the Board.

While the proposed delegation changes for these 7 items states “No Change”, the Clerk recommended capping the authority to approve payments at the same level as the contract approval authority which is \$50,000. If the Board were to approve it at that level, any single payment in excess of \$50,000 would be added to the agenda and approved through an action of the Board of Examiners. Further, the Clerk stated quarterly information updates will be provided to the Board in the future on the balance of the Stale Claims Account, Statutory Contingency Account, Emergency Account, Disaster Relief Account and the unrestricted IFC Contingency Account.

The Clerk stated that the last two items are proposed changes. The current State Administrative Manual gives authority to authorize the home storage of State vehicles to the respective Department heads or their designees. Annually, the agencies report the home storage of State vehicles to the Clerk who transmits the information to the Division of Human Resource Management for determination of taxability and inclusion in the employees’ W-2 if applicable. In Audit Report 10-07 issued in June 2010, the Division of Internal Audits reviewed the ratio of take home vehicles to other states and noted that Nevada’s ratio was considerably higher than the 8 other states. The audit recommended the Departments submit take-home vehicle applications to the Board of Examiners for approval and that the Board periodically review all take home vehicles.

At the time of the audit in 2010, there were 982 take home vehicles. Based on the average ratios in the 8 other states, the Division of Internal Audit believed there were approximately 450 more take home vehicles than necessary.

Based on the audit, the Clerk stated it would make sense for the Board of Examiners to review the take home vehicle policies, approving specific classes of vehicles for certain Public Safety purposes while reviewing other applications on a case-by-case basis.

Lastly, the Clerk stated that in March, 2014, the Board requested the Department of Employment, Training and Rehabilitation submit an annual report of the amounts expended under their provider agreements to the Board of Examiners and that the report for FY 2015 was included as an information item in the October packet. The Clerk also stated that other agencies

with provider agreements are not subject to these same reporting requirements and recommended the report be submitted to the Clerk instead of the full Board. If items of concern were noted, the Clerk would bring them to the Board as an information or action item, as appropriate.

Governor: Expressed concern with micromanaging Department decisions on the home storage of vehicles, especially as it related to take home the vehicles for Public Safety officers.

Clerk: Stated home storage information was due to the Clerk at the end of October and suggested a list of the home-stored vehicles as well as the Departmental policies be brought back to the Board in January as an action item with recommendations for certain classes of vehicles to be approved in blocks with other vehicles approved by the Board of Examiners in advance on a case-by-case basis.

Governor: Agreed it would be beneficial to review the policies and insure consistency between the various departments. Asked if there were any questions by the other members of the Board.

Secretary of State: Discussed the vehicles assigned to the Secretary of State personnel in Las Vegas and the need to drive across town and pick them up only to drive back across town in certain instances and whether or not they would be better off with the vehicles stored at their homes.

Governor: Moved to agenda item number 6, Leases.

Clerk: Stated there were 6 leases in Exhibit 1 for approval by the Board and that no additional information had been requested by the members.

Attorney General: Asked if there was a need to approve the delegations just presented in the previous item.

Governor: Stated that the Board can either approve some of them now or wait until the home storage of vehicles issue is brought back to the Board and approve all of them at once. Asked for the preference of the other members

Attorney General: Stated he would make a motion to approve all of the items except the home storage of vehicles as presented by the Clerk, including the limitation of Clerk approval for payments at the same level as contracts, \$50,000.

Secretary of State: Seconded the motion.

Governor: Asked if there were any additional questions or discussion. Hearing none, asked for all in favor to say aye. [ayes around] The motion passed 3-0.

***6. FOR POSSIBLE ACTION – LEASES ([Attached as Exhibit 1](#))**

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

Clerk's Recommendation: I recommend approval.

Comments:

Governor: Moved back to agenda item number 6, leases. Stated he did not have any questions regarding the leases and asked if the other members had any questions?

Secretary of State: Asked if the leases for the Department of Education and the Public Charter School Authority were the ones on Silverado Ranch.

Kelly Lafayette: Introduced herself as the representative from Leasing Services for the Department of Administration and stated that they were.

Secretary of State: Asked the amount the Department is currently paying.

Kelly Lafayette: Stated she did not have that information with her but would be happy to follow later.

Secretary of State: Asked why the program was expanding their space?

Kelly Lafayette: Stated that typically expansion is to accommodate additional full time employees added by the Legislature in various areas of the department and in this case also included the addition of the Charter School Authority to the same space.

Secretary of State: Asked for additional details on the staffing increase.

Governor: Asked if there were any program staff available to address the Secretary's question.

Steve Canavero: Introduced himself as the interim Superintendent of Public Instruction and provided specific information regarding the new staff assigned to the Las Vegas office requiring an expansion in the square footage requirements.

Secretary of State: Asked what the total amount of \$687,320 consisted of?

Kelly Lafayette: Stated that represented the sum total of the lease obligation over the entire term of the lease which is 25 months.

Governor: Asked if there were any other questions regarding the leases as described in agenda item 6. Hearing no further questions, asked for a motion to approve the items described in agenda item 6.

Attorney General: Moved to approve.

Secretary of State: Seconded the motion.

Governor: Asked if there were any further questions or discussion. Hearing none, asked for all in favor to say aye. [ayes around] The motion passed 3-0.

***7. FOR POSSIBLE ACTION – CONTRACTS ([Attached as Exhibit 2](#))**

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

Clerk's Recommendation: I recommend approval.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: Moved to agenda item 7, Contracts.

Clerk: Stated there are 40 contracts listed in Exhibit 2 for approval by the Board and that Contract number 10 between the Controller's Office and CGI Technologies and Solution, Inc. had been withdrawn by the agency. Stated that members had requested additional information on contracts number 3, 7, 11, 12, 15, 19 through 26, 31 and 34.

Governor: Asked for representatives from the Attorney General's Office to come forward and discuss the contract with Bancroft, PLLC.

Nick Trutanich: Introduced himself as the Chief of Staff for the Office of the Attorney General and gave a short overview of the contract to provide legal assistance in defending the Education Savings Accounts lawsuits, including that the contract was for a fixed fee of \$285,000 through the District Court proceedings. Stated that to date, Bancroft attorneys had reported over 500 hours of work on the case that, at their billing rate, would be approximately \$385,000 in fees.

Governor: Expressed appreciation for the work done to date and stated that the brief submitted to the Court was very well done.

Nick Trutanich: Gave credit to the Bancroft attorneys and Mr. Van Dyke.

Governor: Recognized that the contract stated it would be paid from the Statutory Contingency Fund and asked if it would be possible to recoup the costs for this contract from the fees collected by the Treasurer's Office to administer the program.

Grant Hewitt: Introduced himself as the Chief of Staff for the Office of the State Treasurer and discussed that the administrative fees were also being used to pay for other implementation costs and voiced concern about being asked to pay all of the legal costs associated with defending the ESA program from challenges. Stated that the Treasurer's Office is willing to work with the AG, and Department of Administration to find a percentage of the legal fees to be paid from the administration fees that made sense. Stated that it was the goal, over time, to reduce the percentage taken for administration fees so that Nevada families would have more money to spend on their educational choices.

Governor: Asked if other members had any questions. Hearing none, thanked the speakers for their testimony and moved to contract number 7 with the State Treasurers Office.

Grant Hewitt: Re-introduced himself and provided an update on the status of Nevada's Education Savings Account Program that was created during the 78th legislature (S.B. 302).

Stated that the Treasurer's Office encouraged all parties to not think of an ESA as school choice but rather educational choice.

As of the day of the meeting, stated that the Treasurer's Office had received just south of 5,400 applications, indicating that approximately 500 of those applications were incomplete at this time and the office was working with families to get completed applications.

Indicated that the Treasurer's Office was working with the Department of Education to improve the processes to verify the 100 school days for the children. Also indicated that the Treasurer's Office was already in alpha testing of its parent/participating entity portal, and that these servers would be housed at the SWITCH facility in southern Nevada.

Explained the relationship of Benefit Wallet (Xerox) and the three legs of the ESA program and that Benefit Wallet is the payment processing piece while i2net is the parent portal that allows parents to make claims that will be paid and processed by Benefit Wallet.

Turned to Tara Hagan to discuss the specifics of the contract.

Tara Hagan: Introduced herself as the Deputy Treasurer in the Office of the State Treasurer and provided an overview of the agreement associated with the Xerox contract. Stated that the contract is a total of \$150,000 for implementation costs associated with the claim processing for the ESA program and that the contract does not contain any contingencies which would bind the State to any more money nor time after June 30, 2017. Stated that the Treasurer's Office would conduct an RFP prior to June 30, 2017.

Stated that the contract contains provisions which ensure Xerox meets the agreed upon timeline and milestones and that Xerox does not receive payment unless the milestones are met on the agreed upon date and that the contract contains liquidated damages should the project become delayed due to the fault of Xerox.

Governor: Asked if the Treasurer's Office knew the break-even number of accounts based on the projected expenditures.

Tara Hagan: Explained that the Treasurer's Office will continually review the expenditures and projected revenues for the ESA program over the next several years. The Treasurer's Office determined in order to become a self-funded program and repay the loans to the General Fund that the Program would need approximately 5,100 accounts. It was noted that it would not be possible to meet this number of accounts in the near future if kindergarteners were excluded from the program.

Governor: Asked if other members had any questions. Hearing none, thanked the speakers for their testimony and moved to contracts 11 and 12 regarding the UNLV Hotel College, asking Mr. Nunez for an update to the project.

Gus Nunez: Introduced himself as the Administrator for the State Public Works Division and gave a short overview of the status of the project stating that the current schedule included a ground breaking in March of 2016 with a projection to occupy the building in the Spring of 2018. Stated that the Board of Regents had recently approved bridge funding to provide for their share of the costs.

Secretary of State: Asked if Mr. Nunez knew the split between state and university funding and the source of university funds that will be used to cover their share of the cost of the project.

Gus Nunez: Stated that the project had started as a 60% State funded and 40% university funded project but was now closer to 50% for each. Stated that the source of the university funds were intended to be donations.

Secretary of State: Asked if Mr. Nunez knew the status of donations received to date and what would happen if the donations were not received by the university.

Gus Nunez: Stated he did not know how much had been received to date or what would happen if the donations did not cover the university share of the costs of the project but restated that the Board of Regents had obtained approval for a bridge loan to cover the costs and keep the project on schedule.

Secretary of State: Stated that she would not hold up the vote for this contract and would follow up off-line with her concerns regarding the match funding and status of donations.

Governor: Asked if there were any other questions. Hearing none, thanked Mr. Nunez for his testimony and moved to contract number 15 regarding the northern Nevada Veterans Home.

Wendy Simons: Introduced herself as the Deputy Director of Wellness for the Department of Veterans Services and stated that the Department had reached out on November 4, 2015 to the State's Congressional Representatives, Senator Reid and Senator Heller. Their representatives advised the Department that as of this date the federal appropriations are still in flux. While a budget agreement has been signed by the President that provides a framework for negotiating the 12 federal funding bills, including the Military and VA construction, it is expected that negotiation of the details will take place over the next 5 weeks, with a goal of completion by December 11th. Stated that the VA is working on the priority list of projects for funding in this federal cycle and that the State of Nevada is still under consideration for this cycle but the final list has not yet been released.

Governor: Asked if the State had done everything it could do to move the project up on the list.

Wendy Simons: Stated that Nevada had done everything it could do and now it is just waiting for the final priority list.

Governor: Asked when the project could break ground if the federal funding were obtained this year.

Wendy Simons: Stated the current plan called for ground breaking in March if funding were received.

Governor: Asked if there were any other questions. Hearing none, thanked the Ms. Simons for her testimony and moved to contract contracts 19 through 26 for the Department of Health and Human Services, Division of Health Care, Financing and Policy.

Ellen Crecelius: Re-introduced herself and stated that these contracts relate to the County Match program. Under NRS 428.010, counties are responsible to provide care, support, and relief to poor, indigent, and incapacitated county residents who are not supported by other means. The County Match program provides fiscal relief to counties for indigent long-term care costs related to these clients that are not normally Medicaid eligible. Under this program, the counties pay the non-federal share of costs, which are about 35% of costs based on the current FMAP rate. In FY16 this non-federal share equaled \$26 million from the counties. This is matched with federal funds of \$49 million. The Total Costs are \$75 million and the counties save approximately \$49 million per fiscal year.

Governor: Asked if the counties would have to pay the full \$75 million if we didn't have this program?

Ellen Crecelius: Responded Yes.

Governor: Stated that he is supportive of this program because it helps provide fiscal relief to the counties and is the right thing to do for the recipients.

Governor: Asked if there were any other questions. Hearing none, thanked Ms. Crecelius for her testimony and moved to contract 31 for the Department of Wildlife.

Tony Wasley: Introduced himself as the Director of the Department of Wildlife and gave a short overview of the contract including that the Department had not revised its fee schedule for almost ten years. Stated that the use of an outside vendor would provide objectivity and give the agency credibility when presenting the results that a thorough analysis had been completed in order to gain support for the proposed changes to the fee schedule.

Governor: Asked about the possibility of issuing lifetime fishing licenses.

Tony Wasley: Stated that could be included in the analysis but that issuing lifetime licenses presents a problem, especially for hunters, in providing accurate counts of licensees which can potentially have a negative impact on federal grant allocations. Also expressed concern with the ability to determine the correct price for a lifetime license due to unknowns about the length of time the licenses would be held by purchasers and the impact to the Department's revenues.

Governor: Asked about adding residency requirements to obtain a longer term license or the possibility of multi-year licenses as an alternative.

Tony Wasley: Stated that the Department would consider alternative license types as part of the analysis.

Governor: Relayed his experience getting a short-term license at a local retailer and asked if the Department had considered the possibility of issuing licenses on-line.

Tony Wasley: Stated that this also would be part of the analysis being completed by the vendor with the intention of being able to issue licenses on-line at some point in the future.

Governor: Asked if there were any other questions. Hearing none, thanked Mr. Wasley for his testimony and moved to contract 34 for the Department of Employment, Training and

Rehabilitation. Asked why the Department was contracting with an out-of-state entity to provide services.

Shelley Hendren: Introduced herself as the Administrator for the Rehabilitation Division of the Department of Employment, Training and Rehabilitation and stated this contract is for training and technical assistance for vocational rehabilitation staff. Stated that all Counselors have Master's Degrees in Vocational Rehabilitation Counseling, a very specialized field that combines expertise in the labor market and workforce needs with expertise in working with consumers with disabilities and unique barriers to employment. Confirmed that neither the UNR nor UNLV offer a Vocational Rehabilitation Counseling Master's Degree program and that the nearest university with this specialized Master's Degree program is San Diego State University (SDSU).

Stated that SDSU staff are experts in the field and their knowledge is unparalleled in the region, let alone Nevada. Furthermore, stated that SDSU was previously awarded a training and technical assistance grant from the U.S. Department of Education, Rehabilitation Services Administration (RSA), which is the Division's federal oversight agency, to provide training and technical assistance to the region, including Nevada. RSA considers SDSU to be experts in the field of vocational rehabilitation counseling.

Stated that since the signing of the Workforce and Innovation and Opportunity Act (WIOA) in July 2014, RSA no longer issued general technical assistance grants to entities for VR counseling training, so the Division began contracting with SDSU in FY15 in order to continue to meet its federally mandated requirement for staff to be qualified and understand the labor market and workforce needs. Reiterated there was and is no other entity in Nevada qualified to provide this training and technical assistance so this contract seeks to continue the relationship for 2 more years.

Secretary of State: Mentioned that her husband is a SDSU alumni and inquired why such a program of study did not exist in Nevada.

Shelley Hendren: Stated that both UNR and UNLV had considered such a program in the past, but determined that the program was not viable because there were not enough jobs to support it. Stated there were only 46 Vocational Rehabilitation Counselors statewide.

Secretary of State: Requested the Department follow up with the universities to see if a program could be created at one of the institutions in Nevada and provide the information to the Board.

Shelley Hendren: Replied she would follow up on the matter.

Governor: Asked if there were any other questions regarding the contracts listed under agenda item 7? Hearing none, asked for a motion to approve contracts 1 through 9 and 11 through 40, noting that contract 10 had been withdrawn.

Attorney General: Moved to approve contracts 1 through 9 and 11 through 40.

Secretary of State: Seconded the motion and put on the record her concern with contracts 11 and 12 and the ability for the university system to get all of the funding needed.

Governor: Asked if there were any further questions or discussion. Hearing none, asked for all in favor to say aye. [ayes around] The motion passed 3-0.

***8. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS ([Attached as Exhibit 3](#))**

One independent contract was submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Moved to agenda item 8, Master Service Agreements.

Clerk: Stated there was one master service agreement in Exhibit 3 for approval by the Board and that no additional information had been requested by any of the members, but Purchasing representatives were available to answer questions.

Governor: Asked if there were any questions regarding the master service agreement listed under agenda item 8? Hearing none, asked for a motion to approve the MSA.

Attorney General: Moved to approve.

Secretary of State: Seconded the motion.

Governor: Asked if there were any further questions or discussion. Hearing none, asked for all in favor to say aye. [ayes around] The motion passed 3-0.

9. 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 September 15, 2015 through October 15, 2015.

Thirty two contracts were submitted for the boards review

Comments:

Governor: Moved to agenda item 9.

Clerk: Stated there were 32 contracts under the \$50,000 threshold approved by the Clerk between September 15, 2015 and October 15, 2015. Stated that this item is informational only and there were no requests for additional information from any of the members.

10. INFORMATION ITEM

A. Department of Motor Vehicles – Complete Streets Program

Pursuant to NRS 482.480, subsection 11, the Department of Motor Vehicles shall certify to the State Board of Examiners the amount of the voluntary contributions collected for each county by the department and its agents, and that the money has been distributed as provided in statute. This report is for the period beginning July 1, 2015 and ending September 30, 2015.

Comments:

Governor: Moved to agenda item 10 which is an information item for the Department of Motor Vehicles.

Clerk: Stated that there are two reports under this item, the first being a report from the Department of Motor Vehicles on the voluntary contributions collected by county pursuant to NRS 482.480, also known as the Complete Streets Program, for the period from July 1, 2015 to September 30, 2015.

Stated that during the period, the Department collected \$77,786 which is almost twice the \$47,959 collected in FY 2015. Of that amount, almost 80% was from Clark County, 17% was from Washoe County and 3% was from Carson City.

Stated that after deducting 1% to administer the collection and distribution of contributions, the Department distributed \$77,008 to the three counties with \$61,290 going to Clark County, \$13,218 to Washoe County and \$2,499 to Carson City.

Stated that approximately 13.5% of those registering a vehicle during the quarter contributed to the Complete Streets Program ranging from 10.5% in Washoe County to 14.4% in Clark which was over three times the 4.0% who contributed in FY 2015.

Stated that since the program's inception in December 2014, the Department has collected \$125,745 and distributed \$124,488.

Governor: Asked what types of projects can be funded by the Complete Streets Program.

Clerk: Stated he wasn't sure but Ms. Albertson was in the audience and may be able to answer the question.

Terri Albertson: Introduced herself as the Interim Director for the Department of Motor Vehicles and stated that three counties are currently receiving the contributions - Clark, Washoe, and Carson City - and they are mandated by statute to only utilize the funds for specific purposes such as bicycle lanes, pedestrian safety, etc.

Governor: Asked if the Department received information from the counties on the projects funded with these contributions.

Terri Albertson: Stated the Department has no statutory or regulatory authority to request the information from the Counties.

Secretary of State: Responded that perhaps the legislature should look at providing DMV with some audit or oversight authority of these funds.

Governor: Asked the Clerk if a letter could be sent to the three counties on behalf of the Board to ask them to report on the projects implemented with Complete Streets Programs funds?

Clerk: Stated letters would be sent to the three counties asking for the information.

Governor: Asked if the contributions from the customers were voluntary.

Terri Albertson: Responded that was correct.

B. Department of Motor Vehicles – Safe Roads Alliance

Comments:

No discussion was made on this agenda item.

11. BOARD MEMBERS’ COMMENTS/PUBLIC COMMENTS

Comments:

Governor: Moved to Agenda Item 11 and asked for any Board members comments. There were none. Asked for any public comment from Las Vegas or Carson City. There was none.

***12. FOR POSSIBLE ACTION – ADJOURNMENT**

Clerk’s Recommendation: I recommend approval.

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

Comments:

Governor: Moves to Agenda Item 12 and asked for a motion to adjourn.

Secretary of State: Moved for adjournment.

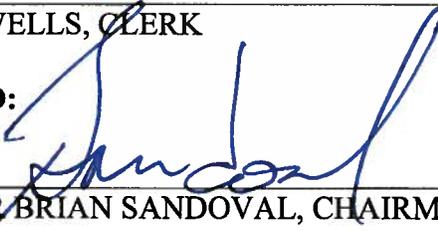
Attorney General: Seconded the motion.

Governor: Asked for all in favor to say aye. [ayes around] . Announced the meeting was adjourned.

Respectfully submitted,



JAMES R. WELLS, CLERK

APPROVED: 

GOVERNOR BRIAN SANDOVAL, CHAIRMAN

ATTORNEY GENERAL ADAM PAUL LAXALT


SECRETARY OF STATE BARBARA K. CEGAVSKE