

Governor Brian Sandoval
Chairman

James R. Wells, CPA
Clerk of the Board



Attorney General Adam Paul Laxalt
Member

Secretary of State Barbara K. Cegavske
Member

STATE OF NEVADA BOARD OF EXAMINERS

209 E. Musser Street, Room 200 / Carson City, NV 89701-4298

Phone: (775) 684-0222 / Fax: (775) 684-0260

<http://budget.nv.gov/Meetings>

MINUTES

Date and Time:

December 19, 2016, 9:00 AM

Location:

Old Assembly Chambers of the Capitol Building
101 N. Carson Street
Carson City, Nevada 89701

Video Conference Location:

Grant Sawyer Building
555 E. Washington Avenue, Ste. 5100
Las Vegas, Nevada 89101

MEMBERS PRESENT:

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

OTHERS PRESENT:

Dr. Georgene Chase, Member of Public
Janet Walford, Member of Public
Justin Mandell, Member of Public
Dr. Scott Brooksby, Member of Public
Dr. Adrian Ruiz, Member of Public
Dr. Erika Smith, Member of Public
Felipe Paleracio, Member of Public
Alan Boyer, Member of Public
Michael Koch, Member of Public
Tina Tsou, Member of Public
Dawne Williford, Member of Public
Chris Ferrari, Member of Public
Nahid Mohammadi, Member of Public
Nancy Katafias, State Tort Claims Manager, Attorney General's Office

Matthew Milone, University of Reno, School of Medicine
Bryan Nix, Appeals Officer, Victims of Crime Program
Ron Knecht, Controller, State Controller's Office
James Smack, Chief Deputy Controller, State Controller's Office
Marta Jensen, Acting Administrator, Division of Healthcare Financing and Policy
Betsy Aiello, Deputy Administrator, Division of Healthcare Financing and Policy
James Dzurenda, Director, Department of Corrections
Terry Reynolds, Deputy Director, Department of Business and Industry
Lynda Parven, Deputy Administrator, Employment Security Division
Cory Hunt, Northern Regional Director, Governor's Office of Economic Development
Amy Roukie, Deputy Administrator, Clinical Service, Division of Public and Behavioral Health

1. Call to Order / Roll Call

Governor Sandoval called the meeting to order.

2. Public Comment (No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically include on an agenda as an action item)

Dr. Georgene Chase introduced herself and she made the following comments: I've been a licensed dentist in the State of Nevada since 1991. I also hold licenses in New York and California and Washington. I graduated from USC in 1991, UCLA in 1992 and UW in 1990. I also graduated from UNR in 1988—1987. I am an educated woman and I have been persecuted by the Boards at the hands of John Hunt and I think in lieu of a possible Class Action Lawsuit by the wronged dentists that we might want a Grand Jury Investigation into the activities. When I came back to get my license in this state, the Board of Dental Examiners was asking for dentists to have qualified at a higher level than the National Board standards. I came back to the Legislature and fought because it was being an interpreted law. It was not a law as written or intended. The average accumulated score that the State of Nevada wanted was an 85. The Dental Boards were interpreting this to be an 85 on Part 1, and 85 on Part 2. My Part 2 was up in the 96th percentile and my Part 1 was an 81. When you average those two together, I was qualified to take our exam. They were not going to let me take my exam. I came up, did an all-nighter, testified in the Legislature and the Legislature made what they call the Georgene Amendment and let me take my licensing exam.

It has been an uphill battle to keep my professional life in this state since that day. I'm just telling you that John Hunt leads the Board around by the nose, he is not there to advise or supervise. He is there to dictate. On my first punitive event with the Board, which did not occur until 2012, they had a stipulated agreement prepared before I ever walked into an informal hearing where I had brought two boxes of research to validate my findings and what I was doing. I was never allowed to present that information. They had trumped up charges on an internet malfeasance ad that was not placed by me. I changed it that day, I had paid back \$14,000 to

patients and was told that this would all go away. It did not go away. That's all I have to say today.

Janet Walford introduced herself as a patient of Dr. Georgene Chase. She stated the following: *I'm a little nervous so I'm going to read what I wrote. As a patient and a consumer in this State, dentistry seems like it has no options. I have severe allergies and I'm allergic to pine resin which is throughout dentistry. Everyone just wants to do crowns and root canals on me and that doesn't work for my particular body unless I have someone that is super advanced in their ability to review my Clifford Test and know what works in my body.*

The dentists are afraid in this state to offer the science of care instead of just the standard of care, which this community only has one standard and that's to do these crowns and root canals and I really need other options with this system. Thank you.

Justin Mandell made the following comments: Attachment A

Governor Sandoval noted he did not want to relitigate the case today and noted that he had a signed copy of the settlement agreement. He asked Mr. Mandell if he fully agreed to the settlement. He noted that Mr. Mandell is represented by Counsel. The Governor wanted it clarified that Mr. Mandell is accepting the settlement agreement and he is in acceptance of the terms and conditions. Mr. Mandell noted that he has yet to receive everything in terms of the intangibles. He said his purpose of attending today was really to point out what happened and what goes on at the University of Nevada School of Medicine, particularly at the Department of Surgery and really that any settlement will not make up for what was done to him and what was done to his career.

Governor Sandoval appreciated that and stated that he doesn't want to minimize that in any way. He further stated that he's read the documents and has copies of settlement which was signed. He has read a memo from the Attorney General's Office which is a recommendation to accept the settlement. He asked Mr. Mandell again if he accepted the terms and conditions of the settlement. Mr. Mandell answered, potentially but he does not think it's a fair and reasonable settlement. Governor Sandoval acknowledged that and stated, *by signing the agreement you are stating that.* Mr. Mandell agreed.

Mr. Mandell added, *these intangibles, which again, I know that you may not be familiar with the complete case. The University has said, you know, these will really help you. These will move along your career. This will help you move past this and every time that I don't do it directly but my attorney does, every time that we want to get these letters of recommendation, these intangibles, to really help my career, Ms. Arias of the University School of Medicine fights us on every word, every sentence. I've been fighting the University for seven years. And I agree with you, I'm not here to relitigate the case but it just continues to be a fight, even to get these intangibles that the University said they would give me on this agreement. I just want them to do the right thing.*

Governor Sandoval stated, we all want to do the right thing. He further stated, if he was the Judge, he would be canvassing on this settlement agreement to make sure that Mr. Mandell is going into it with your eyes wide open and that he fully understands all the provisions contained within that agreement and he accepted and understands them. *What I'm getting from you today is perhaps, not really.* The Governor said that after today. He also added that he didn't know if there's been a dismissal of all claims in this case and if there's been a notice of dismissal with prejudice. Mr. Mandell noted he wasn't sure. He knows there was an order filed and the five-year limit was waived, obviously barring any approval by the Board of Examiners.

Governor Sandoval noted, this was a release and waiver of all claims. He further stated, *there's nothing in here that prevents you from saying what you've said today and this is a forum for you to be able to express some frustration. What you've been through and I'm happy to listen to all those, but I just want you to understand that, once we accept this recommendation, the case is done. Again, it's not my job to advise you. There's an obvious emotional cost to all of this and I'm sure you want to get this put behind you. This will help do that. If there are some outlying—if there are some ongoing issues that you're not happy about, today would be the day to bring that up.*

Mr. Mandell stated *I think the major issue is the intangibles. I would hope that you would implore Ms. Arias and the University of Nevada to really do the right thing and to really make sure that we—that the University presents the best letter of recommendation possible from Dr. Bar-on. I really, truly implore you to look at these individuals that have been involved with this. Again, I sincerely, sincerely hope that this never happens again to anyone. I think it will continue if it's just looked at as an agenda item, as you know, something we throw money at and it goes away. Students spend years of their life, hundreds of thousands of dollars to become physicians, to become educated and this has been a dark cloud. I am not exaggerating that every interview that I walk into, every—every interview, even now that it's or eventually will be "as it never occurred", everyone goes, tell me what happened at Nevada.*

Governor Sandoval noted he's not denying that. *We're about to listen to some testimonies from some other folks here who have been through some matters with one of the Boards and they're unhappy with the outcomes. That's why today, I'm asking you, that you entered into this settlement agreement and fully accept its terms and understand its terms and what it means going forward. You won't get to open this back up again.* He added, again, *I want you to make sure, when you walk out this door today, in terms of your dispute with the University, School of Medicine is finished, for all intents and purposes. The case is not settled. It says, "the case shall be dismissed with prejudice, via stipulation order with each party to bear their own fees and costs within three business days of the settlement payment clearing the banking process".* The Governor noted that this has not happened because the Board had not approved the settlement. It's recommended that the Board approve

this. Governor Sandoval asked Mr. Mandell to take a private moment and think it over. Mr. Mandell agreed.

Governor Sandoval noted there were several speakers in regards to the Dental Board.

Scott Brooksby introduced himself and provided written comments. See Attachment B.

Governor Sandoval asked Mr. Brooksby to leave a copy of the letter with staff. Dr. Adrian Ruiz introduced himself and provided comments. See Attachment C.

Dr. Erika Smith introduced herself and provided comments. See Attachment D.

Dr. Felipe Paleracio introduced himself and provided comments. See Attachment E.

Governor Sandoval noted, for those providing public comment, if a statement is being read, it would be very helpful for purposes of the record if a copy of those statements could be left with staff.

Dr. Alan Boyer introduced himself and provided comments. See Attachment F

Governor Sandoval asked Dr. Boyer to clarify the very beginning of his statement where he said that he was forced to stand at the Board of Examiners' meeting. Was that the Board of Examiners' Meeting or was that at the Board of Dental Examiner's Meeting? Mr. Boyer stated it was the Board of Dental Examiner's. Governor Sandoval stated he wanted that clear for the record.

Dr. Michael Koch introduced himself and provided comments. See Attachment G.

Tina Tsou introduced herself as the Secretary of the Las Vegas Dental Association. She provided comments. See Attachment H.

Dawne Williford provided comments. See Attachment I.

Chris Ferrari, representing the Nevada Dental Association, stated that he *wanted to clarify for the record that the Las Vegas Dental Association is in no way affiliated with the Nevada Dental Association. Some of the items being brought up today are very, very serious obviously and from a Nevada Dental Association perspective, we would offer our membership and any information we can provide to you as you perform your review of the State Board of Dental Examiners and would like to be fully cooperative in that manner.* The Governor thanked Mr. Ferrari.

Nahid Mohammadi stated: *I'm a dentist in Nevada since 2000. I moved to Las Vegas from 2000 and I graduated from the University of Southern California. As all of my colleagues, they have spoken and I have the same shared fear for the future that how I can practice here further on due to the fact that if my patient receives a wrong bill, how in which regard I have been guilty of it and since back to nine years, I don't know what I have done wrong and I get punished for it. Please help us that this can be stopped in any moment and him and his members and his office, everything that they can and they are harming the dentists in Nevada. Thank you so much for your time.*

Fred Voltz provided comments. See Attachment J

3. Approval of the November 8, 2016 Minutes (For possible action)

The Attorney General moved for approval of the November 8, 2016 minutes. The Secretary of State seconded the motion. The motion passed unanimously.

4. State Vehicle Purchases (For possible action)

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:
Colorado River Commission	2	\$110,949
Department of Public Safety – Highway Patrol	2	\$72,457
Total	4	\$183,406

Mr. Wells explained, this item requests four vehicles. The first two are for the Colorado River Commission to purchase two pickup trucks with utility bodies to replace two SUVs for the Commission's operation and maintenance of the High Voltage Transmission and Distribution System. The second request is from the Department of Public Safety to purchase two new police interceptor units to replace units which were totaled in accidents. The funds for these vehicles are coming from the Crash Fund category in their budget which is funded with insurance recoveries.

The Attorney General moved for approval of the State Vehicle Purchases. The Secretary of State seconded the motion. The motion passed unanimously.

5. Approval to Pay Stale Claims (For possible action)

Pursuant to NRS 353.097, subsection 4, a stale claim must be approved for payment from the State Claims Account by the State Board of Examiners. The Board has

authorized the Clerk to approve state claims under \$50,000 on behalf of the Board. The following State Claims are being submitted to the Board of Examiners for approval:

A. Department of Education - \$253,210

The department requests approval to pay \$253,210 from the Distributive School Account for a 2016 accounts payable to the Coral Academy of Science in Las Vegas.

B. Department of Education - \$286,528

The department requests approval to pay \$286,528 from the Distributive School Account for a 2016 accounts payable to the Coral Academy of Science in Reno.

C. Department of Education - \$441,898

The department requests approval to pay \$441,898 from the Distributive School Account for a 2016 accounts payable to the Washoe County School District.

D. Department of Education - \$174,215

The department requests approval to pay \$174,215 from the Distributive School Account for a 2016 accounts payable to the Quest Academy Charter School in Las Vegas.

E. Nevada System of Higher Education - \$64,619

The system requests approval to pay \$64,618.95 from the State Claims account for a 2016 invoice to the Nevada System of Higher Education – UNLV Sponsored Programs.

Mr. Wells stated that there are five requests to pay late invoices pursuant to NRS 353.097. The first four invoices are from the Department of Education from three charter schools and one school district to true up fiscal year 2016 Basic Aid to Schools payments. Funds in this program balance forward and the claims will be paid from the Balance Forward Funds in the Distributive School Account in fiscal year 2017. The fifth invoice is from the Nevada System of Higher Education to reimburse the University of Nevada, Las Vegas for expenses incurred for special projects which should have been paid from the system sponsored program budget account in fiscal year 2016. The invoices were submitted after year-end cutoff and the account did not balance forward funds and those funds were reverted to the General Fund. The University system did revert sufficient funds to cover the cost of this claim and the claim will be paid from the State Claims Account if it is approved. There are representatives from the Department and System available to answer any questions.

Governor Sandoval noted that this has come up in previous meetings. The issue, partially perhaps, was with communication in terms of the entities' understanding what the deadlines were. He asked if there had been any correspondence or perhaps telephonic communications or personal meetings with regard to making sure that all of the respective schools and school districts are aware of what the deadlines are for timely submission of the claim. Mr. Wells stated that they have had some conversations with the Department of Education regarding the timing of the payments. These particular payments relating to the year-end cutoff were not necessarily timing. There were some errors in the calculations of the adjustments that occur on the very last day that they can process the adjustment/payments. The sales tax comes in on or around August 25th or 26th. The payments are due on August 28 so they can get in the system. There was just some timing issues and some errors that were created. These are correcting those errors. Governor Sandoval stated that's a discussion for another day with regard to the narrowness of that time period to determine what the amounts are.

The Attorney General moved for approval. The Secretary of State seconded the motion. The motion passed unanimously.

6. Approval to Pay a Tort Claim Pursuant to NRS 41.036 (For possible action)

Claimant:	Kemp and Kemp, Attorneys at Law and Justin Mandell
Claim No.:	TC 17801
Settlement Amount:	\$550,000

Governor Sandoval asked for the input of the other Board Members. He added he didn't know what the jeopardy would be to continue this matter for another month. He went on to say that he didn't want Mr. Mandell to feel any pressure in terms of finalizing the agreement. He noted that if this is approved then that stipulation for dismissal gets filed with the court. He further added, the other thing that he is troubled by is, Mr. Mandell's counsel is not in attendance today. The Governor said that he thinks that it would be in Mr. Mandell's best interest to have an opportunity to review and reflect on the contents of that settlement agreement, given the testimony that he provided in public comment. Also, that he have a full and fair opportunity to sit down with his counsel and discuss the settlement one more time. The Governor said that he would feel better, approving this after Mr. Mandell's has had an opportunity to do so. The Governor said that he was more than happy to receive input from the other Board Members.

The Attorney General recommend, if available, to have Mr. Mandell contact his counsel before the end of the meeting and perhaps then the Board can try to bring this agenda item forward at the end of the meeting.

Governor Sandoval stated that he wanted to listen and be sensitive to Dr. Mandell. The Board only has a copy of the settlement agreement and release of all claims. He noted that there has been a lot of hard work and negotiation that's gone on into this,

but it's clear today that for lack of a better way to put it, Mr. Mandell is not all the way there with this and with the fact that his attorney is not here, caused him some concern. The Governor asked for the staff from the Attorney General's Office to give the Board a little more perspective on the agreement.

Nancy Katafias, Tort Claims Manager, Attorney General's Office, and Matthew Milone, University of Nevada, Reno, School of Medicine, came to the witness table in Carson City and in Las Vegas, Mistee Arias Galicia, Assistant General Counsel of University of Nevada, Reno, School of Medicine.

Mr. Milone pointed out the timing that the trial in this matter and the date actually agreed to in the settlement was in January of 2016. The parties entered into mediation, a settlement conference with retired Judge James Bixler, negotiated through a settlement conference through most of the month of December 2015 and ended up reaching a settlement on the night after jury selection. Since that time, he said that they have worked on the contents of the settlement agreement and appeared before Judge Kirschner, in Las Vegas in September or last August and she again confirmed the terms of the settlement agreement at that time.

He further added, that he understood the Governor's hesitancy and will respect whatever decision is made. Mr. Milone pointed out there are some terms in the settlement agreement that are based on particular dates that if this were to continue to the next meeting would need to be altered.

Governor Sandoval appreciated the comments and added he knows a lot of time and effort on both sides has been put into this. At least from Mr. Milone's remarks, he said there's still light in terms of an opportunity for Dr. Mandell to choose to go ahead and litigate this. The Governor asked that as part of Mr. Mandell's appearance before the mediator and the District Court Judge was there a canvassing with regard to this settlement agreement.

Mr. Milone stated at the last hearing, the Judge confirmed the terms of the settlement that were reached. The entire issue was a motion to confirm settlement that was placed before the Judge. Dr. Mandell was there represented by counsel as was the University. The Judge went through the different terms of the settlement and issued an order confirming that the settlement agreement is what is before you today. That issue was brought before the Judge. She had a hearing on it and made a ruling, issuing an order confirming the settlement and terms.

Governor Sandoval asked, was it Mr. Milone's position that there is not an opportunity today to essentially undo the stipulation and settlement agreement and that the question before this Board is whether this is a full and fair settlement on behalf of the State or the University System. Mr. Milone stated, the payment of the settlement was always contingent on approval of the Board of Examiners. That was always a contingency built into the settlement agreement. The terms of the agreement have been brought before the Judge, after negotiation and she has issued an order from

the judicial process that it was confirmed. Again, ultimately this is contingent on Board approval.

Governor Sandoval noted he understood and he didn't want to undermine the process before the District Court Judge. He went on to say that the Board only has five pages whereas the District Court Judge would've had the entire record before her. The Governor wanted to make sure that he had an understanding of what the breadth of the authority of this Board was to this. He went on to say that what he was getting from Mr. Milone is it is a question of whether this settlement agreement was fair and that the parties went into it with a full understanding of its terms and conditions. The Governor stated that he is sure that there was a question asked whether there was any duress associated with entering into the agreement, which was asked and answered at the time of that hearing. Mr. Milone confirmed.

Governor Sandoval stated, again, the question here today for the Board is whether this is a full and fair settlement on behalf of the State. Mr. Milone stated that would be his position, yes.

Governor Sandoval asked Mr. Milone to make a record. Mr. Milone stated *as you can see from the discussion we've already had that this was a long and difficult case. Dr. Mandell joined the school in November 2013 and the case had already been proceeding for several years. He continued, we have several reasons we believe this settlement was advantageous to the State including, as Dr. Mandell stated, that he was seeking to become a plastic surgeon so the potential damages were high. We saw that there were multiple claims issued, including after summary judgment, the total number of tort claims was reduced from 43 to 17 but there were still 17 tort claims outstanding, stretching across multiple defendants. Dr. Mandell and his counsel had previously indicated that regardless of the result, they were likely to appeal the remaining claims that were dismissed. If the result had gone against the State, we would've likely appealed as well. The Defendants in this case, or the witnesses in this case, were made up of mostly surgeons whose time away from their practice and their patients would've been both a harm to the educational process of the state, been a significant cost to the state, as well as deny patients their access to care. We believe these are amongst many of the factors that made this an advantageous settlement. As I said, it was well negotiated through a settlement conference Judge. We communicated with the Tort Claim Office throughout the settlement and reached this, ultimately after the jury was sworn but before opening argument. Again, we went back to the Judge and confirmed terms of the settlement.*

Mr. Milone added that this was something that was well thought out and well considered before it was reached.

Governor Sandoval asked Mr. Milone if he believes this is in the best interest of both parties, in terms of resolving this case as presented here. Mr. Milone confirmed he did.

Governor Sandoval stated, Dr. Mandell you're in the audience. He reiterated that he needed to hear from Mr. Milone and the Tort Claims Office with regard to what the process was up until today. The Governor went on to say that learning there was a court hearing with the District Court Judge where essentially that Judge did a much better job of what I'm doing today in terms of making a record to ensure that both parties went into this agreement with their eyes wide open. There wasn't any duress. That there was a full opportunity to be advised by counsel and in fact, counsel was present at the time of that hearing to go through the settlement agreement. The Governor said that he was comfortable that the process that has led to today has been full and fair and given both parties the opportunity to be fully heard and have all their issues considered. He went on to say for those reasons, that he was comfortable in proceeding today with regard to taking a vote on agenda item number 6.

The Attorney General moved to approve the payment of a tort claim pursuant to NRS 41.036, in the amount of \$550,000 as presented in agenda item number 6. The Secretary of State seconded the motion. The motion passed unanimously.

7. State Administrative Manual Changes (For possible action)

The State Administrative Manual (SAM) is being submitted to the Board of Examiner for approval of additions and revisions in the following chapters:

1. 0200 – Travel
2. 1300 – State Vehicles
3. 3600 – Retirement

Mr. Wells explained item 7 is three more chapters in the State Administrative Manual. The first chapter, Travel, Chapter 0200 does a few things. It first clarifies circumstances where the Board of Examiners must approve an agency travel policy to include the payment of per diem within 50 miles of a principle duty station and also a lessor per diem for employees who camp in or outside of established campgrounds. It also clarifies that the State may withhold delinquent amounts that are due to the state-sponsored travel credit card from employees' paychecks if the employee's bill is not paid timely pursuant to NRS 281.1745. It clarifies the minimum documentation necessary for the reimbursement of moving expenses for new and transferring employees. It cleans up language, removes duplicative language and consolidates several sections into single sections for eligible reimbursements as well as for moving expense reimbursement.

The second chapter is Chapter 1300, State Vehicles. This clarifies information regarding the home storage of vehicles including the addition of several federal resources regarding the taxability of those who have home stored vehicles, as well as that the information regarding home stored vehicles must be provided to the Department of Administration instead of the Governor's Finance Office. It revises the vehicle replacement policy from seven years and 100,000 miles to 10 years and 100,000 miles for sedans and 10 years and 125,000 miles for sport utility vehicles,

pickups, and vans. It also requires agencies that are requesting an alternative replacement policy, that policy must be approved by the Board of Examiners and this section also removes certain language that already exists in statute, cleans up certain language and removes duplicative language, as well as consolidates several sections into a single section for vehicle replacements and also reorders many of the sections for a better flow of information.

Chapter 3600 is the Public Employees Retirement System or the retirement section. This section eliminates most of the information regarding individual benefits and eligibility provisions for employees and retirees which should be obtained directly from PERS as well as information about the operations of PERS as an agency and refers readers directly to PERS or the PERS website for the most current and relevant information for their specific circumstances. It also cleans up language, removes duplicative language and consolidates several sections into a single section for retirement funds and it also reorders many of the sections for a better flow of information.

Mr. Wells concluded by saying upon approval, the reordered sections will be appropriately renumbered before the final version is posted to the website.

Governor Sandoval asked what state agency was responsible for the changes that we have today and what prompted the changes. Mr. Wells explained, most of the changes in Chapter 0200 came from the Governor's Finance Office. Chapter 1300 proposed changes were from Fleet Services management with the Department of Administration and Chapter 3600 were from the Governor's Finance Office. Mr. Wells went on to say that this is part of an ongoing effort from the Governor's Finance Office to clean up the State Administrative Manual after the split of the Department of Administration and the Governor's Finance Office. There is old language in many of the chapters that hasn't been updated for a very long time. As time permits, the Governor's Finance Office will continue to go through chapter by chapter and work with the respective agencies to clean up the language.

Governor Sandoval asked if this was the product of interaction with the respective state agencies that are affected by this and they've had a full opportunity to respond to the changes. Mr. Wells confirmed and added that the Governor's Finance Office posted these proposed changes 30 days in advance of the Board of Examiners meeting. Several responses were received, specifically to the Chapter 0200, Travel section. A couple of clarifications were made based on the comments that were received.

The Attorney General moved for approval the changes. The Secretary of State seconded the motion. The motion passed unanimously.

8. Authorization to Contract With a Current and/ or Former Employee
(For possible action)

A. Department of Education

Pursuant to NRS 333.705, subsection 1, the department requests approval to continue to contract with former employee, Daphne DeLeon, to assist with the Nevada Ready 21 program through the completion of the program on June 30, 2017.

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

Pursuant to NRS 333.705, subsection 1, the division requests to contract with former employee, Lisa Godenick, to assist with program implementation, grant management and fiscal monitoring of the Teen Pregnancy Prevention Program. It is anticipated that she will work 40 hours per week effective January 1, 2017 to June 30, 2017.

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

Pursuant to NRS 333.705, subsection 1, the division requests to contract with former employee, Christine Salvo, provide face to face and telehealth services for children and families statewide through the Rural Mobile Crisis Response Team. It is anticipated that she will work up to 20 hours per week effective December 19, 2016 to September 30, 2018.

D. Department of Transportation – Right-of-Way

Pursuant to NRS 333.705, subsection 1, the department requests to contract with former employee, Paul Saucedo, Division Chief of the Right-of-Way Division, to provide coordination with utility companies and railroads on division projects. Mr. Saucedo is an employee of Atkins North America.

Mr. Wells said agenda item 8 includes four requests to contract with current and/or former employees pursuant to NRS 333.705, Subsection 1. The first request is from the Department of Education to continue contracting with a former administrator of the Nevada State Library, Archives and Public Records Division of the Department of Administration. This individual will assist with the roll out of the Nevada 21st Century Technology Program. The Department received a favorable recommendation on their use of the emergency provisions for contracting with a former employee at the November meeting and is requesting to extend the end date of the contract from January 12, 2017 to June 30, 2017 at which point this particular program will terminate. The contract continues at a rate of \$57.69 per hour.

The second request is from the Department of Health and Human Services, Division of Public and Behavioral Health, to contract with a former University of Nevada, Reno student worker to assist in implementing, managing and monitoring the personal

responsibility education program grant, as well as to supervise the contracted positions for the abstinence education grant program. The contractor will be employed through a temporary employment agency and will work 40 hours per week for the period of January 1, 2017 to June 30, 2017 at a proposed rate of \$22.48 per hour.

The third request is also from the Division of Public and Behavioral Health to contract with a former part-time substance abuse counselor who will provide face-to-face and telehealth services for children and families through the Rural Mobile Crisis Response Team. This contractor will work approximately 20 hours per week for the period of December 13, 2016 to September 30, 2018 at a proposed rate of \$28.35 an hour.

The final request is from the Department of Transportation, to allow a contracted vendor to use a former employee on a project awarded to the vendor for utility coordination services throughout the State. The former employee retired in December of 2015 and did not have any influence or authority over the contract with this particular vendor.

The Attorney General moved to approve the authorization to contract with a current and/or former employee as presented in agenda item number 8. The Secretary of State seconded the motion. The motion was passed unanimously.

9. Victims of Crime Fiscal Year 2017 1st Quarter Report and Fiscal Year 2017 2nd Quarter Recommendation (For possible action)

Pursuant to NRS 217.260, the Board of Examiners estimates available revenue and anticipated claim costs each quarter. If revenues are insufficient to pay anticipated claims, the statute directs a proportional decrease in claim payments.

The first quarter fiscal year 2017 Victims of Crime Program report states all approved claims were resolved totaling \$3,558,473.90 with \$1,134,679.62 paid out of the Victims of Crime Program account and \$2,423,794.28 resolved through vendor fee adjustments and cost containment policies.

The program anticipates future reserves at \$16.7 million to help defray crime victims' medical costs. Based on the projections, the Victims of Crime Program recommends paying Priority One, Two and Three claims at 100% of the approved amount for the 2nd quarter of FY 2017.

Mr. Wells explained, pursuant to NRS 217.260, the Board of Examiner's is required to estimate the available revenue and anticipated claims costs for the State Victims of Crimes Program. This item includes a report on the claims paid in the first quarter of fiscal year 2017, as well as a recommendation to pay Priority One, Two and Three claims at 100% for the second quarter of Fiscal Year 2017. The program anticipates having a reserve at the end of the second quarter of approximately \$16.7 million, after covering these expenses and a 45-day operating reserve. Governor Sandoval stated

there is a pretty substantial balance, it's \$15,661,000. Bryan Nix, Appeals Officer with the Victims of Crime Program, stated that it was just a few years ago where the reserves were at zero. A large part of the reason the reserve is so large is that Medicaid is now paying the victims' claims. Mr. Nix said that this year his office even gave up some of the revenue streams so that the reserve doesn't continue to build. He said that was the basic bottom line. With Medicaid paying these bills, his office is no longer needed to.

Governor Sandoval noted he did not want to give the impression that this is a bad thing. Bryan Nix stated, it's not a bad thing but his office is a little disappointed because they used to pay between \$8 million to \$10 million a year in claims. They are now paying \$3 million in claims.

Governor Sandoval asked if Medicaid subrogates or seeks reimbursement of any of those payments that they make from your office. Mr. Nix stated, they have a right to subrogate but currently they're paying them before this office has a chance. And, Medicaid is paying retroactively.

Governor Sandoval noted, that might be a conversation for another day. Mr. Nix stated that's something that his office would like to explore although he's not an expert in Medicaid law.

The Attorney General moved for approval. The Secretary of State seconded the motion. The motion was passed unanimously.

10. Leases – Attachment [Exhibit 1](#) (For possible action)

Mr. Wells said that there are eight leases in Exhibit 1 for approval by the Board this morning and no additional information has been requested by any of the Members on these eight items.

There were no questions. The Attorney General moved to approve Leases 1-8 as presented in agenda item number 10. The Secretary of State seconded the motion. The motion was passed unanimously.

11. Contracts – Attachment [Exhibit 2](#) (For possible action)

Mr. Wells stated that there are 36 contracts listed in Exhibit 2 for approval today. Contract number 5 between the State Public Works Board and Van Woert Bigotti Architects has been withdrawn by the agency and will be brought back at a later date. Contract number 29 between the Department of Public Safety, Highway Patrol Division and Taser International has also been requested to be withdrawn.

Mr. Wells noted, Members have requested additional information on the following: Contract number 3 between the Office of the State Controller and CGI Technologies. Contracts 15, 16, 17 and 18 between the Department of Health and Human Services,

Healthcare, Financing and Policy Division and Aetna Better Health Nevada, Amerigroup Nevada, Health Plan of Nevada and Silver Summit Health Plan; these are the Managed Care Organization contracts. Contract number 33 between the Department of Employment, Training and Rehabilitation and the Department of Business and Industry. Contract number 36 between the Department of Administration, Victims of Crime Program and Cost Containment Strategies.

Governor Sandoval noted he wanted to add Contract number 6. Mr. Wells stated that no one was present at the meeting as they were attending the grand opening for the Sahara Building.

The Attorney General noted, if 36 was being held only on his account, he would like to lift that.

Governor Sandoval proceeded with Contract number 3 which is between the Controller's Office and CGI Technologies and Solutions.

Mr. Wells summarized the contract along with the amendment. The purpose of this contract is to automate parts of the debt collection process in an attempt to improve the collections rate for the debts that are owed to the State of Nevada.

This is the second amendment to the original contract which is necessary because the annual maintenance fees totaling \$677,000 were not included in the original contract maximum. This amendment includes those maintenance costs for both the custom-built database as well as the CGI application which is used to perform data matches with third-parties to generate additional collections of delinquent debts that are owed to the State. The maintenance of the custom-built database was never included in the original contract.

The amendment also extends the end date from September 8, 2018 to March 8, 2022. This recognizes the delays in getting the system operational and that the anticipated collections on which the original contract was based are likely to be lower than previously projected. Since the contract is based on paying CGI a percentage of the additional amounts collected above the baseline amounts collected prior to the system implementation, the reduction in anticipated collections requires additional time for CGI to recoup its investment in the system.

The final \$191,942 above the maintenance fees that is included in this amendment is needed to fund an additional six weeks of programming and support, as well as an additional upgrade to the third-party software that's used to run the system. Part of this is necessary to meet state cyber security requirements that resulted in the work stoppage of this project in May 2016. The payment also includes on-site support and knowledge transfer in preparation for the implementation of the system into production in the first quarter of 2017.

Mr. Wells said that the Governor's Finance Office worked jointly with the Controller's Office and CGI to negotiate the details of this amendment. It is expected, based on

these negotiations and the revised timeline and roles and responsibilities in the amended statement of work, the system will be operational in early March and should start to show a return on investment shortly thereafter. CGI and the Controller's Office staff have been working together to prepare to restart the work on the system in anticipation of this amendment being approved today.

Mr. Smack, Chief Deputy, State Controller's Office, and Controller Knecht were at the witness table and Governor Sandoval asked if they wished to add anything to the record. Controller Knecht said that his office is in support of the second amendment to the CGI contract dated September 2014.

Governor Sandoval noted this Board is very aware of this contract. He said that he was happy to hear that the issues have been resolved between the Controller's Office and CGI and we will be back in business of collecting debt in March. Mr. Smack thanked the Governor for his support and also thanked Director Wells for his assistance in this matter.

Governor Sandoval moved to Contract 6 and noted that there aren't representatives from the Department of Motor Vehicles because the DMV is opening a brand new building in Las Vegas. Obviously, this is one of those touch points for the public that practically every adult in Nevada has some type of interaction with the Department of Motor Vehicles. He said that he hasn't seen the building yet but he intends to in the near future. He also added that the opening has gone very smoothly and it has all the latest and greatest technology and services to be able to provide a positive experience for the public that goes to the DMV.

Governor Sandoval moved to Contracts 15, 16, 17 and 18. He noted, obviously this is a massive contract, \$7,598,968,175. He asked for a history of the process. He noted, these are new providers, managed care providers in the Medicaid system and asked where we were, what the process was and what it will look like going forward.

Marta Jensen, Acting Administrator for the Division of Healthcare, Financing and Policy, explained, currently *we have two managed care contractors, HPN and Amerigroup are current partners. Their contract is due to expire June 30, 2017. What we started with is an RFP earlier this summer looking at our managed care. We do have the two projects that are going concurrently but this one is for the actual contracts to begin July 1, 2017.*

This time what we did is, we improved the RFP and put in a lot of additional measures such as pay-for-performance or quality incentive payments. We've strengthened the sanction language so we do have some teeth, should things not go as we had planned. We've also looked at the managed care as a whole in the state. When we started this several years ago, I want to say before the ACA came on board, we had 323,000 members statewide. That's December 2013. We currently have 660,000 approximately across the state. 70% of these individuals are in managed care so that market has grown considerably.

Now, our managed care is currently in the urban areas of Clark County and Washoe County and that has not changed. With the current contracts, we have now selected four vendors, which we're very pleased about. We have our two existing which is HPN and Amerigroup. They'll continue with us after July 1st. Then we also have two new partners with us. That would be Aetna and Silver Summit which is also known as Centene Corporation.

What this does, by having additional Managed Care Organizations (MCOs), it's a benefit to the recipients because it gives them a greater choice. With managed care, they have to follow the fee-for-service market the state plan services, but they also have an opportunity to do value-added benefits, add additional services that are not necessarily Medicaid covered services, but can be offered to the population. By having these additional MCOs, it allows the recipients to now choose between four plans what will better serve themselves and their families. We heard a lot of comments from the provider sector indicating that they also wanted greater choice in managed care.

By having the four plans it also allows the provider base to choose if they want to do business with one or four—it's up to them. That also allows them some different opportunities within their negotiations and contracts.

That's kind of where we've come. We're hoping July 1, 2017 with the approval of these contracts that we're going to do a very well versed education program. It's not a marketing—we're not marketing one plan over the other. We think they're all great or we would not have selected them. What we're trying to do is educate the recipient base to tell them what's happening. What is the open enrollment period? What does that look like? How can you change plans if you're interested? You don't have to change plans. If they're totally satisfied with what they have, they can stay with that plan for the duration. We're planning on just educating them.

Now the individual managed care companies can market their products, which we expect them to do starting April 1, 2017. That's the actual open enrollment period. We expect them to do their marketing for that next few months to see what the plan is going to look like as of July 1st.

Going forward, these are four-year contracts. We have the contract amount for each MCO at the not-to-exceed and it's at \$7.5 billion, almost \$7.6 billion. The reason we did that is the capitation payment. That is the maximum we can pay in capitation payments based upon our forecast with our recipient base. Rather than try and guess what the market was going to look like, we thought it was best to put that as the maximum on each contract because the members will select whomever they choose and it will be covered. We in no way see that we'll be paying \$7.6 billion four times.

Ms. Jensen further added she'd also like to recognize, this was a very arduous process, going through the RFP and everything else. She stated, with the help of Jeff Haag at the Purchasing Department and his staff, it was unbelievably smooth, which

is unheard of for contracts of this large nature. We worked in a great partnership with them and they helped us through this process immensely.

Governor Sandoval stated that we currently have the managed care in Washoe and Clark, subsequent to these contracts being approved, what is going to happen. He asked if there will be managed care and more access to services in the rural counties.

Marta Jensen explained, that piece is still under review. We did hire a consultant back in July, Navigent, who is looking at the market base right now. These contracts are strictly for those urban areas. They did not change the service package that we've had in the past with the exception that we did pull out the dental benefits. I can explain that a little bit in a moment. The plan itself, we're waiting for those recommendations to come back from Navigent. We got their draft report on Friday night and so we're still kind of reviewing it quickly to see when we can publish that, what their recommendations are.

Governor Sandoval noted, as he knew she could appreciate, in some of the rural areas, there obviously is a need for more services and providers. He said that he is hopeful through this that we will have or they will have more opportunity to see, to actually have more providers in their respective communities. He asked if that could happen. Ms. Jensen responded it could. She added, *it's a little premature to say based on those recommendations but I will say, what we're also trying to do is promote some other programs within the Division, such as the telehealth, the paramedicine. We're trying to find other ways to help those rural communities. The providers that do provide an overall service, they can perform at the higher level of their scope and then we can engage other community partners to help with that access issue. We'll know more as soon as I can finish reading the recommendations.*

Governor Sandoval asked about telemedicine, that obviously this is going to be an important component, having at least access via telecommunication with regard to certain services. He asked if that will be enhanced. Ms. Jensen stated, *this is probably premature, but I'll tell you anyway, we're also looking at Project Echo which allows for—it's a national program that's started in several other states, but we are looking at that to see if it's viable for Nevada where we can also have specialists talk to those local doctors in the rural areas to enhance their skillset and understanding in those specialized areas because we are limited in those services statewide.*

Governor Sandoval asked about the marketing piece. He said there is a population of 660,000 total that are receiving Medicaid. He asked how do you anticipate that they will be marketing to the individuals.

Ms. Betsy Aiello, Deputy Administrator, Division of Healthcare, Financing and Policy was at the witness table and answered the Governor's question. She said that her agency *runs open enrollment processes annually and we're moving this open enrollment process up three months to start within April. What happens is the marketing materials that the plans develop do get looked at by the Medical Care*

Advisory Committee. They do an outreach through our open enrollment process. We will let the plans have the addresses for everybody that's on managed care during the open enrollment process and the plans will be able to mail and outreach with information to everybody that's in Medicaid Managed Care. Very similar to what happens in commercial markets, but we'll provide the information that way.

And so, if you're on Medicaid and you're in a managed care product, very likely each plan will send you information regarding their plan and why they think their plan is the plan you might want to choose with outreach numbers and that such thing. That's how the open enrollment process—and people can choose their plan for the start of July 1. Then there's a choice period where if someone decides, there's 90 days that oh my gosh, I chose a plan that I don't really want, after all, they can change for 90 days and then they're locked in for the year and there will be another open enrollment. Every year at open enrollment they'll get to choose a plan.

Throughout the year people join Medicaid. There's information provided on the plans and on our website where they can see the different options for each plan and how to get to the network so on the ongoing people can choose also.

Marta Jensen clarified for existing members they can choose to do nothing and they can stay with their existing plan, but what happens is when somebody goes into the Welfare Division or applies for Medicaid, if they choose no plan, they make no choice, then what we have is through our system, we're going to have an algorithm that will actually for those individuals that do not make a choice, will automatically select through random process the two new plans. We like to kind of balance the market if we could. That should go on, I believe for about 12 months.

Governor Sandoval asked for clarification, if I don't select, you have that algorithm which essentially will assign you a provider but the incumbent providers won't be part of that, that only the new two will be part of that in order to balance the patient loads? Ms. Jensen confirmed and added that's for the first 12 months. After that, then the two incumbents would be included in that algorithm.

Governor Sandoval asked for further clarification of the policy to exclude the incumbents from being considered as part of the review when somebody doesn't pick a plan. Ms. Jensen stated we were told early on in the process that each plan would need approximately 100,000 members to be viable within the State. What we're trying to do is figure out, okay to make sure we can continue with those two and Nevada is viable for them, we wanted to make sure they had an opportunity to get those individuals. However, the individuals can still select if they are put into a plan within the first 90-days and then they make a choice to change to one of our incumbents, they can do that also.

Governor Sandoval noted, you mentioned they need that critical mass of 100,000 individuals. So, what if one of them doesn't reach that. Is there an escape clause for them to withdraw or do they have to provide if it's under 100,000? Ms. Aiello stated it's the regular contract clauses where they would have to give significant notice to

leave. Historically, our plans have had quite a bit less than 100,000. I can tell you when I started at Medicaid there were only 80,000 people in managed care. There were two plans. There should be ramp up time and ability to get ramped up over time. We have historically used this algorithm when a new plan has come in also. It's state-of-the-art. When the questions came in from the plans, when they were doing the bidding, we indicated this would be the process to use because number one, federal regulation, we have to give individuals choice for their plan. Number two, they get to choose. We can't take someone out of a plan they want to be in and put them in another plan to balance them. It's the process we have used in the past.

Governor Sandoval noted, you said you had 80,000 individuals that were in managed care and obviously we've grown quite a bit from then. He asked wasn't the majority of that fee for service for the entire population of those receiving Medicaid at that time? Ms. Aiello responded when she started there were about 100,000 people in Medicaid and only about 20,000 were fee-for-service. The moms and kids have always been the biggest population in the urban areas. So managed care was already in those areas. Maybe it was a little bit less but we had about 100,000 which is about 62% managed care. A buildup time is what very likely will have to occur. She thought the plans were very well aware of that because the division told them our limitations prior to the bidding.

Governor Sandoval asked when the enrollment period closed and when will they know how many each of these entities have enrolled in their respective business. Marta Jensen stated, *the open enrollment period begins April 1st and it goes through June 30th of 2017. Now, here's where it's going to get a little tricky. For individuals that come into Medicaid and they apply for services in between April and June, we only have two vendors April through June. They would have to select either one, Amerigroup or HPN. Then, if they so choose, starting July 1, they could choose one of those additional plans if they'd like.*

Secretary of State asked about marketing. Were just the two or all four going to be contacting to try to keep individuals enrolled with them? Ms. Jensen responded, beginning in April all four vendors can contact the MCO market base.

Secretary of State noted the State will be giving out home phones and addresses to be mailed. She asked if they are still going to get inundated with phone calls and mail? Ms. Jensen confirmed and added, we could certainly look at that. We're talking about probably 430,000 individuals. That includes children plus the families. We can certainly look at that to see if there is a way that we can somehow exclude them from the mailings. She added in the past, their office has never done phone calls to the individuals. It's all been through mailings.

Governor Sandoval asked if there won't be telephonic soliciting associated with this open enrollment? Ms. Jensen stated it appears that we will not be providing the phone numbers.

Governor Sandoval noted he wanted to make sure that was on the record. He asked, if I were an individual that was enrolling and I made my decision amongst the four vendors, then does that remove me from getting the mail at least, once I've made that decision? Ms. Aiello responded, *typically how it's happened is that the mailings have gone out before people choose because you're already on a plan and maybe the plans may have added something new, may have had—again there are some value-added services and different plans have different value added services. Usually, the open enrollment mailing goes out and right after, within a few days the plans send information out and send links. And people can call the plans then and then there may be phone calls but the information goes out that way before someone has chosen in an open enrollment. And, you have the choice of doing nothing. Then you would stay on your plan but if you want to stay on your plan and you choose to do nothing, no one will have known whether you've made the choice or not so the mailing usually does go to everybody.*

Governor Sandoval moved to contract number 28 which is the Department of Corrections and the Board of Regents, University of Nevada. James Dzurenda introduced himself as Department of Corrections', Director. He explained, *he wanted to give a little history of why we're here today and what the contract that's in front of you means to the State and how we actually got to this point.*

In 2014, Nevada was selected as one of seven states in the country to be given a strategic planning grant of \$83,000 to be able to determine whether they would need services for better reentry for offenders into the community and how we can get the data to support what we needed to request to be selected under the second chance act, which is a larger grant, which I'll explain how we were able to get selected for that.

The implementation funds of the grant allowed us to be able to provide the application process to show that if we team up and work with multiple agencies in the State and the two largest universities, UNLV and UNR, to be able to come up with processes for better reentry of offenders into the community to reduce recidivism, we would be able to actually apply for this grant which we were approved.

Having approval of the grant meant that every year for three years, we would have to reapply. If we were found to be in compliance with their standards, we would be able to continue the grant for up to three years. The first year, the grant gave us \$978,000. What that allowed us to do was team up with Parole and Probation, Employment Training and Rehabilitation, Public Safety, Health and Human Services, Education, Workforce, Veterans Services, Housing and UNR and UNLV.

Why this is important to us—all these agencies were split up into six different workgroups that are actually going to see what our needs are in the community, what our needs are for the offenders to be able to do better reentry when the offenders get back into the community. What that means to us is, if we do a better job and know exactly what we need, that means there will be fewer victims in the community.

Currently, what our goals are going to be is we're going to look at 15% reduction in our recidivism rate over 18-months of this grant. Over the first two years of the grant, we're going to be monitoring by utilizing UNLV and UNR to do the research for the Department of Corrections and to get the data that we need to prove that we are doing and going in the right directions for reentry.

With the building up of the grant, with the data that we provided, we found that through our researchers, 80% of all the crime in Nevada is actually related to property crimes as well as crimes that are related to drug addictions. When you look at the Second Chance Act, they're going to concentrate how to program, how to release offenders and successfully reintegrate them based upon those two types of largest crimes in the State and how we can reduce that to less victimize those in the community.

Currently, in the Department of Corrections, our programs are not geared based around these types of crimes. The majority are programs that I believe do not affect these crimes. What we're going to do, as part of the Second Chance Act is eliminate those programs that are not geared towards these offenders, refocus our resources and the money from the Second Chance Act and our current staffing and what comes up out of the workgroups, to focus on those crimes that are making the most impacts in our communities.

I truly believe that when we start seeing the results of this, we will start seeing a reduction, not only in our population from reducing recidivism but also will start seeing fewer crimes that are affecting these types of crime rates in the State, which means fewer victims in our community.

When we looked at how we did our current reentry in the system back into the community, we look at our first—our last six months and last 18 months of the offender's sentences to begin our reentry statistics and reentry programming to hopefully give them the tools to be successful when they go back in the community.

What we're going to do now, the start of this year, with also the help of the Second Chance Act and the money that we got from the grant is start when the offenders first walk into our doors from the jail system. The first day that an offender walks into a prison/correctional setting will be the first day that we start looking at how to reentry those people back into the community no matter how big of a sentence they have. This will show all the data that's being shown around the United States that will be the most effective in reducing our recidivism rates. Which again, it means to me, how we're going to make our communities safer and how we're going to be able to reduce victimization by doing our part in the Department of Corrections to be able to successfully get them back in the community with the resources and the tools that they need.

With this was the reason for the change in our mission at the Department of Corrections. Our mission, which was in the past was just supervising and watching offenders assigned to us by the Court, now, the mission is: Improving public safety

by ensuring a safe and humane environment that incorporates proven rehabilitative initiatives that prepare individuals for successful re-entry into our communities. We are going to see the impacts of these grants and have a trend in our agency by the help of all these other agencies that I mentioned to be able to prove to the State of Nevada that we're going to be the best in reentry of our offenders when they go back in the community. And why that is so important is because, when we look at our data that was provided to us, 88% of our population today is going to be returned to the community within the next 15-18 years. If we never arrest another offender in the entire state, in the community that means 12,000 inmates are going to be returning back into the communities in Nevada in the next 15-18 years, without any more arrests. With the arrests, that could be when you're talking about a recidivism rate of these crimes that is about 40% of our returns, that could be a number of over 20,000 offenders in the next 15 years that are going to be going into our communities that need successful reentry, to be able to give them the tools to reduce victimization in our community.

In front of you today, the grant we're looking at for the first contract was \$232,296. That's going to allow us to be able to utilize UNR to support our Department of Corrections policy, as well as serving as outside evaluators to objectively evaluate our data validation to be able to say or prove that we are going in the right direction and to be able to make our community safer. UNLV will be onboard to be supporting Parole and Probation's policy development. All this combined, like I said, with the other agencies in our State that is going to be assisting us in these task forces is going to show a dramatic decrease in crime rates in the State and help reduce victimization in our communities to make it a safer place to live.

Governor Sandoval complemented Director Dzurenda for what he's doing at the Department of Corrections. He added, *I agree with you 100% in terms of what your new mission is and applaud you for being able to obtain these grants. That's going to help with those goals that you just described that much more.*

Now, given all that you've said, it's important to measure and be able to demonstrate that what you've implemented is working and that's the purpose of these contracts. The Governor asked when the Director thought we would start to see some beneficial results. He also asked Director Dzurenda to describe an example of what the change of programming will be in order to make inmates more successful upon their release. Director Dzurenda explained, if you first look at the type of needs in our offenders, drug addiction, and the property crimes, there are programs around the country that are considered as best practice programming that are proven over a three-year period to give those offenders those specific tools to be able to change the behavior or correct some of the issues that they have to be successful.

What we have done immediately is we have in the State a reentry task force that meets regularly. Jim Wright, the Director of Public Safety and I chair the task force. We just finalized our strategic plan that is going to be presented as part of this strategic plan on how we're going to attack the programming piece in Corrections, how we're going to go after the community resources for Parole and Probation.

That's going to pretty much start immediately this year. We've already started refocusing on in our agency what those programs are that we are currently doing and does that actually make any impact by best practices against the programs that we really need. It was about 33%, a third of our programs were shown to have no or little effect on drug rehabilitation or crime rates. Those immediately, we're refocusing our entire reentry programs in our department to stop those programs in January, refocus and train those individuals doing them to actually target those individuals for drug rehabilitation and property crime reduction programs. Once you see that happening in January, it's going to start playing more of an impact globally in the Department of Corrections and refocus on isolation, segregation and mental health which does play also a part of this programming.

All those changes are going to be starting immediately. Our first layout to the wardens in the facilities is going to be this Thursday. You'll start seeing—there's going to be open forums at each of the facilities starting in January, which is going to explain all this reentry data and how we're going to be more successful in reentry in the programs at each facility. Then it's going to be laid out in our task force for the reentry and then presented to the Legislature as well.

Governor Sandoval said he truly looks forward to seeing the benefits that are going to arise out of this. It makes for a safer community but it also allows for those individuals to get a second chance. That's why it's named that way, so they can get out in the community and be productive members of society.

Secretary of State stated her excitement to see and hear the things that are being done. She stated *you're changing your reevaluations, the redrawing of the plan so to speak. The community has open arms, from what I've heard, talking to the different entities.* She thanked Director Dzurenda for all that he is doing. She asked if it is approximately three years to rehabilitate. Director Dzurenda responded, no, the actual three-year mark is how they benchmark best practices. What they do is, if you start an actual program that was researched to believe that it works, it takes three years of actually seeing it work to say that it actually does.

Secretary of State asked what the timeline is for an individual—and *I know everybody is different. Do you have kind of a guideline or some kind of a benchmark?* Director Dzurenda stated, *not for what you're looking for. You were mentioning individual treatment plans is what we're going to be concentrating on. If you have offenders that have co-addictions or have multiple medical mental health related concerns that are related to addictions as well, which could go back to even childhood with born fetal alcohol syndromes. It could be traumatic brain injuries. It could be multiple different diagnoses of mental health. That all plays a factor in each individual. I don't know if anyone could ever answer how long it takes anybody, everything is individual. We have to put all those factors together.*

Secretary of State thanked the Director for going into detail and thanked him again for what he was doing and the people that are working with him. Governor Sandoval stated that there is a lot of time and effort that goes into applying for these grants, a

lot of work that goes in from the Department to develop that programming and then to be chosen. Because it's a competitive process, even after the time and effort to apply, it has to be up to standards in terms of being approved and get that money going there. *I know there's a lot of work that has gone into this to this point and again, it's a lot easier just to not have to do that work and kind of just let the status quo happen, yet you've been very aggressive in terms of seeking out these opportunities for grants, applying for them and obviously being successful. Thank you for that as well.*

Director Dzurenda said he appreciated that. He added, every state did apply for this grant and only three states were selected as the final grantees which Nevada was one of them. Governor Sandoval responded, well done. Keep up the good work. We look forward to hearing how it progresses.

Governor Sandoval moved to Contract number 33, Mr. Attorney General, you had asked for this one to be held out.

Terry Reynolds, Deputy Director, Department of Business and Industry, was at the witness table. Mr. Reynolds explained, *we are in a cooperative loan program with DETR through the Employment Security Division to provide small business loans, approximately \$100,000 per year for a period of three years. Those loans will be in the neighborhood of anywhere from \$1,000 to \$15,000 with a focus on veterans and seniors. Our Office of Business Finance and Planning, Marcel Schaerer who could not be here today, he's in another meeting, will administer the loans and make sure the process goes smoothly for these individuals or organizations that are really in a start-up mode for business. We hope to work with our resource partners, Small Business Administration, veteran's organizations, senior organizations to provide and market these loans for individuals who are really in a mode to get into the business world. That's what it is intended to be. It's to really hope that we can stimulate some small business, specifically in the State but will be managed in the Southern Nevada area.*

The Attorney General asked, what kind of applications they already have, if it's started and how much of a need there is. He understands there's a general need, but is just curious what that looks like so far. Mr. Reynolds stated, *we will partner with a non-profit lender and they will actually go out and seek the loans, people that are interested in the loans. We feel that we'll probably see about 50% of the money out in the first three months. We have sent out feelers to these organizations. They feel that they already have a pool of interested individuals that will want to take advantage of these start-up loans. As you know, Marcel Schaerer basically goes to all the Small Business Roundtables. We work actively with veteran's organizations to see what the need was and also senior organizations to make sure they were aware of this program coming about. Should you approve this, we feel that they'll be a pretty quick ramp-up to getting the money out.*

Governor Sandoval asked if he knows what the terms and conditions of those loans are, what's the interest rate and the payback period. Mr. Reynolds stated he doesn't

know that. They will work with the small business non-profit lenders to be able to come up with that. The grant is being given through DETR and Don Soderberg is here in the audience, he may have some additional information on that. Mr. Reynolds added, *I don't know the specifics of that and I don't think that has been determined yet, as to what that will be. I know that they're going to be relatively good terms because it's going to be small amounts of money. It will be given out quickly. The terms of the payback will be actually fairly quickly. It's meant to be in the neighborhood of \$4,000 to \$5,000 in a start-up basis. It's not a long-term loan, not something that will go out for a period of time and it's not a large amount of money.*

Secretary of State stated she's really excited to hear about this. *I'm glad that the Attorney General pulled it because Chief Deputy Scott Anderson who is standing in the back would love to talk to you in reference to a bill that we have in and that is to help veterans.* She went on to say that her office is going to the legislature to be able to waive their business license fees and that her office is eager to work with B & I on this. Mr. Reynolds responded, definitely. He said that it is an outstanding approach and he thinks it will bring people in to be able to look at this. Having a waiver in a license fee for veterans getting into business is very helpful.

Lynda Parven, Deputy Administrator, Employment Security Division, added the current regulations state that the loan will be paid back no later than four years from the date of the loan.

Governor Sandoval thanked her and told the Secretary of State that he would be happy and proud to support her bill. She said I'm asking and thank you.

Governor Sandoval stated that he wanted to make sure that the Department was very aggressive in terms of marketing this to the senior groups and the veterans groups within Nevada. Having just come back from visiting some of the troops in the Middle East, we have a lot of active duty and guardsmen and women that may be separating from service that are looking for opportunities that have gained substantial expertise during their experience in the military. If there's a way to make sure that they're aware that this loan program will be available would be great because they can start to have an exit plan in terms of when they separate from service and come to Nevada. Mr. Reynolds confirmed and added, we have really worked on the last several months through our Office of Business Finance and Planning of getting those contacts. *Getting the contacts with start-up groups, getting contacts with veteran's organizations, senior organizations so we can get the word out. As you know, we do put out a newsletter. We go through and visit with those groups on a monthly basis so that we'll be able to, I think to get the word out rather quickly right after the first of the year, assuming this is approved. We look forward to it and we think there will be a good response.*

Governor Sandoval asked Mr. Reynolds to visit with the Office of the Military in Nevada with General Burks and the National Guard to ensure that he is aware and that they can make sure their troops and men and women are aware of that. The

Governor went on to say that he was sure he would have some good ideas with regard to active duty soldiers as well. Mr. Reynolds stated he would.

The Secretary of State moved for approval of Contracts 1-36 with Contracts 5 and 29 being withdrawn. The Attorney General seconded the motion. The motion was passed unanimously.

12. Master Service Agreements – Attachment [Exhibit 3](#) (For possible action)

Mr. Wells said that there are nine master service agreements (MSA) in Exhibit 3 for approval by the Board this morning. Members have requested additional information on numbers 3-9. These are MSAs for Grant Project Evaluator Services and representatives from Purchasing and the Grant's Office are available to answer any questions. There were no questions.

The Secretary of State moved to approve the Master Service Agreements included in agenda item number 12. The Attorney General seconded the motion. The motion was passed unanimously.

13. Information Item – Attachment [Exhibit 4](#)

Pursuant to NRS 333.700, 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 October 19, 2016 through November 15, 2016.

Mr. Wells explained, there were 27 contracts under the \$50,000 threshold approved by the Clerk between October 19, 2016 and November 15, 2016. This item is informational only but there were requests for additional information on Contracts 8 between the Governor's Office of Economic Development (GOED) and Applied Economics, contract number 9 between GOED and Applied Analysis and contract number 18 between the Department of Health and Human Services, Division of Public and Behavioral Health and the UNR Department of Psychology.

Governor Sandoval stated he asked for this to be withheld but would assume this is associated with the stadium analysis of the Tourism and Infrastructure Committee. Mr. Cory Hunt was at the witness table and introduced himself as the Northern Regional Director of the Governor's Office of Economic Development (GOED). He confirmed and added, in short, some of the work that will be conducted under this will be for the stadium. *Several months ago, we identified 12 firms through a request for qualifications that do work in eight unique areas such as economic analysis and labor market analysis. In an effort to proactively contract with those firms, we are putting these contracts forward so that we can have those contracts in place when the*

projects come forward. As we have other economic development projects that arise, we have them in place and we can reduce our need for emergency contracts and the like.

Governor Sandoval noted, essentially this is an on-call contract, so that there's a fund of money, if it's the proposed stadium or something else that is associated with economic development, GOED will have the funds available to be able to use Applied Economics and Applied Market Analysis for whatever purposes are necessary. Mr. Hunt confirmed and added, *we've identified 12 firms that qualify in the areas and we've already processed contracts with two other firms. We expect to bring forward other contracts at a later date for those other firms that qualify. And to be clear, these are two separate companies although their names are similar. Two separate companies, two different ownership, and different areas of expertise as well.*

Governor Sandoval moved to Contract number 18 and said he had asked for this contract to be withheld because it is a great opportunity. This is an interlocal agreement between DHHS, Behavioral Health Rural Clinics and the University of Nevada, Reno, School of Liberal Arts, Department of Psychology to provide telepsychology services from doctoral psychology students deemed competent to provide services under the supervision of a licensed clinical psychologist. He added he's very concerned about access to care for Nevada residents who are in the rural communities. It sounds like this is something that's going to help address that.

Amy Roukie, Deputy Administrator, Division of Public and Behavioral Health, Clinical Services was at the witness table. She explained, *this contract actually provides us, through the rest of the fiscal year with up to 16 hours per week for 50 weeks of doctoral psychology students to be available for telepsychology into the rural areas. Currently, we are providing that service through the Nevada Rural Partners and we are providing it in the rural hospitals, there are nine. So when there's a need for an assessment to be done at a rural hospital where there's no behavioral health clinician available, we're doing telepsychology through that program.*

In addition, we are working to do the same in our 13 rural clinics where we have our rural clinic staff, our social worker staff that do evaluations but can also accept walk-ins. So if there's a need for a higher level of evaluation, we're going to use this virtual waiting room and the virtual client to be able to bring a doctoral level psychologist available to that person so that a higher level of evaluation and determination of clinical care can occur.

Governor Sandoval asked Ms. Roukie what her experience has been so far with the telepsychology? Ms. Roukie stated, *it's an emerging trend and went on to add that she thinks it's going to really help to get access to all the rural and frontier counties that we're dealing with. Currently, it is this new model that we're using through—it's the virtual client and using Nevada Rural Partners has really been helpful. I think we're having a difficult time making sure that we have adequate numbers of professionals available through that portal. We are working on trying to engage them even beyond the student level and even in the future would like to see if we can get*

telepsychiatry and telepsychology available to rural hospitals 24 hours a day so that they aren't having their individuals in crisis waiting in their hospital for sometimes hours and days before determination of legal status can occur. Unfortunately, because the access is so limited in the rural areas that will be our best chance to get them immediate care and make determinations about what to do.

In addition to that, I think it is a trend nationwide to be able to provide access in that manner. We are having some challenges with bandwidth. That is going to be something that we'll continue to work with the EITS Office as well as being able to look at individual areas. Obviously, we have, where there are larger populations, such as Elko, it's an easier time than it would be of course in Austin or Ely, some of the most remote places. We're looking through this program to have this as our starting point to reach out to the rural hospitals. We're already doing that next step, next phase is the rural clinics that are available for walk-ins and doing evaluations on site which they're doing now and then getting a higher level of care available in the virtual waiting room. So as soon as they can make that appointment, there will be a higher level clinician available to them at that time.

Secretary of State asked for an update of where we started from, some kind of report on where we were, where we are today and how soon we think we'll be there. *I think that the veterinarians, as I recall, they've been doing it for a while. That's kind of what spearheaded it in the legislature was finding that out and that we were able to go and help individuals actually have a virtual doctor so to speak. Just the technology issues that we all know that we have here, but just some type of an update would be wonderful.*

Governor Sandoval asked to know where the bandwidth issues are occurring. *I know that through the Nevada Hospital Association, there was a grant that was supposed to cure that issue. If it's an ongoing issue, we can approve all the contracts we want here and if there's not bandwidth to accomplish it then it really doesn't serve the purpose. I want to get at that if it's still a problem.* Ms. Roukie agreed and added, *we are meeting this week for an update with the Nevada Rural Partners and we will be able to have even more information at that time about the status. They have been working on a grant cycle which ends on September 30th. They've been in a four-year grant period to make this happen. We're at the end of that, so we're getting very close to being live. I will also check with them on their issues with connecting and bandwidth.*

14. Information Item – Report

A. Fiscal Year 2017 - 1st Quarter Overtime Report

Mr. Wells summarized the 1st quarter overtime report. Total overtime pay and accrued compensation, accounted for \$11.8 million, or 5% of total pay for the 1st quarter of FY 2017. That is a 30% increase from the same period in FY 2016. The agencies with

the highest dollar amount of overtime and accrued comp time for the quarter are the Department of Corrections at \$3.2 million, the Department of Health and Human Services at \$2.5 million, the Department of Public Safety at \$2 million, the Department of Conservation and Natural Resources at \$1.5 million, and the Department of Transportation at \$1.2 million. At the Department of Corrections, overtime and comp time are driven primarily by the large institutions. The top six institutions plus the prison medical system account for 74.2% of the overtime for the Department of Corrections.

As a percentage paid, the highest for the quarter is the Department of Conservation and Natural Resources at 14.5%, followed by the Office of Veterans Services at 11.5%, the Department of Public Safety at 10.2% and the Department of Corrections at 9.4%. Comparing FY 2016 to FY 2017, the Department of Corrections had the highest increase at \$700,000. The Department of Health and Human Services increased by \$644,000, the Department of Transportation at \$344,000, The Department of Public Safety at \$323,000, and the Department of Conservation and Natural Resources at \$283,000.

There were only two departments that decreased their overtime by more than \$10,000 from the 1st quarter FY 2016 to 2017. They were the Department of Wildlife and the Department of the Military.

As certain organizations have biennial overtime trends, we also compared FY 2015 to FY 2017. When comparing those, 1st quarter of 2015 to the 1st quarter of FY 2017, we saw pretty much the same status of the seven agencies where those who were increasing over FY 2016 also increased over FY 2015. Those who decreased from FY 2016 to FY 2017 also decreased from FY 2015 to FY 2017

Governor Sandoval asked Mr. Wells if he could give him just a little more specificity as to why there's this additional overtime, particularly with the ones that you described that are a higher percentage as a share of total pay? Mr. Wells said that his office has not done a lot of digging into the reason codes. When you fill out your timesheet, there are reason codes that agencies use for overtime. Sometimes we're able to get what those overtime codes mean. For example, for the Department of Corrections, there will be shift coverage for somebody who is sick or shift coverage for somebody who is on annual leave. There are a lot of unassigned codes and we don't have a good tracking mechanism for the overtime usage. The Departments, I believe, have the overtime codes and can tell better as to why the specific increases are occurring.

Governor Sandoval noted he asked because he knows, as everyone can appreciate, they're going into a budget cycle and if year over year we're seeing more overtime with the same agencies, it would be nice to know why that is and if we need to make some changes with regard to their respective budgets. I'm more familiar with Corrections and Department of Public Safety. It's DCNR and some of these others that were interesting to me as well as Veterans Services. Mr. Wells added, the Department of Conservation and Natural Resources (DCNR), a lot of that is the forest

fire. Firefighters and the summer interns. Mr. Wells said that you see them, typically in this first quarter of the fiscal year, they'll be really high because of the fire season. They'll go down through the balance of the fiscal year. We've seen that over the last couple of years. Health and Human Services, I believe some of that also is driven by 24-hour facilities. They have some of the hospitals that have overtime related to the same reasons that the Department of Corrections does.

Governor Sandoval asked Director Dzurenda for maybe an impromptu update with regard to staffing because he knows that's been an issue at Lovelock and Ely. *We had approved at this Board the ability for you to hire retired officers and bring correctional officers back.* The Governor asked if most of this is associated with is staffing and being able to fully staff the respective institutions? Director Dzurenda stated it didn't help us. *We only got one request for a retiree to work in Ely. Of 100 officers we were approved to be able to hire back, we only got one. It didn't help us out a little bit. Our biggest issue with our overtime cost is medical. Almost 75% of our overtime is related to some type of medical. And how drastic this was, in 2015, we had 1,916 admission days in the outside hospitals. Those are how many days that somebody had to be admitted 24 hours in a hospital. In 2016, that number went to 2,540 days which means there are 624 more admission days in 2016 than there was in 2015. When you look at admission days from an offender, it takes between one and three officers, each shift, on overtime, because it's unbudgeted money to watch an offender, depending on security level. When you're talking about one 24-hour period, it goes anywhere between three officers and nine officers on overtime for one admission day for a 24-hour period which was pretty much our biggest devastating overtime cost for this year alone. That number, we don't expect it to get much better because our aging population in the Department of Corrections, even nationally is going up, which means the medical issues keep going up.*

Built into the overtime for the medical is also when you can't get service providers at our locations like Ely, at Lovelock, that requires our staff to transport into the community providers to get the medical or follow-up medical appointments in the community rather than inside the prisons because we don't have the employees to be able to cover those services. One person going into the community has to be watched by overtime for officers to be with them out in the community. All those, that 75% is a really drastic number.

The other 25% is our inability to fully staff our agency. It's very difficult for us on recruitment and retention, which we'll hopefully be able to address some of this during the Legislature. In order to get additional staff that decreases our overtime—not additional staff, but to get us to a level where we were approved will reduce overtime and also be able to keep those staff on board is a big issue with our agency because there's other agencies that, once they go through our training, which costs a lot of money to get POST Certified, other agencies like Las Vegas Metro pick up the majority of our staff to hire into other agencies with better benefits and more money. It's a two-fold issue on our overtime costs.

Governor Sandoval thanked Director Dzurenda. He added, *I did check with the hospital because we had talked about perhaps, if the hospitals could put the inmates that are receiving medical care in, for example, in one wing so that it would make it easier to secure them but they made me appreciate more that, if you've got an inmate with a kidney issue and one with a heart issue, you've got to have them in those respective departments within the hospital, which means as you say, you've got to post two COs at every single one of those rooms. Just as a practical matter and a standard of care matter, you can't put individuals with different illnesses or problems all in the same place.*

15. Public Comment (No action may be taken upon a matter raised under public comment period unless the matter itself has been specifically include on an agenda as an action item)

There was no public comment.

16. Adjournment (For possible action)

The Attorney General made a motion to adjourn. The Secretary of State seconded the motion. The meeting was adjourned.