

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: August 8, 2017, 10:00 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 of the Board

OTHERS PRESENT:

Paul Georgeson, Partner, McDonald Carano Law Firm
Matthew Dushoff, Kolesar & Leatham Law Firm
Eric Johnson, Administrator, Department of Conservation and Natural Resources,
Parks Division
Steve Weinberger, Administrator, Governor's Finance Office, Division of Internal Audits
Steve Canavero, Superintendent, Department of Education
Ann McDermott, Bureau Chief, Office of the Attorney General
Brian Mitchell, Director, Governor's Office of Science, Innovation, Technology
Rene Cantu, Executive Director, JAG Nevada
Marta Jensen, Administrator, Department of Health and Human Services, Division of
Healthcare, Financing and Policy
Jack Robb, Deputy Director, Department of Wildlife

Marcel Schaerer, Deputy Director, Department of Business and Industry

1. Call to Order / Roll Call

Governor: Good morning ladies and gentlemen. I will call the Board of Examiners Meeting to order. All Members are present.

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)

Governor: We will move to agenda item number 2, Public Comment. Are there any members of the public present here in Carson City that would like to provide comment to the Board? Good morning Mr. Georgeson.

Paul Georgeson: My name is Paul Georgeson. I'm with McDonald Carano law firm. I am here representing Delta Dental today. I have a comment with respect to a specific agenda item which is the approval of a contract that is on the agenda. I was not sure if I should submit that comment now, during the public comment portion, or wait and provide my comment when you get to that specific agenda item.

Governor: Comments would be appropriate now.

Paul Georgeson: All right.

Governor: Just as a preliminary Mr. Georgeson, I got a message that you wanted to speak for 10 minutes, plus, on this agenda item, is that accurate?

Paul Georgeson: I do not know that I will need 10 minutes, but I think more than three might be appropriate.

Governor: And, I am not going to limit you to three minutes. I am familiar with what you are going to speak about. I have a copy of your letter, which was delivered yesterday to my office that was directed to Director Jim Wells, dated August 7th. That letter preceded the decision of the Appeals Officer, which I believe was issued yesterday.

Paul Georgeson: Apparently issued yesterday afternoon.

Governor: What I would ask is that you try not to relitigate this matter before this Board. That really is not our purview. Obviously, there is not going to be any submission of evidence and presentation of witnesses, but I do understand the importance of you making a record today with regard to comments on the matter.

Paul Georgeson: Thank you Governor.

Paul Georgeson: So, we are here today — I represent Delta Dental. Delta Dental was the unsuccessful bidder on the contract which is contract number 9 on the Contract Summary list. That is the contract between the Department of Health and Human Services and proposed to be Liberty Dental. This is a \$400 million contract for the provision of Medicaid dental benefits. A Dental Benefits Administrator. So, it is a significant sum we are talking about and a significant matter, obviously.

The purpose of my request today is to ask that the Board refrain at this time from approving that contract. At least pending the final determination and final adjudication of my client's appeal of this matter. Now, I understand that the Hearings Officer did issue a decision, apparently yesterday. It is actually un-dated, but I understand it was issued yesterday. I received it yesterday afternoon at 2:45 pm. Prior to that, I think a formal stay was in effect pursuant to NRS 333.070, subsection 6, but that likely expired yesterday when the decision was entered.

We will be filing a Petition for Judicial Review of the Hearing Officer's decision once we are formally served with the decision. There are three important points that I want to make without getting into the weeds and without getting into much detail on the submission of our letter that was submitted yesterday, August 7th.

There are three important issues behind our appeal that we think need to be addressed by the Court in this matter. One is we believe there are violations of important public policy issues with respect to bid-shopping. The short version is, Governor, that a Request for Proposal (RFP) was issued. Our client was determined to be the best bidder on that RFP but then, before the contract was awarded, that RFP was withdrawn only after the submissions of the parties, including our party's winning submission, were provided to all other bidders. The RFP was withdrawn and reissued with what we believe were minor inconsequential changes and we believe that procedure was inappropriate under the context and the idea of public bidding process, of the potential to allow bid shopping if something like this takes place, where a public agency can issue an RFP, find the winning bidder, disclose their information and then decide we are just going to do it again and see if we get someone different. So, we think there are significant public policy issues that relate to this that need to be addressed by the Court with respect to bid shopping and the purposes behind public bidding in the first place, which are to guard against favoritism, improvidence and potential corruption. We do not indicate that there is any corruption here. I do not want to say that is the case.

The second issue is we believe there were significant violations of specific statutes and regulations in the public purchasing statutes and regulations in NRS 333. There were several of those. We believe one was the disclosure of my client's winning submission at an improper time before the contract was awarded. We believe there were violations with respect to who the evaluators were on the panel and how the evaluation took place. Now, the Hearings Officer did rule against us on a couple of those issues, but those are issues of the first impression in the State of Nevada. There is no Nevada Supreme Court case law or other case law on that issue. The Court will take a look at those issues on a de novo basis. So, while we did not prevail on those issues before the Hearing Officer, we believe we have a significant possibility of prevailing during judicial review.

The third issue, which is a significant issue, which is not addressed in the order of the Hearing Officer, is our clients, as Appellants of the Original Award, are entitled to due process. The problem is our clients were not afforded due process in order to present their claim before the Hearings Officer. As indicated, this is a \$400 million contract. This is a significant contract. We were not allowed to conduct any discovery what so ever to look into the facts and evidence that was beyond our personal control. We were not allowed to subpoena any documents from any third-parties to try to find out what was going in the background behind these RFP's and the cancellation and the renewal and the scoring. We were not allowed to subpoena any witnesses to come testify at the hearing, so we could not compel any testimony at the hearing to try to prove our case. We were only left with what witnesses the other parties voluntarily had appear at the hearing. When we were not allowed to subpoena parties, we sought public records requests from three agencies. That was over a month ago. As of today, we have no response from two of those agencies to our public records request of substance, just that they are looking into it and will get to us later and one response with one email.

We were precluded from putting on our case, from putting on our appeal in this matter. We think when a District Court looks at this on a judicial review basis, the District Court is going to find that Delta Dental was not afforded its due process rights in the process here.

We will be seeking judicial review. We will be seeking an injunction from the Court to adjoin this contract from taking place and moving forward. We believe it would be improvident from a public policy standpoint and not in the best interest of the citizens of the State of Nevada to proceed with the approval of the contract at this time under these circumstances.

Governor: Mr. Georgeson I appreciate your comments and I understand them. As you said, you are going to be seeking a de novo review before the District Court. I do not know if the venue would likely be here in Carson City.

Paul Georgeson: I believe it will be.

Governor: With the complexity of what you talked about, in terms of your presentation and the number of witnesses and the amount of discovery that has to be conducted, it is my impression that it will be a significant amount of time between when you take your case to the District Court here in Carson City and that it is fully litigated and a decision is made by a District Court Judge.

Subsequently, given that the amount that is at stake, as you said, a \$400 million contract, it is likely that that decision will be appealed to the Nevada Supreme Court, which would be another significant amount of time. Which, again, I do not mean to sound pejorative in any way, but this sounds like at least a couple year process, being conservative.

I will talk about this when the contract comes up but my concern is this, you mentioned that it is not in the best interest of public policy and the residents of the State of Nevada to consider this contract today. My concern is the people that need to be served and the patients. The purpose of this contract is to improve and enhance the presentation of

dental care to the people of Nevada. That includes kids, adults, and senior citizens. To delay this for another couple years I do not think serves the best interest of the people of the State.

Obviously, we are going to have a presentation with the potential contractor today and I will ask some questions, but given where this is at least postured today, I am very concerned about the delay that would happen, one way or the other, without the provision of those dental services to the people throughout the State.

There was a reason why this historically had been done as a fee for service within Medicaid. This Dental Benefit Administrator, like a managed care organization, is to provide preventative care. The whole purpose of this was to enhance the delivery of dental care to the residents of this State. I want you to appreciate that other side.

The other thing is, again, I do not want to have to litigate this today. Liberty is going to have a different view of what happened and the State, frankly, is likely going to have an opinion on how this came out. Again, I did not want to limit you in any way in terms of making your record.

Paul Georgeson: Thank you Governor. Just two quick points on the issue of the timing. Those benefits are being provided at this time. This is not a situation where there are no Medicaid dental benefits being provided and this will start that. So, as you would use the term 'enhancement', while there may be an enhancement of the provision of those benefits, it is not a situation where they do not exist now and they will exist. And, there is testimony that there is another entity that will take over and continue to run those benefits if this contract was not issued. I wanted to point that out as well.

There was some discussion about the urgency during the hearing by the other parties of this, but then the question becomes then, why did they cancel the first RFP and reissue it if it was so urgent. That becomes a question there.

So, while I understand that the citizens and the children, particularly because this covers mostly children of this State deserve this protection. I think it is there now, it will continue to be there, regardless of the issuance of this contract or approval of this contract today.

Governor: I am not going to go back and forth. If I gave the impression that there would be no dental care if this was not approved, that was not my intention. Thank you Mr. Georgeson.

Paul Georgeson: Thank you for your time today.

Governor: Is there any further public comment? If you would identify yourself for the record.

Matthew Dushoff: Matthew Dushoff on behalf of Liberty Dental who has the other viewpoint and I will be real brief on this. As a Deputy Attorney General for 10 and a half

years, I had the opportunity to do many petitions for judicial review and the problem is on the first RFP, which they did not tell you, is they had the opportunity to file a petition.

Governor: Mr. Dushoff, let me caution you. I am going to give you the same admonishing I gave Mr. Georgeson. We are not going to re-litigate this today.

Matthew Dushoff: And I do not want to, I apologize. I just wanted to give our point that we think we have a very good chance in a petition for judicial review. As you know and are well aware that has to be arbitrary and capricious, it was not. I just urge this Board to approve this because of the children. I know a petition for judicial review will take conservatively over two years and this contract is only two years. If we go up to Petition and then go up to Supreme Court, it would basically mute out this contract. I would like this Board to take that into account. Thank you.

Governor: Thank you Mr. Dushoff and it is good to see you, it has been a long time. All right, any other public comment from Carson City? I hear and see none. Is there any public comment from Las Vegas? I hear and see none. Thank you.

3. Approval of the July 5, 2017 Minutes (For possible action)

Governor: That brings us to agenda item number 3, approval of the July 5, 2017 meeting minutes. Have the Members had an opportunity to review the minutes and are there any changes?

Secretary of State: So moved.

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

Attorney General: I second.

Governor: Seconded by the Attorney General. Any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

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:
Department of Conservation and Natural Resources – Nevada State Parks Division	29	\$885,344
Department of Public Safety – Division of Investigations	3	\$101,718
Department of Wildlife	17	\$545,826
Total	49	\$1,532,888

Governor: We will move to agenda item number 4, State Vehicle Purchases. Mr. Wells, good morning.

Clerk: Good morning Governor and Board Members. There are three requests for vehicles in this agenda item.

The first request is from the Department of Conservation and Natural Resources, State Parks Division to purchase 29 vehicles, the authority of which was included in their legislatively approved budget. 21 of these vehicles are associated with the Explore Your Nevada Initiative for new parks and new positions throughout the park system and eight of them are for replacement vehicles that have met the age and/or mileage requirements in the State Administrative Manual.

The second request is from the Department of Public Safety, Investigations Division to replace three vehicles that have met either the age and/or mileage requirements in the State Administrative Manual or are requiring expensive repairs to maintain in good running condition. These vehicles were also included in the Agency’s legislatively approved budget.

The third request is from the Department of Wildlife to replace 17 vehicles that have met either the age and/or the mileage requirements in the State Administrative Manual or are requiring expensive repairs to maintain in good working order. These too were included in the Agency’s legislatively approved budget.

There are representatives from each Agency available if the Board Members have additional questions.

Governor: I thought I saw Eric Johnson here. Eric, do you mind coming up and talking a little bit about, at least what these trucks are going to be used for and I guess to get to the nub of it is, what is going on with the East Walker State Park?

Eric Johnson: Thank you Governor. Eric Johnson, Administrator for Nevada State Parks. Yes, the trucks are for positions associated largely with the Explore Your Nevada Initiative. We have hired the Park Supervisor and we are hiring the Park Ranger 3. The Conservation Staff Specialists will be hired in October and Park Aides are coming on right now. You would be pleased to know, we did find a caretaker for the Stone House, down there at the Nine Mile. So, it is being watched over very closely right now and the vandalism has stopped. Would you like an update on the progress on the development Governor?

Governor: Yes please.

Eric Johnson: The campground designs for the primitive campground are completed. Site work is being done as we speak. We have got a little bit more interaction with the Tribe to complete but everybody seems to be in agreement with where we are going. We are excited about the cabins. We found those locations and are just about nailed down on the exact sites to give the visitor the river experience, the solitude experience and the distance from other camper's experience.

In working with the Department of Wildlife, we are excited about the fishing opportunities that will be down there next year, depending on the winter, you know, presumably, next spring should be an ideal time to be down there. It is going well. We thank the State for its support of this initiative and we are all very excited to move forward with this.

Governor: Thank you Eric. I am as excited as anyone. Hopefully, everybody is aware that we are going to have a new State Park and it is going to bring a recreational opportunity unlike anywhere else in the State. Just for the benefit of everybody, Eric, just one last thing. Will you give a little more perspective on the significance of the Stone House?

Eric Johnson: The Stone House was built circa the 1860s. It is unique in that it is largely in the middle of nowhere but it is a two-story masonry project - it is not stacked rock. It is actually a stone/mortar building. Its significance is that it is one of the few buildings in that area and it is one of the oldest buildings in the State. Mark Twain spent some time in that building because he stayed for an extended period of time to look after an injured friend. He lost an opportunity to a mining claim that at the end of the day cost him a small fortune. He chose to stay with his friend. So, he did reside in that house for a period of time. It was severely damaged in the earthquake just a few months ago. We do have a means to fix that. That planning is in the process right now. We have already had a consultant look at it. It is very fixable. We will be fixing it very shortly.

Governor: Thank you very much Mr. Johnson. Are there any other questions from Board Members on this or any other part of the agenda item?

Attorney General: I move to approve.

Governor: Attorney General has moved to approve the State Vehicle Purchases presented in Agenda Item number 4. Is there a second?

Secretary of State Second.

Governor: Seconded by the Secretary of State. Any questions or discussion on the motion? I hear and see none. That motion passes 3-0. Thank you.

Eric Johnson: Thank you.

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

A. Department of Health and Human Services – Division of Public and Behavioral Health – Facility for Mental Offender

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Chris Radford-Price, a former Director of Nursing, to assess, coordinate and participate in direct client care. This employee will support Lake's Crossing Center for approximately 20 hours per week from August 9, 2017 through August 8, 2018.

B. Department of Administration – Purchasing Division

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Ethan Dorrance, a former Correctional Officer, to provide uniformed security guard services through Allied Universal Security Services.

Governor: We will move to agenda item number 5, Authorization to Contract with a Current and/or Former Employee, Mr. Wells.

Clerk: Thank you Governor. There are two requests this morning to contract with current and/or former employees pursuant to NRS 333.705, Subsection 1.

The first request is from the Department of Health and Human Services, Division of Public and Behavioral Health, to contract with a former Director of Nursing to provide client care at the Lake's Crossing Center. Lake's Crossing is experiencing a shortage in nursing staff resulting in coverage less than that required under the Center's license. The contract would be for approximately 20 hours per week for a one-year period, at a rate of \$50 per hour while the Center recruits and fills vacant positions and completes its policy and protocol projects.

The second request is from State Purchasing who contracts with Allied Universal Security Services through a Master Services Agreement to provide uniformed security guards to various State agencies. This request is for Allied Universal to use a former employee who left state service earlier this year to perform these services. Allied Universal also uses these employees on other contracted jobs with non-State of Nevada employers.

There are representatives available to answer any questions that the Board Members may have.

Governor: Thank you Mr. Wells, I have no questions. Board Members? Pretty straightforward. All right then, if there are no questions, the Chair will accept a motion to approve authorization to contract with a current and/or former employee as presented in agenda item 5 A and B.

Attorney General: I move to approve.

Governor: The Attorney General has moved for approval, is there a second?

Secretary of State Second.

Governor: Seconded by the Secretary of State. Any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

6. State Administrative Manual Changes (For possible action)

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

2400 – Division of Internal Audits

Governor: We will move to agenda item number 6, State Administrative Manual changes. Mr. Wells.

Clerk: Thank you Governor. Item 6 is another chapter in the ongoing revisions to the State Administrative Manual. This is for Chapter 2400 – Internal Audits. This chapter has been revised to reflect the organizational changes that were approved during the 2017 Legislative Session and to clean up certain other language, and combines applicable sections and eliminates language no longer necessary. Also, at the request of the Governor, the section on audit reports is clarified and expanded to include reports containing corrective action provisions being submitted to the Governor's Finance Office. Administrator Steve Weinberger will go through the highlights of the changes to this chapter and answer any questions Board Members may have.

Governor: Good morning Mr. Weinberger, please proceed.

Steve Weinberger: Good morning Governor. For the record, Steve Weinberger, Administrator of the Division of Internal Audits, here to give you a quick overview of the changes we made to our new and hopefully improved SAM Section.

First, we reorganized the Division. We eliminated the Financial Management Section and we incorporated all the responsibilities for that section under our Executive Branch Audit Section. You will actually see that under 2402. We also added a section regarding our

Fraud Waste and Abuse Hotline. That was never in there. That is also under Section 2402. As Director Wells alluded to, at the request of the Governor, we revised Section 2406, which is Audit Reports. Where before this section just used the term 'audit reports'. We added some wording there to instruct agencies to also forward federal monitoring site visit reviews, reports or surveys, or anything that requires a corrective action plan or response from the Agency.

We also changed the requirement for the biannual report on Internal Controls. Currently, every Agency has to submit it. We are allowing Departments with multiple agencies to submit just one report and cover all of the agencies. That is actually all I have as far as the changes we have made, thanks.

Governor: Thank you Mr. Weinberger. With regard to 2406 and those Audit Reports, as you know, the State has probably hundreds if not thousands of grants and federal programs that require federal review and sometimes those reviews come back. It is always helpful, I believe, to have another set of eyes on those, particularly a set of trained eyes. It just is another tool in the tool box to make sure that the State is doing everything that it possibly can to ensure it is in compliance with those grants. If there is an issue that needs to be corrected, it needs to rise to your level and therefore, to the Governor's Office level so that it gets the attention it deserves.

I do not know if you have any further comments in terms of how that will improve the process and what will happen when it comes to your office.

Steve Weinberger: Thank you Governor. For the record, Steve Weinberger. What we are doing is, as we receive them, we basically schedule them out and we are going to do a Risk Assessment on each one. We are anticipating quite a few of these and it is going to really increase our workload. We want to schedule them out and then, based on the severity of the issues in that report, that will determine how quickly we get out there and do a follow-up. If nothing else, if it is severe, we will contact the Agency right away and have a meeting regarding what they are doing right now to implement their corrections. They are instructed to copy our agency on all further correspondence between them and the Agency that performed the audit or site survey.

Like I said, we try to get out there as soon as we can, especially if it is some findings of a serious nature, with serious consequences. Sometimes it depends on what the Feds are going to do. If they are going to come out and do a review in two months, we may wait until the Feds are done. Or, if the Agency has two months to actually implement their corrections, we will give them the two months before we actually go out there.

Governor: Thank you. Any other questions from Board Members? This is really going to improve the process moving forward. All right, if there are no questions, the Chair will accept a motion to approve the State Administrative Manual changes as presented in agenda item number 6.

Attorney General: Move to approve.

Governor: Attorney General has moved for approval, is there a second?

Secretary of State Second.

Governor: Seconded by the Secretary of State. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0. Thank you very much.

7. Approval To Pay An Allocation From The Interim Finance Committee Contingency Account (For possible action)

A. Office of the Attorney General – Crime Prevention \$6,253

Pursuant to NRS 353.268, subsection 1, the Office’s Crime Prevention Account requests an allocation of \$6,253 from the Interim Finance Committee Contingency Account to cover a projected salary shortfall.

B. Office of the State Treasurer \$136,014

Pursuant to NRS 353.268, subsection 1, the Office requests an allocation of \$136,014 from the Interim Finance Committee Contingency Account to pay for contract expenditures on software development and maintenance for the Education Savings Program.

C. Commission on Ethics \$14,470

Pursuant to NRS 353.268, subsection 1, the Nevada Commission on Ethics requests a loan of \$14,470 from the Interim Finance Committee Contingency Account to fund expenditures through the end of the fiscal year.

D. Department of Education - \$211,749

Pursuant to NRS 353.268, subsection 1, the Nevada Department of Education requests an allocation of \$211,749 from the Interim Finance Committee Contingency Fund to replenish the Special Education Contingency Account.

Governor: Agenda item number 7, Approval to Pay an Allocation from the Interim Finance Committee Contingency Account. Mr. Wells.

Clerk: Thank you Governor. Item 7 includes four requests for allocations from the Interim Finance Committee, General Fund Contingency Account pursuant to NRS 353.268. I will mention that the fourth request from the Department of Education has been withdrawn and will be brought back at a later time.

The first request in the amount of \$6,253 is from the Office of the Attorney General’s Crime Prevention Account. This will cover a salary shortfall that resulted from two employees transferring into the Office at higher steps than were originally budgeted.

The second request in the amount of \$136,014 is from the Office of the State Treasurer to cover development and maintenance costs associated with the system to implement Education Savings Accounts. The program development was completed in December 2015 prior to the court injunction and was scheduled to be amortized over four years with the intent to cover the annual payment with the 3 percent administrative fee in the program. Since funding for the program was not approved by the 2017 Legislature, the Office has terminated the contract with the vendor. However, the State is liable for vendor costs that were incurred in the development prior to the contract termination.

The third request in the amount of \$14,470 is from the Commission on Ethics. This is for a loan to cover a funding shortfall from local governments that resulted from a change in the accounting practices in which local governments were credited more than was available for Fiscal Years 2015-2017. The local governments have been billed for the amounts owed and if sufficient receipts are collected prior to the Interim Finance Committee (IFC) meeting on August 24th, this request will be withdrawn. If not, the IFC Contingency Fund will be repaid once those receipts are collected in 2018. There have also been changes to the billing methodology to prevent this from happening in the future. There are representatives from the various departments to address questions the Board Members may have on those requests.

Governor: Thank you Mr. Wells. Very thorough. I have no questions. Board Members?

Attorney General: No questions Governor.

Governor: If there are no questions, the Chair will accept a motion to approve an allocation from the IFC Contingency Account as presented in agenda item number 7.

Attorney General: Do you need to exclude D?

Governor: Without D, yes. Thank you.

Attorney General: Move to approve.

Governor: The Attorney General has moved for approval. Is there a second?

Secretary of State Second.

Governor: Seconded by the Secretary of State. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

8. Authorization to Approve a Provider Agreement (For possible action)

Department of Health and Human Services – Division of Child and Family Services – Provider Agreement Form

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

- Medication Management, Psychiatric and Psychological Evaluations (Youth Parole Services)
- Medication Management, Psychiatric and Psychological Evaluations (Juvenile Justice Facilities)

Governor: We will move to agenda item number 8, Authorization to approve a provider agreement. Mr. Wells.

Clerk: Thank you Governor. Item 8 is a request from the Department of Health and Human Services, Division of Child and Family Services for the Board to approve an amendment to an existing provider agreement and a new provider agreement for medication management, psychiatric and psychological evaluations.

The agreement to the first document is for covered youth at the Parole Board offices. This original agreement was only for these services and was expanded to provide services at the Caliente Youth Center. The amended agreement ended up creating confusion for the providers so the agreement is being amended back to its original form to provide services only to those youth in the Parole Board offices recognizing that there are different services to be provided between Juvenile Justice and Youth Parole.

The second new provider agreement will cover these same types of services at the juvenile justice facilities throughout the State. The Division is also seeking the ability to use these at not just Caliente Youth Center but also the Nevada Youth Training Center in Elko and Summit View in Las Vegas. There are representatives available if there are any questions from the Board.

Governor: Thank you Mr. Wells. I have no questions. Board Members? If there are no questions, the Chair will accept a motion to approve the authorization to approve a provider agreement as presented in agenda item number 8.

Attorney General: Move to approve.

Governor: The Attorney General has moved for approval. Is there a second?

Secretary of State Second.

Governor: Seconded by the Secretary of State. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

9. Master Lease Agreement (For possible action)

Department of Administration – Enterprise Information Technology Services

The Division seeks approval for the second amendment to the existing master lease agreement with International Business Machines (IBM) which provides IBM Mainframe Storage Equipment for disaster recovery purposes in support of tape subsystems not to exceed \$1,024,967.18.

Governor: We will move to agenda item number 9, Master Lease Agreement.

Clerk: Item 9 is a request from the Department of Administration, Enterprise IT Services Division to amend a lease of mainframe storage equipment that is used for disaster recovery purposes. This amendment will extend the lease through June 30, 2021 at a cost of \$934,905. This is due to the upgrade of the Virtual Tape System and the addition of disaster recovery storage systems for both the Carson City and Las Vegas facilities. There are representatives from the Department of Administration available to answer any questions the Board may have.

Governor: Thank you Mr. Wells. Any questions Board Members? I have none.

Attorney General: Move to approve.

Governor: The Attorney General has moved to approve the Master Lease Agreement presented in agenda item number 9. Is there a second?

Secretary of State I second it.

Governor: Seconded by the Secretary of State. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

10. Approval to Join or Use Other Governments' Contracts (For possible action)

Department of Education – Assessments & Accountability - \$1,712,621.20

Pursuant to NRS 332.195, the Department requests to utilize a Chicago Public Schools Intrastate Interlocal Agreement with Northwest Evaluation Association to provide a new Measures of Academic Progress Kindergarten through Third Grade Reading Assessment.

Governor: We will move to agenda item number 10, Approval to Join or Use Other Governments' Contracts. Mr. Wells.

Clerk: Thank you Governor. Item 10 is a request to join or use another governments' contracts under the provisions of NRS 332.195 which allows the State to join or use contracts that are negotiated with other states or with local governments that are either within or outside the State with the authorization of the contracting vendor. The statute also provides that the original contracting government is not liable for the obligations of the government which joins or uses that contract. While these requests are similar to contracts, they use the terms and conditions that are negotiated by the contracting government with the vendor which may or may not be the same as the State's terms and conditions.

This request from the Department of Education seeks approval to join a Chicago Public Schools intrastate interlocal government agreement with Northwest Evaluation Association to provide new statewide measures of academic progress for kindergarten through third-grade reading, including computer-based assessment tool, professional development services, technical support, data integration and reporting. The work order for this service is \$1,712,621. The work order is valid through June 30, 2018. There are representatives from the Department of Education available to answer any questions the Board Members may have.

Governor: Thank you. Do we have representatives from the Department of Education on this agenda item? Dr. Canavero, good to see you.

Steve Canavero: Good to see you.

Governor: Well, if you would provide more explanation with regard to this. Obviously, this is all about Read By Grade Three. I would appreciate if you would give a little more perspective on this contract.

Steve Canavero: Absolutely. Steve Canavero, State Superintendent Public Instruction. I appreciate the opportunity to clarify. Following the 2015 Legislature, in adopting the Read By Grade Three included in the third-grade target for literacy, the State Board of Education had the authority to identify an assessment for us and in this case, first, second and third grade that aligns with the literacy targets we have established in third grade. They did so and selected the assessment that we are talking about here, the Northwest Evaluation Association (NWEA) Map. They did it for two reasons. First, they selected that assessment because when we canvassed the School Districts, trying to be as efficient as possible with the number of assessments that we ask our students to take. The majority of the districts already utilize the measures of academic progress.

The second reason, why they selected NWEA Maps was because it met all of the technical requirements. When we work with our students in first or second grade utilizing this assessment, we can clearly communicate with parents that the student is on or off track for reaching a provision under the responsible legislation that was passed, Governor, under your leadership in 2015.

So, as we set to work about how to initiate this coordination across the State, we found an opportunity. Rather than having each and every school district enter into a contract. If they already do not have one with NWEA for the Maps Assessment, we found an avenue working with State Purchasing, Governor's Finance Office and our Districts, to join an existing contract and provide a State umbrella.

By doing so, we not only save the State roughly \$350,000-\$346,000 on costs, but we also have access to buy a State umbrella access to professional development and consultants from NWEA who will be here on and in the State to provide support for our districts in not only utilizing the assessment but more importantly, how to interpret the assessment and provide meaningful literacy supports, all within the framework of the Read By Grade Three Legislation. If you need any more specific detail, I would be happy to provide.

Governor: Thank you Dr. Canavero. I suppose I would like a little more information. I know you understand and appreciate the first cohort of students will be coming through that have had the benefit of Victory Schools, Zoom Schools and some of the other programming that we have had. There is some concern associated with this program about, frankly, kids being held back. It is my understanding that there are good cause exceptions to allow kids to move forward but at the end of the day, we want children to be at grade level when they hit third grade. If you would go into that a little more, I would appreciate it.

Steve Canavero: Absolutely. You are correct. The 2020 Class will be the first class that may be subject to the retention provisions in the 2015 Bill. As you had identified, there are a number of good cause exemptions for students with disabilities, English language learners and others that were put into the Legislation to ensure that students who were subject to the retention provision were, in fact, the right students to be subject to retention. What we know from the research is that students who — and the reason why the 2015 Legislation has been actually cited as a National Model is that the research shows that students who are retained specifically for the purposes of literacy and their reading development actually surpass their peers in subsequent grades in academic outcomes. In other words, the negative effects of retention are not there for students who are retained specifically for reading.

We will continue to keep you apprised through reports now that we have established NWEA through this contract and provide the access. Our next step is to provide clarity and values to the school districts and to the public about the target in third grade and the targets now in second and first grade so that parents, public and students can all see their performance reflective of that particular standard.

We hope, I think as you do, that with all of the provisions that have been put in place, those that you have mentioned and further now with the SB178, Weighted Student Funding, and that your recommended budget that included doubling the amount of dollars available under this initiative, that we will see the appropriate interventions in place and see fewer and fewer students retained over time.

Governor: Thank you Dr. Canavero. Finally, if a child is retained, there are interventions that will happen and they will still have the opportunity to advance to the next grade during the school year, is that correct?

Steve Canavero: That is correct. Your recollection of the policy is spot on. There is a detailed provision which allows a student to be advanced. For record keeping purposes, they remain in the third grade, but those students who are close are able to be advanced and subsequently reviewed. I think importantly as well, Governor, the legislation includes not just a standardized assessment in order to measure reading but also includes performance assessments - a portfolio assessment. Not only are there good cause exemptions for specific categories of pupils, but there are also alternative ways to demonstrate reading proficiency other than the NWEA, the contract before you today, the Smarter Balance Assessment or the Statewide Assessment in third grade.

Governor: Thank you Dr. Canavero, any other questions? Madam Secretary of State.

Secretary of State Thank you. It is good to see you and hear the program you and the Governor have been talking about. I am extremely excited to hear about the portfolio assessments. I think we have been talking about that for about 20 years. I am very, very happy to hear that you are utilizing that and doing that for all students. Are you just using it for this program?

Steve Canavero: Steve Canavero, to the Secretary of State's question. It is utilized with this program only. I would say only in the very specific sense of the portfolio or performance assessment against a high-stakes decision like retention for literacy in third grade. There are other ways that portfolio assessments are utilized. One actually important aspect — and I say, specifically portfolio and generally—now, there is a provision that was just passed this last Legislative Session to allow students with disabilities to demonstrate their readiness to graduate utilizing a portfolio assessment as well. So, kind of both ends here of the spectrum, are two examples of how it is utilized. There are others I could address but specifically, those two.

Secretary of State And, we have used the portfolio assessment for kids with special needs, correct, for a while?

Steve Canavero: Steve Canavero. Yes. Particularly as it pertains to their goals and their individualized education plan. The thoughtful policy that the Governor signed this last session now extends that same right, if you will, to their graduation requirements. Students with disabilities who may or may not pass high-stakes assessments are now able to demonstrate their proficient and readiness to graduate and take on postsecondary challenges through a portfolio.

Governor: Thank you Dr. Canavero. Board Members, any other questions associated with agenda item number 10?

Steve Canavero: Thank you Governor.

Attorney General: Move to approve Governor.

Governor: Attorney General has moved to approve the Department of Education's request to utilize a Chicago Public Schools interstate/interlocal agreement with Northwest Evaluation Association to provide new measures of academic progress, kindergarten through third-grade reading assessment in the amount of \$1,712,621.20. Is there a second?

Secretary of State Yes Governor, I will second.

Governor: Seconded by the Secretary of State. Any questions or discussion on the motion? I hear and see none. That motion passes unanimously, 3-0.

11. Salary Adjustments (For possible action)

The 2015 Legislative Session made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet certain salary deficiencies for fiscal year 2017 that might be created between the appropriated money of the respective departments, commissions, and agencies and the actual cost of the personnel of those departments, commissions, and agencies that are necessary to pay for salaries. Under this legislation, the following amounts from the General Fund and/or Highway Fund are requested:

A. Department of Education

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
2673	Office of the Superintendent	\$29,897	
	Total	\$29,897	

B. Department of Agriculture

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
4550	Veterinary Medical Services	\$6,836	
	Total	\$6,836	

C. Department of Corrections

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
3706	Prison Medical Care	\$194,000	
3738	Southern Desert Correctional Center	\$289,000	
3751	Ely State Prison	\$300,000	
3761	Florence McClure Women's Correctional Center	\$151,000	
	Total	\$934,000	

Governor: We will move to agenda item number 11, Salary Adjustments, Mr. Wells.

Clerk: Thank you Governor. Sections 4, 5, 6 and 7 of AB489 from the 2015 Legislative Session appropriated Salary Adjustment Funds to the Board of Examiners to cover vacancy salary savings built into agency budgets as well as the 1% and 2% Cost of Living (COLA) adjustments that were effective July 1, 2015 and July 1, 2016 respectively which were not included in agency salary budgets.

Agencies whose actual salaries exceed their budgeted amount due to the vacancy savings or the COLAs are allowed to request salary adjustment dollars from the Board of Examiners. This item represents requests to access those funds by:

The Department of Education for the Office of the Superintendent Account to cover the cost of the COLAs in the amount of \$29,897.

The Department of Agriculture for the Veterinary Medical Services account to cover the cost of the COLAs in the amount of \$6,836. Due to a late adjustment for a salary overpayment, this request has been reduced to \$1,866.

The Department of Corrections for four of their accounts, Prison Medical, Southern Desert Correctional Center, Ely State Prison and Florence McClure Women's Correctional Center, to cover salary savings and the cost of the COLAs. Based on final payroll and budgetary information, these amounts are to be revised as follows: Prison Medical reduced to \$150,000. The Southern Desert Correctional Center reduced to \$281,000. The Ely State Prison reduced to \$175,000 and the Florence McClure Women's Correctional Center reduced to \$142,000. For a total of \$748,000.

The Legislature appropriated about \$27.6 million for this purpose. After today, we will have spent \$13.7 million, leaving about \$13.8 million to revert to the General Fund. We are working on a couple of small claims for the Department of Education, but you are talking \$10,000 to \$15,000 at the most. This is a significant reversion to the General Fund.

Governor: That is really good news. Thank you, Mr. Wells. We always like big reversions. So, appreciate that. Board Members, any questions with regard to agenda item number 11? If there are none, the Chair will accept a motion to approve salary adjustments in agenda item number 11 for the Office of the Superintendent and the Department of Education for \$28,897. For the Department of Agriculture, Veterinary Medical Services in the amount of \$1,866. The Department of Corrections for Prison Medical Care for \$150,000, Southern Desert Correctional Center, \$281,000; Ely State Prison, \$175,000; and, the Florence McClure Women’s Correctional Center in the amount of \$142,000 for a total amount of \$748,000.

Attorney General: Move to approve.

Governor: The Attorney General has moved for approval. Is there a second?

Secretary of State Second.

Governor: Seconded by the Secretary of State. Are there any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

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

Claimant:	Helen Romero, et al.
Claim No.:	TC 18107
Settlement Amount:	\$70,000
Date of Loss:	December 28, 2006

Governor: We will move to agenda item number 12 which is an Approval to Pay a Tort Claim pursuant to NRS 41.036. Mr. Wells.

Clerk: Thank you Governor. This item is for a claim for which the Office of the Attorney General recommends a payment from the Tort Claims Fund. There are representatives from the Office of the Attorney General to walk through the specifics of the case and answer any questions from the Board Members.

Governor: Will somebody please come forward?

Ann McDermott: Ann McDermott, Office of the Attorney General, can you hear me okay?

Governor: Yes.

Ann McDermott: All right, very good. I am here representing the Nevada Department of Corrections (NDOC) and individually named Defendants in the matter that was brought against them by Helen Romero, as Administrator of the State of Anthony Beltran and the three minor children, as heirs of that estate. The Parties have reached settlements in this matter and I bring it here for your approval here today. The reason that it is before the Board of Examiners is this incident actually took place in December of 2006. The parties here have agreed to a resolution in the amount of \$70,000. This matter arose from the death of Anthony Beltran while he was incarcerated at Ely State Prison. Mr. Beltran was at Ely State Prison for a burglary with a firearm, kidnapping and sexual assault. It is alleged that Mr. Beltran was housed with another inmate, Douglas Potter who was a member of the Aryan Warriors Gang, with a history of violence towards other inmates. It is also alleged that Mr. Potter threatened harm to any cellmate he was housed with. After becoming cellmates, Mr. Potter used a metal rod he had taken out of a typewriter, turned it into a lethal weapon and killed Mr. Beltran.

Mr. Beltran's mother and his three children filed suit against the Nevada Department of Corrections and the individual defendants alleging Constitutional violations for failure to protect Mr. Beltran in housing these two inmates together and medical deliberate indifference for not saving Mr. Beltran after he had been stabbed to death by Mr. Potter.

State Tort Claims were also brought. Since this incident took place in December 2006, there is obviously been a very significant procedural history. Ultimately, in December 2016, the Ninth Circuit affirmed the Federal District Court's dismissal of the Constitutional violations. The case was then remanded to State Court to adjudicate the claims of wrongful death and vicariously liability against the NDOC and the nine individually named defendants.

The defendants then filed a pre-trial motion for summary judgment. Defendants argued that the inmates agreed to be housed together and Mr. Beltran did not notify staff of any concerns he had of being housed with Mr. Potter. The Eighth Judicial District Court found there were factual questions as to the Defendants negligence and vicarious liability. The court denied defendant's summary judgment motion. The parties agreed to participate in mediation with Judicial Arbitration and Mediation Services (JAMS), with Justice Robert Rose. They settled for \$70,000 and it was recommended that that settlement agreement be approved.

Governor: Thank you very much. And, it is your opinion that this settlement is in the best interest of the State?

Ann McDermott: It is. The Plaintiffs claimed over \$300,000 in damages. This would represent less than a quarter of the potential exposure.

Governor: And this dismisses the case with prejudice?

Ann McDermott: It does.

Governor: Okay. Any further questions from Board Members? That was a good presentation, thank you, very thorough.

Ann McDermott: Thank you.

Governor: If there are no questions from Board Members, the Chair will accept a motion for approval to pay a tort claim pursuant to NRS 41.036 in the amount of \$70,000 as presented in agenda item number 12.

Attorney General: Move to approve.

Governor: Attorney General has moved for approval. Is there a second?

Secretary of State: Second.

Governor: Seconded by the Secretary of State. Are there any questions or discussion? I hear and see none. That motion passes 3-0. Thank you.

13. Leases (For possible action)

Governor: We will move to agenda item number 13, Leases. Mr. Wells.

Clerk: Thank you Governor. There are six leases in agenda item 13 for approval by the Board this morning. No additional information was requested by any of the members for this item.

Governor: All right, thank you. I have no questions. Board Members, questions? Is there a motion?

Attorney General: Move to approve agenda item number 13.

Governor: Attorney General has moved to approve the leases presented in agenda item number 13. Is there a second?

Secretary of State: Second.

Governor: Seconded by the Secretary of State. Are there any questions or discussion? I hear and see none. That motion passes 3-0. Thank you.

14. Contracts (For possible action)

Governor: We will move to agenda item number 14, Contracts. Mr. Wells.

Clerk: Thank you Governor. There are 29 contracts in agenda item 14 for approval by the Board this morning. For contract number 9, the Appeals Officer opinion was received yesterday upholding the contract award to Liberty Dental but the contract is still subject to approval by the Secretary of the US Department of Health and Human Services. Contract number 22 is subject to the approval of a work program by the IFC at its meeting on August 24th. Members have requested additional information on the following:

Contract number 1 between the Governor's Office of Science, Innovation and Technology and Connect Nevada, LLC, contract number 7 between the Department of Education and Jobs for Nevada Graduates, contract number 9 between the Department of Health and Human Services Division of Healthcare Financing and Policy and Liberty Dental Plan of Nevada, contract number 17 between the Department of Wildlife and Kalkomey Enterprises, LLC DBA Boat Education, contract number 22 between the Department of Business and Industry and the Nevada Business Opportunity Fund and contract number 27 between the Department of Employment, Training and Rehabilitation, Employment Security Division and the Clark County School District.

Governor: Thank you Mr. Wells. We will commence with contract number 1. I see Mr. Mitchell in the audience. I do not have a question regarding the contract I just thought it would be a good opportunity to present an update on the connectivity and what is happening with the broadband. Please proceed.

Brian Mitchell: Thank you Governor. Brian Mitchell, Director of the Office of Science, Innovation and Technology for the record. Our Office is responsible for overseeing the planning, mapping and procurement of broadband in the State. Briefly, regarding each of those three tasks. Regarding the planning, Britta Kuhn, who was formerly in our office, spent over a year planning and working with a variety of stakeholders and that effort resulted in SB53, which was presented and sponsored by our Office during the last Legislative Session and signed into law. That bill will give our Office and the Department of Transportation significant new tools in order to expand broadband access and infrastructure throughout the State and in our rights-of-way.

Regarding the mapping, in the last biennium, our contract focused primarily on mapping and community development and the item before you today does an administrative or budgetary cleanup fix to that particular contract.

Where things are really exciting is in the procurement part of broadband. As you know, Governor, earlier this year in your State of the State, you announced the Nevada Connect Kids Initiative and \$2 million in your budget to help the State draw down and leverage more federal funding that we were otherwise leaving on the table. Just since January, we have had a number of significant wins. I will just share briefly a couple of them.

First, through this initiative, we have offered technical assistance and helped school districts who are designing their networks and applying for federal funding. While reviewing one school district's application for federal funding, we noticed an error that otherwise would have disqualified their application. We were able to help them fix the error and save their application of \$347,000.

We were also able to engage with two school districts to collaborate on infrastructure and two rural school districts, on infrastructure enhancements to their broadband networks and the State, as a result, will receive an additional \$126,809 in federal funding that we otherwise would not have received.

One final, Governor, direct result of you announcing the Nevada Connect Kids Initiative in your State of the State was that I have been able to raise \$188,000 in private funding which will go to three rural school districts to expand their broadband networks. This funding will increase speeds by tenfold in eight schools that enroll and combine 1,891 students.

I will briefly note one other thing Governor; I think this work in broadband aligns very well with your Chairman's Initiative at the National Governor's Association. Whether it is in transportation with autonomous vehicles, smart traffic systems or on the energy side with smart grade communication and smart metering, I think expanding broadband particularly in the rural areas is necessary for us to stay ahead of the curve in the State. I am happy to answer any questions.

Governor: Thank you Mr. Mitchell. You answered all my questions. Mr. Attorney General, do you have any questions?

Attorney General: Do you mind listing for both the second and third categories the Counties that were affected?

Brian Mitchell: Yes, so in the second one with the federal funding, it is Pershing and Elko Counties. Then in the third, where we are using the private funding, it will be in Lyon County, Pershing County and Lander County.

Attorney General: Thank you.

Governor: For everyone's benefit, Brian, this is going to allow kids who would not otherwise have access to the internet and such. What does that mean to them, the kids in Lovelock or the kids in Battle Mountain, the different counties that you mentioned?

Brian Mitchell: Thank you Governor. For a lot of these students, whenever a teacher wants to show a video, there is a lot of buffering and sometimes they are unable to do a lot of things that we take for granted at school. Through improving the broadband connectivity at these schools, they will be able to have the kind of education that students in urban school districts have. Whether it is participating in the Nevada Ready 21 Plan, and having a one-to-one device program and having the Wi-Fi capability to support that. Or, things like distance learning. A lot of schools in the rural areas, just because they are so small, do not have particular expertise in teaching in order to offer a wide variety of either AP classes, STEM classes or maybe a foreign language class. This will give them an opportunity through distance learning to have the same education, so it really equalizes education throughout the State.

Attorney General: Congratulations, thank you.

Secretary of State I am really excited about what you are doing and I thank the Attorney General for the questions he asked.

Governor: I want to compliment Mr. Mitchell because he does not get a lot of attention. The bottom line is this, whether a student lives in Austin or West Wendover or wherever, they will have the opportunity to have the same educational experience, as you said, as a student that resides in Clark County, Washoe County or here in Carson City. It really is going to be helpful to the quality of the educational experience in our rural counties. Thank you.

While we are on education, agenda item number 7, I see Dr. Cantu in Las Vegas. Dr. Cantu, would you talk a little bit about Jobs for America's Graduates (JAG) and what this new contract will do?

Rene Cantu: Yes, I will. Thank you, Governor Sandoval and Board Members. My name is Rene Cantu, Executive Director for JAG Nevada. I am pleased to report this morning that JAG Nevada's Class of 2017 has achieved a 90% graduation rate, which is tremendous. We have been working very hard the last three years. Not only in expanding from seven programs to 54 programs, but growing from 3-4 counties to 12 counties across the State.

Currently, JAG Nevada is serving 41 high schools in 12 school districts. We have over 3,000 students in the program, 3,059 to be exact. Our students represent the State of Nevada. People talk about Nevada looking like the America of 2060 and that is exactly what JAG Nevada looks like in terms of our diversity. 43% of our students come from the bottom academic quartile. We have purposely leaned in to help those facing the most barriers, an average of six barriers per student who come into the program. Those include 77% of students who are on free or reduced lunch in the program, a GPA at entry of 2.16 and 14 absences on average. So, excessive absenteeism is a huge problem and also, our big indicator of dropouts. We really focus on those young people.

Over half have low academic performance; almost half of the JAG students do not live with both parents, so there are familial challenges and concerns. 85% of our students did not have marketable employment skills at entry. One-third of JAG students' mothers had not graduated high school, nor had one-third of their fathers. With that said, our young people, our specialists have worked very hard to help these youth really become productive members of our State and our community.

We also have two important initiatives running in the State. One of them is Go-Deep in North Las Vegas. What we have done is, we have taken JAG to scale in four North Las Vegas high schools to demonstrate that JAG can impact not only graduation outcomes but hopefully, and we are writing a validation study to show this, but also impact things like, participation in Temporary Assistance for Needy Families (TANF) and Supplemental Nutrition Assistance Program (SNAP), incarceration rates and other measures that we are looking at as we go on this longitudinal measure.

There are two Go-Deep projects in the country. We are one of two. The other is in the Mississippi Delta under Governor Phil Jackson and John Bel Edwards. Nevada was lucky to be selected for this national initiative. We are hoping to demonstrate positive outcomes.

So far, the Go-Deep Class of '17 is showing an 86% graduation rate there in North Las Vegas and keep in mind that 45.44% of the students in this program are African-American who are students who face the most challenges with regard to graduation. JAG Nevada's African-American graduation rate is 82% and we hope to continue increasing that graduation rate as well.

With regard to economic impact, we put together a return on investment form. So, if JAG Nevada was to graduate 90% of its current students, at the time we had 2,100, our impact would be \$703,979 in State Tax Revenue, \$2.7 million in Federal Tax Revenue, \$22.7 million in home sales, \$17.3 million in annual earnings, \$22.7 million in annual Gross State Product, \$13.9 million consumer spending, \$2.7 million in additional auto sales, and 102 new jobs created in local communities. This is as per Alliance for Excellent Education.

We are happy where we are going. We thank you Governor and the Board for your support, as well as the Legislature. The work is amazing. Our specialists are to be thanked because they do the work on the ground, as does our team who has ensured that we have maintained quality through growth and achieved that 90% which was all important to us. Thank you so much, if you have any questions, I would be glad to attempt to answer.

Governor: Thank you Dr. Cantu. Certainly, you deserve incredible credit for what is happening with JAG. It really is an amazing success story. For anybody who is looking to be inspired, I would really encourage you to visit a JAG school and see what they are doing. Particularly, as you mentioned, the specialists and how those students look up to and work with those specialists. It really is a connection that is special. Congratulations on that graduation rate

The only question I have Dr. Cantu, these students, historically, their graduation rate was less than 50%, is that accurate?

Rene Cantu: I believe so, yes.

Governor: It really is changing lives. It is that individual attention that those students are getting in those JAG Programs. I am really excited about how far we have come and where we are going and, as I said, when you meet with these young men and women, it really is an opportunity to see what the future of our State is. Thank you.

Rene Cantu: Thank you so much.

Governor: Madam Secretary of State.

Secretary of State Thank you Governor. As somebody who has been in the Legislature for a long time, I want to thank you for your leadership in this because of this JAG

Program, in my opinion, started with you. I remember touring and hearing the idea in the Legislature. My hats off to you for starting this because I think that is where all the initiative came in and then, having the gentlemen in Las Vegas that are both sitting there carry on the work. This started with you. I think we need to make sure that we give credit where credit is due and thank you for that. It is an excellent program and I am so happy to hear about the graduation rates. That is fantastic. Thank you.

Governor: Thank you Madam Secretary. And again, thank you Dr. Cantu. We really appreciate you.

Rene Cantu: Thank you Governor, appreciate your support.

Governor: That brings us to contract number 9, Department of Health and Human Services Healthcare Financing and Policy, Medicaid and Liberty Dental Plan of Nevada.

Marta Jensen: Good morning. Marta Jensen, Administrator for the Division. With me, I brought Melissa Lewis who is our Chief of Fiscal Services in case you want to dive into the dollars.

This is an important contract for the State, for our members specifically. The goal was to improve overall population health and dental health is part of that. In the past, we have always had it under our Managed Care Contracts, but typically dental services always take kind of a back seat to the medical side of the house and we really wanted to elevate the oral health and put a greater focus on it.

By going with one of these programs, over time, you are supposed to see savings. I have seen some reports from other states. It is between 5%, 7%, and 9%, it is kind of undetermined at this point which one is the number. What we are trying to do is put the emphasis on the preventative care, which then should reduce your crisis and event driven, perhaps in an ER if they do not receive that preventative care.

This contract is actually a two-year contract. The \$404 million is actually for the full life of the contract. Centers for Medicare & Medicaid Services (CMS) has said we can have a two-year contract and then a three-year renewal period. We are still waiting for CMS approval. There are several steps that we have to go through before that. This is one of them.

I really think like I said, based upon the number of people that we have, it is very similar in the same geographic locations that we have now for managed care. It is really, instead of enrolling in the managed care and getting your dental, they would enroll in a managed care for their medical services. We would enroll them into this program. 71% of our population is in managed care, so we do expect that we would see a lot of outreach and education in that market. One, to let them know about the benefit of it but also to really talk more about that preventative care because that is where we think we can get the best health, long-term, for our recipients.

Governor: I believe you were in the audience when Mr. Georgeson made his presentation and request to hold this contract or hold approval of this contract. My question to you is, what would be the consequences of that be if we were to do that?

Marta Jensen: So, my preference is that we do not do that. I think there are some consequences to the recipients. Right now, because we do not have a vendor in place, for different reasons, we did move that date out to January 1st. Right now, between July 1st and January 1, 2018, we have had to move the market into the fee-for-service program.

The benefit of one of these programs is they manage the dental care, just like a managed care company would. They are required to have network adequacy. They are required to do certain tasks and quality measures were in the fee-for-service program, it is up to the recipient to identify their need, locate the doctor, ensure that they are accepting new patients and try to get in in a timely manner. They are competing against the rest of the commercial market. It makes it difficult. There is no one managing their care and no one that can really guide them through the process. Sometimes with our recipients, they could be new to the insurance market and so they do not really understand how this works.

It is a benefit to our citizens that we have one of these programs in place. We made a deliberate effort to go after a dental benefits administrator. The sooner we can implement the better. Not knowing what is going to happen down the road, in my personal opinion, I just do not think it is in the best interest of our members to extend the fee-for-service delivery model for them long-term.

Governor: And, is there an access to service issue as well? In other words, in the new regime, there is a requirement that an individual or a patient get an appointment within a certain amount of time whereas it may not occur otherwise, is that true?

Marta Jensen: There is within the managed care market. In fee-for-service, there is not. We are required to have a network that matches network adequacy according to the commercial market but as you know, there are issues with available providers. We have had historically some issues with dental providers wanting to deal directly with Medicaid. Due to our enrollment processes, our authorization processes and so forth, we are working to streamline some of those but there is a long history of discontent that we are trying to get past by having somebody that is focused on that market, that understands that market and can assist through better processes. They know how to do this nationwide, so we are hoping that that will also improve their relationship and also create a bigger and better network for our recipients.

Governor: Then my final question. If you could be specific with regard to how many child patients this would affect? Obviously, getting dental care and particularly preventative dental care for minors is critical.

Marta Jensen: The majority of the services that we do provide through the dental program are for the children. They are covered up through the age of 20. At 21, we do have adult services available. We have 472,000 members within the managed care market. I do not have the exact figure for children. I would say approximately 200,000, 180,000

somewhere in there, would be the expanded population, which are your adults. I would say close to 100,000 kids and that is not scientific at the moment, I can get the exact number.

Governor: Thank you Ms. Jensen. Questions from other Board Members? Madam Secretary.

Secretary of State If the proceedings that happen before, I think are what are going to be litigated, am I correct, how the procedure was taken?

Governor: I do not want to be corrected by all the lawyers in the room, but essentially it is a challenge to the process.

Secretary of State: Okay. I am concerned as well as with the length of time that it would take to litigate and the services that would not be provided. That is a concern for me, and not knowing all of the sides and how anything would come out from the courts. I am concerned about the length of time because courts can take a considerable amount of time in making a decision. Can I just ask a couple questions on — if I am getting into the wrong area, you tell me. When did this process take place? When did it originally happen that bids were submitted?

Marta Jensen: We started this process, I believe it was in November of 2016 with the first RFP. The award to Delta Dental, I want to say was in late January, early February. I do not have this information right off the top of my head.

Secretary of State Of 2017?

Marta Jensen: Yes of 2017. There was an appeal on that RFP. At that time, I had the opportunity to dig a little deeper into the RFP and I realized that we had missed what I considered critical items that should be included in an RFP. I wanted to add value-added benefits. I know the struggles that we have had with previous dentists and so I wanted to make sure that we added customer service type statistics. I wanted to make sure that we also had electronic provider enrollment. That is one of the problems that we have currently with our market is that everything was paper based. There were a few other items that I cannot recall off the top of my head that were added to the RFP and it was reissued. I believe the award was sometime in April. Late March, early April of the second award. Then that was appealed, I believe in early May.

Secretary of State Thank you.

Governor: Just another question, Ms. Jensen and like I said, I want to be fair and clear on the record with regard to Delta that there's no suggestion that holding this would deny any kind of dental care to the people. There will still be dental care if we were to hold this. And, I do not want there to be any implication that that would be the reason why we would approve this today.

Marta Jensen: They will receive dental care. It is just not under the desired delivery model. It would be under the fee-for-service program where the recipient is navigating the healthcare system trying to identify their needs. Typically, from our utilization, we have seen that most of the time they react to their needs, versus being proactive through preventative care. By implementing this contract, we can change and shift the dynamic of the market and get people more focused in on their oral health, which then improves all sorts of areas. It can improve school attendance and it can improve all sorts of things. Really, on the back side, my biggest concern is about the members. I need them to get the care but I also need to follow the goals that have been set forward regarding population health. This is a key component of improving that for our State.

Governor: Thank you Ms. Jensen. Any other questions from Board Members? Thank you.

Marta Jensen: Thank you.

Governor: That takes us to contract number 17, Department of Wildlife. Good morning, Mr. Robb.

Jack Robb: Thank you Governor. Jack Robb for the record. Appreciate your time today. This contract in front of you is part two of a two-part series that the Department of Wildlife put together over the past couple years for recruitment, retention and reactivation of sportsmen into the field.

Part one was a license improvisation that went through the legislative process this year that you signed into law. Part two is this RFP, trying to simplify the way that our customers participate and go towards more modern e-commerce type functionality; build a site that is mobile first. Make things available on your phone, make fishing licenses available on your phone and to bring us into the modern era of how we participate with our customers to get more customers into the field and retain the ones we have and reactivate the ones we have lost. That was the key around this RFP.

We are lucky in the fact that we had a bidder come in under what we are currently paying. Currently, we are paying an excess of \$2 million a year. In the supporting material, I think it says we have a 37% savings over the life of the contract. That is what we budgeted in off of what was the contract bid. Knowing that we spent \$2.5 million on what we have this year and going forward I am expecting to spend right around \$1 million for an enhanced system. I think we are going the right direction and we are going to really push the recruitment, retention and reactivation with this product we are bringing forward.

Kalkomey Enterprises, the successful vendor, is a vendor that we are very familiar with. They work in all 50 states. We have done work with them in hunter safety and boating safety programs for years. We are comfortable with them. They are expanding their business model and we are going to be pretty much their showroom on what they are going to offer to other states. They are really going to make us look good and we are looking forward to working with them.

Governor: Thank you Mr. Robb. I have been looking forward to this day. The current retailers who sell, for example, fishing licenses will still be able to do that, correct?

Jack Robb: Correct. We are not changing that at all. Well, we are changing it. The format that is used currently, we are going to remove that equipment out of those license agents. We have approximately 89 spread throughout the State. They are going to be getting new equipment. That new equipment is owned by the current vendor that is proposed and they are going to warranty it for the lifetime of the product. They are going to support it and it is going to have barcode capability, double sided, so the customer can see what is happening on their side and there will be faster transactions if the register was out. I think our customers are going to notice a difference.

Governor: Mr. Robb, I am one of them. Director Wasley knows this story. I will not mention who the retailer is. My daughter wanted to go fishing and so we decided to go fishing. We went to the retailer and by the time somebody came to the counter, all those different things, half the day was gone. To be able to go on your phone and go to the app and be able to have it there and if one of your people are out there, you can just show them your evidence that you have your license, it is just going to, as you say, simplify the process. I actually think it will expand the number of people that will go out there and take advantage of all our natural resources.

Finally, as you said, it is time to get into the 21st Century. That is what people are doing now is relying on these devices and expect that. In fact, I was in a different state over the weekend and there was a big billboard that said, just go to this app, download this app and you can do everything. We will have something very similar to that, it sounds like, in the very near future.

Jack Robb: That is where we are headed.

Governor: All right, thank you Mr. Robb. Are there any other questions from the Board Members? All right, well done. Thank you.

Jack Robb: Thank you.

Governor: Contract number 22, Business and Industry and the Nevada Business Opportunity Fund.

Marcel Schaerer: Thanks for your time Governor and Board Members. I just want to provide a quick overview on some of the goals and objectives. I understand that the Employment Security Division, Administrator, Rene Olson, is in Carson City, just in case, if you have specific questions regarding the history of the Department of Employment, Training and Rehabilitation (DETR) with this particular loan program. If we have specific technical Members' questions, we also have here a team member of the Business and Industry Department, Karen Schnog.

In terms of an overview, in collaboration with DETR, the Office of Business, Finance and Planning of the Department of Business and Industry administers and monitors a program

to provide grant money to a non-profit private entity, in this case the Nevada Business Opportunity Fund to make micro loans to veterans and senior citizens to start small businesses. The \$300,000 project began on May 17th. The lender was given an okay to begin marketing and processing loans under that program, on that particular date. It will end on June 30, 2019. This contract is on a reimbursement basis and there is a 10% administrative cost allowed based on an upward amount estimated to be between \$1,000 and \$15,000. It could go up to \$20,000 with approval.

It is important to mention that the Department of Business and Industry is taking over the Veterans and Senior Citizen Loan Program from DETR. It is indeed a brand-new loan program for us. In addition to that, the new Nevada business owners, talking about goals and objectives, the owners or existing owners of any type of business can take advantage of these loans, which will provide an interest free loan for the first year of borrowing, which is cheaper in terms of cost of capital than any other funding available out there. If such a business has employees, the cheaper cost of capital may allow for additional employment opportunities. With that, I am open to any questions that you may have.

Governor: Marcel, thank you. If you would just state your name for the record.

Marcel Schaerer: Marcel Schaerer, with Department of Business and Industry.

Governor: Thank you. So, you mentioned the loans are interest-free. Historically, what is the average loan, its terms and its purpose?

Marcel Schaerer: Well, for this particular program, again, we do not have any history on it. I can say that if you take year one, which is zero interest for the first 12 months. Then you go through years 2-4 because it can go up to four years, the second year, currently, that rate will be 6.5%, so, according to the math, 6.5% multiplied by three years divided by four. The average will be 4.875%.

Governor: Thank you. This is an incredible program. It is a great opportunity for seniors and veterans to start a business. My final question is what are you going to do to market it, to make sure there is awareness?

Marcel Schaerer: Marcel Schaerer for the record. We are working very, very closely with the Nevada Business Opportunity Fund to help them promote the program. We are working with different groups and we are advertising the existence of this opportunity through our currently round table discussions, we are on radio shows and we are attending workshops and seminars. Basically working hand-in-hand, not only just with the Nevada Business Opportunity Fund but also with DETR in terms of interacting with veterans and individuals from the Army in order to advance this wonderful opportunity, like you said Governor, this is going to be very, very labor intensive. We have to work with veterans and senior citizens for them really to use this money. You know, having the expertise and the background of a small business, \$2,000, \$5,000 is key for the success of these new start-ups and for them to continue an operation.

Governor: Thank you very much. Madam Secretary.

Secretary of State Thank you Governor. And, thank you for this program. We had a bill in from the Secretary of State's Office which the Governor supported but it was our only bill that failed, out of our eight bills, we lost the one that would allow veterans to have the first four years free of fees and charges. I am really excited to see what you are doing with this. My question is -is there a limit to how many you can help? How many people would be able to take advantage of this?

Marcel Schaerer: According to our numbers, we are estimating, I think our numbers focus on an estimation of about anywhere between 15 and 40 individuals in the fiscal year 2018 and then, between 10 and 30 in Fiscal Year 2019.

Secretary of State Okay. So, the limit is 70, according to what your projection is?

Marcel Schaerer: Just about there, yes.

Secretary of State Okay. All right, thank you. Thank you Governor.

Governor: Any further questions with regard to contract number 22? Thank you very much Marcel.

Marcel Schaerer: Thank you Governor.

Governor: We will move to contract number 27. Attorney General had asked to have that held out.

Attorney General: I do not recall that. I am okay Governor.

Governor: Okay. All right then. Are there any other further questions, Board Members, with regard to Contracts 1-29? If there are none, the Chair will accept a motion to approve said contracts.

Attorney General: Move to approve.

Governor: The Attorney General has moved to approve Contracts 1-29 as presented in agenda item number 14, is there a second?

Secretary of State Second Governor.

Governor: Seconded by the Secretary of State. Are there any questions or comments on the motion? I hear and see none. That motion passes 3-0.

15. Master Service Agreements (For possible action)

Governor: We will move to agenda item 15, Master Service Agreements, Mr. Wells.

Clerk: Thank you Governor. There are five master service agreements in agenda item 15 for approval by the Board today. These relate to the new leasing program for agency vehicles. If there are questions from the Members, representatives from the Department of Administration are available to answer them.

Governor: Mr. Wells, just for clarity, it is a max of \$5.5 million, not \$5.5 million per agreement, correct?

Clerk: That is correct. These will still be predicated on the actual approval of individual vehicles. Even though the vehicles will be leased, you will see the request come through like you did this morning under agenda item number 4 for vehicles. This is just setting the terms and conditions and the price points for the different vehicles at the different dealers.

Governor: Thank you. Board Members, any questions? If there are none, the Chair will accept a motion to approve the Master Service Agreements presented in agenda item 15.

Attorney General: Move to approve.

Governor: The Attorney General has moved to approve, is there a second?

Secretary of State Second.

Governor: Seconded by the Secretary of State. Are there any questions or comments on the motion? I hear and see none. That motion passes 3-0.

16. Information Item – Clerk of the Board Contracts and Leases

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract and lease 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, leases and amendments approved from June 13, 2017 through July 18, 2017.

Governor: We will move to agenda item 16, Information Items, Mr. Wells.

Clerk: Thank you Governor. There were 75 contracts under the \$50,000 threshold that were approved by the Clerk between June 13, 2017 and July 18, 2017. This item is informational only, and there were no additional requests for information from the Members.

Governor: Thank you Mr. Wells. Any questions from Board Members? I hear none.

17. Information Item - Department of Public Safety – Emergency Management – Disaster Relief Account Request

Pursuant to NRS 353.2755, the Division is notifying the Board of Examiners' of its intent to request a recommendation by the Board of Examiners' to the Interim Finance Committee for approval of grants and/or loans from the Disaster Relief Account to Mineral County to cover spring flooding preparation/mitigation costs.

Governor: We will move then to agenda item 17, another Information Item, with regard to the Disaster Relief Account Request.

Clerk: Thank you Governor. Item 17 is a notification from the Division of Emergency Management of an intent to request an allocation from the Disaster Relief Account pursuant to NRS 353.2755. Pursuant to statute, state agencies and local governments can request a grant or loan through the Division of Emergency Management from the Disaster Relief Account if, because of the Disaster, the local government is unable to pay for an expense from available funds. Applicants must submit their intention to apply not later than 60 days after the Governor or the governing body of a local government determines an event constitutes a disaster. The Division must then notify both the Board of Examiners and the Fiscal Analysis Division of the Legislative Counsel Bureau of this intent. Within 18 months of the determination that an event constitutes a disaster, the state agency or local government must submit their final requests to the Division of Emergency Management and the Department of Taxation, including whether the request is for a loan or a grant and the final amount of the request. The Division of Emergency Management and the Department of Taxation are required to review the requests and submit reports to the Board of Examiners who make a recommendation to the Interim Finance Committee for the proposed amount and determination of whether it is a grant or loan.

This notification is just the first step in this process. The applications will come to the Board for approval of a recommendation to the Interim Finance Committee at a later date. In May, the Board received the notification for the January flood event in northwestern Nevada. In June, the Board received the notifications regarding the February flooding events in Northern Nevada and preparation and mitigation efforts for spring runoff events for Churchill and Lyon counties and the Walker River Irrigation District. This item is a notification of preparation and mitigation efforts for spring runoff events in Mineral County.

Governor: Thank you Mr. Wells. Questions from Board Members? I hear none.

18. 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)

Governor: We will move to agenda item number 18, Public Comment. Is there any member of the public in Carson City that would like to make public comment to the Board? I hear and see none. Is there anyone present in Las Vegas that would like to make public comment to the Board?

Las Vegas: Negative Governor.

Governor: Okay.

19. Adjournment (For possible action)

Governor: Is there a motion to adjourn?

Attorney General: Move to adjourn.

Governor: The Attorney General has moved for adjournment, the Secretary of State has seconded the motion. That motion passes 3-0. This meeting is adjourned, thank you ladies and gentlemen.