

Governor Brian Sandoval
Chairman

Paul Nicks
Clerk of the Board



Attorney General Adam Paul Laxalt
Member

Secretary of State Barbara K. Cegavske
Member

STATE OF NEVADA BOARD OF EXAMINERS

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

MINUTES

Date and Time: August 14, 2018, 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 – present in Las Vegas
Attorney General Adam Paul Laxalt
Secretary of State Barbara Cegavske
Paul Nicks, Clerk of the Board

OTHERS PRESENT:

James Dzurenda, Director, Department of Corrections
John Borrowman, Deputy Director, Department of Corrections
Marta Adams, Manager, Adam's Natural Resources Consulting Services, LLC
Robert Halstead, Executive Director, Agency for Nuclear Projects
Patrick Cates, Director, Department of Administration
Wendy Simons, Deputy Director, Department of Veterans Services
Gerald Wasley, Director, Department of Wildlife
Elizabeth O'Brien, Deputy Director, Department of Wildlife
Shelley Hendren, Rehabilitation Division Administrator,
Department of Employment, Training and Rehabilitation
Heather Korbolic, Executive Director, Silver State Health Exchange
Terri Albertson, Director, Department of Motor Vehicles
Mike Jensen, Senior Deputy Attorney General, Attorney General's Office

1. Call to Order / Roll Call

Governor: Good morning ladies and gentlemen, I will call the Board of Examiners Meeting to order. Can you hear us loud and clear in Carson City?

Secretary of State: We can now, Governor.

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

Governor: Let's move to agenda item number 2, Public Comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board? There are none. Is there anyone present in Carson City that would like to provide public comment to the Board?

Secretary of State: None, Governor.

3. Approval of the July 10, 2018 Minutes (For possible action)

Governor: Agenda item number 3, Approval of the July 10, 2018 minutes. Have the members had an opportunity to review the minutes and are there any changes?

Secretary of State: I have, and I have no changes, Governor. I move for approval.

Governor: The Secretary of State has moved to approve the July 10, 2018 minutes, is there a second?

Attorney General: I second.

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

4. Request to Revise the Victims of Crimes Program’s Rules and Policies (For possible action)

NRS 217.130 empowers the Director of the Department of Administration, with the approval of the Board, to adopt, rescind and amend rules prescribing the procedures to be followed in the filing of applications and proceedings regarding compensation for certain victims of criminal acts.

The Victim of Crimes Program Policies was last updated and adopted by the Board in August 2016. The proposed revisions are largely clarifications and minor changes to existing policies and standard for the payment of compensation for the Board’s approval.

Governor: Agenda item number 4, Request to Revise the Victims of Crimes Program Rules and Policies. Mr. Nicks, good morning. Congratulations and best of luck on your first meeting.

Clerk: Thank you Governor and good morning Members of the Board. Agenda item number 4 has been requested to be withdrawn from the agenda to make some additional revisions. The Division plans to submit the revised program rules and policies for the October 2018 Board of Examiners (BOE) meeting.

Governor: All right. Well then, we’ll withdraw agenda item number 4.

5. Request to Purchase State Vehicles (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 – Conservation Districts	1	\$2,500
Department of Public Safety – Division of Emergency Management	1	\$31,380
Department of Public Safety – Division of Emergency Management	1	\$26,816
Department of Public Safety – State Fire Marshal’s Office	1	\$40,820
Total	4	\$101,516

Governor: We’ll move to agenda item number 5, Request to Purchase State Vehicles.

Clerk: There are four requests for four vehicles on this agenda item. The first request is from the Department of Conservation and Natural Resources, Conservation Districts to purchase one replacement vehicle. The vehicle being replaced has met the age and/or mileage requirements in the State Administrative Manual (SAM).

The second and third request is from the Department of Public Safety, Division of Emergency Management to purchase 2 replacement vehicles. The vehicles being replaced have met the age or mileage requirements. The vehicle replacements were included in the agency's legislatively approved budget.

The fourth request is from the Department of Public Safety, State Fire Marshal's Office to purchase one vehicle. This request was originally approved during the March 13, 2018 BOE meeting. Due to a delay in the delivery of the vehicle, the agency is requesting to purchase the vehicle in FY 2019. This request is contingent on the Interim Finance Committee approval of work program C44004 during the August 16, 2018 meeting.

Representatives from the departments are available to answer any questions the Board may have.

Governor: I have no questions, Board Members, any questions with regard to agenda item number 5?

Secretary of State: We have none, Governor.

Governor: The Chair will accept a motion.

Secretary of State: I move for approval of the request to purchase of State vehicles.

Attorney General: I second.

Governor: The Secretary of State has moved to approve the request to purchase State vehicles, as presented in agenda item number 5. The Attorney General has seconded the motion, any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

6. Authorization to Contract with a Current and/or Former State Employee (For possible action)

A. Department of Administration – Purchasing Division

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with a former correctional officer, Ronald Jaeger, through Allied Universal Security Services, Master Service Agreement #19049, to provide uniformed security guard services. Mr. Jaeger will serve in this capacity through September 30, 2021.

B. Department of Corrections (12)

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Tamara Bartel, a current Correctional Sergeant with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as needed basis through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with David Bequette, a current Correctional Vocation Trainer with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as needed basis through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Dennis Ciciliano, a current Combination Welder II, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Christian Jones, a current Electronics Technician III, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with John Julio, a current Food Services Manager II, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Rudy Martinez, a current Supply Technician I, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Bryan Nason, a current Locksmith I, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Sandy Rose, a current Administrative Assistant II, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Lashawn Smith, a current Correctional Caseworker Specialist III, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Beverly Stewart, a current Accounting Assistant II, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Michael Thalman, a current Correctional Sergeant, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with Duane Wilson, a current Food Services Manager II, with the Nevada Department of Corrections, to deliver packages to inmates. Deliveries are completed on an as-needed basis, through September 30, 2019.

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

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Carson Valley Children’s Center, DBA Austin’s House with Marla Morris as an employee. Ms. Morris is a former employee as a Social Services Chief II. Austin’s House is a licensed provider of short-term emergency shelter care for children in the care and custody of the Division. **Relates to Master Service Agreement Agenda item 15, Contract number 20604.**

Pursuant to NRS 333.705, subsection 1, the Division requests authority to contract with Michelle G. Paul, Ph.D. as a Psychiatrist for the Division of Public and Behavioral Health at the Southern Nevada Adult Mental Health Services campus in Las Vegas. The contract will be performed on an as needed basis and includes the flexibility to accomplish the duties outside of her routine University of Nevada, Las Vegas school hours from July 1, 2018 to June 30, 2022 with an option to renew for 5 one year extensions. **Relates to Master Service Agreement Agenda item 15, Contract number 20170.**

D. Department of Transportation

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Paul Frost. CA Group plans to utilize Mr. Frost's expertise to assist in the Quality Assurance review of bidding documents, specifically a check of quantities for drainage and roads in the Centennial Bowl. Mr. Frost will work on a part-time contracted position estimated to start late 2018 and be completed in early 2020.

Pursuant to NRS 333.705, subsection 1, the Department requests authority to sub-contract with a former employee, Paul D. Kiser. Parsons Transportation Group is proposing to engage Mr. Kiser as a sub-consultant for Facilitation Services related to NDOT's traffic safety program. This will be a part-time, sub-contracted position subject to workload and availability working three to six months in length.

Governor: We will move on to agenda item number 6, Mr. Nicks.

Clerk: Item 6 includes four requests to contract with current and/or former employees pursuant to NRS 333.705, subsection 1. The first request is from the Department of Administration, Purchasing Division to contract with a former correctional officer to provide uniformed security guard services through September 2021. The second request is from the Department of Corrections to contract with 12 current employees to deliver packages to inmates through September 2019. The deliveries will occur off hours.

The agenda description for the third request will need to be revised. There are two requests from the Department of Health and Human Services. The first is from the Division of Child and Family Services to contract with a former employee as the Executive Director of Carson Valley Children's Center, Doing Business As, Austin's House. The employee retired in June of 2017.

The second request for the Department of Health and Human Services is from the Division of Public and Behavioral Health to utilize a current System of Higher Education employee to provide competency evaluations at the Southern Nevada Adult Mental Health Services campus in Las Vegas.

The fourth request is from the Department of Transportation to allow contracted vendors to use former employees on projects awarded to the vendor. The first request is for a Quality Assurance Engineer to review bidding documents for the Centennial Bowl project. The employee retired in May of 2018. The second is for a sub-consultant for Facilitation Services related to NDOT's Strategic Highway Safety Plan. The employee retired in June of 2018.

Representatives from the departments are available to answer any questions the Board may have.

Governor: Thank you, Mr. Nicks. I just want to be clear, did you say on Item 6C, that it needs to be revised?

Clerk: Just the agenda description. The agenda title said Division of Public and Behavioral Health and it was actually two of the divisions within the Department. The second division is Child and Family Services.

Governor: All right, understood, thank you. I have no questions. These are straightforward. Board Members, any questions with regard to this agenda item?

Secretary of State: No questions.

Attorney General: No questions, Governor, I move to approve.

Governor: The Attorney General has moved to approve agenda item number 6. Secretary of State, did you second the motion, did I hear that?

Secretary of State: Yes sir.

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

7. Request for a Recommendation of Approval to the Interim Finance Committee for an Allocation Amount from the Contingency Account
(For possible action)

A. Department of Corrections

Pursuant to NRS 353.268, the Department requests an allocation of \$158,000 in Fiscal Year 2019 from the Interim Finance Committee, General Fund Contingency Account, to fund the re-purposing of existing Department of Motor Vehicles IT Equipment.

B. Department of Public Safety – Nevada Highway Patrol

Pursuant to NRS 353.268, the Division requests an allocation of \$11,100 from the Interim Finance Committee Contingency Account to cover the cost of providing protective services as requested by the U.S. Secret Service to dignitaries visiting Nevada for the remainder of the fiscal year.

C. Department of Public Safety – Records, Communications and Compliance Division

Pursuant to NRS 353.268 the Division of Records, Communications and Compliance requests an allocation of \$86,398 from the Interim Finance Contingency Account to support the addition of a Management Analyst III position responsible for the operations, development and implementation of the Sexual Assault Kit Initiative/Program.

Governor: We'll move on to agenda item number 7, Request for Recommendation of Approval to the IFC for an Allocation Amount from the Contingency Account – Mr. Nicks.

Clerk: Item 7 has three requests for a positive recommendation to the Interim Finance Committee, pursuant to NRS 353.268, for allocation from the General Fund Contingency Account. The Contingency Account has an approximate balance of \$10.1 million to cover unanticipated costs for the remainder of the 2017-2019 biennium.

The first request is from the Department of Corrections in the amount of \$158,000 to fund the repurposing of IT equipment from the Department of Motor Vehicles.

The second request is from the Department of Public Safety, Nevada Highway Patrol, in the amount of \$11,100 to cover the remaining cost of dignitaries visiting the State of Nevada, in Fiscal Year 2018, as requested by the United States Secret Service.

The third request is from the Department of Public Safety, Records, Communications and Compliance Division in the amount of \$86,398 to add a Management Analyst 3 position that will be responsible for the operations, development and implementation of the Sexual Assault Kit Initiative/Program.

Representatives from the departments are available to answer any questions the Board may have.

Governor: Thank you, Mr. Nicks. The one I want to have a record on because it is relevant to the agenda item in 17, is 7A. Do we have representatives from the Nevada Department of Corrections (NDOC) present? Director Dzurenda, good morning.

Director Dzurenda: Good morning sir, good morning Board.

Governor: All right. Did you want to—or, will you, I should say, just lay down the record what this equipment is and what you'll be using it for?

John Borrowman: Good morning. My name is John Borrowman. I'm the Deputy Director of Support Services for the Department of Corrections. I appreciate your time. This is a pretty exciting opportunity in front of us and we appreciate the consideration for this request.

In particular, as we know, the Department of Motor Vehicle (DMV) invested in a project and has found an alternative way of completing that project. They have purchased substantial information technology equipment and it is no longer needed for the alternative way that they're going to approach their solution, therefore, they had this equipment. It is available for other purposes within the State. They've also contacted the original vendor they purchased the equipment from, who has offered to purchase the equipment back.

Unfortunately, the value that the vendor is adding to this equipment is very minimal therefore, the State is posed with an opportunity to either accept the minimal payment from the vendor for this equipment or to repurpose this equipment elsewhere in the State.

NDOC has a functioning network but we do not have a substantial or hardy disaster recovery plan. This equipment would be an opportunity for NDOC to set up redundancy, not only on premises of each of our facilities but also north/south. We could take our main software and have that co-located so that, should we lose network connectivity to the Carson City location, we would still have operability through a redundant site.

There are many pieces to this puzzle that would help make all of this come together. One obviously depends on an increase in bandwidth. NDOC has been working with the Department of Administration, EITS and the Governor's Office to find solutions to the bandwidth limitation. We have implemented or signed an agreement to address those bandwidth limitations and expect to have those solutions implemented within 90 days. Having the additional bandwidth, having the access to the DMV IT equipment would make a substantial movement towards having a proper disaster recovery for the agency.

Obviously, we have many applications that would benefit from this, not just the primary software notice that we use for managing our offenders but also, when we have security protocol, when we replace our telephone, so many other applications that would benefit not only from the bandwidth but also the additional equipment that would be available through this.

It is not budgeted, and we have two options, that is, to put the request in our 2021 budget request and ask the Legislature, the Governor's Office and ultimately the Legislature for approval of this particular request. The disadvantage of doing that is, we defer the ultimate decision on if that equipment should be given to NDOC until the appropriation is made in May and available July 1st. The alternative of repurposing this equipment is to sell it back to the vendor. It's already a very small amount, compared to the purchase price and it is expected to depreciate substantially by the time we get to May or July.

It is not impossible to defer this but there is a diminishing alternative plan if this decision is delayed. With that considered, the recommendation was that NDOC consider the value of asking for Contingency Funds so we can have a decision quickly before Plan B is of minimal value. Thank you.

Governor: Thank you, Mr. Borrowman. This is a really good deal, correct, for NDOC?

John Borrowman: This is John Borrowman, Deputy Director and I am extremely excited about the opportunity. The unplanned, unanticipated opportunity that this would provide for the State of Nevada, to really shore up this agency, given the safety and security issues that exist if we don't have ongoing operability.

We've had tremendous issues with outages and this would go a long way to avoid those things in the future and maintain our constant operation. So, it is a very big value to the State. As you know, many agencies depend on our data, depend on our functionality, so, when I say to the State, not just NDOC but to many agencies throughout the State, this substantial benefit would help many other agencies as well. Yes, I am very excited about it, if this is considered the best value for the State.

Governor: I don't see you get excited too often, Mr. Borrowman. But, in all seriousness, I mean, essentially, you are getting a loaded Cadillac for the price of a used Volkswagen, correct?

John Borrowman: At 50% off.

Governor: Yes, if you were to have to make a budget request, not for this equipment but similar or identical equipment through a standard budget application, what would that look like?

John Borrowman: Thank you. John Borrowman, Deputy Director. Instead of it being less than \$200,000 range to get equipment that would be this functional and provide this level of redundancy, the request would be multiple millions of dollars. It is something that we've always had an interest in doing but we haven't had the opportunity, with resources, to pursue this. It's the right thing to do. It's in our long-term plan to do, but it is not a realistic opportunity for us to do if we were to pay full price for this.

Governor: If you could put into similar terms, what it means to the safety and security of the staff, as well as the inmates and the efficiencies of the operations.

John Borrowman: Thank you. John Borrowman. Right now we are extremely autonomous at each of our locations. If we had a compromise to our network or to our communications equipment, we would still be able to carry-on operations, but that would be in a silo and the functionality would be fairly limited. We would still be able to know how many inmates we're supposed to have and how many we actually have. We would still be able to do our rounds and maintain the on-ground security. The problem is, we maintain all of that information centrally and that main central location is here in Carson City – any time that we have an interruption in that network, it means that all of the rest of the State

go into silo status and can't share information between locations. We can't send emails outside of the location. Once we have the telephone using this network, we would only be able to have communications within the network, unless we use the Plan B, which is the copper. It also limits our ability to look at security footage. It has the ability to prevent us from sharing resources between facilities once we get our staffing scheduling software using this network. Having this ability to maintain full operations when one single site goes down is a tremendous impact to the efficiency, the effectiveness, the coordination of our operations.

Governor: All right, thank you Mr. Borrowman. A final question and this is a conversation we had on the Board of Prison Commissions that has to do with telemedicine – when you talked just a few minutes ago about bandwidth limitations and that effect on telemedicine and how that affects your overtime in terms of having to transport inmates, will you talk a little bit about what this system will do to improve that situation?

John Borrowman: Thank you. John Borrowman. TeleMed isn't just an exchange of information between the provider and the patient. There's so much more to it. We are in the process of implementing electronic medical records that will be heavily dependent upon having the storage capacity and the ability to maintain those data elements electronically. To pass that information on to a medical provider does require bandwidth. It also requires having the equipment to maintain that ability. So, if we were to lose connectivity to our main data hub center in Carson City, then all TeleMed across the State is going to have to be canceled because we couldn't maintain that type of transaction. If we were able to have this redundant system, we would be able to continue with the TeleMed appointments, as scheduled, knowing that we still have that information available at an alternative site.

Governor: Thank you, very much. Mr. Borrowman. Board Members, do you have any further questions with regard to agenda item 7 and specifically 7A?

Attorney General: Governor, I have a question. I just want to confirm that you all are positive this is going to work. We have some technology, and we're reading the file, but that this will be a seamless transfer, and all of this will go as planned?

John Borrowman: Thank you. John Borrowman. The first is, yes, it will work. The issue though is, it won't go as planned because we didn't plan on this. So, we are developing a plan as we get each of the required components in place. The plan for using this equipment is entirely different if we don't get the bandwidth. The way that we use Chronos changes if we don't get the bandwidth, if we don't get this equipment. The way we use the security camera changes if we don't get the bandwidth, if we don't get this equipment. So, having this equipment decision will allow us to set the configuration on all of those other opportunities to use this equipment.

In terms of this equipment itself, it is an opportunity to provide redundancy that we don't currently have. Having this equipment and being able to deploy this equipment as resources are available, as the plan is developed. So, we aren't going to be implementing anything that hasn't been considered and configured properly. We're not going to compromise our current network in order to use this equipment. There absolutely is an opportunity that we are developing in order to use this equipment as we implement it. Yes, it will be fully utilized, fully functional when all of the pieces are approved and implemented over a course of time.

Attorney General: Thank you.

Governor: Any other questions from northern Nevada? Mr. Borrowman, the Attorney General's question just prompted one more on my part. Will there be complete cooperation between EITS and the IT folks in the Department of Corrections to make sure this gets implemented appropriately if it's approved?

John Borrowman: Thank you. This is John Borrowman. Yes, when DMV realized that they had this equipment available, they did reach out to EITS and other departments asking if there were any other agencies that could benefit from this opportunity and everyone had an opportunity to utilize it. NDOC appears to be the best fit for this equipment. We had several meetings, including, the Governor's Office, the Governor's Finance Office, LCB, EITS, Department of Administration and DMV to talk about the entire situation, how it developed and what the opportunities were.

At that point in time, even EITS took a look at what opportunities they had to utilize it. It still appeared that NDOC was the best fit. With their endorsement and their recommendation, this plan has moved forward to have NDOC be considered for this equipment. Once we have this approval, we will continue to work with EITS to make sure that the system is compliant with their protocol.

Governor: Thank you, Mr. Borrowman, because my point being that sometimes folks get a little territorial with their IT systems and I just want to make sure that everyone is cooperating and working together.

John Borrowman: Thank you, I appreciate it. EITS has been a big supporter of the TeleMed. They've been a big supporter with the increase in bandwidth. They've been a big supporter in repurposing this equipment for NDOC. We find that our partnership has been pretty effective.

Governor: All right, thank you. Director Dzurenda, any concluding remarks? It's important for me to have a record of what it means to you operationally.

Director Dzurenda: James Dzurenda for the record. What this will allow me to do, which was a big deal this year, was the overtime issues that we've been having in the scheduling system, we've been slowing down on the implementation and getting the contract together for the Chronos System, which is the scheduling system for the Master Roster Post Plans, the Correction Officers, for the leave times – this is actually going to allow us to do it system-wide. We really need this in place before we can even get the Chronos System to be put in place. This is going to be big money savings for me and the Department down the road and grievance-wise, it's going to be able to answer things. It will show favoritism, if there is any. The Chronos will be an electronic system so that staff know exactly where they're working, when they're working, when they're off. We can keep track of sick leave abuse, anything that doesn't look right, all those things will come into place because the system will allow us to be able to do that. That's where, to me, the biggest piece that I've been trying to do this year, to conquer and this will help me do that. They told me this will do that and I'm looking forward to getting this Chronos on board so that we can start managing it properly.

Governor: Thank you, Director Dzurenda. If all things go as we hope that they do, when will this system be operational?

John Borrowman: This is John Borrowman, Deputy Director. Assuming that we get the Interim Finance Committee, Contingency Funds approved on Thursday, we have the mechanism to process the paperwork and the payment to DMV, relatively quickly. They also have much of the equipment inventoried and are prepared in many cases, because it's still in the box in some cases, to deliver it fairly rapidly. Other pieces of equipment, they will have to take off-line, even though it hasn't been utilized for an application, they still had it live to make sure that the system integrity was there. There will be some decommissioning of equipment, but nonetheless, we expect to have that equipment in fairly short order, I'm told months, and at that point, we would be able to begin installing and implementing this equipment.

In terms of the time that it would take to fully utilize the capacity of this equipment, a lot of it is going to be the development of the other projects that we have in place. For instance, the Chronos, the security cameras, the telephone system, some of those other applications and it would be a ramp-up. Nonetheless, the availability of the equipment is expected to be online in state fiscal year 2019.

Governor: Thank you. That's all I have. Board Members, any additional questions?

Secretary of State: I have none, I'll move for approval.

Governor: Would that be for all of agenda number 7?

Secretary of State: Yes, sir: A, B and C. Thank you.

Governor: Thank you. The Secretary of State has moved to approve the request for recommendation of approval to the IFC Committee for an allocation amount from the Contingency Account, as presented, in agenda item number 7, is there a second?

Attorney General: I second.

Governor: Attorney General has seconded the motion. Any questions or discussions on the motion? I hear none. That motion passes 3-0.

8. Requests for the Allocation and Disbursement of Funds for Salary Adjustments (For possible action)

The 2017 Legislature, through Assembly Bill 517 and Senate Bill 368, made appropriations from the General Fund and the Highway Fund to the Board of Examiners to meet salary deficiencies that may be created between the appropriated money of the State's respective departments, commissions, and agencies and the salary requirements for the personnel of those departments, commissions, and agencies. The Board of Examiners, upon recommendation of the Director of the Governor's Finance Office, may allocate and disburse amounts, from the appropriate fund, to the departments, commissions and agencies of the State for the purpose of paying personnel salary deficiencies.

The following department, commission and agency requests for allocations from the General Fund and/or Highway Fund salary adjustment accounts are recommended by the Director of Finance:

BA#	BUDGET ACCOUNT NAME	GENERAL FUND ADJUSTMENT	HWY FUND ADJUSTMENT
	Nevada System of Higher Education (NSHE)		
2987	NSHE- University of Nevada, Las Vegas	\$1,141,324	
2988	NSHE- Intercollegiate Athletics - University of Nevada, Las Vegas	\$8,655	
2992	NSHE - University of Nevada, Las Vegas - Law School	\$158,369	
3001	NSHE - Statewide Programs – University of Nevada, Las Vegas	\$8,177	
3002	NSHE - University of Nevada, Las Vegas - Dental School	\$162,056	
3004	NSHE - Business Center South	\$19,663	
3014	NSHE - University of Nevada, Las Vegas – School of Medicine	\$66,638	
	Total	\$1,564,882	

Governor: Agenda item number 8, Request for Allocation and Disbursement of Funds for Salary Adjustments. Mr. Nicks.

Clerk: Sections 4, 5, 6 and 7 of AB 517 and sections 2, 3, 4 and 5 of SB 368 from the 2017 Legislative Session appropriated Salary Adjustment funds to the Board of Examiners to cover vacancy salary savings built into agency budgets, as well as the 3% cost-of-living adjustments, effective on July 1, 2017, which were not included in the agency salary budgets.

An agency 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 requests access to those funds by: University of Nevada Las Vegas; University of Las Vegas, Intercollegiate Athletics; University of Nevada Las Vegas, Law School; University of Nevada Las Vegas, Statewide Programs; University of Nevada Las Vegas, Dental School; University of Nevada Las Vegas, School of Medicine; and the Business Center South, within the Nevada System of Higher Education, to cover vacancy savings and the cost of the COLAs, in the amount of \$1,564,882, in Higher Education General Funds.

Governor: Thank you, Mr. Nicks. This is pretty standard, isn't it?

Clerk: That's correct, yes.

Governor: I have no questions. Board Members, any questions with regards to agenda item number 8?

Attorney General: Move to approve.

Governor: The Attorney General has moved to approve the request for the allocation and disbursement of funds for salary adjustments as presented in agenda item number 8, is there a second?

Secretary of State: I'll second it, Governor.

Governor: Seconded by the Secretary of State. Any questions or discussion on the motion? If there are none. That motion passes 3-0.

9. Approval of Proposed State Administrative Manual Changes

(For possible action)

Additions, revision and deletions to the following chapters of the State Administrative Manual are hereby submitted to the Board of Examiners for approval, pursuant to NRS 353.040: 0210 – Travel Status

Governor: Agenda item number 9, Approval of Proposed State Administrative Manual Changes, Mr. Nicks.

Clerk: Agenda Item 9 seeks approval to revise Chapter 0200 of the State Administrative Manual regarding Travel Status, Section 0210. This agenda item needs to be revised to include Section 0236 – Mileage Allowance for Moving.

This Chapter has been revised to add language regarding when an employee can claim a meal on their reimbursement request in Section 0210 – Travel Status; and, to add the GSA rate for relocation in Section 0236 – Mileage Allowance for Moving.

There were two comments received and were not incorporated into the final document, due to the posting of the meeting documents. We would like to add the following language to Section 0210 – Travel Status: Upon approval of the department head, agencies may make exceptions to the rate of reimbursement for meals when the following applies: 1) Employee has a food allergy and/or dietary restriction that precludes the employee from consuming the provided meal at a conference, meeting or other work function. 2) If the condition above exists, agencies may allow the employee to claim meal reimbursements for any meals provided at a conference, meeting or other work function that may pose a health risk to the employee if consumed.

Governor: Does that finish the amendment, Mr. Nicks?

Clerk: Yes.

Governor: I have no questions. Board Members, any questions with regard to agenda item number 9?

Secretary of State: I have none, move for approval.

Governor: Madam Secretary, does your motion include the language that was just proposed by Mr. Nicks?

Secretary of State: Yes, with the amended language.

Governor: Thank you. Secretary of State has moved to approve the proposed State Administrative Manual changes with the verbal statement made by Mr. Nicks, is there a second?

Attorney General: I second.

Governor: Second by the Attorney General. Any questions or discussion on the motion? Hearing and seeing none. That motion passes 3-0.

10. Approval of Proposed Master Lease Agreements (For possible action)

Department of Administration - Division of Enterprise Information Technology Services

The Division seeks approval for the third amendment to the existing master lease agreement with Dell Financial Services which provides mid-range equipment for state applications not to exceed \$5,634,728.83.

Governor: We'll move on to agenda item number 10, Approval of Proposed Master Lease Agreements. Mr. Nicks.

Clerk: Item 10 is a request from the Department of Administration, Enterprise IT Services Division to amend a lease agreement. This request would amend the master lease agreement with Dell Financial Services for mid-range equipment for State applications. The amendment extends the lease through June 30, 2022, at a cost of \$1,508,272.20, due to the replacement and expansion of storage capacity for State data.

Governor: Thank you, Mr. Nicks. I have no questions. Any questions from Board Members?

Secretary of State: I have none.

Attorney General: I have none, I move to approve.

Governor: Attorney General has moved to approve the proposed master lease agreement as presented in agenda item number 10. Is there a second?

Secretary of State: I'll second it, Governor.

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

11. Information Item – Reports

Governor's Finance Office – Budget Division

Pursuant to NRS Chapter 353, the Governor's Finance Office, Budget Division presents a reconciled fund balance report for the TORT Claim Fund, Statutory Contingency Account, Stale Claims Account, Emergency Account, Disaster Relief Account, IFC Unrestricted Contingency Funds and IFC Restricted Contingency Funds as of June 18, 2018.

TORT Claim Fund	\$ 5,804,931.63
Statutory Contingency Account	\$ 633,069.79
Stale Claims Account	\$ 850,076.26
Emergency Account	\$ 279,841.00
Disaster Relief Account	\$ 9,074,114.00
IFC Unrestricted Contingency Fund General Fund	\$10,126,882.06
IFC Unrestricted Contingency Highway Fund	\$ 1,676,832.35
IFC Restricted Contingency Fund General Fund	\$12,906,386.00
IFC Restricted Contingency Highway Fund	\$ 2,379,248.00

Governor: We'll move on to agenda item number 11, Information Item, Governor's Finance Office. Mr. Nicks.

Clerk: Agenda item 11 is an informational report on the available balances in the various contingency accounts managed by the Board of Examiners or the Interim Finance Committee, as of June 18, 2018. These accounts will cover contingencies through the 2017-2019 biennium. I would be happy to answer any question the Board may have on this item.

Governor: Thank you, Mr. Nicks. I'll ask my standard question. How are we doing? Are we in good stead?

Clerk: At this point, yes, we are in good shape. We have approximately \$2.6 million that will be reimbursed to the IFC Contingency Fund and \$1.95 million replenished to the Statutory Contingency Fund, due to some repayments that the Division of Forestry has received from the federal government.

Governor: I'm pretty certain we talked about that in a previous Board of Examiners Meeting, whereby, we had, essentially, had to add money to the Department of Forestry account because we had paid out so much but hadn't been reimbursed. It's likely that Ms. Casey is in the audience. I just want to thank her for being so aggressive, and the people that work with her, in terms of recouping that money. When do we anticipate that it will be deposited?

Clerk: The funds should be deposited with the closing of their accounts at the end of this month, early September.

Governor: That's great news. Thank you. Board Members, any questions with regard to agenda item number 11? That completes agenda item number 11.

12. Approval of Proposed Leases (For possible action)

Governor: We'll move on to agenda item 12, Approval of Proposed Leases. Mr. Nicks.

Clerk: There are 5 leases on the agenda, on agenda item 12, for approval by the Board this morning and no additional information has been requested by any of the members.

Governor: Thank you, Mr. Nicks. I have no questions. Board Members, any questions with regard to agenda item number 12?

Attorney General: No, Governor. I move to approve agenda item number 12.

Governor: Attorney General has moved to approve the proposed leases presented in agenda item number 12, is there a second?

Secretary of State: I'll second it Governor.

Governor: Secretary of State has seconded the motion. Any questions or discussion? Hearing none, that motion passes 3-0.

13. Approval of Proposed Contracts (For possible action)

Governor: We'll move on to agenda item number 13, Contracts. Mr. Nicks.

Clerk: There are 55 contracts in agenda item 13 for approval by the Board this morning. Numbers 31 and 32 are contingent upon approval of a work program at the IFC meeting on Thursday.

Members have requested additional information on the following: Contract item 1 between the Attorney General's Office and Adams Natural Resource Consulting Services, LLC; Contract 6 between the Department of Administration, Enterprise Information Technology Services and Converge One, Inc.; Contract 7 between the Department of Veterans Services, Northern Nevada Veterans Home and Avalon Care Center, Veteran's Administration Reno, LLC; Contract 16 between the Department of Health and Human Services, Public and Behavioral Health and the Attorney General's Office; Contract 34 between the Department of Wildlife, Operations and Kalkomey Enterprises, Inc.; Contract 52 between the Department of Employment, Training and Rehabilitation, Vocational Rehabilitation and Jobs for Nevada's Graduates; and Contract 55 between Silver State Health Insurance Exchange and Vimo, Inc., doing business as, Get Insured.

Governor: Thank you, Mr. Nicks. I had asked the first contract to be held out. I know this is a contract that we have approved before. Is Marta Adams present?

Marta Adams: Good morning, Governor and good morning, Board of Examiners. It's my pleasure to be here. Joining me at the table, to my right is Wayne Howell, Chief Deputy Attorney General. To my left, Robert Halstead, Executive Director of the Agency for Nuclear Projects.

Governor: Good morning. I had asked this to be held out, and not because I question the contract in any way – you've done a fabulous job and literally spent your entire career fighting the proposed Yucca Mountain project. I suppose what I wanted to do, was take the opportunity to have you and Bob, perhaps, to give a brief description of where we are and how we're doing and what you anticipate in the next six months to a year or so, associated with the Yucca Mountain project.

Marta Adams: Thank you, Governor. Mostly, I'll defer to Bob on this. I would say, as I did in July of 2017, we've been in a period of heightened vigilance, at least in the last several years. Although, since that time, the House of Representatives did pass, by an overwhelming majority, HR 3053, which would restart the Yucca Mountain project, change some key parameters of that program, and basically jump-start the program. Having seen that pass in the House, we do have an understanding that at least for the temporary period, probably until January of 2019, but at least in all likelihood, past the November election, the Senate will not take that bill up. They've basically signaled they will not do that. Meanwhile, we're in a preparation mode. We're looking at the three L's that I described to you last time – licensing, litigation and legislation because the federal legislation could change everything, although it looks like there is enough momentum that Yucca Mountain licensing may indeed restart before the Nuclear Regulatory Commission.

Governor: Thank you. Bob, why don't you take it from there.

Bob Halstead: For the record, Bob Halstead, Executive Director, Agency for Nuclear Projects. Good morning Members, good morning Governor. I think the only thing I would add is that if we were to summarize what's happened over the last 18 months or so, there really has been a concerted effort by the pro-Yucca Mountain forces in Washington to restart this program. I think it's fair to say, we've battled them to a draw, over that time.

In the licensing area, which I think is most important, because we have such a strong legal and technical case in our 218 contingents. The primary events that have taken place have been activities at the Nuclear Regulatory Commission about the steps that would need to be taken to restart the licensing proceeding. Both, our agency, the Attorney General's Staff and contractors and I have to compliment our members of Congress as well, particularly in this regard. Both of our United States Senators have been very active in filing requests for information with the Nuclear Regulatory Commission and the Department of Energy about what would happen in the event that licensing starts. Basically, things that are important to us, like a commitment to have any restarted hearings held at a hearing venue in Nevada, rather than at the Nuclear Regulatory Commission Headquarters in Rockville.

Secondly, in the Legislative area, I think it's important that while the Shimkus bill did get 340 votes, and that's certainly an indication of what we're facing in the House of Representatives, that the bottom line doesn't always tell the whole story. Three of our Members of Congress testified before the Subcommittee that Chairman Shimkus chairs and that resulted in very significant changes in the legislation at the committee level.

Some of the things that were of greatest concern to us and specifically, Chairman Shimkus' desire to gut western State water law, and basically preempt them. The Members of the full Committee, having heard the concerns of Nevada, forced Chairman Shimkus to back off that, and some of the other more draconian measures in his bill.

Finally, on the litigation front, I'll go back to the conversation that you and I had almost a year and a half ago now, after your meeting with Secretary Rick Perry, you told us you didn't want us to sit around waiting to see what the federal government was going to do on Yucca Mountain – you wanted us to take actions – well, immediately thereafter, we had the Texas case where the Attorney General's staff did a terrific job with our outside counsel in winning a dismissal. We're still waiting, I guess there's still an appeal period where Texas might come back, but we think we've beaten back that effort to try and expedite the licensing proceeding in a way that would have basically, violated our due process rights to a full licensing hearing.

In two other areas, as you asked us to do, we worked with the Attorney General's Office and our outside counsel and we have at least, in three major areas, and I don't want to talk about our litigation strategy in great detail here, but when, and if necessary, we're prepared to reactivate three cases that are currently in abeyance now.

I don't want to underestimate the threat we face from particularly, the House of Representatives and the Trump Administration and their desire to restart Yucca Mountain. We've been engaged in battle with them, last year and this year, and we've battled them to a draw, and I think we need to be prepared for another round, beginning in January of 2019. That's why we need Marta's services.

Governor: Mr. Halstead, thank you. The same message today as when we spoke before. We're going to take the fight to them. I don't want to play defense anymore in this. Wherever we have an opportunity, we're going to take it to them. I'm very passionate about this and I think we've got the best team that we could possibly hope for, in terms of experience and ability, to continue this fight to stop Yucca Mountain. I appreciate your efforts and I just need to know if you need any more resources. As I said, Marta is a very, very, important and valuable member of this team and our strategy. So, Marta, again I thank you for that. This is an important contract. This is obviously an important issue. It's one that has spanned decades now. At this point, given the history that you just described, and the action taken in the House of Representatives, and then the delay of the bill until after the election, I think we need to anticipate that something is going to happen after the first of the year. We need to be ready for it and if there's something that we can do in between there, we should do it.

Again, I appreciate the opportunity to work with all of you. I have four more months, so whatever we can do between now and then, let's continue to slug them in the stomach and pop them between the eyes.

Bob Halstead: We will do that Governor.

Governor: Thank you. Board Members, do you have any further questions or comments on Contract 1?

Secretary of State: Governor, I'd just like to thank you and the Attorney General, both, Governor's Office and the Attorney General for all the work that you're doing on this, on our behalf of Nevada. Thank you.

Governor: Thank you. Madam Secretary, any other questions or comments on Contract 1? Again, thank you Marta, Bob and Wayne.

We'll move to agenda item number 6. Will the individual associated with Contract 6 come forward? The purpose for me calling this forward is, it is relevant to the conversation we just had with regard to the Department of Corrections and the data network.

Patrick Cates: Good morning, Governor, Members of the Board. This is Patrick Cates, Director of the Department of Administration. I have with me Michael Dietrich, the State CIO for Nevada, and Jon Matthews, IT Manager for Enterprise IT Services, who has been working with Corrections.

Governor, to the testimony provided by Corrections earlier, I can confirm that our two departments have been cooperating very closely on increasing bandwidth and network connectivity. This contract is a part of that. This contract will provide services to analyze Department of Correction's networks at key locations, four key locations, to ensure that the network is configured in the most efficient way possible, so that any additional bandwidth that is added, is used as efficiently as possible.

The outcome of this should improve their configurations, should improve their need for bandwidth. It may identify needs for investments in equipment upgrades to make their network more efficient, and it is part of a larger effort to try to bring them more bandwidth. We've been working very closely with them on those efforts.

Governor: Thank you, Director Cates. Would you agree with what Mr. Borrowman and Director Dzurenda presented, in terms of what it can do for their operations, if we approved them getting that new equipment and if IFC approves it?

Patrick Cates: For the record, Patrick Cates. Yes, we supported that investment. We think it makes a lot of sense. We were working with them on telemedicine. I know that EITS has worked with them and Renown Health to set up some Virtual Private Network (VPN) tunnels to make telemedicine function properly at some of their key institutions. This will help that effort, as well as some additional work we're doing with them, to expand network capacity.

Governor: This telemedicine issue is really important because not only will it save money, not only will it create efficiencies, but it will provide more opportunities for improved health care for the inmates. It really is a win-win-win, as we start to piece all this together, it's going to be a big positive for the State. I appreciate your hard work.

Patrick Cates: Thank you, sir.

Governor: Board Members, any further questions or comments with regard to Contract 6? Thank you, gentlemen.

We'll move to Contract 7 which is Department of Veterans Services and Avalon Care. Good morning, I thought this would be a great opportunity to update us on the Veterans Home, Northern Nevada Veterans Home. Please proceed.

Wendy Simons: Thank you Governor and Attorney General Laxalt and Secretary Cegavske. It's beyond exciting to be able to give you the update on the Northern Nevada State Veterans Home and to actually be coming before you today with the management contract for approval.

Just by way of highlights, we all know we've been talking to most everybody in this room, about the home for several years. You had a hard-hat tour and had a chance to have an influence on our football field, so I want everybody to stay tuned for the football field. Anyway, the home is on track for the schedule. Q&D Construction has been the Construction Manager-at-Risk and they're holding tight to the schedule of being able to do our State recognition or ceremonial ribbon cutting on December 17, 2018.

With the contract before you today, with the management company, Avalon, we were very careful in the review and selection and Request for Proposal for a management company to operate this home, knowing how important it is to the State and the veterans and family members in our State. They currently operate four State veterans' homes in Utah, one in Hawaii and they have a portfolio of 70 skilled nursing facilities nationwide, with extensive experiencing in starting up new homes that are opening up. Most particularly, state veterans' homes which have additional criteria above and beyond state licensure, federal certification through Centers for Medicare & Medicaid Services (CMS), but also to the certification process that is required by the Veterans Administration. We're very pleased that they ended up being the company selected. We've had multiple meetings with them and ongoing, even prior to the execution of the contract, just because they're very interested and plan on this being a very successful facility for the State of Nevada.

We have started to establish what we called an "interest list of individuals" in the State who are veterans or veteran family members or spouses or gold star parents. As of this date, we have 112 individuals on the interest list. This is a 96 resident, skilled nursing facility, so not all 112 may need skilled nursing care, but every day, every week, we receive more folks asking to be placed on the list. It truly validates the State's belief and our wonderful Governor's commitment to making sure that this happened. We remain very proud and appreciative to be part of this whole process.

If there are any other questions, I stand ready to answer those for you.

Governor: Thank you. You prompted one question for me. First of all, thank you for all your hard work. As I drive by and I see the walls are up and the progress that has been made, you're right, it is really exciting. How are we getting the word out there, that this facility will be available to veterans, to make sure that perhaps there's somebody out there who may not know that they're eligible, that they could put their names on the list?

Wendy Simons: Thank you, sir. For the record, Wendy Simons, Deputy Director, Nevada Department of Veterans Services for Health and Wellness. Actually, the VA Hospital has been one of our primary referral sources. Chief of Staff, Director Lisa Howard and all components of the VA Hospital are constantly referring people to us. We've also conducted numerous Town Halls in the community to alert both seniors or community partners and different entities like Senior Coalition and many other senior organizations about the coming home. Media coverage has been very kind and considerate as well. Getting the word out, I think it typifies Nevada, what I love so much about Nevada, is it's a community buzz, and it's all of our wonderful veteran organizations, but the passion everybody shows in this State for veteran services, it's good old Nevada community buzz that's actually been getting the word out, sir.

Governor: Thank you, Ms. Simons. Board Members, any questions or comments on Contract 7?

Secretary of State: Thank you Governor for the opportunity to speak on this. I just wanted to take the time to, again, thank you, Wendy, and all of your staff for everything that you do for our veterans in Nevada. I see you everywhere. You do so much and we're really, really pleased. I'm was so pleased with the Governor's announcement about the veteran's home, then how fast you've been able to move and work with that. I was very honored to be there for the groundbreaking. I'm hoping to be there for the opening day when we get to welcome the first patient in. I know what you've done in the south, I attend a lot ceremonies and the opportunities to go to the VA Hospital there. I'm just proud of what you guys are doing, thank you very much.

Wendy Simons: Thank you.

Secretary of State: Thank you. Thanks, Governor.

Governor: Thank you, Madam Secretary.

Attorney General: Just wish to congratulate you all, as well, for the great work and thank you, Governor, for really championing this – it wouldn't have happened without you.

Governor: Thank you.

Attorney General: Appreciate you all.

Governor: Thank you. Ms. Simons, one more question, did we get our reimbursement check from the federal government for that \$34 million or whatever it was?

Wendy Simons: For the record, Wendy Simons. Governor, that will be forthcoming. All the documents are into the VA. We will get the reimbursement check. As we start to submit the claims that are associated with that funding coming back, yes, we're all delightfully pleased that that is going to come back to the State.

Governor: Thank you very much. Again, we really appreciate your hard work and commitment. Thank you.

Wendy Simons: Thank you.

Governor: We'll move on to Contract 34, I believe I saw Director Wasley in the audience, along with Mr. Robb.

Director Wasley: Good morning, Governor, Board Members. Tony Wasley, Director for Nevada Department of Wildlife, for the record.

Governor: Will you tell us a little bit about this contract?

Director Wasley: Absolutely. Thank you for the question, Governor. This kind of dates back to the 2017 Session where the Department undertook a fairly significant license modernization and license simplification effort, going from 27 different licenses and stamps, down to simplified structure, with eight enhanced, electronic, purchasing, mobile device, purchasing options. The implementation of that simplified structure happened to be simultaneous with the expiration of an existing contract. The Department followed a rigorous Request for Proposal (RFP) process with State Purchasing to select a new vendor to carry out some aspects of this implementation, and as required in statute, the Department must have a third-party vendor conduct the hunt application system, of which, we had over half of the 300,000 applications this year were submitted on mobile devices. It is providing some of that enhanced functionality that we imagined. It is coming at significant savings. This is a six-year contract. The initial contract price was \$7.5 million over that six-year period. This amendment, if approved, would take that to \$9 million over that six-year period. That would be an additional, roughly \$250,000 a year, but that still is at a savings of over \$1 million a year, to the Department of Wildlife and citizens of Nevada.

This amendment was not an unanticipated need based on some of the structural differences in the contract. Governor, Board Members, if I may, I'd like to turn that explanation over to Deputy Director, Liz O'Brien who is the Deputy Director responsible for our fiscal operations.

Liz O'Brien: Thank you. Liz O'Brien, Deputy Director for the record. This is an accounting adjustment to the contract that was not new in services. We always paid \$1.00, per sale, or \$0.10, per stamp sale, to the vendor. The issue was the way that we paid the vendor. In the past, the vendor was collecting the money and then they would keep their \$1.00 or \$0.10, per sale, and then turn the money over to the State.

In today's world, and in this contract, we actually receive all the money. Then the vendor, this new vendor, in particular, bills us for that \$1.00 per sale, and the \$0.10 per sale. That was just an oversight when the contract was out for RFP.

Governor: Thank you. Anything else, Director Wasley?

Director Wasley: No, thank you Governor. I'd be happy to answer any questions, should there be any.

Governor: Does that mean if I go fishing on Saturday I can get my fishing license, my 'day' fishing license, online?

Director Wasley: Yes, sir, that is part of our marketing slogan, *Get Online, Get Outside*.

Governor: I like that. Congratulations. I think that hopefully, that will encourage that many more people to do just that, to get outside.

Director Wasley: Thank you, Governor.

Governor: Any other questions from Board Members on Contract 34?

Attorney General: I have one question, Governor. I just want to clarify that, there isn't any additional money that is being gained or lost, all of that is the same. The only reason we have additional dollars here is that the contract is being extended out. Have I understood that correctly?

Liz O'Brien: Liz O'Brien for the record. Yes, you are correct.

Attorney General: Okay, thank you.

Governor: Thank you, Director Wasley, Mr. Robb and Ms. O'Brien. We'll move to Contract 52, which is between DETR and Jobs for Nevada's Graduates.

Shelley Hendren: Good morning Governor and Board Members. I'm Shelley Hendren, Administrator for the State's Rehabilitation Division and the Vocational Rehabilitation Program.

Governor: Will you provide a brief record of what this contract is and perhaps a little history on Jobs for Nevada's Graduates.

Shelley Hendren: Thank you, it'd be my honor. We became affiliated with Jobs for America's Graduates or JAG around 2015 when they joined us on a rural tour and town hall meetings that we were holding so that they could spread the word about this program and get into more schools across Nevada.

The mission of JAG is to improve graduation rates for students that have barriers. Then, they of course, have a vocational goal to assist these students to prepare for work and then obtain work when they get out of high school. It's a really unique research-based type of program that's multi-interventional. They provide an array of counseling services, skills development, career preparation, job development and job placement services. The JAG program follows their students up to a year after program exit to advocate for them and provide continual soft skills and job preparation services and help them become employed up to a year after exit.

For us, as we started talking more to the folks from JAG, we realized what a good fit it was for our program. The Vocational Rehabilitation Program works with people with disabilities to remove their barriers to employment. Since the signing of the Workforce Innovation and Opportunity Act, in late 2014, there was a renewed focus in that piece of legislation on serving students with disabilities. Title IV of Workforce Innovation and Opportunity Act are amendments to the Rehabilitation Act and there were a multitude of changes and this renewed focus, in addition to serving students with disabilities, there were five activities we were to focus on. What we found in meeting with the JAG folks is, in their curriculum they hit four of those five services; career counseling, counseling on post-secondary education opportunities, self-advocacy and job-readiness training. We thought it would be a very good marriage for us.

The biggest challenge we had is that because of our federal grant, we're unable to pay them to do what they normally do. We can pay them for expansion and that's what these contracts are for. We are currently contracted with them for school years 2017 and 2018. This contract will add three more years. What we did was establish a baseline. In 2016, they were serving 95 students with disabilities in the JAG program. We said, if you can expand and get into more schools if you can generate interest, more students with disabilities to go through your curriculum, then we can pay you as we would any service provider that's delivering those types of activities. That's what they've done. I can tell you in fiscal year 2017, they served a total of 242 students with disabilities, that's 147 over that baseline we set. Then in fiscal year 2018, they served 283, so that's 188 over that baseline. They also expanded the number of schools they are in. In 2017 it was 26, 2018 it was 36, and my understanding is, currently, they are in 41 high schools.

Governor: Well, thank you. The JAG program has been one of the most phenomenal and successful education programs that we've implemented in the past seven or so years. I was really pleased to see that it's expanded now to students with disabilities and if we have, which I would expect, the same success that we have with the at-risk students that we do with the students with disabilities, the JAG program is going to continue to change lives and set young men and women up for a really successful life. I really appreciate your hard work and I think this is a fabulous contract. Thank you.

Shelley Hendren: Yes, Governor, thank you so much. Thanks to you because I know you had an influence on starting the JAG program in Nevada. We appreciate that we think it's a terrific program as well, with a really high success rate.

Governor: Yes, well thank you. Madam Secretary, I would suspect, you may have some comments because I know this is an issue that is very important to you.

Secretary of State: Thank you Governor. Yes, I agree with the Governor. I remember when we first started talking about this. It was one of those really exciting programs we thought would be good. Now you've proven that it's excellent and that it has a broad base and including students with disabilities. I can't thank you enough for that Governor, for your vision on this. Really, I'm very, very proud to have said I got to vote in the Legislature on this and that we're continuing to hear about it on a regular basis. Thank you, Governor, thank you very much for what you do. Please tell the people that are working on this that we really do appreciate it and we do watch. Thank you, Governor.

Governor: Thank you. Any other questions or comments on Contract 52? Thank you.

We'll move on to Contract 55 which is the Silver State Health Exchange.

Heather Korbolic: Good morning, Governor. Heather Korbolic, Director of the Silver State Health Insurance Exchange.

Governor: I asked for this contract to be held out because I think this is a really good opportunity to talk about your success and what's been going on with the Silver State Health Exchange. Also, to lay down a record and explain what's happening and why we are going from the federal hub to creating one ourselves. Please proceed.

Heather Korbolic: Thank you. Thanks for the opportunity. So, this is a contract to transition the State's exchange from a hybrid model that is reliant on Healthcare.gov, and its associated call center, to get insured's proven private platform and call center. The increase in fees that Healthcare.gov or to lease Healthcare.gov's system have pushed the Exchange to seek a private market business solution that will allow the continued control necessary to service Nevadans at a lower cost than the federal government. Nevada consumers, the Division of Insurance, and the Exchange have repeatedly benefited from the State's control afforded to the State-based Exchange.

For instance, I'm sure you remember this, Governor, in 2017, when it looked as if 14 of Nevada's rural counties would be without any exchange plans, this control proved critical. Around 9,000 rural Nevadans rely on the plans on the exchange and have no other health insurance options available to them. The extremely small proposed rate increases for the plan year 2019 further demonstrate the importance of Nevada managing its own marketplace.

This contract is going to ensure stability for the exchange by significantly lowering the technology and call center costs, saving the State a projected total of \$18.9 million, through State Fiscal Year 2023. It will also allow us to retain control of our individual market while providing insurance carriers, brokers, policymakers and others, cutting-edge tools, to better serve Nevada consumers.

We currently serve 91,000 lives statewide and we're a self-funded agency. Our operations do not require any General Fund, nor are we requesting any. Our revenue is derived from a 3.15% assessment on gross monthly premiums that are collected by our Exchange Carriers. CMS began charging us for Healthcare.gov in 2017 at 1.5% of those gross monthly premiums, so essentially, half of our budget. This fee increased to 2% for plan year 20'18 and it goes to 3% for plan year 20'19, and then ongoing. That 3% represents almost the entirety of the Exchange's budget. The impact of these increased fees are going to reduce our operating budget to 0.15%, or a little over \$600,000, and will not allow the Exchange to remain solvent.

Per the President's Executive Order to minimize the burdens of the Affordable Care Act, and then, under the direction of the Exchange's Board of Directors, we've coordinated with CMS, the Division of Welfare and Supportive Services and others, to develop an approved model for integration, that avoids the problems that led to the 2014 failure.

In December 2017, we put out an RFI and the responses convinced us that the Exchange vendor climate has significantly changed since the days of Xerox. Whereby, that first generation of Exchanges required complex, custom built platforms based on unproven technology. There are now multiple vendors that offer proven, turn-key solutions that have been successfully deployed in a number of other states.

We followed up on our RFI with a series of stakeholder feedback sessions and we made site visits to other state-based marketplaces including Idaho, which is another western frontier state and has the distinction of being the only other state to transition away from the federal platform and establish successful operations as a state-based Exchange.

We've worked through the Interim Finance Committee to secure the budget authority to issue an RFP, and that went out in April of this year. The RFP required that the proposed vendor must have demonstrated successful operations in at least one other state or one complete plan-year, and must also replicate the business processes that are currently operationalized by Healthcare.gov. The highest scoring respondent was Get Insured, the same vendor who successfully transitioned Idaho away from the federal platform in 2015.

This contract is favorable and innovative for the State. It minimizes risks that are associated with complex multi-vendor implementations and it capitalizes on opportunities for shared cost savings between the many different states that use the Get Insured platform. There are several other states that are enthusiastic about the potential savings we'll achieve through this contract and many will likely be following behind.

We've developed a project management team and partnership with Welfare and Supportive Services and CMS and others, in order to meet a transition timeline with full implementation, effective October 2019, for enrollment in plan-year 2020.

The budgeting and operational stability that's provided by this transition is not only going to save our State 40-50% of that which would have otherwise been spent on Healthcare.gov but it's going to further insulate Nevada from a significant portion of the marketplace volatility that is associated with changing federal regulations.

This transition aligns our State with the current federal emphasis on foregoing a one-size-fits-all approach to the federal marketplace and allows us to continue serving Nevada consumers at a lower cost point than the federal government, while most importantly, maintaining our ability to customize our operations to best meet Nevada's needs.

Finally, contingent upon the continued stabilization of our marketplace that we've been seeing, we believe at the Exchange that we may be able to sustain our operations from a lower assessment of carrier premium fees, which would benefit both the carriers and consumers. I'm more than happy to take any questions.

Governor: Thank you and well done. You've basically checked all the boxes for me, in terms of what my questions would be. Trying to summarize, essentially, if we stayed where we are, the status quo, those fees would triple. The fees associated with Healthcare.gov and being part of that hybrid as you described.

Heather Korbolic: Correct. It would take almost the entirety of our budget. We collect 3.15% of gross premiums that our carriers collect. Healthcare.gov wants to charge us 3%, so almost the entirety of what we collect.

Governor: At the end of the day, what it means is, for those 91,000 people that use this, get their health insurance this way, it would, as you say, probably sink the program but otherwise, they would have to pay for it and their premiums would go up dramatically, correct?

Heather Korbolic: There would be two options. We could either, as a state, decide that we're going to charge more in our carrier premium fees to operate a fully federally facilitated marketplace, charges 3.5%, we could ask for that, or over that amount, but I don't think there's an appetite for that. Or, we could hand our operations over to the federal government, which essentially looks like less service for more of a cost.

Governor: Finally for me, you said it, Xerox, I still have the scars from all of that. In any event, you have 100% confidence in this vendor that it can do what it says it can do? I know you talked about that they already have experience in Idaho, but we feel really good about this?

Heather Korbolic: Yes, Governor. The Xerox ghost lives in my office. Yes, I am well aware of the pain that was created in 2014. I am very confident in Get Insured's ability, not just based on what they've done in Idaho, but they're operationalized in six states with a proven platform that is functional and working for them.

Governor: Thank you. Those are all the questions I had. Board Members, any questions with regard to Contract 55?

Attorney General: I just have one question. Shifting over to basically, state-run Exchange will obviously save us money. Is that something that eventually will lead to lower premiums? Is that something that will be potentially passed back to Nevadans?

Heather Korbolic: Yes, based on the continued stabilization of the marketplace, which we have been seeing in our State, we believe that we could lower our premium assessment fees and then that would be passed along to the carriers who would then pass it to the consumers.

Attorney General: What's the percentage? Just going off of this 3.1%, I believe. What are we going to be able to operate under?

Heather Korbolic: To be determined, based on stabilization.

Attorney General: Is it half? Is it three-quarters?

Heather Korbolic: I think we will be able to operate on probably less than 3%.

Attorney General: Okay, thank you. And, great idea.

Governor: One other piece of good news is, I understand that we have a pretty healthy reserve as well?

Heather Korbolic: Correct. That's a good point. The one area of frustration that I have been working with our entire federal delegation around, is the fact that Healthcare.gov wants to charge us for the full plan year in 2019. At the same time, we'll be paying for some of these transition costs and paying our new vendor. Our reserves will be exhausted by the time we pay both organizations.

Governor: Okay, that's a fact I didn't know. I would love to get involved with that, in terms of charging us for a full year, when we're only getting a fraction of the service. We can have that conversation on another day.

Heather Korbolic: I'd be happy to.

Governor: Again, thank you for your hard work in making the Silver State Health Exchange the success that it is.

Heather Korbolic: Thank you, Governor.

Secretary of State: Governor, if I might, I just also want to thank you all for working on this because this has been something that has been brought again to the legislature. We've been following it, watching it for a few years now. We're really happy that we have a conclusion and we have some type of a model that we're going to be able to follow. Thank you for all the hard work. Governor, thank you for your efforts, it hasn't been easy. I know, whenever you say 'Xerox', whenever anybody says that word, it kind of has the hair stand up on the back of your neck because that was not a fun session to go through with that. Thank you for everything that you've done.

Governor: Thank you, Madam Secretary. Board Members, any other questions or comments with regard to the contracts included in agenda item 13?

Secretary of State: Governor, no, I don't have any other.

I believe 16 was withdrawn, is that correct?

Governor: It wasn't withdrawn, it was just that there aren't any questions on it.

Secretary of State: Okay. All right, so, move for approval of the proposed contracts 1 through 55.

Attorney General: I second.

Governor: The Secretary of State has moved to approve the proposed contracts presented in agenda item number 13, 1 through 55. The Attorney General has seconded the motion. Any questions or discussion? There are none. That motion passes 3-0.

14. Approval of Proposed Work Plan (For possible action)

Governor: We'll move on to agenda item number 14, Approval of Proposed Work Plan. Mr. Nicks.

Clerk: There is one work plan for approval by the Board this morning. No additional information has been requested by any of the Members.

Governor: Board Members, any questions on the work plan?

Attorney General: Move to approve agenda item number 14.

Governor: The Attorney General has moved to approve agenda item 14, is there a second?

Secretary of State: Second, Governor.

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

15. Approval of Proposed Master Service Agreements (For possible action)

Governor: We'll move on to agenda item 15, Approval of Proposed Master Service Agreements. Mr. Nicks.

Clerk: There are 107 Master Service Agreements (MSA) in agenda item 15 for approval by the Board this morning. Most of these agreements replace existing provider agreements, as explained at the June BOE meeting. MSA numbers 21 and 73 relate to agenda item 6C. No additional information has been requested by any of the Members.

Governor: Thank you Mr. Nicks. Just as a refresher for the Board Members, this is the product of our utilizing a different system and having all of the contracts come before us so that we're familiar with them. I have no questions. If there are no questions, the Chair will accept a motion.

Attorney General: Governor, I move to approve agenda item number 15.

Governor: The Attorney General has moved to approve the proposed Master Service Agreements included in agenda item 15, is there a second?

Secretary of State: Second, Governor.

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

16. Information Item – Clerk of the Board Contracts

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 - \$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from June 19, 2018 through July 23, 2018.

Governor: We'll move on to agenda item 16, Clerk of the Board Contracts, Mr. Nicks.

Clerk: There were 58 contracts under the \$50,000 threshold, approved by the Clerk, between June 19, 2018 and July 23, 2018. This item is informational only and no additional information has been requested by any of the Members.

Governor: Thank you, Mr. Nicks. Any questions with regard to agenda item 16. I hear none. That's an information item.

17. Approval of a Settlement for Early Termination of a Contract **(For possible action)**

Department of Motor Vehicles

Pursuant to Article 5, Section 21 of the Nevada Constitution, the Department requests settlement approval to fully resolve the termination of contract #17601, with Tech Mahindra, for the System Modernization Project.

Governor: We'll move on to agenda item number 17, Approval of a Settlement for Early Termination of a Contract. Mr. Nicks.

Clerk: This item is a request from the Department of Motor Vehicles to approve a settlement with Tech Mahindra to fully resolve an early termination of a contract regarding the System Modernization Project. The settlement is for zero dollars. Director Albertson is available to answer any questions the Board may have.

Governor: Thank you Mr. Nicks. Is Director Albertson at the table? Yes, she is, Director Albertson, did you have any presentation that you wanted to make?

Director Albertson: Yes Governor, thank you for this opportunity. I'd also like to extend my congratulations to you.

Governor: Thank you, very much.

Director Albertson: Good morning Governor and Members of the Board. For the record, Terri Albertson, Director of the Department of Motor Vehicles (DMV). With me today is Mike Jensen, Senior Deputy Attorney General.

We are before you today seeking approval of the settlement agreement and release related to the termination of the contract between the DMV and Tech Mahindra for the system modernization project. Pursuant to the contract, upon termination, Tech Mahindra, provided DMV, claims for approximately \$7.5 million they believed were due to them. The DMV disputed all of those claims for amounts due.

Through this settlement agreement and release, the DMV and Tech Mahindra have mutually agreed to release each other from any and all claims arising under the contract. As a result, the DMV pays nothing to Tech Mahindra to close this contract. Through this settlement agreement, the State of Nevada and Tech Mahindra will avoid the potential for adverse outcomes and the substantial costs associated with this type of litigation.

This is a very favorable settlement of the claim for the DMV and the people of the State of Nevada. We respectfully seek your approval of this settlement agreement and release. Governor, I'd like to add further, I would like to provide my thanks to both your Office and the Attorney General's Office and their staff for the professional processes that we went through in order to come to this termination agreement, which is in the best interest of the State of Nevada. Again, extend my heartfelt thanks to Mike Jensen and the Attorney General's staff for their commitment and dedication to this process. I'd be happy to answer any questions you might have.

Governor: Thank you, Director Albertson. Mr. Jensen, I see you're sitting there. Do you agree with that conclusion that the settlement is in the best interest of the State?

Mike Jensen: Yes, Mr. Governor, I do. I believe this is a very favorable settlement for the State of Nevada and for the people of the State of Nevada.

Governor: Ms. Albertson, I said earlier but this relates to the discussion that we had with the Department of Corrections and that equipment that would've otherwise been used by the DMV is now going to hopefully be used by the Department of Corrections, correct?

Director Albertson: That is correct, Governor. Again, I think as part of this settlement agreement, it's a win-win for the State of Nevada. Again, the Department of Corrections can benefit from that equipment that the DMV does not believe will be needed for our system modernization effort going forward. Again, want to thank the Board for their consideration for that opportunity for NDOC.

Governor: Thank you, Ms. Albertson. Let's move to that next issue with regard to system modernization. Are we now preparing a new plan to move forward?

Director Albertson: Yes, Governor. Terri Albertson for the record. The Department has successfully submitted a completed Technology Investment Notification (TIN) to EITS for their consideration. And we are simultaneously working on a new RFP to go out for procurement for a new system integrating for our modernization effort, which is now referred to as the Star Project.

Governor: Yes, I saw that earlier in our agenda for the Work Plan. That Star Project, when we do the RFP, will it be a wide open RFP so that any interested vendor will be able to present a proposal?

Director Albertson: Thank you. Again, Terri Albertson for the record. Yes, Governor. We are working with the Department of Purchasing in order to put out a full RFP procurement in order to seek a vendor for our systems integration.

Governor: Thank you very much. Board Members, any questions with regard to agenda item number 17?

Secretary of State: No questions from here, we thank you, though, for your work. Thank you very much.

Director Albertson: Thank you.

Governor: Thank you. If there are no further questions or comments, the Chair will accept a motion to approve the settlement for early termination of the contract by the DMV with Tech Mahindra as presented in agenda item number 17.

Secretary of State: I move for approval of 17, the approval of a settlement for early termination of a contract for DMV.

Governor: Secretary of State has moved for approval. Is there a second?

Attorney General: I second.

Governor: Seconded by the Attorney General. Any questions or comments on the motion? I hear none. That motion passes 3-0. Thank you, Director Albertson. Thank you, Mr. Jensen.

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

Governor: We'll move to agenda item number 18, Public Comment. Is there any member of the public present in Las Vegas that would like to provide public comment to the Board? There's no public comment in Las Vegas. Any public comment from Carson City?

Secretary of State: I don't see anyone here. The only thing I'd like to say to you Governor is to thank you and your staff. We're really excited to have Paul Nicks as the new Clerk of the Board. The Secretary of State's Office wants to thank Mr. Nick's and his staff for always working with us in answering questions that we have. So we just wanted to tell you to thank you.

Governor: Thank you, Madam Secretary. Mr. Nicks, you did a fabulous job on your first full meeting.

Clerk: Thanks, Governor.

19. Adjournment (For possible action)

Governor: Agenda item number 19, is there a motion to adjourn?

Secretary of State: Move to adjourn.

Governor: The Secretary of State has moved to adjourn, is there a second? Seconded by the Attorney General. I see and hear no further discussion. That motion passes 3-0. This meeting is adjourned, thank you ladies and gentlemen.