

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:** June 19, 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  
Attorney General Adam Paul Laxalt – Present in Las Vegas  
Secretary of State Barbara Cegavske – Present in Las Vegas  
James Wells, Clerk

#### **OTHERS PRESENT:**

Rebecca Salazar, Programs Officer 3, Victims of Crime Program  
Michelle Morgando, Administrator, Hearings and Appeal Division  
Rique Robb, Deputy Administrator, Aging and Disability Services Division  
Kacey KC, Administrator, Division of Forestry  
James Dzurenda, Director, Department of Corrections  
Robin Sweet, Court Administrator, Administrative Office of the Courts  
Dominique Etchegoyhen, Deputy Director, Department of Conversation  
and Natural Resources  
David Peterson, Tourism and Cultural Affairs  
Dena Schmidt, Administrator, Aging and Disability Services Division  
Jeff Hagg, Administrator, Department of Administration, State Purchasing

## 1. Call to Order / Roll Call

**Governor:** Good morning ladies and gentlemen, I will call the Board of Examiners Meeting to order. I hope everyone is having a wonderful day. All members are present. Can you hear us loud and clear in Las Vegas?

**Attorney General:** Yes, Governor.

**Governor:** Thank you.

## 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:** We'll move to agenda item number 2, Public Comment. Is there any member of the public present in Carson City that would like to provide public comment to the Board? I hear and see no one. Is there anyone present in Las Vegas that would like to provide public comment to the Board?

**Secretary of State:** No, Governor.

**Governor:** All right, thank you.

## 3. Approval of the May 8, 2018 Minutes (For possible action)

**Governor:** All right, thank you. Agenda item number 3, approval of the May 8, 2018 minutes. Have the Members had an opportunity to review the minutes and are there any changes?

**Secretary of State:** I have none and I'll make a motion to approve the minutes.

**Governor:** Thank you Madam Secretary. The Secretary of State has moved to approve the May 8, 2018 minutes. Is there a second?

**Attorney General:** I second.

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

#### **4. Department of Administration – Victims of Crime Fiscal Year 2018 3<sup>rd</sup> Quarter Report and Fiscal Year 2018 4<sup>th</sup> Quarter Recommendation**

Pursuant to NRS 217.260, Department of Administration shall prepare and submit quarterly to the Board of Examiner, for its approval, estimates of available revenue in the Fund for the Compensation of Victims of Crime, and the anticipated claim costs for the quarter. If revenues are insufficient to pay anticipated claims, the statute directs a proportional decrease in claim payments.

The 3<sup>rd</sup> quarter Fiscal Year 2018 Victims of Crime Program report states all approved claims were resolved totaling \$3,786,355.49 with \$1,891,392.09 paid out of the Victims of Crime Program account and \$1,894,963.40 resolved through vendor fee adjustments and cost containment policies.

The program anticipates future reserves at \$7.3 million to help defray crime victims' medical costs.

Based on these projections, the Victims of Crime Program recommends paying Priority One, Two and Three claims at 100% of the approved amount for the 4<sup>th</sup> quarter of fiscal year 2018.

**Governor:** We'll move to agenda item number 4, Victims of Crime, Fiscal Year 2018 3rd Quarter Report and Fiscal Year 2018 4th Quarter Recommendation. Mr. Wells, good morning.

**Clerk:** Good morning Governor, Members of the Board. Pursuant to NRS 217.260, the Board of Examiners is required to estimate the available revenue and anticipated claim costs for the State Victims of Crime Program. This item includes a report on the claims paid in the 3rd quarter of Fiscal Year 2018 and a recommendation to pay Priority 1, 2 and 3 claims at 100% for the 4th quarter of Fiscal Year 2018. When this report was submitted, the Program anticipated having a reserve at the end of the 4th quarter of FY 2018 of approximately \$7.3 million after covering all of the expenses and a 45-day operating reserve. That is an increase of approximately \$2 million from the projected reserves at the end of the 3rd quarter but is still down about \$4.4 million from the first quarter projected reserve of \$11.7 million.

The decrease is primarily due to the number of claims filed subsequent to the Route 91 mass casualty event on October 1st. It appears the program has begun to stabilize since the October 1st, but the fund will have a lower balance at the end of the 4th quarter than it had in the last three fiscal years. Agency representatives are still telling us that they will receive or are expecting to receive additional federal funding to offset those expenses. At this time, the \$7.3 million, I believe is a reasonable reserve for the program. There are representatives from the Victims of Crime Program to answer any questions.

**Governor:** Thank you, Mr. Wells. I think I recall that we had this conversation last meeting or the meeting before that, do we know when we will get reimbursed or that extra money will come that is associated with October 1<sup>st</sup> event?

**Clerk:** We have not heard anything yet, as to the exact date, when we will get it. I believe that the last time I heard, they were looking at coordinating the two Victims of Crimes Program, the one that's run under Department of Child and Family Services and the one under the Department of Administration into a single request. So, I believe that's been part of the delay.

**Governor:** All right, thank you. Board Members, any questions with regard to agenda item number 4?

**Secretary of State:** If I might Governor, I was just curious if there is any more thought of how many more victims might have claims.

**Rebecca Salazar:** Yes, Rebecca Salazar, Program Manager for Victims of Crime. There is still about, just under 200 injured who have not applied. We have made various efforts to reach those people. Hopefully at some point, they will apply.

Early on, the consultants that were here from the Federal Office for Victims of Crime said that traditionally, in these types of things, you get about 25% of the people who were affected apply. That would be somewhere around 6,000. As of today, we've received 4,693 applications. Hopefully we will get about 1,300 more. We have a one year deadline, there has been a lot of press releases regarding the deadline and trying to encourage people to apply. We will continue those efforts.

**Secretary of State:** Thank you, very much. I appreciate that. Thank you Governor.

**Attorney General:** I have a question.

**Governor:** All right, Mr. Attorney General.

**Attorney General:** I just wanted to hear from you guys, kind of reiterating what Mr. Wells said that you all are confident that we have enough money with the October 1<sup>st</sup> incident?

**Rebecca Salazar:** We are confident, yes. It is a decrease from the past years, but if you go back further, we always had only \$4-5 million in reserve and then we built up this big reserve. Now, it is a good thing that we did that because we have had to kind of dip into it.

**Michelle Morgando:** Michelle Morgando. It is starting to stabilize now. We had, particularly with the catastrophic claims, a large increase in payouts and then it has gradually been dropping. I think at this point, what I am approving is fairly level, each week.

**Attorney General:** Okay, great.

**Rebecca Salazar:** Primarily going forward, we are expecting just a lot of counseling, which is not a high expense.

**Michelle Morgando:** And that has a cap on the benefits as well.

**Attorney General:** Okay, great. And then, I'd like to follow-up a little on the Governor's question. Can you explain where we are in the Department of Justice reimbursement process? Like, whether we've already applied.

**Rebecca Salazar:** Yes. Mr. Wells was referring to the Victims of Crime Assistance Program. We are both filing applications, it is not necessarily a joint application, but they were submitted at the same time.

**Attorney General:** When was that filed?

**Rebecca Salazar:** It's been within the last month and a half. It's not our final draft that's been filed yet. Right now, our first draft has been submitted to the Grant Manager for review. We expect that they will kick it back with some requested edits and then we will submit the final.

**Attorney General:** And then, six months from there, you think probably?

**Rebecca Salazar:** It's hard to say, because it's brand-new. This long delay has been just gathering all the information and getting the application together.

**Attorney General:** Great, thank you. I have no other questions, Governor.

**Governor:** Thank you, Ms. Salazar. I agree with you and Mr. Wells, there is an adequate reserve there. Regardless of what the reserve is, that is what that money is for. To help these people.

**Rebecca Salazar:** Right.

**Governor:** Whether it draws it down, to me it doesn't matter how far it's drawn down as long as we're helping the victims at that horrible tragedy. In any event, that's still adequate money, for whatever may come and it's just a matter of time before we get that money from the federal government.

**Secretary of State:** I just wanted to thank the ladies for all their hard work. I know it's a difficult task but thank you very much for being there and doing this and the reports.

**Rebecca Salazar:** Thank you.

**Michelle Morgando:** Thank you, Madam Secretary.

**Governor:** Well said, Madam Secretary.

**Secretary of State:** Thanks Governor.

**Governor:** If there are no further questions or comments, the Chair will accept a motion to approve the 3<sup>rd</sup> quarter report and fiscal year 2018 4<sup>th</sup> quarter recommendation presented in agenda item number 4.

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

**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 discussion on the motion? I hear and see none. That motion passes 3-0. Thank you very much.

## **5. Review and Consideration of a Victims of Crime Appeal** (For discussion and possible action)

### **Department of Administration – Victims of Crime Program**

Pursuant to NRS 217.117, Section 3, the Board may review the case and either render a decision within 15 days of the Board meeting: or if they would like to hear the case with the appellant present, they can schedule the case to be heard at their next meeting. The Board may affirm, modify or reverse the decision of the Appeals Officer.

**Governor:** We'll move to agenda item number 5 which is a Review and Consideration of a Victims of Crime Appeal. Mr. Wells.

**Clerk:** Thank you Governor. NRS 217 regulates the compensation for certain victims of criminal acts. Victims apply to the program and a determination is made as to whether or not the victim is entitled to compensation from the Program. A victim whose claims are denied can appeal to a Hearings Officer to have their claims reconsidered. The victim or the Clerk of the Board of Examiners may appeal the decision of the Hearings Officer to an Appeals Officer. Both the Hearings Officer and Appeals Officer processes are under the jurisdiction of the Department of Administration.

Upon the Appeals Officer's decision, NRS 217.117 Subsection 3 allows the applicant or the clerk of the Board of Examiners to appeal the decision made by the Appeals Officer to the Board of Examiners. The Board of Examiners can render a decision in the case or hold a hearing on the matter.

The item for consideration today is a review of the record of an Appeals Officer decision of an appeal by applicant Richard Cancilla III. Mr. Cancilla was notified today's meeting.

Within 15 days of today's hearing, the Board shall render its decision on the case or it may decide to hold a hearing on the matter. The Board may affirm, modify or reverse the decision of the Appeals Officer. And then, if it decides to hold a hearing, it would need to reconsider the evidence provided by both the applicant and the Victims of Crime Program within 30 days.

Ms. Morgando and Ms. Salazar are available to answer any questions on this item.

**Governor:** Thank you Mr. Wells. Ms. Salazar, Ms. Morgando, do you have any comments or statement you would like to make with regard to this agenda item?

**Michelle Morgando:** Governor, no additional statements. We rely on the decision rendered by the Appeals Officer, thank you.

**Governor:** The essence of that decision is that the Claimant was the aggressor and not a victim?

**Michelle Morgando:** That is correct.

**Governor:** Question or comments from Board Members?

**Secretary of State:** None, thank you Governor.

**Governor:** Just for purposes of the record, the Claimant's name is Richard Cancilla, C-A-N-C-I-L-L-A, III. Is Mr. Cancilla present? In either Carson City or Las Vegas?

**Michelle Morgando:** Not in Las Vegas, Governor.

**Governor:** All right. I see no reason to reverse or upset the decision of the Appeals Officer but obviously he disputes the findings of the Appeals Officer as well as the contents of the statements from other witnesses. In any event, I'm happy to hear from the other Board Members on this agenda item.

**Attorney General:** Governor, I have no concerns and would move to affirm is the proper language, move to affirm the Appeals Officer's decision.

**Governor:** The Attorney General has moved to affirm the decision of the Appeals Officer, is there a second?

**Secretary of State:** I second it, Governor.

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

**6. 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.

<b>AGENCY NAME</b>	<b># OF VEHICLES</b>	<b>NOT EXCEED: TO</b>
Department of Administration – Fleet Services Division	2	\$48,239
Department of Conservation and Natural Resources – Division of State Parks	3	\$221,856
<b>Total</b>	5	\$270,095

**Governor:** We'll move on to agenda item number 6, Request to Purchase State Vehicles. Mr. Wells.

**Clerk:** Thank you Governor. There are two requests for five vehicles in this agenda item 6 this morning.

The first request is from the Department of Administration, Fleet Services to purchase two replacement vehicles, one for the Division of Parole and Probation and the other for the Division of Public and Behavioral Health. Both were totaled in accidents and they will be replaced using insurance proceeds and agency reserves. This purchase is subject to the approval of a non-IFC work program.

The second request is from the Department of Conservation and Natural Resources Division of State Parks. They are requesting to purchase one replacement and two new vehicles for various parks around the State. The replacement vehicle has met the age and/or mileage requirements in SAM, and all three of these vehicles were included in the agency's legislatively approved budget.

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

**Governor:** Thank you Mr. Wells. Before I take action on agenda item number 6, I wanted to go back to agenda item number 5, to finish the record. Was there an effort to let Mr. Cancilla know the time and date of this hearing?

**Clerk:** Yes Governor, we notified him both in writing and we talked to him on the phone and told him of the time and date of the meeting.

**Governor:** For purposes of the record. You were able to reach him and you verbally advised him of the time and date of this hearing?

**Clerk:** Yes, we did.



**Governor:** Thank you. Again for the record, Mr. Cancilla was not present in Las Vegas or Carson City. We'll move back to agenda item number 6 which is the Request to Purchase State Vehicle. Straightforward for me. Board Members, any questions with regard to agenda item number 6?

**Secretary of State:** I have none.

**Attorney General:** Move to approve.

**Governor:** Attorney General has moved to approve the request to purchase state vehicles as presented in agenda item number 6. Madam Secretary, did you say you seconded the motion?

**Secretary of State:** Yes, I do sir.

**Governor:** Okay, thank you. The Secretary of State has seconded the motion. Any questions or discussion? I hear and see none. That motion passes 3-0.

## **7. Request to Designate Positions in State Government as Critical Labor Shortages** (For possible action)

Pursuant NRS 286.523, the Administrator of the Aging and Disability Services Division (ADSD) requests the Board of Examiners designate the Physical Therapist-Pediatric classification as a "critical labor shortage" and grant a Public Employees Retirement System exception for Robbin Hickman. This designation is requested through June 30, 2020 for approximately 30 hours per week and will allow for the reemployment of qualified retired employees to fill ADSD Physical Therapist-Pediatric needs for Nevada Early Intervention Services locations, which a critical labor shortage has been appropriately identified.

**Governor:** We'll move to agenda item number 7 which is a Request to Designate Positions in State Government as Critical Labor Shortages. Mr. Wells.

**Clerk:** Thank you, Governor. Pursuant to NRS 286.523, it is the policy of the State to ensure that the reemployment of retired public employees is limited to positions of extreme need. An employer who desires to employ a retired public employee to fill a position for which there is a critical labor shortage must make the determination of reemployment based on the appropriate and necessary delivery of services to the public in an open meeting. The Board of Examiners has the authority to designate positions in State Government for which there are critical labor shortages.

In determining whether to designate a position as a critical labor shortage, the Board is to consider and make findings on the efforts made to fill the positions through other means, the turnover rate for the position, the number of openings and number of qualified candidates, the length of time the positions have been vacant, any special circumstances,

education or experience requirements for the positions and the history and success of recruitment efforts.

There is one request for a designation of critical labor shortage in this agenda item, and should the Board approve the designation, it can delegate to the Clerk the notice requirement to PERS and I will work with the Departments to insure it is submitted timely.

This request is from the Department of Health and Human Services, Aging and Disability Services Division to designate the Physical Therapist for Pediatric classification as a critical labor shortage and grant a PERS exception for a contract with Robbin Hickman. This is an extension of the request that was approved by the Board of Examiners in March which was through June 30, 2018. This request will designate the position as a critical labor shortage through June 30, 2020.

Administrator Schmidt and her staff are available to answer any questions Board Members may have.

**Governor:** Thank you, Mr. Wells. I do have a question on this item. I am not going to question that it's a critical labor shortage and a need. My question is, the extension to June 30, 2020, for two years. Is this a position that we could not fill within the next two years?

**Rique Robb:** Rique Robb, for the record, Deputy Administrator for Aging and Disability Services Division. This has been an ongoing critical shortage for finding a physical therapist who has the actual pediatric experience. This has not been something that we've been able to fill in the past. This particular person has filled this position, but we have an upcoming retirement as well. So, it's going to continue our critical shortage. We're not just looking at this particular person as a quick-fix. It's on our long-term critical shortage.

**Governor:** Thank you, Ms. Robb. In the meantime, will you still be trying to hire a state employee to fill that position?

**Rique Robb:** Rique Robb, for the record. It's currently a contracted position. We don't currently have a state position for a physical therapist. Should that be something that we can work towards in the budget process, happy to do so, but unfortunately that has not been the case in the past. It's been a contract position, not a state employee position.

**Governor:** I understand, thank you. Are there any questions from Board Members in Las Vegas?

**Secretary of State:** Yes, thank you Governor.

**Governor:** Madam Secretary.

**Secretary of State:** Thank you. My question is, is this for statewide rural areas or does this person travel all around the State? Just kind of give me a location where this employee is?

**Rique Robb:** Of course. Rique Robb, for the record. This particular position that we are currently filling is for the rural areas. It is home-based in Carson City and will travel to Hawthorne and Lovelock, depending upon the need. Not typically going to the Southern area, but it does stay in the North but she does travel multiple locations.

**Secretary of State:** Okay. Do we have somebody in the South that fills this need?

**Rique Robb:** Yes, we do.

**Secretary of State:** Okay. So, it is really just a rural area need?

**Rique Robb:** Currently, it is just a rural area, correct.

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

**Governor:** Any further questions? Thank you very much.

**Attorney General:** Governor, I move to approve.

**Governor:** Attorney General has moved to approve agenda item number 7. Is there a second?

**Secretary of State:** I 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.

**8. Recommendation Regarding the Agency's Determination to use the Emergency Provision to Contract with a Current and/or Former State Employee (For possible action)**

Pursuant to NRS 333.705, subsection 4, the Office of Attorney General seeks the Board's favorable finding regarding the Agency's determination to use the statute's emergency provision to contract with Melissa Piasecki MD PC, a current Dean with the Nevada System of Higher Education, to provide expert testimony and evaluations with lawsuits and criminal matters involving the State of Nevada. The Board of Examiners shall review the contract and notify the agency whether it would have approved the contract if it had been entered into pursuant to NRS 333.705, subsection 1.

**Governor:** We'll move on to agenda item number 8, Mr. Wells.

**Clerk:** Thank you Governor. Pursuant to Subsection 4 of NRS 333.705, an agency may contract with a current or former employee without first obtaining Board of Examiners approval if the term of the contract is for less than four months and the head of the using agency determines an emergency exists. If a using agency contracts with an individual pursuant to this exception, they must submit a copy of the contract and a description of the emergency to the Board of Examiners who shall review the contract and description of the emergency and notify the agency whether or not they would have approved the contract had it not been entered into under the emergency provision.

Item 8 is a request from the Office of the Attorney General seeking a favorable recommendation from the Board on their use of the emergency provisions to contract with a current university system employee to assist with lawsuits and other criminal matters. The Office has contracted with this employee since March 2010 to assist with various matters on a case by case basis totaling approximately 600 hours since 2010. It was recently discovered she has always been employed by the System of Higher Education, but previous contracts did not identify her as a current employee.

There are representatives available from the Office of the Attorney General to answer any questions the Board Members may have.

**Governor:** Thank you, Mr. Wells. I have no questions. Questions from Southern Nevada?

**Secretary of State:** I have none.

**Attorney General:** Governor, I think that we just wanted to make it clear that this was something that went back to 2010 and that we are trying to basically rectify this going backwards and for the future. I don't know that we need to make any further record, but I just wanted to make at least that record before we move to vote on it.

**Governor:** All right.

**Secretary of State:** I will call for the vote on 8, the recommendation regarding the agency's determination to use the emergency provision to contract with a current and/or former state employee.

**Governor:** The Secretary of State has moved to approve the recommendation regarding the Agency's determination to use the emergency provision to contract with a current and/or former state employee. Is there a second?

**Attorney General:** I second.

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

**9. 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, Daniel Henson, through Allied Universal Security Services, Master Service Agreement #19049, to provide uniformed security guard services.

**B. Department of Transportation**

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Kenneth Oates. Diversified Consulting Services plans to utilize Mr. Oates as an Inspector Level IV on an as-needed basis in NDOT Construction Crew District III. This will be a full-time contracted position with season layoffs working from June 2018 to April 2020.

**C. Department of Transportation**

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Thomas Pearson. Diversified Consulting Services plans to utilize Mr. Pearson as an Inspector Level IV position on as-needed basis in NDOT Construction Crew District III. This will be a full-time contracted position with season layoffs working from June 2018 to April 2020.

**D. Department of Transportation**

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Mike Pendergraft. Henningson, Durham and Richardson, Inc. plans to utilize Mr. Pendergraft as an Inspector Level IV position in the Full Administration of District II Betterment Projects. This will be a full-time contracted position working forty hours per week from June 2018 to September 2019.

**E. Attorney General's Office**

Pursuant to NRS 333.705, subsection 1, the Office of Attorney General requests authority to contract with a current Dean with the Nevada System of Higher Education, Melissa Piasecki MD PC, a current Dean with the Nevada System of Higher Education, to assist with lawsuits and criminal matters. Relates to Information Contract number three, contract number 20071 and Information Contract number eight, contract number 20070.

**Governor:** We'll move on to agenda item number 9, Authorization to Contract with a Current and/or Former State Employee. Mr. Wells.

**Clerk:** Thank you Governor. Item 9 includes five requests to contract with current and/or former employees pursuant to NRS 333.705 Subsection 1.

The first 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 retired in April to perform these services. Allied Universal also uses these employees on other contracted jobs with non-State of Nevada employers.

The second, third and fourth requests are from the Department of Transportation to allow contracted vendors to use former employees on projects awarded to those vendors. The second and third requests are for Inspector Level 4 positions on an as-needed basis in District 3. The employees retired in January 2017 and January 2018, respectively. The fourth request is for an Inspector Level 4 position on a full-time basis in District 2. This employee retired in March 2017 and was previously approved at the April 2018 Board of Examiners Meeting to fill and Inspector Level 3 position with another company. The employee states he no longer works for the company that was previously approved and has gone to work for the company listed in this item. These employees did not have any influence or authority over the contracts with the vendors.

The final request is from the Office of the Attorney General to utilize a current System of Higher Education employee to assist with lawsuits and criminal matters for both the Office as a whole and the Tort Claims Fund. The employee will be engaged on a case by case basis at a rate of \$400 per hour for the period of July 1, 2018 through June 30, 2020. This item relates to information contracts 3 and 8 under agenda item number 17.

There are representatives available from the various departments to answer any additional questions.

**Governor:** Thank you, Mr. Wells. I have no questions on agenda item number 9. Board Members, any questions?

**Attorney General:** I move to approve.

**Secretary of State:** Second.

**Governor:** The Attorney General has moved to approve and/or authorize to contract with a current and/or former state employee as presented in agenda item number 9. The Secretary of State has seconded the motion. Any questions or discussion? I hear and see none. That motion passes 3-0.

## **10. 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 Conservation and Natural Resources – Division of Forestry – FY 2018**

Pursuant to NRS 353.268, the Division requests an allocation of \$1,621,538 from the Interim Finance Committee General Fund Contingency Account to fund emergency response activities in Fiscal Year 2018.

### **B. Department of Conservation and Natural Resources – Division of Forestry – FY 2019**

Pursuant to NRS 353.268, the Division requests an allocation of \$2,500,000 from the Interim Finance Committee General Fund Contingency Account to replenish funds carried back from the Fiscal Year 2019 for emergency response activities in Fiscal Year 2018.

### **C. Department of Corrections**

Pursuant to NRS 353.268, the Nevada Department of Corrections requests an allocation of \$3,174,606 in Fiscal Year 2018 from the Interim Finance Committee General Fund Contingency Account to fund projected shortfalls in Personnel Services, Inmate Driven and Utility expenditure categories for the remainder of the fiscal year.

### **D. Judicial Branch – Supreme Court and Court of Appeals**

Pursuant to NRS 353.268, Nevada Judicial Branch Supreme Court and the Nevada Court of Appeals (COA) request an allocation of \$232,998 in Fiscal Year 2019 from the Interim Finance Committee General Fund Contingency Account to fund information technology projects that were unable to be completed in Fiscal Year 2018.

### **E. Department of Public Safety – Nevada Division of Investigations**

Pursuant to NRS 353.268, the Nevada Division of Investigation requests an allocation of \$8,691 from the Interim Finance Committee Highway Fund Contingency Account to cover a projected shortfall in Highway Fund authorization within the Personnel Services category for the remainder of the fiscal year.

**Governor:** We'll move to agenda item number 10. Request for Recommendation of Approval to the IFC for an Allocation Amount from the Contingency Account. Mr. Wells.

**Clerk:** Thank you, Governor. Item 10 includes four requests for positive recommendations to the Interim Finance Committee pursuant to NRS 353.268 for allocations from the General Fund Contingency Account and one request for a positive recommendation to the Interim Finance Committee for an allocation from the Highway Fund Contingency Account. The General Fund Contingency Account has approximately \$14.5 million to cover unanticipated costs for the remainder of the 2017-2019 biennium. The Highway Fund Contingency Account has a balance of approximately \$1.7 million to cover unanticipated costs for the remainder of the 2017-2019 biennium.

The first two requests are from the Forestry Division of the Department of Conservation and Natural Resources. The first is a request for \$1,621,538 to cover expected firefighting costs through the end of the fiscal year due to the unusually active Fiscal Year 2018 fire season. This is the fourth installment to fund firefighting activities for Fiscal Year 2018, including a work program for carrying back \$2.5 million in Fiscal Year 2019 appropriations; \$1.5 million in Wildland Fire Protection Program reserves; an allocation from the Statutory Contingency Account of \$1.95 million; and, an April, IFC allocation of just over \$1 million. If this request is approved by IFC, the total added to the Fiscal Year 2018 fire suppression budget account to approximately \$8.6 million.

The second request in the amount of \$2.5 million is to replenish the Fiscal Year 2019 funds carried back to provide the Division with sufficient resources to operate opening Fiscal Year 2019. The Division is expecting a large payment from the Fire Management Assistance Grant Program related to the Little Valley fire, but the timing of the payment which is subject to congressional approval is unknown at this time. Once that payment is received, we will need to work with the Division on the disposition of that payment.

The third request in the amount of \$3,174,606 is from the Department of Corrections to cover projected shortfalls in personnel services, medical costs and utilities expenses in Fiscal Year 2018.

The fourth request in the amount of \$232,998 is from the Supreme Court and the Court of Appeals to complete information technology projects in Fiscal Year 2019 where funding was not authorized in the 2017 Legislature for both years of the biennium.

The final request in the amount of \$8,691 is from the Department of Public Safety Division of Investigations from the Highway Fund to cover a projected shortfall in personnel services for Fiscal Year 2018.

If all of the General Fund allocations are approved by IFC, the General Fund Contingency Account will have approximately \$7 million to cover unanticipated costs for the remainder of the 2017-2019 biennium.

There are representatives available from the various Departments and Branches of Government to answer any additional questions Board Members may have.



**Governor:** Thank you, Mr. Wells. I see Ms. KC here. Ms. KC, I have just a couple of questions for you. Good morning. First of all, my compliments to you and everyone within the firefighters for the way they've handled the fires that we've had so far. It's been extraordinary, particularly here, south of Carson. My understanding is Smith Valley is under control?

**Kacey KC:** Yes, that's our understanding as well. 1,202 acres as of this morning.

**Governor:** Okay. Well, thank you for that as well. This is money we need to and have to spend to ensure public safety and protect the environment. Are there any other outstanding amounts that we need to be aware of as we move forward?

**Kacey KC:** Thank you Governor and Members of the Committee. For the record, Kacey KC, State Forester, Fire Warden for the Division of Forestry. The outstanding bills that we have, most of them have been worked for Fiscal Year 2017 and Fiscal Year 2018 where we have expenditures. We are currently working through, I should say, most for Fiscal Year 2018 except for the most current ones that have just happened.

We are working through cost-share agreements. Those are some of the ones we aren't sure right now if the final cost-share has been adjudicated. So some of those cost-shares change based on mapping and based on whatever happens afterwards. Those are what we're currently working through right now. They've been working tirelessly in our billing department to get all of these bills out.

As Jim had mentioned, we have been working very closely with the Federal Emergency Management Agency (FEMA). FEMA has agreed to pay us partial payments on all of our 17 Fire Management Assistance Grants (F-Mags), three of which should be coming in. The payments will be available for draw down today, it is about \$250,000.

Little Valley is in DC right now and they told that it will be coming soon but I don't know what soon means in that process. It took us about two to three weeks to get the payments for the other ones that didn't go to DC. So we are still hopeful they will come in before August but we're not sure.

**Governor:** Thank you. What is the estimated amount for Little Valley, for the reimbursement?

**Kasey KC:** It was close to a little over \$5 million.

**Governor:** So it is possible that we could see that \$5 million perhaps in the fall or even August?

**Kacey KC:** We are hopeful it comes in before the close of the fiscal year, but again, I don't know the timeframe. We haven't had many that have been over the threshold that end up in DC.

**Governor:** Thank you. Just a question for Mr. Wells, mechanically, if we get that reimbursement does that go into this fund when the money comes?

**Clerk:** That is part of the discussion that we'll need to have. Certainly, there will be discussion about replenishing both the IFC Contingency as well as the Statutory Contingency Funds for the amounts that were requested up to the amount that is available. There's also going to be some considerations of what expenses are expected in Fiscal Year 2019 and whether or not we would just be putting back in to take it back out. There will be additional discussions with the Legislative Council Bureau staff, as well as the Forestry Division, before we make that determination.

**Governor:** So, in other words, we may just leave the money with you, rather than just moving it to the IFC Contingency or this Contingency Fund because you know, God forbid that we have any more fires. If we do, we may need those resources and why have the extra steps. Is that correct, Ms. KC?

**Kasey KC:** Yes, that's correct. We are looking to have a pretty busy fire season. To date, if you wanted to have a quick update. 116 fires and 8,100 acres - that does not include Upper Colony. As I said, that would be 117. 92% have been human caused at this time. We've had a couple of lightning starts. A lot of interesting tricks happening but we've been doing a huge campaign again this year on target shooting. That's the primary one. There have been some other ones. We've worked with our partners, gone out across the state with an Interagency Prevention Team to try to ensure that this lessens over time. The fuel loads out there because of all the moisture we got and the lack of winter precipitation to knock down last year's fuels.

Luckily, we haven't gotten into large lightning starts yet, but that's probably to come. As we start to dry out we see a lot more thunder boomers starting.

**Governor:** Thank you. Again, thank you to the firefighters and everyone else who is associated with your efforts. They do an incredible job.

**Kasey KC:** Thank you. I will let them know.

**Governor:** Mr. Attorney General, Madam Secretary, do you have any questions for Ms. KC?

**Secretary of State:** No, Governor and thank you. And, thank you and all of your firefighters for what you do.

**Kasey KC:** Thank you all for your support as well.

**Governor:** That's all, thank you. I also had a couple of questions with regard to Department of Corrections. I saw Director Dzurenda is here. Director Dzurenda, did you have any statement you wanted to make prior to any questions or comments?

**Director Dzurenda:** This is James Dzurenda for the record. The only statement I wanted to make, we did work very hard at the difficult tasks of getting to this point of bringing our budget down and making sure that it was under control. We do have procedures in place for long-term planning of this budget for next season. I do believe we've made a lot of accomplishments with the help of a lot of people and a lot of agencies. I do believe this is appropriate.

**Governor:** Thank you, Director Dzurenda. I wanted to compliment you and the members of your staff. I think the last time we talked we were looking at a possible \$22 million budget overage. It's been reduced to \$3 million. That's a good thing, given that we only had \$7 million left in the contingency account. Again, my thanks for that.

I asked you this question I believe at the audit committee meeting, as a result of these cuts that it was possible that the correctional officers or the inmates would've been put in any type of danger. Obviously, that has never been the case, but I wanted to make sure that you had an opportunity to comment on that.

**Director Dzurenda:** Sure. James Dzurenda for the record again. When we started reducing some of our overtime concerns, we monitored our overtime daily, as well as the incident rates daily to see if there was any increase in incidents, increase in violence, increase of assaults, fights, those things that would represent violence increasing. We did not find any. We monitored it daily. If we did, we would've reacted quickly.

One facility had a spike in one of our point factors, which was Northern Nevada Correctional Center but that was not related to the overtime reduction. It was actually related to consolidating the state's mental health inmates and relocating them at the Northern Correction Center. This increased and changed the mission of the agency for the mental health at that location which has now since stabilized. We came into better procedures in how we were handling the mental health there. Nothing was related to what we did in our budget or overtime reduction.

**Governor:** Thank you, Director Dzurenda. My final question, the controls are in place to continue the way that you've been operating? We're not barring something unforeseen, that we would get into a deficit situation moving forward? In other words, if this is approved today, you should be able to keep it at zero moving forward?

**Director Dzurenda:** James Dzurenda for the record. That's my goal. I mean, I can't predict incidents that can create these things or medical issues that can increase, but our goal is we're going to balance a budget so that we can continue this permanently to make sure that safety/security is measured and that we have appropriate procedures in place and we don't come into a crisis situation with our budget again.

**Governor:** Thank you. The only other reason I asked that question is, we're building the new budget now and we have to know how to build that budget. Is it based on what was happening before? Is it based on what you're doing now? I know you're working closely with Mr. Wells and folks in my Office and myself in order to get that accomplished. Again, there are a lot of different considerations that are happening now, with regard to the way you're operating. I truly appreciate your hard work.

Questions from Board Members on agenda item 10C?

**Secretary of State:** No, Governor.

**Governor:** Okay, thank you gentlemen. If there are no further questions or comments with regard to agenda item number 10, the Chair will accept a motion to approve the request for recommendation of approval of the IFC Committee for an allocation amount from the Contingency Account, agenda items 10A, B, C, D and E.

**Attorney General:** Governor, before we move to approve these, I'd like to ask is there anyone from the Supreme Court that would want to talk about this agenda item? If I could ask Mr. Wells then, I know we got some information from the Court, just on Friday. Am I right in understanding that they did not want us to approve this, or have I not understood that correctly?

**Robin Sweet:** Good morning. Robin Sweet, Administrative Office of the Courts, Director. With me is Todd Myler, our Manager of Budgets and Rick Stefani, our Chief Information Officer. We do need the money. We are providing a possible alternative source for that fund. We need the money to finish the project. We either need the money from the IFC, from the Contingency Fund or we need approval to do our proposal with the Administrative Assessments.

**Governor:** So, when you say 'Administrative Assessments', what do you mean by that?

**Robin Sweet:** The Administrative Assessments are part of our funding source, for the Supreme Court. Administrative Assessments are fees that are tacked on to predominately, traffic tickets. 51% of those are provided to the Judicial Branch budget. Part of that money goes to the Supreme Court as well. The Supreme Court is funded, in part by Administrative Assessments and in part by General Fund.

And so, we believe that if we move some of the authorized but unspent Administrative Assessments forward, we could finish this project. However, if Mr. Wells' comments are that that is not an option, then we need the Contingency Fund's money.

**Governor:** Thank you, Ms. Sweet. Any other questions?

**Attorney General:** Director Sweet, I just wanted to make sure I'm being responsive to the Chief Justice. And so, I just want to make sure that we're on the same page that you all ideally want to get the IFC to approve the funding mechanism, not through the contingency account, but I want to make sure that you all are okay with us, at least voting for this today

and making sure that if that interpretation doesn't hold true, that you do have the contingency account to fall back on. Is that a position you all are comfortable with?

**Robin Sweet:** Robin Sweet, for the record. Yes sir, that's why we're bringing this forward to the contingency fund.

**Attorney General:** Okay, great. I think that ultimately, the IFC will have to make that determination. It's not something that really the Board of Examiners, as the three of us voting, can make that determination. I'm certainly in support of making sure the funds are available through the contingency account and we'll see which interpretation prevails at the IFC. I have no further questions, Governor.

**Governor:** Madam Secretary, any questions?

**Secretary of State:** No, Governor. Thank you.

**Governor:** All right, thank you very much. The Chair will accept a motion, again, to approve agenda item number 10.

**Attorney General:** Okay, I move to approve.

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

**Secretary of State:** I second the motion, 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. 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:

<b>BA#</b>	<b>BUDGET ACCOUNT NAME</b>	<b>GENERAL FUND ADJUSTMENT</b>	<b>HWY FUND ADJUSTMENT</b>
	<b>Department of Public Safety</b>		
3743	Nevada Division of Investigations		\$8,612
	<b>Total</b>		<b>\$8,612</b>
	<b>Nevada System of Higher Education</b>		
2980	University of Nevada, Reno	\$3,400,865	
2987	University of Nevada, Las Vegas	\$4,565,294	
3011	College of Southern Nevada	\$1,866,952	
3005	Nevada State College	\$278,198	
3018	Truckee Meadows Community College	\$296,183	
3002	University of Nevada, Las Vegas – Dental School	\$274,657	
2988	University of Nevada, Las Vegas – Intercollegiate Athletics	\$31,257	
2992	University of Nevada, Las Vegas – Law School	\$144,558	
3001	University of Nevada, Las Vegas – Statewide Programs	\$32,710	
3004	Business Center North	\$21,845	
3014	University of Nevada, Las Vegas – School of Medicine	\$266,550	
	<b>Total</b>	<b>\$11,179,069</b>	
4204	<b>Tahoe Regional Planning Agency</b>	\$18,216	
	<b>Total</b>	<b>\$18,216</b>	
	<b>Department of Tourism</b>		
2601	Stewart Indian School Living Legacy	\$3,041	
	<b>Total</b>	<b>\$3,041</b>	

**Governor:** We'll move on to agenda item number 11, Request for the Allocation and Disbursement of Funds for Salary Adjustments. Mr. Wells.

**Clerk:** Thank you Governor. 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 that are built into agency budgets as well as the 3% cost of living adjustments that were effective July 1, 2017 and were not included in agency salary budgets.

An agency whose actual salaries exceed their budgeted amount due to the vacancy savings or the cost of living adjustments are allowed to request salary adjustment dollars from the Board of Examiners. This item requests access to those funds by the Department of Public Safety Division of Investigations to cover the cost of the Cost of Living Allocations (COLA) in the amount of \$8,612 in Highway Funds.

There are various institutions and accounts within the System of Higher Education to cover vacancy savings and the cost of the cost of living adjustments in the amount of \$11,179,069 in Higher Education General Funds; the Tahoe Regional Planning Agency is covering one-time bonuses pursuant to Section 13 of AB 517 and Section 9 of SB 368 in the amount of \$18,216 in General Funds; the Department of Tourism and Cultural Affairs, Stewart Indian School, Living Legacy Account to cover the cost of the COLAs in the amount of \$3,041 in General Funds.

There is a typo on Page 6, about two-thirds of the way down the page; Budget Account 3004 is actually Business Center South, not Business Center North.

**Governor:** All right, thank you Mr. Wells. My only question for purposes of the record is both expected and budgeted for, correct?

**Clerk:** That's correct, Governor. And actually, this is pretty light, so far. I mean, most of the agencies have been covering their salary adjustment dollars within their means. We expect to see some more in July and potentially some more in August. So far, we have not seen even as much as we would've expected.

**Governor:** Thank you. Questions from Board Members with regard to agenda item number 11?

**Attorney General:** Mr. Wells, I have one question. The first line item Budget Account 3743 for NDI, is that the same allocation that we just approved for agenda item 10E or are those two separate contingencies?

**Clerk:** It is one overage being funded by two different means. The salary adjustment dollars are limited for each budget account, so this particular budget account is limited in salary adjustment dollars to the \$8,612. Their shortfall is almost \$17,000, hence the need for the additional \$8,000 from the Contingency Fund.

**Attorney General:** Okay, thank you.

**Secretary of State:** Governor?

**Governor:** Yes, Madam Secretary.

**Secretary of State:** Thank you. I have a disclosure on agenda item number 11. If I could do that now.

**Governor:** Yes.

**Secretary of State:** Okay, thank you. Request for Allocations and Distribution of the Funds for the Salary Adjustments is the area. I, as the Secretary of State, am a Board Member of Tahoe Regional Planning Agency (TRPA) and I did approve the budget when we last met for the 2019-2020. I do not believe that the independence of judgment of a reasonable person in my situation would be materially affected based on the nature of my relationship with TRPA, I am not going to recuse from voting on agenda item number 11. I now ask our Board Counsel if that disclosure is satisfactory under NRS 281A.

**Caroline Bateman:** And to clarify, Madam Secretary, that's 11C?

**Secretary of State:** C, yes.

**Caroline Bateman:** As to form, Madam Secretary that is appropriate.

**Secretary of State:** Thank you.

**Governor:** Thank you, Madam Secretary. So, if there are no further questions or comments, the Chair will accept a motion to approve agenda item number 11, with the amendment to Budget Account 3304, which should read Business Center South.

**Attorney General:** I move to approve.

**Secretary of State:** I'll second.

**Governor:** The Attorney General has moved for approval. The Secretary of State has seconded the motion. Any questions or comments on the motion? I hear and see none. That motion passes 3-0.

## **12. Approval of Master Lease Agreements (For possible action)**

### **Department of Administration – Division of Enterprise Information Technology Services**

The Division seeks approval for the Fifth Amendment to the existing master lease agreement with International Business Machines. This amendment extends the termination date from November 30, 2021 to May 31, 2022 and increases the maximum amount from \$10,425,914.54 to \$11,717,676.30 due to the purchase/lease of hardware and hardware maintenance and services for the mainframe server.



**Governor:** We'll move on to agenda item number 12, which is Approval of Master Lease Agreements. Mr. Wells.

**Clerk:** Thank you, Governor. Item 12 is a request from the Department of Administration Enterprise IT Services Division to amend a master lease agreement with International Business Machines (IBM) for mainframe storage equipment, software and services. This amendment would increase the cost by \$1,291,762 due to the addition of hardware and hardware maintenance for the mainframe server. There are representatives from the Division available to answer any questions Board Members may have.

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

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

**Governor:** Secretary of State has moved to approve.

**Attorney General:** I second.

**Governor:** The Attorney General has seconded the motion, any questions or discussion on the motion? I hear and see none. That motion passes 3-0.

### **13. Request for a Specific Travel Policy Change** (For possible action)

#### **Department of Conservation and Natural Resources**

Pursuant to NRS 281.160 the Department of Conservation and Natural Resources, requests approval of a department specific travel policy which includes an employee per diem rate for camping and use of personal aircraft for state business for the convenience of the employee.

**Governor:** We'll move to agenda item 13, Request for a Specific Travel Policy Change. Mr. Wells.

**Clerk:** Thank you, Governor. Pursuant to Subsection 6 of NRS 281.160, the Department of Conservation and Natural Resources is seeking approval from the Board of Examiners to update their travel reimbursement policy which includes travel reimbursement rates that are less than the U.S. General Services Administration rates used generally for state employees. For those employees who work in the field for several days or weeks at a time, the Department is proposing a camping gear reimbursement allowance to cover all personally owned gear and camping equipment, as well as any campground fees paid by the traveler. The requested rate is \$40 per night for all personal gear and campground fees and is a flat rate for any location. Meals would still be reimbursed at the GSA standard non-surveyed rate for employees in camping status.

The proposed policy also includes a provision for use of personal aircraft at a rate not to exceed the cost of a commercial flight along with appropriate proof of insurance to Risk Management prior to the use of a personal aircraft.

Representatives from the Department, I believe, would like to make a revision to the section on use of personal aircraft and are available to answer any other questions the Board Members may have.

**Secretary of State:** Governor? If you have something, go ahead.

**Governor:** Yes, just before I take your question, Madam Secretary, there is a representative who has a comment on the use of personal aircraft, the language contained therein. Good morning sir.

**Dominique Etchegoyhen:** Good morning. For the record, Dominique Etchegoyhen, Deputy Director for the Department of Conservation and Natural Resources. For the record, we're not wedded to the language that is included here. We only included it at the direction of the State Administrative Manual, Section 0206, which does list a number of issues that should be addressed by the Department.

So, we don't have anybody currently looking to make use of this particular reimbursement for the use of personal aircraft, but given the concern that has been raised, we certainly understand the optics. To clarify, we would suggest adding language that states, *under no circumstances may reimbursement for use of personal aircraft exceed the cost of the commercial air alternative or the travel expenses the employee otherwise would have incurred while traveling by State vehicle on State business.*

**Governor:** Thank you, Mr. Etchegoyhen. I was curious if we had state employees who owned their own personal aircraft.

**Dominique Etchegoyhen:** We don't currently, but I've done some research and found out that within maybe the last 10 years, we did have employees that used personal aircraft and I think that's probably why the State Administrative Manual directed the individual departments to address this issue.

**Governor:** And just mechanically, I would imagine they wouldn't use that personal aircraft to fly out of state, so how would you determine a commercial rate flying from say, Carson City to Austin?

**Dominique Etchegoyhen:** That's a good question and it's something that we have asked the pilot for the state airplane. We found out that we could fly to other locations, other than Elko and Las Vegas. He instructed us that he's got a calculation and unfortunately, I don't know what that calculation is, to determine what a commercial rate might have been, going to somewhere like Panaca. We thought that there would be a calculus there that we could use in this instance or we could fall back on what the cost would've been to drive the mileage using a state vehicle and all associated costs there. We have not created that calculus.

**Governor:** Thank you, Mr. Etchegoyhen. Madam Secretary, did you have a question?

**Secretary of State:** I do, thank you very much. Help refresh my memory, Mr. Wells, but I thought we had been talking about this whole number 13, about camping and paying for that. Did they raise the rate and/or did we add aircraft? I thought we'd already approved something along these lines about reimbursement for camping. Am I wrong?

**Clerk:** No Madam Secretary, you're exactly correct. We've approved almost an identical policy for the Department of Wildlife and the Minerals Commission. Each Agency has to have their own travel policy.

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

**Governor:** Thank you. Any further questions or comments? And, Mr. Etchegoyhen, have you provided your proposed language to Mr. Wells or the Secretary so we can have that as part of the record?

**Dominique Etchegoyhen:** I have not, but I will.

**Governor:** Okay, thank you. All right, if there are no further questions or comments, the Chair will accept a motion to approve the request for a specific travel policy change with the amendment supplied by Mr. Etchegoyhen, on the use of personal aircraft.

**Secretary of State:** Governor, I'll make the motion but I do have just a question that came to mind for Mr. Wells, if I might. Did the other policies have aircraft in them because I do know that time has a lot to do with the aircraft instead of driving and location, but I wondered if the other policies have aircraft in them as well or is it just this one?

**Clerk:** Not all agencies have use of personal aircraft; however, there are several other agencies who have addressed that in their policy. I believe that the Department of Agriculture has a use policy for personal aircraft. I believe that the Department of Wildlife also has one. Offices like ours do not. So, it just kind of depends on the various offices around the State.

**Secretary of State:** Okay, thank you. And my motion stands.

**Governor:** Thank you. The Secretary has moved to approve agenda item number 13, again with the amendment on the provision regarding personal aircraft as supplied by Mr. Etchegoyhen, is there a second?

**Attorney General:** I second.

**Governor:** Seconded by the Attorney General. Any questions or discussion on the motion? There are none. That motion passes 3-0. Thank you.

**14. Approval of Proposed Leases (For possible action)**

**Governor:** Agenda item number 14, Approval of Proposal Leases, Mr. Wells.

**Clerk:** Thank you Governor, there are five leases in agenda item 14 for approval by the Board this morning and no additional information has been requested by any of the Members.

**Governor:** Thank you, Mr. Wells. I have no questions, Board Members, any questions on agenda item number 14?

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

**Governor:** Attorney General has moved to approve the proposed leases presented in agenda item number 14. Is there a second?

**Secretary of State:** I second it, Governor.

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

**15. Approval of Proposed Contracts (For possible action)**

**Governor:** We'll move to agenda item number 15, Approval of Proposed Contracts. Mr. Wells.

**Clerk:** There are 77 contracts in agenda item 15 for approval by the Board this morning. Contracts 5, 25, 29 and 47 are contingent upon approval of work programs at the Interim Finance Committee meeting tomorrow. Contract 28 is contingent upon approval of an extension to the underlying contract between the vendor and Chicago Public Schools. Contract #63 between the Department of Corrections and the Office of the Attorney General has the wrong description. The actual contract description should read: this is a new interlocal contract to provide for the Automated Victim Information and Notification System (VINE). The public safety entities that utilize this system will cost-share with the Office of the Attorney General. All other information in that contract is correct.

Members requested additional information on the following: Contract #20 between the Department of Tourism and Cultural Affairs and Fahlgren, Inc. Contracts #35 and 36 between the Department of Health and Human Services, Division of Aging and Disability Services and the Center for Autism and Behavior Analysis, LLC and Summit Autism Services, LLC.

**Governor:** Thank you, Mr. Wells. Do we have a representative from the Department of Tourism with regard to Contract 20? Good morning Mr. Petersen. This is a big number contract, so if you would give an idea of what it includes and perhaps—I was hoping you

would bring one of those books you passed out the other day which was really good. Please proceed.

**David Peterson:** Thank you Governor, Members of the Board. For the record, David Peterson, Interim Director of Tourism and Cultural Affairs. With me today is our Interim Deputy Director, Brenda Nebesky. Thank you for the opportunity to walk you through what an advertising spend looks like domestically. What I'm going to do is talk you through what we're proposing for fiscal year 2019, just to give you an idea of how that \$8 million is spent.

We're going to be doing broadcast spot television. Those are market specific dollars that are going to go into our primary markets, Los Angeles, San Francisco, Phoenix and Salt Lake City. About \$3.1 million. In addition, we'll be doing digital ads, banner ads and rich media on advertisers such as Ad Parlor, Omnivert and Pandora. Those will be in our primary markets, as well as our secondary markets like Boise, Dallas, Portland, Sacramento and San Diego. About \$1.8 million will be allocated towards those digital ads. We also will be doing some online travel agency, OTA partnerships, with entities like Priceline, Expedia and Trip Advisor. Those will be in our primary, plus those secondary markets I previously mentioned. Just over \$1 million will be allocated to those partnerships.

Also, and this is something that we're really focusing on as paid content partnerships, with entities like Matador, Sojourn and Atlas Obscura. We'll be in those primary markets plus the secondary markets I mentioned. Just under \$700,000 we're allocating for those particular buys.

We'll have some broadcast spots on a national level. About \$600,000 through the Travel Channel and Integrated Network. We'll also be doing print ads in Lonely Planet and Outside, those types of magazines. About \$450,000 we're allocating towards those print ads.

In addition, we'll be spending about \$250,000 on web streaming video ads, on like a Hulu as an example. Again, that would be with our primary and our secondary markets. And, about \$124,000 on Search through Bing.

That comprises our \$8 million. What I would like to point out too, through the process of contracting with Fahlgren, we're only paying a 4% commission, so a little over \$300,000, about \$308,000. In the past, we've paid upwards of 15% commissions and we did receive bids during this process with commission rights as high as 12%. I think 4% is great because we're able to invest more money back into the ads themselves and those different channels and mediums.

The other thing we are doing moving forward is with Always On strategy, where we're running ads 12 months a year. We're really competing for visitors now, year-round, instead of doing specific ad campaigns in the fall or winter, spring and summer and with that, the Always On strategy really allows us to respond in a real-time manner to the different markets that we're in as well as with our own creative. We can optimize those media buys on a monthly basis.

That's kind of a breakdown on how that \$8 million is being spent.

**Governor:** Thank you. Is Fahlgren new or didn't they have the account before?

**David Peterson:** For the record, David Peterson. Yes, we're currently under contract with Fahlgren right now.

**Governor:** Just for the fun of it, what's the theme? Is it going to continue to be the "Don't Fence Me In" type of theme?

**David Peterson:** For the record, David Peterson. Yes, we plan to continue forward with the "Don't Fence Me In" theme. We're really going to focus and emphasize Travel Nevada as we move forward. But yes, the "Don't Fence Me In" theme will still be current and moving forward.

**Governor:** All right, thank you. Board Members, any questions with regard to this contract?

**Secretary of State:** No, Governor.

**Governor:** Okay, keep up the good work. Thank you.

**David Peterson:** Thank you.

**Governor:** All right. We'll move to contracts 35 and 36. Department of Health and Human Services. Good morning again. The purpose of my—I asked for these contracts to be held out. I have a lot of concern with regard to the autism population and there has been conversations that the wait list has started to grow. My understanding is that these two contracts will hopefully go toward trying to decrease that wait list. If you would give me and the Board Members an idea of where we are and where we're going, I'd appreciate it, thank you.

**Dena Schmidt:** Thank you, good morning Governor and Members of the Board. Dena Schmidt, Administrator for Aging and Disability Services. With me, I have Rique Robb, our Deputy Administrator and Melissa Lewis, our Administrative Service Officer. These are two new contracts for new providers to provide applied behavioral analysis services to children. We have increased our number of providers. I think at the close of last session, the intent was for us to increase. We were at 31 and we're now at 53. This will bring us to 53, along with some of the providers that are going through the RFQ process. We do anticipate finally being able to look at that wait list.

We are also looking to transition a lot of our providers to direct service or direct billing with Medicaid, which will allow the State General Fund dollars to go to those kids that don't have access to services. We do anticipate in this next fiscal year, to start to decrease that wait list.

**Governor:** Wonderful. Thank you. So, when you say 'decrease it', do you know what the number on the wait list is now? Ms. Robb.

**Rique Robb:** Rique Robb, for the record. Our current case load is 668 children and our current wait list is, as of May 31<sup>st</sup>, is 519. There has been a shift on that wait list based on, children who would be receiving managed care coverage and they were on our wait list and were working with those individuals to receive managed care. Those have actually been removed from the wait list, so you'll actually see a decrease based on the Managed Care Organization (MCO) children being removed from the wait list.

**Governor:** So, there will be a double benefit here. So, we'll see a decrease as a result of the managed care, also a decrease as a result of approval of these contracts?

**Rique Robb:** Rique Robb, for the record. Correct.

**Governor:** And, do you know how far we'll go?

**Rique Robb:** So, what our initial plan is for those two providers that will be, hopefully approved today. We are looking at 15-20 children to be able to go immediately to them. Those individuals are connecting with Medicaid to direct-bill, as well as other private providers, so we'll do a mix of that case load from the wait list. We're looking at 40 children, approximately 40 children starting from the wait list as of July 1. Then we'll phase that as those new providers, we have seven additional providers on the BOE for July. We'll phase those in as we move forward as well. As we grow the providers, the capacity grows, the wait list will decrease.

**Governor:** How many and I know you can't be too precise, but can you estimate how many those kids that each of the providers can take. So for example, if we approve seven providers, how many kids can those providers take?

**Rique Robb:** Rique Robb, for the record. At this point in time, our estimate is about 15-20 initially because of the case mix of those children, we have eight case plans that they can go within; whether it be straight ATAP, Medicaid or Fee for Service. So, we try and mix so it's not overwhelming one provider with just Medicaid or just straight ATAP. So, about 15-20. So, with those nine providers, you know, a little over 100 plus at this point is our goal.

**Governor:** Okay.

**Rique Robb:** We do plan on working with the providers. We're working with them as they are direct billing our current providers. So that's actually helping as well. There were some providers who had not been direct billing Medicaid and so we've been working directly with them. We have multiple that are actually billing directly. They're going to be able to take from that wait list as well. Doing the case mix is helping us to be able to eliminate that a little bit quicker.

**Governor:** Okay. I thank you for all of your efforts in this regard. The reason I delved a little deeper than I normally do, but as we build a budget, I know I've had this conversation at the table, at the proposed budget that this is going to continue to be a priority. I just was asking these questions to see how much we could improve with regard to the waiting list and hopefully, if there is still a balance on that waiting list, that that can be built into a budget, so that it can be addressed.

**Rique Robb:** That's our goal as well, thank you, Governor.

**Governor:** Thank you. All right, Madam Secretary, I know this is a big priority for you as well.

**Secretary of State:** Yes.

**Governor:** Madam Secretary.

**Secretary of State:** Thank you very much Governor, I really appreciate it. My concern in this arena is about the professionals and do we have specific and qualified individuals that have the skills or are we still really hunting other states to try to find people that go to school for this and education. I know we have some education issues as well. That's my big concern is having qualified people, professionals that can work with these children to help them. Are you seeing an increase, decrease or is that part of the issue of what you're discussing and the providers have issues with as well?

**Rique Robb:** Rique Robb, for the record. Our RBTs (Registered Behavioral Technician), I'm trying to think, that is, we are increasing at this point, but there have been challenges in regards to maintaining. So, with them, they have a training that they have to conduct. They have to be certified to be reimbursed. So we have been working with that population to be able to certify as many RBTs as possible to provide that direct service under the direction of a BCBA (Board Certified Behavioral Analyst). It has been an ongoing challenge. It is a pretty transient group because of the higher education that's being requested and the credentialing, but it is a group that we're working with consistently.

**Secretary of State:** Thank you for that answer. Are you working with the University systems, Community Colleges?



**Rique Robb:** Rique Robb, for the record. Currently, for an RBT, there's not a certification through the Community College or the University system. It is a 40-hour national credentialing that they have to go through. They do a 40-hour online and then they have to have direct service with observation from a BCBA. That's on the national level, that's where the credentialing piece comes in. We have been working on a local level, as well as, on maintaining the national certifications.

**Secretary of State:** And, I understand that if you are working with the university systems or the community college to help, because that's where we can get a lot of teachers and have them go for higher a degree, that's what I'm looking for. That's why I was asking about working with them or talking with them about how they can help you. We have critical needs in education and we have kids with special needs and we're not able to fill those slots. That's why I'm really concerned. Especially in the rural areas, they're having a lot of problems, but also in the big urban areas.

**Rique Robb:** Rique Robb, for the record. My apologies, Madam Secretary. Yes, we have been working with them in regards to RBCBAs, RBCABAs, in those certifications, so yes, absolutely we are in contact with them.

**Secretary of State:** Okay.

**Rique Robb:** My apologies for misunderstanding.

**Secretary of State:** That's okay, I probably didn't state it correctly. Thank you very much, ladies for all your help.

**Rique Robb:** Thank you.

**Governor:** Thank you Madam Secretary. I don't know if there's a connection here or not, but the OWINN Office, the Office of Workforce Innovation in Nevada is a possibility. Manny Lamar, who is the Director there has great relationships with the Community Colleges and the Universities and may be able to work with you all in terms of improving that pipeline.

**Dena Schmidt:** Absolutely, thank you Governor. I know that we as a Department have been working with them on many initiatives to grow different workforces where we have shortages and we will continue to do that.

**Governor:** It even may be that we scholarship people because I know that those courses don't come for free. There may be funds for that. Thank you.

**Dena Schmidt:** Thank you.

**Governor:** All right. Board Members, any other questions with regard to agenda item number 15?

**Attorney General:** Move to approve.

**Governor:** The Attorney General has moved to approve the contracts presented in agenda item number 15, is there a second?

**Secretary of State:** I second it, Governor.

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

**16. [Approval of Proposed Master Service Agreements](#) (For possible action)**

**Governor:** We'll move on to agenda item number 16, Approval of Proposed Master Service Agreements. Mr. Wells.

**Clerk:** Thank you Governor. There are 26 master service agreements in agenda item 16 for approval by the Board this morning. These agreements include the first replacements for the existing provider agreements that have been utilized by the Department of Health and Human Services and the Department of Employment, Training and Rehabilitation. The Purchasing Division is going to provide an overview of the new provider contract process for the members which relates to items 3, 5, 7 through 24 and 26 in agenda item 16.

**Governor:** Good morning Mr. Haag. We do have a new process and if you would be willing to share what that process is with the Board Members, thank you.

**Jeff Haag:** Thank you Governor. Good morning and good morning Members of the Board. Jeff Haag for the record, Administrator of State Purchasing. As Director Wells mentioned, on December 29, 2017, an all-agency memo was issued calling for the termination of all provider agreements in the State. That termination was due to a concern about the lack of consistency and accuracy of those contracts that were being issued to providers. As a result, State Purchasing stepped in and worked with the two agencies that were impacted by this the most, the Department of Health and Human Services (DHHS) and the Department of Employment, Training and Rehabilitation (DETR).

We assessed the current state provider agreements and we determined there were over 500 provider contracts out on the street today, representing hundreds of millions of dollars in state spending, providing dozens of services to vital citizens of the State.

We worked with DHHS and DETR in developing a two-step procurement process for these provider agreements moving forward. That first step is a Request for Qualifications (RFQ), where we identified qualifications for providers based on state and federal requirements. We facilitated this RFQ through the State's new e-procurement system, Nevada ePro which was approved in the last session.

We've engaged with over 500 vendors through that process to educate them on the RFQ and what their qualifications are and how we would vet those. That process is going very well. To date, we've engaged with over 400 providers across the State. We have 21 contracts that are up for approval today. We have over 400 that are in the process and hope to be before this Board at the July Board of Examiners meeting.

The second stage in the process is agencies who choose to use qualified providers will engage in what we've termed a service agreement with that provider. Those service agreements will outline the specific scope of work that they're engaging those folks with. The cost of those services and the term of that respective scope. Those will be negotiated with the agencies directly and those providers and will serve as the authorization for work to begin providing those critical services. We expect those service agreements to begin after approval today or assuming approval is done today.

Governor, Members of the Board, I have to take this opportunity to say thank you. This was a tremendous effort, impacting very important folks in the State, representing critical services. The effort that was done by the Governor's Finance Office, the folks at DHHS and DETR, our team at State Purchasing was really tremendous. To be able to turn the tide on over 500 contracts in a six-month period of time, realizing the services that they provide, we could not have done this without the thoughtful engagement of all those involved. A tremendous thank you to them. We're excited about the efficiencies of this new process and the services that these new agreements will provide. Not only DHHS and DETR, but through this statewide initiative, we've also opened these contracts up for our colleagues in local government and other agencies within the State that could also benefit from these services. With that, I'm happy to answer any questions that the Board may have.

**Governor:** Thank you, Mr. Haag. I have no questions but I also wanted to thank you as well. Just for the other Board Members' benefit perhaps, this is something that you already know, but it was a concern to me that hundreds of millions of dollars were moving without the benefit of at least a review by this Board. Over 500 contracts. That's not meant to sound pejorative of what was happening before. This is a big change in culture, in terms of how we were doing things. Director Whitley is here, in the audience and I wanted to acknowledge him and his team because it is a big change in culture and how you do things. I want to thank you for your cooperation in that regard.

I think it is going to be an improved system that at the end of the day is going to benefit who we all serve which are the people of the great State of Nevada. If there are anybody in the audience from DETR and any other affected agency, I want to thank you as well. It is a big change.

I know one of the policy reasons, why we did the provider agreements before is that there will not be an interruption in services to the affected constituencies, but my understanding, that won't happen. There is a process in place to continue people receiving the services that they need but it will lengthen our agendas for the Board of Examiners but at the same time, I think it's important, at last for the members of this Board, that we have the opportunity to review these contracts, along with Mr. Haag and his team over at

Purchasing, to provide a system that is fair to all. The providers, that they have an opportunity to bid on these contracts and provider services.

That's again, not a question but a comment. Mr. Haag, I wanted to thank you as well, for your leadership. Board Members, any questions or comments for Mr. Haag with regard to process?

**Attorney General:** Congratulations and I move to approve.

**Governor:** Attorney General has moved to approve the proposed master service agreements presented in agenda item number 16, is there a second?

**Secretary of State:** I'll second it and thank you Governor for doing this. I know it will take a lot more for us but I agree with you, it's worth it. Thank you.

**Governor:** The Secretary of State has seconded the motion. I'll be here for the first six months of it but it is really a much better process. So, I'm very happy with how this came out. Mr. Wells, I know you put a lot of time and effort into this and your team. So, thank you as well.

We have a motion and a second, any other questions or discussion? I hear none. That motion passes 3-0.

## 17. [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 April 17, 2018 through May 21, 2018.

**Governor:** We'll move on to agenda item number 17, Information Item, Clerk of the Board Contracts. Mr. Wells.

**Clerk:** Thank you Governor. There were 81 contracts under the \$50,000 threshold approved by the Clerk between April 17, 2018 and May 21, 2018. This item is informational only, and no additional information was requested by any of the members.

**Governor:** Thank you, Mr. Wells. I have no questions. Board Members, any questions on agenda item 17?

**Secretary of State:** The only question that I would have Governor is I just wondered how many of these contracts were for fixes that we needed at the Grant Sawyer Building, if anybody knows that or you can get it to me later.

**Clerk:** I do not believe any of these were specific to fixes for the Grant Sawyer Building. There were a few contracts in here for building and janitorial services but they were in here because we were changing the process that we go through for janitorial contracts. Those contracts are going out to bid and there needed to be extensions for several of them. I do not believe that any of the contracts were specific to Grant Sawyer.

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

## **18. Information Item – Reports**

### **A. Statewide Quarterly Overtime Report – Fiscal Year 2018 3<sup>rd</sup> Quarter**

Pursuant to NRS 284.180, the Department of Administration, Division of Human Resource Management must prepare and submit quarterly to the Budget Division of the Office of Finance a report regarding all overtime worked by employees of the Executive Department during the quarter. The Budget Division shall transmit quarterly to the Board of Examiners the report and the analysis of the Budget Division regarding the report. The Budget Division submits the 3<sup>rd</sup> Quarter Overtime Report and analysis for Fiscal Year 2018.

### **B. Department of Conservation and Natural Resources – Division of State Lands**

Pursuant to NRS 321.5954, the Division is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program. Pursuant to Chapter 355, Statutes of Nevada, 1993, at page 1153, the agency is to report quarterly on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the 3<sup>rd</sup> quarter of Fiscal Year 2018.

#### Additional Information:

- There was no activity to report during this quarter.

**Governor:** We'll move to agenda item 18, another Information Item. Reports on Statewide Quarterly Overtime as well as Department of Conservation and Natural Resources, Division of State Lands, Mr. Wells.

**Clerk:** Thank you Governor. There are two information reports under this agenda item.

The first report is on overtime and accrued compensatory leave for the third quarter of Fiscal Year 2018. There is a summary report that I will not read. I will say that there appears to be, after the second quarter, there appears to be some marked improvements in management of overtime for the large using agencies. I congratulate the agencies who have taken it to heart and gone back and done some real hard work on identifying and managing the overtime that is sometimes necessary, but sometimes not as necessary.

The second report is one from the Department of Conservation and Natural Resources. That is the report on lands or interest in lands transferred, sold, exchanged or leased under the Tahoe Basin Act and the Lake Tahoe Mitigation Program. There were no activities under either of those programs. I would be happy to answer any questions.

**Governor:** Thank you, Mr. Wells. I know that—I don't have a question but I just wanted to compliment again, Director Dzurenda, his efforts at Department of Corrections and his team. The decrease in the last quarter was \$4 million, which was a 69% decrease from the prior quarter. Again, I really appreciate the hard work that's gone into that.

Board Members, any questions with regard to agenda item 18A?

**Secretary of State:** None.

**Governor:** If there none, you want to continue, 18B, Mr. Wells?

**Clerk:** That is the report on the Tahoe Basin Act and the Lake Tahoe Mitigation Program. There were no activities under those programs this quarter.

**Governor:** Thank you.

**19. 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 19, Public Comment. Is there any member of the public in Carson City that would like to provide public comment to the Board? I hear and see no one. Is there anyone present in Las Vegas that would like to provide public comment to the Board?

**Secretary of State:** We see no one, Governor.

**Governor:** Thank you.

**20. Adjournment** (For possible action)

**Governor:** Is there a motion to adjourn?

**Attorney General:** Move to adjourn.

**Governor:** Attorney General has moved to adjourn. Is there a second?

**Secretary of State:** I second.

**Governor:** All in favor of the motion, say aye. [ayes around] That motion passes 3-0.  
Thank you, ladies and gentleman have a great day.

**Secretary of State:** Thank you.