

MINUTES

MEETING OF THE BOARD OF EXAMINERS

November 13, 2012

The Board of Examiners met on Tuesday, November 13, 2012, in the Guinn Room on the second floor of the Capitol Building, 101 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

Members:

Governor Brian Sandoval
Attorney General Catherine Cortez Masto
Secretary of State Ross Miller
Clerk Jeff Mohlenkamp

Others Present:

Elmer Bull, Habitat Division Administrator, Department of Wildlife
Brian Nix, Coordinator, Victims of Crime Program
Rebecca Salazar, Program Manager, Victims of Crime Program
Chris Nielson, Director, Nevada Department of Taxation.
Thomas Shea
Teri Preston, Leasing Services.
Jon Hager, Executive Director, Silver State Health Insurance Exchange
Shawna DeRousse, Operations Officer, Silver State Health Insurance Exchange
Doug van Aman, Regional Director, Office of Economic Development.
Tracey Green, State Health Officer, Medical Director Health and Developmental Services
Patrick Conmay, Public Safety Record and Technology Division
Jennifer Bauer
Kimberlee Tarter, Deputy Administrator, Purchasing Division.
Clark Leslie, Attorney General's Office
Richard Gilbert, Department of Public Safety
Liza Paulino, Department of Public Safety
Mike Draperl, R&R Partners
Mark Teska, Department of Public Safety
Jim Lawrence, State Lands
Julie Kidd, State Public Works Board
David Gustafson, Enterprise IT
Sumiko Maser, Taxation
Janet Murphy, Aging Services
Tina Gerber-Winn, Aging Services
Johnean Morrison, Nevada Highway Patrol
Curtis Palmer, Nevada Highway Patrol

PUBLIC COMMENTS

Comments:

Governor: Good morning. I'll call the Board of Examiner's meeting to Order. Can you hear us loud and clear in Las Vegas?

Attorney General: Yes, Governor. We can hear you.

Governor: First item on the Agenda is public comment. Is there any member of the public in Carson City that would like to provide comment to the Board? Anybody in Las Vegas?

Attorney General: There doesn't appear to be.

***2. FOR POSSIBLE ACTION – APPROVAL OF THE OCTOBER 9, 2012 BOARD OF EXAMINERS' MEETING MINUTES**

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move onto Agenda Item Number 2, approval of the October 9, 2012, Board of Examiners' meeting minutes. Have the members had an opportunity to review the minutes, and are there any changes? The Chair will accept a motion for approval.

Secretary of State: I'll move for approval.

Attorney General: Second the motion.

Governor: Motion by the Secretary of State, second by the Attorney General for approval. Any questions? All those in favor, please say aye. Motion passes three to zero.

***3. FOR POSSIBLE ACTION – AUTHORITY TO PAY MINING CLAIM REFUNDS**

A. Department of Taxation – \$193,135

Pursuant to Senate Bill 493, Section 16.7 of the 2011 Legislature, the Department of Taxation must submit mining claim refund requests to the Board of Examiners for approval. The Department is requesting authority to pay 16 refund requests totaling \$193,135. This results in a remaining balance of \$819,743.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Agenda Item Number 3, authority to pay mining claim refunds. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board is another request from the Department of Taxation, pursuant to Assembly Bill -- or Senate Bill, I'm sorry, 493, and this is another request. In this case we're looking at \$193,135 for 16 different funding requests. The remaining balance after this will be \$819,743, and as -- just to remind the Board that this is an available option to request a refund or a credit up through June 30 of this fiscal year, or June 30 of 2013.

Governor: Mr. Mohlenkamp, do you have any idea of what is left of the universe of possible claimants?

Clerk: Well, the full amount that is available is 819,000. It can't go beyond that. We determined that. As far as how many are left, I don't know. I can certainly do some research if you'd like.

Governor: Not important. We're still in the black.

Clerk: Yeah. I, you know, every month that goes by and we don't have it all gone is a good one for me.

Governor: All right. I have no questions. Questions from Board members?

Secretary of State: No, Governor.

Governor: Hearing none, the Chair will accept a motion to approve 16 refund requests totaling \$193.135.

Secretary of State: I'll move for approval.

Governor: There's a motion by the Secretary of State for approval. Is there a second?

Attorney General: Oh, I second the motion, Governor.

Governor: Second by the Attorney General. Any questions on the motion? All those in favor please say aye. Motion passes three to zero.

***4. FOR POSSIBLE ACTION – STATE ADMINISTRATIVE MANUAL**

The State Administrative Manual (SAM) is being submitted to the Board of Examiners' for approval of clarification in the following Chapters:

- A. 0300 – Department of Administration – Cooperative Agreements & Contracts**
- B. 0500 – Department of Administration – Risk Management**
- C. 1400 – Department of Administration – Motor Pool**

- D. 1600 – Department of Administration – Enterprise IT Services
- E. 2500 – Department of Administration – Budget Division
- F. 2600 – Department of Administration – Claims

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Agenda Item Number 4, State Administrative Manual. Mr. Mohlenkamp.

Clerk: Thank you, Governor. Before the Board are a series of different requests. I'll go through them real quickly one by one. First of all, the first change is to SAM 0220. This is related to travel. Most of these requests here are in common that we're trying to reduce some of the red tape and trying to streamline some processes, and in this, and in the next case, SAM 0504, which is under risk management, what we're trying to do is allow for fax signatures or scanned signatures to be used to expedite the process in your documents. It still requires the agencies to maintain an original signature. We haven't gone to digital signatures yet, so we're still a step removed from that. You'll have the same thing when you're looking at SAM 2616 which is the last one on the Agenda. The only item that's really separate from that, and so all of these are really streamlining the allowance of faxed or scanned signatures, item E -- 4E on your Agenda is requiring the use of the NEB system, which is the executing budgeting system for processing budget bill draft requests. So as you recall, we moved to an electronic format this last time around in order to create a much better tracking mechanism, and so we're just cleaning SAM, the State Administrative Manual up to let everybody know that that's the process with which to submit BDRs, and most of the requests are -- otherwise we have consulted with internal audits to make sure that there's no issues or concerns with regard to going to faxed to scanned signatures, and they've looked at it and they don't have any concerns.

Governor: Thank you, Mr. Mohlenkamp. And the font on the numbering on those pages, will that be -- will those be changed to be in accordance with the SAMs manual? If you look -- I don't know what font that is, but it's not --

Clerk: We'll make the adjustments. I hadn't looked at that, but I will.

Governor: All right. Thank you. I have no further questions. Board members, any questions?

Secretary of State: No, Governor.

Attorney General: Governor, I just had a quick question on 220, the language there. Is there a word missing, or am I just reading that wrong? Travel expenses with must be redeemed by the travelers. Is it (inaudible).

Clerk: Thank you, I think the "with" should go away.

Attorney General: Okay.

Clerk: That's a good catch.

Governor: Chair will accept a motion for approval of the recommended changes to the State Administrative Manual as described in Agenda Item Number 4, with the deletion in 0220 of the word "with."

Secretary of State: Move for approval.

Attorney General: I'll second the motion.

Governor: We have a motion by the Secretary of State, a second by the Attorney General. Any questions on the motion? All those in favor, please say aye. Madam Attorney General, did you vote?

Attorney General: I did. It's just a little hard to hear, but yes. It was aye.

Governor: Okay. Motion passes three to zero. Thank you.

***5. FOR POSSIBLE ACTION – APPROVAL TO ACCEPT A DONATION OF LAND ON BEHALF OF THE NEVADA DEPARTMENT OF WILDLIFE**

A. Department of Conservation and Natural Resources – Division of State Lands

Pursuant to NRS 321.001 and NRS 353.335, the Nevada Division of State Lands is requesting approval, on behalf of the Nevada Department of Wildlife to accept a donation of two parcels of land from the National Fish and Wildlife Foundation.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We will move onto Agenda Item Number 5, approval to accept a donation of land on behalf of the Nevada Department of Wildlife.

Clerk: Thank you, Governor. Before the Board is a request to receive a donation of two parcels which lie adjacent to the Mason Valley Wildlife Management area. This is near the Waka River, and I have looked at the materials. It looks like the State will have a tax liability of about \$1368 annually, and that's the only additional cost that I'm seeing the State will bear for the receipt of these two parcels.

Governor: Do we have someone from Wildlife here?

Bull: Yes, sir.

Governor: (Inaudible). Good morning, sir.

Bull: Good morning. For the record, my name is Elmer Bull. I'm the Habitat Division Administrator for the Nevada Department of Wildlife. In my capacity, I have oversight of the State's wildlife management area systems, including the Mason Valley wildlife area.

Governor: And if you would just give us briefly a description of the transaction and the use of the land.

Bull: Okay. The land, of course, was acquired by the National Fish and Wildlife Foundation. They had no desire to own the property. This was part of the Water Acquisition Program that's ongoing in the Mason Valley Wildlife -- or the Mason Valley and Waka River basin. So they approached us as to whether we would want to assume the ownership of that property, and we're favorable to that. We had some concerns that we expressed to NFWF, primarily centered around the process of transitioning this land from intensively farmland back into native habitat which is what we were going to be forced to do. But we feel that's very doable, and to that end, and in light of our concerns expressed to NFWF, they entered into a contractual agreement with the Smith and Mason Valley conservation districts to develop and implement a revegetation program on those lands that are being donated to us. And we feel very comfortable with that program, and ultimately see this as a real benefit to wildlife, as well as the public will be allowed to use these properties when they become ours.

Governor: Couple questions. So how long does that transition take, and what type of public use will there be?

Bull: Okay. I believe the transition program, or the agreement with the Smith and Mason Valley conservation districts is for three years. However, NFWF has also allowed that should it take longer than that, that they would be willing to support us. It's a little difficult to tell how long the transition process -- it will take a very long time, but if we can get the groundwork established for it, and that's what happening under their current plan, then we'll continue to monitor it and determine whether there's, you know, any issues with that transition process. But we're confident that this is going to work, and NFWF has ensured us that they're not going to leave us hanging. If it takes a little longer than what we anticipate, then they will still be there supporting our efforts to transition those lands. As far as public use goes, like the rest of the Mason Valley Wildlife Management area, it could consist of hunting, probably not a lot of fishing on these properties, although the river does run through a portion of it. Bird watching, horseback riding, hiking, photography and the whole works. It's a boon to the public.

Governor: I have no further questions. Questions from Board members?

Attorney General: No, Governor.

Secretary of State: No, Governor.

Governor: I want to compliment you on your tie too. You wore the perfect tie. For those of you in Las Vegas, he's got a duck tie on. So very nice. Hearing no further questions, the Chair

will accept a motion to accept the donation of the two parcels of land from the National Fish and Wildlife Foundation.

Attorney General: I'll move for approval.

Secretary of State: Second.

Governor: Motion by the Attorney General for approval, second by the Secretary of State. Any questions on the motion? All those in favor, please say aye. Motion passes three to zero. Thank you, Gentlemen.

Bull: Thank you.

***6. FOR POSSIBLE ACTION – STATE VEHICLE PURCHASE**

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 Business and Industry – Division of Industrial Relations	1	\$31,216
Total:	1	\$31,216

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: Next Agenda item in Number 6, state vehicle purchase. Mr. Mohlenkamp?

Clerk: Thank you, Governor. Before the Board is one request for purchase of a single vehicle. This is the Department of Business and Industry Division of Industrial Relations, and this is a pickup truck with a camper shell. This item was included in the Agency's approved budget.

Governor: Thank you, Mr. Mohlenkamp. I have no questions regarding this Agenda item. Board members?

Secretary of State: No, Governor.

Governor: The Chair will accept a motion for approval.

Secretary of State: I'll move for approval.

Attorney General: Second the motion.

Governor: Motion by the Secretary of State for approval, second by the Attorney General. Any questions on the motion? All in favor, please say aye. Motion passes three to zero.

***7. FOR POSSIBLE ACTION – VICTIMS OF CRIME PROGRAM (VOCP) APPEAL**

Pursuant to NRS 217.117 Section 3, the applicant or Clerk of the Board may, within 15 days after the appeals officer renders a decision, appeal the decision to the Board. The Board shall consider the appeal on the record at its next scheduled meeting if the appeal and the record are received by the Board at least 5 days before the meeting. Within 15 days after the meeting the Board shall render its decision in the case or give notice to the applicant that a hearing will be held. The hearing must be held within 30 days after the notice is given and the Board shall render its decision in the case within 15 days after the hearing. The Board may affirm, modify or reverse the decision of the appeals officer.

A. Thomas Shea

The issue before the Board is the denial of a Motion for Reconsideration filed by Mr. Shea. Dental treatment was not addressed during a hearing with an Appeals Officer. The Appeals Officer issued an order inviting the parties to submit written arguments. None were submitted, and a dismissal was rendered. Mr. Shea did not appeal. What remains before the Board is the Appeals Officer's denial of the Motion for Reconsideration due to his failure to timely appeal the previous denial of his dental care request.

Clerk's Recommendation: It is recommended that the Board uphold the denial of this claim.

Motion By: Attorney General

Seconded By: Secretary of State

Vote: 3-0

Comments:

Governor: Next item is Agenda Item Number 7, Victims of Crime Program Appeal.

Clerk: Thank you, Governor. Pursuant to NRS 217.117, the Clerk of the Board may within 15 days after the appeals officers renders the decision, put the decision before the Board. As you recall, this was on the Board -- this is Mr. Thomas Shea. This issue was on the Board meeting two different meetings ago. I believe that was in August. The issue before the Board is the denial of the motion for reconsideration filed by Mr. Shea. Dental treatment was not addressed during a hearing with the Appeals Officer. The Appeals Officer issued an order inviting the parties to submit written documents -- arguments. None were submitted, and a dismissal was rendered. Mr. Shea did not appeal. What remains before the Board is the Appeals Officer denial of a motion for reconsideration due to his failure to timely appeal the previous denial of his dental care request.

Governor: Thank you, Mr. Mohlenkamp. Is there a representative of the Victims of Crime Program?

Nix: Yes. Good morning, Governor. This is Brian Nix. I'm the Coordinator of the Victims of Crime Program. Also with me here today is Rebecca Salazar who is the Program Manager and I believe met with the Board at previous meetings. This is a pretty straightforward case at this time. It was complicated before by several other issues which have been resolved. Currently before the Board is Mr. Shea's appeal of the denial of his request for some dental care. Mr. Shea was injured in 2003 when he was hit in the area of his eye with a bottle, and he was blinded in that. The Victims of Crime Program accepted his claim, paid for his medical care and his lost wages. In 2011, about eight years after the crime, Mr. Shea submitted a request that we pay for about \$40,000 worth of dental care that he alleged was related to the crime. This request was denied based in part on the fact that it was so long after the crime, but also there was very little supportive documentation that his dental care needs were related to the crime. Mr. Shea appealed this and went through some processes back and forth, remand, opportunity for him to submit additional documentation to support his request. When that documentation wasn't forthcoming, as Mr. Mohlenkamp pointed out, ultimately his appeal was denied and in return requesting you to overturn them. Three real simple positions, I mean, the Board can take at this point. You can deny it because he didn't appeal the original on procedural grounds, you can uphold the denial because he hasn't submitted the documentation requested or documentation to meet his burden to establish this as crime related, and the third option the Board has -- of course, you have any option, you're the Board. But you could also remand this for, you know, a second opinion or a third opinion. We can always find someone to look at this again to see if there's any relationship between his dental care and this crime. That may have been done at some point earlier if it was more of a relationship in time between this request and the injury, but I think that eight years between the request and the crime resulted in probably a quicker denial than, you know, would have (inaudible). But that's the current status of the case. I don't know if Mr. Shea is here, but that should be the only issue currently before the Board.

Governor: Thank you, Mr. Nix. And we did hear extensive testimony, I believe it was in our August meeting. I think the issue is very discrete here as was described by Mr. Mohlenkamp in the Agenda Item and just as you described. I do have a question for you with regard to the three options that you just provided in terms of a third opinion. There isn't a first opinion in this case that I'm aware of that there's any relationship between the alleged dental care and the accident itself.

Nix: I agree, Governor. There is kind of a reference. I think when he sought the -- when he asked that we pay for this dental care, I think he reported to the dentist that his issues were crime related, and in one of the documents there's a reference to it being crime related, but we didn't feel that was a diagnosis as much as it was a reflection of what was reported to the dentist. So in that sense, no. There has not been an opinion rendered specifically with regard to the nature of the injuries suffered in the crime and the nature of the dental care.

Governor: Thank you, Mr. Nix. Board members, do you have any questions for Mr. Nix?

Secretary of State: Mr. Nix, when you say that a report was filed that indicated that these injuries may have resulted from the crime, but appear to be a reflection as to what he told the dentist, are you referring to it looks like a document that was filed on February 3? It's on the

State of Nevada Victims of Crime Program letterhead, Request for Preauthorization for Payment by Brian Harris?

Nix: Correct. That is our standard form a provider can use to assure the Board is going to pay for their treatment, because otherwise there's no assurance we'll pay for it. And usually when this is filled out, it's either filled out by the victim or the provider with the victim's assistance. And so that's the document, I think that -- it's kind of hard to read on my copy, but it indicates that they're not really sure that it's related to the crime in that document.

Secretary of State: And the only thing I see within this document that references any kind of determination that this was related to the crime is simply a box that says "Is this service or treatment necessitated by the crime?" The "yes" box is checked, and it said, "Right side is and has caused other issues that are present now. Difficult to say how much is accident related." Is that the only information that was submitted that this could potentially be related to the crime?

Nix: Yeah. That's the most immediate information that would relate to the crime. And again, it sounds like -- to us, it sounded like that was strictly based on the reporting of the victim.

Secretary of State: Okay.

Nix: But, you know, it could raise an issue, and we're certainly, you know, I mean, it's not live evidence here, but it's an indication of some evidence. As far as we can -- under our policy, the burden for the victim to establish eligibility under these types of claims is a fairly heavy burden. I think they have to show by clear and convincing evidence that it's crime related, and we didn't feel this met that standard.

Secretary of State: Okay. But to your knowledge, this is the only documentation throughout the entire pendency of this case that's been submitted that would relate the dental work to the crime itself?

Nix: Absolutely, yes.

Secretary of State: Okay.

Governor: Are there any further questions for Mr. Nix from Board members?

Attorney General: This is follow-up question. So Mr. Nix, that report will make a decision to deny; is that correct?

Mr. Nix: That's correct.

Attorney General: That's all I have, Governor.

Governor: Thank you. Is Mr. Shea present?

Shea: I am, sir.

Governor: Mr. Shea, we'll give you a brief opportunity to respond to the discrete issue that's before the Board. As you know, we heard extensive testimony in August, and we don't want to repeat that. But if you have any testimony that you would like to provide relevant to the Agenda Item and the statements made by Mr. Nix, we'd be willing to hear those.

Shea: The relevant questions here that we should be discussing is the amount of dental findings that should be on record. My records indicate six different dental practitioners who clearly indicated that this was an injury inflicted, medical problem that needed to be fixed, and over the time incurred this is the result of it. As far as the VOCP in Las Vegas and the information that they have, I can dispute that with the facts that I have. There are so many different avenues that we could take as far as deciding whether or not this is something that we could move forward with in a positive fashion, but I am at most speechless to some of the findings as far as not having documentation -- not having this conflict of words or statements that have left me, like I said, speechless.

Governor: Okay. Mr. Shea, the issue, at least as discussed by Mr. Nix, and the questions as were raised by the Secretary and the Attorney General with regard to your dental records. And there are dental records that indicate that you needed, or need, dental work. But the only indication within those records that relate that dental treatment need to the accident is this Victims of Crime Program that was completed by Mr. Harris. Do you have anything else that is -- that you -- we had asked for this before, any dental records that --

Shea: Right. Along with the dental records that were asked for were the appeals that were sent by the VOCP.

Governor: No. That's not my question, Mr. Shea. Do you have any dental records that relate the -- your dental treatment to the crime?

Shea: Yes, sir. Yes, sir. Submitted on 9/21 of 2012 was the complete packet of dental findings along with the statement from myself concerning the facts surrounding.

Governor: Okay, Mr. Nix. Do you have any idea what Mr. Shea is referring to?

Nix: No, Your Honor, I don't.

Salazar: Governor, I'm having difficulty hearing Mr. Shea, so I wasn't sure what date he was referring to again.

Governor: If I may, Mr. Shea, has represented that he produced to the Victims of Crime Program dental records on 2012, which would have been subsequent to the time that we heard this matter before Board of Examiners.

Nix: I'm sorry. We don't have any records or anything that he submitted -- if we had it, it would certainly be in this record. We would provide it. I'm not sure what he's talking about.

Shea: The paperwork in which I'm speaking of was sent to numerous representatives of the Victims of Crime Program in Las Vegas. Not only was the paper sent to the representatives of Victims of Crime and the Hearings Division, I have yet to hear of any of the allegations which brought about the harassment and threat charges.

Governor: Mr. Shea, we're not going into that.

Shea: Okay.

Governor: We are in a very singular issue, or two issues. One of which is your failure to timely the appeal, the other which was to produce dental records that relate that dental treatment or the dental treatment that you need to the accident. Now, where I am now is the -- Mr. Nix has said that the Victims of Crime Program has not received anything from you. You're stating that you sent something on September 12 that includes some dental records that would indicate that there's a link between the accident and the dental care that you need.

Shea: Yes, absolutely. For correction, that would have been the 21st of September that I sent the statement of facts along with the emails of --

Governor: But that's not what I'm asking for, Mr. Shea. I'm asking for dental records.

Shea: The dental records were sent to the Department of Administration and the Victims of Crime Program in Las Vegas, a full complete copy. I have them on my laptop, I just don't have them here in paper. The filing date that is in question now is solely based on my counsel. I was represented at that time, and which I have not been able to receive one of the alleged filings from the VOCP stating that there was a mandatory date to be met. Even if my counsel had the documentation, I had not -- was not aware that it was sent. So with that --

Governor: Okay. Let me back up. Mr. Shea, did you send the medical records electronically, or via regular mail?

Shea: I sent them via email as was -- I was told by Department of Administration.

Governor: So you scanned the dental records --

Shea: Yes, I did.

Governor: -- and sent them to the Victims of Crime Program?

Shea: Yes.

Governor: But you don't have a copy of that today?

Shea: I do not.

Governor: And who is the name of the dentist that -- who authored those dental records?

Shea: Dr. White. In the statement from the dentist, he clearly indicates that the dental work needed was clearly from the crime.

Governor: But you don't have a copy of that today?

Shea: I do apologize. I do not have a copy of that. I sent that complete packet to the VOCP in Vegas, and to the Department of Administration. I was --

Governor: And to whom at the Department of Administration did you send that too?

Shea: That would have been to Donna and Jen.

Governor: And who are Donna and Jan?

Clerk: We don't have a Donna or Jan.

Shea: I spoke with Jen this morning regarding the witnesses that were to be called from the Northern Nevada District of the VOCP. She informed me that all the information was collected and no witnesses would be called. I did not ask for the recommendation.

Governor: And what is -- Jen or Jan are you talking about?

Shea: Jen.

Clerk: Leslie?

Shea: Leslie, this morning? Yes. It must have been Leslie.

Governor: And you're saying that Leslie said what?

Shea: Leslie stated that the witnesses that were to be called proving that there was absolutely nothing -- the allegations made by Las Vegas were not true -- because essentially what we have here is Rebecca Salazar saying this claim was closed because of threats and harassment. That is completely --

Governor: We're not talking about that issue today, Mr. Shea.

Shea: Right.

Governor: The issue --

Shea: Then we have --

Governor: Mr. Shea, let me finish.

Shea: Mm-hmm.

Governor: We are talking about a very discrete issue on the agenda, which is the timeliness of your appeal, and as described by Mr. Nix, your ability to produce documents that would support your dental claim. The Victims of Crime Program is stating that they have not received anything from you. You are saying you sent it on September 21. You are saying you sent it on September 21. You're saying that you sent it electronically to the Victim of Crimes Program as well as the Department of Administration. I'm not hearing the Department of Administration or anybody within that department has received it. Same thing for the Victims of Crime Program, and you don't have a copy of it today with you.

Shea: I do have it on my laptop though. I don't have a paper copy of it.

Governor: Well, why don't we do this. Mr. Shea, do you have access to -- do you have your laptop with you?

Shea: I do.

Governor: Perhaps we can stay your matter and move on with the rest of our -- of your agenda and you can send it straight to Mr. Nix. Mr. Nix, what's your email address?

Nix: It's bnix@admin.nv.us -- or dot gov. I'm sorry.

Governor: And is it permissible, Mr. Nix, for Mr. Shea to send you that information via email at this time?

Nix: Oh, absolutely. Also if doesn't have that, I think my email address is also on our website, and certainly Rebecca's is. But yeah, that's fine.

Governor: Okay. Do you have that email address, Mr. Shea?

Shea: I do.

Governor: Okay. If you could -- we're going to stay your matter and trail it behind the rest of the items on this Agenda. If you could send that to Mr. Nix, then we'll circle back and come back to this matter.

Shea: Thank you very much.

Governor: Before I go to Board member's comments, we will move back to Agenda Item Number 7, which is the Victims of Crime Program. Mr. Nix.

Nix: Good morning, Governor and members of the Board. I did receive an email from Mr. Shea with six documents attached. And the items are summarized in the first page of this document. It is a letter from Dr. David White. And essentially we don't have copies of this, I'll provide a copy here to the Attorney General. Essentially, the doctor indicated that he met with Mr. Shea,

examined him, and sort of repeats the indication that Mr. Shea felt that he lost the use of his teeth as a result of this crime, although the dentist acknowledges this was many years ago. He does not say anything in my opinion, or in Rebecca's opinion concerning this claim. First of all, when his original request was denied, he had multiple opportunities to present documentation during the appeals process which was never presented. These documents were never presented. I don't believe they would have changed anything if they were. So throughout this process, the burden has been on Mr. Shea to establish some eligibility for these benefits. Now he presented this kind of a generic letter. In my opinion it's kind of a general term letter in support of his claim. But it definitely in my opinion established the connection to the crime. If the Board wishes that we try to pursue this further, the big problem with this is there's no medical documentation anywhere on the records from the origination of the crime in his original injuries that even referenced dental issues at all. All his injuries were to his eye. There were no dental injuries at all. So it's really difficult trying to connect these claims of dental needs related to that injury when there's a complete absence of medical evidence supporting this kind of a claim for the inception of this claim. Eight years later it's all very vague, and I don't know that we could find anybody who would be able to clearly state this is or is not related to those injuries. But I would expect a medical doctor and/or a dentist with some specialties in those kinds of injuries might be able to make a connection or not a connection. In any event, that's -- in our case, this changes nothing.

Governor: And also Mr. Nix, given what you've said, there's also the failure to timely file in this case, correct?

Nix: Yes. Yes. He did appeal this, he did not appeal this timely. He did not submit any of these documents during the entire year that, you know, stretched out his appeal. So we just think he failed on all levels to meet his burden here and established this is a crime-related injury.

Governor: Okay. Madam Attorney General, I don't know if you need an opportunity or more time to review those records. We don't have those here.

Attorney General: Governor, I can just relate to you it is what Mr. Nix said. It's just a very generic letter, not dated, and it appeared that the doctor is relying on the representation by Mr. Shea that the problem with his teeth results from the incident years ago. In fact, there is a statement the doctor says that after the incident, he, Mr. Shea, reports losing many of the teeth on the side and an inability to chew on the right side, and as a result, the patient only has the ability to chew on his left side, which has caused gross decay due to overuse. I'd have to go back and look at the other dental reports to see if they had indicated that somehow Mr. Shea lost many of the teeth on his right side as a result of the altercation. I don't remember the doctors or the dentist indicating that. So it appears that Dr. White is just relying on the facts as reported by Mr. Shea as to what happened with his teeth as a result of the altercation. So for that reason, I don't think that there's anything additional here that indicates that there is a connection between the altercation and what has happened Mr. Shea's teeth. I also concerns about the delay in time within which the report of this information has come to the Board.

Governor: Mr. Secretary, do you have any comments?

Secretary of State: Governor, in my opinion, we don't even need to reach the documentation question because of the time bar. In this case, it looks like at least twice Mr. Shea failed to meet the procedural requirements for timely filing an appeal. Once in February he was ordered to provide documentation within 30 days. He failed to meet that. Again, in July 26, 2011, the hearing officer dismissed the appeal due to the late filing of his appeal rights 28 days past the deadline. In both of those instances, there is a provision under NRS 217115 that you can waive the timeline specified upon the showing of good cause. It looks like that they did in fact entertain that and extended this case, but then in April 10, 2012, another order was filed essentially abandoning and dismissing the case, and that order provided 15 days. Again, Mr. Shea was extremely late in filing any kind of motion. It indicates an appeal, but he didn't file one of those, and so I just don't think good cause has been shown, and I don't see any reason to continue the case.

Governor: Is there a motion?

Attorney General: Governor, I would move to approve the Hearing Officer recommendation.

Governor: Attorney General has made a motion to affirm the denial of the Hearing Officer's decision in this case. Is there a second?

Secretary of State: I'll second.

Governor: Second by the Secretary of State. Any questions or discussion on the motion? All in favor, please say aye. Motion passes three to zero.

***8. FOR POSSIBLE ACTION – LEASES**

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

Clerk's Recommendation: I recommend approval.

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

Comments:

Clerk: Thank you, Governor. Item Number 8 on the Agenda is the board has 11 leases for consideration. And again, we are seeing several of these leases are still demonstrating savings. So as I told you, I thought we were getting near the end. Apparently not. We're still seeing some savings on these leases. Now, one thing I'll point out, several of the leases are negotiated for a fairly long period of time, anywhere from five to ten years. So some of the savings we're negotiating are due to the length and term of these leases, and so I just wanted to point that out.

Governor: Thank you, Mr. Mohlenkamp. I had questions on the lease with the Department of Taxation and the Johnston Family Trust. That's a big one. That would be Lease Number 10.

Clerk: Governor, I think we have members of our Buildings and Ground Leasing Unit here, and I'm not sure of anybody's here from Taxation or not.

Governor: Good morning.

Nielson: Good morning, Governor, Members of the Board.

Governor: Okay. This is, as Mr. Mohlenkamp was describing, is a long one, and I guess my question here is are we paying rent on hallways and areas that we weren't previously paying for before?

Nielson: Governor, for the record, Chris Nielson, Director for the Nevada Department of Taxation. Here with me to my right, before we -- to get to your question is Tomiko Mazer (ph), she's my new Deputy, and I believe Leasing Services is the right as well. And I think the short answer to your question is yes, we are paying for a hallway space that we previously did not pay for, but at a lower rate, and I think on the details, I believe leasing services would probably be able to give you a better answer since they're the ones that actually negotiated the lease.

Governor: Good morning.

Preston: Good morning, Governor, and members of the Board. Teri Preston with Leasing Services. And what we have here is -- what I'd like to do is give you pictures, because I'm better with pictures, yes. The building which taxation resides is 43,933 square feet. Previously it was leased in its entirety by the State of Nevada, with another agency that was the Bureau of Licensing and Certification. That space has been vacated, and that space is 72,071 square feet. Previously, because it was leased entirely the State of Nevada, it has been our policy to do usable square footage, basically from the paint in, and ignore the hallways and common areas and those type of things. This is for best interest of the state. Now, what's happened, as you can see by this area, is the pink area is the area that's vacated. In order to secure the tenants in the taxation, we actually are separating out the yellow areas which are the hallways for primarily taxations used. As you can see, their use is based on both sides. The area in the middle is all the common area, and the reason we did this is this gives the landlord the opportunity to lease out to a title company or someone else, because right now the state is not expanding too much of the services. So this was for the benefit of the landlord for his reorganization. And what it did, is it actually is pretty well -- it's almost cost neutral. The new lease is for rental of square footage of 35,662 square feet. The current lease -- okay. The current lease expires on December 31, 2012 as reusable. It does -- the usable space does not include the common areas, although the cost was factored into the rent rate which is currently \$1.57.61 per square foot for 29,800 -- excuse me, 29,481 square feet of rentable space. To that the taxation added 318 square foot for an additional break room/conference room for a total of 29,799 square feet. The new lease is in terms of rental square feet which includes the common areas for a total of 35,662 square feet, which is a load factor of 19.5 percent -- 19.7 percent at a rate of \$1.3161 per square feet. The current rate, 46,466 for 29,481 square feet of rental space, or \$46,967 for 29,799 square feet of rental includes the conference room. The new lease in year one is 46,935 as compared to the current 46,466, and this includes now the entire useable square foot of 35,622 square feet. There is no effective change -- effective rent change.

Governor: And I completely -- you completely lost me with all those numbers.

Preston: I am so sorry.

Governor: No. That's okay. And let me try to just get to the bare bones here. Is, you know, you're seeing a theme, we've been saving a lot of money, this is a lot of square footage.

Preston: Right.

Governor: And at least on the face of it, it looks like we're paying more. Is this a good deal for the State?

Preston: It is a good deal for the state because we're not paying more. We actually reduced the square footage rent rate of \$1.57 to \$1.32.

Governor: That actually --

Preston: Yay.

Governor: -- the answer that I needed.

Nielson: And Governor, just to add to that, I believe the current lease which was negotiated and signed in 2007, to the landlord's credit, did do a rollback, I believe last year, to accommodate the current market conditions.

Governor: No. And that's wonderful and congratulations. It just wasn't real clear on this sheet and that's just good to know. Thank you very much. Any other questions from Board members?

Secretary of State: No, Governor.

Governor: I did want to have a quick visit on the next lease item which is the Silver State Health Insurance Exchange. Good morning.

Hager: Good morning, Governor, members of the Board. For the record, Jon Hager, Executive Director for the Silver State Health Insurance Exchange. To my left is Shawna DeRousse, our Operations Officer.

Governor: And my only question here, Mr. Hager, is this is a one, two, three, four, five, six-year lease, and we've had this previous discussion with regard to the viability of the Exchange. I mean, we're hopeful that it will go on, but we understand that it's going to at some point have to be self-funded. Is there an out clause on the lease in the event the Silver State Exchange were to go away?

Hager: Yes, there is.

Governor: That's my only question. Thank you. Board members, do you have any further questions with regard to Agenda Item Number 8, leases?

Secretary of State: No, Governor.

Attorney General: No, Governor.

Governor: Chair will accept a motion for approval of leases 1 through 11 as described in Agenda Item Number 8.

Secretary of State: I'll move for approval.

Attorney General: Second.

Governor: The Secretary of State has moved for approval, second by the Attorney General. Any questions on the motion? All in favor, please say aye. Motion passes three to zero.

***9. FOR POSSIBLE ACTION – CONTRACTS**

Sixty – Five independent contracts were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: We'll move onto Agenda Item Number 9, contracts.

Clerk: Thank you, Governor. Before the Board are 65 contracts for consideration, and I believe I did not get any call outs from either the Attorney General or the Secretary on this, unless something came that I missed.

Governor: And I had held out, Mr. Mohlenkamp, Contracts 18 and 19, 26, 29, 35, and 59 through 61.

Clerk: And Governor, can I clarify? I think 26 was the item that you intended to abstain on.

Governor: Yes.

Clerk: Do you want testimony on that as well? I didn't --

Governor: No.

Clerk: Okay. Okay.

Governor: And with regard to Agenda Item Number 26, that is a contract with the Children's Cabinet where my wife is employed, and although she will not benefit personally from the approval of this contract, I will be abstaining on that matter. So why don't we begin with 18 and 19.

Van Aman: Good morning, Governor. I'm Doug van Aman. I'm the Regional Director for the Office of Economic Development.

Governor: How are you today?

Van Aman: I'm well, sir. How are you?

Governor: Very well, thank you. And my questions on these are these are continuations of previous contracts. They, if I recall correctly, they had some pretty sort time periods, and so what work was done and what still needs to be done that requires us extending these contracts?

Van Aman: Very well, sir. If we look at Contract Number 18, that is indeed an extension of the contract. That is work -- the work that has been done has been the lobbying, as well as the insight and so forth from -- leading up to the UAV show down in Las Vegas. As a result of the show, and the success of that show, we request that the contract be extended particularly as we have the issues of sequestration and so forth coming up, and providing the insight and direction for our UAV efforts.

Governor: Just so I understand, so you -- first you believe that our \$75,000 was well spent?

Van Aman: Yes, sir.

Governor: And the next effort is to continue this lobbying so that with regard to sequestration would you go -- provide a little more detail with regard to that?

Van Aman: Yes, sir. I will provide you with the detail that I'm fully -- that I'm aware of. Our industry specialist Tom (inaudible), is a person who is most expert in that matter. Tom had come to us -- had come to the leadership both to Steve and to myself to request and extension of this. Sequestration is, I believe you know and probably better than I, could impact our budgets going forward, impact budgets to the Defense Department. The contract with (inaudible) allows us to keep track and get the insights and their expertise as to what our best strategies are going forward.

Governor: So what exactly are they lobbying for?

Van Aman: So Governor, the vendor will analyze current proposed initiatives for our UAV program and the RPA program which is, you know, the remote vehicles, and our ability to capitalize on those. So this is keeping in touch the various players and decision makers, as well as the industry players. They have already provided a marketing and advocacy plan, so it's continued fulfillment of that plan, as well as changes as they become deemed necessary. And then the item -- additional item on that is, you know, what is our advocacy plan with like who is going to be reaching out to, and those are the basics of the plan going forward.

Governor: So is there a finite end to the contract? Because it sounds like this could go on for a very long time. I mean, not -- I know that it says from June 30 to December 31 -- to the end of this year.

Van Aman: Well, in part, sir, it was as the FAA looks at the various efforts in terms of air space and so forth, and puts out the RFP, the RFP that was expected to be left in August did not occur. They've delayed and postponed that, so this is carrying that forward as well as carrying forward what are the effects of sequestration. So I don't know the answer in terms of whether or not this is long-ended thing. I don't believe it is, not in the conversations that I've had with Tom.

Governor: Board members, do you have any questions with regard to this Agenda item?

Secretary of State: Yes. Just one follow up. You indicated that the FAA was to release the RFP in August, and that did not happen.

Van Aman: That's correct.

Secretary of State: I was reviewing the Economic Development Update this morning. Did they give any indication as to when they might let the RFP at this point?

Van Aman: They have not, sir.

Secretary of State: Okay. So we're just kind of in limbo?

Van Aman: In limbo.

Secretary of State: And when they announced the August date, how did they make that announcement?

Van Aman: It was not so much an announcement as it just didn't happen. It was kind of the scuttlebutt around that that's when they were expected to announce it.

Secretary of State: Okay. So there wasn't any kind of mandate that they release it (inaudible).

Van Aman: No, sir.

Secretary of State: Okay. Thank you.

Van Aman: You're welcome.

Governor: And I know this is a hypothetical, and I don't like hypotheticals either. But ---

Van Aman: I'll do my best.

Governor: So let's the FAA announces December 31, 2013, will we then need to continue to services of this contractor through that time?

Van Aman: I'm sorry. Would you repeat that, sir?

Governor: So let's say, as you said, we expect the FAA to come out with its RFP in August of this year, and they didn't put it out. And let's say FAA announces in December of 2013, that's when the RFPs will be due or a decision will be made. Does that then mean that we're going to need Hurt, Norton & Associates for another year?

Van Aman: I don't know.

Governor: Okay. All right. Well, why don't we move onto the next contract?

Van Aman: That's a bit more definitive, sir.

Governor: Contract 19, excuse me. OCG Creative.

Van Aman: So OCG Creative was the marketing firm that prepared the materials. I think you'll probably call the blue book that had all of the -- excuse me -- various delegates and their biographies, as well as information on the State of Nevada business opportunities. The original book was supposed to be about 32, 36 pages. It ended up being an 80-page book because we added the marketing materials that had not been previously anticipated, which increased the cost of both production, as well as the translation because they were translated into Chinese and Korean, and that is -- that is the source of the increase.

Governor: And, I apologize. My specific question is how is the program going? I was kind of curious as to how we're doing with it.

Van Aman: OCG was a specific contract. I think our overall program, I know we have -- you recently returned with Steve from Canada, and I believe that was a very productive trip. And we're looking ahead to additional trade missions to Mexico and potentially Israel next year. The actual business (inaudible), I think Kimmie Candy is probably the most successful of them. It was in a huge contract, but it showed the potential, I believe, of when we bring together businesses from -- small businesses from our state with potential buyers in China or in other areas, that there is that potential there. We have also had another visit from a Chinese delegation. It was kind of a last-minute thing that I attended with a group of mining -- a group of geologists from the Funan province of China. That was a week and a half ago. They were very interested in an exchange program with the University and we're following up on that. The other items are -- all are in due course, some of which we can't really speak of because they are business negotiations. All in all, I think it's going swimmingly.

Governor: Thank you. That's all I have. Questions from Board members?

Secretary of State: No, Governor.

Governor: All right. Thank you, sir.

Van Aman: Thank you, Governor.

Governor: Next is contract 29, Health Division and UNLV School of Dental Medicine. Is there someone from Southern Nevada?

Attorney General: Yes, Governor. There is.

Governor: All right. If you -- I can't --

Green: I'm Tracey Green, State Health Officer, Medical Director Health and Developmental Services, and with me is Kimberly (inaudible), Bureau of Child, Family, and Community Wellness.

Governor: And good morning, Dr. Green. I'm sorry, our picture isn't real clear. We have probably a 1990s television here, so -- but in any event, so we are paying for a portion of this person on the faculty at UNLV to provide as described in the contract summary to assist in overseeing the state's oral health program. I guess my question is, what are the deliverables in this contact?

Green: Governor, we are statutorily required to have a state dental -- State Dental Officer (inaudible) have not been able to have (inaudible) finances. This person will actually provide us with a State Dental Officer. The role of the State Dental Officer is actually (inaudible) program - - it does a number of things, one of which is to provide technical assistance for our (inaudible) health centers, and also for our schools and for our nurses that our providing our oral health program. But also to direct us in improving our oral health program. We had a D rating in the past. We were able to bring up our rating to a C rating, and we're hoping in the future to actually bring ours up to a B rating. So our State Health Dental Officer will actually guide us in how to improve our oral health program. And as we're integrating services, I really see this health officer as a cohort of mine to improve our health program.

Governor: Thank you. So this individual will be providing you with say written strategies on how to improve, as you say, the technical assistance and improving our delivery and those services in the schools and the other areas that you described?

Green: That's right. She'll also be a liaison with the American Dental Association, with dentists. We're hoping that she will attract additional dentists to our (inaudible). She will provide us with -- she (inaudible) public health as well as a dentist, so we're hoping that she'll also provide us with more of a population-based approached to our (inaudible) in regards to improving (inaudible) look at evidence-based programs so that we can enhance our program. So really, looking at how we can do better.

Governor: And just out of curiosity, you had said that we didn't have the money before, yet, this is being paid with federal funds. Do you know why we didn't fund this before?

Green: You know, we have had an overview of our federal programs, this is carry forward dollars, and we're looking at realigning our adjusted. This is a priority now, and I can only say that previously we've had different leadership and now this is definitely a priority of ours.

Governor: So it was more of discretionary decision versus a financial one?

Green: Exactly.

Governor: All right. I have -- well, great. I'm glad we're doing this, and look forward to getting to that A rating.

Green: Absolutely.

Governor: Any questions from Board members?

Secretary of State: No, Governor.

Governor: Thank you very much, Dr. Green.

Green: Thank you.

Governor: The next contract is Number 35. Good morning.

Conmay: Good morning. I'm Patrick Conmay from Public Safety's Record and Technology Division and I'm here with Jennifer Bauer.

Governor: And my question for you is not with regard to the utility of the contract, it's just a very technical description, and I don't know if you could describe it a little bit simpler so that I can know exactly what we're approving here today.

Conmay: Well, the -- and I'll try to do that. The contract, it's a contract for a channeling service for the submission of electronic fingerprints from various approved local and private entities to the Department of Public Safety at the Record Bureau. These fingerprints are used to process applicant-based background checks required by State statute. And they also -- what we've seen here recently is, the FBI is now requiring that all fingerprint submissions be electronic, and so the (inaudible) service has seen, as part of their business, an increase because of that requirement for electronic submission.

Governor: And it's a four-times increase. We're going from two million to \$8 million?

Conmay: And it's a lot. It actually kind of caught us off guard, and as a result, we've implemented some new processes to monthly check the status of the revenues that's being generated. We didn't realize the impact that volume increase had had on us. And so the increase includes, as I understand it, coverage for revenues that have been collected, in addition to revenues we anticipate will be collected with the one-year extension.

Governor: And this will all be paid through the fees, correct?

Conmay: That's correct.

Governor: I have no further questions. Board members?

Secretary of State: No, Governor.

Governor: Thank you very much. And finally, I have 59, 60, and 61, which is the Silver State Health Insurance Exchange. Mr. Hager.

Hager: Good morning.

Governor: Good morning again. And my question is, how are we doing, where are we, and what will these contracts do moving forward?

Hager: So we're doing great. The Silver State Health Insurance Exchange is moving forward according to our original implementation plan, which was provided to you and the legislature last December before I came on board. Our contract, while it was approved a month later than we had expected, we are moving forward with Xerox, have adjusted the timelines so that we will be on track to implement a state-based change for open enrollment October 1, 2013. The five advisory committees are wrapping up their work. They have provided some 28 recommendations, various policies to the Board. The Board has approved most of them. Still working on a few of them. We expect that we'll have some work to do, maybe with two of the committees throughout the next few months. We are moving into our regulation process, basically taking those policies and putting them into regulation. Things like appeals that should be a regulation, fees to carriers and things like that. We have kept all our stakeholders informed. We have bi-weekly meetings with carriers who have -- biweekly, every two weeks with the carriers, and have regular contact with them. So they are well aware of our implementation. We are moving into the process to begin to contact them about the onboarding process, getting their plans, getting them certified through the Division of Insurance, and then putting them on our website so that can be available for enrollment in time. These contracts, there's three of them, they're for consulting contracts. As we were moving forward with our implementation, when we first came on board we inherited a contract from Medicaid. We made a commitment to this body and to the public to make sure that we went through a full process to review these contracts in an RFP-committee setting, just like any other contracts, these were competitively big contracts. They are taking the place of several consulting (inaudible) contracts that we previously had. Again, we wanted to make sure that we were transparent, doing this in the normal process. So these three contracts give us three different vendors that allow us to pick and choose who to use for various projects. They are not specific contracts for specific projects. As we move forward with this implementation, it's very difficult to tell what our needs are going to be over the next year or two. So we wanted a pool of vendors that we could choose from. One of the lessons that we learned from the previous vendors is that because we are moving so rapidly and we need things so quickly, oftentimes we would say, hey, we need this project within two weeks or four weeks. It was difficult for a vendor to shift all of their schedules around to be able to accommodate our sudden needs, and while we're trying our best to plan ahead, it's difficult to do that at times. So this allows us to say, hey, which one of you are available for this contract. We understand if you say no, you've got too much going on, we can use one of other vendors. So it makes it easier for us. The three contracts are each for a maximum of \$500,000. That is authority only. It doesn't mean that we're going to use all \$500,000. Perhaps we use \$500,000

from one and don't use any from the other two. It just depends on what we need as we go forward. So I think we're in a pretty good position. All three contracts expire December 31 of 2014, so that is when the Affordable Care Act funding runs out, so, therefore, all three of these contracts are purely funded by the Affordable Care Act Establishment Grant funding. There is an option to extend later that would have to come back to this Board, and probably wouldn't happen until the spring or summer of 2014, so we'd actually -- we'll have already implemented and been in operations for some time when that decision is made, but we'll come back with a whole nother set of factors to consider at that point. So I think that covers everything. With that, I'll be happy to take any questions.

Governor: And thank you, Mr. Hager. And I'm going to ask some other questions just out of curiosity. Nevada, would it be fair say is in the vanguard of exchanges in terms of doing it ourselves? Is that accurate?

Hager: Yes, we are.

Governor: And as I talk to some of my colleagues across the country, some of them are saying, you know what, we're just going to let the feds do it. And you're in the is sphere, I don't know what that looks like. Obviously, we made a policy decision that we want to do it ourselves, and we think the state can do it better, rather than having the federal government do it for us. But what does it mean when they say, or at least in your professional opinion, that we're just going to have the feds do it?

Hager: So if the feds run an exchange in a state, the state gives up some regulatory control of their insurance markets which I think is not in the best interest of Nevada. By allowing us to create the state-based exchange, we're in constant contact with our Division of Insurance, and the Division of Insurance maintains control of the business of insurance within the state. So I think that's number one very important. Number two, all of the policies in the decision making process for the federally facilitated exchange, as you may have seen in articles, is kind of like a black box. We don't know what they're doing. By doing a state-based exchange for Nevada, we've been able to consider policies where we are allowed flexibility. And admittedly, there is a lot of regulation that we have to implement that requires us to move a certain direction, but things like allowing brokers to participate to enroll people in the exchange, that's an optional decision that the feds may choose, not to have brokers enroll people in the exchange, whereas we have decided that it's important that our broker community be part of this. There are things like designing the shop exchange with the various flexible -- the way that we show our plans on the website and the options that we give to our employees. Two other important factors, number one, because we've been implementing, we've been able to better understand the regulations, have conversations with the feds, with the Center for Consumer Information and Insurance Oversight, which is part of CMS. That has allowed us -- not only allowed us to better understand the regulations, but has allowed the feds to better understand their own regulations and what impacts those might have in Nevada, and I think we've been able to influence the regulation process with the questions that we've asked. We have a list of some 26 pages of questions. Some of them have been answered, some haven't been answered yet. Some of them are requests for final regulations for further guidance on various topics, and because we have been implementing and because the federal government wants us to succeed almost as badly as we

want to make sure this works for Nevada, they have been very responsive to our questions. And then finally, the cost of the federally facilitated exchange, we don't know what that might be, but we are expecting that it might actually be more than our cost, and again, we don't know exactly how the feds will charge that fee. They could send a bill to the State. We expect that they will probably charge it similarly to how we have designed it, that we will charge a fee to the carriers, which will be passed onto the consumer. If we let the feds run it, and the fee is more expensive, that means our consumers will pay more than they would have if the State runs it. The last item I wanted to talk about escapes me.

Governor: And with regard to management, I mean, do they do it -- would they do it from Washington DC? Would suddenly a dozen people show up here and say, we're here to set up a federal exchange? I mean, I --

Hager: For the federally-facilitated exchanges, those will all be operated, my guess is from DC or from a vendor located more than likely outside of Nevada. Our exchange is, while we have contracted with Xerox, which is an out-of-state entity, they are licensed to do business here, they have call centers here. I think they have a thousand-person call center in Las Vegas. They are setting up an additional call center in Las Vegas for the exchange, so at least the average of 30 to 50 jobs that are added are Nevada jobs, and probably more during the open-enrollment period. Their programmers, not only have a lot of them moved to Carson City and Reno as we've implemented this, but they are hiring people in Northern Nevada to help them with the project. So it has maintained jobs here, and again, that flexibility that I think is important where there is flexibility.

Governor: Thank you very much. I have no further questions. Board members, do you have any questions?

Secretary of State: No, Governor.

Governor: Thank you very much.

Hager: Thank you, sir.

Governor: Board members, do you have any questions with regard to Agenda Item Number 9? Hearing none, the Chair will accept a motion for approval of Contracts 1 through, what's the last number?

Clerk: Governor, you intended to sit -- so 1 through 65.

Governor: 1 through 65 with the exception of Contract 26.

Secretary of State: I'll move for approval.

Attorney General: I'll send the motion.

Governor: Secretary of State has made a motion for approval of the contracts described in Agenda Item Number 9 with the exception of Number 26. All those in favor please say aye. Motion passes three to zero. I am going to recuse myself from Contract Number 26 given that it is with the Children's Cabinet where my wife is employed, and although she will not benefit personally from this contract, I believe that it's better for me to not participate in this item.

Secretary of State: Okay. Madam Attorney General, with respect to Contract Number 26, it's a contract with the Children's Cabinet in the amount of \$15,000, are there any questions or concerns with that contract?

Attorney General: No.

Secretary of State: Hearing none, the acting Chair would accept a motion for approval under Agenda Item Number 9, Contract Number 26.

Attorney General: I'll move for approval of Contract Number 26 under Item 9.

Secretary of State: Second. Any comments or questions about the motion? Hearing none, all those in favor signify by saying aye. Motion carries unanimously two to zero.

Governor: Thank you, Mr. Secretary.

***10. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS**

Two master service agreements were submitted to the Board for review and approval.

Clerk's Recommendation: I recommend approval.

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

Comments:

Governor: All right. We'll move onto the next Agenda Item, Number 10. Mr. Mohlenkamp?

Clerk: Governor, the Board has two Master Service Agreements to consider. The first is with Kelly Services, and this is an increase and extension of the contract from eight-and-a-half million to 11.5 million, and it extends it through March 2013. And the second is with Manpower, and this is once again an extension, \$3 million, and extends the time frame. As you recall, these contracts are for services that we use temporary man power for.

Governor: Thank you, Mr. Mohlenkamp. I have no questions regarding this Agenda item. Board members?

Secretary of State: Quick question. With respect to these MSAs, is any consideration given to whether or not these are local companies that provide these services?

Clerk: You know, I will ask Kimberlee Tarter to come up and see if she has something she can tell us on that.

Tarter: Good morning. For the record, Kimberlee Tarter, Deputy Administrator with the Purchasing Division. While we don't have the ability within statute to provide any kind of preference for local-based businesses in the services side, there are some preferences available on the commodities side for local business, very specific preferences. I can tell you that because of the way these contracts are managed, they really do require a local presence. Both of these companies have a location -- physical location in Vegas and in Reno, and they may actually have one in Carson City as well. They do require that they sign people up, that they test them to verify the skills that they're going to be providing to the state agency. So while we don't have a preference in there for it, by their very nature, only companies that have a physical location here really can provide.

Secretary of State: Okay. Thank you.

Governor: Any further questions with regard to Agenda Item Number 10? Chair will accept a motion to approve the Master Service Agreements described in that Agenda item.

Secretary of State: Second. Oh, sorry, I move for approval.

Attorney General: I'll second the motion.

Governor: We have a motion by the Secretary of State, second by the Attorney General. Any questions on the motion? All in favor please say aye. Motion passes three to zero.

***11. BOARD MEMBERS' COMMENTS/PUBLIC COMMENTS**

Comments:

Governor: Next agenda item is Board member comments. Are there comments from Board members? We'll move onto public comment. Is there any member of the public that would like to provide comment in Las Vegas?

Attorney General: No, Governor.

Governor: Is there anyone present in Carson City that would like to provide comment?

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

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

Comments:

Governor: We'll move onto Agenda Item Number 12. Is there a motion for adjournment?

Secretary of State: Move to adjourn.

Attorney General: Second the motion.

Governor: Motion by the Secretary of State for adjournment, second by the Attorney General. All in favor please say aye. This meeting is adjourned, thank you, ladies and gentlemen.