

# MINUTES

## MEETING OF THE BOARD OF EXAMINERS

July 12, 2016

The Board of Examiners met on July 12, 2016, in the 2<sup>nd</sup> floor Chambers of the Laxalt Building, 401 N. Carson St., Carson City, Nevada, at 10:00 a.m. Present were:

### **Members:**

Governor Brian Sandoval

Attorney General Adam Paul Laxalt – participated by phone and in Carson City

Secretary of State Barbara K. Cegavske – participated in Las Vegas

James R. Wells, Clerk

### **Others Present:**

Roger Rahming, Department of Education

Greg Bertolin, Department of Education

Rudy Malfabon, Department of Transportation

Dave Gaskin, Department of Transportation

Dave Emme, Department of Environmental Protection

Wes Duncan, Attorney General's Office

Patrick Sheehan, Department of Administration, Enterprise IT Service Division

Ellen Crecelius, Department of Health and Human Services

Jan Prentice, Department of Health and Human Services

Dennis Perea, Department of Employment, Training and Rehabilitation

Craig Von Collenberg, Community College of Southern Nevada

A copy of the sign-in sheets of all of the attendees is available upon request:

[budget@finance.nv.gov](mailto:budget@finance.nv.gov)

## 1. PUBLIC COMMENTS

### Comments:

**Governor:** We will begin with agenda item number 1 which is public comment, is there any member of the public present here in Carson City that would like to provide public comment to the Board? Is there anyone in Las Vegas that would like to provide public comment?

**Secretary of State:** No Governor, there's nobody here.

**Governor:** Thank you Madam Secretary.

## \*2. FOR POSSIBLE ACTION – APPROVAL OF THE JUNE 7, 2016 BOARD OF EXAMINERS' MEETING MINUTES

**Motion By:** Secretary of State

**Seconded By:** Attorney General

**Vote:** 3-0

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### Comments:

**Governor:** Thank you. Madam Secretary, I'm going to hold agenda item number 2. My understanding is the Attorney General is on his way and I'm sure he'd like to participate in the vote. I'm going to hold agenda item number 2. Just for planning purposes for everybody and to be respectful of all your time, we are withdrawing agenda item number 5. If you're here for 5 which is the provider agreement, you're excused. Then with regard to contracts, we are holding Contracts 1, 15, 18-38, 47, 49 and 51-58. If you're not one of those then enjoy the rest of your day because we won't be asking questions. As I said, I don't want you all sitting here until the end and then not have any questions, I appreciate your attendance today.

[Item taken after agenda item number 5]

**Governor:** We're going to move back to agenda item number 2 which is the approval of the June 7, 2016 Board of Examiner minutes. Have the Members had an opportunity to review the minutes and are there any changes?

**Secretary of State:** I have no changes and I'll move to approve the minutes.

**Governor:** Secretary of State has moved to approve the June 7, 2016 Board of Examiners Meeting Minutes, is there a second?

**Attorney General:** I second.

**Governor:** Attorney General has seconded the motion, any questions or discussion? Hearing none, all in favor say aye. [ayes around] That motion passes 3-0.

**\*3. FOR POSSIBLE ACTION – APPROVAL TO ACCEPT A SETTLEMENT**

Pursuant to Article 5, Section 21 of the Nevada Constitution, the State Board of Examiners may approve, settle or deny any claim or action against the State, any of its agencies or any of its present or former officers, employees, immune contractors or State Legislators.

**A. Department of Education - \$996,895**

The department requests settlement approval to accept goods and services from the University of California Los Angeles Smarter Balanced in the amount of \$996,895 to fully resolve a contract breach regarding the delivery of Nevada’s 2014-15 Criterion Referenced Test of which the majority of Nevada’s students were unable to successfully complete.

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

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**Comments:**

**Governor:** We’ll move to agenda item number 3 which is the approval to accept a settlement for the Department of Education.

**Clerk:** Thank you Governor. Item number 3 is a request from the Department of Education to approve a settlement with the University of California, Los Angeles, Smarter Balanced, which will fully resolve a contract breach regarding the administration of the 2014-2015 Criterion Referenced Test (CRT). There is no cash coming to the State in this settlement. The settlement provides goods and services from Smarter Balanced estimated at a value of \$1,801,895 and includes: a credit of \$996,895 towards the 2015-2016 membership fees payable to Smarter Balanced; studies funded by Smarter Balanced to evaluate the quality and performance of the open source testing system, as well as Nevada’s data to determine the validity of the 2015 CRT Scores of Nevada students; a development by Smarter Balanced of a statement of work to procure enhancements to the test delivery system for consistency with the appropriate standards of quality and performance; and support from Smarter Balanced to the Clark County School District. There are representatives from the Department available to answer any questions the Board may have.

**Governor:** Good morning gentlemen. Excuse me for one moment, Mr. Attorney General, did I hear that you just called in?

**Attorney General:** Thank you Governor, yes I’m on.

**Governor:** And then, those of you who are providing testimony, if you make sure that you speak directly into the microphone for the Attorney General’s benefit, I would appreciate it. Please proceed.

**Roger Rahming:** Good morning, for the record, my name is Roger Rahming. I’m the Deputy Superintendent and to my left is Greg Bortolin. He is the Public Information Officer for the

department. Just a little historic perspective. During spring of 2015 after realizing irregularities, the department placed both Smarter Balanced and Measured Progress in breach for the inability to fulfill the terms of the contract to perform Criterion Reference Tests for 2014-15.

Measured Progress was the third party vendor responsible for implementation, operation and delivery. Smarter Balanced was responsible among other things for test content and a delivery platform to support the testing. The State settled with Measured Progress and I believe that was approved in October of last year, for \$1,299,021. This included a similar type of structure. A fee reduction and services provided. As Mr. Wells mentioned, this again is similar with a fee reduction of \$996,895 and valued services at \$805,000.

For this cycle, Measured Progress was replaced by Data Recognition Corporation and to my left, Greg would like to speak to some of what happened for this next cycle or this last cycle which was 2015-16.

**Greg Bortolin:** For the record, Greg Bortolin. I get the good news here. I think the settlement is good news. It's really important to point out as we lay some context that our assessment team thoroughly reviewed what happened last year. We had a really good experience with the vendor that Roger mentioned, Data Recognition Corporation.

Part of that assessment effort before the testing even started was a statewide effort to do stakeholder engagement. We had sessions throughout the state with the testing directors, administrators, teachers and even some students participated in this. Good things happened. It's also important to point out, this is the first time we had a computer adaptive test. More than 200,000 students in grades 3-8 successfully completed the Smarter Balanced Assessments in English, Language Arts and Math. Additionally, there were another 70,000 in grades 5 and 8 that took the Science exams online. Grade 10 science was the only test in this last period that was on paper and pencil.

Also coinciding with this for the first time was our end of course examinations which replaced the high school proficiency exams. Those numbers, I'll try to keep this brief, but those numbers are really important to just kind of point how many people took the test. We had 22,000 that took English Language Arts 1, 19,000 English Language Arts 2, 38,000 Math 1, 33,000 Math 2. 713 in Math and 628 in Math 2. Again, these are just fantastic numbers. In light of what happened the previous year, really, really good news. A real good partnership with the districts throughout the state.

Finally, I'm anticipating a question here. There were perhaps five issues that we had during the entire testing process where a vendor or that were vendor related issues. The problems that cropped up, everything was fixed within an hour. I think we had one issue where the testing process was down for about an hour and a half. There was no data or responses lost.

Again, huge step forward in giving our teachers and our parents excellent information and making our state career and college ready. So, good news.

**Governor:** Thank you. It is good news. I don't want to bring up what happened in '15. Obviously, we all know that was a disaster. A lot of kids were affected. It almost put some federal funding at risk because of our ability. That is water under the bridge now. You did anticipate one of my questions which was, this last spring that everything went smoothly.

**Greg Bortolin:** Yes.

**Governor:** It's one of those situations where frankly no news was good news. As part of the settlement, something that was important for me as well was that the entities that were responsible for this took full ownership of it because this frankly did not happen at any fault of the Department of Education, at any fault of respective school districts. The people that got hurt were the kids. I'm looking forward now and as I said, this is a good signal of what we expect as we move forward.

The other question that I had is, perhaps make in more real terms the benefits of the settlement to the State. What are we going to see that we wouldn't have otherwise seen above and beyond monetary savings?

**Roger Rahming:** For the record, Roger Rahming. A lot of the valued services that they provide was to go through their system and look at the open source and to assure that it was scalable so they could accommodate a state of our size. This is Smarter Balanced. Again, that's an open source platform. The idea was if they had this piece that was scalable we could use someone else to administer. It gave the state flexibility. We have a very good relationship with UCLA, Smarter Balanced at this time; so again, it was providing flexibility that we would be saddled with two of the very large vendors and really at their beckon call. This is a state-of-the-art type of system. They've gone through and fulfilled the requirements of the valued services and at that point, we could employ or deploy those if we wished with a different type of implementation vendor. It really provides us with some flexibility in the future.

**Governor:** If I'm a student, I have the same experience whether I'm taking this test in Austin, Nevada or if I'm taking this test in Las Vegas, Nevada.

**Roger Rahming:** For the record, Roger Rahming. That's correct.

**Governor:** Okay. I'm trying to think if I have anything else. If I do, I'll ask later. I'll go to Madam Secretary, Mr. Attorney General, do you have any questions?

**Attorney General:** No questions, thank you.

**Secretary of State:** Governor, this is Barbara Cegavske. The only question I have and maybe this is something we can discuss offline but are we still doing the CRT testing? I thought we were only doing ACT, so I guess I'm confused. Which one are we currently doing, or are we going to continue to do the CRT testing?

**Greg Bortolin:** Greg Bortolin for the record. We are doing Smarter Balanced and that is the CRT. And ACT is Grade 11.

**Secretary of State:** But we're doing both, we're paying for both?

**Greg Bortolin:** Yes. It's a statutory requirement.

**Secretary of State:** All right, I guess I'll talk offline more about this. I have some concerns. Governor, I know during one of the session education meetings, we talked about the difference between the ACT and CRTs and we thought that the ACTs were a better form of testing. I guess I'm just curious as to why we're still doing the CRTs when we did, at least during discussions during the sessions had issues with the CRT testing.

**Roger Rahming:** Roger Rahming for the record, for a little clarification. ACT is focused in on a specific grade. I believe that's Grade 11. The criterion test is for other grades. Again, the ACT would be covering one grade and the others would be covered by Smarter Balanced.

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

**Governor:** I suppose you would anticipate this question, speaking of the ACT. We didn't perform anywhere near where we had hoped. I don't know if you have any observations on that.

**Greg Bortolin:** The ACT was something that two years ago, the Board of Education instituted to boost our college going rate. This is only the second year that we have administered the ACT for both 11<sup>th</sup> grade classes. It's important to point out that in the past, prior to the state's requirement, I was looking at these statistics yesterday, we had about 40% of our students taking the ACT. For those motivated students, they finished with a composite score of about 21, which would rank Nevada at about 25<sup>th</sup>, right at the middle of the pack in the nation.

When the ACT moved to a requirement for graduation, now you have this issue of many unmotivated test takers. I think the culture shift needs to be, maybe doing a better job of communicating to these students the importance of the ACT. I think you really have to dive into the data a little bit to look at the difference between motivated and unmotivated test takers.

**Governor:** It's not really an apples to apples comparisons with other states because other states don't require 100% of their 11<sup>th</sup> graders.

**Greg Bortolin:** Only 10 states require the ACT as a graduation requirement. We're one of those 10 states.

**Governor:** Which is a good thing.

**Greg Bortolin:** Yes, I agree.

**Governor:** I think it does give a better sense of where we are, but as I said, in other states, there are only as you call them, those motivated test takers that are taking the ACT. I think in defense of Nevada, it's more rigorous for all the students to take that. Certainly, that's not being defensive. I think we need and should do better. I think we will. Go ahead.

**Greg Bortolin:** One of the comments that the Superintendent of Public Education, Steve Canavero mentioned yesterday is that the ACT test is not aligned to our curriculum either. The ACT is a rigorous requirement that is—you know, we're not teaching to that test, nor do we teach to any test, so that's also a factor. This is brand new. This is really a baseline. I'm confident. I know that Washoe County put out a statement at the end of the day expressing how important they believe this is as well. I think in time, it will get better.

**Governor:** Before I take a motion, any other questions or comments from Board Members? If there are none, the Chair will accept a motion to approve the acceptance of a settlement by the Department of Education in the amount of \$996,895, as described in agenda item number 3.

**Secretary of State:** So moved.

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

**Attorney General:** I can second, Governor.

**Governor:** Thank you Mr. Attorney General. The Attorney General has seconded the motion. Any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] That motion passes 3-0, thank you gentlemen.

**\*4. FOR POSSIBLE ACTION – APPROVAL OF A SETTLEMENT IN THE FORM OF A CONSENT DECREE**

Pursuant to Article 5, Section 21 of the Nevada Constitution, the State Board of Examiners may approve, settle or deny any claim or action against the State, any of its agencies or any of its present or former officers, employees, immune contractors or State Legislators.

**A. Department of Transportation (NDOT) – Administration – Consent Decree including a \$120,000 fine**

The department requests settlement approval in the form of a consent decree including a \$120,000 fine to settle a complaint to be filed with the United States District Court for the District of Nevada by the United States Environmental Protection Agency and the Department of Conservation and Natural Resources, Division of Environmental Protection alleging that NDOT violated Section 301(a) of the Clean Water Act, 33 U.S.C. Section 1311 (a), by discharging pollutants in stormwater.

**Motion By: Attorney General**

**Seconded By: Secretary of State**

**Vote: 3-0**

## **Comments:**

**Governor:** Agenda item number 4 which is the consideration for approval of a settlement in the form of a consent decree, Department of Transportation. Mr. Wells.

**Clerk:** Thank you Governor. Item 4 is a request from the Department of Transportation (NDOT) to approve a proposed settlement in the form of a consent decree in response to a complaint to be filed by the US Environmental Protection Agency (EPA) and the Nevada Division of Environmental Protection (NDEP), alleging violations of the Federal Clean Water Act. The consent decree includes compliance requirements and reporting, as well as a fine of \$120,000 to be split equally between the EPA and NDEP. NDOT may request the consent decree be terminated by December 31, 2018 or when NDOT has completed the compliance requirements contained in the consent decree. There are representatives from the Department of Transportation as well as the Division of Environmental Protection, available to provide additional details and answer any questions the Board Members may have.

**Governor:** Thank you Mr. Wells. Good morning gentlemen. I know we're here for the settlement, but for context, I think it's really important to talk about where we were and how far we've come and then talk about the settlement, so please proceed.

**Rudy Malfabon:** Thank you Governor. For the record, my name is Rudy Malfabon. I'm the Director of Nevada Department of Transportation. With me is Dave Gaskin, our Deputy Director for Storm Water and Dave Emme from Nevada Division of Environmental Protection. The consent decree settles the complaint to be filed with the District Court by the US EPA and the Nevada Division of Environmental Protection. The Department makes no admission of law or fact with respect to the complaint; however, I believe that it's an unprecedented accomplishment resulting in a culture change at NDOT. Our goal was to comply with the Clean Water Act, which has been in place for several years as the rule of law in the nation. But also, to take steps to avoid a substantial civil penalty by setting up a robust Storm Water Management Program at the department.

The US EPA conducting audits of all State DOTs nationwide, as far as their water quality programs. NDOT was one of the last states to be audited back in 2011. It was a while ago that they actually conducted the audit and issued the final report in mid-2012. Some State DOTs received large civil penalties for non-compliance of the Clean Water Act. While this settlement includes a \$60,000 to U.S. EPA and \$60,000 from NDOT to NDEP and some of that could be cash or in kind with other elements like labor.

This pales in comparison to what other states received in the worst case, such as Hawaii DOT. They had a \$1,000,000 penalty and had to make obligations to \$51,000,000 for mitigation efforts to get into compliance with the Clean Water Act. Some states received substantial penalties. This puts it in context, a \$60,000 penalty to US EPA versus what could've been millions of dollars in penalties.

I believe that we showed US EPA that we took compliance with the Clean Water Act seriously. NDOT staff in Planning, Environmental, Engineering, Construction and Maintenance units have been trained on proper administration, documentation and reporting of our efforts to manage storm water. Our communications staff has developed an effective public outreach and education program so the public can understand their role in reporting any illicit discharges. An illicit discharge is where pollutants can enter our right-of-way and possibly get in the storm drain system and find their way to bodies of water, such as rivers, Truckee River, Pyramid Lake, and Lake Tahoe. We want to do our part to keep those water ways clean and free of pollution.

With the support of you Governor, our Legislature did approve a supplement amendment to our budget request last session, which provided a substantial amount of staff and equipment so that we can properly maintain and administer a robust storm water management program. We also were granted enforcement authority by the legislature to address illicit discharges that are by other parties where pollutants get into our right-of-way and our roadways.

Thank you Governor for your personal attention and involvement in this. I know that you talked to the US EPA Administrator and the Regional Administrator on our behalf. I know that the Nevada Division of Environmental Protection and Leo Drozdoff at the Department of Conservation and Natural Resources (DCNR) were really helpful to us as we got through this with US EPA and entered into the negotiations. Also, the Attorney General's Office, our Chief Counsel Dennis Gallagher was very helpful to us in getting through this settlement.

Especially, I wanted to thank you Governor, your general counsel, Joe Reynolds. He was very helpful. Pushed back when he felt that we needed to be firm with the US EPA on those negotiations. Really was helpful in reaching, I think, what is a good settlement for the State of Nevada.

I have Dave Gaskin with me. He was formally with the Division of Environmental Protection and he can respond. As a new Deputy of the Storm Water Program at NDOT, he can respond to some of the technical matters that are contained in the consent decree. Obviously Dennis Gallagher is here to respond to any of the legal issues.

It is a good settlement for the state. We avoided a multi-million dollar penalty. And, we've taken advantage of the situation by having the staff to set up a robust program so that we can be in compliance with the Clean Water Act. We've taken proper steps and I think that we're on the right track.

**Governor:** Thank you Mr. Director. I appreciate all of your hard work as well. I do have some comments, but I want to make sure that Mr. Gaskin or Mr. Emme had an opportunity to make their presentations as well. I would like, if you can, not word by word, but take us a little bit more through the consent decree and what it does.

**Dave Gaskin:** For the record, Dave Gaskin, Deputy Director, NDOT. What the consent decree does is, EPA laid out the elements of what they considered would be a compliant and successful and sustainable Storm Water Program. As Rudy mentioned, EPA did go through this process

with many other State Departments of Transportation. They recognized that the Storm Water Program was developed, really focused at municipalities, not transportation agencies. Municipalities have a discreet area they control. They have regulations that control their property and it's a contained area. Unlike a Department of Transportation which has thousands of miles of linear property. It's a very different situation.

In this case, I think we're quite proud of the progress that we've been able to make. The State of Nevada was able to convey to EPA a level of confidence that allowed them—allowed EPA to have flexibility. As we went through the consent decree, it started out at over 60 pages and as we went through our negotiations and demonstrated the commitment of the State of Nevada to building their program in a very robust and conscious way. EPA took a lot of those consent decree requirements out of that document and placed them in the permit with NDEP; which is, we think a much better arrangement because we have a very good working relationship with NDEP. They're the ones who actually issued the Storm Water Permit. We're right across the street and work very well together. I think that was a good thing to reduce the amount of EPA oversight.

Really, the basic elements in the consent decree are developing all the sub-programs. As Rudy mentioned, the public outreach, the training and education, all of the plans necessary to oversee construction and maintenance activities. We have a lot of compliance inspectors and an enforcement policy to ensure that our program is properly run and that we maintain compliance with our permit and with the Clean Water Act.

Basically just want to summarize that we have come a long way with your help and with the cooperative nature of this process. So, very pleased with where we're at and look forward to moving ahead in the future. Thank you.

**Governor:** Thank you Mr. Gaskin. Could you make it a little more real? In terms of what was happening before. We've ramped up and hired 50 plus people. We've bought trucks. We're doing construction projects as we speak that all incorporate the protection of the storm water, frankly just water, which is in my humble opinion our most precious natural resource that we can have in this state. Give a little more context of why we got to this place in the beginning.

**Dave Gaskin:** Dave Gaskin for the record. The initial permit from NDEP was issued in 2004 and at that point, NDOT had an environmental program but very limited focus and resources on storm water and water quality. Lake Tahoe began accelerating during that period and I think NDOT has done an excellent job at focusing on Lake Tahoe. However, the rest of the state is subject to storm water requirements as well and that was lacking. EPA noted that, as they noted with most other State DOTs. It's not their primary mission and goal and it's difficult for them to obtain and allocate resources to those priorities, such as water quality. It did take a big evolution in the department and it took the legislative action, really increasing the budget to give NDOT the resources. The money for equipment, it was \$13.1million allocated to build the storm water program in FY '16 and '17. 59 total new positions that were approved for the storm water program, which is really significant. That's something that other states, as I talked to Arizona

and Utah, Washington—other states don't have the resources we were granted to really build a substantial, sustainable program.

We have come a huge distance. The level of confidence at EPA is enormous. I was there last week meeting with them. They're looking forward to the results of this meeting. It really changes the nature of the working relationship when we show them Nevada is committed to building such a compliant and responsible program, it's a very positive thing.

**Rudy Malfabon:** Governor, Rudy Malfabon for the record, if I might add in response. Just to give some context, prior to that 2011 period when EPA audited us, we had one person in our environmental section that was dedicated to the Storm Water Program. You can imagine the immense pressure on that one individual to try to get everybody doing their role, their part in managing that program. I think we've come a long way.

The 59 positions that Dave mentioned, 42 new positions and 17 to be repurposed through attrition. That's a huge step in the right direction to manage our program properly. Some of those positions are in each of the three districts. Down in Las Vegas, here in the Reno area and also up in Elko, to maintain the storm water system. We've done a lot of mapping. We recently completed the mapping of all of our pipes and inlets so that we know where water is coming from, where it's going to. Also, the projects that we've been doing—there are projects up in Lake Tahoe that are improving water quality substantially. We're going to continue doing those types of projects with the storm drain system, but also in our facilities, our maintenance facilities are very old.

In the case of Reno, the EPA saw that the storm drain system dumped out to the Truckee River and that was something that we addressed and isolated that system so that water can be treated and then dumped into the proper drainage system that gets into the sewer system basically. It can be treated and then released. Not right directly into the river. We're doing those types of projects in our facilities. We did the Carson City yard recently and did the same improvements up in Elko at that maintenance station. Systematically we're going to do these maintenance stations and do those improvements. That's just a snapshot of what NDOT has been doing to show EPA that we take this seriously.

**Governor:** Thank you. That's what I was looking for. We learned a lot in this process. I think that the quality of life is going to be better for it. There have been other water issues nationally. It's important that the people of this state have confidence and don't have to worry about the quality of the water that comes out of their tap. This is one of those things, this is the water that's coming off the roads, and it's coming off those maintenance yards that go into the drains that eventually end up in one of our water supplies.

As I said, I think it's really important that we did what we did. It is important for context, that we were looking at multi-million of fines. Honestly, we could do better and we have done better. We have to make that type of investment into this precious resource. This has been a long time coming. I want to compliment you and Mr. Gaskin and everyone at NDOT and everybody that was involved in getting this done. At the end of the day, as you said, some of these states are

having to pay, write checks to the government. We are \$60,000. That other \$60,000 is going to our own NDEP. Not only have to minimized, I think to a fraction of what the exposure could've been to the state, but we have developed a process and an infrastructure to ensure the quality of water for many decades to come.

To me, this is a really big day and an important settlement for the state. It really sends a message, not only to the people of this state but to the people nationally, that Nevada cares about the quality of its drinking water and the quality of its water supply. This is going to be something that we did just to make the EPA go away. This was an investment in the people of our state. So, I really do appreciate all of your hard work. Leo is not here, Leo Drozdoff, but I'd like to publicly acknowledge Leo as well, for his hard work. Joe Reynolds in the Governor's Office for his interaction. Unfortunately, this gentleman is no longer working with the EPA but Jared Bloomenfeld, who was the District 9 Director. I met with him on many occasions. They really could've brought the hammer down on Nevada in a big way. Frankly, it would've been justified in doing so and was very patient with our state in terms of our processes and the legislature and building that budget and building those positions and recruiting the employees and the right employees to put in place so that we could get to where we are today. I wanted to publicly acknowledge him as well.

With that, is there any further presentation? Mr. Emme, I'm not sure if you had anything you wanted to contribute. You're good, all right. Questions from our other Board Members, Mr. Attorney General and Madam Secretary.

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

**Governor:** I just want to make sure I'm going to ask for the right motion. The motion would be for approval of a settlement in the form of a consent decree including a \$120,000 fine, but again, \$60,000 goes to the Nevada Department of Environmental Protection and the other amount goes to the Environmental Protection Agency.

**Attorney General:** Move to approve.

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

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

**Governor:** Second by the Secretary of State. Any questions or discussion on the motion? Hearing none, all in favor please say aye. [ayes around] That motion passes 3-0. Congratulations gentlemen, thank you and best of luck as we move forward.

## **\*5. FOR POSSIBLE ACTION – AUTHORIZATION TO APPROVE A PROVIDER AGREEMENT**

**A. Department of Health and Human Services –Child and Family Services**

The division is requesting Board of Examiners’ approval of the following provider agreement forms to enable them to enter into an agreement with providers for specialized mental health and assessments for children and families:

- Case Managers for face to face out of state visitation

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

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**Comments:**

**Governor:** Agenda item number 5 has been withdrawn.

**\*6. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE**

**A. Office of the Attorney General – Bureau of Consumer Protection**

Pursuant to NRS 333.705, subsection 1, the Office of the Attorney General – Bureau of Consumer Protection requests authority to contract with Mr. Jon F. Davis. Mr. Davis is a Sole Proprietor and will provide expert witness, technical expertise, and analysis for electric and gas utilities. **This item relates to contract number 3 in exhibit 2.**

**B. Department of Motor Vehicles**

Pursuant to NRS 333.705, subsection 1, the department requests authority to contract with Mr. Ramchander Giri who is employed by Tech Mahindra Company. Tech Mahindra was recently awarded the System Modernization contract. Mr. Giri will be supporting the project as a business analyst.

**C. Department of Public Safety – State Fire Marshal’s Office**

Pursuant to NRS 333.705, subsection 1, the division requests to contract with Marshall D. Larson for part-time plans examiner services on an as needed basis.

**D. Department of Transportation (NDOT)**

1. Pursuant to NRS 333.705, subsection 1, the department requests authority to contract with Mr. Michael Heit for a period not to exceed 24 hours per week over 18 months. Mr. Heit will collect data, ensure the data collection jobs are run, and ensure systems are performing as expected. He will also be the IT liaison between attorneys, outside counsel and the NDOT IT department.

2. Pursuant to NRS 333.705, subsection 1, the department requests authority to contract with Mr. Thomas Regenhard and Mr. Michael Bridges who have contracted with the prime consulting firm, CA Group. CA Group is currently under agreement to perform final design for the SR160 Phase 2 project. CA Group is proposing to use Mr. Regenhard and Mr. Bridges as Independent Constructability Reviewers on the project.
3. Pursuant to NRS 333.705, subsection 1, the department requests authority to contract with Mr. Roberto Funcion and Mr. Jesse Goulart who are employed at Aztech Inspections and Testing, LLC. Aztech is currently under agreement with NDOT to provide the Construction Crew Augmentation Testing services for Project NEON. Aztech is proposing to use Mr. Funcion and Mr. Goulart as material testers.

**Motion By: Attorney General**

**Seconded By: Secretary of State**

**Vote: 3-0**

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**Comments:**

We'll move to agenda item number 6 which is Authorization to Contract with a Current and/or Former Employee. Mr. Wells.

**Clerk:** Thank you Governor. Item 6 includes six requests to contract with current and/or former employees pursuant to NRS 333.705, Subsection 1. The first request is from the Office of the Attorney General, Bureau of Consumer Protection to contract with a former Public Utilities Commission employee who will provide expert witness technical expertise and analysis for electric and gas utility matters. This item is related to contract number 3, under agenda item 9.

The second request is from the Department of Motor Vehicles to contract with a former Secretary of State employee who is now employed by Tech Mahindra, the vendor who is implementing the DMV System Modernization project.

The third request is from the Department of Public Safety, State Fire Marshal's Office, to contract with a current employee who will be leaving state service for personal reasons. The contractor will provide fire and non-structural plan review services for billing projects permitted by the State Fire Marshal, for 10-16 hours per week during peak workload periods at a proposed rate of \$45.00 per hour using the Manpower Master Services Agreement.

The fourth request is from the Department of Transportation to contract with a former IT Professional who retired from state service in January 2016. The contractor will manage the Department's electronic discovery system and collect documents for evidence to support the Attorney General's Office and outside counsel representing the Department in litigation in support of Project NEON. The Department is proposing an hourly rate of \$75.00 using the State Master Services Agreement on a part-time basis for 18-24 months.

The last two requests are also from the Department of Transportation. These will contract with four former employees who have retired from or left state service and are working for companies under contract with the Department. These former employees had no influence of authority over the procurement process for the contracts that they are working on.

**Governor:** Thank you Mr. Wells. These are all straightforward for me. Board Members any questions?

**Secretary of State:** None.

**Governor:** Okay, if there are no questions, the Chair will accept a motion to approve the authorization to contract with a current and/or former employee as described in agenda item 6A, B, C and D.

**Attorney General:** Move to approve.

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

**Secretary of State:** Second Governor.

**Governor:** Second by the Secretary of State. Any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] Oppose, no. That motion passes 3-0.

**\*7. FOR POSSIBLE ACTION – AUTHORIZATION TO CONTRACT WITH A CURRENT AND/OR FORMER EMPLOYEE**

**A. Department of Health and Human Services – Public and Behavioral Health**

Pursuant to NRS 333.705, subsection 4, the division seeks a favorable recommendation regarding the division's determination to use the emergency provision to contract with Natalie Reavy from May 16, 2016 through September 30, 2016 and Jacquelyn Bonde from November 30, 2015 through September 30, 2016 who are current or former graduate assistants or student workers of the Nevada System of Higher Education.

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

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**Comments:**

**Governor:** Let's move on to agenda item number 7 which is another authorization to contract with a current and/or former employee, Mr. Wells.

**Clerk:** Thank you Governor. Pursuant to Subsection 4 of NRS 333.705, an agency may contract directly without obtaining Board of Examiners approval if the term of the contract is for less than four months and the head of the agency determines an emergency exists. If the agency uses 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 for review and request that the Board determine whether or not they would have approved the contract had it not been entered into under the emergency provisions.

There are two requests from the Department of Health and Human Services, Division of Public and Behavioral Health seeking a favorable recommendation from the Board on their use of the emergency provisions to contract with a former employee. The division is contracting with two current or former graduate assistants or student workers of the Nevada System of Higher Education to provide various services throughout the division. One of them started May 16, 2016. The other started November 30, 2015, without the division first obtaining Board of Examiners approval.

The division is requesting review and determination of whether or not the Board of Examiners would've approved the agency to contract with these individuals and is also requesting to continue employment with them beyond the four month emergency period through September 30, 2016.

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

**Governor:** This is an issue we've encountered and approved many times. I have no questions. Only that, I'm hopeful we can have a legislative fix so this doesn't keep coming up. As I've said previously, we want to encourage our students to be working in our system. Hopefully they'll stay when they graduate or obtain their degrees. I have no further questions or comments. Board Members?

**Secretary of State:** Move to approve Governor.

**Governor:** Thank you Madam Secretary. The Secretary of State has moved to approve the authorization to contract with a current and/or former employee as described in agenda item number 7, is there a second?

**Attorney General:** Second.

**Governor:** Second by the Attorney General. Any questions or discussion on the motion? Hearing none, all in favor say aye. [ayes around] That motion passes 3-0.

**\*8. FOR POSSIBLE ACTION – LEASES ([Attached as Exhibit 1](#))**

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

**Motion By: Secretary of State**

**Seconded By: Attorney General**

**Vote: 3-0**

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**Comments:**

We'll move on to agenda item number 8, Leases. Mr. Wells.

**Clerk:** Thank you Governor. There are six leases in Exhibit 1 for approval by the Board this morning. No additional information has been requested by any of the members.

**Governor:** I have no questions. Board Members? Is there a motion for approval?

**Secretary of State:** So moved.

**Governor:** The Attorney General has moved to approve the leases presented in agenda item number 8. Is there a second?

**Secretary of State:** I second.

**Speaker:** [off mic]

**Governor:** Did I?

**Speaker:** You said Attorney General.

**Governor:** Well I either demoted you or promoted you, I'm not sure which Madam Secretary. So, excuse me for that. The Secretary of State has—did you move—

**Attorney General:** She moved first.

**Governor:** Okay, the Secretary the State has moved for approval.

**Attorney General:** And I second.

**Governor:** The Attorney General has seconded the motion. Any questions or discussion? Hearing none all in favor say aye. [ayes around] That motion passes 3-0. I apologize for that Madam Secretary.

**\*9. FOR POSSIBLE ACTION – CONTRACTS ([Attached as Exhibit 2](#))**

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

**Motion By: Attorney General**

**Seconded By: Secretary of State**

**Vote: 3-0**

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**Comments:**

**Governor:** We'll move to agenda item number 9, Contracts. Mr. Wells.

**Clerk:** Thank you Governor. There are 60 contracts listed in Exhibit 2 for approval by the Board this morning. Members have requested additional information on the following: Contract number 1 between the Attorney General's Office and the Washoe County Sherriff's Office, Number 15 between the Department of Administration, Division of Enterprise Information Technology Services and Aviat US, Inc. An overview of contracts 18-38, as well as related contract number 20 under agenda item number 11, which are between the Department of Health and Human Services, Division of Healthcare, Finance and Policy and Local Hospitals. Contract number 47 between the Department of Conservation and Natural Resources, Division of Environmental Protection and the US Geological Survey. Contract number 49 between the Department of Business and Industry, Real Estate Division and Micropact Global Inc. An overview of contracts 51-58 between the Department of Employment, Training and Rehabilitation and the Local Workforce Training Providers.

**Governor:** Thank you Mr. Wells. We'll begin with contract number 1. Please proceed.

**Wes Duncan:** Good morning Governor, Madam Secretary and Mr. Attorney General. For the record, my name is Wes Duncan; I'm the First Assistant Attorney General. Governor, I just wanted to provide you and the Secretary and the Attorney General just a quick overview about what this contract entails and also the State's efforts to address the sexual assault kit backlog that's been in the State. In particular, Governor, this contract is between our office and the Washoe County Sherriff's Office, specifically the Forensic Science Division.

If you'll recall, in December this body approved use of a settlement that came through our Bureau of Consumer Protection to use \$1.7 million of settlement money towards addressing the rape kit backlog. As well, there was a grant that was awarded to the Metropolitan Police Department here in Southern Nevada, as well as another grant that was awarded to the State of Nevada to be used to address the backlog.

Currently in Northern Nevada, there are around 1,100 untested sexual assault kits. With this approval of this money today, Governor, there will be about 610 kits that will be tested with this money. There's another 230 that were sent to the FBI Crime Lab that will be tested, leaving us with about 290 or so kits that will need to be tested into the future. The Washoe County Sherriff's Office is anticipating that they will be able to use this money in a manner consistent with this agreement that will terminate this agreement at the end of 2018.

They ended up contracting with Sorenson Lab that's in Salt Lake City for about \$675 a kit which is a highly reduced number. It's a great rate for them. Typically sexual assault kits, to test them, can cost around \$1,500. So this is a great rate for them. The Metropolitan Police Department is going to anticipate getting through about 6,500 which is the entirety of their backlog. They hope to be able to get through all of their kits by the end of 2018.

Currently there's been about 1,600 kits that have already been sent to a lab, a crime lab in Virginia to do the analysis at a rate of about \$645 a kit. So far about 290 of those kits have been returned. There's been about 120 combined DNA index system entries, CODUS as it's more commonly known. There's been about 44 hits already of people that have already been in the system who have shown up in those sexual assault kits.

I stand ready for any questions if anybody has any about them. We're certainly excited that the money that's been used towards addressing this statewide problem. So far it's been all non-taxpayer dollars. We look and are excited about continuing to look for creative ways to continue to address the sexual assault kit backlog using funds for that purpose.

**Governor:** Thank you Mr. Duncan. I appreciate your presentation. I have no questions but I just wanted to compliment you and the Attorney General and the Office. This is incredibly important public service and something that's essential to our criminal justice system in bringing individuals to justice. The fact that we can have that investment and get this done and get current on all these tests is great for the people of our state. Again, my compliments to all of you for making this happen. I'm sure Mr. Attorney General, you have some comments?

**Attorney General:** Thank you Governor. Just to follow on that, as the numbers that Mr. Duncan laid out, we're now just a few hundred short of the 7,500 kits statewide when we embarked on this process. We're working on finishing that off, thankfully, it's just a small amount. Again, we hope to try to get through all these kits by the end of 2018.

As it's shown with this first pile of testing, there are 44 hits. That's the purpose of states in the past number of years that have really gone after these backlogs is even though you have stale kits laying around for a variety of reasons that were not tests, one, obviously is to bring justice to those that were victimized, but most importantly, having a policy of trying to test all of these kits. Even if people don't necessarily want to proceed in this process, it's important for the State to test them because once you get these positive hits, especially in places like Las Vegas and Reno, you don't know whether people are being transient in nature and we're dealing with serial rapists and sexual assaulters.

Great work by Washoe County Sherriff's Office that has devoted a ton of time helping work through this process. Their lab as well as Metro and the Metro Lab folks that really got this process started a few years ago and set us up for success once we kind of all got on one page to try to charge this. That's all Governor, thanks.

**Governor:** Thanks. Madam Secretary, any questions or comments?

**Secretary of State:** I'd like to make a comment Governor, thank you. And thank you for your words. I echo everything that you've said. I've been watching this in the paper as it's unfolded. I also want to commend Mr. Duncan and our Attorney General for going in here and making that a priority for the Office. I'm very grateful.

My only question, if I could, I just wondered what the—it says, it's 100% Chase Settlement funds. I didn't hear much about that and if that's something you want to discuss offline, that's fine but I was just curious what those settlement funds were. I assume it's Chase Bank?

**Wes Duncan:** That's correct. For the record, Wes Duncan. That's correct, Secretary Cegavske. Our Bureau of Protection had a settlement with Chase Bank under the Deceptive Trade Practices Act in the statutes in NRS 598, pursuant to our agreement with Chase, in the settlement agreement they were able to allow us to use settlement funds in the language of that agreement to be used for the purpose of testing rape kits. That was an agreement that we made upfront with them.

Then, pursuant also to 598.0975, the Interim Finance Committee (IFC) had to approve that the settlement funds could be used for that purpose. They approved that at IFC and then it came before this body last December to be used for those purposes.

**Secretary of State:** Great, okay. Just a recap, so I do appreciate that very much. Again, congratulations on what you're doing. I'm very pleased to hear the success. The date that we'll have it completed I think is also to be commended. I know this is not a short process. It's a very long process. Thank you. Thank you Governor, for allowing me the time.

**Governor:** Thank you Madam Secretary and thank you Mr. Duncan. We'll move to Contract number. 15. [pause] Good morning. I had asked for this one to be held out simply to help explain what it actually does and is. It says, replace the existing microwave backhaul network which updates the system to meet the requirements of an internet protocol, multiprotocol labeling system network that will facilitate redundancy, traffic prioritization, dynamic routing and quality of service in addition to supporting legacy circuits and systems. I'm the first to admit, I'm not a tech guy. If you could explain it in more simpler terms.

**Patrick Sheehan:** Good morning. For the record my name is Patrick Sheehan. I am the manager of Network Transport Services within Enterprise IT Services Division. I'll try and be brief. This contract replaces all of the end of life microwave equipment that currently carries our public safety radio system, the Nevada Shared Radio System. This system was upgraded to digital starting back in 2000 and we finished that upgrade in 2006. Much of that equipment is now end of life and requires replacement. This contract goes through and replaces all of that equipment, just the electronics at 82 sites statewide.

**Governor:** This is perhaps a little off subject but the work, I mean, this is a \$10million contract, granted over 10 years, but will it be compatible, because we're going to be updating and perhaps changing the communications system for DPS as well as NDOT and the other affected entities.

**Patrick Sheehan:** For the record, Patrick Sheehan again. Yes, that's correct. This system will be compatible with NDOT's new system that will be going in place. They're working on it already I guess. It will be capable of transporting their new P25 Phase 2 System; I guess is what it's going to be. It will be compatible with that as well as backwards compatible with the existing system.

**Governor:** You know more than I do and I'm the Chairman of the Transportation Board. We're going to be hearing a presentation next month, I understand, on the proposed RFP for that communications system for NDOT.

**Patrick Sheehan:** Yeah, if I misspoke, I apologize.

**Governor:** No, I'm not trying to—it's not a gotcha. I'm just wondering—

**Patrick Sheehan:** There's been many platforms, of course, that have been explored for the system. Of course the P25 system is just one of those that is being explored.

**Governor:** So, this system has the ability to be compatible with several potential ones.

Patrick Sheehan: Yes, that's correct.

**Governor:** Okay. Any other questions from Board Members? That's all I have, thank you. [pause] Next are contract numbers 18-38, which are all related.

**Ellen Crecelius:** Good morning, I'm Ellen Crecelius, Deputy Director for Fiscal Services at Department of Health and Human Services (DHHS). With me is Jan Prentice. She's the Chief of Reimbursements, Analysis and Payment at the Division of Healthcare, Financing and Policy. And, Bonnie Long who is the ASO-IV at Medicaid.

These are multi-year, interlocal agreements which really are two different Medicaid supplemental payment programs which provide supplemental payments to providers to help improve access to care for any needy Nevadans.

The first one, number 18 is with the Board of Regents at the University of Nevada, School of Medicine. Under this one, basically what happens is the Board of Regents provides funding to Nevada Medicaid to help support supplemental payments to the School of Medicine. They provide a contribution which provides the non-federal share. We match those funds with federal dollars and provide supplemental payments to the School of Medicine. And the funding also provides some state savings, which can offset general funds elsewhere in Medicaid's budget for Medicaid medical expenditures.

There's a couple of reasons for these supplemental payments. First of all, we want to support the provision of services in that teaching environment and we want to improve the access to care to—for needy Nevadans to getting services in that environment.

How the program works; basically, Medicaid rates are typically lower than the Medicare rates and also lower than the rates that commercial providers pay. What we do is we calculate an enhanced Medicare rate. So we take the Medicare rate and we bump it up by a factor which takes into account those commercial rates. The amount of the supplemental payment is going to be the difference between this enhanced Medicare rate. That's the amount that we're paying as a supplemental payment.

Just for an example, in state fiscal year 2017, our projected amounts of contribution is about \$765,000. About \$700,000 of that is used to match with federal funds to make \$2,000,000 in supplemental payments and the state's savings is about \$50,000. This is really a win-win type situation. We help support the Medical School with supplemental payments. It improves access to care and the State gets a savings that we can then use for expenditures in the Medicaid budget, related to medical claims.

**Governor:** You don't have to go through every single one, but I think that's exactly what I was hoping you would talk about is, that formula is probably one of the most complicated ones I've ever encountered, but at the end of the day, it generates a tremendous amount of revenue for Medicaid, which obviously translates into a lot more care than we otherwise would've had. There's a lot of rural hospitals here. Can you talk a little bit about how that affects the patients and the people out in the outlying areas?

**Ellen Crecelius:** [off mic] Sorry that one is to benefit non-state owned public hospitals. What happens in that one is, we have eight public hospitals that participate. Clark County does participate but their contract is not part of what's on the agenda this time. The Hospital Districts or Counties provide the non-federal share. We match the funds with federal dollars and then we are able to make the supplemental payments. The state also gets a benefit from this one.

In this case, we're looking at the difference between the Medicare and the Medicaid rate for the amount of the supplemental payment. For fiscal year '17, the contribution was about \$37 million. \$27 million of it we're using as the non-federal share to get the match. We're making about \$76 million in supplemental payments to those eight hospitals. That really does provide a benefit to those hospitals. The state savings on this one is \$10 million. The hospitals are getting a substantial benefit from that \$76 million in supplemental payments.

**Governor:** I don't know what the simple math is, but it's quite the return on their dollar. Again, that translates into more care for these folks that may not otherwise get it out in those outlying areas. Just as importantly, as you say, it saves general fund money as well that we can invest in other places. I think we have this once a year and I always bring it up. I think it's important to know what's happening there and in terms of the savings to the taxpayers and the people of the State of Nevada but how it also allows for more care for the people who are patients or recipients or beneficiaries of this money. I know you kind of work in anonymity sometimes but it just was an opportunity for me to publicly thank you all for your hard work.

**Ellen Crecelius:** Thank you for your support.

**Governor:** Questions from other Board Members? Mr. Attorney General.

**Attorney General:** Thank you Governor. I just have one follow-up and basically ask you to repeat yourself because I just wasn't following. If we can use for example, number 19, where we're discussing the County Hospital District. Can you just explain, so we've got \$1.455 million who is giving who money here? Are there three parties involved and if so, if you could just kind of walk me through how the money is going around.

**Jan Prentice:** For the record, Jan Prentice for Medicaid. The non-federal share has to come from a taxing authority. The hospital districts provide that funding. Medicaid matches that with the federal money and it's paid back directly to the hospitals in quarterly payments.

**Attorney General:** This \$1.455 million is that coming in by way of this contract to DHHS?

**Jan Prentice:** Yes.

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

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

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

**Governor:** Thank you very much. Contract number 47, Department of Conservation and Natural Resources, Environmental Protection Industrial Site Clean-up. Good morning gentlemen, Mr. Emme. Please proceed.

**Dave Emme:** Thank you Governor. Dave Emme, Administrator of NDEP for the record. With me is Greg Lovato, Deputy Administrator with NDEP. This contract is a cooperative agreement with the US Geological Survey to provide basic hydrologic data collection that will help us with the investigation of perchlorate contamination, emanating from the BMI Complex near Henderson. Specifically, the USGS will install three additional stream gauging stations along the Las Vegas wash and conduct a study of groundwater seeps along the wash. The USGS is providing matching funds of \$90,000 over the five-year project period.

Funding from this contract is derived from the Nevada Environmental Response Trust, which holds settlement funds resulting from the Tronox Bankruptcy Settlement in 2011 and settlement of fraudulent conveyance claims related to Anadarko Petroleum in 2014. The trust funds can only be used to investigate and clean up legacy contamination, related to the former Kerr McGee Chemical Facility. That's an overview. With that I'd be happy to answer any questions.

**Governor:** I'm glad that the Attorney General brought this up because that was a massive settlement at the time. It didn't get a whole lot of attention, but will you remind me how much that was?

**Dave Emme:** The initial settlement with the Tronox Bankruptcy was for, benefitted the Nevada Environmental Response Trust to the tune of about \$82 million. Then subsequent to that, the Anadarko Petroleum in 2014 settlement was about \$1.1 billion.

**Governor:** As you briefly described, this money is within that trust account and can only be used for specific purposes.

**Dave Emme:** That's right Governor. It's earmarked for addressing legacy conditions resulting from contamination at the job site.

**Governor:** Mr. Attorney General.

**Attorney General:** That was it Governor, I was just looking for the overview, thank you.

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

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

**Governor:** All right, thank you. Thank you gentlemen. We'll move to contract number 49 which is Business and Industry. [pause] I'm going to save you guys some effort, the Attorney General said he has all his questions answered, so thank you very much. [pause] Then we have contract numbers 51-58. [pause] Good morning gentlemen.

**Dennis Perea:** Good morning. Good morning Governor, Members of the Board. For the record, my name is Dennis Perea, I serve as the Deputy Director for the Department of Employment, Training and Rehabilitation. In contract numbers 51-58, we really have two different sets of contracts. Items 51 and 52 are continuing funding for an apprenticeship program through the community colleges in Nevada. That program is intended to pass money to the community colleges to administer a program through union and non-union apprenticeship programs in the State and to provide college credit in certain instances.

With your indulgence Governor, I'd kind of like to point out that a couple of years ago, these contracts were held up at the Board of Examiners and there were some questions that were asked. I believe it was indicated to you, the Governor at the time that college credit was granted for all these programs. I did want to clarify that in a couple of instances, I believe three in the south and one program in the north, they were not receiving college credit. Director Soderberg has taken interest in these. We do believe that these contracts are doing good things. We do believe we need to continue them. In conjunction with your Workforce Office of Innovation at the Governor's Office and whatnot, we do believe, in the future there may be room for improvement of these contracts and these programs.

**Governor:** Thank you Dennis. I asked for these to be held out because I think you can appreciate how important they are to Workforce Development and what's happening in the state. I'm pretty sure I know the answer to this question but I wanted to make sure on the record that all of these are pretty nimble in terms of ensuring that they can move depending on what the demand is, with regard to our workforce. In other words, if we need more technology folks, these programs are nimble enough that we can put that money toward that, rather than perhaps training people into vocations that may not have a lot of openings. If you could provide some comments in that regard.

**Dennis Perea:** Sure. For the record, Dennis Perea. These apprenticeship programs are almost strictly in the construction industry as of now. A couple of years ago, I believe the question was, should we be training construction workers when we had, quite frankly, a pile of unemployed construction workers. The idea was to continue them because of the college credits and whatnot. Director Soderberg has talked about, in conjunction with your Office of Workforce Innovation

and the Labor Commissioner over at Business and Industry looking at these to see if we can actually broaden them and make them more nimble and actually see if we can help promote good apprenticeships within the state.

**Governor:** Thank you. I guess we're in a much better place now because now we do need that training in the skilled trades. I was at a ribbon cutting event at a newly opened business in Northern Nevada. I had the opportunity to sit down and speak with a gentleman who owned—who did all the electric work. He said he is really struggling to find certified electricians and that he's having to go out of state to get that done. Now I guess it's a lot better. I know I asked you this exact question, because I remember it, do we need more plumbers when there really wasn't much going on but now we actually do need more plumbers and electricians and all the other trades that go into the construction. We've made a lot of progress since then. I just want to make sure we're not locked into a training program that we may not need and that we have the flexibility to adjust to what those specific needs are.

**Dennis Perea:** Yes Governor, I believe that's correct. I know that Director Soderberg has taken a keen interest in these to make sure that, if we're advancing apprenticeships we're doing it the right way and spending money wisely on these. I believe we are doing good things with it. I do have Craig von Collenberg here from CSN with us, if you have any questions about how it's administered.

Just as a second note, if I may. One of the issues in managing this, it's not an issue with the program per se is that, with the implementation of the Workforce Innovation and Opportunity Act, it comes with a lot of strings and there was some conditions placed on the Governor's reserve money that we're using to fund these programs that it's going to make it more difficult for us to manage. Again, we'll work that out with your Office of Workforce innovation and see if we can come up with a stronger and solid program.

**Governor:** Actually, while you're here, what is happening over at CSN?

**Craig von Collenberg:** As far as—for the record, Craig von Collenberg, College of Southern Nevada. We've got a lot going on. As far as these programs go, just to clarify, they're with registered apprenticeships across the board, so at this point, anybody that is a registered apprenticeship that wants to work towards this funding and participate in this, we're open to anybody.

Quite frankly, we're working on the manufacturing training for Faraday Future and a few of the other companies that are coming in. Some of those have expressed interest in in-house apprenticeships. As long as they're registered with the State Apprenticeship Council then they would be open to these funds as well.

As far as these funds go, we're doing a lot of good things, I think. We have a great partnership with several different apprenticeships in all kinds of different trades.

**Governor:** Are you having success in placing your students? In other words, once they finish the program, are they going straight to jobs?

**Craig von Collenberg:** For the record, Craig von Collenberg. For the most part, yes. The industry is doing very well lately. I'd say the majority of the programs are having a lot of success in placing the apprentices in jobs as well as the journeymen. Definitely a lot better than it was a few years ago.

**Governor:** All right. Thank you. Thank you very much. Other questions? Madam Secretary?

**Secretary of State:** Yes. Thank you Governor. I just want to commend CSN. I've had the pleasure of working with them at the Community Center at our church and I want to thank them so much for what they're doing. We're actually trying to help people do resumes, learn how to interview, reading/writing English, all of those. We couldn't have done it without CSN. That's a major part.

One of the things I'd like to hear a report on is your IT, because Governor, frankly, in our state, the IT positions are very, very hard to fill and we have to hire a lot of consultants, either out of state, out of the country to fill those positions. Is CSN looking into that, do you have—is that one of the goals? That's just from our position and Governor, I don't know about your office or the Attorney General, but I know that's one area where we need some assistance.

**Governor:** I think that's more an issue of pay scale than it is available employees.

**Secretary of State:** Well, yes and no. I mean, I don't disagree with you on the pay but we do find that employees leave one agency to go to another on a continuous basis. I was just curious what CSN is doing with the IT positions.

**Craig von Collenberg:** Okay. Aside from this funding, CSN itself, we have a pretty extensive IT program run out of our North Las Vegas campus. It runs through the building A there, Telecom. Our Applied Technologies Division, we do a lot with the IT Department. I can get more specifics for you; I don't have anything right now. Absolutely, it is something that not only are we interested in pursuing, we are pursuing it, but definitely something that could be ramped up more as the employers need continues.

**Secretary of State:** Okay, because Governor, with that on the salary, I just have to say, we are able to find the consulting money, which is much higher, when we have those positions that are not able to fill. So, it's just kind of interesting how we piece mill. It is something we need to look at in the next session or a couple of sessions but thank you for what you're doing. Appreciate it. Thank you Governor.

**Governor:** Thank you. Any other questions or comments on contract numbers 1-60? Thank you gentlemen. If there are none, the Chair will accept a motion to approve contract numbers 1-60.

**Attorney General:** Move to approve.

**Secretary of State:** Is it 1-58 Governor? I don't—in my book I have 58. Did I miss something?

**Attorney General:** I have 60.

**Governor:** You may have not gotten the update.

**Secretary of State:** Okay.

**Governor:** Because I have 1-60.

**Secretary of State:** All right.

**Governor:** So, 1-60 is presented in agenda item number 9. The Attorney General has moved for approval, is there a second to the motion?

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

**Governor:** Madam Secretary, you may be looking at the Information Contracts, because that's 1-58.

**Secretary of State:** Oh, I'm sorry, I did. You're right. I see 1-60 now. Sorry, I was looking at those. That's what I was looking at.

**Governor:** So, the Attorney General has moved, the Secretary of State has seconded the motion. Any questions or discussion? Hearing none, all in favor say aye. [ayes around] That motion passes 3-0.

**\*10. FOR POSSIBLE ACTION – MASTER SERVICE AGREEMENTS  
([Attached as Exhibit 3](#))**

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

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

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**Comments:**

**Governor:** Let's move to agenda item number 10, Master Service Agreements. Mr. Wells.

**Clerk:** Thank you Governor. There are five Master Service Agreements in Exhibit 3 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?

**Secretary of State:** No questions.

**Governor:** Is there a motion?

**Attorney General:** Move to approve.

**Secretary of State:** Move to approve.

**Governor:** Attorney General has moved for approval. The Secretary of State has—I'll take your motion as a second, Madam Secretary.

**Secretary of State:** That's fine.

**Governor:** We have a motion and a second for approval. Any questions or comments? Hearing none, all in favor say aye. [ayes around] That motion passes 3-0.

**11. INFORMATIONAL ITEM ([Attached as Exhibit 4](#))**

Pursuant to NRS 333.700, subsection 7 (a), 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 May 17, 2016 through June 20, 2016.

Fifty-Eight independent contracts were submitted to the Board for review.

**Comments:**

**Governor:** We'll move to agenda item number 11, Information Items. Mr. Wells.

**Clerk:** Thank you Governor. There were 58 contracts under the \$50,000 threshold that were approved by the Clerk between May 17, 2016 and June 20, 2016. This item is informational only and no additional information has been requested by any of the members.

**Governor:** Board Members, any questions on agenda item number 11?

**Secretary of State:** None.

## 12. INFORMATION ITEM

### A. Governor's Finance Office – Budget Division

Pursuant to NRS Chapter 353, the Governor's Finance Office, Budget Division presents a reconciled fund balance report for the TORT Claim Fund, Statutory Contingency Account, Stale Claims Account, Emergency Account, Disaster Relief Account, Interim Finance Contingency (IFC) Unrestricted Accounts and IFC Restricted Accounts as of June 13, 2016. Below is the available balance for each account.

TORT Claim Fund	\$ 4,514,704.66
Statutory Contingency Account	\$ 2,047,012.88
Stale Claims Account	\$ 2,176,135.43
Emergency Account	\$ 279,841.00
Disaster Relief Account	\$ 6,743,818.23
IFC Unrestricted Contingency Fund General Fund	\$12,236,401.42
IFC Unrestricted Contingency Highway Fund	\$ 1,676,832.35
IFC Restricted Contingency Fund General Fund	\$ -
IFC Restricted Contingency Highway Fund	\$ 1,601,832.00

#### Comments:

**Governor:** Let's move to agenda item number 12, another information item. Mr. Wells.

**Clerk:** Thank you Governor. There is one information report in item 12 and that is a listing of the balances in the various contingency accounts that are managed either by this Board or the Interim Finance Committee. These are the balances as of June 13, 2016. I would be happy to answer any questions that any of the members may have.

**Governor:** My only question is, are we on track?

**Clerk:** Thank you Governor. Yes, I think at this point in the biennial cycle, we're looking very good in these account balances.

**Governor:** Any other questions from Board Members on agenda item number 12?

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

**Comments:**

**Governor:** We'll move to agenda item 13. Board Member comments or public comments. Is there any public comment from Carson City? Is there any public comment in Las Vegas?

**Secretary of State:** There's no public here sir.

**\*14. FOR POSSIBLE ACTION – ADJOURNMENT**

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

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**Comments:**

**Governor:** All right then, we'll move to agenda item 14. Is there a motion to adjourn?

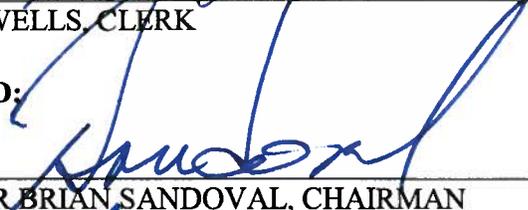
**Secretary of State:** Move to adjourn, I'll second if he already did it. It's hard to hear.

**Governor:** I'll give this one to you, Madam Secretary. The Secretary has moved, the Attorney General has seconded. All in favor of the motion, say aye. [ayes around] The motion passes 3-0. This meeting is adjourned, thank you ladies and gentlemen.

**Secretary of State:** Thank you.

**Respectfully submitted,**

*for*   
\_\_\_\_\_  
JAMES R. WELLS, CLERK

**APPROVED:**   
\_\_\_\_\_  
GOVERNOR BRIAN SANDOVAL, CHAIRMAN

  
\_\_\_\_\_  
ATTORNEY GENERAL ADAM PAUL LAXALT

\_\_\_\_\_  
SECRETARY OF STATE BARBARA K. CEGAVSKE