

Governor Brian Sandoval  
*Chairman*

Paul Nicks  
*Clerk of the Board*



Attorney General Adam Paul Laxalt  
*Member*

Secretary of State Barbara K. Cegavske  
*Member*

## STATE OF NEVADA BOARD OF EXAMINERS

209 E. Musser Street, Room 200 / Carson City, NV 89701-4298  
Phone: (775) 684-0222 / Fax: (775) 684-0260  
<http://budget.nv.gov/Meetings>

### MINUTES

**Date and Time:** September 11, 2018, 10:00 AM

**Location:** Old Assembly Chambers of the Capitol Building  
101 North Carson Street  
Carson City, Nevada 89701

**Video Conference Location:** Grant Sawyer Building  
555 East Washington Avenue, Suite 5100  
Las Vegas, Nevada 89101

### MEMBERS PRESENT:

Governor Brian Sandoval  
Attorney General Adam Paul Laxalt – Present in Las Vegas  
Paul Nicks, Clerk of the Board  
Secretary of State, Barbara Cegavske – Excused

### OTHERS PRESENT:

Michelle Morgando, Senior Appeals Officer, Department of Administration,  
Hearings and Appeals Division  
Rebecca Salazar, Program Manager, Department of Administration,  
Victims of Crime Program  
Terry Reynolds, Deputy Director, Department of Business and Industry  
Ray Fierro, Division Administrator, Department of Business and Industry  
Nicole O'Banion, Ombudsman, Attorney General's Office, Domestic Violence  
Christion Schonlau, Chief Financial Officer, Attorney General's Office  
Valerie Hoffman, Chief IT Manager, Department of Health and Human Services,  
Division of Healthcare, Financing & Policy  
Jeff Haag, Administrator, Department of Administration, State Purchasing  
Julie Kotchevar, Administrator, Department of Health and Human Services, Department of  
Public and Behavioral Health

Jim Wright, Director, Department of Public Safety

## **1. Call to Order / Roll Call**

**Governor:** Good morning ladies and gentlemen, I will call the Board of Examiners meeting to order. Attorney General is present. The Secretary of State is excused.

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

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

**Attorney General:** I see no one, Governor.

**Governor:** Thank you.

## **3. Approval of the August 14, 2018 Minutes** (For possible action)

**Governor:** We'll move on to agenda item number 3, Approval of the August 14, 2018 minutes. Mr. Attorney General, have you had an opportunity to review the minutes and are there any changes?

**Attorney General:** Yes, I have. I move to approve.

**Governor:** The Attorney General has moved to approve the minutes of the Board from August 14, 2018. I second the motion. That motion passes 2-0.

## **4. Department of Administration – Victims of Crime Fiscal Year 2018 4th Quarter Report and Fiscal Year 2019 1st Quarter Recommendation** (For possible action)

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

The 4<sup>th</sup> quarter fiscal year 2018 Victims of Crime Program report states all approved claims were resolved totaling \$3,586,508.02 with \$1,923,528.98 paid out of the Victims of Crime Program account and \$1,662,979.04 resolved through vendor fee adjustments and cost containment policies.

The program anticipates future reserves at \$6.9 million to help defray crime victims' medical costs.

Based on these projections, the Victims of Crime Program recommends paying Priority One, Two and Three claims at 100% of the approved amount for the 1<sup>st</sup> quarter of fiscal year 2019.

**Governor:** We will move on to agenda item number 4, which is a Victims of Crime Fiscal year 2018 4<sup>th</sup> Quarter Report and Fiscal Year 2018 1<sup>st</sup> Quarter Recommendation. Mr. Nicks, good morning.

**Clerk:** Good morning Governor and Members of the Board. Pursuant to NRS 217.260, the Board of Examiners is required to estimate the available revenue and anticipated cost claims for the State Victims of Crime Program. This item includes a report on the claims paid in the 4th quarter of Fiscal Year 2018 and a recommendation to pay Priority 1, 2 and 3 claims at 100% for the 1st quarter of Fiscal Year 2019. When this report was submitted, the Program anticipated having a revenue at the end of the 1st quarter of Fiscal Year 2019 of approximately \$9.3 million, after covering all expenses and a 45-day operating reserve, which is an increase of approximately \$2.0 million from the projected reserve of \$7.3 million at the end of the 4th quarter but is down \$2.4 million from the first quarter of Fiscal Year 2018 reserve projection of \$11.7 million. The decrease is primarily due to the number of claims filed as a result of the mass casualty incident, Route 91 Harvest Music Festival, on October 1st. It appears the program has begun to stabilize since the October 1st incident. Agency representatives still expect to obtain additional federal funding to offset the expenses associated with the October 1<sup>st</sup> incident. At this time, the \$9.3 million should be a reasonable reserve for the program.

**Governor:** Thank you, Mr. Nicks. I have no questions. Mr. Attorney General, questions?

**Attorney General:** I have no questions, Governor.

**Governor:** The Chair will accept a motion to approve the Victims of Crime Fiscal Year 2018 4<sup>th</sup> Quarter Report and 2019 1<sup>st</sup> Quarter Recommendation.

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

**Governor:** The Attorney General has moved to approve. I second the motion. Any question on the motion? That motion passes 2-0.

## 5. Review and Consideration of Victims of Crime Appeals (2)

(For discussion and possible action)

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

**Governor:** We will move on to agenda item number 5 which is Review and Consideration of Victims of Crime Appeals. Mr. Nicks, please proceed.

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

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

We have two items for consideration today. They are the review of the record of an Appeals Officer decision of appeals by applicants Saeid Kangarlou and William Hinton. Mr. Kangarlou and Mr. Hinton were notified of the meeting today.

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

Representatives from the Victims of Crime Program are available to answer any questions Board members may have.

**Governor:** Thank you. I would ask if any representative of the Victims of Crime Program would come to the table please. Is there anyone present?

**Attorney General:** Our office had been working with the staff and we still haven't received the full record on this appeal. My understanding was, we would get that supplemented in the coming weeks and push this to October and review the full appeal record.

**Governor:** I read the entire record for both cases. I do have a couple of questions. I'm prepared to proceed. My understanding, at least with Mr. Kangarlou, was he was unable to

present any corroborating evidence associated with his medical bills and his former roommate who he had talked to has moved out and that person can't be found. For the benefit of the record and for the benefit of the audience – this is an individual who was on Las Vegas Boulevard the night of October 1st and heard the shots and was in fear for his life and began to run and ran into a pole and injured his shoulder but didn't seek medical assistance and also, didn't file a police report. Some weeks later, he had another incident with regard to his shoulder, at the end of the month. He sought medical attention and was diagnosed with a rotator cuff injury and subsequently, sought assistance from the Victims of Crime Program.

The Victims of Crime Program found that he was not a victim, pursuant to statute, because he was not attending the concert and also found that he hadn't met his burden of proof because he didn't have any corroborating evidence.

With regard to the Victims of Crime individuals – correct me if I'm wrong with regard to the rest, with, at least, a brief resuscitation of the record – my understanding is that at the time of the hearing, those documents or corroborating evidence were requested but not produced and it was my understanding that there weren't going to be any additional documents or evidence produced – that's my first question to Victims of Crime representatives. My second is, with regard to the payment of his medical bills associated with his injuries – did he pay those bills out of pocket or were those paid by Medicaid?

**Michelle Morgando:** Good morning, Governor. Michelle Morgando, Coordinator, Victims of Crime Program (VOCP). According to the Appeals Officer's last directive, before rendering a decision, he did give Mr. Kangarlou an opportunity to submit additional information. That was not received within the 30 day period and Appeals Officer Lychuk then issued his final decision in the matter, which was appealed. As far as his medical bills, I am unaware of who paid those bills, if in fact they were paid. We did not pay for them.

**Governor:** No, I understand you didn't pay them, but he went to the emergency room, my recollection is that he went to UMC, so it was likely either not paid or paid, by Medicaid, I would assume, with regard to the costs associated with his injuries. I guess the point I'm making here is, it was a long-winded response with regard to what the Attorney General had to say and I would prefer to hear it today because I don't think it's likely that the record is going to be supplemented between now and next month.

**Michelle Morgando:** Thank you, Governor.

**Governor:** Is that accurate? There's been no communication that would indicate that Mr. Kangarlou was going to produce any additional testimony or documentation?

**Michelle Morgando:** We have not heard anything from him since the decision was rendered, other than through the appeal process.

**Governor:** Okay. Here's how I'm looking at this, and Mr. Attorney General, if you want to defer this, I can do that but essentially what I've stated is what we have before us and let me tell you where I am on this. I think he was in pretty close proximity to where this

happened. I know if I were on Las Vegas Boulevard and I heard shots fired from the top of Mandalay, I would consider myself a victim and be in terror, as he was, and running. I think he fulfills the definition of a victim. With regard to the corroborating evidence, everything that he stated during his testimony, and having read the record of his hearing, it's completely consistent with what he said at the time he sought medical assistance. I would imagine that the burden of proof is by a preponderance of the evidence in this case and I think that I would give him the benefit of the doubt and give him the \$5,149 in this case.

The other issue for me is, essentially, he's not going to benefit from this if the Victims of Crime Program is to pay. It's going to essentially reimburse Medicaid, or reimburse UMC, for the cost of the medical bills in this case. I don't think that Mr. Kangarlou has any incentive to mislead or lie in this case. He, basically, was in terror. The other fact in this case is that he's partially blind in one eye and if he's in the dark and hearing shots and running for his life, I don't think it's out of the realm of possibilities that he would run into a pole and was in a state of shock and did not seek medical assistance at the time.

That's how I view the case. Mr. Attorney General, if you want to wait until next month and consider the case again, I'm happy to do so, to continue it.

**Attorney General:** Governor, if you're headed that direction, I'm prepared to continue.

**Governor:** Well, I'm, as I said, I'm prepared to vote, to reverse the decision of the Appeals Officer in this case, based on the record that I just stated. If it's your wish, because there are only two of us, to continue this, then I will accept a motion to continue the case until next month.

**Attorney General:** No, I'm prepared to support overturning the decision and granting his request, Governor.

**Governor:** Oh, okay. I should've gone a little bit further. Victims of Crime representatives, do we know how much money is involved in this case, what the medical bills were?

**Michelle Morgando:** Governor, we do not know. Once we accept the claim, we'll get the medical bills and they'll be sent for any cost analysis and paid accordingly.

**Governor:** Alright, Mr. Attorney General, if you're willing, will you make the motion please?

**Attorney General:** I move to overturn the Appeals Officer's ruling and grant the victim's request for assistance from the Victims of Crime Program.

**Governor:** Thank you, Mr. Attorney General. I'll second the motion. Is there any question or discussion? Again, I'll essentially adopt and incorporate my comments. We haven't supported a reversal in circumstances like this, but this case is different. As I've said, I'm persuaded by his testimony and the consistency of his testimony and the nature of the circumstances when he sustained his injury. All in favor, please say aye. That motion passes 2-0.

Let's move on to the second appeal, please. This is an Appeal for Mr. Hinton. Again, with regard to this case, Mr. Hinton's spouse was the victim of a crime several years ago, 2009 was it?

**Michelle Morgando:** Yes, 2009.

**Governor:** Again, our prayers and thoughts are with him. His wife lost her life and there were benefits that were paid at the time. Subsequently, Mr. Hinton has filed a supplemental request to pay for the funeral expenses associated with his wife's passing. The program has denied the claim for those funeral benefits because Mr. Hinton was not able to present any receipts associated with the funeral; and the funeral home where the funeral, the cremation, was conducted, is now out of business, so there's no way for him to obtain the bills or the receipts in order to get reimbursed.

This is another one that I'm struggling with, frankly because I don't think there's any dispute that he likely or more than likely incurred funeral expenses. My question for the VOCP is this, is there an average amount that he could be reimbursed, associated with the cost of the funeral expenses for his deceased wife?

**Rebecca Salazar:** Our funeral benefit is limited to \$5,000. It's very hard to come up with an average because the arrangements that people make vary so widely. One could have a cremation for \$1,000 or a funeral for \$15,000, so it's difficult to estimate the amount that Mr. Hinton may have spent in 2009.

**Governor:** Yes, I'll ask for the benefit of your wisdom, Ms. Salazar, do you really question that he had some type of funeral expense.

**Rebecca Salazar:** No, definitely do not question that. Just, we want to be able to verify all of our expenses. We want to have documentation in order to be responsible and make payments properly. That's the issue.

**Governor:** I agree with you and this is one of those unique cases where, sometimes we have to think outside-of-the-box a little bit and he just has no ability to obtain the receipts because the funeral home has gone out of business. God forbid that any of us would have to go through this, he obviously was grieving at the time and his wife was the victim of a crime, there's no dispute over that. I just don't think that it's, again, that he's seeking to defraud the State or the Fund by any means. The question for me is, what would be a reasonable amount for him to be reimbursed?

**Rebecca Salazar:** Mr. Hinton did supply a written estimation of what he thinks he spent so, we do have that in our record. I can't remember how much it was. I'll try to find it here quickly. We decided not to use it because, so many years had passed and we weren't sure how accurate the estimation was.

**Governor:** As I said, Ms. Salazar, my issue, or the reason why I'm leaning towards benefits in this case is, if he hadn't gone to your program previously and had just shown up and

wanted funeral expenses, that would've been one thing, but in this case, it's documented that he's previously received benefits from the program.

**Rebecca Salazar:** Yes. His written estimation is \$3,436.

**Governor:** Where about in the record is that?

**Rebecca Salazar:** It is right after our decision letter dated September 20<sup>th</sup>.

**Governor:** Again, for the purposes of the record. This is a handwritten document that is stamped received by VOCP, September 11, 2017. It states: cremation was \$775; storage of body was \$450; autopsy report, \$45; death certificate \$66; transportation of body \$1,800; filing paperwork, basic service, \$175; and obituary filing cost \$125. My question, Ms. Salazar, is, if this were a receipt, a receipt that was presented by Mr. Hinton, would you have paid all of these costs?

**Rebecca Salazar:** Yes, we would.

**Governor:** Alright. Finally, there is another issue in this case with regard to reimbursement associated with her earnings. She wasn't employed at the time, to my recollection of the record and she was receiving social security benefits, which are not reimbursable, only employment or salary is reimbursable. I agree with the Appeals Officer with regard to the denial of the claim associated with that. As I've said, I don't have any suggestion in the record that any of this is unreasonable. Again, Mr. Hinton is seeking something that he wouldn't otherwise be entitled to but he has been, essentially, a victim because his wife was taken away from him, as the result of a crime. Secondly, this funeral home is out of business and he's not able to get the reimbursements. I guess my only other question, Ms. Salazar, is, why did he wait the six or seven years to seek the reimbursement?

**Rebecca Salazar:** We haven't had an answer to that question.

**Governor:** Well, why don't we do this and I guess I'd like the benefit of the Attorney General's comments on this – I would like to know the answer to that question, as to why he waited this long that would help me. Again, I'm more inclined to grant the benefits in this case. That's an important answer that I would like to know.

**Attorney General:** Governor, I would say that I'm prepared to make a motion to partially overturn the ruling, in respect to simply the funeral reimbursement and grant the appeal on that, if that's something you would like to do today and if you'd like to extend a month until we get that question answered, I'm fine with that as well.

**Governor:** Thank you, Mr. Attorney General. That answer may be a distinction without a difference. The bottom line is, he was more than likely, again, in my mind, more than a preponderance of the evidence, out-of-pocket, with regard to the expenses. If you would, Mr. Attorney General, if you're willing to make a motion, if you would make that motion in



the sum of \$3,436 and consistent with the handwritten receipt that he had prepared that is part of the record.

**Rebecca Salazar:** I'm sorry, may I interrupt?

**Attorney General:** Yes.

**Rebecca Salazar:** There were a few issues here: the funeral payment; the lost wages; the survivor benefits; and the relocation, which we haven't discussed yet and I just wanted to make sure we covered all bases.

**Governor:** Ms. Salazar, thank you. With regard to the relocation, I agree with the decision of the Appeals Officer in that the relocation expenses are always associated with a victim who may be victimized again because of a threat from another individual. In this case, those facts don't exist. This was simply a relocation for him as a result of the tragic loss of his wife. Yes, I would uphold the decision of the Appeals Officer in that regard as well.

**Attorney General:** I move to reverse the initial ruling on, specifically, the funeral home expenses and seek to grant the appeal for \$3,346. I would affirm the other two areas that were requested by the applicant, not seek to overturn those.

**Governor:** Attorney General has made the motion. I second the motion. Any questions or discussion? I hear none. That motion passes 2-0.

Thank you, Ms. Salazar. You guys do a fabulous job, these were just different cases for me, thank you.

## 6. Request to Purchase State Vehicles (For possible action)

Pursuant to NRS 334.010, no automobile may be purchased by any department, office, bureau, officer or employee of the state without prior written consent of the State Board of Examiners.

AGENCY NAME	# OF VEHICLES	NOT TO EXCEED:
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Department of Conservation and Natural Resources – Division of State Parks	1	\$1,817
Department of Administration – Fleet Services Division	8	\$261,438
<b>Total</b>	<b>9</b>	<b>\$263,255</b>

**Governor:** Mr. Nicks, let’s move on to agenda item number 6, Request to Purchase State Vehicles.

**Clerk:** There are two requests for nine vehicles in this agenda item. The first request is from the Department of Conservation and Natural Resources, Division of State Parks to purchase one new vehicle. The vehicle being purchased is being excessed by the Department of Public Safety.

The second request is from Fleet Services to procure eight vehicles to provide to agencies under the lease purchase program. The request includes: six utility interceptors; one sedan; and one pickup. These vehicles were included in the agencies’ legislatively approved budgets. Representatives from the departments are available to answer any questions the Board may have.

**Governor:** Thank you, Mr. Nicks. I have no questions. Mr. Attorney General, any questions on agenda item number 6?

**Attorney General:** I have no questions. I move to approve agenda item number 6, request to purchase state vehicles.

**Governor:** The Attorney General has moved to approve the request to purchase State vehicles as presented in agenda item number 6. I second the motion. Any question on the motion? That motion passes 2-0.

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

**A. Department of Corrections (5)**

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

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

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

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

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

## **B. Secretary of State**

Pursuant to NRS 333.705, subsection 1, the Secretary of State requests authority to contract with a former employee, Tracy Gillespie, through Manpower Temporary Services, Master Service Agreement #18404. Ms. Gillespie will be working from October 14, 2018 through June 30, 2019 on a part-time, as-needed basis.

## **C. Department of Transportation**

Pursuant to NRS 333.705, subsection 1, the Department requests authority to contract with a former employee, Reid Kaiser. HDR Engineering, Inc. plans to utilize Mr. Kaiser's expertise to assist in preparing final design plans and traffic analysis for the Centennial Bowl (US-95 NW Phase 3) Agreement. Mr. Kaiser will be compensated for working eight hours per month from September 11, 2018 through June 30, 2019.

**Governor:** Agenda item number 7, Authorization to Contract with a Current and/or Former State Employee; Department of Corrections, Secretary of State and Department of Transportation. Mr. Nicks.

**Clerk:** Item 7 includes three requests to contract with current and/or former employees pursuant to NRS 333.705(1).

The first request is from the Department of Corrections, to contract with five current employees to deliver packages to inmates through September 2019. The deliveries will occur off-hours.

The second request is from the Secretary of State's Office, to contract with a former employee through Manpower Temporary Services, on a part-time/as-needed basis, to assist in testing of the Uniform Commercial Code functionality in the new eSOS system. The employee retired in July of 2018.

The third request is from the Department of Transportation, to allow contracted vendors to use a former employee on projects awarded to the vendor. This request is for a Principle to prepare final design and traffic analysis documents for the Centennial Bowl project. The employee retired in June of 2018.

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

**Governor:** I have none. Mr. Attorney General, any questions with regard to agenda item number 7?

**Attorney General:** I have no questions. I move to approve agenda item number 7.

**Governor:** Attorney General has moved to approve the authorizations to contract with a current and/or former State employee as presented in agenda item number 7. I second the motion. Any questions? That motion passes 2-0.

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

**Department of Conservation and Natural Resources Division of Water Resources – FY2019**

Pursuant to NRS 532.230 (4), the Division requests an allocation of \$250,000 from the Interim Finance Committee General Fund Contingency Account to fund channel clearance activities in Fiscal Year 2019.

**Governor:** Let's move on to agenda item number 8, Request for a Recommendation for a Recommendation of Approval to the IFC for an Allocation Amount from the Contingency Account. Mr. Nicks.

**Clerk:** Item 8 has one request for a positive recommendation to the Interim Finance Committee pursuant to NRS 353.268 for an allocation from the General Fund Contingency Account. The Contingency Account has an approximate balance of \$9.4 million to cover unanticipated costs for the remainder of the 2017-2019 biennium. The request is from the Department of Conservation and Natural Resources, Division of Water Resources in the amount of \$250,000 to fund channel clearance activities in Fiscal Year 2019. Representatives from the Department are available to answer any questions the Board may have.

**Governor:** Thank you, Mr. Nicks. I have no questions. Mr. Attorney General, any questions with regard to agenda item number 8?

**Attorney General:** I have no questions. I move to approve agenda item number 8.

**Governor:** Thank you. The Attorney General has moved to approve the request for recommendation approval to the IFC for an allocation amount from the contingency account in the sum of \$250,000. I second the motion. Any questions or discussion. That motion passes 2-0.

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

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

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

<b>BA#</b>	<b>BUDGET ACCOUNT NAME</b>	<b>GENERAL FUND ADJUSTMENT</b>	<b>HWY FUND ADJUSTMENT</b>
	<b>Department of Administration</b>		
1371	Administrative Services	\$2,108	
	<b>Total</b>	<b>\$2,108</b>	

**Governor:** On to agenda item number 9, Request for the Allocation and Disbursement of Funds for Salary Adjustments. Mr. Nicks.

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

An agency whose actual salaries exceed their budgeted amount, due to the COLAs, is allowed to request salary adjustment dollars from the Board of Examiners. This item requests access to those funds by the Department of Administration, Administrative Services Division in the amount of \$2,108. Representatives from the Department are available to answer any questions Members may have.

**Governor:** Thank you, Mr. Nicks. I have no questions. Mr. Attorney General, any questions?

**Attorney General:** I move to approve agenda item number 9.

**Governor:** Thank you. The Attorney General has moved to approve the request for the allocation and disbursement of funds for salary adjustments as presented in agenda item number 9. I second the motion. Any questions on the motion? That motion passes 2-0.

## **10. Approval of Proposed Leases (For possible action)**

**Governor:** We're on agenda item number 10, Approval of Proposed Leases. Mr. Nicks.

**Clerk:** There are ten leases in agenda item 10 for approval by the Board this morning. Members have requested additional information on lease agenda item number 1 between the Department of Business and Industry, Division of Industrial Relations and The Trust for Methodists Development of the First United Methodist Church of Carson City for the property located at 400 West King Street in Carson City.

**Governor:** Thank you. Is there someone from B&I here? Mr. Reynolds, good morning. Mr. Attorney General, did you ask for this one to be held out?

**Attorney General:** No, Governor.

**Governor:** There was one question. The question was this, was the 3% increase each year, that seems a little steep but I'm sure there's an explanation for that.

**Terry Reynolds:** Thank you, Governor. Terry Reynolds, Deputy Director with the Department of Business and Industry. To my left is Mr. Ray Fierro. Ray is the new Division Administrator for the Department of Industrial Relations (DIR), we're welcoming him today, his first day.

**Governor:** Congratulations.

**Terry Reynolds:** The lease amount does increase by 3%. The average over five years is \$1.44. It is really less than what the market rate is which runs between \$1.60 and \$2.00, in that range. We felt it was reasonable. Yes, I would agree with you that it is kind of a steep increase per year but if you look at it in the context of the overall, our leases within the area, it is probably in the neighborhood of about \$0.20 less than what we pay per square foot.

**Governor:** Thank you. I think for purposes of the record, we wanted to establish that it is less than the market rate. Mr. Fierro, anything you want to add?

**Ray Fierro:** The only thing I want to add is, I appreciate that I got the position as Administrator for DIR. I agree with Mr. Reynolds on the rent.

**Governor:** Thank you, Mr. Fierro, I just wanted to get you into the minutes and now you're in there. I have no further questions with regard to this lease or any other items on agenda item number 10. Mr. Attorney General, any questions?

**Attorney General:** No questions. I move to approve agenda item number 10, approval of all proposed leases.

**Governor:** Attorney General has moved to approve the leases presented in agenda item number 10. I second the motion, any questions on the motion? That motion passes 2-0.

**Terry Reynolds:** Thank you, Mr. Governor.

**Governor:** Thank you very much and good luck Ray.

## **11. Approval of Proposed Contracts (For possible action)**

**Governor:** Agenda item number 11, Approval of Proposed Contracts, Mr. Nicks.

**Clerk:** There are 33 contracts in agenda item 11 for approval by the Board this morning. Members have requested additional information on the following: Contract #3, between the Attorney General's Office, Victims of Domestic Violence and the City of Las Vegas, Department of Public Safety; Contract #4, between the Attorney General's Office, Victims of Domestic Violence and the City of Henderson, Police Department; Contract #13, between the Department of Health and Human Services, Health Care Financing and Policy Administration and HEALTHIE Nevada; Contract #14, between the Department of Health and Human Services, Public and Behavioral Health and National Jewish Health; Contract #26, between the Department of Public Safety, Central Repository for Nevada Records of

Criminal History and Western Identification Network, Inc.; and Contract #32, between the Department of Motor Vehicles, Verification of Insurance and Datamatx, Inc.

**Governor:** Thank you, Mr. Nicks. We'll go to agenda items 3 and 4 – the Attorney General's Office. Good morning, if you would give a description of what's included within these contracts for 3 and 4.

**Nicole O'Banion:** Thank you. Good morning, Governor and Members of the Board. I'm Nicole O'Banion, the Ombudsman for Domestic Violence at the Attorney General's Office. I have Christian Schonlau here, who is our Chief Financial Officer, if you have any financial questions on the item.

The contracts before you today provides revenue to the Attorney General's Office, to pay for a portion of VINE, our Victim Information Notification Everyday system. VINE helps protect Nevada citizens from further victimization by notifying them of offender custody status changes, changes in location, transitioning to parole or exiting the system. These notifications are provided via text, email or phone, based on the victim's wishes. The services are available both in English and Spanish.

In July 2017, the Office of the Attorney General took the initiative to be the first State to launch the enhanced VINE version. This enhancement to the program added links to regional service providers to help with crisis management, shelter, food, basic needs, counseling and legal assistance for victims of domestic violence and sexual assault. With this enhancement, all victims of crime have greater access to resources, even while the offender may not be under supervision. Per NRS 178.4715, a victim may request an administrator or the administrator's designee, to notify them of an offender's discharge, conditional release or escape from the custody of the administrator. Through these contracts, the VINE system has been implemented so that this notification process is an automated process, removing this task from the individual jurisdictions and creating a more expedient method of notifications.

What this means for victims of domestic violence is they have timely knowledge, giving them back a bit of control in their lives for managing their personal safety and it relieves the stress and frustration of navigating inner-agency bureaucracies to learn about their offender's status. For those whose offenders are not in custody, it gives them quick and easy access to critical services they may need.

The Attorney General's Office continues to advocate this service to the public, organizations and agencies to ensure victims of crime have resources available to protect them from violent criminals throughout the State. We are happy to answer any questions you may have about this item.

**Governor:** Thank you. Fabulous program and congratulations. Just a couple of questions. How does it work? If I'm signed up, I get a text with regard to this information or electronic communication or phone, is there an individual who contacts you as well?



**Nicole O'Banion:** What's really great, if they happen to be a victim of crime and do a police report, they are immediately connected with the system, the Victim Advocate, located in those agencies. That's part of their process, to immediately get that person registered with VINE and then they choose how they want to get the notifications. If they aren't filing a police report, that's why we're constantly advocating the awareness of the program to the general public, more and more people, the searches and the registrations are going up exponentially, constantly, as the program gets more out to the general public.

People can go either go online, through the website or it's even been turned into a mobile applications (apps). So now, it's really easy and accessible. It's a very benign looking app, so it doesn't stand out, that's for the safety of the victims, so it can kind of blend in with the rest of their apps. There's an escape button on it so that if they are in a situation where they're not safe anymore, they can just hit escape and there's no trace of them ever being on that app on their phone.

**Governor:** That's really, really great. Do you have any idea of how many individuals are enrolled in the VINE program?

**Nicole O'Banion:** I believe it was 833,000 registrations.

**Governor:** 833,000 victims?

**Nicole O'Banion:** Well, it can be family members and we've had prosecutors register, if they feel a little iffy about a case they tried. So, it really is accessible to anyone who feels that it would benefit them to be able to track someone.

**Governor:** I just want to make it clear, that is great but it makes me sad too, that there are that many people that have to sign up for that.

**Nicole O'Banion:** Right.

**Governor:** But again, congratulations and just a great way to be in the 21<sup>st</sup> century with regard to notification.

**Nicole O'Banion:** Right.

**Governor:** Also, making sure people, and particularly victims of violence and domestic violence, are protected.

**Nicole O'Banion:** Absolutely.

**Governor:** Mr. Attorney General, any questions or comments on these two contracts?

**Attorney General:** Thank you, Governor. I just have one question. If you don't mind just giving us an idea of how effective it's been over the last few years and how it's working? I know you travel the state extensively, so just you're on-the-ground perspective of how this program has been working across the State.

**Nicole O'Banion:** Yes, I know it's been absolutely critical, not only for the victims but for the jurisdictions also. It really helps us, as a state, make sure that people don't fall through the cracks. When the jurisdictions are overburdened with as many cases as they get, it is difficult to constantly stay on top of every single case and to make sure that the victims are getting notifications every time there's a change in the offender's status. This has really relieved that burden on the State and has allowed us to meet the Victims' Bill of Rights.

**Attorney General:** Thank you. I would love to take the opportunity to compliment Ms. O'Banion. We've obviously had several great domestic violence ombudsman's for the State over the last many years but you've been an absolute tour de force and taken on more things at one time than any of your predecessors. Thank you so much for all that great work.

**Nicole O'Banion:** Thank you, Attorney General.

**Attorney General:** Governor, I have no further questions.

**Governor:** Thank you. Again, I appreciate what you do.

**Nicole O'Banion:** Definitely, thank you.

**Governor:** Next item is Contract #13 between DHHS and Healthie Nevada. Good morning.

**Valerie Hoffman:** Good morning. Valerie Hoffman, Chief IT Manager. The goal of the contract is to procure services to promote the meaningful use of authorized and secured sharing of electronic data, health and clinical data between healthcare providers, community health centers, hospitals, labs, imaging centers, emergency management services and public health systems and registries. The project utilizes health information technology for economic and clinical health, the high-tech apt grant funds which provide 90% federal matched state funding.

The scope of the contract will provide secured data exchange connections between Healthie Nevada and at least 10 of our underserved facilities, rural hospitals, acute care centers or skilled nursing facilities; as well as, connect several of our public health, electronic health records systems and the Division of Public and Behavioral Health's immunization registration.

Bottom line, what this does is. . .

**Governor:** Yes, I was going to ask you, how does it work in the real world?

**Valerie Hoffman:** Here's the bottom line for you. It's going to go a long way to help provide a mechanism so that patients don't have to go to their separate providers, gather paper records and carry them around with them. It will go a long way, hopefully to reduce the

amount of tests and images that they need to do because the providers will have that information, right there, at the time to make that decision. I've lived through this, so I'm very passionate about this opportunity.

**Governor:** That's why I wanted to get to that part, how it works in the real world and how it's going to benefit individuals, so that they can spend more time getting better versus being frustrated in going to different providers and maybe a provider not having all the records that it needs in order to provide the service.

**Valerie Hoffman:** Yes, as I've said, I've lived through this and it can be a decision of life and death between people at some points.

**Governor:** Wow, and do you have an example of that?

**Valerie Hoffman:** Yes, my oldest son had to have a liver transplant a few years ago. He went from being relatively healthy, it's a childhood disease, which we knew, eventually, would end up having only one option for treatment. He made a quick jump and we needed to head over the hill to Stanford in a few days. Within a day, I had to run around to multiple providers, hospitals, gathering records. With one hospital, there were so many images, they couldn't even get it in electronic format. They handed me a stack of x-rays I could barely carry. We made it down to Stanford and they couldn't even read the x-rays. Long story short, when you get to that point of needing a liver transplant, it comes down to who is the best fit and what's the best information they have when they're making that decision of who will get it. They kept asking me over and over about the different treatments that he had had, the x-rays, the results of those. They were missing that one piece. But he did get his liver transplant. He's almost four years out, October will be four years. He is thriving. He is a very successful IT engineer working in Reno and providing great things for the community.

**Governor:** Thank you. It wasn't my intent to draw out a personal story but that took a lot of courage to tell that story and thank God that it's worked out the way it has. The point I was making is, now, someone else will be able to get all those documents and get it transferred electronically and again, so a parent can focus on a son or a daughter, or a loved one, or what have you. I had called this out just because of its importance and what it means to individuals. Thank you very much.

**Valerie Hoffman:** Thank you. Thank you for allowing me to share the story.

**Governor:** Yes, again, I appreciate that. Mr. Attorney General, any questions on Contract #13?

**Attorney General:** No, Governor.

**Governor:** Thank you very much.

**Valerie Hoffman:** Thank you.

**Governor:** The next contract is Contract #14. Jeff, if you would come up. I asked for this to be held. We did receive, 'we' being each Member, received a copy of this email. There's an individual who had sent in an email with regard to this contract and it asked for a statement to be read into the record. I would imagine that you all have seen this but for the benefit of the record, I'm going to read it in:

*My name is Leslie Schwalbe and I'm with Optum, a health services company dedicated to improving the health system for everyone. We were recently made aware of the State Purchasing Department's request and recommendation to grant a four-year extension to National Jewish Health (Contract #20643) for tobacco cessation services. We have read the contract summary provided on the Board's website and respectfully request that the Board deny the request to extend the contract or provide additional funding to National Jewish Health. Instead, we ask the Board to require the State Purchasing Department to competitively procure a vendor through a Request for Proposal for the Nevada Tobacco Quit Line services so that the citizens of Nevada can be assured that they are receiving the most up-to-date and value-driven solutions to help prevent disease and early death from tobacco use.*

Again, that's sincerely Leslie Schwalbe. I'm not sure how you pronounce that, but I wanted to give Purchasing an opportunity to respond and perhaps give us a little more background on this contract.

**Jeff Haag:** Thank you Governor, for the opportunity and Mr. Attorney General. I think it's important to acknowledge that we have a guideline in the State Administrative Manual that says, we like contracts with a four-year term. It is a guideline and we have the ability to extend beyond that four-year term based on what we define as legitimate business decisions that are in the best interest of the State. I'll let the agency speak to the business benefits in more detail but it was clear when the contract extension came to our office in State Purchasing, that the last four years of this relationship had been very successful. This vendor had demonstrated a lot of knowledge in this area. They had learned a lot about the State's needs, as it relates to this and there was significant benefit to the State by continuing this contract for an additional four years, to allow us to build on what had been established in the first four years. That's why we granted the contract extension.

I'll allow Julie to go into more detail about the benefit to the agency in continuing that.

**Governor:** Mr. Haag, before you do and I'm not sure which one of you can answer this but there's a reference, the citizens of Nevada can be assured that they are receiving the most up-to-date and value-driven solutions. That is an implication that we aren't receiving that right now. I suppose, if you could talk a little bit about the performance, if there have been any issues and if you feel like we are receiving the most up-to-date and value-driven solutions associated with this vendor.

**Julie Kotchevar:** Good morning, Dr. Julie Kotchevar, Administrator of Public and Behavioral Health. We participate in a 14-state collaboration of 14 states and the Centers for Disease Control and Prevention (CDC) and we actually combine funding for development dollars, so that the State doesn't bear the full cost of system development. Along with our

other 14-state partners, we do believe that we're getting a really good value for what we're providing.

For example, they did a mobile-device-friendly website, our share was only \$10,000, which would not have been the expense, but since it was shared.. We have also been partnering with all of our provider network to create a referral system. For example, UMC contributed \$60,000 to pay for their portion of the referral network. Those are not transferrable to another provider, so all of that expense that ranged from \$9,000 to \$60,000, for all of our providers to connect, would not transfer to another provider. They would have to reinvest that money to go to another provider. That would be a detriment to our provider network, this network that we've created over the last four years, to reduce smoking and to increase tobacco cessation. This collaboration strengthens our grant applications, which, we receive a lot of federal funding for public health and that was a concern as well.

We do feel that this provider is doing a very good job and the providers have been very happy so far. They also, as part of our sustainability plan, after the expansion of Medicaid, this became a reimbursable service, so this provider has become impaneled with all the managed care organizations, which isn't always the easiest thing to do. That also would have to start all over again. So, we did feel like this four-year extension was allowing us to get our money's worth out of what we invested in the first four years.

**Governor:** Thank you. You've answered any questions I could've had. Mr. Attorney General, any questions on this contract?

**Attorney General:** Yes, I have a few questions. So, this 14-state collaboration, are you saying they are all using National Jewish Health as a vendor?

**Julie Kotchevar:** That's correct.

**Attorney General:** Where are we as far as where they are today? If this contract were not approved today, for example, does it lapse tomorrow? Does it lapse next year? Would you mind telling me that?

**Julie Kotchevar:** It lapses September 30th of this year.

**Attorney General:** Okay. Is extending it for a year an option?

**Julie Kotchevar:** Yes, that would be an option.

**Attorney General:** Governor, I'd obviously have to kick this back over to you, to see if you have the same sentiment. I guess I would like to see if an analysis could be done. I know this letter came at the last second and you guys put up a good defense of why you initially went forward with the National Jewish Health, but I'd like there to be some time to see if there is a vendor or an opportunity that could provide better service and perhaps that vendor is able to absorb start-up costs, some of the things that you mentioned. I don't want to rock the boat too much here but I'd be inclined to support a one-year extension to make sure this thing doesn't in any way stop, but to at least give the Department a chance to, I assume you

didn't proactively go evaluate whether or not there was another vendor that could provide this service at lower or better, not only lower costs but more efficiency –maybe you can answer that question. If that didn't proactively happen, I'd love for there to be an opportunity to at least explore it. You may land exactly where you are today, which is, no one can compete, for the reasons you listed.

**Julie Kotchevar:** We did look at other vendors. Part of the selling point is this collaboration we have with the CDC and the initial contract did come as the result of a Request for Proposal (RFP). This is just an extension of something we did bid out.

**Governor:** The question is this, it's been four years since you did that RFP. Is there any reason, or have you had any derogatory comments with regard to the service? Is there any indication that we aren't getting the best value, 'we' being the State of Nevada?

**Julie Kotchevar:** No, we have not had any negative feedback from either providers or program staff.

**Governor:** What do you know about Optum?

**Julie Kotchevar:** I'm more familiar with them as a pharmacy benefit manager. I'm not in the tobacco cessation area, so I don't know what product they specifically offer related to tobacco cessation, other than the actual medication, as a result of cessation efforts. I'm not aware of them operating any quit-line area.

**Governor:** Well, Mr. Attorney General, again, there are only two of us, so, I'm willing to support your motion for a year. I'd just assume approve it for the four because I haven't heard any testimony that would indicate that the current vendor is not doing a good job. In fact, it sounds like they're doing a good job and we're getting the benefit of the value of a multi-state relationship. Again, to keep all things equal and keep things moving, I will support a motion to do this for a year. This isn't extraordinary for us to be continuing a contract, this agenda is full of them. Again, I would be willing, just to make sure, to ensure that the service continues, if you want to do it for a year, I'll support that motion.

**Attorney General:** My general concern is just that there are so many technological advancements in the healthcare industry today. I know as a State, separate from healthcare, we've tried the new technology route in a number of different areas and sometimes, four years is a long time, I guess is what I'm saying. There could be something out there that's newer or more exciting that's emerging, that could compete. I have no reason to think that National Jewish Health is not doing a good job, I know that's confirmed. If it's okay with you Governor, I do like the idea of at least the Department having some flexibility in the coming year, just to pursue whether there is a new technology. If we land in nine months, this is the best one, great, we'll extend it out. Is that all right with you, Governor?

**Governor:** I suppose. I mean, it just is speculative, we don't know if there is another technology out there and that's not to say that National Jewish Health isn't using the best technology that's available. As I said, this is kind of dancing on the head of a pin. If you

want to extend it for a year, I'm happy to support that motion, I would say, I would prefer that we do it for the four as requested, but to keep it moving, I'll support a motion for the one.

**Attorney General:** Okay. I just have one follow-up.

**Governor:** Okay.

**Attorney General:** To the best of your knowledge, is this quit-line, that the 14-state collaboration is using, is that the best available technology in the country today?

**Julie Kotchevar:** I don't know that I could answer that at this moment because I don't know that I've done a full survey of every single quit-line available. I know that the 14-partner states and the CDC, including Nevada, have been happy with the service that we've been getting and have felt like, the improvements that they have made, including a behavioral health protocol, of which our share was only \$40,000 of the total cost, where we're really working on smoking cessation in behavioral health. We feel like that's been a good value and we certainly have gotten our money's worth. As far as being able to testify on the record that there is no other technology that could do it better, I don't know that I could say that.

**Attorney General:** Okay. Governor, I would prefer we stuck with one year, just to be able to answer that question, if that's okay with you.

**Governor:** Mr. Haag, did you have something you wanted to add?

**Jeff Haag:** Thank you, Governor. Thank you, Attorney General for the comments and recommendation on this, I certainly appreciate the concerns. I think my concern about a one-year extension would be just the disruption to the business needs and the participants of this program and the business needs of the agency. I absolutely agree with the Attorney General's comments of doing our due diligence, understanding what the latest and greatest technology is available out there and to ensure that we're leveraging that here at the State. It's my opinion that we could do both. If it was the pleasure of the Board, approve the four-year extension and State Purchasing can continue to support the agency in doing an industry forum, to understand not only what Optum, but potentially others that responded initially in the RFP, or that may have come to surface over the last four years and just take a temperature of what's going on in the space and what technology is available and who the players are. Optum is a new player that's been identified today, at this meeting, that did not participate four years ago and I think we can engage with them very thoughtfully, do a very purposeful assessment on what we may be missing, or what we're not missing. The contract provides us the latitude to make course corrections along the way if we need to.

**Governor:** Let's explore that just a little bit. Mr. Haag, when you say, we can make course corrections, does that mean that we can seek an amendment if there was a newer technology that was identified?

**Jeff Haag:** So, there's the ability to seek an amendment with the current provider. There's also the ability to shorten the initial four-year term of the contract if we feel that we need to go back out to bid because we're missing something substantially. I don't sense that we

are, but clearly, Optum is a new player in this space, that has not come forward to State Purchasing, or the agency, to try to address these needs, or to educate us as a State on how they could be benefiting this program.

So, to allow the Division and this program to continue over the four-years, I think is prudent, while still allowing us the time to do a brush-up on this space, given the four-year lapse and understanding who the players may be and what technology is available.

**Governor:** One more question because you said something important to me. I haven't reviewed the contract but essentially, there's a reopener that we could reopen the contract if there was another technology that wasn't being used by the vendor that we wanted?

**Jeff Haag:** Not necessarily a reopening, we would have to look at terminating the contract and recompeting it.

**Governor:** What are the grounds, what are the terms for terminating a contract?

**Jeff Haag:** There are four different termination clauses in our standard form contract. We would have to do an assessment of which of those were most appropriate here. Again, I think that would come with the business decision, the assessment that we would make as to whether or not the State's needs are being met, based on this current contract.

**Governor:** Okay. Let's visit hypothetical land for a while – if it were a four-year contract that were approved today, we're nine months in, a year in, and Optum's right, there's better technology out there and the current vendor can't access that or it isn't available, would we be able to terminate the contract?

**Jeff Haag:** If a determination was made that the State's needs weren't being met as a result of technology that was available, I think that is an argument that we would want to pursue.

**Governor:** Okay. Mr. Attorney General, any other questions or comments?

**Attorney General:** No, Governor.

**Governor:** So, do you still want to go with a one-year?

**Attorney General:** I'm okay with supporting the agency's plan of approving the four-year as long as they're willing to just do what they said, take a look if there are other alternatives.

**Governor:** Right. Well, let's do this. We'll approve it as written and if you could prepare a memo and do some research in the next month or so and then direct it to the attention of the Members of the Board that would be great. Reach out to Ms. Schwalbe and see what it is that Optum might have that the current vendor does not.

**Julie Kotchevar:** We would be happy to do that.



**Governor:** Does that satisfy you, Mr. Attorney General?

**Attorney General:** Yes, Governor. Thank you.

**Governor:** Thank you. Thank you very much. The next contract is Contract #26, DPS and Western Identification Network. Director Wright, good morning.

**Director Wright:** Good morning Governor and Attorney General. For the record, Jim Wright, Director of Department of Public Safety. With me today is Ms. Tammy Trio, with our Records, Communications and Compliance Division, regarding the contract.

**Governor:** Good morning, Ms. Trio, do you want to take us through it and what it does, please?

**Tammy Trio:** Good morning, for the record, Tammy Trio, I'm the ASO with Records, Communication and Compliance. This contract is to extend our agreement with Western Identification Network, we call them WIN. This is a 501(c) (3) non-profit organization. It's made up of eight western states and those states build a—they have a Board, that is defined of all those states. All of the Members of the Board are from those states.

WIN, from those eight states, they are administrators or management of our ABIS system which is the Automated Biometric Information System. It's where all of our fingerprints, when we run fingerprints, they go through the system. WIN is our management group for the system with NEC AM, it's NEC of America. They are the company that WIN contracts with to do all of the IT stuff. WIN is just our management group, NEC America is the company that has all of the IT information that houses the information. We are asking for a contract extension and it does probably look a little bit long for WIN. Those eight states that we have all collaborate with the funding for WIN who then pushes all of the funding to NEC to pay for the system.

The reason why we need to go out, in order to have Evergreen lifelong sustainability of this system, we want to keep third-party software components, Evergreen and provide additional biometric identification functionality in line with the FBI's next generation identification or NGI and provide active disaster recovery capabilities.

NEC, when they went out to RFP, WIN went out to RFP, NEC stated that, in order for us to be ABIS, which is the Automated Biometric instead of AFIS, Automated Fingerprint Information System—we're getting better—they needed to get new equipment and they needed to make sure those third-party contracts were in place, so we had to go out farther with our contract.

**Governor:** Okay, that's a lot.

**Tammy Trio:** I'm ready for some questions if you have questions on specifics.

**Governor:** I had asked for this contract to be held out because it's a 10-year contract.

**Tammy Trio:** Yes.

**Governor:** And, you know, I'm pretty certain I know the answers but I just want to ask them anyway, you've talked about why it has to be 10 years. You spoke of Evergreen which provides me some comfort that as time moves on, that the system will stay up with any type of technological improvements and will be as contemporary as possible, is that all accurate?

**Tammy Trio:** Yes, and if I can add, for the record, that the WIN and the Board of Directors, they did go out and hired a contractor, MTG Management, to actually do a cost benefit analysis and it was more prudent for us to continue this than to go out and everyone individually, each of those states individually get their own system; it's a lot more expensive. We have numbers that are—you know it's about \$8 million to \$15 million per state to do that individually instead of combine. Having it combine gives us access to all those western states fingerprints, the information. So, we have a bigger networking group and easy access, it helps with public safety and our officers on the streets.

**Governor:** Well said.

**Tammy Trio:** Thank you.

**Governor:** I wanted to ask Director Wright to say a few things, but before I go to Director Wright, Mr. Attorney General, did you have any questions for Ms. Trio?

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

**Governor:** Okay. Director Wright, is there anything you wanted to add? I suppose what I'm looking for from you is, just how we're doing with regard to the entire system.

**Director Wright:** Thank you, Governor. For the record, Jim Wright, Department of Public Safety. You know this is an ever-changing dynamic system. We are in the process of upgrading our NCJIS system. We're going through the budget processes for that. This is one critical element to that system. Again, the identification of folks is very vital for us and the jobs that we do. As the improvements come out, the system gets better, the work that we can do gets better on the identification side of things. We certainly appreciate your support on this and we strive to have the best criminal justice system that we can here in the state, because it's truly important to all of us and specifically to public safety and who we serve.

**Governor:** Thank you, Director Wright. I really appreciate your testimony. Mr. Attorney General, any questions on Contract 26?

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

**Governor:** Thank you very much. Final is, Contract 32 between DMV and Datamatx. Good morning.

**Sean McDonald:** Good morning Governor, Mr. Attorney General. For the record, Sean McDonald, Administrator for the Central Services and Records Division. To begin with, this contract handles quite a few mailings. We're somewhere in the neighborhood of between 635,000-640,000 pieces per year.

A little bit of background. The US Postal Service postage and certified fees account for roughly 86% of the total cost encumbered in this contract. If you look at that respectively, somewhere between \$1.3 million to \$1.4 million annually. Certified mailings are requirements set forth in statute. Because the action is taking some sort of an action. Those actions encompass the areas of vehicle insurance, driver licensing and revenue recovery.

A well performing vendor who is efficient and timely, Datamatx, was on boarded by the DMV in October of 2014. This, of course, is the first amendment to the original contract, adding an additional six years. This contract will cover a total period of 10 years, ending September 30, 2024.

Each of these mailings is tied to a time element pursuant to a statutory requirement. A digital copy of each mailing is retained by Datamatx as a matter of legal record. State Mail Services have told the Department they are unable to perform the duties as required and this is outlined in the Contract Summary, Question #8. We receive a volume discounted rate, as mailings are performed in mass through Datamatx, via the USPS Clearinghouse. Of course, card stock and/or paper used, ink black and white versus color, envelope size and type, quantity of pages produced, they all factor as well, of course, for the materials cost. And of course, following the demographer's growth rate, we anticipate a 1.4 growth each year, over the next four years.

I think it's important to note that, we have over 300 different letters, different styles of letters, notifications, postcards, certified, regular, that are processed through the Datamatx account. We've spent, of course, the first couple of year's fine tuning the process. They worked with us very well. Basically, we've got a really good running system now. They're very easy to work with. They're very sensitive to our needs. When we contact them, they're quick to respond. The relationship has been strong and it's working. As a result, that's why we're looking for the extension that we have.

**Governor:** Thank you, Mr. McDonald, you were listening very well with the other contracts that were here because it seems like that's a theme today with regard to these extensions, particularly the ones associated with important technology and the performance of the vendor. You said this is a well performing vendor that is using state-of-the-art equipment, state-of-the-art technology. Are you confident that they will continue to do so? I imagine that there aren't a lot of other vendors in this space. Are you confident that they will continue to use the best technology available and does the contract allow you to demand that?

**Sean McDonald:** It does. And, I am very confident with their performance. To answer your first question, yes, there are very few that can handle this kind of volume and the variety and the multitude of different mailings that we have. It's one thing to do bulk mailings, but it's another to do it in so many different ways. Then on top of it, because of the volumes that they do with other contracts, they're able to put us in there as well. So, we recognize a little

bit of a savings on the postage side of it. Again, even though it's 86% of that \$9 million, we're able to realize benefits from the mass volumes.

**Governor:** Thank you very much. Mr. Attorney General, any questions on this contract?

**Attorney General:** No, Governor. Thanks.

**Governor:** Thank you very much.

**Sean McDonald:** Thank you.

**Governor:** All right. That completes the list of contracts that I had to be held out, Mr. Attorney General, any other questions on any other contract?

**Attorney General:** No, Governor, I move to approve agenda item number 11.

**Governor:** The Attorney General has moved to approve contracts 1-33 as presented in agenda item number 11. I second the motion. Any questions on the motion? I hear none. That motion passes 2-0.

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

**Governor:** Let's move on to approval of proposed MSAs, Mr. Nicks.

**Clerk:** There are 281 Master Service Agreements in agenda item 12 for approval by the Board this morning. Most of these agreements replace existing provider agreements as explained at the June BOE meeting. No additional information has been requested by any of the members.

**Governor:** Thank you, Mr. Nicks. I have no questions. We have a whole binder full of agreements. I can't say that I looked at all of them, but I looked at the representative ones and very well done. So, if there are no further questions, the Chair will accept a motion to approve the MSAs as presented in agenda item number 12.

**Attorney General:** Move to approve.

**Governor:** The Attorney General has moved for approval. I second the motion. Any questions on the motion? I hear none. That motion passes 2-0.

## **13. [Information Item – Clerk of the Board Contracts](#)**

Pursuant to NRS 333.700, the Clerk of the Board may approve all contract transactions for amounts less than \$50,000. Per direction from the August 13, 2013 meeting of the Board of Examiners, the Board wished to receive an informational item listing all approvals applicable to the new threshold (\$10,000 -

\$49,999). Attached is a list of all applicable approvals for contracts and amendments approved from July 24, 2018 through August 20, 2018.

**Governor:** On to agenda item 13, Clerk of the Board Contracts. Mr. Nicks.

**Clerk:** There were 35 contracts under the \$50,000 threshold approved by the Clerk between July 24, 2018 and August 20, 2018. This item is informational only, and no additional information has been requested by any of the members.

**Governor:** I have no questions. Mr. Attorney General, any questions on agenda item number 13?

**Attorney General:** I have no questions. Thank you, Governor.

**Governor:** Thank you.

## **14. Information Item – Reports**

### **A. Statewide Quarterly Overtime Report – Fiscal Year 2018 4<sup>rd</sup> Quarter**

Pursuant to NRS 284.180, the Department of Administration, Division of Human Resource Management must prepare and submit quarterly to the Budget Division of the Office of Finance a report regarding all overtime worked by employees of the Executive Department during the quarter. The Budget Division shall transmit quarterly to the Board of Examiners the report and the analysis of the Budget Division regarding the report. The Budget Division submits the 4th Quarter Overtime Report and analysis for Fiscal Year 2018.

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

Pursuant to NRS 321.5954, the Division is required to provide the Board of Examiners quarterly reports regarding lands or interests in lands transferred, sold, exchanged, or leased under the Tahoe Basin Act program. Pursuant to Chapter 355, Statutes of Nevada, 1993, at page 1153, the agency is to report quarterly on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program. This submittal reports on program activities for the 4th quarter of Fiscal Year 2018.

### **C. Department of Motor Vehicles – Complete Streets Uses**

Per the Governor's request during the November 2015 BOE meeting, a letter was sent to Clark, Washoe and Douglas counties and Carson City Consolidated Municipality requesting reports on how the Complete Streets Program funds are being utilized. This report is for funds received through June 2018.

#### **D. Department of Motor Vehicles – Complete Streets Program**

Pursuant to NRS 482.1825, Subsection 2, the Department of Motor Vehicles shall certify to the State Board of Examiners the amount of the voluntary contributions collected for each county by the department and its agents, and that the money has been distributed as provided in statute. This report is for the period beginning April 1, 2018 and ending June 30, 2018.

**Governor:** Agenda item 14, Reports. Mr. Nicks.

**Clerk:** There are four information reports under this agenda item.

The first report is on overtime and accrued compensatory leave for the fourth quarter of Fiscal Year 2018. My staff summarized the report into a two page summary, so I will not read the details but will hit a couple of highlights. For Fiscal Year 2018, overtime pay and comp leave accounted for a total of approximately \$46.27 million, or 4.5% of total pay, a 1.2% decrease from fiscal year 2017.

The Department of Health and Human Services (DHHS) had the highest amount of overtime and comp time at \$2.42 million or 3.12% of their base pay for the 4th quarter, followed by the Department of Public Safety at \$2.13 million or 8.98% of base pay. Those two agencies accounted for 52.9% of the overtime for the quarter.

For Fiscal Year 2018, the Department of Corrections has incurred \$14.4 million in overtime and comp time or 9.24% of base pay while DHHS has incurred \$11.03 million of overtime and comp time or 3.79% of base pay. Those two agencies account for 55% of the overtime and comp time for Fiscal Year 2018.

At the Department of Corrections, overtime and comp time at the seven locations on Page 2 accounted for 71.9% of the total overtime for the Department.

By event code, the highest four causes on Page 2 accounted for 72.8% of the overtime at the Department of Corrections for 4th quarter Fiscal Year 2018. At the Department of Health and Human Services, the four event codes on the bottom of Page 2 accounted for 68.7% of their overtime. Looking at the 1st quarter of 2019 for these two departments, and through 5 of 7 pay periods for the quarter, the Department of Corrections has incurred \$1.75 million in overtime and comp time, while DHHS has incurred \$1.88 million.

**Governor:** Thank you. But at least with regard to Corrections, it's a great improvement. I know we have representatives from the Department of Corrections here, so I wanted to make sure that was noted. I know that overtime is somewhat inevitable, but it's a dramatic improvement over what was occurring before. Thank you very much for that. All right, Mr. Attorney General, any questions with regard to agenda item number 14?

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

**Governor:** We'll move on to agenda item 15. Oh, three more, whoops! I got in a little bit of a hurry. Why don't you go with those, sorry, Mr. Nicks. Please proceed.

**Clerk:** The second is an informational report regarding lands or interests in lands transferred, sold, exchanged or leased under the Tahoe Basin Act Program as well as a quarterly report on the status of real property or interests in real property transferred under the Lake Tahoe Mitigation Program which are required pursuant to NRS 321.5954 and Chapter 355, Statutes of Nevada, 1993 respectively.

This report is for the quarter ending June 30, 2018. There was one transaction under the Tahoe Basin Act consisting of a 0.46 acre donation in Incline Village that will be managed as open space. There were six transactions under the Lake Tahoe Mitigation Program resulting in a sale of 3,832 square feet of land coverage resulting in proceeds of \$81,431 for the Nevada Land Bank.

The third report describes the uses of the Complete Streets funds by the four recipient counties as requested by the Board at the November 2015 meeting.

The fourth report is from the Department of Motor Vehicles on the voluntary contributions collected by County pursuant to NRS 482.480, the Complete Streets Program, for the period from April 1, 2018 to June 30, 2018. During the quarter ending June 30, the Department collected \$89,642 compared to \$80,033 in the same period last year and \$87,815 collected last quarter. For the year, the Department collected \$336,129, a 2.3% increase from the prior year. Of the amount collected, approximately 78.07% was from Clark County, 16.02% was from Washoe County, just over 3% was from Carson City and just under 3% was from Douglas County who started participating in late Fiscal Year 2016. After deducting 1% to administer the collection and distribution of contributions, the Department distributed \$332,768 to the four counties for Fiscal Year 2018 compared to \$325,283 in fiscal year 2017. Approximately 13.9% of those registering a vehicle during the fiscal year contributed to the Complete Streets Program ranging from 10.38% in Douglas County to 15.01% in Clark County. This is a decrease from the 14.3% who contributed in Fiscal Year 2017.

**Governor:** Thank you, Mr. Nicks. Any questions, Mr. Attorney General?

**Attorney General:** No, Governor. Thank you.

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

**Governor:** All right, we'll move to Public Comment. Before I ask for public comment from Carson City, I just wanted to remind everybody that today is the anniversary of 9/11, the 17<sup>th</sup> Anniversary. It's also Patriot's Day and a National Day of Service, so respectfully ask if someone would take a private moment, perhaps now, and think about the victims of 9/11 and provide some thanks for our first responders, law enforcement, fire fighters, medical providers, everyone else who is associated, our military, with keeping us safe. [moment of silence] Thank you very much. All right, any public comment from Carson City? I hear and see none. Any public comment from Las Vegas?

**Attorney General:** None here, Governor.

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

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

**Governor:** Is there a motion to adjourn, Mr. Attorney General?

**Attorney General:** Move to adjourn.

**Governor:** Attorney General has moved to adjourn, I second the motion see and hear no further discussion. That motion passes 2-0. Thank you ladies and gentlemen, this meeting is adjourned.