



STATE OF NEVADA
BOARD OF EXAMINERS FOR SOCIAL WORKERS
(BESW)

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Board Meeting Minutes, Wednesday, November 16, 2022

The November 16, 2022, Board Meeting was called to order by Dr. Esther **Langston** at 9:08 a.m. A **Roll Call** was taken. Board members in attendance: Linda **Holland Browne** (late arrival due to technology difficulty), Abigail **Klimas**, Esther **Langston**, and Jacqueline **Sanders**. BESW Staff in attendance were Sandra **Lowery** and Karen **Oppenlander**. In attendance was Homa S. **Woodrum**, Senior Deputy Attorney General. Consultants in attendance: Suzanne **Olsen**, Casey Neilon; Kelly **Marschall** and Margaret **Del Giudice**, Social Entrepreneurs; Nick **Vander Poel** and Omar **DeLaRosa**, Flynn Giudici. Guests: Stacey Hardy-Chandler, Dale Atkinson, Cara Sanner and Jennifer Henkel, Association of Social Work Boards; Lisa DeHart, DWSS, and Shelby Riley, DCFS, State of Nevada. Board Counsel/ Deputy Attorney General **Ward** had a scheduling conflict; and Board member Susan **Nielson** had an excused absence.

Public Comment: There was no public comment in person or online.

Langston moved to **Agenda Item 3A - Association of Social Work Boards Updates (Discussion Only)**. After an introduction of Dr. Stacey Hardy-Chandler, CEO, Dale J. Atkinson, Esq., Jennifer Henkel, and Cara Sanner, there was a presentation on ASWB Examination Development Process and Release of 2022 ASWB Exam Pass Rate Analysis.

Dr. Stacey Hardy-Chandler started the ASWB presentation by going over the mission describing it as 'living', and that the mission is at the forefront of ASWB discussions on an ongoing basis. The mission of ASWB involves providing support and services to the social work regulatory community for the Nevada Board and all the other 63 jurisdictions that make up ASWB member boards and the Canadian colleges. Other parts of the mission are to advance safe, competent, and ethical practices to strengthen public protection. And when we're talking about regulation, public protection is at the forefront. When we are talking about the exams, she emphasized accountability. Accountability to the public is part of what the exams provide. ASWB oversees the examination program and provides other services to support and supplement what government entities do.

There are two things that Hardy-Chandler wanted to accomplish during the BESW meeting. The first is that there have been a lot of conversations without ASWB present in the conversations, in the absence of accurate information about exam development, including the very extensive and robust anti-biased measures that are incorporated into the exam. As this is complex, and Hardy-Chandler would give an overview.

The second thing she wanted to accomplish was to talk about ASWB'S upstream solution-focused approach to address disparate outcomes. There are gaps in how people are performing in terms of pass rates. There's a distinction between the message and the messenger. And that there has historically been some conflation with the test sort of serving as the messenger, and the message that is coming out of that. So, we really want to separate those out and really

highlight how we can use the test for accountability to change what those outcomes look like in the future. Licensure decisions include various factors. One critical factor is education that comes from an accredited school. Another factor is the exam, and in the case of the clinical exam there is supervised experience. She would argue that in the case of exams, that the practicum is part of the experience too. And another factor is moral character. So, all these factors add up to licensure and the exam is not in isolation, and the exams are one important part of that whole equation.

Hardy-Chandler said that historically, social work has grown. ASWB stands by the position that social work is undoubtedly a profession. Social work requires a high degree of training, experience, and competence. ASWB believes that professionals should be compensated commensurate with their training, education, and competence. And therefore, our role includes verifying minimum competency, investigating complaints, and all the other things that boards do.

She continued stating that it's essential to a board's regulatory duty to verify the minimum competence for a profession. It's an objective component of licensing decisions and competency and is the threshold for entry into practice that demonstrates that first day knowledge that people need for each of the bachelor's, master's, or clinical levels. At this point, she turned the presentation over to Dale Atkinson, general counsel to ASWB.

Atkinson spoke about ensuring that examinations are valid, reliable, and legally defensible. He began with validity measures saying that validity assures that you are assessing what the exam is intended to assess. Validity is that it tests what it's intended to. To test reliability is that those with similar knowledge, skills and ability will receive similar scores. And so, to use an example, if *'I am unsuccessful on the exam and I do nothing to enhance my knowledge within the areas where I was weakest and I take the exam again, I will likely receive a very similar score'*. That is a reliable factor, which is also used to determine the legal defensibility of an exam program. The result of validity and reliability is that the exam can be defended for the purpose for which it is used in the event of a challenge. This protects all the ASWB member boards. He emphasized that ASWB is made up of member boards like Nevada and its colleagues from around North America, both U.S. and Canada. This is your program, this is your examination, and it is driven by formal standards i.e., ASWB follows rigorous standards. In addition to legal defensibility Atkinson mentioned other benefits e.g., portability, mobility that can be used within multiple jurisdictions, or all jurisdictions that recognize the exam for purposes of licensure, transfer endorsement, reciprocity, and the movement of practitioner.

Next, Hardy-Chandler spoke about the process by which the examination is developed. Basically, the exam comes from practitioners out in the field who say what someone coming into the field needs to know. She shared who is involved in the exam development because there's misinformation about that. ASWB has about 20 personnel devoted to exam development and exam administration and their work is logistical. There is no one at ASWB who is writing the exam; and that is something that some people misunderstand. Part of the exam process is also working with external vendors like Pearson Vue Test Centers, the development consultants that oversee the item writing process, and the 65 volunteers (your colleagues from across the U.S. and Canada) who make up the various committees for each of the exam levels. In addition, there are almost 90 item writers; and they are not ASWB employees, but again, people out in the field. So almost 200 people are involved, of whom only about 20 are ASWB staff and they are doing the administrative components of the work.

Our colleagues that work as social workers are making the content contributions. They are selected for all kinds of demographics, diversity, geography, and are at different stages of their careers with some a bit earlier, and so forth up to those heading toward retirement. We want private practitioners, school social workers, medical social workers, social workers from every realm. We also want faculty members to be a part of the item writer pool. While Atkinson talked to us about legal defensibility, she believes that it is the work of item writers to make this exam morally defensible. She gave an overview of the exam. There are 170 items, 150 are scored, 20 are pretested, and they are not scored. The exam is a four-option multiple choice exam, which will change to a three-option multiple choice exam. And that is because data has shown us that the *'fourth wrong answer'* doesn't help or hurt candidates. We're removing it, but keeping the four hour timeframe. There's a universal passing score. If I take the test in Nevada or take the test in British Columbia, or take the test in Virginia, the passing score is the same. There are multiple forms of the tests that are rotated quarterly. It's not just a single version. There are equivalent versions of the test, and it's a delivered at Pearson Vue Test Centers. That's so that even the environment is consistent for everyone who's taking the test.

Let's go into what I think is probably the most important. This is the reason why we're here and sharing this information, and that is to enlighten people about the exam development process. And again, to bust some myths about how that happens. It really begins with the recruitment process. We recruit from across the profession for item writers, and then when they're selected, they're trained in how to write tests that avoid microaggressions, that contain the clearest possible language. Moving to item creation, those 90 writers are continuously submitting exam items.

The first line of defense are those consultants we discussed. All the items go to them, they look at them, and either the item is sent back, or it may go on to be reviewed by the exam committee. Again, it is not immediately put on the test after that it goes to the exam committee. I've had the opportunity in my four short months with ASWB to watch the exam committee at work; and it is, in my opinion, one of the most productive, healthiest processes. Ego is left at the door and the sole focus is to examine each item individually and to make them the strongest possible items. They can either reject the item or they can return the item for revision or the item can be accepted. Here's the key point. Once it's accepted, it still doesn't go into the scored part of the test. It goes into pre-testing. This is where the psychometrics kick in. Those items are mixed in with all the other items, and they need to show good statistics before they make it onto the scored portion of the test. If they show poorer statistics, then it's flagged for differential item functioning. If it's flagged then it's re-looked at, it can be reworked, it goes back up to the exam committee for them to go through that same decision-making process. And even if it's accepted, it again goes back into pre-testing. So, only the items that show good statistics, meaning no difference across self-identified demographics, make it onto the scored portion of the test. It's a very complicated process. We've seen questions about whether this meets the industry standard. This is the industry standard.

Then the question is raised, "With all of that going on, why then are there disparate outcomes?" Giving a personal example, Hardy-Chandler referred to a picture of Misty Copeland. She is a black ballerina, and Copeland was asked, why aren't there more ballerinas of color? You know, we try to let them know about the auditions and make those auditions open and accessible. And she has a response that I think some in our community are still grappling with. But what she understands is that you must start earlier. She said, *'Don't ask at the audition. Get them in the schools, get them early on, go up the pipeline and recognize that there are impacts there that affect whether people even come to an audition'*. Hardy-Chandler continued. Personally, I know

that there are factors that are a part of people's experience, and they are different for historically marginalized groups and people of color leading up to the exam in the years and the months, and even sometimes the generations, even before they register for the exam. And that is an important point. So, the burdens that I think that people bring into the exam, those are the things that we want to look at. We want to partner with other parts of the profession to see how we can make some of those upstream changes.

Education is important, but those of you who are in education know that there is a great deal of diversity and what happens in the educational experience, academic freedom allows people to have a very different experience. At UNLV where I was on faculty versus George Mason where I was also on faculty on the other side of the country, were very different experiences even though both are accredited institutions. There can be great diversity in the experiences that people have in preparation for the clinical exam. I had the great fortune of having an excellent supervisor who challenged me, who wanted me to be a critical thinker, who helped me see things 360 degrees. But if we're honest, we know of people having experiences where some are merely signing off on hours, unfortunately. So, the exam offers that consistent objective part of this entire equation that speaks to the licensing process. That's why we believe it's a critical part of the formula, and that's why we continuously analyze the exam and really want to look at some of these impacts earlier on.

What are we doing? ASWB is looking at how we can engage other parts of social work. We're regulators. We know our lane as regulators. But we are not the whole and we want to partner, join with, work with, help educate other components of the social work profession so that we can have a systemic response to what we're seeing here. So, ASWB is hosting a social work workforce coalition. They've had a couple of meetings already with representatives from many organizations across the social work profession. And their role is to help guide and direct some things that we want to do innovatively with the next practice analysis. Remember the practice analysis, the thing that supports the validity of the exam? We really want to expand and magnify, and we want it to be the practice analysis on steroids, so to speak. We're calling it a social work census and that will be coming out in 2024. This will form the blueprint for the next version of the exam. Let me pause here and say that while we're continuously looking at how the exam should evolve, and how we should measure competence, ASWB is also looking at alternative ways of measuring competence too. So it isn't that we're locked into the exam as it is. The exam is the state of the art of as of today. But that doesn't mean that it is the only thing. We're wanting to be intentional about what alternatives might be out there. We don't believe in knee-jerk responses to getting rid of this or adding something that hasn't been thoughtfully examined. We don't want to, in five years, see the same disparities that we see today. We want this to be an intentional process.

We also have resources for educators. An expanded version of resources for educators was released in August 2022. The curriculum guide has been available before then but has been underutilized by educators. Again, if we're going to touch people and educate them about licensure earlier on, we certainly want to be providing educators with information that's useful. We're also going to be hosting community conversations. For those of you who are researchers, these are like focus groups, welcoming the voices from across the social work profession.

Next, Hardy-Chandler discussed the 2022 ASWB Exam Pass Rate Analysis Final Report. The whole report is 94 pages and has a lot of information in it. It's descriptive data at this point. You can see Nevada and how it has performed along some of the demographic categories. And there are reports for each of the 800 plus schools of social work, not only by pass rates and

demographics, but also by subject areas. She briefly covered Nevada's data for clinical, masters, and bachelors' exams. And additionally, Hardy-Chandler presented information specific to University of Nevada (Reno) and University of Nevada, Las Vegas.

Next, she turned to addressing some common questions that have been asked starting with: *Why is the disaggregated data being published now?* In November 2021, the ASWB board of directors voted to invest in releasing the data; and they voted to invest in the analysis and compilation of this data that consists of tens of thousands of test administrations over the course of a decade.

Another question that is asked: *What are the exam ramifications on the social work profession?* She said that she thinks that the exam is part of measuring up to professional standards and that maintaining the exam is a critical piece of how we meet professional standards. That is the importance of these conversations and why we really want to get accurate information out there.

A question that comes up is: *Will the test be translated into other languages?* Now that you've heard about how the test is developed, you know that there are multiple forms of the test. There are evolving test items. So, this is not something that you can just throw in Google Translate and get an equal version. Also, those of you who know multiple languages know that the translation of the words doesn't necessarily equate to the translation of the meaning. It's a very complex undertaking, and certainly a reasonable question in light of the fact that we know that those who have English as a first language do better on this test. What we're doing is starting to work with our Canadian members. As you know, in some parts of Canada, French is the legal language of the province. We're looking at what that might look like in terms of translation in French. And from those lessons, hopefully we will be informed about how we should proceed with other translations.

Another question: *What impact does all of this have on the multi-state compact efforts?* Hopefully minimal. ASWB is very active in promoting the compact which includes, for good reason, a national test component and supports mobility, which has been part of ASWB's history from the very beginning.

And "the" question: *What can the broader social work community do?* We encourage the broader social work community, including our members, to encourage all social workers to participate in ASWB initiatives. There are a number of things coming down the pike, as you've heard. The involvement of social workers is going to inform a lot of what happens next. We want to hear from the profession. We ask that everyone questions these quick soundbites. Nobody should develop a strategy based on Twitter. People will come up with so-called facts even in the absence of talking to regulators. We ask that you come with curiosity to those spaces and encourage others too as well. It's easy to lock on to some of the things that are being passed around, but what's being passed around is a lot of misinformation as well. We encourage you and everyone that you work with to support our future research effort aimed at answering questions raised by the descriptive data. The data gave us some answers, but it also gave us a lot of questions that we need to do more sophisticated analyses moving forward. And you may know that we have sent out an RFP for research to look at regional differences and more. With same exact tests, same exact pass rates, same exact process, we can see huge differences across schools. There are some schools where disparities don't exist or where people of color are doing better. We need to understand what's happening in these places. And wouldn't it be amazing if we as social workers got those answers? And when we found areas and strategies that mitigate the ravages of racism and oppression, we share that information with other areas,

and other schools. Imagine the impact of that. So, we will need to do more research that is not based on assumptions and is based on actual information. We encourage you to continue to use us as your member association. As I said in the very beginning, in our opening statement, ASWB does not exist without its boards and colleges. And we see you as vital to anything that happens moving forward. We believe that a lot of good things are going to happen. Thank you very much for your time and attention. I really appreciate the opportunity to share with you today.

Langston thanked ASWB for providing information to the Board. She then asked for questions. Not hearing questions, she commented that when we have conversations with our colleagues around the state (or wherever we are), that we now have information that we can share that maybe some of us did not know in advance. And as ASWB moves forward in this process, please encourage your colleagues to be a part of the solution, not part of the problem.

Moving to Agenda Item 3A, ii - Recipient of the 2022 Sunny Andrews Award at ASWB Annual Meeting, November 19th, Scottsdale, Arizona, **Oppenlander** shared that the recipient of the 2022 Sunny Andrews Award at the ASWB annual meeting will be Vikki Erickson, immediate past Board Chair of BESW. She was nominated by BESW, and Board member **Sanders** will be presenting the award to her. As you will recall, in a recent board meeting **Sanders** was selected by the Board to attend the ASWB meeting. As another one of her duties in attending, **Sanders** will be voting on the election slate at the 2022 annual meeting of the delegate assembly. **Langston** suggested that **Sanders** may want to consult with Vikki about the ballot as she was on the ASWB nominations committee. **Langston** congratulated Vikki Erickson for her hard work. The Board is very appreciative of what she did, and because of that, it resulted in her nomination.

Holland Browne joined the meeting after resolving technical difficulties. **Oppenlander** let her know that **Agenda Item 3B - Review and Discuss October 19th, 2022, Board Minutes. (For Possible Action)** was pushed forward to the December board meeting agenda.

Next Agenda Item is **3C - BESW Audit for Year Ending June 30, 2022, by Casey Neilon, Inc. (For Possible Action)**. The presentation will be made by Suzanne **Olsen**. It was suggested earlier that the possible Board Action will be to approve that a draft version goes forward to Board meeting in December 2022 for final Board approval. **Olsen** greeted Dr. **Langston**, the Board members, and all other attendees. In **Olsen's** self-introduction she stated that she was the managing shareholder of Casey Neilon for the audit for the Board of Examiners for Social Workers.

Olsen covered auditor responsibilities and BESW responsibilities and the audit report as well. Casey Neilon is required to communicate this information at the conclusion of every audit that is performed. She went over some of the significant audit matters that were encountered this year. The management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Board are described in note one of the financial statements. Another item that she brought forward was the implementation of GASB 87, which brings operating leases onto the statement of net position e.g., the operating lease for the office building that has been recognized as rent expense. Now, we have to present the value of the lease, the remaining lease on the balance sheet as an asset and amortize it. And then, we must report a corresponding liability. As the payments are made, that liability gets reduced. So that implementation was made effective in this fiscal year. **Olsen** will be showing disclosures related to this when she presents the financial statements.

The auditor noted no transactions entered by the Board during the year for which there was a lack of authoritative guidance or consensus. And all significant transactions have been recognized in the financial statements in the proper period based on testing.

Another area of the presentation is related to sensitive accounting estimates. The most sensitive accounting estimate that is reported on the financial statements is the management estimate of the liabilities for pension. These estimates are based on information provided by the State of Nevada. These liabilities were supported by actuarial opinions as required by generally accepted accounting standards. The auditor evaluated the key factors and assumptions used to develop the liabilities in determining that it is reasonable in relation to the financial statements taken as a whole. So, while it says management's estimate of liabilities, that information does come from the actuarial reports that are provided State of Nevada PERS. The calculation from the employee allocation from the actuary report and is disclosed in detail in the financial statements.

Of note, the financial statement disclosures are intended to be neutral, consistent, and clear. The auditor did identify some misstatements and journal entries were prepared and are being provided to management so that they can be entered into the book of record. One entry was above trivial (at \$1,800) but was below planning materiality; but since it was an error, we corrected it. Then, we had an adjustment that was identified for a transaction recorded in an improper period. We will plan to work with BESW to help create a better report so that it can record that activity as it's happening throughout the year and not something that's being recorded at the end of the year during the audit.

We encountered no difficulties during the audit and getting information that we needed; management was great. There were no disagreements with management during the performance of our audit. And we will provide a management representation letter to be signed prior to the issuance of the audit. We did not need to consult with any other independent accountants re: the actual operations of the current year that we were auditing. We did review predecessor auditor work papers during our engagement so that we could substantiate the beginning balances going into this year's audit. In the communication with governance letter, we identified that we did discuss audit findings and issues throughout our audit. We do have a couple of findings that we'll report on the internal control report that's included with the audit. There weren't any new findings; however, the findings that existed in the prior year still exist in the current year and will be discussed further.

To conclude the auditor's required communication with the Board, the matters identified where you are required to report supplementary information are management discussion and analysis, pension information, and then the budgetary information of current year to prior year. There are restrictions on the use of the report as this information is intended solely for the information and use of the Board, and management of the Board and is not intended to be and should not be used by anyone other than these specified parties. **Woodrum** spoke about the auditor's use of 'boiler plate' information but wanted to know that it is understood by the auditor's team that the Board's scope of use would include further disclosure to governing bodies that oversee the Board, posting for the Open Meeting Law, and would be subject to Public Records Act request(s), asking if this is "Correct?" **Olsen** agreed that this is "Correct". **Olsen** further reiterated that the auditors understand that the meeting minutes, this report and attachments to this report are in a public forum.

Olsen brought the audit report online to go over with the Board members. She pointed out the audit report opinion and stated that it is an unqualified opinion. There was nothing outside of the normal scope of the audit to report and that is the highest assurance that they can provide in an audit report. And the letter also provides the information referred to earlier: responsibilities of management for the financial statements, and then it provides the auditor's responsibilities to the financial statements as well. The letter discusses the required supplementary information, and they provide the pages that it's on, their responsibility to testing or how they verify the data associated with that required supplementary information. And then the auditors also provide the internal control report that will be reviewed and the management's discussion and analysis.

The changes made since sending forward the draft report for the Board meeting were pointed out on page seven of the pdf. The last sentence needed to be updated from the "deficit for 2022 was \$77,474" which was not accurate as the Board did not have a deficit in fiscal year 2022. You have positive net position of \$175,160 which shows that the net position has improved from fiscal year 2021 when there was a deficit of \$77,474. Another thing **Olsen** referred to was how GASB 87 is presented in the Notes to Financial Statements e.g., on page eight and then page nine you see that they added a line for right of use assets net. So that means that it's an asset minus accumulated amortization and we amortized what's remaining on the lease of building and a few other assets (postage machine, multifunction printer). In the prior year, we added the balance of \$94,047. In the current year, that balance drops to \$74,607. And then for lease liabilities, the lease liability is \$94,539 for the prior year. And then for fiscal year 2022, it drops down to \$75,613. And the difference between those numbers is the difference between the present value and the original value of the lease. And that is what is hitting your bottom line or changing that position for the year. As you see, it's a small number. The prior period adjustment, and the impact of GASB 87 on your bottom line was \$492 and the biggest change is not the impact to the bottom line, but the biggest change for GASB 87 is putting the asset and the liability on the statement. We are only required to report that change in that position in the current year. Going forward, we will be able to prepare that comparative view as you're used to seeing in your other audits because GASB 87 will already be implemented.

Olsen further showed the Board how the details of the leases or subleases are detailed in the audit. Then showed the disclosure for pensions. The wording and structure have not changed from prior year audit.

The auditor did not become aware of any litigation that required disclosure or adjustment. The auditor will need to have a legal representation letter from the AG'S office that gets the auditor through approximately the date of their issuance report that identifies whether there's anything that's reportable. **Woodrum** clarified that **Olsen** will need a letter stating that there is nothing pending at this time that also has something specifically addressing a resolution of previously pending matter and that she will pass this through to **DAG Ward**.

Olsen continued with the audit distinguishing between general fund and government wide financial changes that were reported on the statement of net position and the statement of activities in governmental fund revenue expenditures and changes in fund balances. Those things include the pension information, compensated absences, the lease liability for GASB 87 and then fixed assets and depreciation. All of those are adjustments get us from the general fund to the government-wide financial statements. She also went over Notes to Financial Statements including the final note on page 21, Note 10 - Risks and Uncertainties that is required and identifies COVID and that we still don't have the full impact of what that means to the Board.

Olsen then went into the required supplementary information that has the final budget information. Revenue was in excess over expenditures, based on budget to actual by \$199,598, and then there are the next set of required disclosures. This includes the required pension information that comes directly from a calculation of the Board's proportionate share of PERS pension information. This audited information comes from the employer allocation actuary report for pension information and indicates the Board's proportionate share.

Next, **Olsen** explained the compliance section that is titled Independent Auditors Report on Internal Control over Financial Reporting and on Compliance and other matters based on an Audit of Financial Statements performed in accordance with Government Auditing Standards. This report identifies whether there are compliance issues or other matters that raised to the level of a deficiency, a material weakness, or a significant deficiency. A deficiency in internal control exists from the design or operation of a control, does not allow management or employees in the normal course of performing their assigned functions to prevent or detect and correct misstatements on a timely basis. A material weakness is the deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. In the prior year, there were two items that were considered deficiencies and they were material weaknesses. A significant deficiency is a deficiency or a combination of deficiencies and internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. And there was one finding that was determined to be a significant deficiency. We did not find any internal controls related to compliance and they were just related to misstatement. So, the auditor left the prior year schedule of findings and responses. **Oppenlander** did confirm that there was no change from prior year to current year, but it is something that we will be discussing as the Board moves forward with strategic planning later today.

Olsen continued by explaining the criteria for the first financial reporting material weakness. The criteria are that management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is having the capability to prepare full disclosure financial statements in accordance with generally accepted accounting principles. The condition was that the auditors assisted in the preparation of the financial statements, including posting government wide journal entries. The Board does not have the experience to prepare full disclosure financial statements in accordance with generally accepted accounting principles and procedures have not been implemented to ensure that Board personnel possess the experience. In effect, financial information prepared by the Board may not comply with generally accepted accounting principles. The recommendation is that the Board implements procedures to provide training in the preparation of governmental full disclosure financial statements in accordance with generally accepted accounting principles. The Board agreed with this finding in fiscal year 2021 and as stated, **Oppenlander** indicated that there were no updates to staff preparation of financial statements during the 2022 fiscal year.

Oppenlander commented about the fiscal year 2021 findings that Board members **Klimas**, **Sanders**, and **Nielsen** were aware of. That audit was approved in January 2022 shortly before the Board had changes in Board composition for two of the membership. While the Board had determined that it would like to strategically plan how to move forward with the findings, the first matter that the Board delved into after the last audit was to focus on the Board Reserves. **Olsen** located the area of the audit where the five different types of reserves that Boards can have, are called out: non-spendable, restricted, committed, assigned, and unassigned. Earlier in 2022,

the Board invited Loretta Ponton from the Administrative Collaborative to explain how other small boards deal with these categories and how other boards determine how to structure their reserves. At a sidenote: If we back up to 2018, when **Oppenlander** first started, BESW was close to bankruptcy and did not have significant money to manage. Therefore, there was no real understanding of what having reserves was about when legislative committees queried the Board on the status of its reserves. First in 2022, the Board went through a process of learning about and then setting a reserves policy. The newest Board membership helped with those decisions. Later, during the September 2022 Board meeting **Oppenlander** stated that the Board would need to strategically plan to address the items from the 2021 audit and embed them into the newest strategic plan. In this way, the Board would be able to 'own' the weaknesses and figure out how to handle them. **Oppenlander** asked **Olsen** to go back to the portion of the 2022 audit that deals with deposits with financial institutions. This note came after the September Board meeting where I read into the minutes that now that the Board has monies, this Board must and is obligated through their fiduciary responsibility to figure out how to manage the money. When we didn't have enough money to make ends meet, that was a different day. Because we had fee increases approved by the legislature in 2019, now we're starting to see the benefit of it. For the first time, we have enough money to maintain reserves, but we haven't figured out how we want to do that. For example, the monies could be in laddered CDs at various banks so that BESW wouldn't have all the money at Bank of America. We could choose to put some of the monies in Wells Fargo for example. She stated that she was just suggesting banks to get the ball rolling on how the Board could move forward successfully. She wanted to be certain that the audit statements flow right into the next agenda item because we strategically placed the strategic plan agenda item to come right after this presentation.

Olsen moved Material Adjustments. Material weakness is the second finding. The criteria: Management is responsible for establishing and maintaining an effective system of internal control or financial reports. Financial statement reporting: One of the components of an effective system of internal control over financial reporting is oversight of account reconciliations and using reliable correct supporting evidence and calculations of balances. We propose material adjustments to capitalize capital assets, correct beginning and ending unearned revenue balances, and to correct the compensated absences liability. The overall review and oversight of these balances did not occur after all yearend adjustments were complete. The conditions indicate that errors in the year end closeout process are not detected and corrected in the normal course of business. The cause of this: Procedures have not been put into place to review and approve these account balances. The effect: Data used by the Board to prepare financial information may not be reliable. Earlier when I showed you the adjustments that we want the Board to input, those work for the general fund. And the reason why we're only proposing those for the general fund is because none of the government-wide adjustments have ever been recorded on the general fund. And if it is your policy, if you decide that it is your policy to only operate the general fund throughout the year and just to have those adjustments recorded at the end of the year, there just needs to be an understanding with management as to what those are, how they're calculated, and how they're reported. That's the difference between the entries you saw earlier, is that this material weakness is addressing the effect data used by the Board to prepare financial information and may not be reliable. We recommend the Board implement procedures to provide training and management review and approval over account balances and to retain such supporting documents. This finding was agreed to in fiscal year 2021, and there was no change to the views of the responsible official in fiscal year 2022.

The final finding is a review of the actuary reports and significant deficiency. The criteria: Management is responsible for establishing and maintaining an effective system of internal

control over financial reporting properly. Reviewing the actuary report on the pension: There is a key component to effective internal control over financial reporting. The condition during our testing over occurs. We noted the actuary reports were not adequately reviewed by management to ensure the consistency with current information and reasonableness over the assumptions used by actuaries. And because the Board did not have adequate controls to provide for the review of the PERS account balances. The effect: PERS obligation balances at year end may be misstated in contributions paid into these plans are not appropriate. The recommendation, we recommend the Board implement internal controls to provide for the review of the actuarial reports and retain evidence of such a review. The views of the responsible officials: The Board did agree with this finding during fiscal year 2021 and there were no changes during fiscal year 2022. At that time, **Olsen** concluded the audit report.

Motion was made by Linda Holland Browne to approve the June 30, 2022, Audit Draft with the caveat that the Audit Draft would be submitted to the State of Nevada before the deadline of December 1, 2022; and that the Final Audit would be submitted to the State of Nevada after the Final Audit is presented at a future Board meeting for approval; seconded by Jacqueline Sanders. The June 30, 2022, Audit Draft was approved unanimously.

Oppenlander thanked Suzanne **Olsen** from Casey Neilon for stepping as BESW's new audit firm. And, fortunately there will be continuity as they will return for the June 30, 2023, audit.

Langston moved to **Agenda Item 3D, Review and Discussion of the Strategic Plan from July 1st, 2023 – June 30th, 2026, with Social Entrepreneurs. (For discussion only).** Kelly **Marschall** made a self-introduction and then introduced colleague Margaret **Del Giudice** who will be working with the Board. **Marschall** began by letting the Board know that she has several items that they will need feedback on today. As we are revising the current strategic plan, we have considered the previous presentations and also considered new developments i.e. we have situational awareness of what is the current position for the Board so that we can integrate that into the strategic plan. Therefore, she would want to differentiate, with slides specifically about what's in your 2023 plan. And they've collected a significant amount of information from the Board and some guidance from you related to critical issues to address moving forward.

And that's always a moving target as you get more information and things emerge in the environment. We want to integrate that learning like the learning from Ms. **Olsen's** audit presentation today. This may inform some potential goals and action steps that you have in your upcoming strategic plan. We also want to have that same situational awareness of developments at the national, state, and legislative level. Our plan is to meet in January to begin to frame out, really in depth, what will be in the strategic plan. And then you will have opportunities to maybe augment before adoption prior to June 30th. And so, we always start with prioritizing those critical issues and then establishing goals to address those critical issues. Then we basically build out the scaffolding of the strategic plan. So those goals and critical issues are the framework, and then we want to put in strategies and then accountability factors, including who is the lead for this, what is the ideal timing, and how will we know it happened? What is the measurement for action? That's the frame or lens to use as we discuss some kickoff items. First -- What kind of strategic plan do you want? **Del Giudice** put together a slide that depicts what SEI thinks are the three ideal options to choose from: (Option 1) Table with Narrative; (2) Table; (3) Infographic. After some discussion, the Board gave some direction that Option 1 – The Table with Narrative would perhaps work the best for most people.

people who process differently an opportunity to reflect overnight. And you're doing all this preparation up to this point, but not to meet in just one day and say, okay, here's our critical issues, here's our goals, here's our strategies, here's our accountability items, and then not have that thought that hits you in the middle of the night that says, oh wait, what about this? We hope to have a draft on one day and reflect and refine on the second day.

The basic temperature check is if there is any concern about moving from an in-person meeting to a virtual meeting? **Langston** prefers virtual meetings. **Holland Browne** looks forward to eventually be in person with everyone but right now a virtual meeting would probably be easier. **Oppenlander** added that the Board has not met in person since 2019. **Holland Browne** indicated that Thursdays and Fridays are more difficult days for her to schedule meetings.

Marschall refreshed everyone about Strategic Plan Goals to consider based on the SWOT analysis and previous discussions. A reminder of some of the things that came up include lack of dedicated personnel and staff capacity, lack of formal job descriptions and evaluation processes, process to track provisional licenses issued during the pandemic, developing regulatory pathways and partnerships between schools and boards, addressing regulations around telehealth, examining licensing exemptions, providing education on the Board to the two Nevada university social work program graduates, potential transition to a combined behavioral health board, and then a lack of public knowledge of social work as a field of practice. Those three pieces of partnerships, and pathways between schools and the Board providing education on the board to the two university social work program graduates and then the lack of public knowledge of the social work field actually fit very nicely with what is a critical issue for you to consider based on a previous discussion about community engagement. Also, it could be community engagement for equity and inclusion. There was an earlier reference today about the need to create pathways for more licensees (the Misty Copeland ballet dancer reference made by Stacey Hardy-Chandler, ASWB CEO) by starting earlier and reaching out to schools, including K through 12, also creating linkages with the universities. **Marschall** thought that the idea of promoting equity and inclusion, or broader community engagement, is one of the takeaways from the ASWB presentation.

And as a reflection back to you in terms of financial positioning and policy, you do have a piece in your strategic planning specifically around financial positioning. So, we may expand that to financial positioning and policy. And that could include the goals around financial training, policies and procedures, policies to manage financial resources and deposits with financial institutions. That reflection is all based on the audit presentation earlier about implementing internal controls. So, these are the crosswalk between those previous presentations today and how the Board could potentially utilize the critical issues we've been talking about or start brand new with other critical issues.

Currently, the critical issues discussed include Communications and Public Relations with Community Engagement as an issue that the Board wanted to tackle. The second critical issue is Board Operations, and noted were the Structure, the Function and Training for the Board. The third critical issue was the Disciplinary Function of the board. That's really part of your mission. And then the fourth was your Financial Positioning. And I will note that you've made considerable progress on your strategic plan related to financial positioning because when I last met with you for strategic planning prior to the update, BESW was in a deficit. And you know, now you have some assets, right? The issues have changed according to your audit, which is how do we ensure that we're depositing our dollars in a strategic way so that they're protected? How do we ensure that we have internal controls, and etcetera. It seems like that one is still valid. Other critical

issues, that we have not made decisions about, but you have elevated as things for discussion include the board design, staff structure, and then regulatory and licensing.

Oppenlander talked about 'other critical issues' to consider e.g., ideas shared during the Interim Session and previously in the last Legislative Session e.g., merging our database with other behavioral boards, and merging our behavioral board with other behavioral boards, and there's been a discussion again about bringing forward a bill for a mega board, and the formation of a social work interstate compact. These are potential staff structural changes and felt obligated to share this. If we just look at her position, the Board will need a succession plan for her retirement to then hire a new Executive Director (if the structure remains relatively the same). If it doesn't stay the same, two of the pathways that have been noted is that we would move into a behavioral board merger or a mega board merger. In those two cases, her position is eliminated in favor of an entirely different board structure. These are issues to consider, and they will all play out in this next session between February and June.

Marschall thought that one of the opportunities that we have prior to the adoption of the strategic plan is to potentially use the narrative with a table to include some of the unknowns or activities in progress that could impact the strategic plan. That way, there's kind of a caveat with some assumptions. For example, an assumption would be that the Board would retain its current structure as an independent operating board. And if that should no longer be the case, that you would then determine: Does that mean the strategic plan is null and void? So, I think that's just a note that as we think about the narrative and create a template for you to approve during our retreat as an action item, that we would add a section that would include the current situation and assumptions under which this strategic plan that is being developed to account for.

Next, **Marschall** stated that an intention would be to expand the table so that there would an accountability piece. We'd decide: Who is the lead? What is the timing? Are there resources attached to this? Is there a cost for implementing a particular strategy? Using the example of training the Board on financial policies, procedures, and practices in accordance with generally accepted accounting principles, there may be a cost associated with that. We will want to make those things knowable, visible. She also showed the Board the color coding for the Table. For example, your focus has been on moving things from paper to digital to having online licensing and renewals and then to have policies and procedures in place. And you've been focused on processing new complaints against licensees per NRS 641B, clearing 100% percent of the backlog disciplinary cases prior to 2018 by the target of December 31st, 2022. We'll do a temperature reading again on that in January to see if there is more that needs to happen there. And then we have the financial positioning piece. You can see Goal Five says address audit recommendations based on the management letter by June 30th, 2023. There may be some pieces you can address e.g., you can respond to a letter, you can agree with the letter, but, where the rubber hits the road is that you're taking action, right? To respond to the corrections and address the root causes. So, that may be built out in more detail should you retain this piece. And then you had a goal to set a number of months of financial reserves in accordance with recommendations for other similar small board organizations.

So, she wanted to give the Board a foundation as a launching pad or start afresh depending on what the priorities are. And to close out, some of the potential critical issues you would discuss for a new strategic plan have included that community engagement piece. There were some things around increasing the pipeline such as education around the practice of social work, and partnerships to increase awareness about opportunities for social work practice. But, developing a board social media presence, that is a standalone. I would also note that policies and practices

could be impacted by the interstate compacts or the mega board or behavioral health composite board. Also tracking telehealth regulations, and how that may impact social work. And then potentially creating pathways for more licensed social workers within K12 schools. If you were to retain that, it potentially is policy and practice, or it may be under community engagement. And internal board development, performance evaluation process for the executive director position, and then also addressing the recommendations for the most recent board audit. Those came up already, so that's clearly on your radar. Those are reminders of the kinds of things that we'll talk about using a facilitated process that is properly put on the agenda for when you have the two-day retreat/ workshop. There were no questions and **Marschall** concluded the strategic planning presentation.

Langston moved to **Agenda Item 3F – Review, Discussion of BESW License Processes and other items on Workforce Shortages in the Mental Health Profession in Nevada. (For Discussion Only)**. **Oppenlander** discussed the ongoing process of gathering information together to prepare ourselves for the upcoming legislative session. She updated the “Understanding the Challenge Report” by adding the things that were part of the October 2022 meeting. When the Board has ‘incoming’ during session, you’ll be aware and understanding the challenges that the state and that BESW are facing in order to make educated, informed choices. Therefore, we are continuing to update that report every month as new information is available.

Langston moved to **Agenda Item 3G – Executive Director’s Report. (Informational)**. **Oppenlander** mentioned that future agenda items include the 2023 Strategic Planning Workshop, a presentation by Kyle Hillman, Executive Director, National Association of Social Workers–Nevada; and there may be agenda items for NRS and NAC changes. Also, ASWB did not mention this today, but we wanted to mention that there is a free webinar being offered by ASWB on December 7th at 10 a.m. Pacific especially for educators, to give insights and resources that can be used to help students demonstrate their competence on licensing exams. If you have any problems finding that link, please let me know and I will send it to you. And last, the next Board meeting is scheduled for 9:00 AM Wednesday, December 21st, 2022.

Langston moved to **Agenda Item 4 -- Public Comment**. There was not online or in person public comment.

Langston moved to **Agenda Item 5 – Adjournment** at 11:34 a.m.

Minutes Respectfully Submitted by Karen **Oppenlander**.