

**\*\*\* NOTICE OF PUBLIC MEETING \*\*\***

**INFORMATION TECHNOLOGY ADVISORY BOARD**

<b>LOCATIONS:</b>	Legislative Counsel Bureau 401 S. Carson Street Room 2134 Carson City, Nevada 89701	Grant Sawyer Building 555 E. Washington Avenue Room 4412 Las Vegas, Nevada 89101
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If you cannot attend the meeting, you can listen to it live over the internet. The address for the legislative websites is <http://www.leg.state.nv.us>. Click on the link "Live Meetings"- Listen or View.

**DATE AND TIME: JULY 9, 2012, 1:00 p.m. – 4:00 p.m.**

Below is an agenda of all items to be considered. **Action will be taken on items preceded by an asterisk (\*)**. Items on the agenda may be taken out of the order presented, items may be combined for consideration by the public body; and items may be pulled or removed from the agenda at any time at the discretion of the Chairperson.

**AGENDA**

1. CALL TO ORDER

**Joe Marcella:** Okay. I'd like to call the meeting to order. Lenora, roll call?

2. ROLL CALL

**Lenora Mueller:** Assemblyman Bobzien?

**David Bobzien:** Here.

**Lenora Mueller:** Mr. Breslow?

**Bruce Breslow:** Here.

**Lenora Mueller:** Mr. Casazza? Mr. Denis? Mr. Diflo? Mr. Farrell? Ms. Fucci?

**Laura Fucci:** Here.

**Lenora Mueller:** Mr. Marcella?

**Joe Marcella:** Here.

**Lenora Mueller:** Mr. Mohlenkamp?

**Jeff Mohlenkamp:** Here.

**Lenora Mueller:** Ms. Parker?

**Carrie Parker:** Here.

**Lenora Mueller:** Mr. Willden? Mr. Chairman, that would be six for a quorum.

**Joe Marcella:** Thank you.

### 3. PUBLIC COMMENT

Note: No vote or action may be taken upon this matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. NRS 241.020

**Joe Marcella:** I'd like to open the meeting up for public comment. Is there anyone from the public north or south who would like to make a comment?

**Laura Fucci:** None down in the south.

**Joe Marcella:** And none up north? Hearing none, I'd like to close the meeting for public comment.

### \*4. APPROVAL OF MINUTES: June 11, 2012

**Joe Marcella:** Oh, I'd like a motion to approve the minutes from our June 11, 2012 ITAB Board. Do I have a motion?

**Jeff Mohlenkamp:** Jeff Mohlenkamp, I move to approve.

**Joe Marcella:** Second?

**Laura Fucci:** Laura Fucci, I second.

**Joe Marcella:** Good. Any discussion? All in favor?

**Group:** Aye.

### 5. CHAIRMAN'S OPENING REMARKS and DIRECTION

- Joseph Marcella, CIO, City of Las Vegas

**Joe Marcella:** First of all, what I would like to do and what I'd like to accomplish today in this particular meeting is discuss and document the Board's understanding of the current state of EITS, and I think that's conversations that we've had with you, David, strategic opportunities identified, any of those opportunities that we've identified going forward, any potential recommendations and direction. That was the subcommittee's chore and task and we have prescribed document to make that happen. We'd like to retire the subcommittees. We want to get a status regarding your shop, David, EITS strategic planning process budget and direction. I

want to encourage Board discussion related to IT's plan and the Board's recommendation. I also want to recommend EITS direction forward.

There's another item that's not on the Agenda, but I'm going to consider it under the Chairman's remarks, is I have a representative from Gartner who will be calling in at approximately 1:30. And then when he calls in, wherever we are in the Agenda, we'll go back and let Dr. Jerry Metling talk us through what I believe. And what I'm going to ask Jerry to do is talk about what are the other states doing to secure, advance and make more efficient citizen government services. At that time, we can get a perspective of -- because David gave us some perspective, but Jerry Metling is a research analyst for Gartner and this is essentially what he does for a living. And he's had lots of experience and exposure to what the rest of the states have done, matter-of-fact, he's been on several engagements to go ahead and make those considerations. So I thought it would be good to get the perspective across the United States and what states have been doing overall.

I think what David will be able to provide us is some of the input he's gotten from the state strategic planning committee. And then I would like to incorporate what the Board is making as recommendations, at least the five priorities, back to David in a format that's been essentially formalized in a one-page overview document so that he can combine all three of those and start to move forward with a strategic plan. And I think then this Board will have that opportunity either at the next meeting, okay, or at the quarterly meeting, and we'll make that judgment at the end of this meeting, to review what David has gotten accomplished or he has -- the Enterprise Information Technology Services has formulated as a strategic plan forward.

#### \*6. DISCUSSION & POSSIBLE ACTION

Subcommittees Progress and Recommendation Reports

Subcommittees Reporting

- Security (Cyber and Logical)--Chair; Paul Diflo
- Consolidation (Infrastructure/Standards/Resource Mngmt)--Chair; Bruce Breslow
- Governance--Chair; Carrie Parker
- Application Modernization/Life Cycle Management--Chair; Kevin Farrell
- Citizen Enablement (Mobile)--Chair; Kevin Farrell

**Joe Marcella:** So let's go ahead and move into the rest of the Agenda. What I would like for the subcommittee chairs, since the subcommittees still exist, some conversation about their recommendations in securing, consolidation, governance, application, modernization and citizens enablement. Understanding that both Paul and Kevin are not here, but they did submit a PowerPoint so that document could be transferred or translated into the document we're requesting. And Kevin submitted a document that was in draft and I will ask Kevin to finalize that.

So without those two folks here, I would like to have a conversation about consolidation from Bruce Breslow as to what he understands about the overall organization, what some of the possibilities might be. And then at a later date or assume even today, he can submit somewhat of a recommendation. So Bruce?

**Bruce Breslow:** Thank you. I pressed speak. I need to press microphone, right? Okay. Do you expect the legislature to know the difference between mic and speak?

**Joe Marcella:** Oh, yes.

**Bruce Breslow:** One, I found out because I didn't attend last month's meeting that I was the chair of this committee. Two, I have not been informed of any other members of the committee to call to have a meeting. Three, if I had, I would have violated the open meeting law because we would've had a quorum, whatever group it was, as long as we met. So what I'm going to report back to you all today is that the state internally has had a series of discussions and meetings through the cabinet level leaders about consolidation and about discussing pros and cons of what they're interested in and not interested in.

One, I'm glad to see that Dave Gustafson is getting the respect that I think he deserves after years and years and years of Duit (sp?) getting kicked around and abused. Most of you because of low levels of service, not because they have more experts. However, it appears that my peers are not quite ready to jump into any big program for consolidation at this time. So what people seem to be interested in is creating one state email system. And I've learned that even that has serious issues and costs involved in it depending on what agency per the needs of that agency. Some agencies must keep their emails for eight year periods, some six year period. I'm not sure what Do It did, but I thought it was two years, things like that. And there are new tools and things.

No one seemed to object about consolidating servers. And I remember I sent David an email from the DMV convention I was at (inaudible) I had talked about the (inaudible) model and that was something David had talked to us about how they came from something like 1200 servers down to a couple hundred servers now. Well, that worked for them. It was great except that their 200 servers had left them a virus and they had since as of two weeks ago fired the head of IT (inaudible) because they had to then pay to have over 60,000, I think, of their citizens' credit reports wrong and fix their credit issues and things because so many people stole the data that was in that reduced amount of servers. So now I understand we're saying Missouri model, right, Jeff, not the used home model (inaudible)?

The state does need some direction, in my opinion, since my other committee members I'm unaware of. In what platform we need to go in, in the future, over the next five to ten years, so that when we buy programs, so that we upgrade programs, so that we move toward new programs, we're working with the same toolbox. Whether it be Java or Microsoft or something like that, we should set a standard for not just state government but local government, et cetera. So that as this evolves and as all this technology evolves, you know, every day, let alone every year, we're at least using the same tools to build systems.

So Health and Human Services was looking at Java. The DMV is Microsoft.net. Other agencies have their own favorite platforms. So it's going to be very difficult unless we set a very long range goal of getting to a certain standard at a certain time. Even if it's ten years out, it gives people at least a timeframe to, as they buy new things, and as they look forward an modernize, to shoot toward one system, one kind of system or another. So that's the one main thing that I would recommend to you.

As far as consolidation, everybody thinks it's a good idea. But nobody wants to go forward except so far the Department of Public Safety. And they will be consolidating into EITS this year. And I think that's a good thing for all the other agencies to watch, see how it goes, see how smooth it is, see if nobody jumped off cliffs, things like that, and that will help get buy in. But the sense I have is that everybody knows we have to do it, but everybody is so fearful of their own custom built system, especially on the programming side. Nobody wants to lose a programmer, nobody wants to lose control of a programmer, nobody wants to lose control of building programs. And David never said they would, people just assumed it because it was out of their control again.

So my recommendation is that this Board recommend to the state that we come up with a platform that at least agencies can target (inaudible) working with the same tools, the same toolbox, the same choice, the same type of languages as they evolve, not rival companies that will make it much harder for us to communicate in the future.

**Joe Marcella:** Bruce, so what I'm understanding is that consolidation could literally be any one of four or five initiatives and start with one or two of them where standardization, maybe standardization of some security moving some (inaudible) getting down to the detail of the nuts and bolts of IT. Some servers, some virtualization, centralizing some security.

**Bruce Breslow:** I didn't notice any pushback on security. I didn't notice -- although our, you know, we keep the driver's license data and all that. And our people are afraid that someone else wouldn't keep it as well, but I didn't see any pushback in the security. I didn't see any pushback in email except for the cost. And let's not fool ourselves that it would just be a simple flipping of the switch. I didn't see a problem with consolidating the servers. I didn't see a problem going to cloud computing. It's mostly, "I don't want to give up control over what I'm working on." And I think that's going to be the main hang-up to get by.

But certainly, as we all -- we're going to modernize at the DMV, but we don't have any money. So we're going to do it piece by piece by piece by piece and start building. I would like to know that if I'm building a dot net that the state is still using dot net in five years or ten years or the Microsoft packet. If not, I would start looking at Java, and I'd probably have to re-train every, you know, 30 programmers how to learn Java. But at least I'd have something down the road that I could be steering toward.

**Joe Marcella:** Joe Marcella, for the record. So, again, to summarize, consolidation isn't necessarily flipping a switch and having everything in one place at any one particular time. It's identifying the business opportunities that might be out there where standardization, economy, some level of consistency across the board makes it more secure. And those can identify over a period of time, tested, piloted and then adopted throughout the rest of the enterprise.

**Bruce Breslow:** Yes.

**Joe Marcella:** That's what I'm hearing.

**Bruce Breslow:** Affirmative.

**Joe Marcella:** Thank you. Any other discussion?

**Jeff Mohlenkamp:** Mr. Chairman, Jeff Mohlenkamp, for the record. I attended the IT strategic planning committee meeting and, you know, David and I assistant co-chaired that meeting and we were essentially requesting a lot of feedback from various different departments. You know, this meeting, this community is comprised of cabinet members within the executive branch, so it's strictly an executive branch process. And we actually asked for feedback, you know, and I think we've got some (inaudible) and I know David's got some problems he's going to deliver about that later.

But we wanted to find out what the reservations were, what the concerns were. Because I believe and, yes, I am -- I look at Missouri because I really like the collaborative style they use. When I did the write up on that and was able to explore their process and their successes, I think collaboration was one of the key elements. So what we're trying to do through that strategic planning committee is build some collaboration within the executive branch so that when we move forward, we are -- we have the directors (inaudible) step with this as much as possible, because it's more difficult if you try and get the sense that they're not with you. If their concerns are not addressed, then it becomes very, very challenging to get this done. Whereas, if the directors are on board, their concerns are heard, then I believe that our chances of success grow immensely

So we did that and there were a lot of concerns. I think Mr. Breslow characterized a lot of concern very well. There is concerns over control. There's concerns over continuation of services and capabilities. But I believe that while we did hear quite a bit of concerns, I'll be candid that we did, we also heard, as Mr. Breslow mentioned, some areas where there seems to be some common acceptance, if you will, going forward. And I think that there are several areas where I -- not only did I think we get acceptance, we got some, "Hey, let's move, let's get this done," in some areas. And that is to consolidate in data centers and some of those more infrastructure related matters.

So I think that, you know, while it was tough, and David I know walked away here, like, you know, licking his wounds a little bit, I asked for them to be very candid. I think at the end of it I felt more buoyed in some respects because there were a few poor areas where I think that there was a universal understanding that this is something that's very right for consolidation. We're going to have to work a little harder and I believe we're going to have to show some successes in order to get the directors to fully be willing to have some of their programs and some of their courses that they use move over to EITS's, you know, direct control.

I do believe that ultimately, we need to move in that direction. But we've also asked Gartner to come in and help us with our planning. And we're asking the directors to stay engaged with us so that as we move forward, we can come up with a plan and a strategy, as you mentioned, I think that we took to heart that the strategic plan should be the core of what we're doing. And so consolidation certainly is the big portion of that. But I don't think -- I'm not sure that consolidation drives the strategic plan. I think, quite honestly, the strategic plan should drive one type of consolidation, when, where, how. So those are my comments and I appreciate the report.

**Bruce Breslow:** Mr. Chairman, one more thing, if you don't mind. I noticed a trend among state that have spent large sums of money working with HP, NIC, Kreme, Microsoft, Xerox, and some others, and some have bought others, that almost every one of them have reported that they

have failed, that their modernization, their big project, four years stretched into six years and then died. The only one I know of so far in IT modernization is large that is being so far hailed as a success is Idaho. And Idaho is currently working with HP. And it would be interesting to find out what it is that worked with Idaho when their finished. And they'll be close to finished by the end of this year. To get a success story, to see how a state was able to modernize. Just for the DMV, California's spent \$30 million and I think spent six years and they're still using green screens. And now this year they're starting again to try to modernize. We're way past green screens with most of our state agencies. We're not really as far behind as many states.

But there's a tendency for consultants to come and make their pitches to state governments now. It's very trendy. And they find a way to do it by increasing your fees, fees you charge your customers, things like that and then piggyback on it. And there's several companies that are doing it, but I haven't seen anyone yet say that worked. So I just wanted to point that out that an incremental process may be much better than buying into the Kool-Aid of everything will be fine and we'll go with one partner and they'll answer everything.

**Joe Marcella:** Joe Marcella, for the record. It's been my experience over the years that this kind of discussion also ends up being a sourcing issue. And it's strategic sourcing. Many of the things that the individual agencies do aren't necessarily a contribution to their core competencies, their infrastructure, the things that are nuts and bolts. I usually call it doors on Fords. It doesn't take a strategic objective or direction to make those kinds of things happen. Those things (inaudible) individual divisions need to be preserved. So it's a process. So there's a horizontal push to do things that become economy to scale, that don't necessarily contribute to the core competencies.

For instance, Bruce, you mentioned sub-standardizations and platforms, security. In many instances, that's not a core competency nor is it strategic. It's just a platform that things run on. So if that's the approach, that's one of the approaches that can be used in any government. What it also does is it takes a step forward in my mind that starts to preclude anything catastrophic happening. Huge systems failures, security not being standardized across the board and one or two agencies being damaged based on the fact that they're not standardized or not following a full set of rules. So in my mind, that is a good approach and it's a good recommendation. Any further comments? Ms. Fucci, down south? I just don't want to forget you.

**Laura Fucci:** I'm with you.

**Joe Marcella:** Okay. Okay. Should we move on then to talk a little bit about governance, Chairs? And, excuse me, I think we'll get a Gartner call in the next three to five minutes, so we might have to cut into your conversation.

**Carrie Parker:** Carrie Parker, for the record. I think the committee has in front of you my memo to Chair reporting on the governance subcommittee's meeting that we held on June 19<sup>th</sup>. The subcommittee members are Corey, Laura and myself. And then we asked David to come to present to us what he saw as issues and to help us with our recommendations. So basically, we talked a lot about having involvement from cradle to grave, I think, was what Corey called the process. And David expressed some concern about not really being involved with the customers from the beginning when they're formulating what type of projects they want to have, and then

not having a lot of follow-up after a project has been approved to see whether it achieved the goals that were anticipated. So that's in a nutshell.

What occurred at our meeting, so you can see our recommendations starting at the bottom of Page 1. EITS needs to be more involved in the vetting, prioritizing, implementing and post-implementation review of IT projects statewide. Number two, the IT strategic plan should align with the state strategic plan, which relates to the Governor's priorities. And number three, EITS should implement a process to efficiently manage all IT hardware, software and equipment owned by the state through its lifecycle. And then we thought kind of as a note and kind of as a recommendation that the best way to achieve these recommendations would be to consolidate in a reasonable time.

**Joe Marcella:** Chair, Carrie, thank you. What I've read in this document is that the three prong recommendation is (inaudible) office. And talking about that management, some standardization and policy within your own organization, and some form of formal governance like Idol or Cobalt. David?

**David Gustafson:** For the record, David Gustafson. That is correct.

**Joe Marcella:** That's it?

**David Gustafson:** You told me to be brief earlier. I didn't want Bruce to make any more comments about me being long-winded, so...

**Joe Marcella:** Bruce would be the one that would be -- is the one that's always going to be brief. Thank you.

#### \*7. DISCUSSION/POSSIBLE ACTION TO DISBAND ITAB SUBCOMMITTEES

**Joe Marcella:** All right. Let's go ahead and move on to the next Agenda item. And that's Agenda Item 8. Talk about EITS's strategic planning process and direction. Talk about the strategic plan process

**Bruce Breslow:** Number seven.

**Joe Marcella:** I'm sorry. Oh, you know, I'm sorry. It's like I don't want to do that.

**Bruce Breslow:** Yeah, you should.

**Joe Marcella:** All right. Can I have a motion? We've decided, I think, uniformly that the subcommittees don't work well based on the open meeting. That much of the information that was necessary we had been able to glean through these meetings and some conversations, and that we can go ahead and now disband the subcommittees.

**David Gustafson:** So moved. Second.

**Joe Marcella:** Second. Any discussion? All in favor?



**Group:** Aye.

## 8. EITS STRATEGIC PLANNING PROCESS & DIRECTION

- David Gustafson, State CIO

- Strategic Plan
- Budget Building Process Update
- IT Strategic Planning Committee

**Joe Marcella:** David, now I'd like to move on to Item 8. You're right. I just didn't...

**David Gustafson:** When is he calling in?

**Joe Marcella:** He's supposed call in about 1:30, so we're about five minutes over. And then, David, if it's okay with you, we would interrupt you?

**David Gustafson:** Of course, Mr. Chair.

**Joe Marcella:** Thank you. I want to talk about at least to give us an overview of the EITS's strategic planning process and direction. We have three items; the strategic plan, the budget building process and update. And I know we discussed this a little bit before. And then IT strategic planning committee and some of the recommendations or at least that will work for you.

**David Gustafson:** Thank you, Mr. Chairman. For the record, David Gustafson. I certainly will start off with the strategic plans. Lately I had a lot of air time traveling to D.C. and back and such and Vegas. So I have started drafting a strategic plan, at least the framework of one. It's currently about ten pages or so. And my goal is to keep it less than 25 pages. I think any more than that is going to be shelf wear for somebody.

So what I've been doing now is I've collected probably about a dozen or so from other states and even some of the universities and sort of seeing what they have. I'm also going to take Carrie's recommendation and incorporate into the strategic plan some of the Governor's top initiatives because I believe as does Ms. Parker that anything that IT does should support some business unit somewhere. And I think the Governor's directive, his priorities are that. So I'm working on that.

For the scope of -- and I'll get back to some of what Director Breslow was talking about earlier with the EITS PC and Director Mohlenkamp. But for the purposes of the strategic plan, I am taking a scope of the Department of Public Safety, the Department of Administration and Enterprise IT as its core. There will be aspects of the strategic plan that will extend out to the other agencies. But when I'm looking at the plan and when I'm building it, it's essentially those three entities that I'm actually focusing on and thinking about because we have the most influence over those.

Recognizing the fact that there will be other aspects of that, that will be part of other agencies, but for this purpose here, this exercise, I'm considering those three to be the focus. If there's any

questions on the strategic planning, I'm still working on that. It's a draft. It's not quite ready for prime time yet, but perhaps next time I'll have something for you guys. Do you have any questions on that, Mr. Chairman?

**Joe Marcella:** Joe Marcella, for the record. David, what I heard was is that from a strategic planning perspective, one of the things that you got in that plan is to approach public safety as sort of a vertical pilot in the way that you could start to look at some of the opportunities to have that agency move into a centralized IT. And that would be systems, business applications, security and the like. There's also financials that are associated with that, that would become part of your responsibility to add on those within the application software that you have. And you've had conversations with those groups so far.

**David Gustafson:** We have, yes. And that is correct. When we were the Department of Information Technology, our mission was largely infrastructure, and so it was, you know, the wires in the ground, the fiber optics, the mainframe, the microwave, all that kind of stuff. But then when we merged with Department of Administration, our focus sort of changed. And, you know, you guys have heard me joke about that before that we didn't really need a whole bay of (inaudible) staff because we were all a bunch of IT people, we can fix our own stuff. And then when we joined the Administration, realized there's another world out there and so this is true. It's just the reality of the way it is. So part of that, we've had to change our focus. And so now it's been more on the application development lifecycle and managing asset that IT doesn't own. And so we've had a whole different mindset on that.

When we look at -- public safety's another step forward. If that will go forward and if it's approved by the legislature, we don't want to put that out there, that will be another step forward because Administration is a smaller entity, quite honestly. When you consider public safety, they have a large amount of programming staff. They have their own data centers. They have their own circuits. They have their own servers. They have a lot of stuff. And so our scope then increases yet again. And so every time you do one of these exercises, our scope gets bigger, our responsibility gets bigger.

And so I think that when I think of the strategic plan, what I think of is those three together. How do we maximize the efficiencies that we've built on the infrastructure (inaudible), how do we incorporate the users' experience from administration and how do we bring it all together under a DPS package? How do we bring it all together? And so when I think strategic planning, that's the concept and the scope in which I'm thinking about it.

**Joe Marcella:** Joe Marcella, for the record. Typically, consolidations start either with an ERP, an Enterprise Resource Plan, typically the financials, purchasing, HR payroll, that sort of thing. And apparently you do have some ERP across the state. The work starts with infrastructure, all the machines in one place and everybody uses those machines or a single agency have proof of concept in all three then get incorporated in that. So your plan essentially is since you have a willing agency, a good place to start a pilot.

**David Gustafson:** Correct. In the full vertical.

**Joe Marcella:** In the full vertical.

**David Gustafson:** In the full vertical for that specific department.

**Joe Marcella:** So that would be the business application, the hardware and software (inaudible)...

David Gustafson: Yes.

**Joe Marcella:** ...and then the competent folks that care about the current fee for all that?

**David Gustafson:** That's correct.

**Joe Marcella:** Okay.

**David Gustafson:** I think you have a couple of questions, Mr. Chairman.

**Jeff Mohlenkamp:** Mr. Chairman, real quick. Just a couple of brief comments. I think David pointed out correctly that the Department of Administration, all our IT services are provided by EITS. So we have one essential proof of concept that's in the works right now, that consolidation which was approved by the last legislature has gone through. And so the good news is that we have seen great success. I mean, there's been some glitches. There always is. But for the most part, really good success with regard to our programs, which is Human Resources, we have the budget division. We have a variety of other services that we provide within our department that are statewide services. And you saw talk of a ERP's, some of those are in the Human Resources realm. And we have the accounting services and then those budgetary services. So there's been some good proof of concepts with EITS being able to move their mindset from being a -- to more of a customer service orientated mindset.

But I do believe that the Department of Public Safety will further that because now we're talking about an even more robust package because they're not only statewide within state government, but statewide outside the state. Local county officials and those police departments all utilize that statewide system. So I think there's going to be some additional proofs of concept that will come and that is something that we are moving forward within the current budget preparation. So thank you.

**Joe Marcella:** Well, I tend to agree. Just following up on your comment, it's a community of interest. It's vertical in nature but broad in how it has to deliver services. And I think it's a good plan. Any other comments? We still don't have a phone call. Okay. Thank you. David, would you continue with budget?

**David Gustafson:** All right. Thank you, Mr. Chairman.

**Carrie Parker:** We just lost our quorum.

**Joe Marcella:** Okay. Well, this is not an action item, so we're okay.

**David Gustafson:** Okay. So just sort of concluding the strategic plan there that's sort of the content, at least the mindset that I have when I'm building (inaudible). It's about ten pages now.

It'll be no more than 25. If it goes more than 25, I'll start cutting things out of it because I think it's too long. So I just wanted you to know that.

We're getting into the budget building and budgets are underway now. The new performance based budgeting is taking more time than our traditional line item budgeting for a couple of reasons. Largely because we're really taking a close look now at our performance metrics. I wanted to make sure that we had performance metrics that actually were more meaningful to people. And I can give an example of, the last time we reported a lot of system availability time. Servers must be available 99 percent of the time. And while that sounds really exciting, that doesn't mean anything because all that tells anybody is that they have power and that the lights are on. That's all. It doesn't mean it's doing any work. It just means that the lights are on. That's not a very good performance metric.

So we're looking at performance metrics that actually mean things, not only to us, but also to the legislature and also to the citizens alike, that their money is being well-spent at the servers and in this case, are actually performing work as efficiently and securely and as effective as possible. So we have spent a tremendous amount of time going through a lot of the budget team as well as internally about how do we build these, what exactly are we looking for, how do we measure our performance and our customer satisfaction in a meaningful and effective way. So it's taken more time than we thought, but we certainly are making grounds on that.

And then as far the budget building, I do want to just put a note out here to the Board that we are in the process of building our budgets now. I am going through internally. All of my chiefs are actually submitting all of their requests now, so we're vetting all of those internally and prioritizing those as well. But if there are recommendations from the Board, it would be -- timely is better because we are going to have to finalize our budgets and submit them at the end of August. So I just want to make sure that the Board is aware of that timeline.

**Joe Marcella:** Joe Marcella for the record. David, are you tying any of the budget to the strategic plan you're now formulating?

**David Gustafson:** Yes, yes. So sort of the whole thing is coming together, just coming together really quickly. As we build the budget, the strategic plan sort of at the same time in a weird way. And then I'd like to take the recommendations of the Board as well into account.

**Joe Marcella:** The concern as well as the comment that I'd like to make is that typically for what we're talking about and from an advisory perspective as to where the state probably ought to go, that's a three to five and it's a ten year plan. Some can take even longer. So what's going to go into your strategic plan I would imagine are those things that are targeted within the next two to three years. And then you would re-budget for those things that you want to do that are part of the expansion. For the agency that would come on board, public safety, and that community of interest, budgeting for that group, would that be done separately?

**David Gustafson:** Yes.

**Joe Marcella:** Or does that get enveloped into your budget?

**David Gustafson:** I'll go ahead let Director Mohlenkamp answer that if you'd like or I can answer that.

**Jeff Mohlenkamp:** No, go ahead and answer that.

**David Gustafson:** Okay. So what will happen as part of the budget is that there will be, in our words, there will be decision units that are based on legislative action. So the legislature will then have to agree and approve of their budget to transfer assets and employees and all those kinds of things over to our budget. So that's if the legislature agrees and approves it essentially.

**Joe Marcella:** So what I'm hearing, essentially, it's a combined budget.

**David Gustafson:** It will be after next legislature session, if it's approved.

**Jeff Mohlenkamp:** And this is Jeff Mohlenkamp. I'll weigh in just a bit on this. You know, we are moving forward with the concept of Department of Public Safety merging in with EITS and what you termed as essentially vertical consolidation. So there is the remainder of state agencies out there that have their own IT resources and assets. And at this point in time, they will be building their own budgets. There is a protocol process that we're looking at that already exists and some that might have to be expanded to ensure that EITS has the right perspective to be able -- and I'm looking at the governance committee's recommendation to be able to make sure that there is a cohesive nature, that we do have a tire committee that EITS spearheads.

So there's some process where EITS is engaged directly in overseeing some budgetary aspects across the state. But then there are other aspects where those IT budgets are being developed internally by those other groups. So we're a bit of a hybrid, if you will, in the way it's built. And I think as we move forward towards the more consolidated framework, I'm hearing from the governance committee some suggestion that whether it's physically consolidated or not, there needs to be a consolidated structure. And I heard that from Mr. Breslow as well to make sure that we're following a unified program plan. And I think those are things that are well taken and I think we need to look at.

**Joe Marcella:** That's well said. Considering public safety, there's always a huge disparity as to where the funds come from. And there's a lot of sources of income. And sometimes accounting for that, it's extremely difficult. And merging that, there are actually compliance issues to go along with that. So that might be the bigger challenge than moving servers into a single room.

**Bruce Breslow:** Yeah, how do -- Bruce Breslow, for the record. They're funded by the highway fund. So how do you make that happen?

**David Gustafson:** (Inaudible)?

**Bruce Breslow:** Um-hum.

**David Gustafson:** Mr. Chair, would you like me to answer that question?

**Joe Marcella:** David, would you please see if you could answer that question?

**David Gustafson:** I -- how do I say this? This is the greatest challenge of any consolidation, in my opinion, is David's opinion, is the budget side of the house. Because in IT, moving, yeah, the servers around and things like that, the servers don't know what data center they're in. They don't care what data center they're in. They don't care who's paying for the circuits and things like that. That's the easy stuff. The hard part is how do you cross walk all of these budgets that are built in my world, my perspective, unique to each agency. And how do you cross walk and then make them match. We're finding the DPS is that is the greatest challenge is certainly the discussion.

**Bruce Breslow:** Okay.

**Jeff Mohlenkamp:** Mr. Chairman, if I might add, Jeff Mohlenkamp, for the record, that I am well aware of that because of budget division reports to me as well. And we're in the process of looking at what some of the other states have done who have done just this type of vertical merger and consolidation, if you will, and trying to understand what they've done. I don't know if there's multiple options or if there's one way to do it.

I've got different -- to be honest with you, there's a couple of different approaches that have been suggested to me on how best to accommodate this. So I'm trying to get educated on what some other states have done or have done something similar to what we've accomplished to make sure that we don't run afoul of the federal requirements and those other funding sources. 'Cause, yes, you're right. It's highway fund, but then there's also federal grant funds. There's a variety of funds that have specific requirements attached to them. So you're both spot on in that is one of the very distinct challenges of this is making sure that we handled it right from a fiscal perspective.

**Joe Marcella:** Joe Marcella, for the record. Actually, I think it's better that the financials are the issues so that there is not a whole lot in the way of the technology so that could be proven easily. It's the rest of it and how you're going to pay for it that becomes the issue. But once you're through that, I don't think there's anything else other than public safety that could be more complicated. So that might be the best one to start with because you can unwind that and then you can do that gracefully and slowly. So David, continue.

**David Gustafson:** Okay. Thank you, Mr. Chairman. So the budget building, so I guess, just in summary, what I would say with the budget building piece of that is there were going to be recommendations from the IT Advisory Board. I would like them sooner rather than later so they can be taken into advisory at least before building the budget. 'Cause we are in that process now.

And then the last thing I'd like to talk about is the IT strategic planning committee, which is the ITSPC as we call it. As you've already heard from many of the members already, we met and it was an interesting discussion. It was a lot of lively feedback. And when we asked for it, we got more than we bargained for. But I think it's good. I think it's good that people get out and they talk about these things. The major consensus was that IT consolidation was not in the best interest of the business at this point in time. That's certainly fine. That's for them to decide. But that we look and see to maintain open communication and a dialogue. If the situation does change itself, we want to be ready to do so.

And then I wanted to really let the Board or anybody who's listening out there on the web, and that is my message is more of communication and information. What I need to do is to present to my leadership as well as the IT Advisory Board of what's going on out there in the world. Not only from private sector, but from a public sector as well. And these kinds of initiatives are business initiatives. They are not IT initiatives. We all just take orders, right? But IT consolidation is never something that the CIO, first of all, comes up with, nor owns and nor is the decision maker in that process. Those are business decisions made by business leaders. I am simply just the guy who gets it done, if so directed. And in this particular case, what I'm hearing from the business leaders of the state is that that's not something we're interested in doing right now. That's perfectly fine. That's not my decision to make.

I am focusing more on getting our budgets built, on making sure that we're successful in the administration, and also planning for potential Department of Public Safety bigger endeavor. And I think that that's largely where my focus is at the moment. But we do stand ready if the situation would change or that we would like to pursue something else, that's certainly fine too. I just take orders like everybody else. But I did want everybody to know that, that is not something that the CIO owns. We are just simply the guys who get it done once the decisions already made by business leaders.

And then if I may just take a moment and get back to what Director Breslow was saying about email. We are looking at for the next budget to upgrade our current email environment, but there is a strong chance that we will be outsourcing our email at least for those people who I'm responsible for. If we were to outsource our email, what we'll do is that we will maintain our current system for the next biennium, giving people the opportunity to either join us in an outsourcing model or to build your own system and do their thing. That would up to them at that point.

**Bruce Breslow:** I'm -- this is Bruce Breslow again, for the record. I'm not quite sure what you mean. I know what outsourcing is, but what you're looking at. Our employees have their own email except never have any of our technicians in any of the windows ever had email. I have 665 people without the ability to communicate with them. When they turn on their computer in the morning, we've developed what we call the start-up screen where we have one page of information that they can see if they care to read it before they click out of it. And then they can start. So our budget is buying licenses so that we can install the email and communicate with our employees, which one would assume you could do that, but the DMV did not have that ability.

What are you doing and where are you going and is it cheaper is what I would like to know before I put it into the budget or spend (inaudible) appropriation money or other things because my goal is to be able to communicate with our employees and to have drop-down lists so I can -- I have to have one list to find you guys, another one to find DMV people and, you know, it seems so simple that we should have one ability to communicate statewide with email and, you know, some drop-down lists for agency by agency or whatever. Where are we going now basically is the conversation.

**David Gustafson:** Those are business decisions though. Those are not IT decisions. And if the business leadership decides that we need a common email platform, then that's what we need to do. But I am -- it's not my position to tell other agencies. I mean, that's what we've been doing.

That's the whole discussion we're having here is let agencies do what their mission dictates. And so...

**Bruce Breslow:** As of a month ago our agency thought we were being consolidated, so we didn't know whether we should buy the email licenses or wait for you to pay for them. Change is flowing. It's changing.

**Jeff Mohlenkamp:** Mr. Chairman, if I (inaudible) this discussion. We have had a lot of discussion since I came into this job about IT consolidation and the primary discussion point has been that IT consolidation can help drive efficiencies. It can help standardize protocols and thereby also help drive greater security environment. And I think in some cases there are some agencies such as DPS that believe that they can get a better performance out of their system through consolidation. I've talked to Director Perry and he's pretty adamant. "I'm in the business of providing public safety, not providing an IT solution." He believes that group that is involved in providing IT solutions is a much better protocol for him to go forward and that people that focus on IT focus and then do the IT.

I believe that we'll have more people go that direction in time. I think we're already starting to see some people that are interested in that. At the same time, we are bringing in Gartner. We have the IT strategic planning committee and we have this group. We're all spending a considerable amount of time talking about consolidation. And I think that we're spending that time because there's merit in the discussion. There's merit in moving forward. So there are some things that we are going to certainly move forward with consolidation because it's the right thing to do. It's the right business plan for the state of Nevada. So it's not a matter of if, it's a matter of how we do it. It's a matter of what timing. We will be moving forward with the consolidation strategy. There's no question about that. The question is, what comes first, what comes second, and in what manner and structure do we do it.

And so I think it's not a matter of whether we move forward, it's a matter of the timing and then how. And this is where I think this group can really be helpful for the state because we have a lot of different perspectives. Now, some of them aren't here today and that's unfortunate, but we'll still have their involvement ongoing for basis because what the state can learn from is what the counties and the cities have done as well as what other states have done and what's been successful and what hasn't been successful. So I don't want anybody to perceive that there's any abandonment of consolidation strategy. It's absolutely what we're going to do. But it needs to be done in a collaborative style using the expertise out there. So things like email I think are very right for consolidation in a fairly short order. We need to -- and I think we're going to pursue those things.

Things like consolidating data centers and servers and things of that nature, I believe there was very minimal opposition to that type of consolidation and I think we need to look at that. But at the same time, I don't want to abandon the concept of more vertical consolidation if, in fact, that's the best way to get it done. So I'm very interested in over the next six months, not only seeing the strategic plan develop, but out of that, the consolidation strategy as an ultimate framework of what do we do, how do we do it and at what pace. So I don't want anybody to perceive that because we had some pushback, that we're going to abandon consolidation strategy. We are absolutely moving forward because it's the right business thing to do.



**Bruce Breslow:** Director, thank you. I want to just get back to the email for a second 'cause we are building budgets. And if we can buy into a better system rather than buy 665 licenses for Microsoft Outlook that we need to be able to communicate and we need to know what it is you're going to go to so that perhaps we're not buying the wrong licenses so that we might use that money to join you, things like that. So I'm looking forward to a conversation later as we -- not during this meeting, but those are the sort of things I think other agencies would really like to learn more about.

**David Gustafson:** Mr. Chairman, if I may, for the record, David Gustafson. This is one of the tragic flaws of our budgeting process. Because what I will be putting forward is essentially an upgrade to our existing system that complies with the law for e-discovery and litigation (inaudible) and achieving, all that stuff for the 11,000 email users that we have. Don't quote me on the numbers, but we're talking somewhere north of \$4 million versus an opportunity to go out to RFP and may the best vendor win under some sort of requirements that we will define as part of the process. I can't give you that information yet because I don't know what it is yet and I'm not sure what actually ends up in our final (inaudible) budget to make that determination. So in the meanwhile, what I can say is I'd be happy to work with you and your staff to maybe open the communication a little bit, at least let you know what we're looking at. And, you know, we're internal service funds and would be happy to, you know...

**Bruce Breslow:** Thanks. It goes back to the -- we just want to be on the same toolbox so that we all have the...

**David Gustafson:** I understand. Sure thing.

**Joe Marcella:** Any additional discussion? Joe Marcella, for the record. Any additional discussion?

**Bruce Breslow:** Yes, one question. When Duit -- and Bruce Breslow, again, for the record. When Duit used to do master build projects and when EITS does things, you tend to do them on the weekend when a lot of the agencies are down. Some agencies are 20 -- the more agencies we do with online transactions, the more shutting a system down on a weekend stops the ability to do online transactions and business transactions. So I was just curious if there's a trend of some sort with state or county government or city government that allows for systems to stay running 24/7, seven days a week, as opposed to we're going to shut it down, we're going to do the work on the weekends

I promised I'd bring that up because, for instance, the DMV, we have kiosks that are open at grocery stores and things like that on the weekends. And if the system shutdown for an upgrade, they don't work. People do their registration renewals on Sunday from their living room. If the system's shutdown to be worked on, they don't work. So I was wondering if there was a better model somewhere that other people use so that we still all stay online. And a lot of times, we're given heads-up, hey, it may not be you, it may be (inaudible), the DMV's thing, whether they're going to rebuild something for a weekend because California has a new requirement. And we can't do any registrations for the weekend statewide in Nevada. Those are big issues for us affecting a lot of customers. So I was wondering if there's a better way of doing it.

**Joe Marcella:** David, if you would?

**David Gustafson:** Thank you, Mr. Chairman. I would say there's two ways to address that. One of them is people, right, working off shifts and then technology. There are high availability technological solutions that can be brought into play. That costs money though. And so do people. When we were looking at a more robust consolidation plan, what I really wanted to do is build a 24/7 IT organization. I wanted the staff 24 hours a day. Because I also believe like you that patching and maintenance and downtime and such should be after hours.

I don't think many people are registering their plates after midnight, you know, on Christmas and things like that. But we still need a staff for those. And those can be planned so that they're not during peak hours. What is the box that we're in today is that we're an 8:00 to 5:00 shop as is everybody else. And we have guys who run standby for emergencies, but we do not proactively support systems after those hours because the business of government is 8:00 to 5:00. And we don't have enough critical mass to staff 24 hours a day to do that. There's a whole bunch of reasons, classified services, another one, you have shift differentials, you have all kinds of really interesting things that come into play there. But one of my plans was to build a real robust 24/7 shop, IT organization. But that will have to wait.

**Bruce Breslow:** How does the city of Las Vegas do it?

**Joe Marcella:** Joe Marcella, for the record. Our systems are 24/7 and the IT organization is 24/7. That's means that the systems are up and operational. Even when we patch, we put another system in place so that the application still runs and then it feeds the business application later on. But it's preloaded, so that those applications can be 24/7.

We usually have private or third party relationships, some of them host it. So our website and other things stay live because we've bought those services for the 24 by 7. So there's a myriad of different ways that you can continue to service the citizens.

**Bruce Breslow:** Maybe something that this committee and a list of recommendations for long-term strategy you might recommend to the state that might be helpful to support David's goals is so that we don't have to take the whole system down to do maintenance, to do an upgrade, because more and more agencies want to do business over the web 24/7. They want to do business and get them out of their shops and things. So if there's a way that we can prioritize that in the strategy, that would be great.

**Joe Marcella:** Director Breslow, there's two components to that. One is the modernization systems so that, in fact, the backend can manage whatever's happening on a 24 hour basis. And then the second thing is that building systems that are particular to the consumer out there according to -- and that was one of our priorities that modernization of the systems with a citizen focus should be able to take care of that. And again, behind that is infrastructure, modernization of the business applications lifecycle and the like.

So 24/7 is necessary. You've got -- it's one state, one set of services. And that needs to be facilitated, maybe not today, but moving forward. And this particular town, by the way, this particular state is 24/7. And we expect the same kinds of services that you can get from a bank or from any other service provider that's 24/7, so, yes, it needs to be a directive for the IT organization.

**Laura Fucci:** If I can chime in just a minute. Laura Fucci from Clark County. And we have hundreds of applications in Clark County. And we go about it by prioritizing the applications, so, you know, it's the caveat that you need to be careful about what you are focused on for 24/7 service. There is an additional cost. You may have to duplicate some of your systems in order to accommodate that. So when we send the directive out, you gotta, you know, I just would recommend that we make sure we have an eye towards cost and that the cost is, you know, it's worth the extra cost for the service that we're providing. Not all services probably need that level of cost associated with 24/7 service.

**Joe Marcella:** Joe Marcella, for the record. There's a little bit of genius in what David said. Just a little bit of genius. But one of the things that he said is timing is critical. With business intelligence within your systems and consolidation of systems and standardization across the board, it's typical that you know when something is being used, and what your volumes are, and how many of your constituents are going to be affected. Lots of times it can be done that way, scheduling folks, no overtime or need for 24/7 simply by knowing how your systems are being used. Any additional discussion?

#### \*9. DISCUSSION & RECOMMENDATION

**Joe Marcella:** Okay. I'd like to move on to Agenda Item, I'm sorry, Agenda Item No. 9. And that's discussion and recommendation. And if the Board will entertain me making a recommendation, and actually I scripted this so that I would say what I wanted to say. I said, "EITS should commission a professional service provider to assist the current status of this state, technology and service delivery." Someone needs to kick the tires, look under the hood and find out what all of the agencies are doing and where the opportunities might be. Also need to take a lot of the recommendations that are particular to other organizations, other states that have actually been successful. We won't consider Utah being successful this year. And again, you don't want me in the legislature because I would be going to jail.

So the second thing, and unfortunately, we didn't hear from Gartner today. Unfortunately, we didn't hear from Gartner, but it was -- what I wanted to hear from the Gartner representative was what are the states doing to secure and advance as well as make economic, those services that are being presented to the overall constituents, and then the different flavors of how that's being done.

The second recommendation is to consider and include what this Board's recommendations have been. And I think we have five focus points that need to be, I think, finished. The documents need to be summarized using the format that I recommended. And then get that to David so that he include those recommendations in his strategic planning process. And then what I think David needs to do is aggregate the service providers, the Boards and the state's strategic planning committee's recommendation so the EITS may author a strategic direction and recommendations to the Governor and the legislature. That would be the three legs of the stool. Any discussion?

**Jeff Mohlenkamp:** Mr. Chairman, this is Jeff Mohlenkamp. I have a question with regard to the bringing in outside expertise. Is that in vision to assist with the strategic planning process with the potential consolidation process? What is the target, if you will, for that type of work?

**Joe Marcella:** I think the -- Joe Marcella, for the record. The initial analysis should be basically what the state is doing and where the opportunities might be. And that could help with the strategic planning process as to identifying a direction that could be used in conjunction with everything else that's been recommended over the period of these last four meetings.

**Jeff Mohlenkamp:** Thank you. The main reason I'm asking is, you know, David and I have already talked about bringing in some outside expertise to specifically look at a consolidation effort. And I'm pretty hesitant to bring in a consultant, you know, somebody with expertise without a fairly directed plan of action, you know, what do we expect for the outcomes, what's driving the effort. So I think the extent that we want to make that recommendation, I'd like it to be fairly clear as to what we're looking for the consultant to provide as a result of their work. I'm guessing we're looking at some sort of consulting type work that you're advocating?

**Joe Marcella:** I think it was -- Joe Marcella, for the record. There have been several conversations. And there has been an understanding that a Gartner representative might be -- I think you're already talking to a Gartner representative at -- and there must be a scope for that. In that scope, I would imagine there'd be a contribution to the strategic planning process. But I don't know that this Board could literally give them a definitive scope of work. I think that has to come from the IT organization and the state.

**Jeff Mohlenkamp:** Thank you. Once again Jeff Mohlenkamp. I just wanted to make sure I was clear on the direction of recommendation you wanted to give. You're looking for someone to come in and provide general oversight or some sort of guidance to EITS with regard to not only consolidation but other opportunities that exist within the IT environment.

**Joe Marcella:** Exactly.

**David Gustafson:** Mr. Chairman, for the record, David Gustafson. I just want to add to Director Mohlenkamp statement that the solution that we've been discussing would actually allow us to do that. So we wouldn't be boxed in. What we've been discussing will allow us to have at our fingertips those resources that could help us do a myriad of things, not just for consolidation and such.

**Joe Marcella:** Any further discussion? I did make that one recommendation. Does anyone else have any additional recommendations? Please, Carrie?

**Carrie Parker:** Carrie Parker, for the record. So just so I can understand the motion, is it that the IT, we would commission this consultant or we're recommending to David that EITS commissions the consultant?

**Joe Marcella:** Item in the Agenda for a vote, but my recommendation would be that EITS would make those recommendations.

**Bruce Breslow:** Mr. Chairman, for the record, Bruce Breslow. I think we need to keep in mind that this Board does not have any authority over EITS or the state. And we're a body that looks at the systems in general and makes recommendations. But we're not an oversight Board. So I don't think we can -- I do think we can do half the things we want to do because it's not our role in state government to do them right now. So I think the discussion is very helpful and healthy, but making a recommendation to them that they need to get a consultant or not, I don't think is really our place as a committee here.

**Joe Marcella:** And Joe Marcella, for the record. I understand. I just believe that there are three components to any strategic plan is to know what the world is doing and what your own organization is doing. The second thing -- and there's ways to get that information. Consulting is one of them. Second thing is, is that you have internal folks that have responsibility to direct how things go. Strategic planning, for discussion, you have one of those. And then the third piece of this particular -- the third leg of the stool happens to be this advisory group that has essentially had conversations and making recommendations as to four or five things that are essential with any organization moving forward strategically to be successful. And if I need to change my recommendation, that would be it. Any further discussion?

**Jeff Mohlenkamp:** No. Thank you, Mr. Chairman. Jeff Mohlenkamp. I'm really interested in what we can do in the security environment. I know David has expressed on numerous occasions his concerns over the security environment, not necessarily in the state of Nevada, but just in general. I continue to get emails on a daily basis on cyber-attacks and this, that and the other thing. And so I'm really interested in not only within the realm of consolidation, but also maybe absent that, maybe even as something else on what we can do to best secure our environment.

And so I know some of that probably is part and parcel to consolidation will probably help facilitate security in some respect itself, but maybe there's some other stop gaps. And I can't remember who it was last time around, maybe Mr. Diflo, I think, that was mentioning that, or maybe it was Mr. Bobzien, I can't remember. But there was some discussion about, yes, consolidation needs to go forward. We all understand that. But that's going to be a four or five year process. It's going to take time to get that done.

But while that security environment is still one that we have to deal with now, and so I'm really interested in what Gartner or others and even this committee can bring to the table to help us identify how to most efficiently better secure our environment. And so that's something I will -- while it may be part and parcel to consolidation, it may be something that we do outside the scope of consolidation. So that's something that -- 'cause I think bringing in some expertise is really helpful. I think we can gain a lot from that.

So I think that would be something I would look for anybody that comes in to help us with is to identify maybe what some other states have done and maybe once a year, maybe not Utah, but still, I mean, nonetheless, I think, Utah before this happened was identified as being one of those that was exceptional in the field. And even those who are exceptional can have problems. I think if you were to look at overall their work, I would imagine most people would be impressed. So I'm not trying to discount the work they've done. But I just think that there's some real value we can get from that, not only with regard to consolidation, but elsewhere as well.

**Joe Marcella:** Joe Marcella, for the record. Consolidation isn't necessarily necessary for standardization across the board. And essential administration or even multiple administrations as long as there are standards, particularly for security. And I believe that you're exactly right, before something gets fractured and it becomes very, very public, things need to be standardized and particularly security because that seems to be the target. David?

**David Gustafson:** Mr. Chairman, thank you. And for the record, David Gustafson. I spoke with Mr. Diflo, and he had a lot of the same comments that Director Mohlenkamp had, how do we do this and that. And I sort of explained some of the environment that we're in. He actually has or he's been building his recommendations and I've seen his PowerPoint that he had presented to the subcommittee as well. And I just want to say for us to be a more secure environment, we do not necessarily have to consolidate. That is not a requirement.

What is a requirement is that everybody adheres to some security standards and best practices. It's almost like what we have now is we play a game of football but there's no quarterback. So it's kind of hard to move the ball down the field if there's no quarterback. And if everybody's going to go off doing their thing, can you imagine that? (Inaudible) go out there and they throw the ball and everybody runs off in their own direction. So you have to have someone who's calling the shots who can build those layers of security. So I think consolidation is not necessarily something you have to do, but you have to have a model where people are accountable and they're responsible for their layers of defense and things like that. And that's what I think Mr. Diflo probably will be bringing to the next Board meeting as well to discuss. So thank you.

**Joe Marcella:** Any additional discussion?

#### 10. PUBLIC COMMENT

Note: No vote or action may be taken upon this matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken. NRS 241.020

**Joe Marcella:** Well then let's move on to public comment. And I want to open the meeting up for public comment. Is there anyone in the South? No one here in the North? Hearing none, I'd like to close the meeting for public comment.

#### 11. NEXT MEETING: August 13, 2012; 1:00 p.m. – 4:00p.m.

**Joe Marcella:** The next Agenda item was for the next meeting. Let me propose this. I'm not sure that we need a meeting on August 13. I would imagine that we could start our quarterly meetings and that could be starting in September, even though it's a shorter period of time. It still starts in September. We could target, and I would ask for Agenda items from the Board, any one or three specific items that we need to talk about. Security seems to be a big one.

And then we would also -- I would also Agenda it for David to give us, at least the EITS to give us an overview of a strategic direction, maybe his 10 pages could be in 25 bullet points so that we have a good feel for that direction, and then we can have some further discussion on key

priorities that are important to all of us, which might be governance, would be security, but we'll only bring one or two to discussion so that we can discuss them fully. Any discussion?

**Jeff Mohlenkamp:** Jeff Mohlenkamp, for the record. Mr. Chairman, I'm very interested in what this committee can provide in the way of guidance and oversight with regard to security. I know that that's been raised on multiple occasions as a key consideration. And regardless of whether and how fast consolidation takes place, it seems to me that this security has to be addressed. And I'm very interested in what -- I would be very interested in the presentation from the city's counties, ITT, whomever is willing to provide some guidance to us to how they've gone about more robustly securing their environment.

And maybe there's things that would be very pragmatic for us to consider, whether it be changes that are required in the law, I'm not certain, or whether it's more robust enforcement of existing regulations and requirements. I'm very interested in that because I think that consolidation is going to take some extended period of time to really come to fruition. But we can't wait that extended period of time to ensure that we have a secure environment. So I think that that would be something I'd be keenly interested in, in the next meeting.

**Joe Marcella:** Joe Marcella, for the record. Any additional comments, please?

**Laura Fucci:** I would be happy to advise some comments, this is Laura Fucci, at the next meeting on security, if you're interested in hearing from Clark County. We do have more of a distributed IT environment, so some of our comments may be applicable to the current state environment. And there's much going on in the way of security. And the problem, it's not just like you fix it and you're done. It's an ongoing program. So, you know, you're continually addressing security. And it's not just a technical issue. It's also a people issue. So it doesn't just touch your IT department. It touches all of your users as well. So I'd be happy to provide some comments at the next meeting if that's of interest.

**Joe Marcella:** Joe Marcella, for the record. The way I'm envisioning this is someone from the state, someone from a county and someone from the city giving a presentation as to what the issues happen to be, and some of the direction that's being taken. That would be one way of getting as much discussion -- I'm sorry, creating as much discussion as might be required or necessary. Any other discussion? Carrie?

**Carrie Parker:** Did I understand correctly that we're considering skipping the August meeting?

**Joe Marcella:** That would be my recommendation.

**Carrie Parker:** Okay. Yeah, I just wanted to make sure that David has what he needs from us because if I understood him correctly, his budget is going to be finished at the end of August.

**Joe Marcella:** David, I'm assuming -- Joe Marcella, for the record. I'm assuming that you will be getting some input from a contract individual as to maybe your own organization as well as what's going on across the United States. You do have -- you will get before, from the Board, from the Chairs that were from the subcommittees, at least a summary document that our recommendation for the five points as well as you're getting some advice from your internal board. I think you can formulate a strategic plan for that. What I tried to establish during this

meeting is that you will tie some of your budget recommendations to that. So my question to you is, is exactly what Carrie's question is, do you have a sufficient amount of information from this Board, which you have planned with some consulting, as well as what's coming from your strategic planning committee to formulate a strategic plan and then move into budget?

**David Gustafson:** For the record, David Gustafson. I believe if I have all of that information, then, yes, we will have everything that we need. But what I want to make sure that I understand Ms. Parker correctly here that is that if I have at least a draft recommendations of the subcommittees, at least I'll understand at least the theme of what they're going to recommend, even if it's not the official report. And if I have that, then, yes, I think I'll have enough to move forward with.

**Joe Marcella:** With all that, I will ask the Board to finalize those documents for those folks that were taking a Chair position, and then that was due to you before the end of the month.

**David Gustafson:** Okay. That would be great. Thank you.

**Joe Marcella:** I want to move for adjournment.

**Laura Fucci:** Can you clarify when -- excuse me, this is Laura Fucci. Can you clarify when the next meeting will be?

**Joe Marcella:** Laura, we're going to have to look at a room and the September calendar, but it will be in September.

**Laura Fucci:** Thank you.

**Joe Marcella:** Lenora, I'm sorry.

**Lenora Mueller:** Thank you. We usually shoot for the second Monday of the month. So if you wanted to continue that pattern, I could look at September.

**Joe Marcella:** Please. Okay. Thank you.

\*12. ADJOURNMENT

**Joe Marcella:** Can I have a motion for adjournment?

**Jeff Mohlenkamp:** Jeff Mohlenkamp, move to adjourn.

**Joe Marcella:** Second?

**Laura Fucci:** Laura Fucci, I second.

**Joe Marcella:** Okay. Favor?

**Group:** Aye.



**Joe Marcella:** Thank you, everyone.

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Brad Carson: [bcarson@dps.state.nv.us](mailto:bcarson@dps.state.nv.us)

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