

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

INFORMATION TECHNOLOGY ADVISORY BOARD

LOCATIONS:

Legislative Counsel Bureau	Grant Sawyer Building
401 S. Carson Street	555 E. Washington Avenue
Room 2135	Room 4401
Carson City, Nevada 89701	Las Vegas, Nevada 89101

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DATE AND TIME: January 27, 2014, 1:00 p.m.

Below is an agenda of all items to be considered. 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 (For possible action)

Joe Marcella: Okay. Good afternoon everyone. I'd like to call the January 27th ITAB Board to order.

2. ROLL CALL (For possible action)

Joe Marcella: Can I have a roll call, please?

Tina Trapp: Yes. Hello, there we go. Assemblyman Paul Anderson?

Joe Marcella: It must be something Apple that's not working.

Tina Trapp: Mr. Rudy Malfabon?

Paul Anderson: Present in the south.

Tina Trapp: Oh, thank you.

Rudy Malfabon: Here.

Tina Trapp: Ms. Laura Schmidt?

Laura Schmidt: Here.

Tina Trapp: Senator Mo Denis?

No response heard.

Tina Trapp: Mr. Paul Diflo?

No response heard.

Tina Trapp: Mr. Kevin Farrell?

No response heard.

Tina Trapp: Ms. Laura Fucci?

No response heard.

Tina Trapp: Mr. Joseph Marcella?

Joseph Marcella: Present.

Tina Trapp: Mr. Jeff Mohlenkamp?

Jeff Mohlenkamp: Here.

Tina Trapp: Ms. Carrie Parker?

No response heard.

Tina Trapp: Mr. Mike Willden?

No response heard.

Tina Trapp: That does not constitute a quorum.

Joe Marcella: Oh, thank you. That means we're going to have a very interesting conversation, but it will be a shorter meeting, that's for sure. Thank you very much. Okay.

3. PUBLIC COMMENTS

Joe Marcella: I'd like to open up the meeting for public comment. Is anyone in the public want to come up and speak? Anyone in Southern Nevada? Seeing, hear...

Paul Anderson: There's no one in the room.

Joe Marcella: Thank you. Seeing no one, hearing no one, I'll close the meeting for public comment. And thank you.

4. APPROVAL OF MINUTES: December 2, 2013 (For possible action)

Joe Marcella: In the meantime, we can't vote on anything, but does -- everyone has a copy of the minutes. The minutes are online. Have they made it to the online?

Tina Trapp: Yes, they have.

Joe Marcella: For our next meeting, you'll have -- and we'll be taking minutes this meeting, so someone fill me in as to do we have to approve them next meeting?

Jeff Menicucci: Yes, this and probably the previous.

Joe Marcella: And then we'll just qualify that one was with a quorum and one was not. The only difference is without a quorum it just means that we won't vote on anything.

Jeff Menicucci: Correct. We can have a meeting, but we can't take action because we don't have a forum for taking action.

Tina Trapp: That was Mr. Menicucci. Thank you.

Jeff Mohlenkamp: Mr. Chairman, this is Jeff Mohlenkamp. So we have this sometimes at the Board of Examiners meeting, and we can just not vote on these minutes until next meeting, and then we can approve both sets of minutes at the next meeting, right?

Jeff Menicucci: Jeff Menicucci. Yes, that's correct.

5. ELECT CO-CHAIR

Joe Marcella: Joe Marcella, for the record. I'd like to then move on to -- the next item is to elect a Co-Chair. Obviously we can't take action on this item, but I did have one volunteer. That was Kevin Farrell. And we did have a phone conversation so that -- I'd also like to open it up for anyone else that might want to volunteer.

Jeff Mohlenkamp: Mr. Chair, if I could just seek a point of clarification first. Do we still need to do public comment even though there's not a quorum?

Jeff Menicucci: It's Jeff Menicucci. I think we should allow the public comment as scheduled in the Agenda.

Joe Marcella: Okay. Moving on to Agenda Item No. 5. I did talk to Kevin, and Kevin seems to be interested in co-chairing the ITAB group. Do we have anyone else from the Board that either would like to nominate someone or would like to volunteer? Hearing none, seeing none, I'll ask Kevin -- or we'll vote on Kevin at our next meeting. So thank you.

6. STRATEGIC SOURCING PLAN FOR IMPROVED STATE OF IT SPEND COST-EFFECTIVENESS, PRODUCTIVITY, FLEXIBILITY, SUSTAINABILITY – Jeff Mohlenkamp

Joe Marcella: Let's move on to Agenda Item No. 6. And I was going to ask Jeff Mohlenkamp to go ahead and do an overview for this one particular Agenda item. And I was going to add a miscellaneous item on the back of that to talk about some financial issues that were brought up at the last meeting. But I think I can -- I think there's a direct nexus to our conversation. So let me turn it over to you, Jeff.

Jeff Mohlenkamp: Thank you, Mr. Chair. And Jeff Mohlenkamp, for the record. So, you know, we've been having a dialogue. The dialogue's been going on for, you know, quite some time, but I think in earnest over the last couple years. It was front and center at many legislative hearings during the last session. And really it centered around the state's need to really examine and further develop strategic planning, you know, and to move forward more in a collective fashion. What appears to be somewhat of a decentralized and, in some respects, fragmented process, and in fairness there is a lot of that that's going on where the state -- we have some processes that are well-coordinated and others that are less well-coordinated from the IT perspective.

And so in response to that we've been meeting and trying to come up with good solutions, whether it involves things -- further consolidation, whether it involves standardization, improved governance processes. And we've come up with what I think is kind of a three-fold plan that we're looking to move forward with. And I'm going to give it in broad strokes. David certainly understands the nuances of how we would develop -- or administer these plans.

But, you know, first and foremost, before we can do any real robust centralization or consolidation, we need to do two things. One is to make sure EITS, as a division, is well-suited and well-configured to be able to manage a more consolidated or centralized environment. And so along those lines David and I have been talking quite a bit about the need to improve and build both project management resources and customer representatives -- customer service representatives. EITS does a magnificent job in some cases, and in some cases a very good job, of managing the nuts and bolts of IT.

Where they have not really traditionally been viewed as being quite as strong is in those areas of customer service. Those areas where we can interface directly with our customers and understand their needs, and be more adaptive to those changing needs and the changing business environment. We had a group of project managers a while back before we started cutting budgets, and we had a more robust planning section within EITS. And both of those were really cut substantially over the turn of the shut -- you know, the difficult financial situation we've been in. And as we look to further consolidate and certainly standardize and improve our governance, one of the things we want to do is get back those resources so that they can be that centralized group that helps agencies along. Even if we're in a decentralized fashion, to be that glue that helps us build.

So first and foremost of the three-pronged strategy that I'm advocating and I've been taking forward to the Governor's Office is to look at EITS, how it's structured and configured, and to

provide that improved governance structure, the improvement in the ability to project manage and in those planning areas.

Second of all is the need to create a structure that allows us to better facilitate working together collectively. This last biennium we probably did probably 12 -- at least 10 to 12 fairly large IT projects, whether it be within the Control Board, Health and Human Services, Motor Vehicles, different groups, Public Safety, there's a variety of them. And they all came over essentially as one-offs, you know. These groups needing certain IT needs met, their legacy system was starting to fail or things with -- and what we haven't really had is a good robust process to basically coordinate our efforts as we go forward to looking at these legacy system replacements, modifications, upgrades. And so what I'm going to be advocating is the creation -- we have a committee that's the IT -- it's ITSPC, and it's a committee that's comprised of a variety of directors. We use that for the technology investment requests. Every biennium certain requests come forward and we use that committee to review, rank, prioritize those investment -- those technology investment requests based on certain dollar thresholds.

What we really haven't done a good job of is looking out three to five years in the future and trying to identify those larger systems that are going to need to be replaced, whether it's our state accounting system, whether it's the CJIS system, the primary criminal justice system, any of those major things. And so the agencies have been going off in their own silos and identifying their specific needs. And then they bring them forward in the form of a budget approximately six months before I have to make a final decision, without a lot of time to plan, coordinate, and identify whether it's the right path, wrong path or indifferent path. And then we put it in front of the legislature, and the legislature is even more up against it because they have a few months to make critical decisions. An agency says, "My system is going to shut down," which provides critical services. I, as the Budget Director, feel very strongly that if I don't support it, I'm going to support the shutdown of a major system. Legislature's put in that same box.

And so what I'm looking to do is try and get further looking forward on these major capital investments, and create a committee that's now looking three to five years out, and assign project management and resources to facilitate a larger discussion. So that when it comes forward we can know that it's been fully vetted, that we've identified the platforms and all of those IT elements that are necessary to make a good coordinated choice. And so that's the second major prong of what I'm proposing as a strategy.

And then the last piece, and certainly not the least for me as the Budget Director, is doing a much more robust job of trying to quantify our IT spend. I saw in the minutes that even after I left last time that there was quite a bit of discussion about that, and we are embarking on trying to do that very thing. As challenging as it is, I'm going to be pushing hard to try and do a better job of understanding where we're spending our dollars so that we can get actionable data. The ultimate goal is not only understanding how much we're spending and where we're spending it, but to be able to identify the comparable costs that we are spending it out in the agencies versus what it might cost to do it within a consolidated or centralized structure.

And in that regard, trying to compartmentalize it in ways that gives us data where we can bring pieces in to a centralized structure is really critical. And last meeting I asked for any guidance that anybody could provide to us as to how best to do that, accomplish that, and I'm still asking if anybody has suggestions to please bring those forward. We're working at it, but we're finding it out every time that we start to think we have a defined plan it gets a little more complicated.

And so I want to keep it simple enough so we actually get it done, because otherwise it becomes a plan to have a plan to have a plan, and we'll be sitting here three years from now talking about trying to quantify our IT spend.

So from that data, my goal is to be able to identify those things where it would be more cost-efficient to centralize and then to come up with a strategy to bring those into a centralized structure. And where we can't identify that it's cost-effective centralized, we'll leave that for another day. I think that we can only take on so much. I'd rather take on those things that are going to save us meaningful money, that are going to give us cost-efficiencies, and talk about those other things later. So that's my general strategy. I'd be happy to, you know, answer questions or discuss it further.

Joe Marcella: Joe Marcella, for the record. All of that makes absolutely perfect sense, having a holistic overview of the entire state and all of its computer operations, and that's actually a third component in how that delivers services from a business perspective. And then starting to understand where the -- where it's duplicated, where it needs to be upgraded, application life cycle, and then the next platform and where any of the other systems and any of the other business opportunities that folks are working on could be beneficial to the whole.

The issue would be and is also what the opportunity is, is how do we get the proper folks together in a taskforce moving in a direction that not only takes that overall plan and how do you get that, and then homogenizing that or moving that into an action plan forward. And I know that there's been several attempts through the years, either separated by communities of interest or holistically across the entire state to try and get that to happen, and this now has to be done differently.

I just wrote down three or four things that are absolutely necessary. When we talk about centralization, it's not necessarily all of the business units in one place. What we're talking about is authority, governance, infrastructure, in some cases, communication, security. At least that's a good place to start and it's a good place to start to save money. And then when you get a budget request, you can understand that budget request or even look at that budget request as to the good of the whole.

The issue with that is, is that that's done all the time. It needs support, signature authority, a couple of dollars and some definition, as well as the turned on skunk works to actually make that happen. And in my mind, the issue would be all of that is doable if we have cooperative, energetic, agreeable folks behind it. Is there a plan for that?

Jeff Mohlenkamp: Jeff Mohlenkamp again. I think we're formulating a plan right now. I'm working with the Governor's Office to kind of further develop this. I mean, conceptually, you know, we would have a group of directors together, those highest users, you know. Mr. Malfabon over here with NDOT is one of those higher users. But we have several others, you know, department directors who use extensive IT resources. And we would look to pull together six or seven or eight, you know, whatever the proper number determined to be, of those lead directors to, you know, pull together on a regular basis.

But what's critical to me that hasn't been done in the past, or at least I don't think has been done as well, is providing resources surrounding that type of committee. If it's just a committee of eight directors and they get together and talk about the same thing every quarter and nothing gets done, then it's just a lot of talk. We'd absolutely have to dedicate resources to take action on items. If we identify that there's three to five or whatever, how many critical Public Safety related systems that are all going to require attention, then what we need to do is set up a process whereby those groups -- those things are coming together and collective. And, absolutely, if we don't have somebody assigned to it, a project manager or something similar to that, to really make sure that that process goes forward, that we don't let them go off on their own direction, unless it's done with intent.

I mean, sometimes we're going to say, "Hey, look, your project is so different than the other three projects. You really need to move off on your own." And that decision, if it's a decision that's made, fine, so be it. But that needs to be a decisive process that's made two, three, four years earlier in order to make sure that we don't have NDOT going one direction, DMV going another direction, DPS going a whole different direction, without us having decided that that's the appropriate thing to do. And when I say us, I'm asking for the Governor's Office to play a key role in this committee, to be present and participate in it. I think it needs to have that high level, and I think that they have indicated their willingness to do it.

So I'm looking for a process that is supported by resources, that has project managers assigned to it so that when we'd identify that there's a need to move forward in a collective fashion, that we have somebody who can steer that ship. And, obviously, looking for the expertise over at EITS to be intricately involved in that, as well as Budget Division staff, because there's a financial component to all of this. And so I'm looking for IT experts to be a part of this, for legal elements to be a part of it where necessary, and for us to have fiscal elements as part of it, and for it to become more of a process than just the meetings. That behind the meetings are extensive processes going on to update and move forward with these types of coordinated programs. So we're still working on it, but that's conceptually what we're looking at.

Laura Schmidt: Laura Schmidt, for the record. I think one of your first points as far as EITS' historical core competency and bringing back those project managers or one or two CEH project managers whose passion is what is the portfolio of services that EITS provides, who is passionate of strategic planning and partnership. You don't need a great sys admin. You don't need a great developer. You need a great relationship program manager, somebody who is

totally customer service focused. That's their passion, and they can bridge the gap and partner and get a department partnered with EITS to move forward the vision.

You've got to figure out that strategic plan, get one or two of those program portfolio managers in place to guide that. And then as you reach out and partner with those departments, pick one project, that's the flagship project. You do it well, you get it done. And it's not just systems. It's systems and processes. It's that relationship. You get whatever that project is live, and that's your banner project. And it's the old Kevin Costner, "If you build it, they will come." You get a pilot that's a quick win. It's visible. It's public. You can communicate it. You can market it and then other departments will come. They will want to partner. They will want to get into the strategic planning pipeline and become of those successful projects.

So I think all of what you're talking about is very much on target, but the people that you need for this, it's true, it's not your traditional IT person. It is a program project manager who marries the strategy and the technical and relationship building.

Joe Marcella: For the record, Joe Marcella. And, Director Mohlenkamp, if I was to boil this down to something as simple as I can get it, your barriers -- our barriers to getting this done are just a couple of things which are actually huge in their definition. It would be the definition of what really needs to be done. And that takes a whole lot of analysis, whether it's a third party or bringing the directors together to start to understand what needs to be done, whether it's life cycle management, infrastructure consistency, fear of breach, and security, that sort of thing. There has to be agreement, and you don't always have that across the enterprise. And as you mentioned before, sometimes there can't be agreement because there's something so unique about what some folks do.

Resources, and you just mentioned that for the project management to relationship (inaudible) the portfolio management. The other item is funding. And then as I understand it from many of our ITAB meetings, the structure isn't conducive to much of what we just talked about are the needs to make this kind of thing happen.

Jeff Mohlenkamp: Thank you, Mr. Chairman. I think that you're right on target with what you've expressed. And one of the reasons that I'm looking at having this ITSPC type of structure is because, you know, these meetings are very helpful and we get guidance and we get some of these larger discussions out in the open, but the types of integrated discussions we're going to need to have when we start talking about things like the CJIS system, things like that, are going to sometimes get down in the weeds so far that this type of structure is really not conducive for it. What I would envision is that what we could do is, you know, bring the larger discussion back here about what we are and what are the collaborated systems that were identified, and how we would look to move those forward.

So the nuts and bolts work could get done with something like the ITSPC. And then the larger vision of, okay, the Public Safety arena, and those tentacles that are there, or the Human Services or those different areas, and how we're going to do things from an infrastructure standpoint. The

discussions we're having at that level and some of the challenges that we're encountering we can bring back to this type of meeting with kind of a higher level discussion of how to move some of those things forward.

These types of meetings are tremendous from an overall strategic planning standpoint. When it gets down into the nuts and bolts of, you know, the actual projects themselves, I think this kind of form is more challenging to deal with it.

Joe Marcella: I understand -- Joe Marcella, for the record. I understand in the past, and not too -- in the recent past, there's been full analysis or good overall look by some third party consulting groups to take a look at the strategic needs of the state, and take into account the needs of the citizens and what the state's responsibilities are to deliver those services. Is that a good starting point for all of this?

Jeff Mohlenkamp: Jeff Mohlenkamp again. You know, I think it is. I mean, as I look at this, and I know I'm in a public forum, I have to be careful a little bit what I say because I've got Budget Director and I got Department Director hat on, but as the Department Director and EITS being part of the Department, I absolutely see the need to invest in resources, and have that type of expertise available. When we talk about project management, we talk about those things. It doesn't necessarily mean that it's going to always be state employee resources. I think it needs to be in some cases. But I think we're going to have to put resources into EITS to allow bringing on those types of experts. Either whether it's experts in certain fields, certain areas, with regard to security-related matters or with regard to specific infrastructure centralization, or whether it's more nuanced with regard to the replacement of a Public Safety system, you know, an integrated system. We're going to need to be able to bring those types of experts to bear.

I think David and I have talked a lot about what the workforce of the future looks like, and the need to be more mobile in what we're doing. We're not going to be able to always have those resources in-house. In some cases we're going to need to be able to bring people who have that expertise in. And the type of third-party analysis you're talking about, whether it's global or whether it's more project specific, I think we'll need that. And, you know, I'm certainly looking to put the resources in that allows for that happen on an as-needed basis. So hopefully we'll get that support from the Budget Director, I'll see if he can support it, and then ultimately the legislature on that.

Joe Marcella: Any additional conversation or discussion from the Board?

Unidentified Male Speaker: Mr. Chairman, I have a question for Director Mohlenkamp. As far as the schedule for getting this information from other state agencies on this spend, on IT, what's the going forward that schedule?

Jeff Mohlenkamp: Yeah, my -- Jeff Mohlenkamp again. You know, my intention was to try and roll the survey, if you will, the request for information out to the directors of the departments by the 1st of February. My guess is that based on what I'm hearing now that'll be delayed by at

least a couple weeks. I hope to get -- we've done a lot of internal gathering of data in trying to identify, within the Budget Division, how much we can quantify. And then there's a fair amount that we can actually quantify, but then there's pieces that are more challenging to quantify. And then to try and get it into the right buckets is the next difficult piece. We're getting closer, and I expect it will get a survey, a process in place by at least mid to late February. The idea of giving departments about a month to pull the data together and then, you know, hopefully by the end of March we're in a position to really use the data to identify maybe where some cost-efficiencies exist.

As you recall, we just finished doing a benchmarking study, where we're in the process of finishing the data reconciliation, and that was a nice platform to help us. And I think -- so some of that information is very helpful. We also have seen that there's been other studies, other attempts at this, albeit most of them were stopped short. I wouldn't say they were completely aborted, but in many cases they didn't really get to the end, which is my concern here, is if I make this too challenging and too difficult and too all-encompassing, I'll be talking about this two years from now and we will be no further. So my goal is to get something out by certainly late February, give the departments about a month to respond, keep it small enough where we can use the data, but large enough where the data's meaningful. And then I'll be able to report back to this committee I'm guessing some time during the month of April.

Joe Marcella: For the record, Joe Marcella. Director Mohlenkamp, one of the barriers to success, obviously, and I've heard that several times, is some of the process that's attached to the budgeting process, some of the -- actually there are some barriers, not only in timing, but in the structure of the financials and the budget. Is there any thought to adapting the budget to be more in line with the needs of what needs to be done from a technology perspective? And it's--I understand, it's an unfair question.

Jeff Mohlenkamp: Jeff Mohlenkamp, for the record. You know, I had a chance to read the minutes, so I have a little bit of understanding of the context of the discussion last time around. I think we've been wrestling a bit with what we have. The way the system works now is we have a bunch of -- a bunch, when I say bunch, I mean a bunch, of rates that EITS bills the agencies for. And it's typically -- I mean, largely it's on like a use driven basis. The agencies will identify what they think their needs are. And then we did the whole quantity of what those needs are, and then we -- and we identify the cost of it, and then what turns out to be a rate as a result of that. And then what happens is sometimes agencies need a little -- need less than they thought they did, and sometimes they need more, and then the shuffle begins of trying to identify how to have the resources meet the needs.

And it is a challenging process because, first of all, EITS doesn't get probably as an early indication of what those needs are as they need, and that's something we are trying to work on. And then, subsequently, when an agency says they need -- all of a sudden they need less, well, they've been given the money in their budget, and now they want to say, "Well, I don't really need all the resources." Well, we need a process whereby, okay, if you don't need all those

resources that money needs to come back. And typically there is a process we work on with the legislature where they reserve for reversions of certain dollars, things like that. Sometimes it doesn't work that way. And as a Budget Director, I certainly want to make sure that we contain that.

From EITS' standpoint, I think what we're looking to do is simplify the process somewhat. We have an inordinate amount of rates, and David and I've been working on the concept. Actually, it's his concept. And we're working on the pooling of services, and coming up with a more consolidated rate structure that it's not essentially a bunch of one-offs. That it's true in the computing area, it's true in a number of areas where we have a myriad of different, you know, granular services we're billing for and we're looking to combine that.

So we are aware and moving in that direction. The only -- the challenges we run into that make it difficult for us to totally modify our system is the federal funding issues. The fact that we have a myriad of funding sources that are not just state funds, whether it's fees or federal funding services, makes it a little bit more challenging. We can't -- there's certain things that we have to do by the federal guidelines, otherwise we get into a repaying situation and things like that, so -- but we're working on it. I think we're making progress. Actually I feel good about the progress. We might not get it quite as far as David wants it to go, but I think we'll move in the right direction.

Joe Marcella: Joe Marcella, for the record. Thank you, Director Mohlenkamp. In statute, EITS is supposed to take a lead role in much of what we're talking about. And in today's world that's been extremely difficult. With your three-step plan does EITS now step up to a new role or will they continue with the same role they've had?

Jeff Mohlenkamp: Well, you know, in the tire (sp?) process that we've used -- Jeff Mohlenkamp again, for the record. In the tire process that we've used, EITS really has been the coordinator of that process. So one of the management meetings we had, you had a chance to attend that one with a variety of the directors. One of the individuals mentioned that they thought using that tire process on a more robust basis. And that was really kind of the genesis of this discussion. It came from one of the departments, that that might really be a way to move forward. And then I took that and basically ran with that concept, because I think it was a nice way to move us forward.

I think EITS will play a role in that that they are the experts in the data systems, and as was mentioned earlier, there's systems and processes, and there's a variety of things. I think this is a managerial function of the state. The reality is IT exists to support operations, not the other way around. And so I think this will be a management function of the state, which is one of the reasons I've asked the Governor's Office to play a critical role in it. But I expect that EITS will play a very significant supporting role in the fact that we will be talking about data solutions to business needs, and their expertise will be critical in that process.

Joe Marcella: Joe Marcella, for the record. I tend to agree wholeheartedly. Okay. Any additional discussion from the Board? Senator -- I'm sorry, Assemblyman Anderson, anything from Southern Nevada? Where it's a lot warmer than it is up here by the way.

Paul Anderson: Yeah, it's very nice and warm. I appreciate the upgrade in the title too, but I have nothing at this point. Thank you.

7. ITAB ADVISORY DISCUSSION – NRS 242 REVISION RECOMMENDATIONS – David Gustafson (For possible action)

Joe Marcella: Okay. Joe Marcella, for the record. Let's go ahead and move on to Agenda Item 7. David, you had some thoughts about how the Nevada Revised Statute could assist in this process.

David Gustafson: Good afternoon. David Gustafson, for the record. I do, as a matter of a fact, and I think a lot of the dialogue that we're seeing today is -- I don't want to say is started by me, but certainly when we look at the way the statute is written right now, it's very difficult for us with our resources to facilitate all that it requires us to do. And what I wanted to do is -- my goals was to go through and start sweeping through some of the statutes and some of the things that we're clearly not able to do, or by policy and funding we're not afforded to do or any of those things. I really wanted to clean up the statute. I really wanted to make it much more streamlined and much more simplified, if you will.

And so some of these discussions really to come out of that, because the statute requires us, for example, to maintain managerial control of all state assets. Okay. Well, that is not true. It probably never has been true. Maybe in 1965 it was true, but it's clearly not in the last few decades. So those are the kinds of things. And then when you -- but the policy discussion comes from that is, okay, if we take that out, then are we -- is it part of the strategic vision? Do we want the -- do we want to bring people to the middle? Do we want to bring people away from it? What do you want to do? And citizens are saying, "It's a great dialogue that you guys have started to have already." And it's funny because Jim and I were talking about this the other day in my office, and actually I think it was in his office, and he says, "Well, when you look at the world, where are all the forces going?"

And so he's talking a little bit about that. And I said, "Well, some states have --" and so Jim says, "So states that have consolidated IT organizations, are they continuing to consolidate, or are they deconsolidating? Are they decentralizing IT?" And I said, "Well, I don't really know that I have the right answer for that, but what I do know is that Cloud and outsourcing and things like that are all decentralizing forces." And so that's sort of where I started to think, "Okay. There's probably some things that we probably should do centrally, but there are many other things that we probably should not, and maybe let agencies sort of make up their own information technology decisions there." And sort of started this whole conversation about what

do we want to be when we grow up? You know, when are we going to -- I was going to say -- I don't want to say that. But when we do grow up, what do we look like?

And I think it's really difficult in government, especially, because, you know, the government is such a unique animal because it -- if you were in the private sector and the CEO says, "Here's where we're going to go," everybody kind of just goes that way, right? The IT guy just follows suit. Whereas in the government, and I'm not saying that doesn't happen, I'm just saying that everybody has unique missions and unique goals and such that IT is going in all different directions. And so it's difficult to come in and say one thing is better than the other when everybody's going in all these different directions all the time, and so it's a bit unique there, so --

But as we cultivate and grow these ideas, we clearly are going to change the statute. I have significant write-up of 242 that we're finalizing now. Once I do that, I'd like to share it with ITAB. I just don't think it's quite ready yet. We're still, as Jeff was pointing out, discussing some of the major policy initiatives that are in there, and once those are hammered out, I'd definitely like to share it with you guys.

Joe Marcella: Joe Marcella, for the record. David, let me just pose a question. In the private sector, and not that government can be run like a business, and business practice reengineering wholesale in government's not going to work. The truth is, is that Human Resources, for instance, is very vertical. Health and Human Services is very vertical. Finance and IT. And by the way, they seem to be horizontal across the entire enterprise. And by the way, even at the state, Health and Human Services, as well as Finance, seems to be horizontal. There is one authority. But within the IT piece there is not. But there is an authority above that, and it's the CEO. And that's the way it would be in private sector.

So the piece that's missing since you've got three moving parts that are necessary to run any business or deliver any services is governance. Even if the governance and the process is different for each one of those delivery systems, there isn't a homogenized, unified single governance that's horizontal for the IT piece that's necessary for the entire enterprise. Are you talking about changing statute to help create that governance so it's a little more broad-reaching and more serving for the overall state?

David Gustafson: David Gustafson. I think those are some of the discussions that we're having now. You know, I will go back to a conversation I had with some state leadership many years ago, and what I essentially said was if you believe that our organization is similar -- is the state similar to a private sector organization where you have CEO, cabinet people and then everything else, then that is -- then there is no reason why everybody would have all those IT shops all over the place. If you believe agencies are wholly owned subsidiaries of a parent organization, you know, we could use ExxonMobil or, you know, pick your favorite conglomerate out there, then it's right for them to have IT organizations and to support that mission of that subsidiary. And that makes perfect sense. To me it's really a philosophical discussion about where -- what we think the role of IT is in the business.

And in government it's kind of a blurry line, because in the private sector, when you're a for-profit organization, you're always seeking efficiencies all the time. And you can't be very inefficient because you won't be in business for very long. That's kind of the way it works. Your competitors would run you out of business. Whereas in government you're allowed to be inefficient and that's why, you know, the old adage, right, at the -- like changing government is like turning the Titanic, and it's absolutely true. It's sort of built that way. So if you see it, you know, whichever way you see it, it doesn't really matter to me, it's just the matter we need to kind of pick one and go. Right now we're in this hybrid-type model, and I don't think this is very good for anybody. I really don't. I just think it's driving up probably costs, actually, and creates more problems in the IT world.

Joe Marcella: Joe Marcella, for the record. One of the items that I mentioned was agreement, and I don't think we can get agreement across the board -- across the state without a clear understanding of what that agreement is, and what you're agreeing to. I remember in the meeting that I had, when it came up, that was -- it's about a month ago, with the directors, one of the things that became obvious is that there was this concern about the word consolidation, so we changed that to strategic sourcing. The truth is, is that we're not really talking about consolidation. What we're talking about is effective use of technology and servicing even those vertical units so that they're effective in how they deliver services.

Consolidation to me makes sense if you have 15 DMVs that do exactly the same thing in 15 different centers. Then put them in one center, because they're going to do exactly the same thing with some adjustment. That's not what you have at the State of Nevada. What you do have at the state level are a lot of vertical units serving a whole lot of communities of interest separately. You have to find a way across the board to make them effective and efficient and to give them the infrastructure and tools so that they can go to that next level. Staying on a mainframe, whether we're talking about DMV or Health and Human Services, without having a capability of moving to mobile, Cloud or anything else that services the citizens or talks government to government, government to business differently is almost criminal. It has to go the other way.

The only way that could happen is with clear, clean understanding of what we're trying to do. And it isn't trying to take all of the vertical units and all of the vertical departments and consolidate them into one. It's to preserve the vertical and try to leverage whatever we can from a horizontal perspective so that they can be successful. Is that a clean definition?

David Gustafson: David Gustafson. And, actually you have sort of beaten the same drum I have, and that is IT, it's not our job to determine these things, right? Our job is to make the best use of the resources in the most efficient way possible.

Why don't I tell you -- there's a problem with that logic, though, in government. And that is you have agencies that have and you have agencies that have not. And when -- you will have those agencies that have will have everything and they'll be fairly well-rounded and that will be fine, we'll move on. And then you're going to have the have-nots that have nothing. And that's

typically where the internal service plan is the equalizer in a lot of those areas, where because we charge the same price for the services, it's sort of equalizes the playing field. Whereas services that we provide now on an enterprise for those that have not, if you will, or have little, and equalize those that have.

It's an interesting dilemma here at least in government at least it is. And I think you're saying all of the right things, and I think you're saying absolutely the right things. I don't really -- I mean, my mission in life is not to consolidate governments. I don't really care about that. That's not why I'm built. I'm built to deliver services. And I think from my perspective, and just like in the mail now, I was going to talk a little bit about this later, but even in email, we're outsourcing our email now. We're not planning on keeping that around either, so anyway --

Jeff Mohlenkamp: Mr. Chair, if I might.

Joe Marcella: Please.

Jeff Mohlenkamp: Jeff Mohlenkamp, for the record. And so I think in looking at the Agenda Item, the NRS 242, you know, we've had a chance to have several discussions dating back to actually prepping for the last legislative session and the last set of bills that were submitted, BDRs. And David's absolutely correct in that we need to align 242 so that responsibility that he has and that EITS has is lined up with their authority. And there's a misalignment there in significant ways. And so we are absolutely having meetings. We've been meeting with the Governor's Office. And we've been having those meetings to try and discuss how to best align that. And in that structure obviously you have to be careful about what you put in statute. Because, I mean, statute, you don't want to granularize statutes such to the point where it ties your hands on being able to move forward. But you do want to have core principles built into the statute.

And you mentioned the word governance, and I also used the word standardization. But there's absolutely a need for us to identify where those things need to occur. And maybe there are some areas where that doesn't need to occur, and I think that there really needs to be a look at that statute. Now, David and Mr. Earl have been spending a lot of time on that.

But I think the message that I have, you know, from my role in administration is that we absolutely need to have a structure surrounding IT in the state that allows for those areas where we need to be properly governed and standardized that we need to have that structure in place. And I think that's going to be the message that I have for David as we walk through that is there's some areas where the alignment of his responsibility and authority is going to be to realign that responsibility out to the agencies, but under a structure that exists, you know, and that's fine. It's just that I want to make sure that the confines are in place, whether they're statutory, regulatory, however we set it up, because I do not want to advocate the authority to the CIO in the state, and we have to be very careful about that.

Joe Marcella: Thank you. Any further discussion? David.

David Gustafson: David Gustafson. So Jeff has -- he's been in meetings where I've tried to give the farm way and nobody wants to take it, so -- but I think -- but I do think it's important though that whatever those policies are on an enterprise, that the statute's reflective of whatever they are. And, you know, my mindset is always, you know, thinking more of my private sector roots, and I say less is best. So if it was up to me, I would strip most of it away and just stick to what's really important. And I think our customers would be better served. I think information technology, as a whole, would be better served. It'd be a little more agile and some things like that. Sometimes I think Jeff's absolutely right, the statute will restrict you and confine you in such a box that you can't move in it. And in information technology, that's the death knell right there, so...

Joe Marcella: For the record, Joe Marcella. That's really the reason I asked about what your role is, because the truth is, is that whatever's in statute isn't necessarily the way it's going to be, or what would be appropriate for the state. And that's part of what this conversation is about. And until you get to a point where that's cleanly understood as to whose role is what, again, a lot of moving parts, that's not going to be defined, and you're not going to be able to change statute.

David Gustafson: Mr. Chairman, one last thought on that, and that is I think that when we look at information technology as a whole, we need to make sure that the framework is fair, is representative, and is empowering, not only to the state CIO, but also to agencies as well. And I don't want to create another process similar to the one we have, and I sort of outlined this last time. I'll give you a really short story. But agency requests something, goes through their analyst, their director, right, all the way through the budget office, through the Governor's recommended budget, through the legislature, presentations are made. The legislature appropriates the money, or the authority to do it. And then at the end of that you've Gustafson telling you no. And that's not fair. It's not cool to anybody to do that. And that's not what I want to do.

So if we're going to talk about true governance, this is sort of the conversations we're having now, it needs to be a part of the fabric, the framework of information technology. I don't -- you know, I don't want to -- as I told someone the other day, I don't want to always be the bad guy. It's not IT's job to be the bad guy all the time. We're supposed to be empowering operations, as Jeff called it, with the business units. That's what our job is. And so when I'm always telling people, "No, you can't do things," you know, sometimes I am protecting them from making really bad decisions, and sometimes, you know, it's just their, you know, bad timing or who knows what, but it's -- I want to create a context so we can empower the business units and everybody can be successful.

Joe Marcella: Joe Marcella. I would assume that many of these decisions that they're making are literally trying to keep the wheels on the wagon based on the economy and where they currently are in their computing environments. So, again, I'll go back to Director Mohlenkamp's proposal, three-phase or three-pronged proposal, you've got to start at the top and then have a unified enterprise understanding of what needs to be done.

Jeff Mohlenkamp: Mr. Chairman, just to -- because I think David -- this is Jeff Mohlenkamp, for the record. I think David is very right. The way we budget historically for IT really lacks the cohesiveness that we really want. And he's absolutely on target. I think one of the things that we need to do is very early on -- I mean, look, there's things in IT world that are kind of nimble and need to move. I mean, sometimes servers crash when you don't expect them to and things like that, and we get that. But, you know, for the most part, you know, agencies should and can be looking out at least a year or two years, three years, as to what their major IT needs are, whether they're going to need to do something with their GIS platform or their web portal or various different things. And we really absolutely need to be earlier on identifying what those needs are, and not six months before the budget's due.

And so I do look at this process that we're talking about with the ITSPC as being geared towards those major replacement systems, those larger legacy systems, but also have a role to talk about, you know, other applications that are coming forward and those types of things. And so there's a much earlier indication of those types of things happening. I think we can do a much better job of planning and then executing a budgeting strategy where IT is concerned if we do that in a cohesive way. And so I'm definitely in favor of it.

8. CIO HIGHLIGHTS – David Gustafson (For possible action)

David Gustafson: Mr. Chairman, with that, I'd like to move on to discussion number eight if that's okay.

Joe Marcella: Please.

David Gustafson: And so I've said some of these things already, and I have just a short list of probably 10 or so things that I want to just give you guys a little bit of highlights on. So our outsourced email solution hit the streets...

Unidentified Male Speaker: Friday.

David Gustafson: Friday. And so that's out there on the state website. I think I checked it Friday afternoon, it wasn't, but the upload I think went in Friday night, so it should be out there. And that is to outsource all the users on the state email system, including DPS, now is about 12,000 or so users. And that's an interesting read. I don't know exactly how many pages the final product was, but it was, you know, 90 something pages or something, including all the RFP language. But, nonetheless, that is well underway now. And we have funding for this fiscal year that has to be spent, and that is -- our fiscal year ends on June 30th.

Moving on to my next item. We've received lately a lot of investigations and Freedom of Information Act requests and things like that, and I'm not sure if there's something in the water around here or what, but we're getting a lot more of those than we usually do. And I don't know if that's just something going on out in the free world or not, but it's clearly picking up in speed; a lot of investigations and such.

Joe Marcella: David, with social open data, e-discovery and transparency, it's not going to stop. And with segregation or separateness of all of the computing environments, it's not going to be easy. So today you're probably directing all of those requests to the agency who owns the data. In the future you're going to need to be able to do relationships between those multiple agencies, and that's where it becomes difficult. So this conversation is important to being able to provide those services.

David Gustafson: Dave Gustafson. In fact, it's a -- you sort of hit it on the head there, Joe. I'd like to elaborate a little bit. And it's going to be far more complicated, because as we don't manage all of the systems for some agencies, and as we continue to do all these services, and so when we get a FOIA for, hey, something, give me all the documents, all the email, all this stuff, and we may only provide one or two of those services, but we still have to coordinate with the respective agencies that have received the request. And it complicates things, and it makes our life more difficult because I still have to assign staff to go in and coordinate that effort to make sure that the product is returned back to the owner, and so it's a lot of work. They're a lot of work. So I just wanted to say that though. We've been getting a lot more of those lately than I'd like to see of course.

Joe Marcella: And then compliance is an issue as well. Joe Marcella, for the record.

David Gustafson: Dave Gustafson. That's correct. Strategic plan is another one that -- I was at a conference last year and I met with a very smart lady, and she says to me, she says, "If your strategic plan is more than four pages, no one's going to read it." I was thinking like 20, 25 would be a, you know, pretty good number. She says, "If it's more than four, no one's going to read it." And she says, "Especially the legislators." And so I think she's right, and so what I've done is I've put together a framework. I'm trying to keep it four or five tops, really about the high level stuff of what it is. That is sort of the genesis of a lot of these conversations about policy, because the strategic plan, what you want to be when you grow up, is very difficult when everybody says you want to be something else. So we've been trying to narrow in on that, but it's a draft. And as we zero in on some of the policy discussions for the NRS changes, I want to finalize that document. I'd like to present that also to ITAB and you guys can take a look at that as well. But I want you to know it's not lost on me that it is well underway, I just don't know exactly the final spin on what the strategic plan will look like.

I want to give a quick update on the DPS integration efforts. We are making great progress here. The teams are working really hard on this. We have uncovered some things that we weren't planning on. We've had to make some changes in our plans, mitigate some risks along the way. We've had some unplanned outages and things like that, some delays, but we are well underway and we're really excited about it. We're talking about consolidating data centers and applications and all kinds of great stuff. And the legislature has asked me for -- our analyst has asked me for -- I have yet to see any in writing. But the analyst says that I should be prepared for the April IFC to present an informational report on the status of where we are. So it's well underway though.

And if anybody has any questions about any of these, let me know. Otherwise I'll just kind of run through them.

Joe Marcella: Joe Marcella, for the record. The DPS effort, is that going to be the showcase that proves the concept of moving some of this stuff forward in the sense of consolidation, standardized security, communications and the like, and actually proving some of the economies?

David Gustafson: David Gustafson. I think it can be what the directors want it to be. I think, in this particular case, when you look at Public Safety folks, they didn't really want to be in the IT business, and so it sort of made sense to let the IT guys handle the IT. And there's -- I think I'll say this, and that is there's only a few people that get the Homeland Security briefing, and the cops are one of them. And they understand the cyber world and what's going on, and it's really kind of spiky, you know, when you look at the Target breach. And about one out of every three Americans', you know, personal data was compromised in that Target breach, and that's just the beginning of where these things are going to go.

I think they kind of realize that -- and this is the opinion of David Gustafson -- that, you know, it's best to probably let the professionals handle some of this stuff when they have really important stuff they don't want to lose. So I think if you're somebody, you know, maybe who's not so concerned about those things, it's not as high a priority for you, but I think in that particular case, I think knowing all the data points around them sort of kind of lead you to that kind of conclusion, so...

Joe Marcella: Director Mohlenkamp.

Jeff Mohlenkamp: Thank you, Mr. Chair. I had a chance to talk to Mr. Wright, and, you know, he runs DPS, and, you know, he gave me a briefing on how well it's going. And he's very pleased I'll have to say that not only the responsiveness, but the speed with which EITS has been able to address some of these problems. And I think as we've gone through it we've found that there were more challenges than we expected and, you know, more vulnerabilities than we expected. And I had an opportunity to sit in on just a couple calls with David's group as they were triaging some of these problems, and I was impressed with both the speed with which they came up to speed, you know, up to current knowledge and how well they've been able to address it. I think that some of the resources that came over from DPS into David's shop are playing a key role in starting to -- the evolution of customer service is -- that's an element that DPS was doing quite well.

And then so that integration I think is -- to answer your question, I think it has the potential to be a good model. And as we go forward with looking at that, like, I don't know, I guess you call that full vertical integration, because essentially all of DPS' IT came into David's shop, came into the EITS realm, and I think, you know, in another six months or so from now, a year from now, we're really going to be able to look and see how successful that was, and I think that'll be helpful for other groups that we might want to bring in on that basis.

So I think it's a good model. I mean, we'll see. You know, the jury's still out a little bit, but so far I'm hearing very positive news.

David Gustafson: David Gustafson. And so we also started in January what I call monthly operations meeting. And we just had our first one with DPS. We spent four hours over there at the Director's Office tying up his afternoon. Essentially going through everything from how many help desk tickets you have, how many are outstanding, how old they are, everything from what the major plans are at all the systems. Everything from what we're planning on doing with the network, how we're communicating our messages out, where we are with the Windows XP updates. I mean, everything, we do this, what I call, the monthly operations meeting, and addressing either concerns, we take action items.

And so we're -- I'm going to have to start doing that with our major customers. I've sort of wanted to do this for 10 years now. In my professional career now I think I'm at a place where we can really start pulling all these things together, and so I go over with presentations and we kind of get on with it. And so Public Safety will be -- and then once we can iron out the process, we'll be circling back to probably our major top three customers.

Joe Marcella: Joe Marcella, for the record. David, I don't want to misunderstand. What I'm hearing is, is that your initial objective is to stabilize the infrastructure with the DPS folks, streamline the operations and so forth. That's to set a foundation so that you could actually start to modify change or enhance services. That's what I'm hearing. Is that what you're saying?

David Gustafson: David Gustafson. That is absolutely correct. And that's been our number one priority. In fact, we knew going into this that there was some aging infrastructure. What we weren't ready for was the number of significant outages that came at us quickly. And so that's when I had to tip it a little bit and I talked to the Director, and I said, "You know, my number one priority really needs to be stabilizing your environment before we can really talk about doing anything else." Because service disruption is just not what we're built for. I mean, we're built to deliver services, and so when the services are unavailable, we've kind of failed in our mission. So our number one priority is to stabilize their infrastructure, and now that it is stabilizing, now it's time to start talking about the rest of it. And so that's when I started thinking about all the stuff, where we're going, what the plan is, what's next in line.

I also go over communications with him as well, with the Director, "Here's a draft communication. This is what we'd like to send out. Here's sort of the process." You know, the email migration is a great example. The Public Safety email server is just not ready to meet the challenges of tomorrow. And so what we're doing is we built a CJIS compliant component of the state email system, and so we're migrating them over. We're having a series of four communications, you know, starting out from six weeks, you know, to four weeks, from two weeks, "Here's what you should expect, here's your end-user action items," all those kind of stuff, and really making sure that the Director's okay with the communication, and then executing on the plan that we've defined. And so that kind of stuff is what we talk about every month. And so I'm pretty excited about that. Do you have any questions on that, Mr. Chairman?

Joe Marcella: I'm trying to visualize that there's a business side of DPS and then there's the infrastructure that that business rides on. So what I'm hearing is, is now there's independence on the business side, but there's some sort of normalization of the infrastructure it rides on.

David Gustafson: That's correct.

Joe Marcella: So they still remain independent, but they're using some sort of homogenized infrastructure once that settles in and...

David Gustafson: Dave Gustafson. So let me see if I can reword that back to you and make sure I understand. So the Director's concerned with having business systems available and operational when they need them. And in order for me to increase the reliability in those systems, I have to do certain things on my side, which is standardize the infrastructure, stabilize it, build in redundancy and those things, and so we're talking about all of them at the same time. I'm talking about how do we make the network more redundant and more available, as well as, okay, the CJIS modernization project, what are we doing, what do we think we should be doing with that, so this meeting was really talking about all of it, and that's why it was a four hour meeting. But it's largely built around business activities.

Joe Marcella: Did you make decisions in that four hour meeting?

David Gustafson: Of course. Actually, we had a great time. I really like these meetings, because I think it's really important. It's really interesting to look at some of the metrics, you know, here's how many help desks to get you open, here's how many are still open, here's how many are closed, here's the priority of what those are. You know, and then, like I said, it's really a lot of fun because we can go in there and the Director can make decisions. We had -- one particular came when we had some email challenges and there was a whole flood of tickets that came in about, "Hey, restore my mailbox, find my contacts," all that kind of stuff. And so now we said, "Okay, now that that was months ago, do we still want to keep these tickets open, or do you mind if we close these and communicate with the users, that, hey, if you still have a challenge, you know, we'll go ahead and open a new one or whatever," this kind of action. And the Director was able to make decisions and we were able to move on. And it's -- I think it's really great actually. I think it's great on my part. It's probably great on their part because it all just gets taken care of. So, anyway, that's the monthly operations meeting. And we're going to start doing that with our major customers once I can pretty much standardize my PowerPoint there.

The bill draft request, we spoke a lot about the bill draft request already today. And Jeff hasn't gotten back to me, but I'm pretty sure the bill draft request I heard was due earlier this year than it was last year. And I don't remember what the day was, but I can't remember if it was May or June. So I don't know when the next ITAB is, but we kind of -- there's a lot of things that are up in the air that are going to have to hit the ground here fairly quickly. And this policy discussion, redrafting of the BDR, and actually getting it over to the Budget Office is -- I think it's all within a six month time frame, just to give you guys a perspective on that.

Joe Marcella: And your attempt is to get more enabling legislation, in other words, with the BDR?

David Gustafson: David Gustafson. I think alignment is probably the word. I don't know that I -- I guess it depends on the policy discussion. I don't know that right now. What I do know is I would like to align the statute with the last 20 years of policy from executive and legislative branches. That is a significant change to what the statute looks like today. So what I am proposing is some sweeping changes to the statute and the removal of a lot of those.

Joe Marcella: Thank you. We look forward to seeing it.

David Gustafson: Mr. Chairman, but I would say that if the IT Advisory Board wants to make recommendations or want to start talking about what they think should be part of this BDR discussion, the bill draft, then now is the time to be doing that. Because I don't know, you know, I don't know if Director Mohlenkamp is ready to have that or not, but I don't know when that date is, but it's fairly soon. It's probably within six months that we have to have our draft over the Budget Office, so there's not a whole lot of runway between now and then to do that. And so if you want to do that, you should be having it now.

Joe Marcella: Please.

Jeff Mohlenkamp: Mr. Chairman, Jeff Mohlenkamp, for the record. So we'll be doing the, what we call, the budget kickoff meeting that's coming up March 6th. So it's coming up fairly rapidly here. We'll be issuing budget instructions that come out either a week or two weeks prior to that and that will give all the dates. But David's exactly right, there was a bill that was passed by the legislature and signed by the Governor that moves up the timetable for submission of BDRs. And so I think -- I think it's at least a month earlier than it was last time around. I believe last time they had to be due to us by I think it was August 1st. I could be wrong, but it's going to be moved up at least a month from that. I think it would be probably -- if we're going to get feedback from this body for David to be useful, we'll probably need that within the next couple months.

So I think once a draft gets completed, it'd probably be good to get it circulated out to the members for input. Obviously it's an Advisory Committee, so we'll be having to take that and obviously work internally within the Department of Administration to determine what we submit to the Governor's Office. And the Governor's Office ultimately has a certain number of bills that they can submit to the legislature, and they'll have to determine if the revisions to 242 will be, you know, in their list of bills they'll submit as part of the executive branch budget.

Joe Marcella: And I think we're limited to three. And I don't know, you might have a little bit more authority than the city does.

Jeff Mohlenkamp: The Governor has a few more than that, yeah.

David Gustafson: Dave Gustafson. Yeah, okay. So let me just roll through these here. I feel like I've been talking enough. We were trying to get away from -- and this goes back to a conversation Jim and I had probably maybe two years ago about bundling services. And how do we make it easier for our customers to just say we'll pay you, I don't know, pick your number, \$1,000 a year and I want a computer, email, telephone, and all that stuff, and I don't care how it gets there, just as long as it happens, right? And so that makes our life easier in the delivery side of it because we know how many people we can count on, how many computers we need to buy, when we need to do it, and we can sort of stagger this thing out, instead of, you know, 200 computers showing up in somebody's office and they just say, "Call me," and say, "I need to install 200 computer." You know, that's typically how it works now. And so it's probably not the best model to deliver those services.

So the concept of bundling services, then to maybe a couple months ago, how do I take 45 services and build packages? And so then I was thinking I would go in and say that we were going to allow packages. If you bought the communications package, for example, it would be a telephone, an email, voicemail, all this kind of stuff, and we wouldn't be so much worried about, from the IT side, whether a phone line had a voicemail or had three-way calling or all that kind of stuff. It really comes down to just buying the package. And I need to confess, this was born out of my mom -- I moved my mom up to Reno, again, from Las Vegas. And we go to hook up her internet. And her internet, when you go and you can look at Charter or AT&T, whatever, you basically get a couple of different packages and that's it. There is no Chinese menu anymore. You can't just go in and one of this and one of that, one of that, one of that. You can't do that. You get one of the three packages and that's it. There is nothing -- there's no deviation from it. And that's because it's a more efficient way of delivering services.

And so I sort of came back and I thought, you know, we have all these 45 services down to tape I/O and disk storage and, I mean, pages printed, I mean, you wouldn't believe it. I mean, Laura knows. And, you know, there's 45 different services that total up to about \$40 million a year, and this is a bit crazy. It's crazy for the IT folks. The actual accounting of all of those things, it's crazy for the billing people. It's crazy for the accounting people. You know, and then the customers have to sort through all these bills with all these complex, you know, numbers and calculations, and that's just not really the model I think I want to move forward. So we started of talking about standardizing these packages, if you will. So that's a discussion Jeff was talking about a little bit earlier.

So we're looking at that, how do we shrink 45 services down to less than 10 packages, as I've defined, and Jeff says I'm being optimistic. But nonetheless, how do we keep shrinking them, creating packages that sort of are all encompassing, if you will. We're looking at that.

Paul Anderson: Mr. Chair, could I ask a question there?

Joe Marcella: Please, Assemblyman.

Paul Anderson: So, David, I'm wondering if there's a historical reason for all the a la carte or if it's just sort of something that's come about. Because certainly in the -- you know, you're describing managed services essentially, right, the kind of a breakdown of per user fee and each user has a certain package and they get what they get in that package. So is there -- historically is it just because that's all -- the way it's always been done or was there a reason it was so a la carte?

David Gustafson: Dave Gustafson. I believe -- it's always been like that as long as I've been with the state. I think the reason why they do that is to maximize the federal money, I believe, from the federal -- from the agencies that are more federally funded than others. Meaning, if we're able to provide the level of detail -- let's use the mainframe for example. So instead of just saying a mainframe service is \$1.00 per, you know, minute or whatever, we're able to go in and extract more federal money by showing, say, Welfare uses more of the mainframe in certain areas, then we can capture more of those federal monies. That is my speculation on that, but what I do know is it's very complex.

Paul Anderson: Yeah, it sounds like it. So that might be -- those packages might be better fitted for some agencies versus others, it sounds like. I also just wanted to put my two cents in on the DPS migration. I'm hoping that's our shining star that we can look to and say, look, it works, not because we saved all this money, not because anything else, but the fact that we could put things under the same governance, that we can support things better because we know what's there and what exists. You know, standardization is something that is not always solely focused on cost savings. There's simply a -- you know, from a security standpoint, from a management standpoint that that standardization could be huge for us statewide in all the different agencies. Even if we're not the guys on the ground doing all the work, even if that agency is sort of a silo, if we can still grasp some of this governance and whatnot that the Chairman was speaking to earlier, I think it could be a huge help for us statewide. And in the end I do believe there is tremendous amount of cost savings as well, but I don't think that has to be the sole focus of why we should do it.

David Gustafson: Dave Gustafson. Spoken like a true IT guy. So I agree with that. I'm certainly doing everything I can within my authority to make it a success. I think it's been a great experience, not only for their staff, for our staff. I mean, we get -- everybody gets to learn new things. We come together. And, you know, now the IT staff that used to be part of Public Safety is now part of a larger organization. Now there's 190 IT people that can move up and down and sideways and in and out, and so it's a great experience. We have -- you know, thinking of some specific examples in my head where, you know, we have some junior people who are now working with very senior people who now have an opportunity to learn new things and stretch and grow in ways that they were not able to do before. And I think this is a really great opportunity for at least certainly all of my staff. And I think it's been great for me as well, so I'm looking forward to carrying it on.

Joe Marcella: I tend to agree. Just in a side comment, no two people from any two divisions that already -- any of the same division are allowed to play on the same softball team at Microsoft. They have to be from separate divisions to play on the same team. So it's a forced concept. By the way, they moved out the round tables and put in long mess tables to make sure people talk to each other at lunch.

David Gustafson: There you go. Great example. So I'd like to -- just a couple more here. We're working on an RFP for a self-funded government portal. And this is -- the concept of this is really that fees or service charges or whatever you -- however you want to look at that are levied against online services. And these services that are available to states are at no charge to the states. And that the benefits to the state is that you have online services where you didn't have them before, and they're funded by capital investment from the private sector. So it's a unique opportunity and a lot of states -- about 30 states have taken advantage of services like this. And 8 or 9 out of the top 10 state websites win the Best of the Web every year that are usually in some self-funded portal.

I know our neighbors over to the east here in Utah use a company to do the same thing. They have over 1,500 online services, and 27 full-time staff doing nothing but project managing, bringing services to the portal all the time, working with boards, commissions, agencies, what have you, to build this centralized portal. And that's something that they were working on now. I wanted to get the email one out the door, so that one's finally out the door, so now I can go back and this one will be my next -- one of my next major focuses. So if there's any questions, let me on that one.

Also as part of being an agile and proactive service organization, I'm going to look to build a request for next budget that will allow me to create unclassified IT positions. I know this may be a little bit controversial, you know, for some of them, for some of the staff, but what I think -- I think in the IT world, we need to be a little bit more agile than what we are. And I think sometimes that the classified service is fine for certain areas and I think in other areas we just need to be a little more reactive, or a little bit more agile, if you will.

So we're going to be looking into what that is, how that gets funded, how does that work. My intent is that if I have to go out and hire unclassified IT people that I would expect to pay them more money. And so that's sort of the risk versus reward tradeoff as versus a classified employee versus an unclassified is the risk reward relationship there. But somehow we're looking at baking that into the pie as well.

A couple more things here just in closing. The centralized security rollout, we're noticing as part of the centralizing of the security that our number of incidents have gone down since we implemented this program. And we had as many -- we were peaking about 250. I'd like to provide this to ITAB as well. And I wanted to present my CIO highlights in a written format. I apologize, I just simply ran out of time. But we were peaking about 250 security incidents a month, and now we're driving -- that number's been slowly decreasing. Now we're down to about 50 to 75 a month from -- since the point where we started centralizing the IT services.

I think there's a couple reasons why. Sometimes the old adage, right, when you start paying attention, you know, when you start recording things, they tend to get better. That's probably one. I think the second thing is the enterprise tools that were made available to agencies were far beyond what they could've procured on their own, and as such, are typically better tools to get the job done, if you will. And so as we continue to further implement the four security controls, we're going to continue to see that number drive down. And when we have the four controls implemented, then when we see spikes, we're going to know something is up. When you have 250 or more, it's kind of hard to see the spikes. But when you have 25 and you see a spike, then you're going to know something is going on, so you can zero in on those abnormalities, whereas it's really difficult when there's a lot of white noise.

Joe Marcella: David -- Joe Marcella, for the record. Analytics in your performance and how you drive systems forward, how you get some efficiencies out of certain systems have certain actions, give you a positive result. I'm not asking from a Board perspective anything about the five nines. Your communications being at the ultimate or the number of failures. But when you have trends like security is starting -- security incidences are starting to decrease and availability of systems are starting to increase, that kind of trend analysis could be very useful, and almost beneficial, I think, if shared with the Board. And, again, what I'm proposing is not necessarily full analytics, but wherever there are successes then it might be beneficial to share. And I'm not sure exactly how I would want that done, but maybe some sort of a status report almost at every ITAB meeting that reflects some of those things.

Jeff Mohlenkamp: Mr. Chairman, if I could follow up because I was thinking the exact thing. Jeff Mohlenkamp, for the record. You know, David, you mentioned going down from 250 to 50, that's a huge decrease. Can we -- do we know if there's evidence to directly tie it to the deployment of the, you know, centralized security, or are there other factors? Do we have any kind of timing window as to we deployed it and then we saw -- then we saw the incidents come down as a direct correlative event or do we know?

David Gustafson: Dave Gustafson. I think -- so the answer is yes, we do know there's a correlation and we're putting all that together now. In fact, I had a -- I can't remember if it was a letter of intent or something that had some of that. The legislature was asking me about this. Because when we went back -- when the Governor issued a letter to centralize the security, then I went over to the legislature, and the legislature approved the funding to centralize and procure the Semantic Enterprise tools. And so as part of that -- part of that centralization decision from the legislature and the executive branch -- that was the time, I think it was March 13th where we started to see it decreasing. And a picture's worth 1,000 words. I wish I had that for you. But I will get you guys a copy of the letter of intent. I think we have to have a letter of intent to do with the legislature, that you guys can see where those data points are.

I'm going to give an off the cuff answer here that -- I don't remember when I -- I think it was in the fall time when I had sent that letter to the cabinet, and then the Governor issued another letter to centralize security shortly thereafter. And so what we're seeing is then in March, which I

think is after that letter and after we started implementing it, that things started to improve. And I think that's largely due to, you know, tools and attention, if you will.

Joe Marcella: Laura Schmidt.

Laura Schmidt: Is this a case of the cobbler's children has no shoes? Do you have the application reporting infrastructure to be able to report on these packages, your SLAs, like the DPS monthly report? Are you having to do all of these report gathering and metrics crunching manually? I'm also going back to the last ITAB meeting where they reported on kind of the complexity of your SLAs and your ability to keep up with the billing. Do you guys have a system in place to be able to help you do all this, to be able to report this information to the likes of ITAB and the Governor and your business units?

David Gustafson: Is this a trick question? This is a trick question. Dave Gustafson. We have very limited staff to pull these things together. And when we do they're mostly manual. Like, you know, when I talk about strategic planning and all these things, this is usually me, you know, Jim and I usually doing most of the heavy lifting here. So we don't have staff that's dedicated. We don't have automated systems. These things are mostly manual. And we've been pretty much running on a skeleton crew for quite a while now, so...

Laura Schmidt: It just seems -- I mean, when you talk, I feel the pain of what you're probably having to go through to produce this information. And it is difficult for you to become a very customer service oriented organization without those tools, so hopefully you will get them at some point.

Joe Marcella: Just to follow up on Laura Schmidt's comments. In any data or computing delivery mechanism, it's essential to know what anybody wants, which was Director Mohlenkamp's first phase of his project. Second is you better put something in place that actually consistently works. But the last thing is measuring it so you can consistently tweak it, because it's never right the first time.

David Gustafson: Dave Gustafson. And, in fact, when we started to go in with -- Director Mohlenkamp actually asked all of his administrators and the department administrator, and he says, "Okay, I want to talk about some of these ideas for the next budget, so give me some ideas, some concepts." And the one that I quickly threw on the table was we need an enterprise IT billing system, because we -- these are very complicated. I mean, we're down to, you know, nanoseconds on the mainframe and, you know, we got to make sure budget accounts in nanoseconds and, you know, disk I/O and all -- it was just crazy. This is a very complicated world. And so I put that in. I said, "We need something that can do this stuff for us, because getting files and dumping there and then converting it to Excel and then, you know, taking it from there and creating -- I mean, this is a lot of manual stuff." And so it's funny you say that.

And then I finally went down to, you know what, the world should not be this hard, and things should be a little simpler. And so how do I make things simple and easier for my guys? So, you

know, I promise I'm not going off here, but I need to be able to create a box for my team to be successful. And I can't do that when we're constantly boiling the ocean. And I can't be everything to everybody with a skeleton crew. But what I can do is I can create an environment -- shrink the box, if you will, so that we can be successful. I can be successful. My team can be successful. And then we can improve on some of these areas that you were just describing.

Instead what I was finding was that some of my guys or gals would spend a significant amount of time helping other agencies, who may or may not even be procuring our services, but we're helping them to fix their IT organizations, and that's not really good for the customers who are paying for the services. So I had to start shrinking the box on them and putting a little bit of harder walls on them to really -- you know, it kind of goes against the IT blood, you know, we're kind of there to serve for the business, and when I tell them to stop serving businesses, they get kind of -- it's not really what we do.

But I do think it's important that whatever I do in my mission with changing the statute and the strategic planning with all these things is really about creating an environment where my team can actually be successful. Because if we continue doing what we're doing now we will never be successful. We're always going to be the bad guy. And I don't think that -- we're always going to be the scapegoat, we're always going to be the bad guy telling everybody no, and we're never going to be able to get the job done that we were hired to do. So I have to constantly keep working on that.

So the short answer is, no, we don't have staff to do these things. But, you know, I'm very willing to spend my time to do them, and so I do. Mr. Chairman, I apologize for the diatribe.

Joe Marcella: Any further discussion?

David Gustafson: I just have a couple more things here about NACIO and then I promise I'm done. NACIO, our next major event is in May -- I think it's the end of May in Baltimore. So I'd like to come back and make a little presentation of what was there, some of the major themes, some of that kind of stuff, a little status report. And then one last thing is also part of our next budget I'm also looking at doing a Las Vegas build-out recognizing the fact that 95 percent of my employees are in Carson City. That does not help me when we go to do disaster recovery. And now that we have the, you know, the police systems and things, we need to make sure that, one, systems are DR ready, and, two, that we have staff to activate. And right now those are two conditions that are not in our favor. So we'll be looking at extending out some DR capabilities to additional police systems, and also relocating or hiring additional staff in Las Vegas to be able to facilitate that, in the event that we needed to that. Mr. Chairman, I rest.

Joe Marcella: All right. Thank you. Any further discussion from the Board? Well, thank you. Thanks, David.

9. PUBLIC COMMENTS

Joe Marcella: Okay. Let's go ahead over to -- move on to Agenda Item No. 9. And this is a public meeting, and I'm opening the meeting up for public comment. Assemblyman Anderson, anyone down there with you?

Paul Anderson: Nope, all alone still.

Joe Marcella: Okay. And I don't see anybody stepping up to the podium. So seeing none, hearing none, I close the public meeting.

10. ADJOURNMENT

Joe Marcella: And then let's move on to Agenda Item 10, which is adjournment. So not hearing any further discussion, can I have motion to adjourn?

Jeff Mohlenkamp: Move to adjourn.

Joe Marcella: Second?

Laura Schmidt: Second.

Joe Marcella: All in favor? Well, there's -- we can't vote. We don't have a quorum, so meeting adjourned. Thank you.

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Brad Carson: bcarson@dps.state.nv.us

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