INFORMATION TECHNOLOGY ADVISORY BOARD

DATE AND TIME: March 06, 2023, 3:00 p.m.

LOCATIONS: State Public Works Division   Grant Sawyer Building
                          515 E. Musser St.   555 E. Washington Avenue
                          1ˢᵗ Floor Conference Room   Room 1400
                          Carson City, Nevada 89701   Las Vegas, Nevada 89101

MINUTES

1. CALL TO ORDER and ROLL CALL

   Chair Jeramie Brown called the meeting to order and asked Administrative Assistant Liz Smith to call the roll.

   Members Present

   - Raymond Medeiros - Virtual
   - Jack Robb, Director - In person
   - Sandra Ruybalid, Deputy Administrator - Virtual
   - Hillery Pichon, Chief - Virtual
   - Jeramie Brown, Chair - In person
   - David Tyburski - Virtual
   - Robin Heck, Vice Chair - In person

   Members Absent

   - Christopher Turner
   - Loren Young

2. PUBLIC COMMENTS *(for discussion only)*

   None.

3. NEW MEMBER INTRODUCTION *(for discussion only)* – Chair Jeramie Brown

   Chair Brown stated that ITAB received 5 new members since their last meeting and asked the board members for introductions. Chair Brown stated that he's the Deputy Chief of IT for the Nevada Department of Transportation and is very happy to be on this board. Robin Heck stated that she is with the city of Las Vegas as their IT security and compliance manager and she's looking forward to serving with everyone. Jack Robb stated that he's the Director for the Department of Administration and he's been there since the beginning of January. Prior to that, he served eight years at Nevada Department of Wildlife.

Sandie Ruybalid stated she is the Deputy Administrator with the Department of Health and Human Services and Medicaid Agency. David Tyburski stated he's the Chief information security officer for Wynn Resorts, he's one of the industry members of the board and he's looking forward to what can be accomplished. Raymond Medeiros stated he's the CIO for the Carson City School District, he's been with the district for 23 years now and he's also excited to be a part of the board as well as seeing how to help EITS with their goals.

4. NOMINATION AND ELECTION OF CHAIR AND VICE CHAIR: *(for possible action)*

   Jeramie Brown volunteered to continue as Chair. Raymond Mederios motioned to close nominations for the Chair and Jeramie Brown seconded the motion. Raymond Mederios motioned to start the vote for the Chair and Sandra Ruybalid seconded the motion. Motion passed.

   David Tyburski motioned to open nominations for Vice Chair and Robin Heck seconded the motion. Robin Heck volunteered to be the Vice Chair, Sandra Ruybalid motioned to close nominations for Vice Chair and Robin Heck seconded the motion. Raymond Mederios motioned to open voting for Vice Chair and Sandra Ruybalid seconded the motion. Motion passed.

5. APPROVAL OF MINUTES (*for possible action*) – Chair Jeramie Brown

   Director Jack Robb motioned to approve the form of the minutes. Vice Chair Robin Heck seconded the motion. Motion passed.

6. BYLAWS (*for possible action*) – Chair Jeramie Brown

   Vice Chair Robin Heck motioned to approve the bylaws. Raymond Mederios seconded the motion. Motion passed.

7. PRIORITIES FOR ITAB IN 2023 (*for possible action*) – Chair Jeramie Brown

   Administrator/Chief Information Officer Timothy Galluzi stated that ITAB is responsible for making recommendations to EITS on policy and strategy. It has been discussed that ITAB take on a more holistic look regarding the executive branches' deployment of technology statewide, instead of focusing purely on one divisions usage of technology. It would be viewed at the strategic level to see how technology works across the executive branch, and how different departments utilize different pieces of technology. It is up to the board, in alignment with NRS 242 to create their priorities.

Vice Chair Robin Heck asked if items shared with the board, are public record as well as the strategy around security. Administrator Galluzi stated that anything shared with the board becomes public record because it would be exposed in the public meeting. He also stated that strategy around security is dependent on the subject matter. Some records are confidential and would not be shared with ITAB in a public meeting, but overall strategy will be approached at the right level that it can be shared and to ensure that it won't put the State at risk.

Raymond Medeiros stated that he would like to see the draft of the EITS strategy at the next meeting and that he would be interested in the cyber security conversation to see where ITAB can fill gaps. Administrator Galluzi stated that EITS will make sure there is an agenda item for the next meeting regarding an introduction of the statewide cyber security strategy and the framework discussion on the overall EITS strategy.

Chair Jeramie Brown stated that he does not believe that the Governor's Executive Order 2023-003 has any stipulations that apply to ITAB.

8. ENTERPRISE INFORAMTION TECHNOLOGY SERVICES (EITS) DIVISION LEGISLATIVE UDATE (*for possible action*) – State Chief Information Officer and EITS Administrator Timothy Galluzi

Administrator Timothy Galluzi stated EITS wanted to give the board an overview on what the division is doing for this legislative session and how they are approaching it. For this agenda item he covered the policy pieces. Administrator Galluzi stated the division is being more proactive during this legislative session, they are looking at every single piece of legislation that drops to identify whether there is going to be an impact on the division or technology in general for the state. If that identification is made, that legislation gets passed down to the EITS functional leads, the operational Chiefs, and the Chief Information Security Officer to review the impacts, the overall effect and if there is any significant risk to the state to include data risks and infrastructure risks.

EITS has been proactive in reaching out to bill sponsors, and to members of the Legislature to ensure that they understand what the intent of that legislation is and to provide guidance or potentially support for those legislative endeavors. EITS has been seeing some success, it's still early in the process so a lot of bills have not been fully completed yet.

As of now there are two bills that directly impact EITS and were EITS driven. The first one is one that's already in Bill Form, Assembly Bill 18. This bill has three parts it updates the definitions and NRS 242 related to technology, so it could be aligned with present industry usage and standards, it updates the names in NRS 242 to align with the current organizational structure of the division to resolve legacy issues resulting from the 2011 reorganization of the Department of Information Technology (DOIT) and the 2017 organizational changes with the Department of Public Safety (DPS) EITS merger. It's setting in statute how EITS is operating today with the current operational units. It also updates NRS 233F to align with the changes that EITS is asking for in NRS 242. These definition changes ensure that NRS 242 is aligned to how the state has been operating, not just recently but for almost the past decade.

The second Bill is currently titled in the legislative tracker as BDR 1076, this legislation would effectively allow for a bit more flexibility in the way that EITS services is funded. In current reading of NRS 242.211 it discusses that the entire cost of providing EITS services must be cost captured through rates. EITS is trying to remove that entire piece, so that they have the flexibility to be able to accept appropriation from other sources, such as the General Fund or Highway Fund, as a direct appropriation to EITS so that they don't have to build that into the rates because currently EITS is 100% rates based. Anything EITS does has to be attributed to a cost pool and must be built into a rate that they charge their partner agencies for their services. Sometimes it holds the division back from being able to respond quickly to needs of their partner agencies. It's doesn't give EITS much flexibility to allow things to mature naturally, to build up the need and the business case for their services because by the time EITS gets funded for it, it must be a fully baked business that they're already charging rates for. EITS finds that this slows them down and it doesn't allow them to adopt to the rapid changes of technology and needs of their partner agencies. They are hopeful that this piece of legislation goes forward because it's intrinsically tied to what was submitted in the governor's recommended budget.

Chair Jeramie Brown updated the board members on the two letters that were provided in the agenda attachments. One letter was in support of EITS and included the change in wording regarding the board's quorum requirements and the review of EITS budget. The second letter was regarding total compensation for state IT positions.

9. REPORT ON GOVERNOR'S RECOMMENDED BUDGET *(for possible action)* – State Chief Information Officer and EITS Administrator, Timothy Galluzi.

Administrator Timothy Galluzi stated that he would focus on some of the larger ticket items due to the meeting time and covered each budget account in the division listing the total recommended budget and the enhancements.

Budget Account 1365 Agency IT Services:

For FY24, the overall governor's recommended total budget is $14,178,832.00 for FY25 it's $13, 930,183.00.

E900, this decision unit requests a new enterprise service for document management and workflow automation under Agency IT Services, budget account 1365 enhancement decision unit ESSl. This is to replace the Nevada State Library Archives and Public Records Division's use of On Base for records management, as that contract now serves numerous agencies including DHHS, the Public Utilities Commission, the Division of Environmental Protection, and the Treasurer's Office. This service is more efficiently provided in an enterprise environment.

ESS0 - The current application is an on-premises solution that requires the support of database administrators and the Infrastructure Team in addition to the daily support by EITS Service Desk personnel. There is a backlog of changes that could be made to the current solution that would automate many of the manual processes performed by EITS personnel, but a better solution is to procure a cloud-based Software as a Service (Saas) solution that would transfer the upgrades and maintenance to a cloud services provider. Additionally, the current application is approaching end of life. Please see attached white paper and TIN documentation for more detail. This solution would be procured through one of the state's Master Service Agreements for cloud services and would not require an RFP. Additionally, the cost of this enhancement is partially offset by the elimination of the cost of the old solution in the second year of the biennium.

Budget Account 1373 Office of the Chief Information Officer:

For FY24,the overall governor's recommended total budget is $2,342,349.00 for FY25 it's $2,332,994.00. This account has one key enhancement that EITS is asking for that's a one-shot appropriation.

E550 technology investment request asking for a new technology portfolio management system to help better serve all our partner agencies within the executive branch, NRS 242 requires Enterprise IT Services to review all technology investments within the executive branch of over $50,000 or more. Currently this platform was put together using a homegrown platform that was built using low code, no code citizen development tools it has been having some issues. Just like the ITSM solution, one of our goals with the portfolio management system is to be able to provide our partner agencies, business leaders, the Directors, and Division Administrators, a 30,000 foot view on the IT spend within their sphere to help them make informed decisions on investments with actual data. Where this will help us out as a state and as a whole, if it's giving the Directors and Division Administrators a 30,000 foot view, this will give the statewide leaders the 60,000 foot view. So, we could see what are the technology trends going on in the state, what areas are being neglected, what areas need to be invested more in. This will also help us identify where there's potential duplication if there's duplication of spend or effort and we can find a more efficient way. This critical information and the portfolio management system will enable us to do that. This request is for $246,000 and this is also one shot appropriation.

Administrator Galluzi responded to Chair Brown's question on what the timeline would be if this enhancement is approved. Administrator Galluzi stated EITS is hopeful that they can get it started in FY24 because at the beginning of 2024 it is already budget build season again and they're hopeful to have this platform in place for at least the accepting of the technology investment notifications or the pre project plans that would go into a portfolio management system for their review.

Budget Account 1385 Computing Services:

For FY24, the overall governor's recommended total budget is $29,874,578.00 for FY25 it's $30,343,899.00.

E226 -The cost of this enhancement will be offset somewhat by the retirement of incumbents in the Mainframe unit within EITS. Two retirements are expected during FY 24 and one more is expected in FY 25. If this enhancement is approved, all those positions would be left vacant for the rest of the biennium and EITS would use managed services instead, and the three positions would be eliminated in the 26/27 biennial budget request. Please see attached white paper for more explanation and justification. This enhancement requests to move from state staffing for EITS Mainframe services to a managed staffing firm. Hiring mainframe staff has become difficult, since many agencies are moving away from mainframe applications to other platforms and getting other IT professionals to move to mainframe management takes a great deal of retraining. Since mainframe is an old technology, it is difficult to hire new state staff who are experienced in mainframe programming. As experienced mainframe programmers retire out of the workforce, the agency has had to underfill its authorized positions and invest in training incumbents. Though this strategy has helped, Mainframe service levels remain suboptimal. Therefore, this enhancement requests investing in a contract for staffing the Mainframe unit within EITS.

E552 - This software empowers agency IT staff, instead of EITS Open Systems Group staff, to provision their own resources in the hybrid cloud environment, thereby saving time and eliminating manual processes for both customer agencies and EITS staff in utilizing virtual machines. The licenses requested enable EITS to connect its on-premises VMWare environment to the Microsoft Azure.gov tenant so that agencies can migrate virtual machines between them. Please see attached white paper for additional details and justification. We also have a one shot appropriation for the standard equipment replacement, but for this budget account the equipment replacement is pretty significant just because of their size, so that comes in at about $100,000.

Raymond Medeiros asked if there would be opportunities for the mainframe employees to transition to an open position that EITS has. Administrator Galluzi stated yes and that the timing works well with this enhancement because over the next four years most of the mainframe positions are intended to retire. He also explained that EITS intends to reallocate the positions to other areas of need, and they are seeing other areas of need constantly within their virtual machine environment within Office 365.

Budget Account 1386 Communications network budget:

For FY24, the overall governor's recommended total budget is $14,458,062.00 for FY25 it's $12,007,978.00. This budget account only has one shot appropriations.

E550 -Replaces end-of-life components of State's security firewalls. Failure to replace critical end-of-life equipment at the edge of the network will put statewide communications at risk and result in platforms that cannot be maintained, as vendors will not offer service contracts on outdated equipment and operating system upgrades will no longer be available. Ultimately aging hard will fail resulting in catastrophic and lengthy outages. This request is for approximately $1.3 million.

Budget Account 1387 Telecommunications and 1388 Network Transport Services both are in the same unit):

For FY24, the overall governor's recommended total budget for 1387 is $3,248,972.00 for FY25 it's $3,281,086.00. The total budget for 1388 for FY24 is $5,152,654.00 for FY25 it's $5,492,272.00. Some of the key highlights in this budget account for standard enhancements are as follows.

Budget account 1387 only has one enhancement and that is for a one shot appropriation for the equipment replacement and budget account 1388 network transport services has one enhancement for the equipment replacement requesting 5 agency owned vehicles. With this enhancement EITS is moving from an agency owned and maintained posture with their agency vehicles and going to an agency owned fleets-maintained posture.

Budget account 1388, also has an enhancement requesting to upgrade the security posture at their mountain top sites. Network transport services is also referred to as the microwave unit. These are very remote and austere environments and EITS is looking at getting electronic security measures in place out there. Administrator Galluzi explained that the enhancement for budget account 1388 it is regarding physical security he stated this request funds the upgrade of security at 31 Mountain top microwave sites, from padlocks to electronic access control.

This enhancement does not include surveillance but on some of the mountain top sites, EITS does have surveillance cameras. Administrator Galluzi stated that he thinks there's still room to improve a little bit but for this enhancement, they're just looking at the locks.

Budget account 1389 Office of Information Security:

For FY24, the overall governor's recommended total budget is $3,269,584.00 for FY25 it's $3,593,407.00. This budget account has one enhancement that's been recommended by the governor which is to increase the investment in the tenable contract. This enhancement is for approximately $175,000 in each year.

E551 Ability to assess cyber threats more completely with enhanced tools and web application scanning.

The entire division:

For FY24, the governor's recommended total budget for FY24 is $72,525,031.00 for FY25 it's $70,981,819.00. For an overall biennial budget of $143,506,850.00. So EITS is looking at approximately a 17% increase biennium over biennium. From current biennium, legislatively approved budget to the governor's recommended budget for the next biennium EITS is looking at about a 17% increase.

10. NEVADA ADMINISTRATIVE CODE (NAC) 242 (***for information only***) – Chief of Policy and Communications JoVon Sotak

Chief of Policy and Communications JoVon Sotak stated that Governor Lombardo issued executive order number three in January, it's a freeze on the issuance of new regulations and to have EITS recommend some regulations for removal. EITS wanted to provide this information on how they plan to action this executive order and they welcomed the boards advise as well as invited public comment on their proposed changes to NAC 242. EITS has undertaken a comprehensive review of sixteen regulations within NAC 242, as required by section one of the order. These regulations were added in 1992 by the Department of Data Processing. That's one of several identities that have preceded the agency over many years, the most of which was 2011, when the Department of Information Technology (DOIT), was moved under the Department of Administration and became the Enterprise IT Services Division. So many of the DOIT policies and procedures did not survive the transition.

Fifteen of the sixteen regulations are recommended for removal as they aren't needed and don't accurately reflect the divisions current business operations, or processes and procedures. The one regulation that isn't recommended for removal needs to be revised to refer to the current body of policies, standards and procedures located on It.nv.gov. EITS needs to provide a report on the prescribed form to the governor's office on or before May 1st to have the recommendations incorporated into NAC. Which will include the list of regulations recommended for removal in descending order of priority and will also include details on how the remaining regulation can be clarified and a summary of stakeholder input that was received at today's meeting for each regulation recommended for removal. After a report has been received and the recommendations reviewed. It will then proceed with the regulations for removal and then the additional suggested changes to the remaining regulation chair.

Chief Sotak provided a walkthrough of NAC 242 for the board members as follows:

NAC 242.010, all these definitions starting with this regulation through NAC 242.100 are recommended for removal with the removal of many of the regulations in this section, the corresponding definitions are no longer needed.

NAC 242.015, that's administrator defined. Administrator is now defined by NRS 242.013 and does not need the definition regulation.

NAC 424.2020 definition division defined. This was added in 1992 and it's now outdated as the name of the division is now defined by NRS 242.045 and doesn't need a definition and regulation.

NAC 242.040 is recommended for removal. The parallel NRS is not currently reflected in statute and could be removed. Associated regulations are, NAC 242.120, 242.130, 242.140, and 242.150.

NAC 242.050 information system defined on this regulation can be removed as it's in conflict with NRS 242.057 which states information system means any communications or computer equipment, computer software, procedures, personnel, or technologies used to collect, process, distribute or store information.

NAC 242.060 is project defined. This is also recommended for removal It's inaccurate as currently written. There are other roles for each besides the narrow definition in NAC 242.050 and this definition in NAC 242.060 does not include projects related to equipment, just processes, which is the inaccurate portion.

NAC 247.070 is requesting agency defined. NRS 242.068, which was last amended in 1993, It defines using agency instead, but NRS 242.141 does reference request of agency. This NAC 242.070 is recommended for removal because the associated Regulation 242.150 is also recommended for removal.

NAC 242.080 resources for an information system defined it's recommended for removal because it's outdated.

NAC 242.090 State Agency defined is also recommended for removal. This is an outdated definition as elsewhere in in NRS 242, the definitions associated with using entities have shifted it also limits the reference storage for public records only and that term is not defined in NAC.

NAC 242.100 is vendor defined this is recommended for removal because the associated Regulation 242.160 is also recommended for removal.

NAC 242.110 is not recommended for removal that's the one that's being retained and revised.

NAC 242.120 feasibility study this does not have any specific tie to NRS and so as the practice of requiring feasibility study did not continue after the DOIT transition to EITS in 2011, the definition above and all those similar regulations concerning a feasibility study are recommended for removal.

NAC 242. 150 as most services offered by EITS are standardized with a rates menu and documented in the EITS-wide service level agreement (or SLA), this outdated process per NAC 242.150 and associated regulations/definition above (242.070) are recommended for removal. Alternatively, this regulation could be retained and revised to codify the SLA and formalize any requirements around that process.

NAC 242.160 contract between division and vendor. This is out of date and does not currently reflect business operations. We follow the contracting standards established by the purchasing division of the Department of Administration and so this is recommended for removal.

11. PUBLIC COMMENTS (*for discussion only*)

None.

12. ADJOURNMENT