

**MINUTES OF THE MEETING
OF THE
ASSEMBLY COMMITTEE ON GOVERNMENT AFFAIRS**

**Eightieth Session
March 1, 2019**

The Committee on Government Affairs was called to order by Vice Chair William McCurdy II at 8:32 a.m. on Friday, March 1, 2019, in Room 4100 of the Legislative Building, 401 South Carson Street, Carson City, Nevada. The meeting was videoconferenced to Room 4406 of the Grant Sawyer State Office Building, 555 East Washington Avenue, Las Vegas, Nevada. Copies of the minutes, including the Agenda ([Exhibit A](#)), the Attendance Roster ([Exhibit B](#)), and other substantive exhibits, are available and on file in the Research Library of the Legislative Counsel Bureau and on the Nevada Legislature's website at www.leg.state.nv.us/App/NELIS/REL/80th2019.

COMMITTEE MEMBERS PRESENT:

Assemblyman William McCurdy II, Vice Chair
Assemblyman Alex Assefa
Assemblywoman Shannon Bilbray-Axelrod
Assemblyman Richard Carrillo
Assemblywoman Bea Duran
Assemblyman John Ellison
Assemblyman Gregory T. Hafen II
Assemblywoman Melissa Hardy
Assemblyman Glen Leavitt
Assemblywoman Connie Munk

COMMITTEE MEMBERS ABSENT:

Assemblyman Edgar Flores, Chair (excused)
Assemblywoman Michelle Gorelow (excused)
Assemblywoman Susie Martinez (excused)

GUEST LEGISLATORS PRESENT:

None

STAFF MEMBERS PRESENT:

Jered McDonald, Committee Policy Analyst
Asher Killian, Committee Counsel
Kirsten Oleson, Committee Secretary
Trinity Thom, Committee Assistant

Minutes ID: 380



OTHERS PRESENT:

Deonne Contine, Director, Department of Administration
Michael Dietrich, Deputy Director and Chief Information Officer, Department of
Administration

Vice Chair McCurdy:

[Rules and protocol were explained.] The first order of business is the hearing on Assembly Bill 33.

Assembly Bill 33: Revises provisions relating to the governance and oversight of information services for state agencies. (BDR 19-192)

Deonne Contine, Director, Department of Administration:

I am going to begin by talking about this graph ([Exhibit C](#)). I tried to create a visual presentation about why we need this bill. Under statute, the Governor has the authority to appoint a Chief Information Officer (CIO). The CIO can be the same position as the Administrator of Enterprise Information Technology Services (EITS). However, the Governor is also permitted to split the positions and appoint a separate Chief Information Officer. Ex-Governor Sandoval split the positions. Later, Governor Sisolak reappointed Mr. Dietrich to be the CIO of the State. The changes that we are looking at today deal with Mr. Dietrich's role with various processes and oversight committees. The CIO position is taking the place of the EITS Administrator. Previously, the EITS Administrator was appointed by the Director of the Department of Administration; however, this bill seeks to have that position appointed by the CIO. These changes are in recognition of the CIO being a different position than the EITS Administrator.

Michael Dietrich, Deputy Director and Chief Information Officer, Department of Administration:

To go into a bit more detail, the bill has three parts. The first part is the creation of the Office of the Chief Information Officer and the reorganization of the information technology leadership within the office. The second part creates an Information Technology Oversight Committee. The third part is a recomposition of the Information Technology Advisory Board. I will walk through each one of those in order.

I will begin with the changes made to the CIO position and the creation of the Office of the Chief Information Officer. The reason behind separating the CIO from the EITS Administrator is because the EITS Administrator is a senior manager who is responsible for the day-to-day running of the Enterprise Information Technology Services organization. The CIO is meant to be a strategic role dealing with state Executive Branch agencies. The CIO is responsible for creating strategy, dealing with security concerns, and working with each of the departments within the Executive Branch. The CIO's goal is to ensure there is consistency, cost-efficacy, and best practices across all of our information technology deployment. Separating the two positions ensures that there is the distinction between strategic planning, strategic decision-making, and the day-to-day running of the Department.

Another change is the Chief Information Security Officer was within EITS but needed to be moved to the office of the CIO in order to provide a separation of responsibilities—particularly because of security concerns. For example, if there is a conflict of interest about a security decision, it is important that the Chief Information Security Officer not be within one of the organizations providing information technology (IT) services. The exhibit ([Exhibit C](#)) shows that the State CIO is now within the Office of the Director of the Department of Administration. Additionally, the Chief Information Security Officer reports directly to the State CIO as does the EITS Administrator. There is a dotted-line report for the EITS Administrator into the Chief Information Security Officer for those critical matters of security. For instance, if there is a breach we want the ability to tell, not ask, that corrective action be taken within EITS.

The second piece introduces the Information Technology Oversight Committee—formerly called the Information Technology Strategic Planning Committee. It was not previously in statute. Assembly Bill 33 not only introduces it into *Nevada Revised Statutes* (NRS), it also renames it the Information Technology Oversight Committee. The reorganization gives the separation of strategic and tactical duties. It is also important to have oversight committees and advisory boards that truly bring value to the state. You will hear me mention enterprise solutions. Enterprise solutions try to look at things not in silos but, wherever possible, foster shared solutions. In doing so, they save the state money and reduce duplication of effort across the agencies. Also, it ensures that we are employing the best technologies that we can. Sometimes the state develops a myopic view of technology. To combat that, it is important to have external advice as well as have members of the business weigh in on solutions.

The Information Technology Oversight Committee is a committee composed of the Director of the Office of Finance, the Director of the Department of Administration, as well as directors from within the Executive Branch. It did not have any formal meeting schedule. It used to meet every other year to review and stack-rank large technology initiatives across Executive Branch departments. It was meant to get these projects out in the open and assign some priority to the projects during the biennial budget bill. What we are seeking to do with the introduction of the oversight committee into NRS is to change the meeting frequency—at minimum, meeting once every three months. The purpose is not just to look at things during the biennial budget bill, but to constantly look at new initiatives and track the progress of existing initiatives—something that we have not previously done well in IT leadership. So they will meet at least once every three months. Also, there will be introductions of new technology initiatives throughout the two-year period between biennia. We will look at the progress of large projects to see if there is something that needs to be addressed early on. If a project is going a little sideways, it is better to catch it early on rather than have a discussion later about what the remediation efforts should be.

We have this artifact that used to be called the technology investment request (TIR). It is now called the technology investment notification (TIN). This is the artifact that any agency wishing to start a new high-cost technology initiative will use to notify EITS and the Information Technology Oversight Committee (ITOC). We plan to really beef up that artifact, solicit more information about the projects, and have intelligent discussion within

ITOC and EITS. We have had some projects that were far along in development before being brought to EITS leadership. When the projects are far into the development process, it takes us by surprise. Sometimes that hurried effort to build the resources to support the project can result in misses and the project being more expensive.

We will be redeveloping the TIN forms and soliciting a lot more information from the departments about their IT projects. We will ask questions such as, are EITS resources required and are there any shared resources required? We will be looking at the TINs across all the Executive Branch departments to determine whether we are seeing a couple of similar TINs being submitted by separate departments. If we can make that connection, it would reduce costs through economies of scale.

Assemblyman Leavitt:

In comparing TIN versus TIR, something jumps out at me. The term "notification" versus "request" seems like a big leap—if that is how it operates. One is notifying you that this project is pushing forward while the other is requesting if the process can push forward. How does that work? Is it operating similarly in terms of the oversight and the approval process? Is the name just misleading?

Michael Dietrich:

The change from request notification was within EITS. The technology investments still need to be taken to the Administrative Services Division and the Office of Finance in the Office of the Governor for review and approval. Throughout the process there are determinations to see whether it is appropriate to proceed or if there are any changes. The notification is within EITS, it is designed to make us aware of what is happening across all the Executive Branch agencies. Once we are aware of their IT initiatives, we can take the appropriate action.

Deonne Contine:

I will just add a little bit more to Mr. Dietrich's statement because I was part of the TIR process in my former job. All the paperwork is done for TIR. It is a one-time meeting. During the meeting people from different agencies are assigned to be on a TIR committee. Everybody in the room presents their IT projects. I did it when I was the Director of the Department of Taxation. I did not have a technology background. We all got together and ranked the projects that different agencies wanted done. I think that the new way actually broadens that process. Now they will have more meetings over time and there will be more collaboration than just the one-time meeting at the end. This new program envisions a more collaborative process where people are involved in their technologies and talking through the process, as opposed to just coming together at the end when everyone has already developed their own thing. The word "request" made it seem like it was approved, but the request was made and then the analysis was done and sent to this committee. Ultimately, it was still the Governor's Finance Office and other divisions of the state that reviewed the projects and looked at the budget issues.

Assemblyman Leavitt:

Just to clarify, it goes through an extensive review and approval process before money is spent?

Deonne Contine:

Yes.

Assemblyman Assefa:

If you could just clarify your role with the various projects. Is the role both supervisory and security of IT systems, or do you also have a role in recommending products and upgrades for the betterment of the overall IT systems? As we all know, a lot of our agencies have very antiquated systems—not quite up to twenty-first-century IT levels.

Michael Dietrich:

I will talk about the role of EITS and the role of the CIO. The role of EITS is to ensure that we are deploying the most appropriate solution and working with agencies on the deployment. The CIO looks at all the requests and all of the new proposed technology initiatives. The CIO's role also assists agencies in determining what the most appropriate solution is. Additionally, the role includes looking to see if there are any opportunities for partnership between EITS and the department or between departments.

We have been looking at a lot of the legacy systems that are in place. Obviously, there are quite a few systems that are in need of improvement and could benefit from new technologies. The short-term focus is looking at the enterprise solutions—such as platforms that could be shared—and building a modernized central shared platform. The departments could then move some of the applications that are either on legacy servers or legacy virtual servers onto that modern platform. The transition would significantly modernize components of the hardware.

Assemblyman Assefa:

Do the agencies necessarily have to comply or adhere to your recommendations? Do they have the final say as to what products they will implement?

Michael Dietrich:

The CIO has the ability in statute to specify which solutions will be deployed. There are several departments that are able to negotiate with the CIO for those solutions. If a negotiation takes place, then we can either arrive at the correct solution or escalate it to the Governor's Finance Office. My intent is to use the carrot and not the stick. I look at it as a free-market economy: you are building the best and most appropriate solution for functionality and cost-effectiveness. If you do that, the departments will be able to see the benefits of that solution and be willing to adopt it.

Now, onto the third piece of this legislation which is the change in the composition of the Information Technology Advisory Board (ITAB). The Information Technology Advisory Board is currently in statute. We are proposing some changes primarily to the membership

of this advisory board. The reason is very similar to the introduction of the Information Technology Oversight Committee into NRS. We want to extract more value from the board. This board was composed of external members, but now the majority of the board will be from industry and other political subdivisions. It brings the external perspective. A group or collection of departments can miss some great solutions coming from industry. I joined the state about 11 months ago after several decades in the private sector. I brought with me the experience from the private sector. I brought some new suggestions and solutions that I would like to implement. This group is designed to bring in a group of people who have the current knowledge of IT solutions.

The current Information Technology Advisory Board is composed of one member from the Senate standing Committee on Finance; one member from the Assembly standing Committee on Ways and Means; two people appointed by the Governor who are representing departments from the business leadership level—the directors of the departments; the Director of the Department of Administration; the Attorney General or a designee; three persons appointed by the Governor representing the cities and counties; and two people appointed by the Governor who represent the information technology industry with the caveat that they cannot have any business or contracts with the state. After the reorganization the members from the Senate and Assembly will stay; however, we are removing the Director of the Department of Administration, the Attorney General or designee, and the two persons representing the departments from a business level. We are removing those members and the resulting membership will be one person from the Senate Committee on Finance; one person from the Assembly Committee on Ways and Means; three persons appointed by the Governor to represent cities and counties; and four persons appointed by the Governor to represent the information technology industry.

When we presented the change to ITAB, there were questions from the directors of the departments asking about where their representation would come from—being they are not part of the board. It will be an internal group where all the members—department directors—will have their voice in IT solutions. It is truly an advisory board to bring value to the state. It will help promote understanding of the best possible solutions.

Assemblyman Leavitt:

Backtracking to the first section, where you talked about reorganizing boards and committees. What is the fiscal impact to the state with the two newly formed bodies?

Deonne Contine:

There is no fiscal impact because we are just restructuring. For example, Mr. Dietrich has already been appointed as the CIO. The boards changing are ITAB and the oversight committee. It is just reorganizing, not creating new positions.

Assemblyman Leavitt:

I am still confused. I am looking at the exhibit you provided ([Exhibit C](#)). It looks like the CIO and the EITS Administrator were the same position. Now the CIO and the EITS Administrator are no longer the same position; that would lead me to believe that there is a new position being created.

Deonne Contine:

That was done previously. Under a different chapter—the Governor's chapter [NRS Chapter 223]—he has the authority to have it be the same or a separate position. That was done 11 months ago.

Assemblyman Leavitt:

Is the change to whom the EITS Administrator reports to?

Deonne Contine:

Under current statute, the EITS Administrator reports to the Director of the Department of Administration—that is me. Under this structure, the EITS Administrator reports to the Chief Information Officer—that is Mr. Dietrich. Mr. Dietrich then reports to me.

[[Exhibit D](#) was submitted but not discussed.]

Vice Chair McCurdy:

Is there anyone wishing to speak in support? Seeing no one, is there anyone wishing to speak in opposition? Seeing no one, is there anyone wishing to speak in neutral? Seeing no one, I will now close the hearing on Assembly Bill 33. I would like to remind everyone that we will not be hearing Assembly Bill 6.

Assembly Bill 6: Revises the membership of certain councils to replace the Director of the Department of Employment, Training and Rehabilitation with the Executive Director of the Office of Workforce Innovation. (BDR 18-232)

[Assembly Bill 6 was not heard.]

I will now take public comment. Seeing no one, this meeting is adjourned [at 9:01 a.m.].

RESPECTFULLY SUBMITTED:

Kirsten Oleson
Committee Secretary

APPROVED BY:

Assemblyman Edgar Flores, Chair

DATE: _____

EXHIBITS

[Exhibit A](#) is the Agenda.

[Exhibit B](#) is the Attendance Roster.

[Exhibit C](#) is a Department of Administration organizational chart submitted by Deonne Contine, Director, Department of Administration.

[Exhibit D](#) is a proposed amendment to [Assembly Bill 33](#) submitted by Michael Dietrich, Deputy Director and Chief Information Officer, Department of Administration.