ASSEMBLY BILL NO. 88-COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DEPARTMENT OF INFORMATION TECHNOLOGY)

FEBRUARY 13, 2003

Referred to Committee on Ways and Means

SUMMARY—Revises provisions relating to Department of Information Technology. (BDR 19-535)

FISCAL NOTE: Effect on Local Government: No.

Effect on the State: Yes.

EXPLANATION - Matter in bolded italics is new: matter between brackets [omitted material] is material to be omitted.

AN ACT relating to the Department of Information Technology; creating the Office of Chief Information Officer; establishing the duties of the Chief Information Officer; requiring the Chief Information Officer to serve as Director of the Department; abolishing the Planning and Programming Division and Communication and Computing Division of the Department and the units of those divisions; authorizing the Director to employ certain staff; changing the composition of the Information Technology Advisory Board; requiring agencies of the Executive Branch of State Government that are not required to use the services or equipment of the Department to comply with the policies, procedures and standards established by the Chief Information Officer; requiring the Information Technology Advisory Board to perform certain reviews; requiring the Department to perform certain activities; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:



- **Section 1.** Chapter 242 of NRS is hereby amended by adding thereto the provisions set forth as sections 2 and 3 of this act.
- Sec. 2. 1. The Governor shall appoint the Chief Information Officer in the unclassified service of the State. In selecting the Chief Information Officer, the Governor shall consider recommendations of the Department of Personnel relating to minimum qualifications.

2. The Chief Information Officer:

- (a) Serves at the pleasure of the Governor and is responsible to him.
- (b) Except as otherwise provided in subsection 3, shall not engage in any other gainful employment or occupation.
- 3. The Chief Information Officer shall serve as the Director of the Department.

Sec. 3. The Chief Information Officer:

- 1. Shall develop policies, procedures and standards for the development and use of information technology and information technology resources, including, without limitation, implementation of software, strategic and tactical planning, acquisition of hardware and software, management of information technology resources and other functions that he deems necessary for the appropriate functioning of those information technology resources.
- 2. Shall oversee and manage strategic information technology, including, without limitation, directions, standards and architecture.
- 3. Shall perform technical audits of the management and use of information technology to determine whether the state agencies of the Executive Branch of State Government are complying with the standards and policies regarding information technology established by the Chief Information Officer.
- 4. Shall provide information regarding the information technology used within the Executive Branch of State Government to the Legislative and Judicial Branches of State Government.
 - **Sec. 4.** NRS 242.068 is hereby amended to read as follows:
- 242.068 "Using agency" means an agency of the *Executive Branch of State Government* which has a function requiring the use of information technology, information services or an information system. The term does not include the University and Community College System of Nevada or the Nevada Criminal Justice Information System.
- **Sec. 5.** NRS 242.080 is hereby amended to read as follows:
- 43 242.080 1. The Department of Information Technology is 44 hereby created.
 - 2. The Department consists of the Director and Ithe:



(a) Planning and Programming Division.

- 2 (b) Communication and Computing Division.
 - 3. A Planning and Research Unit is hereby created within the Planning and Programming Division of the Department.
 - 4. A Communications Unit and a Telecommunications Unit are hereby created within the Communication and Computing Division of the Department.], within the limits of legislative appropriations, such staff as is necessary for the performance of his duties.
 - **Sec. 6.** NRS 242.101 is hereby amended to read as follows:

242.101 [1.] The Director shall:

[(a) Appoint the chiefs of the divisions]

- 1. Appoint chiefs for the Department in the unclassified service of the State;
- [(b)] 2. Administer the provisions of this chapter and other provisions of law relating to the duties of the Department; and
- [(e)] 3. Carry out other duties and exercise other powers specified by law.
- [2. The Director may form committees to establish standards and determine criteria for evaluation of policies relating to informational services.]
 - **Sec. 7.** NRS 242.111 is hereby amended to read as follows:
- 242.111 The Director shall adopt regulations necessary for the administration of this chapter, including:
- 1. The policy for the information systems of the Executive Branch of *State* Government, excluding the University and Community College System of Nevada and the Nevada Criminal Justice Information [Computer] System, as that policy relates, but is not limited, to such items as standards for systems and programming and criteria for selection, location and use of information systems to meet the requirements of state agencies and officers at the least cost to the State:
- 2. The procedures of the Department in providing information services, which may include provision for the performance, by an agency which uses the services or equipment of the Department, of preliminary procedures, such as data recording and verification, within the agency;
- 3. The effective administration of the [Communication and Computing Division,] Department, including security to prevent unauthorized access to information systems and plans for the recovery of systems and applications after they have been disrupted; and
- 4. Specifications and standards for the employment of all personnel of the Department.



Sec. 8. NRS 242.122 is hereby amended to read as follows:

1

2

3

4 5

6 7

8

9

10

11

22

23

24 25

28

29 30

31

32

33 34

35

36

- 242.122 1. There is hereby created an Information Technology Advisory Board. The Board consists of:
- (a) One member *of the Senate* appointed by the Majority Floor Leader of the Senate . [from the membership of the Senate Standing Committee on Finance during the immediately preceding session of the Legislature.]
- (b) One member of the Assembly appointed by the Speaker of the Assembly. [from the membership of the Assembly Standing Committee on Ways and Means during the immediately preceding session of the Legislature.
- (c) Two representatives of using agencies which are major users of the services of the Department. The Governor shall appoint the two representatives. Each such representative serves for a term of 2 years. For the purposes of this paragraph, an agency is a "major user" if it is among the top five users of the services of the Department, based on the amount of money paid by each agency for the services of the Department during the immediately preceding biennium.
- 20 (d) The Director of the Department of Administration or his
 21 designee.
 - (e) The Superintendent of Public Instruction of the Department of Education or his designee.
 - (f) Three persons appointed by the Governor in July of each odd numbered year as follows:
- - (2)] (c) One member of the Senate appointed by the Minority Floor Leader of the Senate.
 - (d) One member of the Assembly appointed by the Minority Floor Leader of the Assembly.
 - (e) Two members of the Legislature to be appointed jointly by the Majority Floor Leader of the Senate and the Speaker of the Assembly.
 - (f) Two persons who represent the information technology industry [but who:
 - (I) Are not employed by this state;
- (II) Do not hold any elected or appointed office in State
 Government;
- (III) Do not have an existing contract or other agreement
 to provide information services, systems or technology to an agency
 of this state; and
- 43 (IV) Are independent of and have no direct or indirect
 44 pecuniary interest in a corporation, association, partnership or other
 45 business organization which provides information services, systems



or technology to an agency of this state.], are experts in the field of information technology and are residents of this state, to be appointed jointly by the Majority Floor Leader of the Senate and the Speaker of the Assembly.

(g) Two persons who represent local government in this state, to be appointed jointly by the Majority Floor Leader of the Senate and the Speaker of the Assembly.

2. The Chief Information Officer is ex officio Secretary of the Board.

- 3. Each person appointed pursuant to [paragraph] paragraphs (f) and (g) of subsection 1 serves for a term of 2 years. No person so appointed may serve more than 2 consecutive terms.
- [3.] 4. At the first regular meeting of each calendar year, the members of the Board shall elect a Chairman by majority vote.
- 5. The Department shall provide the necessary staff to assist the Board in performing its duties.

Sec. 9. NRS 242.123 is hereby amended to read as follows:

- 242.123 1. The Board shall meet at least once every [3] 6 months and may meet at such further times as deemed necessary by the Chairman. The Board shall rotate its meetings between a convenient location in:
 - (a) Reno or Carson City; and
 - (b) Las Vegas.

- 2. Members of the Board who are [officers or employees of the Executive Department of State Government] appointed pursuant to paragraph (f) or (g) serve without [additional compensation. Members who are not officers or employees of the Executive Department of State Government are entitled to a salary of \$80] compensation.
- 3. Except during a regular or special session of the Legislature, members of the Board who are State Legislators are entitled to receive the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding session for each day [or part of a day spent on] of attendance at a meeting of the Board and while engaged in the business of the Board.
- 4. All members of the Board are entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally [...] pursuant to NRS 218.2207 for each day or part of a day of attendance at a meeting of the Board and while engaged in the business of the Board.
- 5. The Chairman may create any subcommittees of the Board that he deems necessary to carry out the duties of the Board.
 - **Sec. 10.** NRS 242.124 is hereby amended to read as follows: 242.124 1. The Board shall:



(a) Advise the Department concerning issues relating to information technology, including, without limitation, the development, acquisition, consolidation and integration of, and policies, planning and standards for, information technology.

- (b) Periodically review the [Department's] statewide strategic plans and standards [manual] for information technology [.] of the Executive Branch of State Government.
- (c) Review the Department's proposed budget before its submission to the Budget Division of the Department of Administration.
- (d) Review the present and future information technology needs of the using agencies.
- (e) Review all information technology projects, and information technology systems and operations.
- (f) Review the information technology, information technology systems and operations, and information technology services which are used within the Executive Branch of State Government.
- (g) Review and make recommendations to any statewide strategic plan for the use of information technology.
- (h) Monitor the Executive Branch of State Government for compliance with the strategies, policies and standards regarding information technology established by the Chief Information Officer, including, without limitation, alignment with the business goals, investment strategies and risk management policies of the State.
- (i) Make recommendations to the Chief Information Officer regarding policy, procedures and standards for information technology.
- (j) Advise using agencies regarding the effective and efficient use of information technology and standards to achieve maximum use of resources and to ensure that the information systems and operations of all using agencies are integrated to the extent possible.
- (k) Review the results of any technical audit performed by the Chief Information Officer pursuant to subsection 3 of section 3 of this act.
- (l) Review and comment on proposed projects and changes to existing projects relating to information technology, and information technology systems and operations.
- (m) On or before February 15 of each odd-numbered year, submit to the Governor and to the Director of the Legislative Counsel Bureau for transmittal to the next regular session of the Legislature, a written report of one or more of the studies and reviews conducted by the Board.
 - 2. The Board may:



(a) With the consent of the Department, recommend goals and objectives for the Department, including periods and deadlines in which to achieve those goals and objectives.

- (b) [Upon request by a using agency, review issues and policies concerning information technology to resolve disputes with the Department.
- (c)] Review the plans for information technology of each using agency.
- (c) Study any issue regarding information technology which the Board finds relevant to furthering its general purpose.
- (d) Develop recommendations for proposed legislation regarding the use of information technology in the using agencies.
- (e) Comment on the termination of any project relating to information technology of the Department or within other agencies of the Executive Branch of State Government.
- (f) Recommend the transfer of funding for projects regarding information technology projects between agencies of the Executive Branch of State Government.
 - **Sec. 11.** NRS 242.125 is hereby amended to read as follows:
- 242.125 *I*. Regulations, policies, standards and guidelines adopted pursuant to the provisions of this chapter must be developed after consultation and coordination with state agencies that are not required to use the services or equipment of the Department.
- 2. State agencies that are not required to use the services or equipment of the Department are required to comply with the policies, procedures and standards regarding information technology established by the Chief Information Officer.
 - **Sec. 12.** NRS 242.131 is hereby amended to read as follows:
- 242.131 1. The Department shall provide state agencies and elected state officers with all their required [design of information systems.] information services. All agencies and officers must use those services and equipment, except as otherwise provided in subsection 2.
- 2. The following agencies may negotiate with the Department for its services or the use of its equipment, subject to the provisions of this chapter, and the Department shall provide those services and the use of that equipment as may be mutually agreed:
 - (a) The Court Administrator;
 - (b) The Department of Motor Vehicles;
 - (c) The Department of Public Safety;
 - (d) The Department of Transportation;
- 42 (e) The Employment Security Division of the Department of Employment, Training and Rehabilitation;
- 44 (f) The Division of Wildlife of the State Department of Conservation and Natural Resources;



- (g) The Legislative Counsel Bureau;
- (h) The State Controller;

- (i) The State Gaming Control Board and Nevada Gaming Commission; and
 - (j) The University and Community College System of Nevada.
- 3. Any state agency or elected state officer who uses the services of the Department and desires to withdraw substantially from that use must apply to the Director for approval. The application must set forth justification for the withdrawal. If the Director denies the application, the agency or officer [must:
- (a) If the Legislature is in regular or special session, obtain the approval of the Legislature by concurrent resolution.
- (b) If the Legislature is not in regular or special session, obtain the approval of the Interim Finance Committee. The Director shall, within 45 days after receipt of the application, forward the application together with his recommendation for approval or denial to the Interim Finance Committee. The Interim Finance Committee has 45 days after the application and recommendation are submitted to its Secretary within which to consider the application. Any application which is not considered by the Committee within the 45-day period shall be deemed approved.] may appeal the decision of the Director to the Governor.
- 4. If the demand for services or use of equipment exceeds the capability of the Department to provide them, the Department may contract with other agencies or independent contractors to furnish the required services or use of equipment and is responsible for the administration of the contracts.
 - **Sec. 13.** NRS 242.135 is hereby amended to read as follows:
- 242.135 1. The Director may recommend to the Governor that a state agency or elected officer that is required to use the Department's equipment or services be authorized to employ one or more persons to provide information services exclusively for the agency or officer if:
- (a) The Director finds that it is in the best interests of the State to authorize the employment by the agency or elected officer;
- (b) The agency or elected officer agrees to provide annually to the Department sufficient information to determine whether the authorized employment continues to be in the best interests of the State; and
- (c) The agency or elected officer agrees to ensure that the person or persons employed [complies] comply with the provisions of this chapter and the regulations adopted [thereunder.] pursuant thereto.
- 2. The Director may recommend to the Governor the revocation of the authority of a state agency or elected officer to employ a person or persons pursuant to subsection 1 if the Director



finds that the person or persons employed have not complied with the provisions of this chapter or the regulations adopted [thereunder.] pursuant thereto or that the continuation of such employment is not in the best interests of the State.

Sec. 14. NRS 242.171 is hereby amended to read as follows:

242.171 1. The Department is responsible for:

(a) The applications of information systems;

- (b) Designing and placing those systems in operation;
- (c) Any application of an information system which it furnishes to state agencies and officers after negotiation; [and]
 - (d) The writing, testing and performance of programs [];
- (e) Overseeing projects regarding information technology, including, without limitation, monitoring, evaluating, measuring and reporting the progress of the project, by an employee of the Department or a contractor; and
- (f) Directing the activities necessary for the execution of a project regarding information technology, including, without limitation, controlling resources efficiently and effectively and achieving a stated goal, by an employee of the Department or a contractor,

for the state agencies and elected state officers which are required to use its services.

- 2. The Director shall review and approve or disapprove, pursuant to standards for justifying cost, any application of an information system having an estimated developmental cost of \$\frac{\$50,000}{\$1,000}\$ or more. No using agency may commence development work on any such applications until approval and authorization have been obtained from the Director.
 - **Sec. 15.** NRS 242.191 is hereby amended to read as follows:
- 242.191 1. Except as otherwise provided in subsection 3, the amount receivable from an agency availing itself of the services of the Department must be determined by the Director in each case and include:
- (a) The annual expense, including depreciation, of operating and maintaining the [Communication and Computing Division,] communication and computing infrastructure of the Department distributed among the agencies in proportion to the services performed for each agency.
- (b) A service charge in an amount determined by distributing the monthly installment for the construction costs of the computer facility among the agencies in proportion to the services performed for each agency.
- 2. The Director shall prepare and submit monthly to the agencies for which services of the Department have been performed an itemized statement of the amount receivable from each agency.



3. The Director may authorize, if in his judgment the circumstances warrant, a fixed cost billing, including a factor for depreciation, for services rendered to an agency.

Sec. 16. NRS 242.221 is hereby amended to read as follows:

- 242.221 1. All claims made pursuant to sections 2 and 3 of this act and NRS 242.122 to 242.241, inclusive, must, when approved by the Department, be audited and paid as other claims against the State are paid.
- 2. If the State Controller finds that current claims against the Fund for Information Services exceed the amount available in the Fund to pay the claims, he may advance temporarily from the State General Fund to the appropriate fund the amount required to pay the claims, but no more than 25 percent of the revenue expected to be received in the current fiscal year from any source authorized for the Fund. No amount may be transferred unless requested by the Chief of the Budget Division of the Department of Administration.
- **Sec. 17.** NRS 233F.010 is hereby amended to read as follows: 233F.010 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 233F.020 to [233F.065,] 233F.060, inclusive, have the meanings ascribed to them in those sections.
- **Sec. 18.** NRS 233F.117 is hereby amended to read as follows: 233F.117 If a state agency [other than the Communications Unit] adds equipment which extends the state communications system to another location, the extension, if approved by the Director, becomes part of the state communications system. An approved extension of the system is subject to the provisions of this chapter relating to the system.
- **Sec. 19.** NRS 233F.260 is hereby amended to read as follows: 233F.260 The Board shall provide advice to the **Telecommunications Unit Department** on the use of telecommunications by the State Government, including:
 - 1. The development of policies, standards, plans and designs;
 - 2. The procurement of systems, facilities and services;
- 3. The integration of telecommunications systems with other state and local governmental systems; and
 - 4. New technology that may become or is available.
- **Sec. 20.** NRS 233F.270 is hereby amended to read as follows: 233F.270 1. The [Telecommunications Unit,] *Department*, with the advice of the Board, shall:
- (a) Plan, carry out and administer a state telecommunications system. When available at a competitive cost, the **Telecommunications Unit Department** shall use the facilities of telephone companies providing local exchange service.



(b) Make arrangements for the installation of a central telephone switchboard or switchboards to serve the state offices in one or more buildings as may be practical or feasible.

- 2. The system must be integrated and may include services between the state and any cities, counties and schools.
- 3. The Department may consider for the system all the telecommunications requirements of the State and its political subdivisions.
 - **Sec. 21.** NRS 459.742 is hereby amended to read as follows:
- 459.742 The Commission, in carrying out its duties and within the limits of legislative appropriations and other available money, may:
- 1. Enter into contracts, leases or other agreements or transactions:
- 2. Provide grants of money to local emergency planning committees to improve their ability to respond to emergencies involving hazardous materials;
- 3. Assist with the development of comprehensive plans for responding to such emergencies in this state;
- 4. Provide technical assistance and administrative support to the [Telecommunications Unit of the Communication and Computing Division of the] Department of Information Technology for the development of systems for communication during such emergencies;
- 5. Provide technical and administrative support and assistance for training programs;
- 6. Develop a system to provide public access to data relating to hazardous materials;
- 7. Support any activity or program eligible to receive money from the Contingency Account for Hazardous Materials;
- 8. Adopt regulations setting forth the manner in which the Division of Emergency Management of the Department shall:
- (a) Allocate money received by the Division which relates to hazardous materials or is received pursuant to 42 U.S.C. §§ 11001 et seq. or 49 U.S.C. §§ 5101 et seq.; and
- (b) Approve programs developed to address planning for and responding to emergencies involving hazardous materials; and
- 9. Coordinate the activities administered by state agencies to carry out the provisions of this chapter, 42 U.S.C. §§ 11001 et seq. and 49 U.S.C. §§ 5101 et seq.
- **Sec. 22.** NRS 233F.045, 233F.065 and 242.115 are hereby repealed.
- **Sec. 23.** The terms of the current members of the Information Technology Advisory Board expire on June 30, 2003.



Sec. 24. As soon as practicable after July 1, 2003:

- 1. The Majority Floor Leader of the Senate shall appoint to the Information Technology Advisory Board pursuant to paragraph (a) of subsection 1 of section 8 of this act, one member whose term expires on June 30, 2005.
- 2. The Speaker of the Assembly shall appoint to the Information Technology Advisory Board pursuant to paragraph (b) of subsection 1 of section 8 of this act, one member whose term expires June 30, 2004.
- 3. The Minority Floor Leader of the Senate shall appoint to the Information Technology Advisory Board pursuant to paragraph (c) of subsection 1 of section 8 of this act, one member whose term expires on June 30, 2005.
- 4. The Minority Floor Leader of the Assembly shall appoint to the Information Technology Advisory Board pursuant to paragraph (d) of subsection 1 of section 8 of this act, one member whose term expires on June 30, 2004.
- 5. The Majority Floor Leader of the Senate and the Speaker of the Assembly shall appoint jointly to the Information Technology Board pursuant to:
- (a) Paragraph (e) of subsection 1 of section 8 of this act, two members whose terms expire on June 30, 2004;
- (b) Paragraph (f) of subsection 1 of section 8 of this act, two members whose terms expire on June 30, 2005; and
- (c) Paragraph (g) of subsection 1 of section 8 of this act, two members whose terms expire on June 30, 2004.

Sec. 25. The Legislative Counsel shall:

- 1. In preparing the reprint and supplements to the Nevada Revised Statutes, appropriately correct any obsolete or incorrect reference to:
- (a) The Communication and Computing Division of the Department of Information Technology;
- (b) The Communications Unit of the Communication and Computing Division of the Department of Information Technology;
- (c) The Planning and Programming Division of the Department of Information Technology;
- (d) The Planning and Research Unit of the Planning and Programming Division of the Department of Information Technology; and
- (e) The Telecommunications Unit of the Communication and Computing Division of the Department of Information Technology.
- 42 2. In preparing supplements to the Nevada Administrative 43 Code, appropriately correct any obsolete or incorrect reference to:



(a) The Communication and Computing Division of the Department of Information Technology;

2

3

4 5

7

9

12

- (b) The Communications Unit of the Communication and Computing Division of the Department of Information Technology;
- (c) The Planning and Programming Division of the Department of Information Technology;
- (d) The Planning and Research Unit of the Planning and Programming Division of the Department of Information Technology; and
- 10 (e) The Telecommunications Unit of the Communication and 11 Computing Division of the Department of Information Technology.

Sec. 26. This act becomes effective on July 1, 2003.

TEXT OF REPEALED SECTIONS

233F.045 "Communications Unit" defined. "Communications Unit" means the Communications Unit of the Communication and Computing Division of the Department.

233F.065 "Telecommunications Unit" defined. "Telecommunications Unit" means the Telecommunications Unit of the Communication and Computing Division of the Department.

242.115 Duties of planning and research unit.

- 1. Except as otherwise provided in subsection 2, the planning and research unit of the planning and programming division of the department shall:
- (a) Develop policies and standards for the information systems of the executive branch of government;
- (b) Coordinate the development of a biennial state plan for the information systems of the executive branch of government;
- (c) Develop guidelines to assist state agencies in the development of short- and long-term plans for their information systems:
- (d) Develop guidelines and procedures for the procurement and maintenance of the information systems of the executive branch of government;
- (e) Develop standards to ensure the security of the information systems of the executive branch of government; and
- (f) Perform other planning and research functions at the direction of the director.



2. This section does not apply to the University and Community College System of Nevada or the Nevada criminal justice information computer system used to provide support for the operations of law enforcement agencies in this state.



