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ENGROSSED SECOND SUBSTITUTE SENATE BILL 5315

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State of Washington

64th Legislature

2015 Regular Session

By Senate Ways & Means (originally sponsored by Senators Roach, Llias, McCoy, Pearson, and Benton; by request of Office of Financial Management)

READ FIRST TIME 04/02/15.

1 AN ACT Relating to aligning functions of the consolidated  
2 technology services agency, office of the chief information officer,  
3 office of financial management, and department of enterprise  
4 services; amending RCW 43.41A.003, 43.105.020, 43.105.047,  
5 43.105.052, 43.105.111, 43.105.825, 41.07.020, 43.41A.025, 43.88.160,  
6 43.41A.010, 43.41A.027, 43.41A.030, 43.41A.035, 43.41A.040,  
7 43.41A.045, 43.41A.050, 43.41A.055, 43.41A.060, 43.41A.065,  
8 43.41A.070, 43.41A.075, 43.41A.080, 43.41A.085, 43.41A.095,  
9 43.41A.105, 43.41A.130, 43.41A.140, 43.41A.150, 43.41A.152,  
10 43.82.055, 43.82.150, 43.88.160, 47.04.280, 47.64.170, 47.64.360,  
11 79.44.060, 28A.345.060, 34.05.030, 34.12.100, 41.04.665, 41.04.680,  
12 41.06.157, 41.06.167, 42.17A.705, 41.80.020, 43.03.040, 43.06.013,  
13 43.41.113, 43.131.090, 48.37.060, 49.74.020, 2.36.057, 2.36.0571,  
14 2.68.060, 19.34.100, 36.28A.070, 42.17A.705, 43.19.794, 43.70.054,  
15 43.88.090, 43.88.092, 44.68.065, and 70.58.005; reenacting and  
16 amending RCW 41.04.340 and 41.06.020; adding new sections to chapter  
17 43.105 RCW; adding new sections to chapter 43.41 RCW; adding new  
18 sections to chapter 43.19 RCW; creating new sections; recodifying RCW  
19 43.41A.003, 43.41A.010, 43.41A.025, 43.41A.027, 43.41A.030,  
20 43.41A.035, 43.41A.040, 43.41A.045, 43.41A.050, 43.41A.055,  
21 43.41A.060, 43.41A.065, 43.41A.070, 43.41A.075, 43.41A.080,  
22 43.41A.110, 43.41A.115, 43.41A.130, 43.41A.135, 43.41A.140,  
23 43.41A.150, 43.41A.152, 43.41A.900, 43.105.047, 43.41A.085,

1 43.41A.090, 43.41A.095, 43.41A.100, 43.41A.105, 43.41.130, 43.41.140,  
2 43.41.150, 43.41.370, and 43.41.380; decodifying RCW 43.41A.125;  
3 repealing RCW 43.41A.006, 43.41A.015, 43.41A.020, 43.41A.120,  
4 43.105.340, 43.41.190, 43.41.195, and 43.19.791; providing effective  
5 dates; and declaring an emergency.

6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

7 **PART I**  
8 **CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

9 **Sec. 101.** RCW 43.41A.003 and 2011 1st sp.s. c 43 s 701 are each  
10 amended to read as follows:

11 Information technology is a tool used by state agencies to  
12 improve their ability to deliver public services efficiently and  
13 effectively. Advances in information technology ~~((-))~~  including  
14 advances in hardware, software, and business processes for  
15 implementing and managing these resources ~~((-))~~  offer new  
16 opportunities to improve the level of support provided to citizens  
17 and state agencies and to reduce the per-transaction cost of these  
18 services. These advances are one component in the process of  
19 reengineering how government delivers services to citizens.

20 To fully realize the service improvements and cost efficiency  
21 from the effective application of information technology to its  
22 business processes, state government must establish decision-making  
23 structures that connect business processes and information technology  
24 in an operating model. Many of these business practices transcend  
25 individual agency processes and should be worked at the enterprise  
26 level. To do this requires an effective partnership of executive  
27 management, business processes owners, and providers of support  
28 functions necessary to efficiently and effectively deliver services  
29 to citizens.

30 To maximize the potential for information technology to  
31 contribute to government business process reengineering~~,~~  the state  
32 must establish clear central authority to plan, set enterprise  
33 policies and standards, and provide project oversight and management  
34 analysis of the various aspects of a business process.

35 Establishing ~~((the office of))~~ a state chief information officer  
36 ~~((and partnering it with the director of financial management))~~ as  
37 the director of the consolidated technology services agency will

1 provide state government with the cohesive structure necessary to  
2 develop improved operating models with agency directors and  
3 reengineer business process to enhance service delivery while  
4 capturing savings.

5 To achieve maximum benefit from advances in information  
6 technology, the state establishes a centralized provider and procurer  
7 of certain information technology services as an agency to support  
8 the needs of public agencies. This agency shall be known as the  
9 consolidated technology services agency. To ensure maximum benefit to  
10 the state, state agencies shall rely on the consolidated technology  
11 services agency for those services with a business case of broad use,  
12 uniformity, scalability, and price sensitivity to aggregation and  
13 volume.

14 To successfully meet public agency needs and meet its obligation  
15 as the primary service provider for these services, the consolidated  
16 technology services agency must offer high quality services at the  
17 best value. It must be able to attract an adaptable and competitive  
18 workforce, be authorized to procure services where the business case  
19 justifies it, and be accountable to its customers for the efficient  
20 and effective delivery of critical business services.

21 The consolidated technology services agency is established with  
22 clear accountability to the agencies it serves and to the public.  
23 This accountability will come through enhanced transparency in the  
24 agency's operation and performance. The agency is also established  
25 with broad flexibility to adapt its operations and service catalog to  
26 address the needs of customer agencies, and to do so in the most  
27 cost-effective ways.

28 **Sec. 102.** RCW 43.105.020 and 2011 1st sp.s. c 43 s 802 are each  
29 amended to read as follows:

30 The definitions in this section apply throughout this chapter  
31 unless the context clearly requires otherwise.

32 (1) "Agency" means the consolidated technology services agency.

33 (2) "Board" means the technology services board.

34 (3) "Customer agencies" means all entities that purchase or use  
35 information technology resources, telecommunications, or services  
36 from the consolidated technology services agency.

37 ~~((3))~~ (4) "Director" means the state chief information officer,  
38 who is the director of the consolidated technology services agency.

1       (~~(4)~~) (5) "Equipment" means the machines, devices, and  
2 transmission facilities used in information processing, including but  
3 not limited to computers, terminals, telephones, wireless  
4 communications system facilities, cables, and any physical facility  
5 necessary for the operation of such equipment.

6       (~~(5)~~) (6) "Enterprise architecture" means an ongoing  
7 (~~(program)~~) activity for translating business vision and strategy  
8 into effective enterprise change. It is a continuous activity.  
9 Enterprise architecture creates, communicates, and improves the key  
10 principles and models that describe the enterprise's future state and  
11 enable its evolution.

12       (~~(6)~~) (7) "Information" includes, but is not limited to, data,  
13 text, voice, and video.

14       (8) "Information technology" includes, but is not limited to, all  
15 electronic technology systems and services, automated information  
16 handling, system design and analysis, conversion of data, computer  
17 programming, information storage and retrieval, telecommunications,  
18 requisite system controls, simulation, electronic commerce, radio  
19 technologies, and all related interactions between people and  
20 machines.

21       (~~(7)~~) (9) "Information technology portfolio" or "portfolio"  
22 means a strategic management process documenting relationships  
23 between agency missions and information technology and  
24 telecommunications investments.

25       (~~(8)~~) (10) "K-20 network" means the network established in RCW  
26 43.41A.085 (as recodified by this act).

27       (11) "Local governments" includes all municipal and quasi-  
28 municipal corporations and political subdivisions, and all agencies  
29 of such corporations and subdivisions authorized to contract  
30 separately.

31       (~~(9)~~) (12) "Office" means the office of the state chief  
32 information officer within the consolidated technology services  
33 agency.

34       (13) "Oversight" means a process of comprehensive risk analysis  
35 and management designed to ensure optimum use of information  
36 technology resources and telecommunications.

37       (~~(10)~~) (14) "Proprietary software" means that software offered  
38 for sale or license.

39       (~~(11)~~) (15) "Public agency" means any agency of this state or  
40 another state; any political subdivision or unit of local government

1 of this state or another state including, but not limited to,  
2 municipal corporations, quasi-municipal corporations, special purpose  
3 districts, and local service districts; any public benefit nonprofit  
4 corporation; any agency of the United States; and any Indian tribe  
5 recognized as such by the federal government.

6 (16) "Public benefit nonprofit corporation" means a public  
7 benefit nonprofit corporation as defined in RCW 24.03.005 that is  
8 receiving local, state, or federal funds either directly or through a  
9 public agency other than an Indian tribe or political subdivision of  
10 another state.

11 (17) "Public record" has the definitions in RCW 42.56.010 and  
12 chapter 40.14 RCW and includes legislative records and court records  
13 that are available for public inspection.

14 (18) "State agency" means every state office, department,  
15 division, bureau, board, commission, or other state agency, including  
16 offices headed by a statewide elected official.

17 (19) "Telecommunications" includes, but is not limited to,  
18 wireless or wired systems for transport of voice, video, and data  
19 communications, network systems, requisite facilities, equipment,  
20 system controls, simulation, electronic commerce, and all related  
21 interactions between people and machines. (~~"Telecommunications" does~~  
22 ~~not include public safety communications.~~)

23 (20) "Utility-based infrastructure services" includes personal  
24 computer and portable device support, servers and server  
25 administration, security administration, network administration,  
26 telephony, email, and other information technology services commonly  
27 used by state agencies.

28 **Sec. 103.** RCW 43.105.047 and 2011 1st sp.s. c 43 s 803 are each  
29 amended to read as follows:

30 (1) There is created the consolidated technology services agency,  
31 an agency of state government. The agency shall be headed by a  
32 director, who is the state chief information officer. The director  
33 shall be appointed by the governor with the consent of the senate.  
34 The director shall serve at the governor's pleasure and shall receive  
35 such salary as determined by the governor. If a vacancy occurs in the  
36 position while the senate is not in session, the governor shall make  
37 a temporary appointment until the next meeting of the senate at which  
38 time he or she shall present to that body his or her nomination for  
39 the position.

1       (2) The director shall:

2       ~~((1))~~ (a) Appoint a confidential secretary and such deputy and  
3 assistant directors as needed to administer the agency; and

4       ~~((2))~~ (b) Appoint such professional, technical, and clerical  
5 assistants and employees as may be necessary to perform the duties  
6 imposed by this chapter in accordance with chapter 41.06 RCW, except  
7 as otherwise provided by law.

8       (3) The director may create such administrative structures as he  
9 or she deems appropriate and may delegate any power or duty vested in  
10 him or her by this chapter or other law.

11       (4) The director shall exercise all the powers and perform all  
12 the duties prescribed by law with respect to the administration of  
13 this chapter including:

14       (a) Reporting to the governor any matters relating to abuses and  
15 evasions of this chapter;

16       (b) Accepting and expending gifts and grants that are related to  
17 the purposes of this chapter;

18       (c) Applying for grants from public and private entities, and  
19 receiving and administering any grant funding received for the  
20 purpose and intent of this chapter; and

21       (d) Performing other duties as are necessary and consistent with  
22 law.

23       **Sec. 104.** RCW 43.105.052 and 2011 1st sp.s. c 43 s 804 are each  
24 amended to read as follows:

25       The agency shall:

26       (1) Make available information services to public agencies and  
27 public benefit nonprofit corporations(~~(. For the purposes of this~~  
28 ~~section "public agency" means any agency of this state or another~~  
29 ~~state; any political subdivision, or unit of local government of this~~  
30 ~~state or another state including, but not limited to, municipal~~  
31 ~~corporations, quasi-municipal corporations, special purpose~~  
32 ~~districts, and local service districts; any agency of the United~~  
33 ~~States; and any Indian tribe recognized as such by the federal~~  
34 ~~government and "public benefit nonprofit corporation" means a public~~  
35 ~~benefit nonprofit corporation as defined in RCW 24.03.005 that is~~  
36 ~~receiving local, state, or federal funds either directly or through a~~  
37 ~~public agency other than an Indian tribe or political subdivision of~~  
38 ~~another state));~~

1 (2) Establish rates and fees for services provided by the  
2 agency(~~(. A billing rate plan shall be developed for a two-year~~  
3 ~~period to coincide with the budgeting process. The rate plan shall be~~  
4 ~~subject to review at least annually by the office of financial~~  
5 ~~management. The rate plan shall show the proposed rates by each cost~~  
6 ~~center and will show the components of the rate structure as mutually~~  
7 ~~determined by the agency and the office of financial management. The~~  
8 ~~rate plan and any adjustments to rates shall be approved by the~~  
9 ~~office of financial management))~~);

10 (3) (~~With the advice of the board and customer agencies, develop~~  
11 ~~a state strategic information technology plan and performance reports~~  
12 ~~as required under RCW 43.41A.030~~;

13 ~~(4))~~ Develop a billing rate plan for a two-year period to  
14 coincide with the budgeting process. The rate plan must be subject to  
15 review at least annually by the office of financial management. The  
16 rate plan must show the proposed rates by each cost center and show  
17 the components of the rate structure as mutually determined by the  
18 agency and the office of financial management. The rate plan and any  
19 adjustments to rates must be approved by the office of financial  
20 management;

21 (4) Develop a detailed business plan for any service or activity  
22 to be contracted under RCW 41.06.142(7)(b);

23 (5) Develop plans for the agency's achievement of statewide goals  
24 and objectives set forth in the state strategic information  
25 technology plan required under RCW 43.41A.030 (as recodified by this  
26 act);

27 (6) Enable the standardization and consolidation of information  
28 technology infrastructure across all state agencies to support  
29 enterprise-based system development and improve and maintain service  
30 delivery; and

31 ~~((+5))~~ (7) Perform all other matters and things necessary to  
32 carry out the purposes and provisions of this chapter.

33 **Sec. 105.** RCW 43.105.111 and 2011 1st sp.s. c 43 s 806 are each  
34 amended to read as follows:

35 The director shall set performance targets and approve plans for  
36 achieving measurable and specific goals for the agency. By January  
37 ~~((2012))~~ 2017, the appropriate organizational performance and  
38 accountability measures and performance targets shall be submitted to  
39 the governor. These measures and targets shall include measures of

1 performance demonstrating specific and measurable improvements  
2 related to service delivery and costs, operational efficiencies, and  
3 overall customer satisfaction. The agency shall develop a dashboard  
4 of key performance measures that will be updated quarterly and made  
5 available on the agency public web site.

6 The director shall report to the governor on agency performance  
7 at least quarterly. The reports shall be included on the agency's web  
8 site and accessible to the public.

9 **Sec. 106.** RCW 43.105.825 and 2012 c 229 s 588 are each amended  
10 to read as follows:

11 (1) In overseeing the technical aspects of the K-20 network, the  
12 ~~((information-services))~~ board is not intended to duplicate the  
13 statutory responsibilities of the student achievement council, the  
14 superintendent of public instruction, the ~~((information-services))~~  
15 board, the state librarian, or the governing boards of the  
16 institutions of higher education.

17 (2) The board may not interfere in any curriculum or legally  
18 offered programming offered over the network.

19 (3) The responsibility to review and approve standards and common  
20 specifications for the network remains the responsibility of the  
21 ~~((information-services))~~ board ~~((under RCW 43.105.041))~~.

22 (4) The coordination of telecommunications planning for the  
23 common schools remains the responsibility of the superintendent of  
24 public instruction. ~~((Except as set forth in RCW 43.105.041(1)(d),))~~  
25 The board may recommend, but not require, revisions to the  
26 superintendent's telecommunications plans.

27 **Sec. 107.** RCW 41.07.020 and 2011 1st sp.s. c 43 s 441 are each  
28 amended to read as follows:

29 The ~~((department-of-enterprise-services))~~ consolidated technology  
30 services agency is authorized to administer, maintain, and operate  
31 the central personnel-payroll system and to provide its services for  
32 any state agency designated jointly by the ~~((director-of-the~~  
33 ~~department-of-enterprise-services))~~ consolidated technology services  
34 agency and the director of financial management.

35 ~~((The system shall be operated through state data processing~~  
36 ~~centers.))~~ State agencies shall convert personnel and payroll  
37 processing to the central personnel-payroll system as soon as  
38 administratively and technically feasible as determined by the office



1 of financial management and the (~~department of enterprise services~~)  
2 consolidated technology services agency. It is the intent of the  
3 legislature to provide, through the central personnel-payroll system,  
4 for uniform reporting to the office of financial management and to  
5 the legislature regarding salaries and related costs, and to reduce  
6 present costs of manual procedures in personnel and payroll  
7 recordkeeping and reporting.

8 **Sec. 108.** RCW 43.41A.025 and 2013 2nd sp.s. c 33 s 1 are each  
9 amended to read as follows:

10 (1) The (~~chief information officer~~) director shall establish  
11 standards and policies to govern information technology in the state  
12 of Washington.

13 (2) The office shall have the following powers and duties related  
14 to information services:

15 (a) To develop statewide standards and policies governing the:

16 (i) Acquisition (~~(and disposition)~~) of equipment, software, and  
17 (~~(personal and purchased)~~) technology-related services(~~( $\tau$ )~~);

18 (ii) Disposition of equipment;

19 (iii) Licensing of the radio spectrum by or on behalf of state  
20 agencies(~~( $\tau$ )~~); and

21 (iv) Confidentiality of computerized data;

22 (b) To develop statewide (~~( $\epsilon$ )~~) and interagency technical  
23 policies, standards, and procedures;

24 (c) To review and approve standards and common specifications for  
25 new or expanded telecommunications networks proposed by agencies,  
26 public postsecondary education institutions, educational service  
27 districts, or statewide or regional providers of K-12 information  
28 technology services;

29 (~~(To develop a detailed business plan for any service or~~  
30 ~~activity to be contracted under RCW 41.06.142(7)(b) by the~~  
31 ~~consolidated technology services agency~~;

32 ~~(e) To~~) With input from the legislature and the judiciary,  
33 provide direction concerning strategic planning goals and objectives  
34 for the state(~~(. The office shall seek input from the legislature and~~  
35 ~~the judiciary)~~);

36 (~~( $f$ )~~) (e) To establish policies for the periodic review by the  
37 (~~(office)~~) director of state agency performance which may include but  
38 are not limited to analysis of:

1 (i) Planning, management, control, and use of information  
2 services;

3 (ii) Training and education; ~~((and))~~

4 (iii) Project management; and

5 (iv) Cybersecurity;

6 ~~((g))~~ (f) To coordinate with state agencies with an annual  
7 information technology expenditure that exceeds ten million dollars  
8 to implement a technology business management program to identify  
9 opportunities for savings and efficiencies in information technology  
10 expenditures and to monitor ongoing financial performance of  
11 technology investments; and

12 ~~((h))~~ (g) In conjunction with the consolidated technology  
13 services agency, to develop statewide standards for agency purchases  
14 of technology networking equipment and services.

15 (3) Statewide technical standards to promote and facilitate  
16 electronic information sharing and access are an essential component  
17 of acceptable and reliable public access service and complement  
18 content-related standards designed to meet those goals. The office  
19 shall:

20 (a) Establish technical standards to facilitate electronic access  
21 to government information and interoperability of information  
22 systems, including wireless communications systems; and

23 (b) Require agencies to include an evaluation of electronic  
24 public access needs when planning new information systems or major  
25 upgrades of systems.

26 In developing these standards, the office is encouraged to  
27 include the state library, state archives, and appropriate  
28 representatives of state and local government.

29 ~~((4) The office shall perform other matters and things necessary  
30 to carry out the purposes and provisions of this chapter.))~~

31 **Sec. 109.** RCW 43.88.160 and 2012 c 230 s 1 are each amended to  
32 read as follows:

33 This section sets forth the major fiscal duties and  
34 responsibilities of officers and agencies of the executive branch.  
35 The regulations issued by the governor pursuant to this chapter shall  
36 provide for a comprehensive, orderly basis for fiscal management and  
37 control, including efficient accounting and reporting therefor, for  
38 the executive branch of the state government and may include, in

1 addition, such requirements as will generally promote more efficient  
2 public management in the state.

3 (1) Governor; director of financial management. The governor,  
4 through the director of financial management, shall devise and  
5 supervise a modern and complete accounting system for each agency to  
6 the end that all revenues, expenditures, receipts, disbursements,  
7 resources, and obligations of the state shall be properly and  
8 systematically accounted for. The accounting system shall include the  
9 development of accurate, timely records and reports of all financial  
10 affairs of the state. The system shall also provide for central  
11 accounts in the office of financial management at the level of detail  
12 deemed necessary by the director to perform central financial  
13 management. The director of financial management shall adopt and  
14 periodically update an accounting procedures manual. Any agency  
15 maintaining its own accounting and reporting system shall comply with  
16 the updated accounting procedures manual and the rules of the  
17 director adopted under this chapter. An agency may receive a waiver  
18 from complying with this requirement if the waiver is approved by the  
19 director. Waivers expire at the end of the fiscal biennium for which  
20 they are granted. The director shall forward notice of waivers  
21 granted to the appropriate legislative fiscal committees. The  
22 director of financial management may require such financial,  
23 statistical, and other reports as the director deems necessary from  
24 all agencies covering any period.

25 (2) Except as provided in chapter 43.88C RCW, the director of  
26 financial management is responsible for quarterly reporting of  
27 primary operating budget drivers such as applicable workloads,  
28 caseload estimates, and appropriate unit cost data. These reports  
29 shall be transmitted to the legislative fiscal committees or by  
30 electronic means to the legislative evaluation and accountability  
31 program committee. Quarterly reports shall include actual monthly  
32 data and the variance between actual and estimated data to date. The  
33 reports shall also include estimates of these items for the remainder  
34 of the budget period.

35 (3) The director of financial management shall report at least  
36 annually to the appropriate legislative committees regarding the  
37 status of all appropriated capital projects, including transportation  
38 projects, showing significant cost overruns or underruns. If funds  
39 are shifted from one project to another, the office of financial  
40 management shall also reflect this in the annual variance report.

1 Once a project is complete, the report shall provide a final summary  
2 showing estimated start and completion dates of each project phase  
3 compared to actual dates, estimated costs of each project phase  
4 compared to actual costs, and whether or not there are any  
5 outstanding liabilities or unsettled claims at the time of  
6 completion.

7 (4) In addition, the director of financial management, as agent  
8 of the governor, shall:

9 (a) Develop and maintain a system of internal controls and  
10 internal audits comprising methods and procedures to be adopted by  
11 each agency that will safeguard its assets, check the accuracy and  
12 reliability of its accounting data, promote operational efficiency,  
13 and encourage adherence to prescribed managerial policies for  
14 accounting and financial controls. The system developed by the  
15 director shall include criteria for determining the scope and  
16 comprehensiveness of internal controls required by classes of  
17 agencies, depending on the level of resources at risk.

18 Each agency head or authorized designee shall be assigned the  
19 responsibility and authority for establishing and maintaining  
20 internal audits following the standards of internal auditing of the  
21 institute of internal auditors;

22 (b) Make surveys and analyses of agencies with the object of  
23 determining better methods and increased effectiveness in the use of  
24 manpower and materials; and the director shall authorize expenditures  
25 for employee training to the end that the state may benefit from  
26 training facilities made available to state employees;

27 (c) Establish policies for allowing the contracting of child care  
28 services;

29 (d) Report to the governor with regard to duplication of effort  
30 or lack of coordination among agencies;

31 (e) Review any pay and classification plans, and changes  
32 thereunder, developed by any agency for their fiscal impact:  
33 PROVIDED, That none of the provisions of this subsection shall affect  
34 merit systems of personnel management now existing or hereafter  
35 established by statute relating to the fixing of qualifications  
36 requirements for recruitment, appointment, or promotion of employees  
37 of any agency. The director shall advise and confer with agencies  
38 including appropriate standing committees of the legislature as may  
39 be designated by the speaker of the house and the president of the  
40 senate regarding the fiscal impact of such plans and may amend or

1 alter the plans, except that for the following agencies no amendment  
2 or alteration of the plans may be made without the approval of the  
3 agency concerned: Agencies headed by elective officials;

4 (f) Fix the number and classes of positions or authorized  
5 employee years of employment for each agency and during the fiscal  
6 period amend the determinations previously fixed by the director  
7 except that the director shall not be empowered to fix the number or  
8 the classes for the following: Agencies headed by elective officials;

9 (g) Adopt rules to effectuate provisions contained in (a) through  
10 (f) of this subsection.

11 (5) The treasurer shall:

12 (a) Receive, keep, and disburse all public funds of the state not  
13 expressly required by law to be received, kept, and disbursed by some  
14 other persons: PROVIDED, That this subsection shall not apply to  
15 those public funds of the institutions of higher learning which are  
16 not subject to appropriation;

17 (b) Receive, disburse, or transfer public funds under the  
18 treasurer's supervision or custody;

19 (c) Keep a correct and current account of all moneys received and  
20 disbursed by the treasurer, classified by fund or account;

21 (d) Coordinate agencies' acceptance and use of credit cards and  
22 other payment methods, if the agencies have received authorization  
23 under RCW 43.41.180;

24 (e) Perform such other duties as may be required by law or by  
25 regulations issued pursuant to this law.

26 It shall be unlawful for the treasurer to disburse public funds  
27 in the treasury except upon forms or by alternative means duly  
28 prescribed by the director of financial management. These forms or  
29 alternative means shall provide for authentication and certification  
30 by the agency head or the agency head's designee that the services  
31 have been rendered or the materials have been furnished; or, in the  
32 case of loans or grants, that the loans or grants are authorized by  
33 law; or, in the case of payments for periodic maintenance services to  
34 be performed on state owned equipment, that a written contract for  
35 such periodic maintenance services is currently in effect; and the  
36 treasurer shall not be liable under the treasurer's surety bond for  
37 erroneous or improper payments so made. When services are lawfully  
38 paid for in advance of full performance by any private individual or  
39 business entity other than equipment maintenance providers or as  
40 provided for by RCW 42.24.035, such individual or entity other than

1 central stores rendering such services shall make a cash deposit or  
2 furnish surety bond coverage to the state as shall be fixed in an  
3 amount by law, or if not fixed by law, then in such amounts as shall  
4 be fixed by the director of the department of enterprise services but  
5 in no case shall such required cash deposit or surety bond be less  
6 than an amount which will fully indemnify the state against any and  
7 all losses on account of breach of promise to fully perform such  
8 services. No payments shall be made in advance for any equipment  
9 maintenance services to be performed more than twelve months after  
10 such payment except that institutions of higher education as defined  
11 in RCW 28B.10.016 and the consolidated technology services agency  
12 created in RCW 43.105.006 may make payments in advance for equipment  
13 maintenance services to be performed up to sixty months after such  
14 payment. Any such bond so furnished shall be conditioned that the  
15 person, firm or corporation receiving the advance payment will apply  
16 it toward performance of the contract. The responsibility for  
17 recovery of erroneous or improper payments made under this section  
18 shall lie with the agency head or the agency head's designee in  
19 accordance with rules issued pursuant to this chapter. Nothing in  
20 this section shall be construed to permit a public body to advance  
21 funds to a private service provider pursuant to a grant or loan  
22 before services have been rendered or material furnished.

23 (6) The state auditor shall:

24 (a) Report to the legislature the results of current post audits  
25 that have been made of the financial transactions of each agency; to  
26 this end the auditor may, in the auditor's discretion, examine the  
27 books and accounts of any agency, official, or employee charged with  
28 the receipt, custody, or safekeeping of public funds. Where feasible  
29 in conducting examinations, the auditor shall utilize data and  
30 findings from the internal control system prescribed by the office of  
31 financial management. The current post audit of each agency may  
32 include a section on recommendations to the legislature as provided  
33 in (c) of this subsection.

34 (b) Give information to the legislature, whenever required, upon  
35 any subject relating to the financial affairs of the state.

36 (c) Make the auditor's official report on or before the thirty-  
37 first of December which precedes the meeting of the legislature. The  
38 report shall be for the last complete fiscal period and shall include  
39 determinations as to whether agencies, in making expenditures,  
40 complied with the laws of this state. The state auditor is authorized

1 to perform or participate in performance verifications and  
2 performance audits as expressly authorized by the legislature in the  
3 omnibus biennial appropriations acts or in the performance audit work  
4 plan approved by the joint legislative audit and review committee.  
5 The state auditor, upon completing an audit for legal and financial  
6 compliance under chapter 43.09 RCW or a performance verification, may  
7 report to the joint legislative audit and review committee or other  
8 appropriate committees of the legislature, in a manner prescribed by  
9 the joint legislative audit and review committee, on facts relating  
10 to the management or performance of governmental programs where such  
11 facts are discovered incidental to the legal and financial audit or  
12 performance verification. The auditor may make such a report to a  
13 legislative committee only if the auditor has determined that the  
14 agency has been given an opportunity and has failed to resolve the  
15 management or performance issues raised by the auditor. If the  
16 auditor makes a report to a legislative committee, the agency may  
17 submit to the committee a response to the report. This subsection (6)  
18 shall not be construed to authorize the auditor to allocate other  
19 than de minimis resources to performance audits except as expressly  
20 authorized in the appropriations acts or in the performance audit  
21 work plan. The results of a performance audit conducted by the state  
22 auditor that has been requested by the joint legislative audit and  
23 review committee must only be transmitted to the joint legislative  
24 audit and review committee.

25 (d) Be empowered to take exception to specific expenditures that  
26 have been incurred by any agency or to take exception to other  
27 practices related in any way to the agency's financial transactions  
28 and to cause such exceptions to be made a matter of public record,  
29 including disclosure to the agency concerned and to the director of  
30 financial management. It shall be the duty of the director of  
31 financial management to cause corrective action to be taken within  
32 six months, such action to include, as appropriate, the withholding  
33 of funds as provided in RCW 43.88.110. The director of financial  
34 management shall annually report by December 31st the status of audit  
35 resolution to the appropriate committees of the legislature, the  
36 state auditor, and the attorney general. The director of financial  
37 management shall include in the audit resolution report actions taken  
38 as a result of an audit including, but not limited to, types of  
39 personnel actions, costs and types of litigation, and value of  
40 recouped goods or services.

1 (e) Promptly report any irregularities to the attorney general.

2 (f) Investigate improper governmental activity under chapter  
3 42.40 RCW.

4 In addition to the authority given to the state auditor in this  
5 subsection (6), the state auditor is authorized to conduct  
6 performance audits identified in RCW 43.09.470. Nothing in this  
7 subsection (6) shall limit, impede, or restrict the state auditor  
8 from conducting performance audits identified in RCW 43.09.470.

9 (7) The joint legislative audit and review committee may:

10 (a) Make post audits of the financial transactions of any agency  
11 and management surveys and program reviews as provided for in chapter  
12 44.28 RCW as well as performance audits and program evaluations. To  
13 this end the joint committee may in its discretion examine the books,  
14 accounts, and other records of any agency, official, or employee.

15 (b) Give information to the legislature or any legislative  
16 committee whenever required upon any subject relating to the  
17 performance and management of state agencies.

18 (c) Make a report to the legislature which shall include at least  
19 the following:

20 (i) Determinations as to the extent to which agencies in making  
21 expenditures have complied with the will of the legislature and in  
22 this connection, may take exception to specific expenditures or  
23 financial practices of any agencies; and

24 (ii) Such plans as it deems expedient for the support of the  
25 state's credit, for lessening expenditures, for promoting frugality  
26 and economy in agency affairs, and generally for an improved level of  
27 fiscal management.

## 28 PART II

### 29 OFFICE OF THE STATE CHIEF INFORMATION OFFICER

30 **Sec. 201.** RCW 43.41A.010 and 2013 2nd sp.s. c 33 s 3 are each  
31 amended to read as follows:

32 (1) The office of the state chief information officer is created  
33 within the (~~office of financial management~~) consolidated technology  
34 services agency.

35 (2) (~~Powers, duties, and functions assigned to the department of~~  
36 ~~information services as specified in this chapter shall be~~  
37 ~~transferred to the office of chief information officer as provided in~~  
38 ~~this chapter.~~



1       ~~(3)~~) The primary duties of the office are:

2       (a) To prepare and lead the implementation of a strategic  
3 direction and enterprise architecture for information technology for  
4 state government;

5       ~~(b) ((To enable the standardization and consolidation of  
6 information technology infrastructure across all state agencies to  
7 support enterprise based system development and improve and maintain  
8 service delivery;~~

9       ~~(e)~~) To establish standards and policies for the consistent and  
10 efficient operation of information technology services throughout  
11 state government;

12       ~~((d))~~ (c) To establish statewide enterprise architecture that  
13 will serve as the organizing standard for information technology for  
14 state agencies;

15       ~~((e))~~ (d) To educate and inform state managers and policymakers  
16 on technological developments, industry trends and best practices,  
17 industry benchmarks that strengthen decision making and professional  
18 development, and industry understanding for public managers and  
19 decision makers; and

20       (e) To perform all other matters and things necessary to carry  
21 out the purposes and provisions of this chapter.

22       ~~((4))~~ (3) In the case of institutions of higher education, the  
23 powers of the office and the provisions of this chapter apply to  
24 business and administrative applications but do not apply to (a)  
25 academic and research applications; and (b) medical, clinical, and  
26 health care applications, including the business and administrative  
27 applications for such operations. However, institutions of higher  
28 education must disclose to the office any proposed academic  
29 applications that are enterprise-wide in nature relative to the needs  
30 and interests of other institutions of higher education. Institutions  
31 of higher education shall provide to the ~~((chief information  
32 officer))~~ director sufficient data and information on proposed  
33 expenditures on business and administrative applications to permit  
34 the ~~((chief information officer))~~ director to evaluate the proposed  
35 expenditures pursuant to RCW 43.88.092(3).

36       ~~((5))~~ (4) The legislature and the judiciary, which are  
37 constitutionally recognized as separate branches of government, are  
38 strongly encouraged to coordinate with the office and participate in  
39 shared services initiatives and the development of enterprise-based  
40 strategies, where appropriate. Legislative and judicial agencies of

1 the state shall submit to the (~~chief information officer~~) director  
2 information on proposed information technology expenditures to allow  
3 the (~~chief information officer~~) director to evaluate the proposed  
4 expenditures on an advisory basis.

5 **Sec. 202.** RCW 43.41A.027 and 2013 2nd sp.s. c 33 s 8 are each  
6 amended to read as follows:

7 (1) The office shall establish security standards and policies to  
8 ensure the confidentiality, availability, and integrity of the  
9 information transacted, stored, or processed in the state's  
10 information technology systems and infrastructure. The director shall  
11 appoint a state chief information security officer. Each state  
12 agency, institution of higher education, the legislature, and the  
13 judiciary must develop an information technology security (~~plan~~  
14 ~~and~~) program.

15 (~~(1)~~) (2) Each state agency information technology security  
16 (~~plan and~~) program must adhere to the office's security standards  
17 and policies. Each state agency must review and update its (~~plan~~  
18 ~~and~~) program annually and certify to the office that its (~~plan~~  
19 ~~and~~) program is in compliance with the office's security standards  
20 and policies. The office (~~may~~) shall require (~~an~~) a state agency  
21 to obtain an independent compliance audit of its information  
22 technology security (~~plan and~~) program and controls at least once  
23 every three years to determine whether the state agency's information  
24 technology security program is in compliance with the standards and  
25 policies established by the agency and that security controls  
26 identified by the state agency in its security program are operating  
27 efficiently.

28 (~~(2)~~) (3) In the case of institutions of higher education, the  
29 judiciary, and the legislature, each information technology security  
30 (~~plan and~~) program must be comparable to the intended outcomes of  
31 the office's security standards and policies. (~~Each institution, the~~  
32 ~~legislature, and the judiciary shall submit their information~~  
33 ~~technology security plan and program to the office annually for~~  
34 ~~review and comment.))~~

35 **Sec. 203.** RCW 43.41A.030 and 2011 1st sp.s. c 43 s 707 are each  
36 amended to read as follows:

37 (1) The office shall prepare a state strategic information  
38 technology plan which shall establish a statewide mission, goals, and

1 objectives for the use of information technology, including goals for  
2 electronic access to government records, information, and services.  
3 The plan shall be developed in accordance with the standards and  
4 policies established by the office. The office shall seek the advice  
5 of the board in the development of this plan.

6 The plan shall be updated as necessary and submitted to the  
7 governor and the legislature.

8 (2) The office shall prepare a biennial state performance report  
9 on information technology based on state agency performance reports  
10 required under RCW 43.41A.045 (as recodified by this act) and other  
11 information deemed appropriate by the office. The report shall  
12 include, but not be limited to:

13 (a) An analysis, based upon agency portfolios, of the state's  
14 information technology infrastructure, including its value,  
15 condition, and capacity;

16 (b) An evaluation of performance relating to information  
17 technology;

18 (c) An assessment of progress made toward implementing the state  
19 strategic information technology plan, including progress toward  
20 electronic access to public information and enabling citizens to have  
21 two-way access to public records, information, and services; and

22 (d) An analysis of the success or failure, feasibility, progress,  
23 costs, and timeliness of implementation of major information  
24 technology projects under RCW 43.41A.055 (as recodified by this act).  
25 At a minimum, the portion of the report regarding major technology  
26 projects must include:

27 (i) The total cost data for the entire life-cycle of the project,  
28 including capital and operational costs, broken down by staffing  
29 costs, contracted service, hardware purchase or lease, software  
30 purchase or lease, travel, and training. The original budget must  
31 also be shown for comparison;

32 (ii) The original proposed project schedule and the final actual  
33 project schedule;

34 (iii) Data regarding progress towards meeting the original goals  
35 and performance measures of the project;

36 (iv) Discussion of lessons learned on the project, performance of  
37 any contractors used, and reasons for project delays or cost  
38 increases; and

1 (v) Identification of benefits generated by major information  
2 technology projects developed under RCW 43.41A.055 (as recodified by  
3 this act).

4 Copies of the report shall be distributed biennially to the  
5 governor and the legislature. The major technology section of the  
6 report must examine major information technology projects completed  
7 in the previous biennium.

8 **Sec. 204.** RCW 43.41A.035 and 2011 1st sp.s. c 43 s 708 are each  
9 amended to read as follows:

10 Management of information technology across state government  
11 requires managing resources and business processes across multiple  
12 agencies. It is no longer sufficient to pursue efficiencies within  
13 agency or individual business process boundaries. The state must  
14 manage the business process changes and information technology in  
15 support of business processes as a statewide portfolio. The (~~chief~~  
16 ~~information officer~~) director will use agency information technology  
17 portfolio planning as input to develop a statewide portfolio to guide  
18 resource allocation and prioritization decisions.

19 **Sec. 205.** RCW 43.41A.040 and 2011 1st sp.s. c 43 s 709 are each  
20 amended to read as follows:

21 (~~An~~) A state agency information technology portfolio shall  
22 serve as the basis for making information technology decisions and  
23 plans which may include, but are not limited to:

- 24 (1) System refurbishment, acquisitions, and development efforts;
- 25 (2) Setting goals and objectives for using information  
26 technology;
- 27 (3) Assessments of information processing performance, resources,  
28 and capabilities;
- 29 (4) Ensuring the appropriate transfer of technological expertise  
30 for the operation of new systems developed using external resources;
- 31 (5) Guiding new investment demand, prioritization, selection,  
32 performance, and asset value of technology and telecommunications;  
33 and
- 34 (6) Progress toward providing electronic access to public  
35 information.

36 **Sec. 206.** RCW 43.41A.045 and 2011 1st sp.s. c 43 s 710 are each  
37 amended to read as follows:

1 (1) Each state agency shall develop an information technology  
2 portfolio consistent with RCW 43.41A.110 (as recodified by this act).  
3 The superintendent of public instruction shall develop its portfolio  
4 in conjunction with educational service districts and statewide or  
5 regional providers of K-12 education information technology services.

6 (2) ~~((Agency portfolios shall include, but not be limited to, the  
7 following:~~

8 ~~(a) A baseline assessment of the agency's information technology  
9 resources and capabilities that will serve as the benchmark for  
10 subsequent planning and performance measures;~~

11 ~~(b) A statement of the agency's mission, goals, and objectives  
12 for information technology, including goals and objectives for  
13 achieving electronic access to agency records, information, and  
14 services;~~

15 ~~(c) An explanation of how the agency's mission, goals, and  
16 objectives for information technology support and conform to the  
17 state strategic information technology plan developed under RCW  
18 43.41A.030;~~

19 ~~(d) An implementation strategy to provide electronic access to  
20 public records and information. This implementation strategy must be  
21 assembled to include:~~

22 ~~(i) Compliance with Title 40 RCW;~~

23 ~~(ii) Adequate public notice and opportunity for comment;~~

24 ~~(iii) Consideration of a variety of electronic technologies,  
25 including those that help transcend geographic locations, standard  
26 business hours, economic conditions of users, and disabilities;~~

27 ~~(iv) Methods to educate both state employees and the public in  
28 the effective use of access technologies;~~

29 ~~(e) Projects and resources required to meet the objectives of the  
30 portfolio; and~~

31 ~~(f) Where feasible, estimated schedules and funding required to  
32 implement identified projects.~~

33 ~~(3) Portfolios developed under subsection (1) of this section  
34 shall be submitted to the office for review and approval. The chief  
35 information officer may reject, require modification to, or approve  
36 portfolios as deemed appropriate. Portfolios submitted under this  
37 subsection shall be updated and submitted for review and approval as  
38 necessary.~~

39 ~~(4) Each agency shall prepare and submit to the office a biennial  
40 performance report that evaluates progress toward the objectives~~

1 articulated in its information technology portfolio and the strategic  
2 priorities of the state. The superintendent of public instruction  
3 shall develop its portfolio in conjunction with educational service  
4 districts and statewide or regional providers of K-12 education  
5 information technology services. The report shall include:

6 (a) An evaluation of the agency's performance relating to  
7 information technology;

8 (b) An assessment of progress made toward implementing the agency  
9 information technology portfolio;

10 (c) Progress toward electronic access to public information and  
11 enabling citizens to have two-way interaction for obtaining  
12 information and services from agencies; and

13 (d) An inventory of agency information services, equipment, and  
14 proprietary software.

15 (5) The office shall establish standards, elements, form, and  
16 format for plans and reports developed under this section.

17 (6) Agency activities to increase electronic access to public  
18 records and information, as required by this section, must be  
19 implemented within available resources and existing agency planning  
20 processes.

21 (7)) The ((office)) director may exempt any state agency from  
22 any or all of the requirements of this section.

23 **Sec. 207.** RCW 43.41A.050 and 2011 1st sp.s. c 43 s 711 are each  
24 amended to read as follows:

25 (1) Pursuant to RCW 43.88.092(3), at the request of the director  
26 of financial management, the office shall evaluate both state agency  
27 information technology current spending and technology budget  
28 requests, including those proposed by the superintendent of public  
29 instruction, in conjunction with educational service districts, or  
30 statewide or regional providers of K-12 education information  
31 technology services. The office shall submit recommendations for  
32 funding all or part of such requests to the director of financial  
33 management. The office shall also submit recommendations regarding  
34 consolidation and coordination of similar proposals or other  
35 efficiencies it finds in reviewing proposals.

36 (2) The office shall establish criteria, consistent with  
37 portfolio-based information technology management, for the evaluation  
38 of agency budget requests under this section. Technology budget  
39 requests shall be evaluated in the context of the state's information

1 technology portfolio; technology initiatives underlying budget  
2 requests are subject to review by the office. Criteria shall include,  
3 but not be limited to: Feasibility of the proposed projects,  
4 consistency with the state strategic information technology plan and  
5 the state enterprise architecture, consistency with information  
6 technology portfolios, appropriate provision for public electronic  
7 access to information, evidence of business process streamlining and  
8 gathering of business and technical requirements, services, duration  
9 of investment, costs, and benefits.

10 **Sec. 208.** RCW 43.41A.055 and 2011 1st sp.s. c 43 s 712 are each  
11 amended to read as follows:

12 (1) The office shall establish standards and policies governing  
13 the planning, implementation, and evaluation of major information  
14 technology projects, including those proposed by the superintendent  
15 of public instruction, in conjunction with educational service  
16 districts, or statewide or regional providers of K-12 education  
17 information technology services. The standards and policies shall:

18 (a) Establish criteria to identify projects which are subject to  
19 this section. Such criteria shall include, but not be limited to,  
20 significant anticipated cost, complexity, or statewide significance  
21 of the project; and

22 (b) Establish a model process and procedures which state agencies  
23 shall follow in developing and implementing projects within their  
24 information technology portfolios. This process may include project  
25 oversight experts or panels, as appropriate. State agencies may  
26 propose, for approval by the office, a process and procedures unique  
27 to the agency. The office may accept or require modification of such  
28 agency proposals or the office may reject (~~(such agency)~~) those  
29 proposals and require use of the model process and procedures  
30 established under this subsection. Any process and procedures  
31 developed under this subsection shall require (i) distinct and  
32 identifiable phases upon which funding may be based, (ii) user  
33 validation of products through system demonstrations and testing of  
34 prototypes and deliverables, and (iii) other elements identified by  
35 the office.

36 The (~~chief information officer~~) director may suspend or  
37 terminate a major project, and direct that the project funds be  
38 placed into unallotted reserve status, if the (~~chief information~~

1 ~~officer~~) director determines that the project is not meeting or is  
2 not expected to meet anticipated performance standards.

3 (2) The office of financial management shall establish policies  
4 and standards consistent with portfolio-based information technology  
5 management to govern the funding of projects developed under this  
6 section. The policies and standards shall provide for:

7 (a) Funding of a project under terms and conditions mutually  
8 agreed to by the (~~chief information officer~~) director, the director  
9 of financial management, and the head of the agency proposing the  
10 project. However, the office of financial management may require  
11 incremental funding of a project on a phase-by-phase basis whereby  
12 funds for a given phase of a project may be released only when the  
13 office of financial management determines, with the advice of the  
14 (~~office~~) director, that the previous phase is satisfactorily  
15 completed; and

16 (b) Other elements deemed necessary by the office of financial  
17 management.

18 **Sec. 209.** RCW 43.41A.060 and 2011 1st sp.s. c 43 s 713 are each  
19 amended to read as follows:

20 (1) Prior to making a commitment to purchase, acquire, or develop  
21 a major information technology project or service, state agencies  
22 must provide a proposal to the office outlining the business case of  
23 the proposed product or service, including the up-front and ongoing  
24 cost of the proposal.

25 (2) Within (~~sixty~~) thirty days of receipt of a proposal, the  
26 office shall approve the proposal, reject it, or propose  
27 modifications.

28 (3) In reviewing a proposal, the office must determine whether  
29 the product or service is consistent with:

30 (a) The standards and policies developed by the (~~office~~)  
31 director pursuant to RCW 43.41A.025 (as recodified by this act); and

32 (b) The state's enterprise-based strategy.

33 (4) If a substantially similar product or service is offered by  
34 the (~~consolidated technology services~~) agency (~~established in RCW~~  
35 ~~43.105.047~~), the (~~office~~) director may require the state agency to  
36 procure the product or service through the (~~consolidated technology~~  
37 ~~services~~) agency, if doing so would benefit the state as an  
38 enterprise.



1 (5) The office shall provide guidance to state agencies as to  
2 what threshold of information technology spending constitutes a major  
3 information technology product or service under this section.

4 **Sec. 210.** RCW 43.41A.065 and 2011 1st sp.s. c 43 s 714 are each  
5 amended to read as follows:

6 (1) The office shall develop an enterprise-based strategy for  
7 information technology in state government informed by portfolio  
8 management planning and information technology expenditure  
9 information collected from state agencies pursuant to RCW 43.88.092.

10 (2)(a) The office shall develop an ongoing enterprise  
11 architecture program for translating business vision and strategy  
12 into effective enterprise change. This program will create,  
13 communicate, and improve the key principles and models that describe  
14 the enterprise's future state and enable its evolution, in keeping  
15 with the priorities of government and the information technology  
16 strategic plan.

17 (b) The enterprise architecture program will facilitate business  
18 process collaboration among agencies statewide; improving the  
19 reliability, interoperability, and sustainability of the business  
20 processes that state agencies use.

21 In developing an enterprise-based strategy for the state, the  
22 office is encouraged to consider the following strategies as possible  
23 opportunities for achieving greater efficiency:

24 (i) Developing evaluation criteria for deciding which common  
25 enterprise-wide business processes should become managed as  
26 enterprise services;

27 (ii) Developing a roadmap of priorities for creating enterprise  
28 services;

29 (iii) Developing decision criteria for determining implementation  
30 criteria for centralized or decentralized enterprise services;

31 (iv) Developing evaluation criteria for deciding which technology  
32 investments to continue, hold, or drop; and

33 (v) Performing such other duties as may be (~~assigned by the~~  
34 ~~office~~) needed to promote effective enterprise change.

35 (c) The (~~program~~) office will establish performance measurement  
36 criteria for each of its initiatives; will measure the success of  
37 those initiatives; and will assess its quarterly results with the  
38 (~~chief information officer~~) director to determine whether to  
39 continue, revise, or disband the initiative.

1       **Sec. 211.** RCW 43.41A.070 and 2011 1st sp.s. c 43 s 715 are each  
2 amended to read as follows:

3       (1) The technology services board is created within the (~~office~~  
4 ~~of the chief information officer~~) agency.

5       ((+1)) (2) The board shall be composed of thirteen members. Six  
6 members shall be appointed by the governor, three of whom shall be  
7 representatives of state agencies or institutions, and three of whom  
8 shall be representatives of the private sector. Of the state agency  
9 representatives, at least one of the representatives must have direct  
10 experience using the software projects overseen by the board or  
11 reasonably expect to use the new software developed under the  
12 oversight of the board. Two members shall represent the house of  
13 representatives and shall be selected by the speaker of the house of  
14 representatives with one representative chosen from each major caucus  
15 of the house of representatives; two members shall represent the  
16 senate and shall be appointed by the president of the senate with one  
17 representative chosen from each major caucus of the senate. One  
18 member shall be the (~~chief information officer~~) director who shall  
19 be a voting member of the board and serve as chair. Two nonvoting  
20 members with information technology expertise must be appointed by  
21 the governor as follows:

22       (a) One member representing state agency bargaining units shall  
23 be selected from a list of three names submitted by each of the  
24 general government exclusive bargaining representatives; and

25       (b) One member representing local governments shall be selected  
26 from a list of three names submitted by commonly recognized local  
27 government organizations.

28 The governor may reject all recommendations and request new  
29 recommendations.

30       ((+2)) (3) Of the initial members, three must be appointed for a  
31 one-year term, three must be appointed for a two-year term, and four  
32 must be appointed for a three-year term. Thereafter, members must be  
33 appointed for three-year terms.

34       ((+3)) (4) Vacancies shall be filled in the same manner that the  
35 original appointments were made for the remainder of the member's  
36 term.

37       ((+4)) (5) Members of the board shall be reimbursed for travel  
38 expenses as provided in RCW 43.03.050 and 43.03.060.

39       ((+5)) (6) The office shall provide staff support to the board.

1       **Sec. 212.** RCW 43.41A.075 and 2011 1st sp.s. c 43 s 716 are each  
2 amended to read as follows:

3       The board shall have the following powers and duties related to  
4 information services:

5       (1) To review and approve standards and (~~procedures~~) policies,  
6 developed by the office (~~of the chief information officer~~),  
7 governing the acquisition and disposition of equipment, proprietary  
8 software, and purchased services, licensing of the radio spectrum by  
9 or on behalf of state agencies, and confidentiality of computerized  
10 data;

11       (2) To review and approve statewide or interagency technical  
12 policies(~~(,)~~) and standards(~~(, and procedures)~~) developed by the  
13 office (~~of the chief information officer~~);

14       (3) To review, approve, and provide oversight of major  
15 information technology projects to ensure that no major information  
16 technology project proposed by a state agency is approved or  
17 authorized funding by the board without consideration of the  
18 technical and financial business case for the project, including a  
19 review of:

20       (a) The total cost of ownership across the life of the project;

21       (b) All major technical options and alternatives analyzed, and  
22 reviewed, if necessary, by independent technical sources; and

23       (c) Whether the project is technically and financially  
24 justifiable when compared against the state's enterprise-based  
25 strategy, long-term technology trends, and existing or potential  
26 partnerships with private providers or vendors;

27       (4) To review and approve standards and common specifications for  
28 new or expanded telecommunications networks proposed by state  
29 agencies, public postsecondary education institutions, educational  
30 service districts, or statewide or regional providers of K-12  
31 information technology services, and to assure the cost-effective  
32 development and incremental implementation of a statewide video  
33 telecommunications system to serve: Public schools; educational  
34 service districts; vocational-technical institutes; community  
35 colleges; colleges and universities; state and local government; and  
36 the general public through public affairs programming;

37       (5) To develop a policy to determine whether a proposed project,  
38 product, or service should undergo an independent technical and  
39 financial analysis prior to submitting a request to the office of

1 financial management for the inclusion in any proposed operating,  
2 capital, or transportation budget;

3 (6) To approve contracting for services and activities under RCW  
4 41.06.142(7) for the ((~~consolidated technology service~~)) agency. To  
5 approve any service or activity to be contracted under RCW  
6 41.06.142(7)(b), the board must also review the proposed business  
7 plan and recommendation submitted by the office;

8 (7) To consider, on an ongoing basis, ways to promote strategic  
9 investments in enterprise-level information technology projects that  
10 will result in service improvements and cost efficiency;

11 (8) To provide a forum to solicit external expertise and  
12 perspective on developments in information technology, enterprise  
13 architecture, standards, and policy development; and

14 (9) To provide a forum where ideas and issues related to  
15 information technology plans, policies, and standards can be  
16 reviewed.

17 **Sec. 213.** RCW 43.41A.080 and 2011 1st sp.s. c 43 s 717 are each  
18 amended to read as follows:

19 (1) The ((~~chief information officer~~)) director shall appoint a  
20 state interoperability executive committee, the membership of which  
21 must include, but not be limited to, representatives of the military  
22 department, the Washington state patrol, the department of  
23 transportation, the office of the state chief information officer,  
24 the department of natural resources, city and county governments,  
25 state and local fire chiefs, police chiefs, and sheriffs, and state  
26 and local emergency management directors. The chair and legislative  
27 members of the board will serve as nonvoting ex officio members of  
28 the committee. Voting membership may not exceed fifteen members.

29 (2) The ((~~chief information officer~~)) director shall appoint the  
30 chair of the committee from among the voting members of the  
31 committee.

32 (3) The state interoperability executive committee has the  
33 following responsibilities:

34 (a) Develop policies and make recommendations to the office for  
35 technical standards for state wireless radio communications systems,  
36 including emergency communications systems. The standards must  
37 address, among other things, the interoperability of systems, taking  
38 into account both existing and future systems and technologies;

1 (b) Coordinate and manage on behalf of the office the licensing  
2 and use of state-designated and state-licensed radio frequencies,  
3 including the spectrum used for public safety and emergency  
4 communications, and serve as the point of contact with the federal  
5 communications commission and the first responders network authority  
6 on matters relating to allocation, use, and licensing of radio  
7 spectrum;

8 (c) Coordinate the purchasing of all state wireless radio  
9 communications system equipment to ensure that:

10 (i) After the transition from a radio over internet protocol  
11 network, any new trunked system shall be, at a minimum, project-25;

12 (ii) Any new system that requires advanced digital features shall  
13 be, at a minimum, project-25; and

14 (iii) Any new system or equipment purchases shall be, at a  
15 minimum, upgradable to project-25;

16 (d) Seek support, including possible federal or other funding,  
17 for state-sponsored wireless communications systems;

18 (e) Develop recommendations for legislation that may be required  
19 to promote interoperability of state wireless communications systems;

20 (f) Foster cooperation and coordination among public safety and  
21 emergency response organizations;

22 (g) Work with wireless communications groups and associations to  
23 ensure interoperability among all public safety and emergency  
24 response wireless communications systems; and

25 (h) Perform such other duties as may be assigned by the  
26 ((office)) director to promote interoperability of wireless  
27 communications systems.

28 (4) The office shall provide administrative support to the  
29 committee.

30 **Sec. 214.** RCW 43.41A.085 and 2011 1st sp.s. c 43 s 718 are each  
31 amended to read as follows:

32 (1) The office has the duty to govern and oversee the technical  
33 design, implementation, and operation of the K-20 network including,  
34 but not limited to, the following duties: Establishment and  
35 implementation of K-20 network technical policy, including technical  
36 standards and conditions of use; review and approval of network  
37 design; and resolving user/provider disputes.

38 (2) The office has the following powers and duties:

1 (a) In cooperation with the educational sectors and other  
2 interested parties, to establish goals and measurable objectives for  
3 the network;

4 (b) To ensure that the goals and measurable objectives of the  
5 network are the basis for any decisions or recommendations regarding  
6 the technical development and operation of the network;

7 (c) To adopt, modify, and implement policies to facilitate  
8 network development, operation, and expansion. Such policies may  
9 include but need not be limited to the following issues: Quality of  
10 educational services; access to the network by recognized  
11 organizations and accredited institutions that deliver educational  
12 programming, including public libraries; prioritization of  
13 programming within limited resources; prioritization of access to the  
14 system and the sharing of technological advances; network security;  
15 identification and evaluation of emerging technologies for delivery  
16 of educational programs; future expansion or redirection of the  
17 system; network fee structures; and costs for the development and  
18 operation of the network;

19 (d) To prepare and submit to the governor and the legislature a  
20 coordinated budget for network development, operation, and expansion.  
21 The budget shall include the (~~chief information officer's~~) director  
22 of the consolidated technology services agency's recommendations on  
23 (i) any state funding requested for network transport and equipment,  
24 distance education facilities and hardware or software specific to  
25 the use of the network, and proposed new network end sites, (ii)  
26 annual copayments to be charged to public educational sector  
27 institutions and other public entities connected to the network, and  
28 (iii) charges to nongovernmental entities connected to the network;

29 (e) To adopt and monitor the implementation of a methodology to  
30 evaluate the effectiveness of the network in achieving the  
31 educational goals and measurable objectives;

32 (f) To establish by rule acceptable use policies governing user  
33 eligibility for participation in the K-20 network, acceptable uses of  
34 network resources, and procedures for enforcement of such policies.  
35 The office shall set forth appropriate procedures for enforcement of  
36 acceptable use policies, that may include suspension of network  
37 connections and removal of shared equipment for violations of network  
38 conditions or policies. The office shall have sole responsibility for  
39 the implementation of enforcement procedures relating to technical  
40 conditions of use.

1       **Sec. 215.** RCW 43.41A.095 and 2011 1st sp.s. c 43 s 720 are each  
2 amended to read as follows:

3       The (~~chief information officer~~) office, in conjunction with the  
4 K-20 network users, shall maintain a technical plan of the K-20  
5 telecommunications system and ongoing system enhancements. The office  
6 shall ensure that the technical plan adheres to the goals and  
7 objectives established under RCW 43.41A.025 (as recodified by this  
8 act). The technical plan shall provide for:

9       (1) A telecommunications backbone connecting educational service  
10 districts, the main campuses of public baccalaureate institutions,  
11 the branch campuses of public research institutions, and the main  
12 campuses of community colleges and technical colleges.

13       (2)(a) Connection to the K-20 network by entities that include,  
14 but need not be limited to: School districts, public higher education  
15 off-campus and extension centers, and branch campuses of community  
16 colleges and technical colleges, as prioritized by the chief  
17 information officer; (b) distance education facilities and components  
18 for entities listed in this subsection and subsection (1) of this  
19 section; and (c) connection for independent nonprofit institutions of  
20 higher education, provided that:

21       (i) The (~~chief information officer~~) office and each independent  
22 nonprofit institution of higher education to be connected agree in  
23 writing to terms and conditions of connectivity. The terms and  
24 conditions shall ensure, among other things, that the provision of  
25 K-20 services does not violate Article VIII, section 5 of the state  
26 Constitution and that the institution shall adhere to K-20 network  
27 policies; and

28       (ii) The (~~chief information officer~~) office determines that  
29 inclusion of the independent nonprofit institutions of higher  
30 education will not significantly affect the network's eligibility for  
31 federal universal service fund discounts or subsidies.

32       (3) Subsequent phases may include, but need not be limited to,  
33 connections to public libraries, state and local governments,  
34 community resource centers, and the private sector.

35       **Sec. 216.** RCW 43.41A.105 and 2011 1st sp.s. c 43 s 722 are each  
36 amended to read as follows:

37       (1) The education technology revolving fund is created in the  
38 custody of the state treasurer. All receipts from billings under  
39 subsection (2) of this section must be deposited in the revolving

1 fund. Only the (~~chief information officer~~) director or the (~~chief~~  
2 ~~information officer's~~) director's designee may authorize  
3 expenditures from the fund. The revolving fund shall be used to pay  
4 for K-20 network operations, transport, equipment, software,  
5 supplies, and services, maintenance and depreciation of on-site data,  
6 and shared infrastructure, and other costs incidental to the  
7 development, operation, and administration of shared educational  
8 information technology services, telecommunications, and systems. The  
9 revolving fund shall not be used for the acquisition, maintenance, or  
10 operations of local telecommunications infrastructure or the  
11 maintenance or depreciation of on-premises video equipment specific  
12 to a particular institution or group of institutions.

13 (2) The revolving fund and all disbursements from the revolving  
14 fund are subject to the allotment procedure under chapter 43.88 RCW,  
15 but an appropriation is not required for expenditures. The office  
16 shall, subject to the review and approval of the office of financial  
17 management, establish and implement a billing structure for network  
18 services identified in subsection (1) of this section.

19 (3) The office shall charge those public entities connected to  
20 the K-20 telecommunications system under RCW 43.41A.095 (as  
21 recodified by this act) an annual copayment per unit of transport  
22 connection as determined by the legislature after consideration of  
23 the board's recommendations. This copayment shall be deposited into  
24 the revolving fund to be used for the purposes in subsection (1) of  
25 this section. It is the intent of the legislature to appropriate to  
26 the revolving fund such moneys as necessary to cover the costs for  
27 transport, maintenance, and depreciation of data equipment located at  
28 the individual public institutions, maintenance and depreciation of  
29 the K-20 network backbone, and services provided to the network under  
30 RCW 43.41A.085 (as recodified by this act).

31 **Sec. 217.** RCW 43.41A.130 and 1996 c 171 s 12 are each amended to  
32 read as follows:

33 Funding to meet the costs of providing access, including the  
34 building of the necessary information systems, the digitizing of  
35 information, developing the ability to mask nondisclosable  
36 information, and maintenance and upgrade of information access  
37 systems should come primarily from state and local appropriations,  
38 federal dollars, grants, private funds, cooperative ventures among  
39 governments, nonexclusive licensing, and public/private partnerships.



1 (~~(Agencies should not offer customized electronic access services as  
2 the primary way of responding to requests or as a primary source of  
3 revenue. Fees for staff time to respond to requests, and other direct  
4 costs may be included in costs of providing customized access.)~~)

5 State agencies and local governments are encouraged to pool  
6 resources and to form cooperative ventures to provide electronic  
7 access to government records and information. State agencies are  
8 encouraged to seek federal and private grants for projects that  
9 provide increased efficiency and improve government delivery of  
10 information and services.

11 **Sec. 218.** RCW 43.41A.140 and 2011 c 60 s 39 are each amended to  
12 read as follows:

13 State agencies and local governments that collect and enter  
14 information concerning individuals into electronic records and  
15 information systems that will be widely accessible by the public  
16 under RCW 42.56.010 shall ensure the accuracy of this information to  
17 the extent possible. To the extent possible, information must be  
18 collected directly from, and with the consent of, the individual who  
19 is the subject of the data. State agencies shall establish procedures  
20 for correcting inaccurate information, including establishing  
21 mechanisms for individuals to review information about themselves and  
22 recommend changes in information they believe to be inaccurate. The  
23 inclusion of personal information in electronic public records that  
24 is widely available to the public should include information on the  
25 date when the database was created or most recently updated. If  
26 personally identifiable information is included in electronic public  
27 records that are made widely available to the public, state agencies  
28 must follow retention and archival schedules in accordance with  
29 chapter 40.14 RCW, retaining personally identifiable information only  
30 as long as needed to carry out the purpose for which it was  
31 collected. At least once every five years, each agency that collects  
32 information must review the information collected and justify why it  
33 is being collected and for what purpose.

34 **Sec. 219.** RCW 43.41A.150 and 2011 1st sp.s. c 43 s 735 are each  
35 amended to read as follows:

36 (1) Except as provided by subsection (2) of this section, state  
37 agencies shall locate all existing and new servers in the state data  
38 center.

1 (2) State agencies with a service requirement that requires  
2 servers to be located outside the state data center must receive a  
3 waiver from the office. Waivers must be based upon written  
4 justification from the requesting state agency citing specific  
5 service or performance requirements for locating servers outside the  
6 state's common platform.

7 (3) The office, in consultation with the office of financial  
8 management, shall continue to develop the business plan and migration  
9 schedule for moving all state agencies into the state data center.

10 (4) The legislature and the judiciary, which are constitutionally  
11 recognized as separate branches of government, may enter into an  
12 interagency agreement with the office to migrate its servers into the  
13 state data center.

14 (5) This section does not apply to institutions of higher  
15 education.

16 **Sec. 220.** RCW 43.41A.152 and 2011 1st sp.s. c 43 s 736 are each  
17 amended to read as follows:

18 (1) The office shall conduct a needs assessment and develop a  
19 migration strategy to ensure that, over time, all state agencies are  
20 moving towards using the (~~consolidated technology services~~) agency  
21 (~~established in RCW 43.105.047~~) as their central service provider  
22 for all utility-based infrastructure services, including centralized  
23 PC and infrastructure support. State agency-specific application  
24 services shall remain managed within individual agencies.

25 (2) The office shall develop short-term and long-term objectives  
26 as part of the migration strategy.

27 (~~For the purposes of this section, "utility-based~~  
28 ~~infrastructure services" includes personal computer and portable~~  
29 ~~device support, servers and server administration, security~~  
30 ~~administration, network administration, telephony, e-mail, and other~~  
31 ~~information technology services commonly utilized by state agencies.~~

32 (~~4~~) This section does not apply to institutions of higher  
33 education.

34 NEW SECTION. **Sec. 221.** RCW 43.41A.003, 43.41A.010, 43.41A.025,  
35 43.41A.027, 43.41A.030, 43.41A.035, 43.41A.040, 43.41A.045,  
36 43.41A.050, 43.41A.055, 43.41A.060, 43.41A.065, 43.41A.070,  
37 43.41A.075, 43.41A.080, 43.41A.110, 43.41A.115, 43.41A.130,

1 43.41A.135, 43.41A.140, 43.41A.150, 43.41A.152, 43.41A.900, and  
2 43.105.047 are each recodified as sections in chapter 43.105 RCW.

3 NEW SECTION. **Sec. 222.** RCW 43.41A.085, 43.41A.090, 43.41A.095,  
4 43.41A.100, and 43.41A.105 are each recodified as sections in chapter  
5 43.41 RCW.

6 NEW SECTION. **Sec. 223.** RCW 43.41A.125 is decodified.

7 NEW SECTION. **Sec. 224.** The following acts or parts of acts are  
8 each repealed:

- 9 (1) RCW 43.41A.006 (Definitions) and 2011 1st sp.s. c 43 s 705;  
10 (2) RCW 43.41A.015 (Chief information officer—Executive head and  
11 appointing authority) and 2011 1st sp.s. c 43 s 703;  
12 (3) RCW 43.41A.020 (Chief information officer—Duties) and 2011  
13 1st sp.s. c 43 s 704;  
14 (4) RCW 43.41A.120 (Electronic access to public records—  
15 Definitions) and 2011 c 60 s 38 & 1996 c 171 s 2; and  
16 (5) RCW 43.105.340 (Consumer protection web site) and 2011 1st  
17 sp.s. c 21 s 12 & 2008 c 151 s 2.

18 **PART III**  
19 **OFFICE OF FINANCIAL MANAGEMENT REALIGNMENT**

20 **Sec. 301.** RCW 43.82.055 and 2015 c 225 s 76 are each amended to  
21 read as follows:

22 The office of financial management shall:

23 (1) Work with the department of enterprise services and all other  
24 state agencies to determine the long-term facility needs of state  
25 government; ~~((and))~~

26 (2) Develop and submit a six-year facility plan to the  
27 legislature by January 1st of every odd-numbered year ~~((, beginning~~  
28 ~~January 1, 2009,))~~ that includes state agency space requirements and  
29 other pertinent data necessary for cost-effective facility planning.  
30 The department of enterprise services shall assist with this effort  
31 as required by the office of financial management; and

32 (3) Establish and enforce policies and workplace strategies that  
33 promote the efficient use of state facilities.

1       **Sec. 302.** RCW 43.82.150 and 2007 c 506 s 7 are each amended to  
2 read as follows:

3       (1) The office of financial management shall develop and maintain  
4 an inventory system to account for all facilities owned or leased  
5 (~~facilities—utilized~~) by state government. At a minimum, the  
6 inventory system must include the facility owner, location, type,  
7 condition, use data, and size of each facility. In addition, for  
8 owned facilities, the inventory system must include the date and cost  
9 of original construction and the cost of any major remodeling or  
10 renovation. The inventory must be updated by all agencies,  
11 departments, boards, commissions, and institutions by June 30th of  
12 each year. The office of financial management shall publish a report  
13 summarizing information contained in the inventory system for each  
14 agency by October 1st of each year, beginning in 2010 and shall  
15 submit this report to the appropriate fiscal committees of the  
16 legislature.

17       (2) (~~All agencies, departments, boards, commissions, and~~  
18 ~~institutions of the state of Washington shall provide to the office~~  
19 ~~of financial management a complete inventory of owned and leased~~  
20 ~~facilities by September 1, 2010. The inventory must be updated and~~  
21 ~~submitted to the office of financial management by September 1st of~~  
22 ~~each subsequent year.)) The ((inventories)) inventory required under  
23 this subsection must be submitted in a standard format prescribed by  
24 the office of financial management.~~

25       (3) (~~The office of financial management shall report to the~~  
26 ~~legislature by September 1, 2008, on recommended improvements to the~~  
27 ~~inventory system, redevelopment costs, and an implementation schedule~~  
28 ~~for the redevelopment of the inventory system. The report shall also~~  
29 ~~make recommendations on other improvements that will improve~~  
30 ~~accountability and assist in the evaluation of budget requests and~~  
31 ~~facility management by the governor and the legislature.~~

32       (4)) For the purposes of this section, "facilities" means  
33 buildings and other structures with walls and a roof. "Facilities"  
34 does not mean roads, bridges, parking areas, utility systems, and  
35 other similar improvements to real property.

36       **Sec. 303.** RCW 43.88.160 and 2012 c 230 s 1 are each amended to  
37 read as follows:

38       This section sets forth the major fiscal duties and  
39 responsibilities of officers and agencies of the executive branch.

1 The regulations issued by the governor pursuant to this chapter shall  
2 provide for a comprehensive, orderly basis for fiscal management and  
3 control, including efficient accounting and reporting therefor, for  
4 the executive branch of the state government and may include, in  
5 addition, such requirements as will generally promote more efficient  
6 public management in the state.

7 (1) Governor; director of financial management. The governor,  
8 through the director of financial management, shall devise and  
9 supervise a modern and complete accounting system for each agency to  
10 the end that all revenues, expenditures, receipts, disbursements,  
11 resources, and obligations of the state shall be properly and  
12 systematically accounted for. The accounting system shall include the  
13 development of accurate, timely records and reports of all financial  
14 affairs of the state. The system shall also provide for central  
15 accounts in the office of financial management at the level of detail  
16 deemed necessary by the director to perform central financial  
17 management. The director of financial management shall adopt and  
18 periodically update an accounting procedures manual. Any agency  
19 maintaining its own accounting and reporting system shall comply with  
20 the updated accounting procedures manual and the rules of the  
21 director adopted under this chapter. An agency may receive a waiver  
22 from complying with this requirement if the waiver is approved by the  
23 director. Waivers expire at the end of the fiscal biennium for which  
24 they are granted. The director shall forward notice of waivers  
25 granted to the appropriate legislative fiscal committees. The  
26 director of financial management may require such financial,  
27 statistical, and other reports as the director deems necessary from  
28 all agencies covering any period.

29 (2) Except as provided in chapter 43.88C RCW, the director of  
30 financial management is responsible for quarterly reporting of  
31 primary operating budget drivers such as applicable workloads,  
32 caseload estimates, and appropriate unit cost data. These reports  
33 shall be transmitted to the legislative fiscal committees or by  
34 electronic means to the legislative evaluation and accountability  
35 program committee. Quarterly reports shall include actual monthly  
36 data and the variance between actual and estimated data to date. The  
37 reports shall also include estimates of these items for the remainder  
38 of the budget period.

39 (3) The director of financial management shall report at least  
40 annually to the appropriate legislative committees regarding the

1 status of all appropriated capital projects, including transportation  
2 projects, showing significant cost overruns or underruns. If funds  
3 are shifted from one project to another, the office of financial  
4 management shall also reflect this in the annual variance report.  
5 Once a project is complete, the report shall provide a final summary  
6 showing estimated start and completion dates of each project phase  
7 compared to actual dates, estimated costs of each project phase  
8 compared to actual costs, and whether or not there are any  
9 outstanding liabilities or unsettled claims at the time of  
10 completion.

11 (4) In addition, the director of financial management, as agent  
12 of the governor, shall:

13 (a) Develop and maintain a system of internal controls and  
14 internal audits comprising methods and procedures to be adopted by  
15 each agency that will safeguard its assets, check the accuracy and  
16 reliability of its accounting data, promote operational efficiency,  
17 and encourage adherence to prescribed managerial policies for  
18 accounting and financial controls. The system developed by the  
19 director shall include criteria for determining the scope and  
20 comprehensiveness of internal controls required by classes of  
21 agencies, depending on the level of resources at risk.

22 ~~((Each))~~ (i) For those agencies that the director determines  
23 internal audit is required, the agency head or authorized designee  
24 shall be assigned the responsibility and authority for establishing  
25 and maintaining internal audits following ~~((the))~~ professional audit  
26 standards ~~((of internal auditing of))~~ including generally accepted  
27 government auditing standards or standards adopted by the institute  
28 of internal auditors, or both.

29 (ii) For those agencies that the director determines internal  
30 audit is not required, the agency head or authorized designee may  
31 establish and maintain internal audits following professional audit  
32 standards including generally accepted government auditing standards  
33 or standards adopted by the institute of internal auditors, or both,  
34 but at a minimum must comply with policies as established by the  
35 director to assess the effectiveness of the agency's systems of  
36 internal controls and risk management processes;

37 (b) Make surveys and analyses of agencies with the object of  
38 determining better methods and increased effectiveness in the use of  
39 manpower and materials; and the director shall authorize expenditures

1 for employee training to the end that the state may benefit from  
2 training facilities made available to state employees;

3 (c) Establish policies for allowing the contracting of child care  
4 services;

5 (d) Report to the governor with regard to duplication of effort  
6 or lack of coordination among agencies;

7 (e) Review any pay and classification plans, and changes  
8 thereunder, developed by any agency for their fiscal impact:  
9 PROVIDED, That none of the provisions of this subsection shall affect  
10 merit systems of personnel management now existing or hereafter  
11 established by statute relating to the fixing of qualifications  
12 requirements for recruitment, appointment, or promotion of employees  
13 of any agency. The director shall advise and confer with agencies  
14 including appropriate standing committees of the legislature as may  
15 be designated by the speaker of the house and the president of the  
16 senate regarding the fiscal impact of such plans and may amend or  
17 alter the plans, except that for the following agencies no amendment  
18 or alteration of the plans may be made without the approval of the  
19 agency concerned: Agencies headed by elective officials;

20 (f) Fix the number and classes of positions or authorized  
21 employee years of employment for each agency and during the fiscal  
22 period amend the determinations previously fixed by the director  
23 except that the director shall not be empowered to fix the number or  
24 the classes for the following: Agencies headed by elective officials;

25 (g) Adopt rules to effectuate provisions contained in (a) through  
26 (f) of this subsection.

27 (5) The treasurer shall:

28 (a) Receive, keep, and disburse all public funds of the state not  
29 expressly required by law to be received, kept, and disbursed by some  
30 other persons: PROVIDED, That this subsection shall not apply to  
31 those public funds of the institutions of higher learning which are  
32 not subject to appropriation;

33 (b) Receive, disburse, or transfer public funds under the  
34 treasurer's supervision or custody;

35 (c) Keep a correct and current account of all moneys received and  
36 disbursed by the treasurer, classified by fund or account;

37 (d) Coordinate agencies' acceptance and use of credit cards and  
38 other payment methods, if the agencies have received authorization  
39 under RCW 43.41.180;

1 (e) Perform such other duties as may be required by law or by  
2 regulations issued pursuant to this law.

3 It shall be unlawful for the treasurer to disburse public funds  
4 in the treasury except upon forms or by alternative means duly  
5 prescribed by the director of financial management. These forms or  
6 alternative means shall provide for authentication and certification  
7 by the agency head or the agency head's designee that the services  
8 have been rendered or the materials have been furnished; or, in the  
9 case of loans or grants, that the loans or grants are authorized by  
10 law; or, in the case of payments for periodic maintenance services to  
11 be performed on state owned equipment, that a written contract for  
12 such periodic maintenance services is currently in effect; and the  
13 treasurer shall not be liable under the treasurer's surety bond for  
14 erroneous or improper payments so made. When services are lawfully  
15 paid for in advance of full performance by any private individual or  
16 business entity other than equipment maintenance providers or as  
17 provided for by RCW 42.24.035, such individual or entity other than  
18 central stores rendering such services shall make a cash deposit or  
19 furnish surety bond coverage to the state as shall be fixed in an  
20 amount by law, or if not fixed by law, then in such amounts as shall  
21 be fixed by the director of the department of enterprise services but  
22 in no case shall such required cash deposit or surety bond be less  
23 than an amount which will fully indemnify the state against any and  
24 all losses on account of breach of promise to fully perform such  
25 services. No payments shall be made in advance for any equipment  
26 maintenance services to be performed more than twelve months after  
27 such payment except that institutions of higher education as defined  
28 in RCW 28B.10.016 may make payments in advance for equipment  
29 maintenance services to be performed up to sixty months after such  
30 payment. Any such bond so furnished shall be conditioned that the  
31 person, firm or corporation receiving the advance payment will apply  
32 it toward performance of the contract. The responsibility for  
33 recovery of erroneous or improper payments made under this section  
34 shall lie with the agency head or the agency head's designee in  
35 accordance with rules issued pursuant to this chapter. Nothing in  
36 this section shall be construed to permit a public body to advance  
37 funds to a private service provider pursuant to a grant or loan  
38 before services have been rendered or material furnished.

39 (6) The state auditor shall:



1 (a) Report to the legislature the results of current post audits  
2 that have been made of the financial transactions of each agency; to  
3 this end the auditor may, in the auditor's discretion, examine the  
4 books and accounts of any agency, official, or employee charged with  
5 the receipt, custody, or safekeeping of public funds. Where feasible  
6 in conducting examinations, the auditor shall utilize data and  
7 findings from the internal control system prescribed by the office of  
8 financial management. The current post audit of each agency may  
9 include a section on recommendations to the legislature as provided  
10 in (c) of this subsection.

11 (b) Give information to the legislature, whenever required, upon  
12 any subject relating to the financial affairs of the state.

13 (c) Make the auditor's official report on or before the thirty-  
14 first of December which precedes the meeting of the legislature. The  
15 report shall be for the last complete fiscal period and shall include  
16 determinations as to whether agencies, in making expenditures,  
17 complied with the laws of this state. The state auditor is authorized  
18 to perform or participate in performance verifications and  
19 performance audits as expressly authorized by the legislature in the  
20 omnibus biennial appropriations acts or in the performance audit work  
21 plan approved by the joint legislative audit and review committee.  
22 The state auditor, upon completing an audit for legal and financial  
23 compliance under chapter 43.09 RCW or a performance verification, may  
24 report to the joint legislative audit and review committee or other  
25 appropriate committees of the legislature, in a manner prescribed by  
26 the joint legislative audit and review committee, on facts relating  
27 to the management or performance of governmental programs where such  
28 facts are discovered incidental to the legal and financial audit or  
29 performance verification. The auditor may make such a report to a  
30 legislative committee only if the auditor has determined that the  
31 agency has been given an opportunity and has failed to resolve the  
32 management or performance issues raised by the auditor. If the  
33 auditor makes a report to a legislative committee, the agency may  
34 submit to the committee a response to the report. This subsection (6)  
35 shall not be construed to authorize the auditor to allocate other  
36 than de minimis resources to performance audits except as expressly  
37 authorized in the appropriations acts or in the performance audit  
38 work plan. The results of a performance audit conducted by the state  
39 auditor that has been requested by the joint legislative audit and

1 review committee must only be transmitted to the joint legislative  
2 audit and review committee.

3 (d) Be empowered to take exception to specific expenditures that  
4 have been incurred by any agency or to take exception to other  
5 practices related in any way to the agency's financial transactions  
6 and to cause such exceptions to be made a matter of public record,  
7 including disclosure to the agency concerned and to the director of  
8 financial management. It shall be the duty of the director of  
9 financial management to cause corrective action to be taken within  
10 six months, such action to include, as appropriate, the withholding  
11 of funds as provided in RCW 43.88.110. The director of financial  
12 management shall annually report by December 31st the status of audit  
13 resolution to the appropriate committees of the legislature, the  
14 state auditor, and the attorney general. The director of financial  
15 management shall include in the audit resolution report actions taken  
16 as a result of an audit including, but not limited to, types of  
17 personnel actions, costs and types of litigation, and value of  
18 recouped goods or services.

19 (e) Promptly report any irregularities to the attorney general.

20 (f) Investigate improper governmental activity under chapter  
21 42.40 RCW.

22 In addition to the authority given to the state auditor in this  
23 subsection (6), the state auditor is authorized to conduct  
24 performance audits identified in RCW 43.09.470. Nothing in this  
25 subsection (6) shall limit, impede, or restrict the state auditor  
26 from conducting performance audits identified in RCW 43.09.470.

27 (7) The joint legislative audit and review committee may:

28 (a) Make post audits of the financial transactions of any agency  
29 and management surveys and program reviews as provided for in chapter  
30 44.28 RCW as well as performance audits and program evaluations. To  
31 this end the joint committee may in its discretion examine the books,  
32 accounts, and other records of any agency, official, or employee.

33 (b) Give information to the legislature or any legislative  
34 committee whenever required upon any subject relating to the  
35 performance and management of state agencies.

36 (c) Make a report to the legislature which shall include at least  
37 the following:

38 (i) Determinations as to the extent to which agencies in making  
39 expenditures have complied with the will of the legislature and in

1 this connection, may take exception to specific expenditures or  
2 financial practices of any agencies; and

3 (ii) Such plans as it deems expedient for the support of the  
4 state's credit, for lessening expenditures, for promoting frugality  
5 and economy in agency affairs, and generally for an improved level of  
6 fiscal management.

7 **Sec. 304.** RCW 47.04.280 and 2013 c 199 s 1 are each amended to  
8 read as follows:

9 (1) It is the intent of the legislature to establish policy goals  
10 for the planning, operation, performance of, and investment in, the  
11 state's transportation system. The policy goals established under  
12 this section are deemed consistent with the benchmark categories  
13 adopted by the state's blue ribbon commission on transportation on  
14 November 30, 2000. Public investments in transportation should  
15 support achievement of these policy goals:

16 (a) Economic vitality: To promote and develop transportation  
17 systems that stimulate, support, and enhance the movement of people  
18 and goods to ensure a prosperous economy;

19 (b) Preservation: To maintain, preserve, and extend the life and  
20 utility of prior investments in transportation systems and services;

21 (c) Safety: To provide for and improve the safety and security of  
22 transportation customers and the transportation system;

23 (d) Mobility: To improve the predictable movement of goods and  
24 people throughout Washington state;

25 (e) Environment: To enhance Washington's quality of life through  
26 transportation investments that promote energy conservation, enhance  
27 healthy communities, and protect the environment; and

28 (f) Stewardship: To continuously improve the quality,  
29 effectiveness, and efficiency of the transportation system.

30 (2) The powers, duties, and functions of state transportation  
31 agencies must be performed in a manner consistent with the policy  
32 goals set forth in subsection (1) of this section.

33 (3) These policy goals are intended to be the basis for  
34 establishing detailed and measurable objectives and related  
35 performance measures.

36 (4) It is the intent of the legislature that the (~~office of~~  
37 ~~financial management~~) department of transportation establish  
38 objectives and performance measures for the department (~~of~~  
39 ~~transportation~~) and other state agencies with transportation-related

1 responsibilities to ensure transportation system performance at  
2 local, regional, and state government levels progresses toward the  
3 attainment of the policy goals set forth in subsection (1) of this  
4 section. (~~The office of financial management shall submit initial~~  
5 ~~objectives and performance measures to the legislature for its review~~  
6 ~~and shall provide copies of the same to the commission during the~~  
7 ~~2008 legislative session.~~) The ((~~office of financial management~~))  
8 department of transportation shall submit objectives and performance  
9 measures to the legislature for its review and shall provide copies  
10 of the same to the commission during each regular session of the  
11 legislature during an even-numbered year thereafter.

12 (5) A local or regional agency engaging in transportation  
13 planning may voluntarily establish objectives and performance  
14 measures to demonstrate progress toward the attainment of the policy  
15 goals set forth in subsection (1) of this section or any other  
16 transportation policy goals established by the local or regional  
17 agency. A local or regional agency engaging in transportation  
18 planning is encouraged to provide local and regional objectives and  
19 performance measures to be included with the objectives and  
20 performance measures submitted to the legislature pursuant to  
21 subsection (4) of this section.

22 (6) This section does not create a private right of action.

23 **Sec. 305.** RCW 47.64.170 and 2015 1st sp.s. c 10 s 707 are each  
24 amended to read as follows:

25 (1) Any ferry employee organization certified as the bargaining  
26 representative shall be the exclusive representative of all ferry  
27 employees in the bargaining unit and shall represent all such  
28 employees fairly.

29 (2) A ferry employee organization or organizations and the  
30 governor may each designate any individual as its representative to  
31 engage in collective bargaining negotiations.

32 (3) Negotiating sessions, including strategy meetings of the  
33 employer or employee organizations, mediation, and the deliberative  
34 process of arbitrators are exempt from the provisions of chapter  
35 42.30 RCW. Hearings conducted by arbitrators may be open to the  
36 public by mutual consent of the parties.

37 (4) Terms of any collective bargaining agreement may be enforced  
38 by civil action in Thurston county superior court upon the initiative  
39 of either party.

1 (5) Ferry system employees or any employee organization shall not  
2 negotiate or attempt to negotiate directly with anyone other than the  
3 person who has been appointed or authorized a bargaining  
4 representative for the purpose of bargaining with the ferry employees  
5 or their representative.

6 (6)(a) Within ten working days after the first Monday in  
7 September of every odd-numbered year, the parties shall attempt to  
8 agree on an interest arbitrator to be used if the parties are not  
9 successful in negotiating a comprehensive collective bargaining  
10 agreement. If the parties cannot agree on an arbitrator within the  
11 ten-day period, either party may request a list of seven arbitrators  
12 from the federal mediation and conciliation service. The parties  
13 shall select an interest arbitrator using the coin toss/alternate  
14 strike method within thirty calendar days of receipt of the list.  
15 Immediately upon selecting an interest arbitrator, the parties shall  
16 cooperate to reserve dates with the arbitrator for potential  
17 arbitration between August 1st and September 15th of the following  
18 even-numbered year. The parties shall also prepare a schedule of at  
19 least five negotiation dates for the following year, absent an  
20 agreement to the contrary. The parties shall execute a written  
21 agreement before November 1st of each odd-numbered year setting forth  
22 the name of the arbitrator and the dates reserved for bargaining and  
23 arbitration. This subsection (6)(a) imposes minimum obligations only  
24 and is not intended to define or limit a party's full, good faith  
25 bargaining obligation under other sections of this chapter.

26 (b) The negotiation of a proposed collective bargaining agreement  
27 by representatives of the employer and a ferry employee organization  
28 shall commence on or about February 1st of every even-numbered year.

29 (c) For negotiations covering the 2009-2011 biennium and  
30 subsequent biennia, the time periods specified in this section, and  
31 in RCW 47.64.210 and 47.64.300 through 47.64.320, must ensure  
32 conclusion of all agreements on or before October 1st of the even-  
33 numbered year next preceding the biennial budget period during which  
34 the agreement should take effect. These time periods may only be  
35 altered by mutual agreement of the parties in writing. Any such  
36 agreement and any impasse procedures agreed to by the parties under  
37 RCW 47.64.200 must include an agreement regarding the new time  
38 periods that will allow final resolution by negotiations or  
39 arbitration by October 1st of each even-numbered year.

1 (7) It is the intent of this section that the collective  
2 bargaining agreement or arbitrator's award shall commence on July 1st  
3 of each odd-numbered year and shall terminate on June 30th of the  
4 next odd-numbered year to coincide with the ensuing biennial budget  
5 year, as defined by RCW 43.88.020(7), to the extent practical. It is  
6 further the intent of this section that all collective bargaining  
7 agreements be concluded by October 1st of the even-numbered year  
8 before the commencement of the biennial budget year during which the  
9 agreements are to be in effect. After the expiration date of a  
10 collective bargaining agreement negotiated under this chapter, except  
11 to the extent provided in subsection (11) of this section and RCW  
12 47.64.270(4), all of the terms and conditions specified in the  
13 collective bargaining agreement remain in effect until the effective  
14 date of a subsequently negotiated agreement, not to exceed one year  
15 from the expiration date stated in the agreement. Thereafter, the  
16 employer may unilaterally implement according to law.

17 (8) The office of financial management shall conduct a salary  
18 survey, for use in collective bargaining and arbitration(~~(, which~~  
19 ~~must be conducted through a contract with a firm nationally~~  
20 ~~recognized in the field of human resources management consulting~~  
21 ~~except during the 2015-2017 fiscal biennium)).~~

22 (9) Except as provided in subsection (11) of this section:

23 (a) The governor shall submit a request either for funds  
24 necessary to implement the collective bargaining agreements  
25 including, but not limited to, the compensation and fringe benefit  
26 provisions or for legislation necessary to implement the agreement,  
27 or both. Requests for funds necessary to implement the collective  
28 bargaining agreements shall not be submitted to the legislature by  
29 the governor unless such requests:

30 (i) Have been submitted to the director of the office of  
31 financial management by October 1st before the legislative session at  
32 which the requests are to be considered; and

33 (ii) Have been certified by the director of the office of  
34 financial management as being feasible financially for the state.

35 (b) The governor shall submit a request either for funds  
36 necessary to implement the arbitration awards or for legislation  
37 necessary to implement the arbitration awards, or both. Requests for  
38 funds necessary to implement the arbitration awards shall not be  
39 submitted to the legislature by the governor unless such requests:

1 (i) Have been submitted to the director of the office of  
2 financial management by October 1st before the legislative session at  
3 which the requests are to be considered; and

4 (ii) Have been certified by the director of the office of  
5 financial management as being feasible financially for the state.

6 (c) The legislature shall approve or reject the submission of the  
7 request for funds necessary to implement the collective bargaining  
8 agreements or arbitration awards as a whole for each agreement or  
9 award. The legislature shall not consider a request for funds to  
10 implement a collective bargaining agreement or arbitration award  
11 unless the request is transmitted to the legislature as part of the  
12 governor's budget document submitted under RCW 43.88.030 and  
13 43.88.060. If the legislature rejects or fails to act on the  
14 submission, either party may reopen all or part of the agreement and  
15 award or the exclusive bargaining representative may seek to  
16 implement the procedures provided for in RCW 47.64.210 and 47.64.300.

17 (10) If, after the compensation and fringe benefit provisions of  
18 an agreement are approved by the legislature, a significant revenue  
19 shortfall occurs resulting in reduced appropriations, as declared by  
20 proclamation of the governor or by resolution of the legislature,  
21 both parties shall immediately enter into collective bargaining for a  
22 mutually agreed upon modification of the agreement.

23 (11)(a) For the collective bargaining agreements negotiated for  
24 the 2011-2013 fiscal biennium, the legislature may consider a request  
25 for funds to implement a collective bargaining agreement even if the  
26 request for funds was not received by the office of financial  
27 management by October 1st and was not transmitted to the legislature  
28 as part of the governor's budget document submitted under RCW  
29 43.88.030 and 43.88.060.

30 (b) For the 2013-2015 fiscal biennium, a collective bargaining  
31 agreement related to employee health care benefits negotiated between  
32 the employer and coalition pursuant to RCW 41.80.020(3) regarding the  
33 dollar amount expended on behalf of each employee must be a separate  
34 agreement for which the governor may request funds necessary to  
35 implement the agreement. The legislature may act upon a 2013-2015  
36 collective bargaining agreement related to employee health care  
37 benefits if an agreement is reached and submitted to the office of  
38 financial management and legislative budget committees before final  
39 legislative action on the biennial or supplemental operating budget  
40 by the sitting legislature.

1 (c) For the collective bargaining agreements negotiated for the  
2 2013-2015 fiscal biennium, the legislature may consider a request for  
3 funds to implement a collective bargaining agreement reached after  
4 October 1st after a determination of financial infeasibility by the  
5 director of the office of financial management if the request for  
6 funds is transmitted to the legislature as part of the governor's  
7 budget document submitted under RCW 43.88.030 and 43.88.060.

8 **Sec. 306.** RCW 47.64.360 and 2011 1st sp.s. c 16 s 12 are each  
9 amended to read as follows:

10 (1) The (~~office of financial management~~) department of  
11 transportation shall complete a government management and  
12 accountability performance report that provides a baseline assessment  
13 of current performance on the performance measures identified in RCW  
14 47.64.355 (~~and section 11 of this act~~) using final 2009-2011 data.  
15 This report must be presented to the legislature by November 1, 2011,  
16 through the attainment report required in RCW 47.01.071(5) and  
17 47.04.280.

18 (2) By December 31, 2012, and each year thereafter, the (~~office~~  
19 ~~of financial management~~) department of transportation shall complete  
20 a performance report for the prior fiscal year. This report must be  
21 reviewed by the joint transportation committee.

22 (3) Management shall lead implementation of the performance  
23 measures in RCW 47.64.355 (~~and section 11 of this act~~).

24 **Sec. 307.** RCW 79.44.060 and 2003 c 334 s 508 are each amended to  
25 read as follows:

26 When the chief administrative officer of an agency of state  
27 government is satisfied that an assessing district has complied with  
28 all the conditions precedent to the levy of assessments for district  
29 purposes, pursuant to this chapter against lands occupied, used, or  
30 under the jurisdiction of the officer's agency, he or she shall pay  
31 them, together with any interest thereon from any funds specifically  
32 appropriated to the agency therefor or from any funds of the agency  
33 which under existing law have been or are required to be expended to  
34 pay assessments on a current basis. (~~In all other cases, the chief~~  
35 ~~administrative officer shall certify to the director of financial~~  
36 ~~management that the assessment is one properly chargeable to the~~  
37 ~~state. The director of financial management shall pay such~~  
38 ~~assessments from funds available or appropriated for this purpose.))~~



1 Except as provided in RCW 79.44.190 no lands of the state shall  
2 be subject to a lien for unpaid assessments, nor shall the interest  
3 of the state in any land be sold for unpaid assessments where  
4 assessment liens attached to the lands prior to state ownership.

5 **Sec. 308.** RCW 28A.345.060 and 2011 1st sp.s. c 43 s 467 are each  
6 amended to read as follows:

7 The association shall contract with ~~((the human resources~~  
8 ~~director in))~~ the office of financial management to audit in odd-  
9 numbered years the association's staff classifications and employees'  
10 salaries. The association shall give copies of the audit reports to  
11 the office of financial management and the committees of each house  
12 of the legislature dealing with common schools.

13 **Sec. 309.** RCW 34.05.030 and 2011 1st sp.s. c 43 s 431 are each  
14 amended to read as follows:

15 (1) This chapter shall not apply to:

16 (a) The state militia, or

17 (b) The board of clemency and pardons, or

18 (c) The department of corrections or the indeterminate sentencing  
19 review board with respect to persons who are in their custody or are  
20 subject to the jurisdiction of those agencies.

21 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not  
22 apply:

23 (a) To adjudicative proceedings of the board of industrial  
24 insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

25 (b) Except for actions pursuant to chapter 46.29 RCW, to the  
26 denial, suspension, or revocation of a driver's license by the  
27 department of licensing;

28 (c) To the department of labor and industries where another  
29 statute expressly provides for review of adjudicative proceedings of  
30 a department action, order, decision, or award before the board of  
31 industrial insurance appeals;

32 (d) To actions of the Washington personnel resources board, the  
33 ~~((human resources))~~ director ~~((, or the office))~~ of financial  
34 management, and the department of enterprise services when carrying  
35 out their duties under chapter 41.06 RCW;

36 (e) To adjustments by the department of revenue of the amount of  
37 the surcharge imposed under RCW 82.04.261; or

1 (f) To the extent they are inconsistent with any provisions of  
2 chapter 43.43 RCW.

3 (3) Unless a party makes an election for a formal hearing  
4 pursuant to RCW 82.03.140 or 82.03.190, RCW 34.05.410 through  
5 34.05.598 do not apply to a review hearing conducted by the board of  
6 tax appeals.

7 (4) The rule-making provisions of this chapter do not apply to:

8 (a) Reimbursement unit values, fee schedules, arithmetic  
9 conversion factors, and similar arithmetic factors used to determine  
10 payment rates that apply to goods and services purchased under  
11 contract for clients eligible under chapter 74.09 RCW; and

12 (b) Adjustments by the department of revenue of the amount of the  
13 surcharge imposed under RCW 82.04.261.

14 (5) All other agencies, whether or not formerly specifically  
15 excluded from the provisions of all or any part of the administrative  
16 procedure act, shall be subject to the entire act.

17 **Sec. 310.** RCW 34.12.100 and 2011 1st sp.s. c 43 s 469 are each  
18 amended to read as follows:

19 The chief administrative law judge shall be paid a salary fixed  
20 by the governor after recommendation of the ((human—resources))  
21 director ((in—the—office)) of financial management. The salaries of  
22 administrative law judges appointed under the terms of this chapter  
23 shall be determined by the chief administrative law judge after  
24 recommendation of the ((department—of—personnel)) director of  
25 financial management.

26 **Sec. 311.** RCW 41.04.340 and 2011 1st sp.s. c 43 s 432 and 2011  
27 1st sp.s. c 39 s 12 are each reenacted and amended to read as  
28 follows:

29 (1) An attendance incentive program is established for all  
30 eligible employees. As used in this section the term "eligible  
31 employee" means any employee of the state, other than eligible  
32 employees of the community and technical colleges and the state board  
33 for community and technical colleges identified in RCW 28B.50.553,  
34 and teaching and research faculty at the state and regional  
35 universities and The Evergreen State College, entitled to accumulate  
36 sick leave and for whom accurate sick leave records have been  
37 maintained. No employee may receive compensation under this section  
38 for any portion of sick leave accumulated at a rate in excess of one

1 day per month. The state and regional universities and The Evergreen  
2 State College shall maintain complete and accurate sick leave records  
3 for all teaching and research faculty.

4 (2) In January of the year following any year in which a minimum  
5 of sixty days of sick leave is accrued, and each January thereafter,  
6 any eligible employee may receive remuneration for unused sick leave  
7 accumulated in the previous year at a rate equal to one day's  
8 monetary compensation of the employee for each four full days of  
9 accrued sick leave in excess of sixty days. Sick leave for which  
10 compensation has been received shall be deducted from accrued sick  
11 leave at the rate of four days for every one day's monetary  
12 compensation.

13 From July 1, 2011, through June 29, 2013, the rate of monetary  
14 compensation for the purposes of this subsection shall not be reduced  
15 by any temporary salary reduction.

16 (3) At the time of separation from state service due to  
17 retirement or death, an eligible employee or the employee's estate  
18 may elect to receive remuneration at a rate equal to one day's  
19 current monetary compensation of the employee for each four full days  
20 of accrued sick leave. From July 1, 2011, through June 29, 2013, the  
21 rate of monetary compensation for the purposes of this subsection  
22 shall not be reduced by any temporary salary reduction.

23 (4) Remuneration or benefits received under this section shall  
24 not be included for the purpose of computing a retirement allowance  
25 under any public retirement system in this state.

26 (5) Except as provided in subsections (7) through (9) of this  
27 section for employees not covered by chapter 41.06 RCW, this section  
28 shall be administered, and rules shall be adopted to carry out its  
29 purposes, by the ((human resources)) director of financial management  
30 for persons subject to chapter 41.06 RCW(~~(: PROVIDED, That~~  
31 ~~determination of classes of eligible employees shall be subject to~~  
32 ~~approval by the office of financial management))).~~

33 (6) Should the legislature revoke any remuneration or benefits  
34 granted under this section, no affected employee shall be entitled  
35 thereafter to receive such benefits as a matter of contractual right.

36 (7) In lieu of remuneration for unused sick leave at retirement  
37 as provided in subsection (3) of this section, an agency head or  
38 designee may with equivalent funds, provide eligible employees with a  
39 benefit plan that provides for reimbursement for medical expenses.  
40 This plan shall be implemented only after consultation with affected

1 groups of employees. For eligible employees covered by chapter 41.06  
2 RCW, procedures for the implementation of these plans shall be  
3 adopted by the (~~human resources~~) director of the state health care  
4 authority. For eligible employees exempt from chapter 41.06 RCW,  
5 (~~and classified employees who have opted out of coverage of chapter~~  
6 ~~41.06 RCW as provided in RCW 41.56.201,~~) implementation procedures  
7 shall be adopted by an agency head having jurisdiction over the  
8 employees.

9 (8) Implementing procedures adopted by the (~~human resources~~)  
10 director of the state health care authority or agency heads shall  
11 require that each medical expense plan authorized by subsection (7)  
12 of this section apply to all eligible employees in any one of the  
13 following groups: (a) Employees in an agency; (b) employees in a  
14 major organizational subdivision of an agency; (c) employees at a  
15 major operating location of an agency; (d) exempt employees under the  
16 jurisdiction of an elected or appointed Washington state executive;  
17 (e) employees of the Washington state senate; (f) employees of the  
18 Washington state house of representatives; (g) classified employees  
19 in a bargaining unit established by the (~~director of personnel~~)  
20 public employment relations commission; or (h) other group of  
21 employees defined by an agency head that is not designed to provide  
22 an individual-employee choice regarding participation in a medical  
23 expense plan. However, medical expense plans for eligible employees  
24 in any of the groups under (a) through (h) of this subsection who are  
25 covered by a collective bargaining agreement shall be implemented  
26 only by written agreement with the bargaining unit's exclusive  
27 representative and a separate medical expense plan may be provided  
28 for unrepresented employees.

29 (9) Medical expense plans authorized by subsection (7) of this  
30 section must require as a condition of participation in the plan that  
31 employees in the group affected by the plan sign an agreement with  
32 the employer. The agreement must include a provision to hold the  
33 employer harmless should the United States government find that the  
34 employer or the employee is in debt to the United States as a result  
35 of the employee not paying income taxes due on the equivalent funds  
36 placed into the plan, or as a result of the employer not withholding  
37 or deducting a tax, assessment, or other payment on the funds as  
38 required by federal law. The agreement must also include a provision  
39 that requires an eligible employee to forfeit remuneration under  
40 subsection (3) of this section if the employee belongs to a group

1 that has been designated to participate in the medical expense plan  
2 permitted under this section and the employee refuses to execute the  
3 required agreement.

4 **Sec. 312.** RCW 41.04.665 and 2011 1st sp.s. c 43 s 435 are each  
5 amended to read as follows:

6 (1) An agency head may permit an employee to receive leave under  
7 this section if:

8 (a)(i) The employee suffers from, or has a relative or household  
9 member suffering from, an illness, injury, impairment, or physical or  
10 mental condition which is of an extraordinary or severe nature;

11 (ii) The employee has been called to service in the uniformed  
12 services;

13 (iii) A state of emergency has been declared anywhere within the  
14 United States by the federal or any state government and the employee  
15 has needed skills to assist in responding to the emergency or its  
16 aftermath and volunteers his or her services to either a governmental  
17 agency or to a nonprofit organization engaged in humanitarian relief  
18 in the devastated area, and the governmental agency or nonprofit  
19 organization accepts the employee's offer of volunteer services; or

20 (iv) The employee is a victim of domestic violence, sexual  
21 assault, or stalking; (~~or~~

22 ~~(v) During the 2009-2011 fiscal biennium only, the employee is~~  
23 ~~eligible to use leave in lieu of temporary layoff under section 3(5),~~  
24 ~~chapter 32, Laws of 2010 1st sp. sess.;)~~)

25 (b) The illness, injury, impairment, condition, call to service,  
26 emergency volunteer service, or consequence of domestic violence,  
27 sexual assault, temporary layoff under section 3(5), chapter 32, Laws  
28 of 2010 1st sp. sess., or stalking has caused, or is likely to cause,  
29 the employee to:

30 (i) Go on leave without pay status; or

31 (ii) Terminate state employment;

32 (c) The employee's absence and the use of shared leave are  
33 justified;

34 (d) The employee has depleted or will shortly deplete his or her:

35 (i) Annual leave and sick leave reserves if he or she qualifies  
36 under (a)(i) of this subsection;

37 (ii) Annual leave and paid military leave allowed under RCW  
38 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or

1 (iii) Annual leave if he or she qualifies under (a)(iii)(~~(7)~~) or  
2 (iv)(~~(7)~~~~or~~(~~v~~)) of this subsection;

3 (e) The employee has abided by agency rules regarding:

4 (i) Sick leave use if he or she qualifies under (a)(i) or (iv) of  
5 this subsection; or

6 (ii) Military leave if he or she qualifies under (a)(ii) of this  
7 subsection; and

8 (f) The employee has diligently pursued and been found to be  
9 ineligible for benefits under chapter 51.32 RCW if he or she  
10 qualifies under (a)(i) of this subsection.

11 (2) The agency head shall determine the amount of leave, if any,  
12 which an employee may receive under this section. However, an  
13 employee shall not receive a total of more than five hundred twenty-  
14 two days of leave, except that, a supervisor may authorize leave in  
15 excess of five hundred twenty-two days in extraordinary circumstances  
16 for an employee qualifying for the shared leave program because he or  
17 she is suffering from an illness, injury, impairment, or physical or  
18 mental condition which is of an extraordinary or severe nature.  
19 Shared leave received under the uniformed service shared leave pool  
20 in RCW 41.04.685 is not included in this total.

21 (3) An employee may transfer annual leave, sick leave, and his or  
22 her personal holiday, as follows:

23 (a) An employee who has an accrued annual leave balance of more  
24 than ten days may request that the head of the agency for which the  
25 employee works transfer a specified amount of annual leave to another  
26 employee authorized to receive leave under subsection (1) of this  
27 section. In no event may the employee request a transfer of an amount  
28 of leave that would result in his or her annual leave account going  
29 below ten days. For purposes of this subsection (3)(a), annual leave  
30 does not accrue if the employee receives compensation in lieu of  
31 accumulating a balance of annual leave.

32 (b) An employee may transfer a specified amount of sick leave to  
33 an employee requesting shared leave only when the donating employee  
34 retains a minimum of one hundred seventy-six hours of sick leave  
35 after the transfer.

36 (c) An employee may transfer, under the provisions of this  
37 section relating to the transfer of leave, all or part of his or her  
38 personal holiday, as that term is defined under RCW 1.16.050, or as  
39 such holidays are provided to employees by agreement with a school  
40 district's board of directors if the leave transferred under this

1 subsection does not exceed the amount of time provided for personal  
2 holidays under RCW 1.16.050.

3 (4) An employee of an institution of higher education under RCW  
4 28B.10.016, school district, or educational service district who does  
5 not accrue annual leave but does accrue sick leave and who has an  
6 accrued sick leave balance of more than twenty-two days may request  
7 that the head of the agency for which the employee works transfer a  
8 specified amount of sick leave to another employee authorized to  
9 receive leave under subsection (1) of this section. In no event may  
10 such an employee request a transfer that would result in his or her  
11 sick leave account going below twenty-two days. Transfers of sick  
12 leave under this subsection are limited to transfers from employees  
13 who do not accrue annual leave. Under this subsection, "sick leave"  
14 also includes leave accrued pursuant to RCW 28A.400.300(~~((+2))~~)(1)(b)  
15 or 28A.310.240(1) with compensation for illness, injury, and  
16 emergencies.

17 (5) Transfers of leave made by an agency head under subsections  
18 (3) and (4) of this section shall not exceed the requested amount.

19 (6) Leave transferred under this section may be transferred from  
20 employees of one agency to an employee of the same agency or, with  
21 the approval of the heads of both agencies, to an employee of another  
22 state agency.

23 (7) While an employee is on leave transferred under this section,  
24 he or she shall continue to be classified as a state employee and  
25 shall receive the same treatment in respect to salary, wages, and  
26 employee benefits as the employee would normally receive if using  
27 accrued annual leave or sick leave.

28 (a) All salary and wage payments made to employees while on leave  
29 transferred under this section shall be made by the agency employing  
30 the person receiving the leave. The value of leave transferred shall  
31 be based upon the leave value of the person receiving the leave.

32 (b) In the case of leave transferred by an employee of one agency  
33 to an employee of another agency, the agencies involved shall arrange  
34 for the transfer of funds and credit for the appropriate value of  
35 leave.

36 (i) Pursuant to rules adopted by the office of financial  
37 management, funds shall not be transferred under this section if the  
38 transfer would violate any constitutional or statutory restrictions  
39 on the funds being transferred.

1 (ii) The office of financial management may adjust the  
2 appropriation authority of an agency receiving funds under this  
3 section only if and to the extent that the agency's existing  
4 appropriation authority would prevent it from expending the funds  
5 received.

6 (iii) Where any questions arise in the transfer of funds or the  
7 adjustment of appropriation authority, the director of financial  
8 management shall determine the appropriate transfer or adjustment.

9 (8) Leave transferred under this section shall not be used in any  
10 calculation to determine an agency's allocation of full time  
11 equivalent staff positions.

12 (9) The value of any leave transferred under this section which  
13 remains unused shall be returned at its original value to the  
14 employee or employees who transferred the leave when the agency head  
15 finds that the leave is no longer needed or will not be needed at a  
16 future time in connection with the illness or injury for which the  
17 leave was transferred or for any other qualifying condition. Before  
18 the agency head makes a determination to return unused leave in  
19 connection with an illness or injury, or any other qualifying  
20 condition, he or she must receive from the affected employee a  
21 statement from the employee's doctor verifying that the illness or  
22 injury is resolved. To the extent administratively feasible, the  
23 value of unused leave which was transferred by more than one employee  
24 shall be returned on a pro rata basis.

25 (10) An employee who uses leave that is transferred to him or her  
26 under this section may not be required to repay the value of the  
27 leave that he or she used.

28 (11) The (~~human resources~~) director of financial management may  
29 adopt rules as necessary to implement subsection (2) of this section.

30 **Sec. 313.** RCW 41.04.680 and 2011 1st sp.s. c 43 s 437 are each  
31 amended to read as follows:

32 The office of financial management and other personnel  
33 authorities shall adopt rules or policies governing the accumulation  
34 and use of sick leave for state agency and department employees,  
35 expressly for the establishment of a plan allowing participating  
36 employees to pool sick leave and allowing any sick leave thus pooled  
37 to be used by any participating employee who has used all of the sick  
38 leave, annual leave, and compensatory leave that has been personally  
39 accrued by him or her. Each department or agency of the state may



1 allow employees to participate in a sick leave pool established by  
2 the office of financial management and other personnel authorities.

3 (1) For purposes of calculating maximum sick leave that may be  
4 donated or received by any one employee, pooled sick leave:

5 (a) Is counted and converted in the same manner as sick leave  
6 under the Washington state leave sharing program as provided in this  
7 chapter; and

8 (b) Does not create a right to sick leave in addition to the  
9 amount that may be donated or received under the Washington state  
10 leave sharing program as provided in this chapter.

11 (2) The office of financial management and other personnel  
12 authorities, except the personnel authorities for higher education  
13 institutions, shall adopt rules which provide:

14 (a) That employees are eligible to participate in the sick leave  
15 pool after one year of employment with the state or agency of the  
16 state if the employee has accrued a minimum amount of unused sick  
17 leave, to be established by rule;

18 (b) That participation in the sick leave pool shall, at all  
19 times, be voluntary on the part of the employees;

20 (c) That any sick leave pooled shall be removed from the  
21 personally accumulated sick leave balance of the employee  
22 contributing the leave;

23 (d) That any sick leave in the pool that is used by a  
24 participating employee may be used only for the employee's personal  
25 illness, accident, or injury;

26 (e) That a participating employee is not eligible to use sick  
27 leave accumulated in the pool until all of his or her personally  
28 accrued sick, annual, and compensatory leave has been used;

29 (f) A maximum number of days of sick leave in the pool that any  
30 one employee may use;

31 (g) That a participating employee who uses sick leave from the  
32 pool is not required to recontribute such sick leave to the pool,  
33 except as otherwise provided in this section;

34 (h) That an employee who cancels his or her membership in the  
35 sick leave pool is not eligible to withdraw the days of sick leave  
36 contributed by that employee to the pool;

37 (i) That an employee who transfers from one position in state  
38 government to another position in state government may transfer from  
39 one pool to another if the eligibility criteria of the pools are

1 comparable and the administrators of the pools have agreed on a  
2 formula for transfer of credits;

3 (j) That alleged abuse of the use of the sick leave pool shall be  
4 investigated, and, on a finding of wrongdoing, the employee shall  
5 repay all of the sick leave credits drawn from the sick leave pool  
6 and shall be subject to such other disciplinary action as is  
7 determined by the agency head;

8 (k) That sick leave credits may be drawn from the sick leave pool  
9 by a part-time employee on a pro rata basis; and

10 (l) That each department or agency shall maintain accurate and  
11 reliable records showing the amount of sick leave which has been  
12 accumulated and is unused by employees, in accordance with guidelines  
13 established by the (~~department of personnel~~) office of financial  
14 management.

15 (3) Personnel authorities for higher education institutions shall  
16 adopt policies consistent with the needs of the employees under their  
17 respective jurisdictions.

18 **Sec. 314.** RCW 41.06.020 and 2011 1st sp.s. c 43 s 401 are each  
19 reenacted and amended to read as follows:

20 Unless the context clearly indicates otherwise, the words used in  
21 this chapter have the meaning given in this section.

22 (1) "Affirmative action" means a procedure by which racial  
23 minorities, women, persons in the protected age category, persons  
24 with disabilities, Vietnam-era veterans, and disabled veterans are  
25 provided with increased employment opportunities. It shall not mean  
26 any sort of quota system.

27 (2) "Agency" means an office, department, board, commission, or  
28 other separate unit or division, however designated, of the state  
29 government and all personnel thereof; it includes any unit of state  
30 government established by law, the executive officer or members of  
31 which are either elected or appointed, upon which the statutes confer  
32 powers and impose duties in connection with operations of either a  
33 governmental or proprietary nature.

34 (3) "Board" means the Washington personnel resources board  
35 established under the provisions of RCW 41.06.110, except that this  
36 definition does not apply to the words "board" or "boards" when used  
37 in RCW 41.06.070.

38 (4) "Career development" means the progressive development of  
39 employee capabilities to facilitate productivity, job satisfaction,

1 and upward mobility through work assignments as well as education and  
2 training that are both state-sponsored and are achieved by individual  
3 employee efforts, all of which shall be consistent with the needs and  
4 obligations of the state and its agencies.

5 (5) "Classified service" means all positions in the state service  
6 subject to the provisions of this chapter.

7 (6) "Comparable worth" means the provision of similar salaries  
8 for positions that require or impose similar responsibilities,  
9 judgments, knowledge, skills, and working conditions.

10 (7) "Competitive service" means all positions in the classified  
11 service for which a competitive examination is required as a  
12 condition precedent to appointment.

13 (8) "Department" means an agency of government that has as its  
14 governing officer a person, or combination of persons such as a  
15 commission, board, or council, by law empowered to operate the agency  
16 responsible either to (a) no other public officer or (b) the  
17 governor.

18 (9) "Director" means the (~~human resources~~) director (~~within~~  
19 ~~the office~~) of financial management (~~and appointed under RCW~~  
20 ~~43.41.113~~) or the director's designee.

21 (10) "Institutions of higher education" means the University of  
22 Washington, Washington State University, Central Washington  
23 University, Eastern Washington University, Western Washington  
24 University, The Evergreen State College, and the various state  
25 community colleges.

26 (11) "Noncompetitive service" means all positions in the  
27 classified service for which a competitive examination is not  
28 required.

29 (12) "Related boards" means the state board for community and  
30 technical colleges; and such other boards, councils, and commissions  
31 related to higher education as may be established.

32 (13) "Training" means activities designed to develop job-related  
33 knowledge and skills of employees.

34 **Sec. 315.** RCW 41.06.157 and 2011 1st sp.s. c 43 s 411 are each  
35 amended to read as follows:

36 (1) To promote the most effective use of the state's workforce  
37 and improve the effectiveness and efficiency of the delivery of  
38 services to the citizens of the state, the director shall adopt and

1 maintain a comprehensive classification plan for all positions in the  
2 classified service. The classification plan must:

3 (a) Be simple and streamlined;

4 (b) Support state agencies in responding to changing  
5 technologies, economic and social conditions, and the needs of its  
6 citizens;

7 (c) Value workplace diversity;

8 (d) Facilitate the reorganization and decentralization of  
9 governmental services;

10 (e) Enhance mobility and career advancement opportunities; and

11 (f) Consider rates in other public employment and private  
12 employment in the state.

13 (2) An appointing authority and an employee organization  
14 representing classified employees of the appointing authority for  
15 collective bargaining purposes may jointly request the (~~human~~  
16 ~~resources~~) director of financial management to initiate a  
17 classification study.

18 (3) For institutions of higher education and related boards, the  
19 director may adopt special salary ranges to be competitive with  
20 positions of a similar nature in the state or the locality in which  
21 the institution of higher education or related board is located.

22 (4) The director may undertake salary surveys of positions in  
23 other public and private employment to establish market rates. Any  
24 salary survey information collected from private employers which  
25 identifies a specific employer with salary rates which the employer  
26 pays to its employees shall not be subject to public disclosure under  
27 chapter 42.56 RCW.

28 **Sec. 316.** RCW 41.06.167 and 2011 1st sp.s. c 43 s 413 are each  
29 amended to read as follows:

30 The (~~human resources~~) director of financial management shall  
31 undertake comprehensive compensation surveys for officers and entry-  
32 level officer candidates of the Washington state patrol, with such  
33 surveys to be conducted in the year prior to the convening of every  
34 other one hundred five day regular session of the state legislature.  
35 Salary and fringe benefit survey information collected from private  
36 employers which identifies a specific employer with the salary and  
37 fringe benefit rates which that employer pays to its employees shall  
38 not be subject to public disclosure under chapter 42.56 RCW.

1       **Sec. 317.** RCW 42.17A.705 and 2012 c 229 s 582 are each amended  
2 to read as follows:

3       For the purposes of RCW 42.17A.700, "executive state officer"  
4 includes:

5       (1) The chief administrative law judge, the director of  
6 agriculture, the director of the department of services for the  
7 blind, the chief information officer of the office of chief  
8 information officer, the director of the state system of community  
9 and technical colleges, the director of commerce, the director of the  
10 consolidated technology services agency, the secretary of  
11 corrections, the director of early learning, the director of ecology,  
12 the commissioner of employment security, the chair of the energy  
13 facility site evaluation council, the director of enterprise  
14 services, the secretary of the state finance committee, the director  
15 of financial management, the director of fish and wildlife, the  
16 executive secretary of the forest practices appeals board, the  
17 director of the gambling commission, the secretary of health, the  
18 administrator of the Washington state health care authority, the  
19 executive secretary of the health care facilities authority, the  
20 executive secretary of the higher education facilities authority, the  
21 executive secretary of the horse racing commission, (~~the human~~  
22 ~~resources director,~~) the executive secretary of the human rights  
23 commission, the executive secretary of the indeterminate sentence  
24 review board, the executive director of the state investment board,  
25 the director of labor and industries, the director of licensing, the  
26 director of the lottery commission, the director of the office of  
27 minority and women's business enterprises, the director of parks and  
28 recreation, the executive director of the public disclosure  
29 commission, the executive director of the Puget Sound partnership,  
30 the director of the recreation and conservation office, the director  
31 of retirement systems, the director of revenue, the secretary of  
32 social and health services, the chief of the Washington state patrol,  
33 the executive secretary of the board of tax appeals, the secretary of  
34 transportation, the secretary of the utilities and transportation  
35 commission, the director of veterans affairs, the president of each  
36 of the regional and state universities and the president of The  
37 Evergreen State College, and each district and each campus president  
38 of each state community college;

39       (2) Each professional staff member of the office of the governor;

40       (3) Each professional staff member of the legislature; and

1 (4) Central Washington University board of trustees, the boards  
2 of trustees of each community college and each technical college,  
3 each member of the state board for community and technical colleges,  
4 state convention and trade center board of directors, Eastern  
5 Washington University board of trustees, Washington economic  
6 development finance authority, Washington energy northwest executive  
7 board, The Evergreen State College board of trustees, executive  
8 ethics board, fish and wildlife commission, forest practices appeals  
9 board, forest practices board, gambling commission, Washington health  
10 care facilities authority, student achievement council, higher  
11 education facilities authority, horse racing commission, state  
12 housing finance commission, human rights commission, indeterminate  
13 sentence review board, board of industrial insurance appeals, state  
14 investment board, commission on judicial conduct, legislative ethics  
15 board, life sciences discovery fund authority board of trustees,  
16 liquor control board, lottery commission, Pacific Northwest electric  
17 power and conservation planning council, parks and recreation  
18 commission, Washington personnel resources board, board of pilotage  
19 commissioners, pollution control hearings board, public disclosure  
20 commission, public employees' benefits board, recreation and  
21 conservation funding board, salmon recovery funding board, shorelines  
22 hearings board, board of tax appeals, transportation commission,  
23 University of Washington board of regents, utilities and  
24 transportation commission, Washington State University board of  
25 regents, and Western Washington University board of trustees.

26 **Sec. 318.** RCW 41.80.020 and 2013 2nd sp.s. c 4 s 972 are each  
27 amended to read as follows:

28 (1) Except as otherwise provided in this chapter, the matters  
29 subject to bargaining include wages, hours, and other terms and  
30 conditions of employment, and the negotiation of any question arising  
31 under a collective bargaining agreement.

32 (2) The employer is not required to bargain over matters  
33 pertaining to:

34 (a) Health care benefits or other employee insurance benefits,  
35 except as required in subsection (3) of this section;

36 (b) Any retirement system or retirement benefit; or

37 (c) Rules of the (~~human resources~~) director of financial  
38 management, the director of enterprise services, or the Washington  
39 personnel resources board adopted under RCW 41.06.157.

1           (3) Matters subject to bargaining include the number of names to  
2 be certified for vacancies, promotional preferences, and the dollar  
3 amount expended on behalf of each employee for health care benefits.  
4 However, except as provided otherwise in this subsection for  
5 institutions of higher education, negotiations regarding the number  
6 of names to be certified for vacancies, promotional preferences, and  
7 the dollar amount expended on behalf of each employee for health care  
8 benefits shall be conducted between the employer and one coalition of  
9 all the exclusive bargaining representatives subject to this chapter.  
10 The exclusive bargaining representatives for employees that are  
11 subject to chapter 47.64 RCW shall bargain the dollar amount expended  
12 on behalf of each employee for health care benefits with the employer  
13 as part of the coalition under this subsection. Any such provision  
14 agreed to by the employer and the coalition shall be included in all  
15 master collective bargaining agreements negotiated by the parties.  
16 For institutions of higher education, promotional preferences and the  
17 number of names to be certified for vacancies shall be bargained  
18 under the provisions of RCW 41.80.010(4). For agreements covering the  
19 2013-2015 fiscal biennium, any agreement between the employer and the  
20 coalition regarding the dollar amount expended on behalf of each  
21 employee for health care benefits is a separate agreement and shall  
22 not be included in the master collective bargaining agreements  
23 negotiated by the parties.

24           (4) The employer and the exclusive bargaining representative  
25 shall not agree to any proposal that would prevent the implementation  
26 of approved affirmative action plans or that would be inconsistent  
27 with the comparable worth agreement that provided the basis for the  
28 salary changes implemented beginning with the 1983-1985 biennium to  
29 achieve comparable worth.

30           (5) The employer and the exclusive bargaining representative  
31 shall not bargain over matters pertaining to management rights  
32 established in RCW 41.80.040.

33           (6) Except as otherwise provided in this chapter, if a conflict  
34 exists between an executive order, administrative rule, or agency  
35 policy relating to wages, hours, and terms and conditions of  
36 employment and a collective bargaining agreement negotiated under  
37 this chapter, the collective bargaining agreement shall prevail. A  
38 provision of a collective bargaining agreement that conflicts with  
39 the terms of a statute is invalid and unenforceable.

1 (7) This section does not prohibit bargaining that affects  
2 contracts authorized by RCW 41.06.142.

3 **Sec. 319.** RCW 43.03.040 and 2011 1st sp.s. c 39 s 8 are each  
4 amended to read as follows:

5 Subject to RCW 41.04.820, the directors of the several  
6 departments and members of the several boards and commissions, whose  
7 salaries are fixed by the governor and the chief executive officers  
8 of the agencies named in RCW 43.03.028(1) as now or hereafter amended  
9 shall each severally receive such salaries, payable in monthly  
10 installments, as shall be fixed by the governor or the appropriate  
11 salary fixing authority, in an amount not to exceed the  
12 recommendations of the ((~~department of personnel~~)) office of  
13 financial management. From February 18, 2009, through June 30, 2013,  
14 a salary or wage increase shall not be granted to any position under  
15 this section, except that increases may be granted for positions for  
16 which the employer has demonstrated difficulty retaining qualified  
17 employees if the following conditions are met:

18 (1) The salary increase can be paid within existing resources;

19 (2) The salary increase will not adversely impact the provision  
20 of client services; and

21 (3) For any state agency of the executive branch, not including  
22 institutions of higher education, the salary increase is approved by  
23 the director of the office of financial management.

24 Any agency granting a salary increase from February 15, 2010,  
25 through June 30, 2011, to a position under this section shall submit  
26 a report to the fiscal committees of the legislature no later than  
27 July 31, 2011, detailing the positions for which salary increases  
28 were granted, the size of the increases, and the reasons for giving  
29 the increases.

30 Any agency granting a salary increase from July 1, 2011, through  
31 June 30, 2013, to a position under this section shall submit a report  
32 to the fiscal committees of the legislature by July 31, 2012, and  
33 July 31, 2013, detailing the positions for which salary increases  
34 were granted during the preceding fiscal year, the size of the  
35 increases, and the reasons for giving the increases.

36 **Sec. 320.** RCW 43.06.013 and 2011 1st sp.s. c 43 s 454 are each  
37 amended to read as follows:



1           When requested by the governor or the director of the department  
2 of enterprise services, nonconviction criminal history fingerprint  
3 record checks shall be conducted through the Washington state patrol  
4 identification and criminal history section and the federal bureau of  
5 investigation on applicants for agency head positions appointed by  
6 the governor. Information received pursuant to this section shall be  
7 confidential and made available only to the governor or director of  
8 ~~((the department of personnel))~~ financial management or their  
9 employees directly involved in the selection, hiring, or background  
10 investigation of the subject of the record check. When necessary,  
11 applicants may be employed on a conditional basis pending completion  
12 of the criminal history record check. "Agency head" as used in this  
13 section has the same definition as provided in RCW 34.05.010.

14           **Sec. 321.** RCW 43.41.113 and 2011 1st sp.s. c 43 s 430 are each  
15 amended to read as follows:

16           (1) The office of financial management shall direct and supervise  
17 the personnel policy and application of the civil service laws,  
18 chapter 41.06 RCW.

19           ~~(2) ((The human resources director is created in the office of  
20 financial management. The human resources director shall be appointed  
21 by the governor, and shall serve at the pleasure of the governor. The  
22 director shall receive a salary in an amount fixed by the governor.~~

23           ~~(3))~~ The ~~((human resources))~~ director or the director's designee  
24 has the authority and shall perform the functions as prescribed in  
25 chapter 41.06 RCW, or as otherwise prescribed by law.

26           ~~((4))~~ (3) The ~~((human resources))~~ director may delegate to any  
27 agency the authority to perform administrative and technical  
28 personnel activities if the agency requests such authority and the  
29 ~~((human resources))~~ director is satisfied that the agency has the  
30 personnel management capabilities to effectively perform the  
31 delegated activities. The ~~((human resources))~~ director shall  
32 prescribe standards and guidelines for the performance of delegated  
33 activities. If the ~~((human resources))~~ director determines that an  
34 agency is not performing delegated activities within the prescribed  
35 standards and guidelines, the director shall withdraw the authority  
36 from the agency to perform such activities.

37           **Sec. 322.** RCW 43.131.090 and 2011 1st sp.s. c 43 s 459 are each  
38 amended to read as follows:

1 Unless the legislature specifies a shorter period of time, a  
2 terminated entity shall continue in existence until June 30th of the  
3 next succeeding year for the purpose of concluding its affairs:  
4 PROVIDED, That the powers and authority of the entity shall not be  
5 reduced or otherwise limited during this period. Unless otherwise  
6 provided:

7 (1) All employees of terminated entities classified under chapter  
8 41.06 RCW, the state civil service law, shall be transferred as  
9 appropriate or as otherwise provided in the procedures adopted by the  
10 (~~human resources~~) director of financial management pursuant to RCW  
11 41.06.150;

12 (2) All documents and papers, equipment, or other tangible  
13 property in the possession of the terminated entity shall be  
14 delivered to the custody of the entity assuming the responsibilities  
15 of the terminated entity or if such responsibilities have been  
16 eliminated, documents and papers shall be delivered to the state  
17 archivist and equipment or other tangible property to the department  
18 of enterprise services;

19 (3) All funds held by, or other moneys due to, the terminated  
20 entity shall revert to the fund from which they were appropriated, or  
21 if that fund is abolished to the general fund;

22 (4) Notwithstanding the provisions of RCW 34.05.020, all rules  
23 made by a terminated entity shall be repealed, without further action  
24 by the entity, at the end of the period provided in this section,  
25 unless assumed and reaffirmed by the entity assuming the related  
26 legal responsibilities of the terminated entity;

27 (5) All contractual rights and duties of an entity shall be  
28 assigned or delegated to the entity assuming the responsibilities of  
29 the terminated entity, or if there is none to such entity as the  
30 governor shall direct.

31 **Sec. 323.** RCW 48.37.060 and 2011 1st sp.s. c 43 s 460 are each  
32 amended to read as follows:

33 (1) When the commissioner determines that other market conduct  
34 actions identified in RCW 48.37.040(4)(a) have not sufficiently  
35 addressed issues raised concerning company activities in Washington  
36 state, the commissioner has the discretion to conduct market conduct  
37 examinations in accordance with the NAIC market conduct uniform  
38 examination procedures and the NAIC market regulation handbook.

1 (2)(a) In lieu of an examination of an insurer licensed in this  
2 state, the commissioner shall accept an examination report of another  
3 state, unless the commissioner determines that the other state does  
4 not have laws substantially similar to those of this state, or does  
5 not have a market oversight system that is comparable to the market  
6 conduct oversight system set forth in this law.

7 (b) The commissioner's determination under (a) of this subsection  
8 is discretionary with the commissioner and is not subject to appeal.

9 (c) If the insurer to be examined is part of an insurance holding  
10 company system, the commissioner may also seek to simultaneously  
11 examine any affiliates of the insurer under common control and  
12 management which are licensed to write the same lines of business in  
13 this state.

14 (3) Before commencement of a market conduct examination, market  
15 conduct oversight personnel shall prepare a work plan consisting of  
16 the following:

- 17 (a) The name and address of the insurer being examined;
- 18 (b) The name and contact information of the examiner-in-charge;
- 19 (c) The name of all market conduct oversight personnel initially  
20 assigned to the market conduct examination;
- 21 (d) The justification for the examination;
- 22 (e) The scope of the examination;
- 23 (f) The date the examination is scheduled to begin;
- 24 (g) Notice of any noninsurance department personnel who will  
25 assist in the examination;
- 26 (h) A time estimate for the examination;
- 27 (i) A budget for the examination if the cost of the examination  
28 is billed to the insurer; and
- 29 (j) An identification of factors that will be included in the  
30 billing if the cost of the examination is billed to the insurer.

31 (4)(a) Within ten days of the receipt of the information  
32 contained in subsection (3) of this section, insurers may request the  
33 commissioner's discretionary review of any alleged conflict of  
34 interest, pursuant to RCW 48.37.090(2), of market conduct oversight  
35 personnel and noninsurance department personnel assigned to a market  
36 conduct examination. The request for review shall specifically  
37 describe the alleged conflict of interest in the proposed assignment  
38 of any person to the examination.

39 (b) Within five business days of receiving a request for  
40 discretionary review of any alleged conflict of interest in the

1 proposed assignment of any person to a market conduct examination,  
2 the commissioner or designee shall notify the insurer of any action  
3 regarding the assignment of personnel to a market conduct examination  
4 based on the insurer's allegation of conflict of interest.

5 (5) Market conduct examinations shall, to the extent feasible,  
6 use desk examinations and data requests before an on-site  
7 examination.

8 (6) Market conduct examinations shall be conducted in accordance  
9 with the provisions set forth in the NAIC market regulation handbook  
10 and the NAIC market conduct uniform examinations procedures, subject  
11 to the precedence of the provisions of chapter 82, Laws of 2007.

12 (7) The commissioner shall use the NAIC standard data request.

13 (8) Announcement of the examination shall be sent to the insurer  
14 and posted on the NAIC's examination tracking system as soon as  
15 possible but in no case later than sixty days before the estimated  
16 commencement of the examination, except where the examination is  
17 conducted in response to extraordinary circumstances as described in  
18 RCW 48.37.050(2)(a). The announcement sent to the insurer shall  
19 contain the examination work plan and a request for the insurer to  
20 name its examination coordinator.

21 (9) If an examination is expanded significantly beyond the  
22 original reasons provided to the insurer in the notice of the  
23 examination required by subsection (3) of this section, the  
24 commissioner shall provide written notice to the insurer, explaining  
25 the expansion and reasons for the expansion. The commissioner shall  
26 provide a revised work plan if the expansion results in significant  
27 changes to the items presented in the original work plan required by  
28 subsection (3) of this section.

29 (10) The commissioner shall conduct a preexamination conference  
30 with the insurer examination coordinator and key personnel to clarify  
31 expectations at least thirty days before commencement of the  
32 examination, unless otherwise agreed by the insurer and the  
33 commissioner.

34 (11) Before the conclusion of the field work for market conduct  
35 examination, the examiner-in-charge shall review examination findings  
36 to date with insurer personnel and schedule an exit conference with  
37 the insurer, in accordance with procedures in the NAIC market  
38 regulation handbook.

39 (12)(a) No later than sixty days after completion of each market  
40 conduct examination, the commissioner shall make a full written

1 report of each market conduct examination containing only facts  
2 ascertained from the accounts, records, and documents examined and  
3 from the sworn testimony of individuals, and such conclusions and  
4 recommendations as may reasonably be warranted from such facts.

5 (b) The report shall be certified by the commissioner or by the  
6 examiner-in-charge of the examination, and shall be filed in the  
7 commissioner's office subject to (c) of this subsection.

8 (c) The commissioner shall furnish a copy of the market conduct  
9 examination report to the person examined not less than ten days and,  
10 unless the time is extended by the commissioner, not more than thirty  
11 days prior to the filing of the report for public inspection in the  
12 commissioner's office. If the person so requests in writing within  
13 such period, the commissioner shall hold a hearing to consider  
14 objections of such person to the report as proposed, and shall not so  
15 file the report until after such hearing and until after any  
16 modifications in the report deemed necessary by the commissioner have  
17 been made.

18 (d) Within thirty days of the end of the period described in (c)  
19 of this subsection, unless extended by order of the commissioner, the  
20 commissioner shall consider the report, together with any written  
21 submissions or rebuttals and any relevant portions of the examiner's  
22 work papers and enter an order:

23 (i) Adopting the market conduct examination report as filed or  
24 with modification or corrections. If the market conduct examination  
25 report reveals that the company is operating in violation of any law,  
26 rule, or order of the commissioner, the commissioner may order the  
27 company to take any action the commissioner considers necessary and  
28 appropriate to cure that violation;

29 (ii) Rejecting the market conduct examination report with  
30 directions to the examiners to reopen the examination for purposes of  
31 obtaining additional data, documentation, or information, and  
32 refiling under this subsection; or

33 (iii) Calling for an investigatory hearing with no less than  
34 twenty days' notice to the company for purposes of obtaining  
35 additional documentation, data, information, and testimony.

36 (e) All orders entered under (d) of this subsection must be  
37 accompanied by findings and conclusions resulting from the  
38 commissioner's consideration and review of the market conduct  
39 examination report, relevant examiner work papers, and any written  
40 submissions or rebuttals. The order is considered a final

1 administrative decision and may be appealed under the administrative  
2 procedure act, chapter 34.05 RCW, and must be served upon the company  
3 by certified mail or certifiable electronic means, together with a  
4 copy of the adopted examination report. A copy of the adopted  
5 examination report must be sent by certified mail or certifiable  
6 electronic means to each director at the director's residential  
7 address or to a personal e-mail account.

8 (f)(i) Upon the adoption of the market conduct examination report  
9 under (d) of this subsection, the commissioner shall continue to hold  
10 the content of the examination report as private and confidential  
11 information for a period of five days except that the order may be  
12 disclosed to the person examined. Thereafter, the commissioner may  
13 open the report for public inspection so long as no court of  
14 competent jurisdiction has stayed its publication.

15 (ii) If the commissioner determines that regulatory action is  
16 appropriate as a result of any market conduct examination, he or she  
17 may initiate any proceedings or actions as provided by law.

18 (iii) Nothing contained in this subsection requires the  
19 commissioner to disclose any information or records that would  
20 indicate or show the existence or content of any investigation or  
21 activity of a criminal justice agency.

22 (g) The insurer's response shall be included in the  
23 commissioner's order adopting the final report as an exhibit to the  
24 order. The insurer is not obligated to submit a response.

25 (13) The commissioner may withhold from public inspection any  
26 examination or investigation report for so long as he or she deems it  
27 advisable.

28 (14)(a) Market conduct examinations within this state of any  
29 insurer domiciled or having its home offices in this state, other  
30 than a title insurer, made by the commissioner or the commissioner's  
31 examiners and employees shall, except as to fees, mileage, and  
32 expense incurred as to witnesses, be at the expense of the state.

33 (b) Every other examination, whatsoever, or any part of the  
34 market conduct examination of any person domiciled or having its home  
35 offices in this state requiring travel and services outside this  
36 state, shall be made by the commissioner or by examiners designated  
37 by the commissioner and shall be at the expense of the person  
38 examined; but a domestic insurer shall not be liable for the  
39 compensation of examiners employed by the commissioner for such  
40 services outside this state.

1 (c) When making a market conduct examination under this chapter,  
2 the commissioner may contract, in accordance with applicable state  
3 contracting procedures, for qualified attorneys, appraisers,  
4 independent certified public accountants, contract actuaries, and  
5 other similar individuals who are independently practicing their  
6 professions, even though those persons may from time to time be  
7 similarly employed or retained by persons subject to examination  
8 under this chapter, as examiners as the commissioner deems necessary  
9 for the efficient conduct of a particular examination. The  
10 compensation and per diem allowances paid to such contract persons  
11 shall be reasonable in the market and time incurred, shall not exceed  
12 one hundred twenty-five percent of the compensation and per diem  
13 allowances for examiners set forth in the guidelines adopted by the  
14 national association of insurance commissioners, unless the  
15 commissioner demonstrates that one hundred twenty-five percent is  
16 inadequate under the circumstances of the examination, and subject to  
17 the provisions of (a) of this subsection.

18 (d)(i) The person examined and liable shall reimburse the state  
19 upon presentation of an itemized statement thereof, for the actual  
20 travel expenses of the commissioner's examiners, their reasonable  
21 living expenses allowance, and their per diem compensation, including  
22 salary and the employer's cost of employee benefits, at a reasonable  
23 rate approved by the commissioner, incurred on account of the  
24 examination. Per diem, salary, and expenses for employees examining  
25 insurers domiciled outside the state of Washington shall be  
26 established by the commissioner on the basis of the national  
27 association of insurance commissioner's recommended salary and  
28 expense schedule for zone examiners, or the salary schedule  
29 (~~established by the human resources director~~) and the expense  
30 schedule established by the office of financial management, whichever  
31 is higher. A domestic title insurer shall pay the examination expense  
32 and costs to the commissioner as itemized and billed by the  
33 commissioner.

34 (ii) The commissioner or the commissioner's examiners shall not  
35 receive or accept any additional emolument on account of any  
36 examination.

37 (iii) Market conduct examination fees subject to being reimbursed  
38 by an insurer shall be itemized and bills shall be provided to the  
39 insurer on a monthly basis for review prior to submission for  
40 payment, or as otherwise provided by state law.

1 (e) Nothing contained in this chapter limits the commissioner's  
2 authority to terminate or suspend any examination in order to pursue  
3 other legal or regulatory action under the insurance laws of this  
4 state. Findings of fact and conclusions made pursuant to any  
5 examination are prima facie evidence in any legal or regulatory  
6 action.

7 (f) The commissioner shall maintain active management and  
8 oversight of market conduct examination costs, including costs  
9 associated with the commissioner's own examiners, and with retaining  
10 qualified contract examiners necessary to perform an examination. Any  
11 agreement with a contract examiner shall:

12 (i) Clearly identify the types of functions to be subject to  
13 outsourcing;

14 (ii) Provide specific timelines for completion of the outsourced  
15 review;

16 (iii) Require disclosure to the insurer of contract examiners'  
17 recommendations;

18 (iv) Establish and use a dispute resolution or arbitration  
19 mechanism to resolve conflicts with insurers regarding examination  
20 fees; and

21 (v) Require disclosure of the terms of the contracts with the  
22 outside consultants that will be used, specifically the fees and/or  
23 hourly rates that can be charged.

24 (g) The commissioner, or the commissioner's designee, shall  
25 review and affirmatively endorse detailed billings from the qualified  
26 contract examiner before the detailed billings are sent to the  
27 insurer.

28 **Sec. 324.** RCW 49.74.020 and 2011 1st sp.s. c 43 s 463 are each  
29 amended to read as follows:

30 If the commission reasonably believes that a state agency, an  
31 institution of higher education, or the state patrol has failed to  
32 comply with an affirmative action rule adopted under RCW 41.06.150 or  
33 43.43.340, the commission shall notify the director of the state  
34 agency, president of the institution of higher education, or chief of  
35 the Washington state patrol of the noncompliance, as well as the  
36 (~~human resources~~) director of financial management. The commission  
37 shall give the director of the state agency, president of the  
38 institution of higher education, or chief of the Washington state  
39 patrol an opportunity to be heard on the failure to comply.





1 The administrative office of the courts, under the direction of  
2 the judicial information system committee, shall:

3 (1) Develop a judicial information system information technology  
4 portfolio consistent with the provisions of RCW 43.41A.110 (as  
5 recodified by this act);

6 (2) Participate in the development of an enterprise-based  
7 statewide information technology strategy;

8 (3) Ensure the judicial information system information technology  
9 portfolio is organized and structured to clearly indicate  
10 participation in and use of enterprise-wide information technology  
11 strategies;

12 (4) As part of the biennial budget process, submit the judicial  
13 information system information technology portfolio to the chair and  
14 ranking member of the ways and means committees of the house of  
15 representatives and the senate, the office of financial management,  
16 and the (~~office of the chief information officer~~) consolidated  
17 technology services agency.

18 **Sec. 404.** RCW 19.34.100 and 2015 c 225 s 21 are each amended to  
19 read as follows:

20 (1) To obtain or retain a license, a certification authority  
21 must:

22 (a) Provide proof of identity to the secretary;

23 (b) Employ only certified operative personnel in appropriate  
24 positions;

25 (c) File with the secretary an appropriate, suitable guaranty,  
26 unless the certification authority is a city or county that is self-  
27 insured or the (~~department of enterprise services~~) consolidated  
28 technology services agency;

29 (d) Use a trustworthy system;

30 (e) Maintain an office in this state or have established a  
31 registered agent for service of process in this state; and

32 (f) Comply with all further licensing and practice requirements  
33 established by rule by the secretary.

34 (2) The secretary may by rule create license classifications  
35 according to specified limitations, and the secretary may issue  
36 licenses restricted according to the limits of each classification.

37 (3) The secretary may impose license restrictions specific to the  
38 practices of an individual certification authority. The secretary  
39 shall set forth in writing and maintain as part of the certification

1 authority's license application file the basis for such license  
2 restrictions.

3 (4) The secretary may revoke or suspend a certification  
4 authority's license, in accordance with the administrative procedure  
5 act, chapter 34.05 RCW, for failure to comply with this chapter or  
6 for failure to remain qualified under subsection (1) of this section.  
7 The secretary may order the summary suspension of a license pending  
8 proceedings for revocation or other action, which must be promptly  
9 instituted and determined, if the secretary includes within a written  
10 order a finding that the certification authority has either:

11 (a) Utilized its license in the commission of a violation of a  
12 state or federal criminal statute or of chapter 19.86 RCW; or

13 (b) Engaged in conduct giving rise to a serious risk of loss to  
14 public or private parties if the license is not immediately  
15 suspended.

16 (5) The secretary may recognize by rule the licensing or  
17 authorization of certification authorities by other governmental  
18 entities, in whole or in part, provided that those licensing or  
19 authorization requirements are substantially similar to those of this  
20 state. If licensing by another government is so recognized:

21 (a) RCW 19.34.300 through 19.34.350 apply to certificates issued  
22 by the certification authorities licensed or authorized by that  
23 government in the same manner as it applies to licensed certification  
24 authorities of this state; and

25 (b) The liability limits of RCW 19.34.280 apply to the  
26 certification authorities licensed or authorized by that government  
27 in the same manner as they apply to licensed certification  
28 authorities of this state.

29 (6) A certification authority that has not obtained a license is  
30 not subject to the provisions of this chapter, except as specifically  
31 provided.

32 **Sec. 405.** RCW 36.28A.070 and 2015 c 225 s 32 are each amended to  
33 read as follows:

34 (1) The Washington association of sheriffs and police chiefs in  
35 consultation with the Washington state emergency management office,  
36 the Washington association of county officials, the Washington  
37 association of cities, the (~~office of the chief information~~  
38 ~~officer~~) director of the consolidated technology services agency,  
39 the Washington state fire chiefs' association, and the Washington

1 state patrol shall convene a committee to establish guidelines  
2 related to the statewide first responder building mapping information  
3 system. The committee shall have the following responsibilities:

4 (a) Develop the type of information to be included in the  
5 statewide first responder building mapping information system. The  
6 information shall include, but is not limited to: Floor plans, fire  
7 protection information, evacuation plans, utility information, known  
8 hazards, and text and digital images showing emergency personnel  
9 contact information;

10 (b) Develop building mapping software standards that must be  
11 utilized by all entities participating in the statewide first  
12 responder building mapping information system;

13 (c) Determine the order in which buildings shall be mapped when  
14 funding is received;

15 (d) Develop guidelines on how the information shall be made  
16 available. These guidelines shall include detailed procedures and  
17 security systems to ensure that the information is only made  
18 available to the government entity that either owns the building or  
19 is responding to an incident at the building;

20 (e) Recommend training guidelines regarding using the statewide  
21 first responder building mapping information system to the criminal  
22 justice training commission and the Washington state patrol fire  
23 protection bureau.

24 (2)(a) Nothing in this section supersedes the authority of the  
25 (~~office of the chief information officer~~) consolidated technology  
26 services agency or the technology services board under chapter  
27 (~~43.41A~~) 43.105 RCW.

28 (b) Nothing in this section supersedes the authority of state  
29 agencies and local governments to control and maintain access to  
30 information within their independent systems.

31 **Sec. 406.** RCW 42.17A.705 and 2012 c 229 s 582 are each amended  
32 to read as follows:

33 For the purposes of RCW 42.17A.700, "executive state officer"  
34 includes:

35 (1) The chief administrative law judge, the director of  
36 agriculture, the director of the department of services for the  
37 blind, (~~the chief information officer of the office of chief~~  
38 ~~information officer,~~) the director of the state system of community  
39 and technical colleges, the director of commerce, the director of the

1 consolidated technology services agency, the secretary of  
2 corrections, the director of early learning, the director of ecology,  
3 the commissioner of employment security, the chair of the energy  
4 facility site evaluation council, the director of enterprise  
5 services, the secretary of the state finance committee, the director  
6 of financial management, the director of fish and wildlife, the  
7 executive secretary of the forest practices appeals board, the  
8 director of the gambling commission, the secretary of health, the  
9 administrator of the Washington state health care authority, the  
10 executive secretary of the health care facilities authority, the  
11 executive secretary of the higher education facilities authority, the  
12 executive secretary of the horse racing commission, the human  
13 resources director, the executive secretary of the human rights  
14 commission, the executive secretary of the indeterminate sentence  
15 review board, the executive director of the state investment board,  
16 the director of labor and industries, the director of licensing, the  
17 director of the lottery commission, the director of the office of  
18 minority and women's business enterprises, the director of parks and  
19 recreation, the executive director of the public disclosure  
20 commission, the executive director of the Puget Sound partnership,  
21 the director of the recreation and conservation office, the director  
22 of retirement systems, the director of revenue, the secretary of  
23 social and health services, the chief of the Washington state patrol,  
24 the executive secretary of the board of tax appeals, the secretary of  
25 transportation, the secretary of the utilities and transportation  
26 commission, the director of veterans affairs, the president of each  
27 of the regional and state universities and the president of The  
28 Evergreen State College, and each district and each campus president  
29 of each state community college;

30 (2) Each professional staff member of the office of the governor;

31 (3) Each professional staff member of the legislature; and

32 (4) Central Washington University board of trustees, the boards  
33 of trustees of each community college and each technical college,  
34 each member of the state board for community and technical colleges,  
35 state convention and trade center board of directors, Eastern  
36 Washington University board of trustees, Washington economic  
37 development finance authority, Washington energy northwest executive  
38 board, The Evergreen State College board of trustees, executive  
39 ethics board, fish and wildlife commission, forest practices appeals  
40 board, forest practices board, gambling commission, Washington health

1 care facilities authority, student achievement council, higher  
2 education facilities authority, horse racing commission, state  
3 housing finance commission, human rights commission, indeterminate  
4 sentence review board, board of industrial insurance appeals, state  
5 investment board, commission on judicial conduct, legislative ethics  
6 board, life sciences discovery fund authority board of trustees,  
7 liquor control board, lottery commission, Pacific Northwest electric  
8 power and conservation planning council, parks and recreation  
9 commission, Washington personnel resources board, board of pilotage  
10 commissioners, pollution control hearings board, public disclosure  
11 commission, public employees' benefits board, recreation and  
12 conservation funding board, salmon recovery funding board, shorelines  
13 hearings board, board of tax appeals, transportation commission,  
14 University of Washington board of regents, utilities and  
15 transportation commission, Washington State University board of  
16 regents, and Western Washington University board of trustees.

17 **Sec. 407.** RCW 43.19.794 and 2011 1st sp.s. c 43 s 602 are each  
18 amended to read as follows:

19 The (~~department of enterprise~~) consolidated technology services  
20 agency may become a licensed certification authority, under chapter  
21 19.34 RCW, for the purpose of providing services to agencies, local  
22 governments, and other entities and persons for purposes of official  
23 state business. The department is not subject to RCW 19.34.100(1)(a).  
24 The department shall only issue certificates, as defined in RCW  
25 19.34.020, in which the subscriber is:

26 (1) The state of Washington or a department, office, or agency of  
27 the state;

28 (2) A city, county, district, or other municipal corporation, or  
29 a department, office, or agency of the city, county, district, or  
30 municipal corporation;

31 (3) An agent or employee of an entity described by subsection (1)  
32 or (2) of this section, for purposes of official public business;

33 (4) Any other person or entity engaged in matters of official  
34 public business, however, such certificates shall be limited only to  
35 matters of official public business. The department may issue  
36 certificates to such persons or entities only if after issuing a  
37 request for proposals from certification authorities licensed under  
38 chapter 19.34 RCW and review of the submitted proposals, makes a  
39 determination that such private services are not sufficient to meet

1 the department's published requirements. The department must set  
2 forth in writing the basis of any such determination and provide  
3 procedures for challenge of the determination as provided by the  
4 state procurement requirements; or

5 (5) An applicant for a license as a certification authority for  
6 the purpose of compliance with RCW 19.34.100(1)(a).

7 **Sec. 408.** RCW 43.70.054 and 1997 c 274 s 2 are each amended to  
8 read as follows:

9 (1) To promote the public interest consistent with chapter 267,  
10 Laws of 1995, the department of health, in cooperation with the  
11 (~~information services board established under RCW 43.105.032~~)  
12 director of the consolidated technology services agency established  
13 in RCW 43.105.047 (as recodified by this act), shall develop health  
14 care data standards to be used by, and developed in collaboration  
15 with, consumers, purchasers, health carriers, providers, and state  
16 government as consistent with the intent of chapter 492, Laws of 1993  
17 as amended by chapter 267, Laws of 1995, to promote the delivery of  
18 quality health services that improve health outcomes for state  
19 residents. The data standards shall include content, coding,  
20 confidentiality, and transmission standards for all health care data  
21 elements necessary to support the intent of this section, and to  
22 improve administrative efficiency and reduce cost. Purchasers, as  
23 allowed by federal law, health carriers, health facilities and  
24 providers as defined in chapter 48.43 RCW, and state government shall  
25 utilize the data standards. The information and data elements shall  
26 be reported as the department of health directs by rule in accordance  
27 with data standards developed under this section.

28 (2) The health care data collected, maintained, and studied by  
29 the department under this section or any other entity: (a) Shall  
30 include a method of associating all information on health care costs  
31 and services with discrete cases; (b) shall not contain any means of  
32 determining the personal identity of any enrollee, provider, or  
33 facility; (c) shall only be available for retrieval in original or  
34 processed form to public and private requesters; (d) shall be  
35 available within a reasonable period of time after the date of  
36 request; and (e) shall give strong consideration to data standards  
37 that achieve national uniformity.

38 (3) The cost of retrieving data for state officials and agencies  
39 shall be funded through state general appropriation. The cost of

1 retrieving data for individuals and organizations engaged in research  
2 or private use of data or studies shall be funded by a fee schedule  
3 developed by the department that reflects the direct cost of  
4 retrieving the data or study in the requested form.

5 (4) All persons subject to this section shall comply with  
6 departmental requirements established by rule in the acquisition of  
7 data, however, the department shall adopt no rule or effect no policy  
8 implementing the provisions of this section without an act of law.

9 (5) The department shall submit developed health care data  
10 standards to the appropriate committees of the legislature by  
11 December 31, 1995.

12 **Sec. 409.** RCW 43.88.090 and 2015 c 225 s 86 are each amended to  
13 read as follows:

14 (1) For purposes of developing budget proposals to the  
15 legislature, the governor shall have the power, and it shall be the  
16 governor's duty, to require from proper agency officials such  
17 detailed estimates and other information in such form and at such  
18 times as the governor shall direct. The governor shall communicate  
19 statewide priorities to agencies for use in developing biennial  
20 budget recommendations for their agency and shall seek public  
21 involvement and input on these priorities. The estimates for the  
22 legislature and the judiciary shall be transmitted to the governor  
23 and shall be included in the budget without revision. The estimates  
24 for state pension contributions shall be based on the rates provided  
25 in chapter 41.45 RCW. Copies of all such estimates shall be  
26 transmitted to the standing committees on ways and means of the house  
27 and senate at the same time as they are filed with the governor and  
28 the office of financial management.

29 The estimates shall include statements or tables which indicate,  
30 by agency, the state funds which are required for the receipt of  
31 federal matching revenues. The estimates shall be revised as  
32 necessary to reflect legislative enactments and adopted  
33 appropriations and shall be included with the initial biennial  
34 allotment submitted under RCW 43.88.110. The estimates must reflect  
35 that the agency considered any alternatives to reduce costs or  
36 improve service delivery identified in the findings of a performance  
37 audit of the agency by the joint legislative audit and review  
38 committee. Nothing in this subsection requires performance audit  
39 findings to be published as part of the budget.



1 (2) Each state agency shall define its mission and establish  
2 measurable goals for achieving desirable results for those who  
3 receive its services and the taxpayers who pay for those services.  
4 Each agency shall also develop clear strategies and timelines to  
5 achieve its goals. This section does not require an agency to develop  
6 a new mission or goals in place of identifiable missions or goals  
7 that meet the intent of this section. The mission and goals of each  
8 agency must conform to statutory direction and limitations.

9 (3) For the purpose of assessing activity performance, each state  
10 agency shall establish quality and productivity objectives for each  
11 major activity in its budget. The objectives must be consistent with  
12 the missions and goals developed under this section. The objectives  
13 must be expressed to the extent practicable in outcome-based,  
14 objective, and measurable form unless an exception to adopt a  
15 different standard is granted by the office of financial management  
16 and approved by the legislative committee on performance review.  
17 Objectives must specifically address the statutory purpose or intent  
18 of the program or activity and focus on data that measure whether the  
19 agency is achieving or making progress toward the purpose of the  
20 activity and toward statewide priorities. The office of financial  
21 management shall provide necessary professional and technical  
22 assistance to assist state agencies in the development of strategic  
23 plans that include the mission of the agency and its programs,  
24 measurable goals, strategies, and performance measurement systems.

25 (4) Each state agency shall adopt procedures for and perform  
26 continuous self-assessment of each activity, using the mission,  
27 goals, objectives, and measurements required under subsections (2)  
28 and (3) of this section. The assessment of the activity must also  
29 include an evaluation of major information technology systems or  
30 projects that may assist the agency in achieving or making progress  
31 toward the activity purpose and statewide priorities. The evaluation  
32 of proposed major information technology systems or projects shall be  
33 in accordance with the standards and policies established by the  
34 (~~office of the chief information officer~~) technology services  
35 board. Agencies' progress toward the mission, goals, objectives, and  
36 measurements required by subsections (2) and (3) of this section is  
37 subject to review as set forth in this subsection.

38 (a) The office of financial management shall regularly conduct  
39 reviews of selected activities to analyze whether the objectives and

1 measurements submitted by agencies demonstrate progress toward  
2 statewide results.

3 (b) The office of financial management shall consult with: (i)  
4 The four-year institutions of higher education in those reviews that  
5 involve four-year institutions of higher education; and (ii) the  
6 state board for community and technical colleges in those reviews  
7 that involve two-year institutions of higher education.

8 (c) The goal is for all major activities to receive at least one  
9 review each year.

10 (d) The (~~office of the chief information officer~~) consolidated  
11 technology services agency shall review major information technology  
12 systems in use by state agencies periodically.

13 (5) It is the policy of the legislature that each agency's budget  
14 recommendations must be directly linked to the agency's stated  
15 mission and program, quality, and productivity goals and objectives.  
16 Consistent with this policy, agency budget proposals must include  
17 integration of performance measures that allow objective  
18 determination of an activity's success in achieving its goals. When a  
19 review under subsection (4) of this section or other analysis  
20 determines that the agency's objectives demonstrate that the agency  
21 is making insufficient progress toward the goals of any particular  
22 program or is otherwise underachieving or inefficient, the agency's  
23 budget request shall contain proposals to remedy or improve the  
24 selected programs. The office of financial management shall develop a  
25 plan to merge the budget development process with agency performance  
26 assessment procedures. The plan must include a schedule to integrate  
27 agency strategic plans and performance measures into agency budget  
28 requests and the governor's budget proposal over three fiscal  
29 biennia. The plan must identify those agencies that will implement  
30 the revised budget process in the 1997-1999 biennium, the 1999-2001  
31 biennium, and the 2001-2003 biennium. In consultation with the  
32 legislative fiscal committees, the office of financial management  
33 shall recommend statutory and procedural modifications to the state's  
34 budget, accounting, and reporting systems to facilitate the  
35 performance assessment procedures and the merger of those procedures  
36 with the state budget process. The plan and recommended statutory and  
37 procedural modifications must be submitted to the legislative fiscal  
38 committees by September 30, 1996.

39 (6) In reviewing agency budget requests in order to prepare the  
40 governor's biennial budget request, the office of financial

1 management shall consider the extent to which the agency's activities  
2 demonstrate progress toward the statewide budgeting priorities, along  
3 with any specific review conducted under subsection (4) of this  
4 section.

5 (7) In the year of the gubernatorial election, the governor shall  
6 invite the governor-elect or the governor-elect's designee to attend  
7 all hearings provided in RCW 43.88.100; and the governor shall  
8 furnish the governor-elect or the governor-elect's designee with such  
9 information as will enable the governor-elect or the governor-elect's  
10 designee to gain an understanding of the state's budget requirements.  
11 The governor-elect or the governor-elect's designee may ask such  
12 questions during the hearings and require such information as the  
13 governor-elect or the governor-elect's designee deems necessary and  
14 may make recommendations in connection with any item of the budget  
15 which, with the governor-elect's reasons therefor, shall be presented  
16 to the legislature in writing with the budget document. Copies of all  
17 such estimates and other required information shall also be submitted  
18 to the standing committees on ways and means of the house and senate.

19 **Sec. 410.** RCW 43.88.092 and 2013 2nd sp.s. c 33 s 4 are each  
20 amended to read as follows:

21 (1) As part of the biennial budget process, the office of  
22 financial management shall collect from agencies, and agencies shall  
23 provide, information to produce reports, summaries, and budget detail  
24 sufficient to allow review, analysis, and documentation of all  
25 current and proposed expenditures for information technology by state  
26 agencies. Information technology budget detail must be included as  
27 part of the budget submittal documentation required pursuant to RCW  
28 43.88.030.

29 (2) The office of financial management must collect, and present  
30 as part of the biennial budget documentation, information for all  
31 existing information technology projects as defined by technology  
32 services board policy. The office of financial management must work  
33 with the office of the state chief information officer to maximize  
34 the ability to draw this information from the information technology  
35 portfolio management data collected by the consolidated technology  
36 services agency. Connecting project information collected through the  
37 portfolio management process with financial data developed under  
38 subsection (1) of this section provides transparency regarding  
39 expenditure data for existing technology projects.

1           (3) The (~~chief information officer~~) director of the  
2 consolidated technology services agency shall evaluate proposed  
3 information technology expenditures and establish priority ranking  
4 categories of the proposals. No more than one-third of the proposed  
5 expenditures shall be ranked in the highest priority category.

6           (4) The biennial budget documentation submitted by the office of  
7 financial management pursuant to RCW 43.88.030 must include an  
8 information technology plan and a technology budget for the state  
9 identifying current baseline funding for information technology,  
10 proposed and ongoing major information technology projects, and their  
11 associated costs. This plan and technology budget must be presented  
12 using a method similar to the capital budget, identifying project  
13 costs through stages of the project and across fiscal periods and  
14 biennia from project initiation to implementation. This information  
15 must be submitted electronically, in a format to be determined by the  
16 office of financial management and the legislative evaluation and  
17 accountability program committee.

18           (5) The office of financial management shall also institute a  
19 method of accounting for information technology-related expenditures,  
20 including creating common definitions for what constitutes an  
21 information technology investment.

22           (6) For the purposes of this section, "major information  
23 technology projects" includes projects that have a significant  
24 anticipated cost, complexity, or are of statewide significance, such  
25 as enterprise-level solutions, enterprise resource planning, and  
26 shared services initiatives.

27           **Sec. 411.** RCW 44.68.065 and 2015 c 225 s 96 are each amended to  
28 read as follows:

29           The legislative service center, under the direction of the joint  
30 legislative systems committee and the joint legislative systems  
31 administrative committee, shall:

32           (1) Develop a legislative information technology portfolio  
33 consistent with the provisions of RCW 43.41A.110 (as recodified by  
34 this act);

35           (2) Participate in the development of an enterprise-based  
36 statewide information technology strategy;

37           (3) Ensure the legislative information technology portfolio is  
38 organized and structured to clearly indicate participation in and use  
39 of enterprise-wide information technology strategies;

1 (4) As part of the biennial budget process, submit the  
2 legislative information technology portfolio to the chair and ranking  
3 member of the ways and means committees of the house of  
4 representatives and the senate, the office of financial management,  
5 and the (~~office of the chief information officer~~) consolidated  
6 technology services agency.

7 **Sec. 412.** RCW 70.58.005 and 2015 c 225 s 103 are each amended to  
8 read as follows:

9 The definitions in this section apply throughout this chapter  
10 unless the context clearly requires otherwise.

11 (1) "Business days" means Monday through Friday except official  
12 state holidays.

13 (2) "Department" means the department of health.

14 (3) "Electronic approval" or "electronically approve" means  
15 approving the content of an electronically filed vital record through  
16 the processes provided by the department. Electronic approval  
17 processes shall be consistent with policies, standards, and  
18 procedures developed by the (~~office of the chief information~~  
19 ~~officer~~) director of the consolidated technology services agency.

20 (4) "Embalmer" means a person licensed as required in chapter  
21 18.39 RCW and defined in RCW 18.39.010.

22 (5) "Funeral director" means a person licensed as required in  
23 chapter 18.39 RCW and defined in RCW 18.39.010.

24 (6) "Vital records" means records of birth, death, fetal death,  
25 marriage, dissolution, annulment, and legal separation, as maintained  
26 under the supervision of the state registrar of vital statistics.

27 **PART V**

28 **INFORMATION TECHNOLOGY ACCOUNTING REVISIONS**

29 NEW SECTION. **Sec. 501.** A new section is added to chapter 43.105  
30 RCW to read as follows:

31 (1) The consolidated technology services revolving account is  
32 created in the custody of the state treasurer. All receipts from  
33 agency fees and charges for services collected from public agencies  
34 must be deposited into the account. The account must be used for the:

35 (a) Acquisition of equipment, software, supplies, and services;  
36 and

1 (b) Payment of salaries, wages, and other costs incidental to the  
2 acquisition, development, maintenance, operation, and administration  
3 of: (i) Information services; (ii) telecommunications; (iii) systems;  
4 (iv) software; (v) supplies; and (vi) equipment, including the  
5 payment of principal and interest on debt by the agency and other  
6 users as determined by the office of financial management.

7 (2) The director or the director's designee, with the approval of  
8 the technology services board, is authorized to expend up to one  
9 million dollars per fiscal biennium for the technology services board  
10 to conduct independent technical and financial analysis of proposed  
11 information technology projects.

12 (3) Only the director or the director's designee may authorize  
13 expenditures from the account. The account is subject to allotment  
14 procedures under chapter 43.88 RCW, but no appropriation is required  
15 for expenditures except as provided in subsection (4) of this  
16 section.

17 (4) Expenditures for the strategic planning and policy component  
18 of the agency are subject to appropriation.

19 NEW SECTION. **Sec. 502.** A new section is added to chapter 43.41  
20 RCW to read as follows:

21 (1) The statewide information technology system development  
22 revolving account is created in the custody of the state treasurer.  
23 All receipts from legislative appropriations and assessments to  
24 agencies for the development and acquisition of enterprise  
25 information technology systems must be deposited into the account.  
26 Moneys in the account may be spent only after appropriation. The  
27 account must be used solely for the development and acquisition of  
28 enterprise information technology systems that are consistent with  
29 the enterprise-based strategy established by the consolidated  
30 technology services agency in RCW 43.105.047 (as recodified by this  
31 act). Expenditures from the account may not be used for maintenance  
32 and operations of enterprise information technology systems. The  
33 account may be used for the payment of salaries, wages, and other  
34 costs directly related to the development and acquisition of  
35 enterprise information technology systems.

36 (2) All payment of principal and interest on debt issued for  
37 enterprise information technology systems must be paid from the  
38 account.

1 (3) The office may contract for the development or acquisition of  
2 enterprise information technology systems.

3 (4) For the purposes of this section and section 503 of this act,  
4 "enterprise information technology system" means an information  
5 technology system that serves agencies with a certain business need  
6 or process that are required to use the system unless the agency has  
7 received a waiver from the state chief information officer.  
8 "Enterprise information technology system" also includes projects  
9 that are of statewide significance including enterprise-level  
10 solutions, enterprise resource planning, and shared services  
11 initiatives.

12 NEW SECTION. **Sec. 503.** A new section is added to chapter 43.41  
13 RCW to read as follows:

14 (1) The statewide information technology system maintenance and  
15 operations revolving account is created in the custody of the state  
16 treasurer. All receipts from fees, charges for services, and  
17 assessments to agencies for the maintenance and operations of  
18 enterprise information technology systems must be deposited into the  
19 account. The account must be used solely for the maintenance and  
20 operations of enterprise information technology systems.

21 (2) Only the director or the director's designee may authorize  
22 expenditures from the account. The account is subject to allotment  
23 procedures under chapter 43.88 RCW, but no appropriation is required  
24 for expenditure.

25 (3) The office may contract with the consolidated technology  
26 services agency for the billing of fees, charges for services, and  
27 assessments to agencies, and for the maintenance and operations of  
28 enterprise information technology systems.

29 (4) "Enterprise information technology system" has the definition  
30 in section 502 of this act.

31 NEW SECTION. **Sec. 504.** A new section is added to chapter 43.41  
32 RCW to read as follows:

33 (1) The shared information technology system revolving account is  
34 created in the custody of the state treasurer. All receipts from  
35 fees, charges for services, and assessments to agencies for shared  
36 information technology systems must be deposited into the account.

37 (2) Only the director or the director's designee may authorize  
38 expenditures from the account. The account is subject to allotment

1 procedures under chapter 43.88 RCW, but no appropriation is required  
2 for expenditure.

3 (3) The office may contract with the consolidated technology  
4 services agency for the billing of fees, charges for services, and  
5 assessments to agencies, and for the development, maintenance, and  
6 operations of shared information technology systems.

7 (4) For the purposes of this section, "shared information  
8 technology system" means an information technology system that is  
9 available to, but not required for use by, agencies.

10 NEW SECTION. **Sec. 505.** The office of financial management must  
11 convene a work group consisting of representatives of the legislative  
12 evaluation and accountability program committee, legislative staff of  
13 the fiscal committees of the house of representatives and senate,  
14 consolidated technology services agency, and the department of  
15 enterprise services. The purpose of the work group is to review and  
16 update the central services model that allocates state funds for  
17 budgeting the costs of central services. The work group must review  
18 the services and activities performed by each agency and develop a  
19 system of rates and charges to fund these services and activities. In  
20 addition, the work group must review each agency's chart of accounts  
21 and propose a structure to better align the budget reporting systems  
22 with each agency's current operational structure and to provide  
23 greater transparency in revenues and expenditures. These tasks should  
24 be completed in anticipation of the governor's 2017-2019 biennial  
25 budget submission.

26 NEW SECTION. **Sec. 506.** RCW 43.19.791 (Data processing revolving  
27 fund—Created—Use) and 2013 2nd sp.s. c 4 s 976 & 2011 2nd sp.s. c 9  
28 s 906 are each repealed, effective January 1, 2016.

29 NEW SECTION. **Sec. 507.** No later than December 31, 2015, any  
30 residual balance of funds remaining in the data processing revolving  
31 fund repealed by section 506 of this act shall be apportioned by the  
32 director of financial management to the appropriate accounts created  
33 in sections 501 through 504 of this act.

34  
35

**PART VI**  
**MISCELLANEOUS PROVISIONS**



1        NEW SECTION.    **Sec. 601.**    (1) All powers, duties, and functions of  
2 the office of the chief information officer within the office of  
3 financial management pertaining to the office of the chief  
4 information officer are transferred to the consolidated technology  
5 services agency.

6        (2)(a) All reports, documents, surveys, books, records, files,  
7 papers, or written material in the possession of the office of the  
8 chief information officer within the office of financial management  
9 pertaining to the powers, duties, and functions transferred shall be  
10 delivered to the custody of the consolidated technology services  
11 agency. All cabinets, furniture, office equipment, motor vehicles,  
12 and other tangible property employed by the office of the chief  
13 information officer within the office of financial management in  
14 carrying out the powers, duties, and functions transferred shall be  
15 made available to the consolidated technology services agency. All  
16 funds, credits, or other assets held in connection with the powers,  
17 duties, and functions transferred shall be assigned to the  
18 consolidated technology services agency.

19        (b) Any appropriations made to the office of the chief  
20 information officer within the office of financial management for  
21 carrying out the powers, duties, and functions transferred shall, on  
22 the effective date of this section, be transferred and credited to  
23 the consolidated technology services agency.

24        (c) Whenever any question arises as to the transfer of any  
25 personnel, funds, books, documents, records, papers, files,  
26 equipment, or other tangible property used or held in the exercise of  
27 the powers and the performance of the duties and functions  
28 transferred, the director of financial management shall make a  
29 determination as to the proper allocation and certify the same to the  
30 state agencies concerned.

31        (3) All rules and all pending business before the office of the  
32 chief information officer within the office of financial management  
33 pertaining to the powers, duties, and functions transferred shall be  
34 continued and acted upon by the consolidated technology services  
35 agency. All existing contracts and obligations shall remain in full  
36 force and shall be performed by the consolidated technology services  
37 agency.

38        (4) The transfer of the powers, duties, functions, and personnel  
39 of the office of the chief information officer within the office of

1 financial management shall not affect the validity of any act  
2 performed before the effective date of this section.

3 (5) If apportionments of budgeted funds are required because of  
4 the transfers directed by this section, the director of financial  
5 management shall certify the apportionments to the agencies affected,  
6 the state auditor, and the state treasurer. Each of these shall make  
7 the appropriate transfer and adjustments in funds and appropriation  
8 accounts and equipment records in accordance with the certification.

9 (6) All exempt employees of the office of the chief information  
10 officer within the office of financial management engaged in  
11 performing the powers, duties, and functions transferred are  
12 transferred to the jurisdiction of the consolidated technology  
13 services agency. All employees classified under chapter 41.06 RCW,  
14 the state civil service law, are assigned to the consolidated  
15 technology services agency to perform their usual duties upon the  
16 same terms as formerly, without any loss of rights, subject to any  
17 action that may be appropriate thereafter in accordance with the laws  
18 and rules governing state civil service.

19 NEW SECTION. **Sec. 602.** (1) All powers, duties, and functions of  
20 the department of enterprise services pertaining to statewide  
21 information technology services and applications are transferred to  
22 the consolidated technology services agency.

23 (2)(a) All reports, documents, surveys, books, records, files,  
24 papers, or written material in the possession of the department of  
25 enterprise services pertaining to the powers, duties, and functions  
26 transferred shall be delivered to the custody of the consolidated  
27 technology services agency. All cabinets, furniture, office  
28 equipment, motor vehicles, and other tangible property employed by  
29 the department of enterprise services in carrying out the powers,  
30 duties, and functions transferred shall be made available to the  
31 consolidated technology services agency. All funds, credits, or other  
32 assets held in connection with the powers, duties, and functions  
33 transferred shall be assigned to the consolidated technology services  
34 agency.

35 (b) Any appropriations made to the department of enterprise  
36 services for carrying out the powers, duties, and functions  
37 transferred shall, on the effective date of this section, be  
38 transferred and credited to the consolidated technology services  
39 agency.

1 (c) If any question arises as to the transfer of any personnel,  
2 funds, books, documents, records, papers, files, equipment, or other  
3 tangible property used or held in the exercise of the powers and the  
4 performance of the duties and functions transferred, the director of  
5 financial management shall make a determination as to the proper  
6 allocation and certify the same to the state agencies concerned.

7 (3) All rules and all pending business before the department of  
8 enterprise services pertaining to the powers, duties, and functions  
9 transferred shall be continued and acted upon by the consolidated  
10 technology services agency. All existing contracts and obligations  
11 shall remain in full force and shall be performed by the consolidated  
12 technology services agency.

13 (4) The transfer of the powers, duties, functions, and personnel  
14 of the department of enterprise services shall not affect the  
15 validity of any act performed before the effective date of this  
16 section.

17 (5) If apportionments of budgeted funds are required because of  
18 the transfers directed by this section, the director of financial  
19 management shall certify the apportionments to the agencies affected,  
20 the state auditor, and the state treasurer. Each of these shall make  
21 the appropriate transfer and adjustments in funds and appropriation  
22 accounts and equipment records in accordance with the certification.

23 (6) All employees of the department of enterprise services  
24 engaged in performing the powers, duties, and functions transferred  
25 are transferred to the jurisdiction of the consolidated technology  
26 services agency. All employees classified under chapter 41.06 RCW,  
27 the state civil service law, are assigned to the consolidated  
28 technology services agency to perform their usual duties upon the  
29 same terms as formerly, without any loss of rights, subject to any  
30 action that may be appropriate thereafter in accordance with the laws  
31 and rules governing state civil service.

32 (7) Positions in any bargaining unit within the consolidated  
33 technology services agency existing on the effective date of this  
34 section will not be removed from the existing bargaining unit as a  
35 result of this section unless and until modified by the public  
36 employment relations commission pursuant to a petition filed under  
37 Title 391 WAC. No positions will be added to any bargaining unit  
38 within the consolidated technology services agency as a result of  
39 this section unless and until the parties have fulfilled their  
40 bargaining obligation and the bargaining unit is modified by the

1 public employment relations commission pursuant to a petition filed  
2 under Title 391 WAC.

3 NEW SECTION. **Sec. 603.** Sections 401 through 405, 409, 411, and  
4 412 of this act are necessary for the immediate preservation of the  
5 public peace, health, or safety, or support of the state government  
6 and its existing public institutions, and take effect July 24, 2015.

7 NEW SECTION. **Sec. 604.** Sections 101 through 109, 201 through  
8 224, 406 through 408, 410, 501 through 507, 601, and 602 of this act  
9 are necessary for the immediate preservation of the public peace,  
10 health, or safety, or support of the state government and its  
11 existing public institutions, and take effect July 1, 2015.

--- END ---