
SECOND SUBSTITUTE SENATE BILL 5315

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, 43.105.178, 43.105.825, 41.07.020,
6 43.41A.025, 43.41A.010, 43.41A.027, 43.41A.030, 43.41A.035,
7 43.41A.040, 43.41A.045, 43.41A.050, 43.41A.055, 43.41A.060,
8 43.41A.065, 43.41A.070, 43.41A.075, 43.41A.080, 43.41A.130,
9 43.41A.140, 43.41A.150, 43.41A.152, 4.92.006, 4.92.100, 4.92.280,
10 41.04.720, 41.04.770, 41.06.395, 41.06.400, 41.06.510, 41.06.530,
11 41.80.005, 43.01.135, 43.06.013, 43.19.766, 43.19.778, 43.41.110,
12 43.41A.085, 43.41A.095, 43.41A.105, 48.64.010, 43.88.160, 2.36.054,
13 2.36.057, 2.36.0571, 2.68.060, 19.34.100, 36.28A.070, 41.06.094,
14 42.17A.705, 43.15.020, 43.19.794, 43.70.054, 43.88.090, 43.88.092,
15 44.68.065, 70.58.005, and 41.06.280; reenacting and amending RCW
16 48.62.021; adding new sections to chapter 43.105 RCW; adding new
17 sections to chapter 43.41 RCW; adding a new section to chapter 43.19
18 RCW; creating new sections; recodifying RCW 43.41A.003, 43.41A.010,
19 43.41A.025, 43.41A.027, 43.41A.030, 43.41A.035, 43.41A.040,
20 43.41A.045, 43.41A.050, 43.41A.055, 43.41A.060, 43.41A.065,
21 43.41A.070, 43.41A.075, 43.41A.080, 43.41A.110, 43.41A.115,
22 43.41A.130, 43.41A.135, 43.41A.140, 43.41A.150, 43.41A.152,
23 43.41A.900, 43.105.047, 43.41A.085, 43.41A.090, 43.41A.095,

1 43.41A.100, 43.41A.105, 43.19.760, 43.19.763, 43.19.766, 43.19.769,
2 43.19.772, 43.19.775, 43.19.778, 43.19.781, and 43.19.784;
3 decodifying RCW 43.41A.125; repealing RCW 43.41A.006, 43.41A.015,
4 43.41A.020, 43.41A.120, 43.105.041, 43.105.330, 43.105.340, and
5 43.19.791; providing effective 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 investment" or "investment"
22 means the purchase or acquisition of information technology goods,
23 equipment, products, or services, whether made individually or as
24 part of a defined project.

25 (10) "Information technology portfolio" or "portfolio" means a
26 strategic management process documenting relationships between agency
27 missions and information technology and telecommunications
28 investments.

29 ~~((8))~~ (11) "K-20 network" means the network established in RCW
30 43.41A.085 (as recodified by this act).

31 (12) "Local governments" includes all municipal and quasi-
32 municipal corporations and political subdivisions, and all agencies
33 of such corporations and subdivisions authorized to contract
34 separately.

35 ~~((9))~~ (13) "Office" means the office of the state chief
36 information officer within the consolidated technology services
37 agency.

38 (14) "Oversight" means a process of comprehensive risk analysis
39 and management designed to ensure optimum use of information
40 technology resources and telecommunications.

1 ~~((10))~~ (15) "Proprietary software" means that software offered
2 for sale or license.

3 ~~((11))~~ (16) "Public agency" means any agency of this state or
4 another state; any political subdivision or unit of local government
5 of this state or another state including, but not limited to,
6 municipal corporations, quasi-municipal corporations, special purpose
7 districts, and local service districts; any public benefit nonprofit
8 corporation; any agency of the United States; and any Indian tribe
9 recognized as such by the federal government.

10 (17) "Public benefit nonprofit corporation" means a public
11 benefit nonprofit corporation as defined in RCW 24.03.005 that is
12 receiving local, state, or federal funds either directly or through a
13 public agency other than an Indian tribe or political subdivision of
14 another state.

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

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

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

27 (21) "Utility-based infrastructure services" includes personal
28 computer and portable device support, servers and server
29 administration, security administration, network administration,
30 telephony, email, and other information technology services commonly
31 used by state agencies.

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

34 (1) There is created the consolidated technology services agency,
35 an agency of state government. The agency shall be headed by a
36 director, who is the state chief information officer. The director
37 shall be appointed by the governor with the consent of the senate.
38 The director shall serve at the governor's pleasure and shall receive
39 such salary as determined by the governor. If a vacancy occurs in the

1 position while the senate is not in session, the governor shall make
2 a temporary appointment until the next meeting of the senate at which
3 time he or she shall present to that body his or her nomination for
4 the position.

5 (2) The director shall:

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

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

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

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

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

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

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

25 (d) Performing other duties as are necessary and consistent with
26 law.

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

29 The agency shall:

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

1 ~~receiving local, state, or federal funds either directly or through a~~
2 ~~public agency other than an Indian tribe or political subdivision of~~
3 ~~another state));~~

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

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

16 ~~(4))~~ Develop a billing rate plan for a two-year period to
17 coincide with the budgeting process. The rate plan must be subject to
18 review at least annually by the office of financial management. The
19 rate plan must show the proposed rates by each cost center and show
20 the components of the rate structure as mutually determined by the
21 agency and the office of financial management. Proposed rates must be
22 set at a level not to exceed anticipated expenditures including an
23 adequate working capital reserve. The rate plan and any adjustments
24 to rates must be approved by the office of financial management;

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

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

31 (6) Enable the standardization and consolidation of information
32 technology infrastructure across all state agencies to support
33 enterprise-based system development and improve and maintain service
34 delivery; and

35 ~~((+5))~~ (7) Perform all other matters and things necessary to
36 carry out the purposes and provisions of this chapter.

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

1 The director shall set performance targets and approve plans for
2 achieving measurable and specific goals for the agency. By January
3 ~~((2012))~~ 2017, the appropriate organizational performance and
4 accountability measures and performance targets shall be submitted to
5 the governor. These measures and targets shall include measures of
6 performance demonstrating specific and measurable improvements
7 related to service delivery and costs, operational efficiencies, and
8 overall customer satisfaction. The agency shall develop a dashboard
9 of key performance measures that will be updated quarterly and made
10 available on the agency public web site.

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

14 **Sec. 106.** RCW 43.105.178 and 2010 c 282 s 12 are each amended to
15 read as follows:

16 ~~((1))~~ The ~~((department))~~ agency, in collaboration with state
17 agencies, shall conduct an inventory from existing data sets of
18 information technology assets owned or leased by state agencies. This
19 inventory must be used to inform the development of a state
20 information technology asset management process. Prior to
21 implementation of any state information technology asset management
22 process, the ~~((department))~~ agency must submit its recommended
23 approach, including an estimate of the associated implementation
24 costs, to the board for approval.

25 ~~((2) For the purposes of this section, "state agency" includes
26 every state office, department, division, bureau, board, commission,
27 or other state agency, including offices headed by a statewide
28 elected official, and offices in the legislative and judicial
29 branches of state government, notwithstanding the provisions of RCW
30 44.68.105.))~~

31 **Sec. 107.** RCW 43.105.825 and 2012 c 229 s 588 are each amended
32 to read as follows:

33 (1) In overseeing the technical aspects of the K-20 network, the
34 ~~((information services))~~ board is not intended to duplicate the
35 statutory responsibilities of the student achievement council, the
36 superintendent of public instruction, the ~~((information services))~~
37 board, the state librarian, or the governing boards of the
38 institutions of higher education.

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

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

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

11 **Sec. 108.** RCW 41.07.020 and 2011 1st sp.s. c 43 s 441 are each
12 amended to read as follows:

13 The (~~department of enterprise services~~) consolidated technology
14 services agency is authorized to administer, maintain, and operate
15 the central personnel-payroll system and to provide its services for
16 any state agency designated jointly by the (~~director of the~~
17 ~~department of enterprise services~~) consolidated technology services
18 agency and the director of financial management.

19 (~~The system shall be operated through state data processing~~
20 ~~centers.~~) State agencies shall convert personnel and payroll
21 processing to the central personnel-payroll system as soon as
22 administratively and technically feasible as determined by the office
23 of financial management and the (~~department of enterprise services~~)
24 consolidated technology services agency. It is the intent of the
25 legislature to provide, through the central personnel-payroll system,
26 for uniform reporting to the office of financial management and to
27 the legislature regarding salaries and related costs, and to reduce
28 present costs of manual procedures in personnel and payroll
29 recordkeeping and reporting.

30 **Sec. 109.** RCW 43.41A.025 and 2013 2nd sp.s. c 33 s 1 are each
31 amended to read as follows:

32 (1) The (~~chief information officer~~) director shall establish
33 standards and policies to govern information technology in the state
34 of Washington.

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

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

1 ~~(i) Acquisition ((and disposition)) of equipment, software, and~~
2 ~~((personal and purchased)) technology-related services((τ));~~
3 (ii) Disposition of equipment;
4 (iii) Licensing of the radio spectrum by or on behalf of state
5 agencies((τ)); and
6 (iv) Confidentiality of computerized data;
7 (b) To develop statewide ~~((øτ))~~ and interagency technical
8 policies, standards, and procedures;
9 (c) To review and approve standards and common specifications for
10 new or expanded telecommunications networks proposed by agencies,
11 public postsecondary education institutions, educational service
12 districts, or statewide or regional providers of K-12 information
13 technology services;
14 ~~(d) ((To develop a detailed business plan for any service or~~
15 ~~activity to be contracted under RCW 41.06.142(7)(b) by the~~
16 ~~consolidated technology services agency;~~
17 ~~(e) To))~~ With input from the legislature and the judiciary,
18 provide direction concerning strategic planning goals and objectives
19 for the state~~((. The office shall seek input from the legislature and~~
20 ~~the judiciary))~~;
21 ~~((+f))~~ (e) To establish policies for the periodic review by the
22 ~~((office))~~ director of state agency performance which may include but
23 are not limited to analysis of:
24 (i) Planning, management, control, and use of information
25 services;
26 (ii) Training and education; ~~((and))~~
27 (iii) Project management; and
28 (iv) Cybersecurity;
29 ~~((+g))~~ (f) To coordinate with state agencies with an annual
30 information technology expenditure that exceeds ten million dollars
31 to implement a technology business management program to identify
32 opportunities for savings and efficiencies in information technology
33 expenditures and to monitor ongoing financial performance of
34 technology investments; and
35 ~~((+h))~~ (g) In conjunction with the consolidated technology
36 services agency, to develop statewide standards for agency purchases
37 of technology networking equipment and services.
38 (3) Statewide technical standards to promote and facilitate
39 electronic information sharing and access are an essential component
40 of acceptable and reliable public access service and complement

1 content-related standards designed to meet those goals. The office
2 shall:

3 (a) Establish technical standards to facilitate electronic access
4 to government information and interoperability of information
5 systems, including wireless communications systems; and

6 (b) Require agencies to include an evaluation of electronic
7 public access needs when planning new information systems or major
8 upgrades of systems.

9 In developing these standards, the office is encouraged to
10 include the state library, state archives, and appropriate
11 representatives of state and local government.

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

14 **PART II**
15 **OFFICE OF THE STATE CHIEF INFORMATION OFFICER**

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

18 (1) The office of the state chief information officer is created
19 within the ~~((office of financial management))~~ consolidated technology
20 services agency.

21 ~~((Powers, duties, and functions assigned to the department of
22 information services as specified in this chapter shall be
23 transferred to the office of chief information officer as provided in
24 this chapter.~~

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

26 (a) To prepare and lead the implementation of a strategic
27 direction and enterprise architecture for information technology for
28 state government;

29 ~~((To enable the standardization and consolidation of
30 information technology infrastructure across all state agencies to
31 support enterprise based system development and improve and maintain
32 service delivery;~~

33 ~~(e))~~ To establish standards and policies for the consistent and
34 efficient operation of information technology services throughout
35 state government;

36 ~~((d))~~ (c) To establish statewide enterprise architecture that
37 will serve as the organizing standard for information technology for
38 state agencies;

1 ~~((e))~~ (d) To educate and inform state managers and policymakers
2 on technological developments, industry trends and best practices,
3 industry benchmarks that strengthen decision making and professional
4 development, and industry understanding for public managers and
5 decision makers; and

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

8 ~~((4))~~ (3) In the case of institutions of higher education, the
9 powers of the office and the provisions of this chapter apply to
10 business and administrative applications but do not apply to (a)
11 academic and research applications; and (b) medical, clinical, and
12 health care applications, including the business and administrative
13 applications for such operations. However, institutions of higher
14 education must disclose to the office any proposed academic
15 applications that are enterprise-wide in nature relative to the needs
16 and interests of other institutions of higher education. Institutions
17 of higher education shall provide to the ~~((chief information~~
18 ~~officer))~~ director sufficient data and information on proposed
19 expenditures on business and administrative applications to permit
20 the ~~((chief information officer))~~ director to evaluate the proposed
21 expenditures pursuant to RCW 43.88.092(3).

22 ~~((5))~~ (4) The legislature and the judiciary, which are
23 constitutionally recognized as separate branches of government, are
24 strongly encouraged to coordinate with the office and participate in
25 shared services initiatives and the development of enterprise-based
26 strategies, where appropriate. Legislative and judicial agencies of
27 the state shall submit to the ~~((chief information officer))~~ director
28 information on proposed information technology expenditures to allow
29 the ~~((chief information officer))~~ director to evaluate the proposed
30 expenditures on an advisory basis.

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

33 (1) The office shall establish security standards and policies to
34 ensure the confidentiality, availability, and integrity of the
35 information transacted, stored, or processed in the state's
36 information technology systems and infrastructure. The director shall
37 appoint a state chief information security officer. Each state
38 agency, institution of higher education, the legislature, and the

1 judiciary must develop an information technology security (~~plan~~
2 ~~and~~) program.

3 ((~~1~~)) (2) Each state agency information technology security
4 (~~plan and~~) program must adhere to the office's security standards
5 and policies. Each state agency must review and update its (~~plan~~
6 ~~and~~) program annually and certify to the office that its (~~plan~~
7 ~~and~~) program is in compliance with the office's security standards
8 and policies. The office (~~may~~) shall require (~~an~~) a state agency
9 to obtain an independent compliance audit of its information
10 technology security (~~plan and~~) program and controls at least once
11 every three years to determine whether the state agency's information
12 technology security program is in compliance with the standards and
13 policies established by the agency and that security controls
14 identified by the state agency in its security program are operating
15 efficiently.

16 ((~~2~~)) (3) In the case of institutions of higher education, the
17 judiciary, and the legislature, each information technology security
18 (~~plan and~~) program must be comparable to the intended outcomes of
19 the office's security standards and policies. (~~Each institution, the~~
20 ~~legislature, and the judiciary shall submit their information~~
21 ~~technology security plan and program to the office annually for~~
22 ~~review and comment.))~~

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

25 (1) The office shall prepare a state strategic information
26 technology plan which shall establish a statewide mission, goals, and
27 objectives for the use of information technology, including goals for
28 electronic access to government records, information, and services.
29 The plan shall be developed in accordance with the standards and
30 policies established by the office. The office shall seek the advice
31 of the board in the development of this plan.

32 The plan shall be updated as necessary and submitted to the
33 governor and the legislature.

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

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

4 (b) An evaluation of performance relating to information
5 technology;

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

10 (d) An analysis of the success or failure, feasibility, progress,
11 costs, and timeliness of implementation of ~~((major))~~ information
12 technology ~~((projects))~~ investments under RCW 43.41A.055 (as
13 recodified by this act). At a minimum, the portion of the report
14 regarding ~~((major))~~ information technology ~~((projects))~~ investments
15 must include:

16 (i) The total cost data for the entire life-cycle of the
17 ~~((project))~~ investment, including capital and operational costs,
18 broken down by staffing costs, contracted service, hardware purchase
19 or lease, software purchase or lease, travel, and training. The
20 original budget must also be shown for comparison;

21 (ii) The original proposed ~~((project))~~ investment schedule and
22 the final actual ~~((project))~~ investment schedule;

23 (iii) Data regarding progress towards meeting the original goals
24 and performance measures of the ~~((project))~~ investment;

25 (iv) Discussion of lessons learned on the ~~((project))~~ investment,
26 performance of any contractors used, and reasons for project delays
27 or cost increases; and

28 (v) Identification of benefits generated by ~~((major))~~ information
29 technology ~~((projects))~~ investments developed under RCW 43.41A.055
30 (as recodified by this act).

31 Copies of the report shall be distributed biennially to the
32 governor and the legislature. The ~~((major))~~ information technology
33 investment section of the report must examine ~~((major-information~~
34 ~~technology-projects))~~ investments completed in the previous biennium.

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

37 Management of information technology across state government
38 requires managing resources and business processes across multiple
39 agencies. It is no longer sufficient to pursue efficiencies within

1 agency or individual business process boundaries. The state must
2 manage the business process changes and information technology in
3 support of business processes as a statewide portfolio. The (~~chief~~
4 ~~information officer~~) director will use agency information technology
5 portfolio planning as input to develop a statewide portfolio to guide
6 resource allocation and prioritization decisions.

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

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

- 12 (1) System refurbishment, acquisitions, and development efforts;
- 13 (2) Setting goals and objectives for using information
14 technology;
- 15 (3) Assessments of information processing performance, resources,
16 and capabilities;
- 17 (4) Ensuring the appropriate transfer of technological expertise
18 for the operation of new systems developed using external resources;
- 19 (5) Guiding new investment demand, prioritization, selection,
20 performance, and asset value of technology and telecommunications;
21 and
- 22 (6) Progress toward providing electronic access to public
23 information.

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

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

31 (~~Agency portfolios shall include, but not be limited to, the~~
32 ~~following:~~

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

36 (~~b) A statement of the agency's mission, goals, and objectives~~
37 ~~for information technology, including goals and objectives for~~

1 ~~achieving electronic access to agency records, information, and~~
2 ~~services;~~

3 ~~(c) An explanation of how the agency's mission, goals, and~~
4 ~~objectives for information technology support and conform to the~~
5 ~~state strategic information technology plan developed under RCW~~
6 ~~43.41A.030;~~

7 ~~(d) An implementation strategy to provide electronic access to~~
8 ~~public records and information. This implementation strategy must be~~
9 ~~assembled to include:~~

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

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

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

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

17 ~~(e) Projects and resources required to meet the objectives of the~~
18 ~~portfolio; and~~

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

21 ~~(3) Portfolios developed under subsection (1) of this section~~
22 ~~shall be submitted to the office for review and approval. The chief~~
23 ~~information officer may reject, require modification to, or approve~~
24 ~~portfolios as deemed appropriate. Portfolios submitted under this~~
25 ~~subsection shall be updated and submitted for review and approval as~~
26 ~~necessary.~~

27 ~~(4) Each agency shall prepare and submit to the office a biennial~~
28 ~~performance report that evaluates progress toward the objectives~~
29 ~~articulated in its information technology portfolio and the strategic~~
30 ~~priorities of the state. The superintendent of public instruction~~
31 ~~shall develop its portfolio in conjunction with educational service~~
32 ~~districts and statewide or regional providers of K-12 education~~
33 ~~information technology services. The report shall include:~~

34 ~~(a) An evaluation of the agency's performance relating to~~
35 ~~information technology;~~

36 ~~(b) An assessment of progress made toward implementing the agency~~
37 ~~information technology portfolio;~~

38 ~~(c) Progress toward electronic access to public information and~~
39 ~~enabling citizens to have two-way interaction for obtaining~~
40 ~~information and services from agencies; and~~

1 ~~(d) An inventory of agency information services, equipment, and~~
2 ~~proprietary software.~~

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

5 ~~(6) Agency activities to increase electronic access to public~~
6 ~~records and information, as required by this section, must be~~
7 ~~implemented within available resources and existing agency planning~~
8 ~~processes.~~

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

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

13 (1) Pursuant to RCW 43.88.092(3), at the request of the director
14 of financial management, the office shall evaluate both state agency
15 information technology current and proposed spending and technology
16 budget requests, including those proposed by the superintendent of
17 public instruction, in conjunction with educational service
18 districts, or statewide or regional providers of K-12 education
19 information technology services. The office shall submit
20 recommendations for funding all or part of such requests to the
21 director of financial management. The office shall also submit
22 recommendations regarding consolidation and coordination of similar
23 proposals or other efficiencies it finds in reviewing current
24 spending activities, spending proposals, and technology budget
25 requests.

26 (2) The office shall establish criteria, consistent with
27 portfolio-based information technology management, for the evaluation
28 of agency budget requests under this section. Technology budget
29 requests shall be evaluated in the context of the state's information
30 technology portfolio and enterprise architecture; technology
31 initiatives underlying budget requests are subject to review by the
32 office. Criteria shall include, but not be limited to: Feasibility of
33 the proposed ((projects)) investments, consistency with the state
34 strategic information technology plan and the state enterprise
35 architecture, consistency with information technology portfolios,
36 appropriate provision for public electronic access to information,
37 evidence of business process streamlining and gathering of business
38 and technical requirements, services, duration of investment, costs,
39 and benefits. Preference shall be given to proven technologic

1 solutions, such as commercial off-the-shelf or software-as-a-service
2 technology solutions, that reduce the state's risk that an investment
3 will fail to be implemented within expectations for time, budget, and
4 quality.

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

7 (1) The office shall establish standards and policies governing
8 the planning, approval, implementation, ((and)) management,
9 evaluation, suspension, and termination of ~~((major))~~ information
10 technology ~~((projects))~~ investments, including those proposed by the
11 superintendent of public instruction, in conjunction with educational
12 service districts, or statewide or regional providers of K-12
13 education information technology services. The standards and policies
14 shall:

15 (a) Except as provided in subsection (2) of this section,
16 establish criteria to identify ((projects—which)) information
17 technology investments that are subject to this section. Such
18 criteria shall include, but not be limited to, significant
19 anticipated cost, complexity, or statewide significance of the
20 ~~((project))~~ information technology investments, including alignment
21 with enterprise architecture; and

22 (b)(i) Establish a policy, model ((process)) processes, and
23 procedures which state agencies shall follow in developing, managing,
24 and implementing ~~((projects))~~ information technology investments
25 within their information technology portfolios. ~~((This process may~~
26 ~~include project oversight experts or panels, as appropriate.))~~

27 (ii) The policy must outline minimum expectations for information
28 technology investment management, staffing, and sponsorship and must
29 include the use of project oversight experts or panels, such as
30 project quality assurance, independent verification and validation,
31 and architecture reviews, as appropriate.

32 (iii) In the discretion of the director, the director may require
33 project oversight experts or panels to report independently to the
34 director. The director may also require a state agency to add
35 resources to an information technology investment to ensure that
36 management, staffing, and oversight is adequate to the size,
37 complexity, risk, timeline, or cost required to implement the
38 investment.

1 (iv) State agencies may propose, for approval by the office, a
2 process and procedures unique to the agency. The office may accept or
3 require modification of such agency proposals or the office may
4 reject (~~(such agency)~~) those proposals and require use of the model
5 process and procedures established under this subsection. Any process
6 and procedures developed under this subsection shall require (~~(+i)~~)
7 (A) distinct and identifiable phases upon which funding may be based,
8 (~~(+ii)~~) (B) user validation of products through system
9 demonstrations and testing of prototypes and deliverables, and
10 (~~(+iii)~~) (C) other elements identified by the office.

11 (2) For any information technology investment that exceeds five
12 million dollars in total funds to complete, requires more than one
13 biennium to complete, or is financed through financial contracts,
14 bonds, or other indebtedness, the office must:

15 (a) Require quality assurance for the investment to report
16 independently to the office;

17 (b) Review and, if necessary, revise the proposed investment to
18 ensure it is flexible and adaptable to advances in technology;

19 (c) Ensure that the technology budget is complete and includes an
20 implementation schedule covering activities, critical milestones, and
21 deliverables at each stage of the investment for the life of the
22 project at each agency affected by the investment;

23 (d) Ensure that the technology budget specifically identifies the
24 uses of any financing proceeds. No more than thirty percent of the
25 financing proceeds may be used for payroll-related costs for state
26 employees assigned to project management, installation, testing, or
27 training;

28 (e) Ensure that performance measures are established and used to
29 determine that the investment is on time, within budget, and meeting
30 expectations for quality of work product;

31 (f) Ensure that the agency consults with the office of the state
32 treasurer during the competitive procurement process to evaluate
33 early in the process whether investments to be solicited and the
34 responsive bids from a solicitation may be financed; and

35 (g) Ensure that the agency consults with the contracting division
36 of the department of enterprise services for a review of all
37 contracts and agreements related to the investment's information
38 technology procurements.

39 (3) The (~~(chief information officer)~~) director may suspend or
40 terminate (~~(a major project, and direct that the project funds be~~

1 ~~placed into unallotted reserve status, if the chief information~~
2 ~~officer determines that the project))~~ any information technology
3 investment if the director determines that the investment is not
4 meeting or is not expected to meet anticipated performance standards.
5 Once suspension or termination occurs, state agencies may not make
6 additional expenditures for the information technology investment
7 unless approved by the director. Funds appropriated or allocated for
8 the investment must be placed into unallotted reserve status by the
9 state agency, and if necessary, by the office of financial
10 management. Oversight and management of any remaining activities
11 related to the investment must be transferred to the director. The
12 office of financial management and the director must develop a policy
13 to implement this section, including a process in which funds may be
14 removed from unallotted reserve status for expenditures related to the
15 termination or suspension of the investment.

16 ((+2)) (4) The office of financial management shall establish
17 policies and standards consistent with portfolio-based information
18 technology management to govern the funding of ((projects))
19 information technology investments developed under this section. The
20 policies and standards shall provide for:

21 (a) Funding of ((a project)) information technology investments
22 under terms and conditions mutually agreed to by the ((chief
23 ~~information officer~~)) director, the director of financial management,
24 and the head of the state agency proposing the ((project))
25 investment. However, the office of financial management may require
26 incremental funding of ((a project)) an information technology
27 investment on a phase-by-phase basis whereby funds for a given phase
28 of ((a project)) an investment may be released only when the office
29 of financial management determines, with the advice of the ((office))
30 director, that the previous phase is satisfactorily completed; and

31 (b) Other elements deemed necessary by the office of financial
32 management.

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

35 (1) Prior to making a commitment to purchase, acquire, upgrade,
36 or develop ((a major)) an information technology ((project or
37 service)) investment, state agencies must provide a proposal to the
38 office outlining the business case of the proposed ((product or

1 ~~service)) investment~~, including the (~~up-front~~) initial and ongoing
2 cost of the proposal.

3 (2) Within (~~sixty~~) thirty days of receipt of a proposal, the
4 office shall approve the proposal, reject it, or propose
5 modifications.

6 (3) In reviewing a proposal, the office must determine whether
7 the (~~product or service~~) investment is consistent with:

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

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

11 (4) If a substantially similar (~~product or service~~) investment
12 is offered by the (~~consolidated technology services~~) agency
13 (~~established in RCW 43.105.047~~), the (~~office~~) director may
14 require the state agency to procure the (~~product or service~~)
15 investment through the (~~consolidated technology services~~) agency,
16 if doing so would benefit the state as an enterprise.

17 (5) The office (~~shall provide guidance to agencies as to what~~
18 ~~threshold of information technology spending constitutes a major~~
19 ~~information technology product or service under this section~~) may
20 delegate to state agencies authorization to purchase or acquire
21 information technology investments without the review or approval
22 required in subsections (1) through (3) of this section or RCW
23 43.41A.075(3) (as recodified by this act). The authorization must
24 specify restrictions as to dollar amount or to specific types of
25 investments, based on an assessment process developed by the office.
26 Acceptance of the authorization by a state agency does not relieve
27 the state agency from conformance with this chapter or from policies
28 established by the director. Also, the director may not delegate to a
29 state agency the authorization to purchase or acquire information
30 technology investments if the state agency is not in substantial
31 compliance with overall policies as established by the office.

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

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

38 (2)(a) The office shall develop an ongoing enterprise
39 architecture program for translating business vision and strategy

1 into effective enterprise change. This program will create,
2 communicate, and improve the key principles and models that describe
3 the enterprise's future state and enable its evolution, in keeping
4 with the priorities of government and the information technology
5 strategic plan.

6 (b) The enterprise architecture program will facilitate business
7 process collaboration among agencies statewide; improving the
8 reliability, interoperability, and sustainability of the business
9 processes that state agencies use.

10 In developing an enterprise-based strategy for the state, the
11 office (~~(is encouraged to)~~) must consider the following strategies as
12 possible opportunities for achieving greater efficiency:

13 (i) Developing evaluation criteria for deciding which common
14 enterprise-wide business processes should become managed as
15 enterprise services;

16 (ii) Developing a roadmap of priorities for creating enterprise
17 services;

18 (iii) Developing decision criteria for determining implementation
19 criteria for centralized or decentralized enterprise services;

20 (iv) Developing evaluation criteria for deciding which technology
21 investments to continue, expand, hold, or drop; and

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

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

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

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

33 (~~(1)~~) (2) The board shall be composed of thirteen members. Six
34 members shall be appointed by the governor, three of whom shall be
35 representatives of state agencies or institutions, and three of whom
36 shall be representatives of the private sector. Of the state agency
37 representatives, at least one of the representatives must have direct
38 experience using the software projects overseen by the board or
39 reasonably expect to use the new software developed under the

1 oversight of the board. Two members shall represent the house of
2 representatives and shall be selected by the speaker of the house of
3 representatives with one representative chosen from each major caucus
4 of the house of representatives; two members shall represent the
5 senate and shall be appointed by the president of the senate with one
6 representative chosen from each major caucus of the senate. One
7 member shall be the (~~chief information officer~~) director who shall
8 be a voting member of the board and serve as chair. Two nonvoting
9 members with information technology expertise must be appointed by
10 the governor as follows:

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

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

17 The governor may reject all recommendations and request new
18 recommendations.

19 ~~((+2))~~ (3) Of the initial members, three must be appointed for a
20 one-year term, three must be appointed for a two-year term, and four
21 must be appointed for a three-year term. Thereafter, members must be
22 appointed for three-year terms.

23 ~~((+3))~~ (4) Vacancies shall be filled in the same manner that the
24 original appointments were made for the remainder of the member's
25 term.

26 ~~((+4))~~ (5) Members of the board shall be reimbursed for travel
27 expenses as provided in RCW 43.03.050 and 43.03.060.

28 ~~((+5))~~ (6) The office shall provide staff support to the board.

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

31 The board shall have the following powers and duties related to
32 information services:

33 (1) To review and approve standards and (~~procedures~~) policies,
34 developed by the office (~~of the chief information officer~~),
35 governing the acquisition and disposition of (~~equipment, proprietary~~
36 ~~software, and purchased services, licensing of the radio spectrum by~~
37 ~~or on behalf of state agencies,~~) information technology and
38 confidentiality of computerized data;

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

4 (3) To review, approve, and provide oversight of (~~(major)~~)
5 information technology (~~(projects)~~) investments to ensure that no
6 (~~(major)~~) information technology (~~(project)~~) investment proposed by a
7 state agency is approved or authorized funding by the board without
8 consideration of the technical and financial business case for the
9 (~~(project)~~) investment, including a review of:

10 (a) The total cost of ownership across the life of the
11 (~~(project)~~) investment;

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

14 (c) Whether the (~~(project)~~) investment is technically and
15 financially justifiable when compared against the state's enterprise-
16 based strategy, long-term technology trends, and existing or
17 potential partnerships with private providers or vendors;

18 (4) To review and approve standards and common specifications for
19 new or expanded telecommunications networks proposed by state
20 agencies, public postsecondary education institutions, educational
21 service districts, or statewide or regional providers of K-12
22 information technology services, and to assure the cost-effective
23 development and incremental implementation of a statewide video
24 telecommunications system to serve: Public schools; educational
25 service districts; vocational-technical institutes; community
26 colleges; colleges and universities; state and local government; and
27 the general public through public affairs programming;

28 (5) To develop a policy to determine whether a proposed
29 (~~(project, product, or service)~~) investment should undergo an
30 independent technical and financial analysis prior to submitting a
31 request to the office of financial management for the inclusion in
32 any proposed operating, capital, or transportation budget;

33 (6) To approve contracting for services and activities under RCW
34 41.06.142(7) for the (~~(consolidated technology service)~~) agency. To
35 approve any service or activity to be contracted under RCW
36 41.06.142(7)(b), the board must also review the proposed business
37 plan and recommendation submitted by the office;

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

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

4 (9) To provide a forum where ideas and issues related to
5 information technology plans, policies, and standards can be
6 reviewed.

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

9 (1) The (~~chief information officer~~) director shall appoint a
10 state interoperability executive committee, the membership of which
11 must include, but not be limited to, representatives of the military
12 department, the Washington state patrol, the department of
13 transportation, the office of the state chief information officer,
14 the department of natural resources, city and county governments,
15 state and local fire chiefs, police chiefs, and sheriffs, and state
16 and local emergency management directors. The chair and legislative
17 members of the board will serve as nonvoting ex officio members of
18 the committee. Voting membership may not exceed fifteen members.

19 (2) The (~~chief information officer~~) director shall appoint the
20 chair of the committee from among the voting members of the
21 committee.

22 (3) The state interoperability executive committee has the
23 following responsibilities:

24 (a) Develop policies and make recommendations to the office for
25 technical standards for state wireless radio communications systems,
26 including emergency communications systems. The standards must
27 address, among other things, the interoperability of systems, taking
28 into account both existing and future systems and technologies;

29 (b) Coordinate and manage on behalf of the office the licensing
30 and use of state-designated and state-licensed radio frequencies,
31 including the spectrum used for public safety and emergency
32 communications, and serve as the point of contact with the federal
33 communications commission and the first responders network authority
34 on matters relating to allocation, use, and licensing of radio
35 spectrum;

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

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

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

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

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

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

9 (f) Foster cooperation and coordination among public safety and
10 emergency response organizations;

11 (g) Work with wireless communications groups and associations to
12 ensure interoperability among all public safety and emergency
13 response wireless communications systems; and

14 (h) Perform such other duties as may be assigned by the
15 ((office)) director to promote interoperability of wireless
16 communications systems.

17 (4) The office shall provide administrative support to the
18 committee.

19 **Sec. 214.** RCW 43.41A.130 and 1996 c 171 s 12 are each amended to
20 read as follows:

21 Funding to meet the costs of providing access, including the
22 building of the necessary information systems, the digitizing of
23 information, developing the ability to mask nondisclosable
24 information, and maintenance and upgrade of information access
25 systems should come primarily from state and local appropriations,
26 federal dollars, grants, private funds, cooperative ventures among
27 governments, nonexclusive licensing, and public/private partnerships.
28 ~~((Agencies should not offer customized electronic access services as
29 the primary way of responding to requests or as a primary source of
30 revenue. Fees for staff time to respond to requests, and other direct
31 costs may be included in costs of providing customized access.))~~

32 State agencies and local governments are encouraged to pool
33 resources and to form cooperative ventures to provide electronic
34 access to government records and information. State agencies are
35 encouraged to seek federal and private grants for projects that
36 provide increased efficiency and improve government delivery of
37 information and services.

1 **Sec. 215.** RCW 43.41A.140 and 2011 c 60 s 39 are each amended to
2 read as follows:

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

24 **Sec. 216.** RCW 43.41A.150 and 2011 1st sp.s. c 43 s 735 are each
25 amended to read as follows:

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

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

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

38 (4) The legislature and the judiciary, which are constitutionally
39 recognized as separate branches of government, may enter into an

1 interagency agreement with the office to migrate its servers into the
2 state data center.

3 (5) This section does not apply to institutions of higher
4 education.

5 **Sec. 217.** RCW 43.41A.152 and 2011 1st sp.s. c 43 s 736 are each
6 amended to read as follows:

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

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

16 (3) (~~For the purposes of this section, "utility-based~~
17 ~~infrastructure services" includes personal computer and portable~~
18 ~~device support, servers and server administration, security~~
19 ~~administration, network administration, telephony, e-mail, and other~~
20 ~~information technology services commonly utilized by state agencies.~~

21 (4)) This section does not apply to institutions of higher
22 education.

23 NEW SECTION. **Sec. 218.** RCW 43.41A.003, 43.41A.010, 43.41A.025,
24 43.41A.027, 43.41A.030, 43.41A.035, 43.41A.040, 43.41A.045,
25 43.41A.050, 43.41A.055, 43.41A.060, 43.41A.065, 43.41A.070,
26 43.41A.075, 43.41A.080, 43.41A.110, 43.41A.115, 43.41A.130,
27 43.41A.135, 43.41A.140, 43.41A.150, 43.41A.152, 43.41A.900, and
28 43.105.047 are each recodified as sections in chapter 43.105 RCW.

29 NEW SECTION. **Sec. 219.** RCW 43.41A.085, 43.41A.090, 43.41A.095,
30 43.41A.100, and 43.41A.105 are each recodified as sections in chapter
31 43.41.

32 NEW SECTION. **Sec. 220.** RCW 43.41A.125 is decodified.

33 NEW SECTION. **Sec. 221.** The following acts or parts of acts are
34 each repealed:

35 (1) RCW 43.41A.006 (Definitions) and 2011 1st sp.s. c 43 s 705;

1 (2) RCW 43.41A.015 (Chief information officer—Executive head and
2 appointing authority) and 2011 1st sp.s. c 43 s 703;

3 (3) RCW 43.41A.020 (Chief information officer—Duties) and 2011
4 1st sp.s. c 43 s 704;

5 (4) RCW 43.41A.120 (Electronic access to public records—
6 Definitions) and 2011 c 60 s 38 & 1996 c 171 s 2;

7 (5) RCW 43.105.041 (Powers and duties of board) and 2011 c 358 s
8 6, 2010 1st sp.s. c 7 s 65, 2009 c 486 s 13, 2003 c 18 s 3, & 1999 c
9 285 s 5;

10 (6) RCW 43.105.330 (State interoperability executive committee)
11 and 2011 c 367 s 711, 2006 c 76 s 2, & 2003 c 18 s 4; and

12 (7) RCW 43.105.340 (Consumer protection web site) and 2011 1st
13 sp.s. c 21 s 12 & 2008 c 151 s 2.

14 **PART III**

15 **OFFICE OF FINANCIAL MANAGEMENT**

16 **Sec. 301.** RCW 4.92.006 and 2011 1st sp.s. c 43 s 511 are each
17 amended to read as follows:

18 As used in this chapter:

19 (1) (~~"Department" means the department of enterprise services.~~
20 ~~(2)~~) "Director" means the director of (~~(enterprise services)~~)
21 financial management.

22 (~~(3)~~) (2) "Office of risk management" means the office within
23 the (~~(department of enterprise services)~~) office of financial
24 management that carries out the powers and duties under this chapter
25 relating to claim filing, claims administration, and claims payment.

26 (~~(4)~~) (3) "Risk manager" means the person supervising the
27 office of risk management.

28 **Sec. 302.** RCW 4.92.100 and 2013 c 188 s 1 are each amended to
29 read as follows:

30 (1) All claims against the state, or against the state's
31 officers, employees, or volunteers, acting in such capacity, for
32 damages arising out of tortious conduct, must be presented to the
33 office of risk management. A claim is deemed presented when the claim
34 form is delivered in person or by regular mail, registered mail, or
35 certified mail, with return receipt requested, or as an attachment to
36 electronic mail or by fax, to the office of risk management. For

1 claims for damages presented after July 26, 2009, all claims for
2 damages must be presented on the standard tort claim form that is
3 maintained by the office of risk management. The standard tort claim
4 form must be posted on the (~~department of enterprise services~~)
5 office of financial management's web site.

6 (a) The standard tort claim form must, at a minimum, require the
7 following information:

8 (i) The claimant's name, date of birth, and contact information;

9 (ii) A description of the conduct and the circumstances that
10 brought about the injury or damage;

11 (iii) A description of the injury or damage;

12 (iv) A statement of the time and place that the injury or damage
13 occurred;

14 (v) A listing of the names of all persons involved and contact
15 information, if known;

16 (vi) A statement of the amount of damages claimed; and

17 (vii) A statement of the actual residence of the claimant at the
18 time of presenting the claim and at the time the claim arose.

19 (b)(i) The standard tort claim form must be signed either:

20 (A) By the claimant, verifying the claim;

21 (B) Pursuant to a written power of attorney, by the attorney in
22 fact for the claimant;

23 (C) By an attorney admitted to practice in Washington state on
24 the claimant's behalf; or

25 (D) By a court-approved guardian or guardian ad litem on behalf
26 of the claimant.

27 (ii) For the purpose of this subsection (1)(b), when the claim
28 form is presented electronically it must bear an electronic signature
29 in lieu of a written original signature. An electronic signature
30 means a facsimile of an original signature that is affixed to the
31 claim form and executed or adopted by the person with the intent to
32 sign the document.

33 (iii) When an electronic signature is used and the claim is
34 submitted as an attachment to electronic mail, the conveyance of that
35 claim must include the date, time the claim was presented, and the
36 internet provider's address from which it was sent. The attached
37 claim form must be a format approved by the office of risk
38 management.

39 (iv) When an electronic signature is used and the claim is
40 submitted via a facsimile machine, the conveyance must include the

1 date, time the claim was submitted, and the fax number from which it
2 was sent.

3 (v) In the event of a question on an electronic signature, the
4 claimant shall have an opportunity to cure and the cured notice shall
5 relate back to the date of the original filing.

6 (c) The amount of damages stated on the claim form is not
7 admissible at trial.

8 (2) The state shall make available the standard tort claim form
9 described in this section with instructions on how the form is to be
10 presented and the name, address, and business hours of the office of
11 risk management. The standard tort claim form must not list the
12 claimant's social security number and must not require information
13 not specified under this section. The claim form and the instructions
14 for completing the claim form must provide the United States mail,
15 physical, and electronic addresses and numbers where the claim can be
16 presented.

17 (3) With respect to the content of claims under this section and
18 all procedural requirements in this section, this section must be
19 liberally construed so that substantial compliance will be deemed
20 satisfactory.

21 **Sec. 303.** RCW 4.92.280 and 2011 1st sp.s. c 43 s 518 are each
22 amended to read as follows:

23 If chapter 217, Laws of 1998 mandates an increased level of
24 service by local governments, the local government may, under RCW
25 43.135.060 and this chapter (~~(4.92—RCW)~~), submit claims for
26 reimbursement by the legislature. The claims shall be subject to
27 verification by the (~~(department of enterprise services)~~) office of
28 financial management.

29 **Sec. 304.** RCW 41.04.720 and 2011 1st sp.s. c 43 s 439 are each
30 amended to read as follows:

31 The director of (~~(enterprise services)~~) financial management
32 shall:

33 (1) Administer the state employee assistance program to assist
34 employees who have personal problems that adversely affect their job
35 performance or have the potential of doing so;

36 (2) Develop policies, procedures, and activities for the program;

1 (3) Encourage and promote the voluntary use of the employee
2 assistance program by increasing employee awareness and disseminating
3 educational materials;

4 (4) Provide technical assistance and training to agencies on how
5 to use the employee assistance program;

6 (5) Assist and encourage supervisors to identify and refer
7 employees with problems that impair their performance by
8 incorporating proper use of the program in management training,
9 management performance criteria, ongoing communication with agencies,
10 and other appropriate means;

11 (6) Offer substance abuse prevention and awareness activities to
12 be provided through the employee assistance program and the state
13 employee wellness program;

14 (7) Monitor and evaluate the effectiveness of the program,
15 including the collection, analysis, and publication of relevant
16 statistical information; and

17 (8) Consult with state agencies, institutions of higher
18 education, and employee organizations in carrying out the purposes of
19 RCW 41.04.700 through 41.04.730.

20 **Sec. 305.** RCW 41.04.770 and 2011 1st sp.s. c 43 s 440 are each
21 amended to read as follows:

22 The department of social and health services and the (~~department~~
23 ~~of enterprise services~~) office of financial management shall, after
24 consultation with supported employment provider associations and
25 other interested parties, encourage, educate, and assist state
26 agencies in implementing supported employment programs. The
27 (~~department of enterprise services~~) office of financial management
28 shall provide human resources technical assistance to agencies
29 implementing supported employment programs.

30 **Sec. 306.** RCW 41.06.395 and 2011 1st sp.s. c 43 s 422 are each
31 amended to read as follows:

32 The director shall adopt rules establishing guidelines for
33 policies, procedures, and mandatory training programs on sexual
34 harassment for state employees to be adopted by state agencies. The
35 (~~department of enterprise services~~) office of financial management
36 shall establish reporting requirements for state agencies on
37 compliance with RCW 43.01.135.

1 **Sec. 307.** RCW 41.06.400 and 2011 1st sp.s. c 43 s 423 are each
2 amended to read as follows:

3 (1) In addition to other powers and duties specified in this
4 chapter, (~~the department of enterprise services in consultation~~
5 ~~with~~) the office of financial management shall:

6 (a) By rule, prescribe the purpose and minimum standards for
7 training and career development programs and, in so doing, regularly
8 consult with and consider the needs of individual agencies and
9 employees;

10 (b) Provide training and career development programs which may be
11 conducted more efficiently and economically on an interagency basis;

12 (c) Promote interagency sharing of resources for training and
13 career development;

14 (d) Monitor and review the impact of training and career
15 development programs to ensure that the responsibilities of the state
16 to provide equal employment opportunities are diligently carried out.

17 (2) At an agency's request, the (~~department of enterprise~~
18 ~~services~~) office of financial management may provide training and
19 career development programs for an agency's internal use which may be
20 conducted more efficiently and economically by the department of
21 enterprise services.

22 **Sec. 308.** RCW 41.06.510 and 2011 1st sp.s. c 43 s 428 are each
23 amended to read as follows:

24 Each institution of higher education and each related board shall
25 designate an officer who shall perform duties as personnel officer.
26 The personnel officer at each institution or related board shall
27 direct, supervise, and manage administrative and technical personnel
28 activities for the classified service at the institution or related
29 board consistent with policies established by the institution or
30 related board and in accordance with the provisions of this chapter
31 and the rules adopted under this chapter. Institutions may undertake
32 jointly with one or more other institutions to appoint a person
33 qualified to perform the duties of personnel officer, provide staff
34 and financial support and may engage consultants to assist in the
35 performance of specific projects. The services of (~~the department of~~
36 ~~enterprise services and~~) the office of financial management may also
37 be used by the institutions or related boards pursuant to RCW
38 41.06.080.

1 The state board for community and technical colleges shall have
2 general supervision and control over activities undertaken by the
3 various community colleges pursuant to this section.

4 **Sec. 309.** RCW 41.06.530 and 2011 1st sp.s. c 43 s 429 are each
5 amended to read as follows:

6 (1) The legislature recognizes that:

7 (a) The labor market and the state government workforce are
8 diverse in terms of gender, race, ethnicity, age, and the presence of
9 disabilities.

10 (b) The state's personnel resource and management practices must
11 be responsive to the diverse nature of its workforce composition.

12 (c) Managers in all agencies play a key role in the
13 implementation of all critical personnel policies.

14 It is therefore the policy of the state to create an
15 organizational culture in state government that respects and values
16 individual differences and encourages the productive potential of
17 every employee.

18 (2) To implement this policy:

19 (a) The office of financial management shall, in consultation
20 with agencies, employee organizations, employees, institutions of
21 higher education, and related boards, review civil service rules and
22 related policies to ensure that they support the state's policy of
23 valuing and managing diversity in the workplace; and

24 (b) (~~The department of enterprise services,~~) In consultation
25 with agencies, employee organizations, and employees, institutions of
26 higher education, and related boards, the office of financial
27 management shall develop training programs for all managers to
28 enhance their ability to implement diversity policies and to provide
29 a thorough grounding in all aspects of the state civil service law
30 and merit system rules, and how the proper implementation and
31 application thereof can facilitate and further the mission of the
32 agency.

33 (3) The (~~department of enterprise services and the~~) office of
34 financial management shall coordinate implementation of this section
35 with the institutions of higher education and related boards to
36 reduce duplication of effort.

37 **Sec. 310.** RCW 41.80.005 and 2011 1st sp.s. c 43 s 444 are each
38 amended to read as follows:

1 Unless the context clearly requires otherwise, the definitions in
2 this section apply throughout this chapter.

3 (1) "Agency" means any agency as defined in RCW 41.06.020 and
4 covered by chapter 41.06 RCW.

5 (2) "Collective bargaining" means the performance of the mutual
6 obligation of the representatives of the employer and the exclusive
7 bargaining representative to meet at reasonable times and to bargain
8 in good faith in an effort to reach agreement with respect to the
9 subjects of bargaining specified under RCW 41.80.020. The obligation
10 to bargain does not compel either party to agree to a proposal or to
11 make a concession, except as otherwise provided in this chapter.

12 (3) "Commission" means the public employment relations
13 commission.

14 (4) "Confidential employee" means an employee who, in the regular
15 course of his or her duties, assists in a confidential capacity
16 persons who formulate, determine, and effectuate management policies
17 with regard to labor relations or who, in the regular course of his
18 or her duties, has authorized access to information relating to the
19 effectuation or review of the employer's collective bargaining
20 policies, or who assists or aids a manager. "Confidential employee"
21 also includes employees who assist assistant attorneys general who
22 advise and represent managers or confidential employees in personnel
23 or labor relations matters, or who advise or represent the state in
24 tort actions.

25 (5) "Director" means the director of the public employment
26 relations commission.

27 (6) "Employee" means any employee, including employees whose work
28 has ceased in connection with the pursuit of lawful activities
29 protected by this chapter, covered by chapter 41.06 RCW, except:

30 (a) Employees covered for collective bargaining by chapter 41.56
31 RCW;

32 (b) Confidential employees;

33 (c) Members of the Washington management service;

34 (d) Internal auditors in any agency; or

35 (e) Any employee of the commission((~~7~~)) or the office of
36 financial management(~~(, or the office of risk management within the~~
37 ~~department of enterprise services))~~).

38 (7) "Employee organization" means any organization, union, or
39 association in which employees participate and that exists for the

1 purpose, in whole or in part, of collective bargaining with
2 employers.

3 (8) "Employer" means the state of Washington.

4 (9) "Exclusive bargaining representative" means any employee
5 organization that has been certified under this chapter as the
6 representative of the employees in an appropriate bargaining unit.

7 (10) "Institutions of higher education" means the University of
8 Washington, Washington State University, Central Washington
9 University, Eastern Washington University, Western Washington
10 University, The Evergreen State College, and the various state
11 community colleges.

12 (11) "Labor dispute" means any controversy concerning terms,
13 tenure, or conditions of employment, or concerning the association or
14 representation of persons in negotiating, fixing, maintaining,
15 changing, or seeking to arrange terms or conditions of employment
16 with respect to the subjects of bargaining provided in this chapter,
17 regardless of whether the disputants stand in the proximate relation
18 of employer and employee.

19 (12) "Manager" means "manager" as defined in RCW 41.06.022.

20 (13) "Supervisor" means an employee who has authority, in the
21 interest of the employer, to hire, transfer, suspend, lay off,
22 recall, promote, discharge, direct, reward, or discipline employees,
23 or to adjust employee grievances, or effectively to recommend such
24 action, if the exercise of the authority is not of a merely routine
25 nature but requires the consistent exercise of individual judgment.
26 However, no employee who is a member of the Washington management
27 service may be included in a collective bargaining unit established
28 under this section.

29 (14) "Unfair labor practice" means any unfair labor practice
30 listed in RCW 41.80.110.

31 **Sec. 311.** RCW 43.01.135 and 2011 1st sp.s. c 43 s 450 are each
32 amended to read as follows:

33 Agencies as defined in RCW 41.06.020, except for institutions of
34 higher education, shall:

35 (1) Update or develop and disseminate among all agency employees
36 and contractors a policy that:

37 (a) Defines and prohibits sexual harassment in the workplace;

1 (b) Includes procedures that describe how the agency will address
2 concerns of employees who are affected by sexual harassment in the
3 workplace;

4 (c) Identifies appropriate sanctions and disciplinary actions;
5 and

6 (d) Complies with guidelines adopted by the director of personnel
7 under RCW 41.06.395;

8 (2) Respond promptly and effectively to sexual harassment
9 concerns;

10 (3) Conduct training and education for all employees in order to
11 prevent and eliminate sexual harassment in the organization;

12 (4) Inform employees of their right to file a complaint with the
13 Washington state human rights commission under chapter 49.60 RCW, or
14 with the federal equal employment opportunity commission under Title
15 VII of the civil rights act of 1964; and

16 (5) Report to the (~~department of enterprise services~~) office of
17 financial management on compliance with this section.

18 The cost of the training programs shall be borne by state
19 agencies within existing resources.

20 **Sec. 312.** RCW 43.06.013 and 2011 1st sp.s. c 43 s 454 are each
21 amended to read as follows:

22 When requested by the governor or the director of (~~the~~
23 ~~department of enterprise services~~) financial management,
24 nonconviction criminal history fingerprint record checks shall be
25 conducted through the Washington state patrol identification and
26 criminal history section and the federal bureau of investigation on
27 applicants for agency head positions appointed by the governor.
28 Information received pursuant to this section shall be confidential
29 and made available only to the governor or director of the department
30 of personnel or their employees directly involved in the selection,
31 hiring, or background investigation of the subject of the record
32 check. When necessary, applicants may be employed on a conditional
33 basis pending completion of the criminal history record check.
34 "Agency head" as used in this section has the same definition as
35 provided in RCW 34.05.010.

36 **Sec. 313.** RCW 43.19.766 and 2011 1st sp.s. c 43 s 502 are each
37 amended to read as follows:

1 There is hereby created an office of risk management within the
2 (~~department of enterprise services~~) office of financial management.
3 The director shall implement the risk management policy in RCW
4 43.19.760 (as recodified by this act) through the office of risk
5 management. The director shall appoint a risk manager to supervise
6 the office of risk management. The office of risk management shall
7 make recommendations when appropriate to state agencies on the
8 application of prudent safety, security, loss prevention, and loss
9 minimization methods so as to reduce or avoid risk or loss.

10 **Sec. 314.** RCW 43.19.778 and 2011 1st sp.s. c 43 s 506 are each
11 amended to read as follows:

12 The (~~department~~) office of risk management shall conduct
13 periodic actuarial studies to determine the amount of money needed to
14 adequately fund the liability account.

15 **Sec. 315.** RCW 43.41.110 and 2011 1st sp.s. c 43 s 510 are each
16 amended to read as follows:

17 The office of financial management shall:

18 (1) Provide technical assistance to the governor and the
19 legislature in identifying needs and in planning to meet those needs
20 through state programs and a plan for expenditures.

21 (2) Perform the comprehensive planning functions and processes
22 necessary or advisable for state program planning and development,
23 preparation of the budget, inter-departmental and inter-governmental
24 coordination and cooperation, and determination of state capital
25 improvement requirements.

26 (3) Provide assistance and coordination to state agencies and
27 departments in their preparation of plans and programs.

28 (4) Provide general coordination and review of plans in
29 functional areas of state government as may be necessary for receipt
30 of federal or state funds.

31 (5) Participate with other states or subdivisions thereof in
32 interstate planning.

33 (6) Encourage educational and research programs that further
34 planning and provide administrative and technical services therefor.

35 (7) Carry out the provisions of RCW 43.62.010 through 43.62.050
36 relating to the state census.

37 (8) Be the official state participant in the federal-state
38 cooperative program for local population estimates and as such

1 certify all city and county special censuses to be considered in the
2 allocation of state and federal revenues.

3 (9) Be the official state center for processing and dissemination
4 of federal decennial or quinquennial census data in cooperation with
5 other state agencies.

6 (10) Be the official state agency certifying annexations,
7 incorporations, or disincorporations to the United States bureau of
8 the census.

9 (11) Review all United States bureau of the census population
10 estimates used for federal revenue sharing purposes and provide a
11 liaison for local governments with the United States bureau of the
12 census in adjusting or correcting revenue sharing population
13 estimates.

14 (12) Provide fiscal notes depicting the expected fiscal impact of
15 proposed legislation in accordance with chapter 43.88A RCW.

16 (13) Be the official state agency to estimate and manage the cash
17 flow of all public funds as provided in chapter 43.88 RCW. To this
18 end, the office shall adopt such rules as are necessary to manage the
19 cash flow of public funds.

20 (14) Carry out the provisions of this chapter and chapter 4.92
21 RCW relating to risk management and loss prevention.

22 **Sec. 316.** RCW 43.41A.085 and 2011 1st sp.s. c 43 s 718 are each
23 amended to read as follows:

24 (1) The office has the duty to govern and oversee the technical
25 design, implementation, and operation of the K-20 network including,
26 but not limited to, the following duties: Establishment and
27 implementation of K-20 network technical policy, including technical
28 standards and conditions of use; review and approval of network
29 design; and resolving user/provider disputes.

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

31 (a) In cooperation with the educational sectors and other
32 interested parties, to establish goals and measurable objectives for
33 the network;

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

37 (c) To adopt, modify, and implement policies to facilitate
38 network development, operation, and expansion. Such policies may
39 include but need not be limited to the following issues: Quality of

1 educational services; access to the network by recognized
2 organizations and accredited institutions that deliver educational
3 programming, including public libraries; prioritization of
4 programming within limited resources; prioritization of access to the
5 system and the sharing of technological advances; network security;
6 identification and evaluation of emerging technologies for delivery
7 of educational programs; future expansion or redirection of the
8 system; network fee structures; and costs for the development and
9 operation of the network;

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

20 (e) To adopt and monitor the implementation of a methodology to
21 evaluate the effectiveness of the network in achieving the
22 educational goals and measurable objectives;

23 (f) To establish by rule acceptable use policies governing user
24 eligibility for participation in the K-20 network, acceptable uses of
25 network resources, and procedures for enforcement of such policies.
26 The office shall set forth appropriate procedures for enforcement of
27 acceptable use policies, that may include suspension of network
28 connections and removal of shared equipment for violations of network
29 conditions or policies. The office shall have sole responsibility for
30 the implementation of enforcement procedures relating to technical
31 conditions of use.

32 **Sec. 317.** RCW 43.41A.095 and 2011 1st sp.s. c 43 s 720 are each
33 amended to read as follows:

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

1 (1) A telecommunications backbone connecting educational service
2 districts, the main campuses of public baccalaureate institutions,
3 the branch campuses of public research institutions, and the main
4 campuses of community colleges and technical colleges.

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

13 (i) The (~~chief information officer~~) office and each independent
14 nonprofit institution of higher education to be connected agree in
15 writing to terms and conditions of connectivity. The terms and
16 conditions shall ensure, among other things, that the provision of
17 K-20 services does not violate Article VIII, section 5 of the state
18 Constitution and that the institution shall adhere to K-20 network
19 policies; and

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

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

27 **Sec. 318.** RCW 43.41A.105 and 2011 1st sp.s. c 43 s 722 are each
28 amended to read as follows:

29 (1) The education technology revolving fund is created in the
30 custody of the state treasurer. All receipts from billings under
31 subsection (2) of this section must be deposited in the revolving
32 fund. Only the (~~chief information officer~~) director or the (~~chief
33 information officer's~~) director's designee may authorize
34 expenditures from the fund. The revolving fund shall be used to pay
35 for K-20 network operations, transport, equipment, software,
36 supplies, and services, maintenance and depreciation of on-site data,
37 and shared infrastructure, and other costs incidental to the
38 development, operation, and administration of shared educational
39 information technology services, telecommunications, and systems. The

1 revolving fund shall not be used for the acquisition, maintenance, or
2 operations of local telecommunications infrastructure or the
3 maintenance or depreciation of on-premises video equipment specific
4 to a particular institution or group of institutions.

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

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

23 **Sec. 319.** RCW 48.62.021 and 2011 1st sp.s. c 43 s 520 are each
24 reenacted and amended to read as follows:

25 Unless the context clearly requires otherwise, the definitions in
26 this section apply throughout this chapter.

27 (1) "Health and welfare benefits" means a plan or program
28 established by a local government entity or entities for the purpose
29 of providing its employees and their dependents, and in the case of
30 school districts, its district employees, students, directors, or any
31 of their dependents, with health care, accident, disability, death,
32 and salary protection benefits.

33 (2) "Local government entity" or "entity" means every unit of
34 local government, both general purpose and special purpose, and
35 includes, but is not limited to, counties, cities, towns, port
36 districts, public utility districts, water-sewer districts, school
37 districts, fire protection districts, irrigation districts,
38 metropolitan municipal corporations, conservation districts, and

1 other political subdivisions, governmental subdivisions, municipal
2 corporations, and quasi-municipal corporations.

3 (3) "Nonprofit corporation" or "corporation" has the same meaning
4 as defined in RCW 24.03.005(3).

5 (4) "Property and liability risks" includes the risk of property
6 damage or loss sustained by a local government entity and the risk of
7 claims arising from the tortious or negligent conduct or any error or
8 omission of the local government entity, its officers, employees,
9 agents, or volunteers as a result of which a claim may be made
10 against the local government entity.

11 (5) "Risk assumption" means a decision to absorb the entity's
12 financial exposure to a risk of loss without the creation of a formal
13 program of advance funding of anticipated losses.

14 (6) "Self-insurance" means a formal program of advance funding
15 and management of entity financial exposure to a risk of loss that is
16 not transferred through the purchase of an insurance policy or
17 contract.

18 (7) "State risk manager" means the risk manager of the office of
19 risk management within the (~~department of enterprise services~~)
20 office of financial management.

21 **Sec. 320.** RCW 48.64.010 and 2011 1st sp.s. c 43 s 521 are each
22 amended to read as follows:

23 The definitions in this section apply throughout this chapter
24 unless the context clearly requires otherwise.

25 (1) "Affordable housing" means housing projects in which some of
26 the dwelling units may be purchased or rented on a basis that is
27 affordable to households with an income of eighty percent or less of
28 the county median family income, adjusted for family size.

29 (2) "Affordable housing entity" means any of the following:

30 (a) A housing authority created under the laws of this state or
31 another state and any agency or instrumentality of a housing
32 authority including, but not limited to, a legal entity created to
33 conduct a joint self-insurance program for housing authorities that
34 is operating in accordance with chapter 48.62 RCW;

35 (b) A nonprofit corporation, whether organized under the laws of
36 this state or another state, that is engaged in providing affordable
37 housing and is necessary for the completion, management, or operation
38 of a project because of its access to funding sources that are not
39 available to a housing authority, as described in this section; or

1 (c) A general or limited partnership or limited liability
2 company, whether organized under the laws of this state or another
3 state, that is engaged in providing affordable housing as defined in
4 this section. A partnership or limited liability company may only be
5 considered an affordable housing entity if a housing authority or
6 nonprofit corporation, as described in this subsection, satisfies any
7 of the following conditions: (i) It has, or has the right to acquire,
8 a financial or ownership interest in the partnership or limited
9 liability company; (ii) it possesses the power to direct management
10 or policies of the partnership or limited liability company; or (iii)
11 it has entered into a contract to lease, manage, or operate the
12 affordable housing owned by the partnership or limited liability
13 company.

14 (3) "Property and liability risks" includes the risk of property
15 damage or loss sustained by an affordable housing entity and the risk
16 of claims arising from the tortious or negligent conduct or any error
17 or omission of the entity, its officers, employees, agents, or
18 volunteers as a result of which a claim may be made against the
19 entity.

20 (4) "Self-insurance" means a formal program of advance funding
21 and management of entity financial exposure to a risk of loss that is
22 not transferred through the purchase of an insurance policy or
23 contract.

24 (5) "State risk manager" means the risk manager of the office of
25 risk management within the (~~department of enterprise services~~)
26 office of financial management.

27 **Sec. 321.** RCW 43.88.160 and 2012 c 230 s 1 are each amended to
28 read as follows:

29 This section sets forth the major fiscal duties and
30 responsibilities of officers and agencies of the executive branch.
31 The regulations issued by the governor pursuant to this chapter shall
32 provide for a comprehensive, orderly basis for fiscal management and
33 control, including efficient accounting and reporting therefor, for
34 the executive branch of the state government and may include, in
35 addition, such requirements as will generally promote more efficient
36 public management in the state.

37 (1) Governor; director of financial management. The governor,
38 through the director of financial management, shall devise and
39 supervise a modern and complete accounting system for each agency to

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

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

30 (3) The director of financial management shall report at least
31 annually to the appropriate legislative committees regarding the
32 status of all appropriated capital projects, including transportation
33 projects, showing significant cost overruns or underruns. If funds
34 are shifted from one project to another, the office of financial
35 management shall also reflect this in the annual variance report.
36 Once a project is complete, the report shall provide a final summary
37 showing estimated start and completion dates of each project phase
38 compared to actual dates, estimated costs of each project phase
39 compared to actual costs, and whether or not there are any

1 outstanding liabilities or unsettled claims at the time of
2 completion.

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

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

14 Each agency head or authorized designee shall be assigned the
15 responsibility and authority for establishing and maintaining
16 internal audits following the standards of internal auditing of the
17 institute of internal auditors;

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

23 (c) Establish policies for allowing the contracting of child care
24 services;

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

27 (e) Review any pay and classification plans, and changes
28 thereunder, developed by any agency for their fiscal impact:
29 PROVIDED, That none of the provisions of this subsection shall affect
30 merit systems of personnel management now existing or hereafter
31 established by statute relating to the fixing of qualifications
32 requirements for recruitment, appointment, or promotion of employees
33 of any agency. The director shall advise and confer with agencies
34 including appropriate standing committees of the legislature as may
35 be designated by the speaker of the house and the president of the
36 senate regarding the fiscal impact of such plans and may amend or
37 alter the plans, except that for the following agencies no amendment
38 or alteration of the plans may be made without the approval of the
39 agency concerned: Agencies headed by elective officials;

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

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

8 (5) The treasurer shall:

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

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

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

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

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

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

1 be fixed by the director of the department of enterprise services but
2 in no case shall such required cash deposit or surety bond be less
3 than an amount which will fully indemnify the state against any and
4 all losses on account of breach of promise to fully perform such
5 services. No payments shall be made in advance for any equipment
6 maintenance services to be performed more than twelve months after
7 such payment except that institutions of higher education as defined
8 in RCW 28B.10.016 and the consolidated technology services agency
9 created in RCW 43.105.006 may make payments in advance for equipment
10 maintenance services to be performed up to sixty months after such
11 payment. Any such bond so furnished shall be conditioned that the
12 person, firm or corporation receiving the advance payment will apply
13 it toward performance of the contract. The responsibility for
14 recovery of erroneous or improper payments made under this section
15 shall lie with the agency head or the agency head's designee in
16 accordance with rules issued pursuant to this chapter. Nothing in
17 this section shall be construed to permit a public body to advance
18 funds to a private service provider pursuant to a grant or loan
19 before services have been rendered or material furnished.

20 (6) The state auditor shall:

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

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

33 (c) Make the auditor's official report on or before the thirty-
34 first of December which precedes the meeting of the legislature. The
35 report shall be for the last complete fiscal period and shall include
36 determinations as to whether agencies, in making expenditures,
37 complied with the laws of this state. The state auditor is authorized
38 to perform or participate in performance verifications and
39 performance audits as expressly authorized by the legislature in the
40 omnibus biennial appropriations acts or in the performance audit work

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

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

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

39 (f) Investigate improper governmental activity under chapter
40 42.40 RCW.

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

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

7 (a) Make post audits of the financial transactions of any agency
8 and management surveys and program reviews as provided for in chapter
9 44.28 RCW as well as performance audits and program evaluations. To
10 this end the joint committee may in its discretion examine the books,
11 accounts, and other records of any agency, official, or employee.

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

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

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

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

25 NEW SECTION. **Sec. 322.** RCW 43.19.760, 43.19.763, 43.19.766,
26 43.19.769, 43.19.772, 43.19.775, 43.19.778, 43.19.781, and 43.19.784
27 are each recodified as sections in chapter 43.41 RCW.

28 **PART IV**

29 **CORRECTION OF OBSOLETE REFERENCES**

30 **Sec. 401.** RCW 2.36.054 and 2011 1st sp.s. c 43 s 812 are each
31 amended to read as follows:

32 Unless otherwise specified by rule of the supreme court, the jury
33 source list and master jury list for each county shall be created as
34 provided by this section.

35 (1) The superior court of each county, after consultation with
36 the county clerk and county auditor of that jurisdiction, shall
37 annually notify the consolidated technology services agency not later

1 than March 1st of each year of its election to use either a jury
2 source list that is merged by the county or a jury source list that
3 is merged by the consolidated technology services agency. The
4 consolidated technology services agency shall annually furnish at no
5 charge to the superior court of each county a separate list of the
6 registered voters residing in that county as supplied annually by the
7 secretary of state and a separate list of driver's license and
8 identicard holders residing in that county as supplied annually by
9 the department of licensing, or a merged list of all such persons
10 residing in that county, in accordance with the annual notification
11 required by this subsection. The lists provided by the consolidated
12 technology services agency shall be in an electronic format mutually
13 agreed upon by the superior court requesting it and the ((~~department~~
14 ~~of information services~~)) consolidated technology services agency.
15 The annual merger of the list of registered voters residing in each
16 county with the list of licensed drivers and identicard holders
17 residing in each county to form a jury source list for each county
18 shall be in accordance with the standards and methodology established
19 in this chapter or by superseding court rule whether the merger is
20 accomplished by the consolidated technology services agency or by a
21 county.

22 (2) Persons on the lists of registered voters and driver's
23 license and identicard holders shall be identified by a minimum of
24 last name, first name, middle initial where available, date of birth,
25 gender, and county of residence. Identifying information shall be
26 used when merging the lists to ensure to the extent reasonably
27 possible that persons are only listed once on the merged list.
28 Conflicts in addresses are to be resolved by using the most recent
29 record by date of last vote in a general election, date of driver's
30 license or identicard address change or date of voter registration.

31 (3) The consolidated technology services agency shall provide
32 counties that elect to receive a jury source list merged by the
33 consolidated technology services agency with a list of names which
34 are possible duplicates that cannot be resolved based on the
35 identifying information required under subsection (2) of this
36 section. If a possible duplication cannot subsequently be resolved
37 satisfactorily through reasonable efforts by the county receiving the
38 merged list, the possible duplicate name shall be stricken from the
39 jury source list until the next annual jury source list is prepared.

1 **Sec. 402.** RCW 2.36.057 and 1993 c 408 s 1 are each amended to
2 read as follows:

3 The supreme court is requested to adopt court rules (~~to be~~
4 ~~effective by September 1, 1994,~~) regarding methodology and standards
5 for merging the list of registered voters in Washington state with
6 the list of licensed drivers and identicard holders in Washington
7 state for purposes of creating an expanded jury source list. The
8 rules should specify the standard electronic format or formats in
9 which the lists will be provided to requesting superior courts by the
10 (~~department of information services~~) consolidated technology
11 services agency. In the interim, and until such court rules become
12 effective, the methodology and standards provided in RCW 2.36.054
13 shall apply. An expanded jury source list shall be available to the
14 courts for use by September 1, 1994.

15 **Sec. 403.** RCW 2.36.0571 and 1993 c 408 s 2 are each amended to
16 read as follows:

17 (~~Not later than January 1, 1994,~~) The secretary of state, the
18 department of licensing, and the (~~department of information~~
19 ~~services~~) consolidated technology services agency shall adopt
20 administrative rules as necessary to provide for the implementation
21 of the methodology and standards established pursuant to RCW 2.36.057
22 and 2.36.054 or by supreme court rule.

23 **Sec. 404.** RCW 2.68.060 and 2010 c 282 s 7 are each amended to
24 read as follows:

25 The administrative office of the courts, under the direction of
26 the judicial information system committee, shall:

27 (1) Develop a judicial information system information technology
28 portfolio consistent with the provisions of RCW (~~(43.105.172)~~)
29 43.41A.110 (as recodified by this act);

30 (2) Participate in the development of an enterprise-based
31 statewide information technology strategy as defined in RCW
32 43.105.019;

33 (3) Ensure the judicial information system information technology
34 portfolio is organized and structured to clearly indicate
35 participation in and use of enterprise-wide information technology
36 strategies;

37 (4) As part of the biennial budget process, submit the judicial
38 information system information technology portfolio to the chair and

1 ranking member of the ways and means committees of the house of
2 representatives and the senate, the office of financial management,
3 and the (~~department of information services~~) consolidated
4 technology services agency.

5 **Sec. 405.** RCW 19.34.100 and 1999 c 287 s 5 are each amended to
6 read as follows:

7 (1) To obtain or retain a license, a certification authority
8 must:

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

10 (b) Employ only certified operative personnel in appropriate
11 positions;

12 (c) File with the secretary an appropriate, suitable guaranty,
13 unless the certification authority is a city or county that is self-
14 insured or the (~~department of information services~~) consolidated
15 technology services agency;

16 (d) Use a trustworthy system;

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

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

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

24 (3) The secretary may impose license restrictions specific to the
25 practices of an individual certification authority. The secretary
26 shall set forth in writing and maintain as part of the certification
27 authority's license application file the basis for such license
28 restrictions.

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

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

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

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

9 (a) RCW 19.34.300 through 19.34.350 apply to certificates issued
10 by the certification authorities licensed or authorized by that
11 government in the same manner as it applies to licensed certification
12 authorities of this state; and

13 (b) The liability limits of RCW 19.34.280 apply to the
14 certification authorities licensed or authorized by that government
15 in the same manner as they apply to licensed certification
16 authorities of this state.

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

20 **Sec. 406.** RCW 36.28A.070 and 2003 c 102 s 3 are each amended to
21 read as follows:

22 (1) The Washington association of sheriffs and police chiefs in
23 consultation with the Washington state emergency management office,
24 the Washington association of county officials, the Washington
25 association of cities, the (~~information services board~~) director of
26 the consolidated technology services agency, the Washington state
27 fire chiefs' association, and the Washington state patrol shall
28 convene a committee to establish guidelines related to the statewide
29 first responder building mapping information system. The committee
30 shall have the following responsibilities:

31 (a) Develop the type of information to be included in the
32 statewide first responder building mapping information system. The
33 information shall include, but is not limited to: Floor plans, fire
34 protection information, evacuation plans, utility information, known
35 hazards, and text and digital images showing emergency personnel
36 contact information;

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

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

3 (d) Develop guidelines on how the information shall be made
4 available. These guidelines shall include detailed procedures and
5 security systems to ensure that the information is only made
6 available to the government entity that either owns the building or
7 is responding to an incident at the building;

8 (e) Recommend training guidelines regarding using the statewide
9 first responder building mapping information system to the criminal
10 justice training commission and the Washington state patrol fire
11 protection bureau.

12 (2)(a) Nothing in this section supersedes the authority of the
13 (~~information~~) consolidated technology services agency or the
14 technology services board under chapter 43.105 RCW.

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

18 **Sec. 407.** RCW 41.06.094 and 1987 c 504 s 7 are each amended to
19 read as follows:

20 In addition to the exemptions under RCW 41.06.070, the provisions
21 of this chapter shall not apply in the (~~department of information~~
22 ~~services~~) consolidated technology services agency to up to twelve
23 positions in the planning component involved in policy development
24 and/or senior professionals.

25 **Sec. 408.** RCW 42.17A.705 and 2012 c 229 s 582 are each amended
26 to read as follows:

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

29 (1) The chief administrative law judge, the director of
30 agriculture, the director of the department of services for the
31 blind, (~~the chief information officer of the office of chief~~
32 ~~information officer,~~) the director of the state system of community
33 and technical colleges, the director of commerce, the director of the
34 consolidated technology services agency, the secretary of
35 corrections, the director of early learning, the director of ecology,
36 the commissioner of employment security, the chair of the energy
37 facility site evaluation council, the director of enterprise
38 services, the secretary of the state finance committee, the director

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

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

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

27 (4) Central Washington University board of trustees, the boards
28 of trustees of each community college and each technical college,
29 each member of the state board for community and technical colleges,
30 state convention and trade center board of directors, Eastern
31 Washington University board of trustees, Washington economic
32 development finance authority, Washington energy northwest executive
33 board, The Evergreen State College board of trustees, executive
34 ethics board, fish and wildlife commission, forest practices appeals
35 board, forest practices board, gambling commission, Washington health
36 care facilities authority, student achievement council, higher
37 education facilities authority, horse racing commission, state
38 housing finance commission, human rights commission, indeterminate
39 sentence review board, board of industrial insurance appeals, state
40 investment board, commission on judicial conduct, legislative ethics

1 board, life sciences discovery fund authority board of trustees,
2 liquor control board, lottery commission, Pacific Northwest electric
3 power and conservation planning council, parks and recreation
4 commission, Washington personnel resources board, board of pilotage
5 commissioners, pollution control hearings board, public disclosure
6 commission, public employees' benefits board, recreation and
7 conservation funding board, salmon recovery funding board, shorelines
8 hearings board, board of tax appeals, transportation commission,
9 University of Washington board of regents, utilities and
10 transportation commission, Washington State University board of
11 regents, and Western Washington University board of trustees.

12 **Sec. 409.** RCW 43.15.020 and 2011 c 158 s 12 are each amended to
13 read as follows:

14 The lieutenant governor serves as president of the senate and is
15 responsible for making appointments to, and serving on, the
16 committees and boards as set forth in this section.

17 (1) The lieutenant governor serves on the following boards and
18 committees:

- 19 (a) Capitol furnishings preservation committee, RCW 27.48.040;
20 (b) Washington higher education facilities authority, RCW
21 28B.07.030;
22 (c) Productivity board, also known as the employee involvement
23 and recognition board, RCW 41.60.015;
24 (d) State finance committee, RCW 43.33.010;
25 (e) State capitol committee, RCW 43.34.010;
26 (f) Washington health care facilities authority, RCW 70.37.030;
27 (g) State medal of merit nominating committee, RCW 1.40.020;
28 (h) Medal of valor committee, RCW 1.60.020; and
29 (i) Association of Washington generals, RCW 43.15.030.

30 (2) The lieutenant governor, and when serving as president of the
31 senate, appoints members to the following boards and committees:

- 32 (a) Civil legal aid oversight committee, RCW 2.53.010;
33 (b) Office of public defense advisory committee, RCW 2.70.030;
34 (c) Washington state gambling commission, RCW 9.46.040;
35 (d) Sentencing guidelines commission, RCW 9.94A.860;
36 (e) State building code council, RCW 19.27.070;
37 (f) Financial education public-private partnership, RCW
38 28A.300.450;
39 (g) Joint administrative rules review committee, RCW 34.05.610;

1 (h) Capital projects advisory review board, RCW 39.10.220;
2 (i) Select committee on pension policy, RCW 41.04.276;
3 (j) Legislative ethics board, RCW 42.52.310;
4 (k) Washington citizens' commission on salaries, RCW 43.03.305;
5 (l) Legislative oral history committee, RCW 44.04.325;
6 (m) State council on aging, RCW 43.20A.685;
7 (n) State investment board, RCW 43.33A.020;
8 (o) Capitol campus design advisory committee, RCW 43.34.080;
9 (p) Washington state arts commission, RCW 43.46.015;
10 (q) ~~((Information services board, RCW 43.105.032;~~
11 ~~(r) Council for children and families, RCW 43.121.020;~~
12 ~~(s))~~ PNWER-Net working subgroup under chapter 43.147 RCW;
13 ~~((t))~~ (r) Community economic revitalization board, RCW
14 43.160.030;
15 ~~((u))~~ (s) Washington economic development finance authority,
16 RCW 43.163.020;
17 ~~((v))~~ (t) Life sciences discovery fund authority, RCW
18 43.350.020;
19 ~~((w))~~ (u) Legislative children's oversight committee, RCW
20 44.04.220;
21 ~~((x))~~ (v) Joint legislative audit and review committee, RCW
22 44.28.010;
23 ~~((y))~~ (w) Joint committee on energy supply and energy
24 conservation, RCW 44.39.015;
25 ~~((z))~~ (x) Legislative evaluation and accountability program
26 committee, RCW 44.48.010;
27 ~~((aa) Agency council on coordinated transportation, RCW~~
28 ~~47.06B.020;~~
29 ~~(bb))~~ (y) Washington horse racing commission, RCW 67.16.014;
30 ~~((ee))~~ (z) Correctional industries board of directors, RCW
31 72.09.080;
32 ~~((dd))~~ (aa) Joint committee on veterans' and military affairs,
33 RCW 73.04.150;
34 ~~((ee))~~ (bb) Joint legislative committee on water supply during
35 drought, RCW 90.86.020;
36 ~~((ff))~~ (cc) Statute law committee, RCW 1.08.001; and
37 ~~((gg))~~ (dd) Joint legislative oversight committee on trade
38 policy, RCW 44.55.020.

1 **Sec. 410.** RCW 43.19.794 and 2011 1st sp.s. c 43 s 602 are each
2 amended to read as follows:

3 The (~~department of enterprise~~) consolidated technology services
4 agency may become a licensed certification authority, under chapter
5 19.34 RCW, for the purpose of providing services to agencies, local
6 governments, and other entities and persons for purposes of official
7 state business. The department is not subject to RCW 19.34.100(1)(a).
8 The department shall only issue certificates, as defined in RCW
9 19.34.020, in which the subscriber is:

10 (1) The state of Washington or a department, office, or agency of
11 the state;

12 (2) A city, county, district, or other municipal corporation, or
13 a department, office, or agency of the city, county, district, or
14 municipal corporation;

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

17 (4) Any other person or entity engaged in matters of official
18 public business, however, such certificates shall be limited only to
19 matters of official public business. The department may issue
20 certificates to such persons or entities only if after issuing a
21 request for proposals from certification authorities licensed under
22 chapter 19.34 RCW and review of the submitted proposals, makes a
23 determination that such private services are not sufficient to meet
24 the department's published requirements. The department must set
25 forth in writing the basis of any such determination and provide
26 procedures for challenge of the determination as provided by the
27 state procurement requirements; or

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

30 **Sec. 411.** RCW 43.70.054 and 1997 c 274 s 2 are each amended to
31 read as follows:

32 (1) To promote the public interest consistent with chapter 267,
33 Laws of 1995, the department of health, in cooperation with the
34 (~~information services board established under RCW 43.105.032~~)
35 director of the consolidated technology services agency established
36 in RCW 43.105.047 (as recodified by this act), shall develop health
37 care data standards to be used by, and developed in collaboration
38 with, consumers, purchasers, health carriers, providers, and state
39 government as consistent with the intent of chapter 492, Laws of 1993

1 as amended by chapter 267, Laws of 1995, to promote the delivery of
2 quality health services that improve health outcomes for state
3 residents. The data standards shall include content, coding,
4 confidentiality, and transmission standards for all health care data
5 elements necessary to support the intent of this section, and to
6 improve administrative efficiency and reduce cost. Purchasers, as
7 allowed by federal law, health carriers, health facilities and
8 providers as defined in chapter 48.43 RCW, and state government shall
9 utilize the data standards. The information and data elements shall
10 be reported as the department of health directs by rule in accordance
11 with data standards developed under this section.

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

22 (3) The cost of retrieving data for state officials and agencies
23 shall be funded through state general appropriation. The cost of
24 retrieving data for individuals and organizations engaged in research
25 or private use of data or studies shall be funded by a fee schedule
26 developed by the department that reflects the direct cost of
27 retrieving the data or study in the requested form.

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

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

35 **Sec. 412.** RCW 43.88.090 and 2012 c 229 s 587 are each amended to
36 read as follows:

37 (1) For purposes of developing budget proposals to the
38 legislature, the governor shall have the power, and it shall be the
39 governor's duty, to require from proper agency officials such

1 detailed estimates and other information in such form and at such
2 times as the governor shall direct. The governor shall communicate
3 statewide priorities to agencies for use in developing biennial
4 budget recommendations for their agency and shall seek public
5 involvement and input on these priorities. The estimates for the
6 legislature and the judiciary shall be transmitted to the governor
7 and shall be included in the budget without revision. The estimates
8 for state pension contributions shall be based on the rates provided
9 in chapter 41.45 RCW. Copies of all such estimates shall be
10 transmitted to the standing committees on ways and means of the house
11 and senate at the same time as they are filed with the governor and
12 the office of financial management.

13 The estimates shall include statements or tables which indicate,
14 by agency, the state funds which are required for the receipt of
15 federal matching revenues. The estimates shall be revised as
16 necessary to reflect legislative enactments and adopted
17 appropriations and shall be included with the initial biennial
18 allotment submitted under RCW 43.88.110. The estimates must reflect
19 that the agency considered any alternatives to reduce costs or
20 improve service delivery identified in the findings of a performance
21 audit of the agency by the joint legislative audit and review
22 committee. Nothing in this subsection requires performance audit
23 findings to be published as part of the budget.

24 (2) Each state agency shall define its mission and establish
25 measurable goals for achieving desirable results for those who
26 receive its services and the taxpayers who pay for those services.
27 Each agency shall also develop clear strategies and timelines to
28 achieve its goals. This section does not require an agency to develop
29 a new mission or goals in place of identifiable missions or goals
30 that meet the intent of this section. The mission and goals of each
31 agency must conform to statutory direction and limitations.

32 (3) For the purpose of assessing activity performance, each state
33 agency shall establish quality and productivity objectives for each
34 major activity in its budget. The objectives must be consistent with
35 the missions and goals developed under this section. The objectives
36 must be expressed to the extent practicable in outcome-based,
37 objective, and measurable form unless an exception to adopt a
38 different standard is granted by the office of financial management
39 and approved by the legislative committee on performance review.
40 Objectives must specifically address the statutory purpose or intent

1 of the program or activity and focus on data that measure whether the
2 agency is achieving or making progress toward the purpose of the
3 activity and toward statewide priorities. The office of financial
4 management shall provide necessary professional and technical
5 assistance to assist state agencies in the development of strategic
6 plans that include the mission of the agency and its programs,
7 measurable goals, strategies, and performance measurement systems.

8 (4) Each state agency shall adopt procedures for and perform
9 continuous self-assessment of each activity, using the mission,
10 goals, objectives, and measurements required under subsections (2)
11 and (3) of this section. The assessment of the activity must also
12 include an evaluation of major information technology (~~systems or~~
13 ~~projects~~) investments that may assist the agency in achieving or
14 making progress toward the activity purpose and statewide priorities.
15 The evaluation of proposed (~~major~~) information technology (~~systems~~
16 ~~or projects~~) investments shall be in accordance with the standards
17 and policies established by the (~~information~~) technology services
18 board. Agencies' progress toward the mission, goals, objectives, and
19 measurements required by subsections (2) and (3) of this section is
20 subject to review as set forth in this subsection.

21 (a) The office of financial management shall regularly conduct
22 reviews of selected activities to analyze whether the objectives and
23 measurements submitted by agencies demonstrate progress toward
24 statewide results.

25 (b) The office of financial management shall consult with: (i)
26 The four-year institutions of higher education in those reviews that
27 involve four-year institutions of higher education; and (ii) the
28 state board for community and technical colleges in those reviews
29 that involve two-year institutions of higher education.

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

32 (d) The office of financial management shall consult with the
33 (~~information services board~~) consolidated technology services
34 agency when conducting reviews of major information technology
35 systems in use by state agencies. The goal is that reviews of these
36 information technology systems occur periodically.

37 (5) It is the policy of the legislature that each agency's budget
38 recommendations must be directly linked to the agency's stated
39 mission and program, quality, and productivity goals and objectives.
40 Consistent with this policy, agency budget proposals must include

1 integration of performance measures that allow objective
2 determination of an activity's success in achieving its goals. When a
3 review under subsection (4) of this section or other analysis
4 determines that the agency's objectives demonstrate that the agency
5 is making insufficient progress toward the goals of any particular
6 program or is otherwise underachieving or inefficient, the agency's
7 budget request shall contain proposals to remedy or improve the
8 selected programs. The office of financial management shall develop a
9 plan to merge the budget development process with agency performance
10 assessment procedures. The plan must include a schedule to integrate
11 agency strategic plans and performance measures into agency budget
12 requests and the governor's budget proposal over three fiscal
13 biennia. The plan must identify those agencies that will implement
14 the revised budget process in the 1997-1999 biennium, the 1999-2001
15 biennium, and the 2001-2003 biennium. In consultation with the
16 legislative fiscal committees, the office of financial management
17 shall recommend statutory and procedural modifications to the state's
18 budget, accounting, and reporting systems to facilitate the
19 performance assessment procedures and the merger of those procedures
20 with the state budget process. The plan and recommended statutory and
21 procedural modifications must be submitted to the legislative fiscal
22 committees by September 30, 1996.

23 (6) In reviewing agency budget requests in order to prepare the
24 governor's biennial budget request, the office of financial
25 management shall consider the extent to which the agency's activities
26 demonstrate progress toward the statewide budgeting priorities, along
27 with any specific review conducted under subsection (4) of this
28 section.

29 (7) In the year of the gubernatorial election, the governor shall
30 invite the governor-elect or the governor-elect's designee to attend
31 all hearings provided in RCW 43.88.100; and the governor shall
32 furnish the governor-elect or the governor-elect's designee with such
33 information as will enable the governor-elect or the governor-elect's
34 designee to gain an understanding of the state's budget requirements.
35 The governor-elect or the governor-elect's designee may ask such
36 questions during the hearings and require such information as the
37 governor-elect or the governor-elect's designee deems necessary and
38 may make recommendations in connection with any item of the budget
39 which, with the governor-elect's reasons therefor, shall be presented
40 to the legislature in writing with the budget document. Copies of all

1 such estimates and other required information shall also be submitted
2 to the standing committees on ways and means of the house and senate.

3 **Sec. 413.** RCW 43.88.092 and 2013 2nd sp.s. c 33 s 4 are each
4 amended to read as follows:

5 (1) As part of the biennial budget process, the office of
6 financial management shall collect from agencies, and agencies shall
7 provide, information to produce reports, summaries, and budget detail
8 sufficient to allow review, analysis, and documentation of all
9 current and proposed expenditures for information technology by state
10 agencies. Information technology budget detail must be included as
11 part of the budget submittal documentation required pursuant to RCW
12 43.88.030.

13 (2) The office of financial management must collect, and present
14 as part of the biennial budget documentation, information for all
15 existing information technology (~~projects~~) investments as defined
16 by technology services board policy. The office of financial
17 management must work with the office of the state chief information
18 officer to maximize the ability to draw this information from the
19 information technology portfolio management data collected by the
20 consolidated technology services agency. Connecting (~~project~~)
21 investment information collected through the portfolio management
22 process with financial data developed under subsection (1) of this
23 section provides transparency regarding expenditure data for existing
24 technology (~~projects~~) investments.

25 (3) The (~~chief information officer~~) director of the
26 consolidated technology services agency shall evaluate proposed
27 information technology (~~expenditures~~) investments and establish
28 priority ranking categories of the proposals. No more than one-third
29 of the proposed expenditures shall be ranked in the highest priority
30 category.

31 (4) The biennial budget documentation submitted by the office of
32 financial management pursuant to RCW 43.88.030 must include an
33 information technology plan and a technology budget for the state
34 identifying current baseline funding for information technology,
35 proposed and ongoing (~~major~~) information technology (~~projects~~)
36 investments, and their associated costs. This plan and technology
37 budget must be presented using a method similar to the capital
38 budget, identifying (~~project~~) investment costs through stages of
39 the (~~project~~) investment and across fiscal periods and biennia from

1 ((project)) initiation to implementation. This information must be
2 submitted electronically, in a format to be determined by the office
3 of financial management and the legislative evaluation and
4 accountability program committee.

5 (5) The office of financial management shall also institute a
6 method of accounting for information technology-related
7 expenditures(~~(, including creating common definitions for what~~
8 ~~constitutes an information technology investment)~~)).

9 (6) For the purposes of this section, (~~("major information~~
10 ~~technology projects" includes projects that have a significant~~
11 ~~anticipated cost, complexity, or are of statewide significance, such~~
12 ~~as enterprise level solutions, enterprise resource planning, and~~
13 ~~shared services initiatives)~~) "information technology investment" has
14 the definition in RCW 43.105.020.

15 **Sec. 414.** RCW 44.68.065 and 2010 c 282 s 8 are each amended to
16 read as follows:

17 The legislative service center, under the direction of the joint
18 legislative systems committee and the joint legislative systems
19 administrative committee, shall:

20 (1) Develop a legislative information technology portfolio
21 consistent with the provisions of RCW (~~43.105.172~~) 43.41A.110 (as
22 recodified by this act);

23 (2) Participate in the development of an enterprise-based
24 statewide information technology strategy as defined in RCW
25 43.105.019;

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

29 (4) As part of the biennial budget process, submit the
30 legislative information technology portfolio to the chair and ranking
31 member of the ways and means committees of the house of
32 representatives and the senate, the office of financial management,
33 and the (~~department of information services~~) consolidated
34 technology services agency.

35 **Sec. 415.** RCW 70.58.005 and 2009 c 231 s 1 are each amended to
36 read as follows:

37 The definitions in this section apply throughout this chapter
38 unless the context clearly requires otherwise.

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

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

4 (3) "Electronic approval" or "electronically approve" means
5 approving the content of an electronically filed vital record through
6 the processes provided by the department. Electronic approval
7 processes shall be consistent with policies, standards, and
8 procedures developed by the (~~information services board under RCW~~
9 ~~43.105.041~~) director of the consolidated technology services agency.

10 (4) "Embalmer" means a person licensed as required in chapter
11 18.39 RCW and defined in RCW 18.39.010.

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

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

17 **PART V**

18 **INFORMATION TECHNOLOGY ACCOUNTING REVISIONS**

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

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

25 (a) Acquisition of equipment, software, supplies, and services;
26 and

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

33 (2) The director or the director's designee, with the approval of
34 the technology services board, is authorized to expend up to one
35 million dollars per fiscal biennium for the technology services board
36 to conduct independent technical and financial analysis of proposed
37 information technology projects.

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

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

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

10 (1) The statewide information technology system development
11 revolving account is created in the custody of the state treasurer.
12 All receipts from legislative appropriations and assessments to
13 agencies for the development and acquisition of enterprise
14 information technology systems must be deposited into the account.
15 Moneys in the account may be spent only after appropriation. The
16 account must be used solely for the development and acquisition of
17 enterprise information technology systems that are consistent with
18 the enterprise-based strategy established by the consolidated
19 technology services agency in RCW 43.105.047 (as recodified by this
20 act). Expenditures from the account may not be used for maintenance
21 and operations of enterprise information technology systems. The
22 account may be used for the payment of salaries, wages, and other
23 costs directly related to the development and acquisition of
24 enterprise information technology systems.

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

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

30 (4) For the purposes of this section and section 503 of this act,
31 "enterprise information technology system" means an information
32 technology system that serves agencies with a certain business need
33 or process that are required to use the system unless the agency has
34 received a waiver from the state chief information officer.
35 "Enterprise information technology system" also includes projects
36 that are of statewide significance including enterprise-level
37 solutions, enterprise resource planning, and shared services
38 initiatives.

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

3 (1) The statewide information technology system maintenance and
4 operations revolving account is created in the custody of the state
5 treasurer. All receipts from fees, charges for services, and
6 assessments to agencies for the maintenance and operations of
7 enterprise information technology systems must be deposited into the
8 account. The account must be used solely for the maintenance and
9 operations of enterprise information technology systems.

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

14 (3) The office may contract with the consolidated technology
15 services agency for the billing of fees, charges for services, and
16 assessments to agencies, and for the maintenance and operations of
17 enterprise information technology systems.

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

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

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

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

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

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

37 **Sec. 505.** RCW 41.06.280 and 2013 2nd sp.s. c 4 s 968 are each
38 amended to read as follows:

1 There is hereby created a fund within the state treasury,
2 designated as the "personnel service fund," to be used by the office
3 of financial management as a revolving fund for the payment of
4 salaries, wages, and operations required for the administration of
5 the provisions of this chapter, applicable provisions of chapter
6 41.04 RCW, and chapter 41.60 RCW. An amount not to exceed one and
7 one-half percent of the salaries and wages for all positions in the
8 classified service in each of the agencies subject to this chapter,
9 except the institutions of higher education, shall be charged to the
10 operations appropriations of each agency and credited to the
11 personnel service fund as the allotments are approved pursuant to
12 chapter 43.88 RCW. Subject to the above limitations, the amount shall
13 be charged against the allotments pro rata, at a rate to be fixed by
14 the director from time to time which, together with income derived
15 from services rendered under RCW 41.06.080, will provide the office
16 of financial management with funds to meet its anticipated
17 expenditures during the allotment period, including the training
18 requirements in RCW 41.06.500 and 41.06.530. (~~All revenues, net of~~
19 ~~expenditures, previously derived from services provided by the~~
20 ~~department of enterprise services under RCW 41.06.080 must be~~
21 ~~transferred to the enterprise services account.))~~

22 The director shall fix the terms and charges for services
23 rendered by the office of financial management pursuant to RCW
24 41.06.080, which amounts shall be credited to the personnel service
25 fund and charged against the proper fund or appropriation of the
26 recipient of such services on a monthly basis. Payment for services
27 so rendered under RCW 41.06.080 shall be made on a monthly basis to
28 the state treasurer and deposited in the personnel service fund.

29 Moneys from the personnel service fund shall be disbursed by the
30 state treasurer by warrants on vouchers duly authorized by the office
31 of financial management.

32 During the 2013-2015 fiscal biennium, the legislature may
33 transfer from the personnel service fund to the state general fund
34 such amounts as reflect the excess fund balance of the account.

35 NEW SECTION. **Sec. 506.** A new section is added to chapter 43.41
36 RCW to read as follows:

37 The office of financial management central service revolving
38 account is created in the custody of the state treasury. The account
39 is to be used by the office as a revolving fund for the payment of

1 salaries, wages, and other costs required for the operation and
2 maintenance of statewide budgeting, accounting, and forecasting, and
3 functions and activities in the office. All receipts from agency fees
4 and charges for services collected from public agencies must be
5 deposited into the account. The director shall fix the terms and
6 charges to agencies based on each agency's share of the office
7 statewide cost allocation plan for federal funds. Only the director
8 or the director's designee may authorize expenditures from the
9 account. The account is subject to allotment procedures under chapter
10 43.88 RCW, but no appropriation is required for expenditures.

11 NEW SECTION. **Sec. 507.** No later than December 31, 2015, any
12 residual balance of funds remaining in the data processing revolving
13 fund repealed by section 509 of this act shall be apportioned by the
14 director of financial management to the appropriate accounts created
15 in sections 501 through 504 of this act.

16 NEW SECTION. **Sec. 508.** The office of financial management must
17 convene a work group consisting of representatives of the legislative
18 evaluation and accountability program committee, legislative staff of
19 the fiscal committees of the house of representatives and senate,
20 consolidated technology services agency, and the department of
21 enterprise services. The purpose of the work group is to review and
22 update the central services model that allocates state funds for
23 budgeting the costs of central services. The work group must review
24 the services and activities performed by each agency and develop a
25 system of rates and charges to fund these services and activities. In
26 addition, the work group must review each agency's chart of accounts
27 and propose a structure to better align the budget reporting systems
28 with each agency's current operational structure and to provide
29 greater transparency in revenues and expenditures. These tasks should
30 be completed in anticipation of the governor's 2017-2019 biennial
31 budget submission.

32 NEW SECTION. **Sec. 509.** The following acts or parts of acts, as
33 now existing or hereafter amended, are each repealed, effective
34 January 1, 2016:

35 RCW 43.19.791 (Data processing revolving fund—Created—Use) and
36 2013 2nd sp.s. c 4 s 976 & 2011 2nd sp.s. c 9 s 906.

1 **PART VI**

2 **MISCELLANEOUS PROVISIONS**

3 NEW SECTION. **Sec. 601.** (1) The legislature recognizes that
4 information technology systems can generate savings to state agencies
5 and the state's taxpayers. Information technology can also improve
6 citizen access to services, increase spending transparency, and
7 enable the collection of data that can be used to assess performance
8 and outcomes allowing state government to make better spending
9 decisions. In order to achieve savings and improvements, state
10 agencies require a talented pool of information technology
11 professionals at all levels of their workforce. Therefore, the office
12 of financial management shall convene a task force to review the
13 necessary qualifications, experience, compensation, benefits,
14 professional development, and skills training required to recruit and
15 retain a skilled state government information technology workforce.

16 (2) Members of the task force shall consist of the assistant
17 director of the office of financial management's state human
18 resources division, the technology services board, and an additional
19 representative of state agency bargaining units whose work is in an
20 information technology classification. The director of financial
21 management shall select the representative of state agency bargaining
22 units.

23 (3) In support of this effort and pursuant to RCW 41.06.157 and
24 41.06.160, the office of financial management must:

25 (a) Undertake a salary survey of positions in other public and
26 private employment to establish market rates for information
27 technology professionals at all organizational levels of state
28 government. The salary survey shall be comprehensive, examining
29 salary, fringe benefits, and working conditions. Fringe benefits and
30 working conditions shall include, but not be limited to, health care
31 and retirement benefits, telecommuting and other workplace mobility
32 options, training and skills development opportunities and cost
33 sharing, and other components typically included in the total
34 compensation package to information technology professionals in the
35 private sector;

36 (b) Conduct a class study of information technology
37 classifications at state agencies to review and provide an in-depth
38 evaluation of the work assigned to all positions in the information
39 technology class or class series;

1 (c) Review the use of Washington management service for
2 information technology positions to determine if that classification
3 is being use appropriately, meets the information management needs of
4 state government, and whether a separate information technology
5 manager classification would be beneficial;

6 (d) Conduct an evaluation of the information technology
7 investment portfolios of state agencies to determine which agencies
8 require chief information officers and an evaluation of the job
9 descriptions, skills, and qualifications necessary to be a successful
10 agency chief information officer within state government;

11 (e) Develop performance appraisal tools to assess and reward
12 state agency information technology professionals to retain their
13 talent. Tools may include performance pay, bonuses, and other
14 benefits typically found in the private market; and

15 (f) Provide administrative support, technical assistance, and
16 engage in other activities as requested by the task force.

17 (4) The task force shall review the information supplied by the
18 office of financial management and prepare a comprehensive set of
19 recommendations for submission to the fiscal committees of the
20 legislature by August 1, 2016. This timeline is intended to allow the
21 legislature to act on the recommendations during the 2017 legislative
22 session and for the governor's consideration in the 2017-2019
23 biennial collective bargaining process.

24 NEW SECTION. **Sec. 602.** The select committee on pension policy
25 with the assistance of the office of the state actuary and the office
26 of the chief information officer is requested to engage in a review
27 of retirement options in the commercial information technology
28 industry and develop recommendations for more attractive retirement
29 benefit options for the state's information technology workforce who
30 are less likely to vest their benefit in the state public retirement
31 system.

32 NEW SECTION. **Sec. 603.** (1) All powers, duties, and functions of
33 the office of the chief information officer within the office of
34 financial management pertaining to the office of the chief
35 information officer are transferred to the consolidated technology
36 services agency.

37 (2)(a) All reports, documents, surveys, books, records, files,
38 papers, or written material in the possession of the office of the

1 chief information officer within the office of financial management
2 pertaining to the powers, duties, and functions transferred shall be
3 delivered to the custody of the consolidated technology services
4 agency. All cabinets, furniture, office equipment, motor vehicles,
5 and other tangible property employed by the office of the chief
6 information officer within the office of financial management in
7 carrying out the powers, duties, and functions transferred shall be
8 made available to the consolidated technology services agency. All
9 funds, credits, or other assets held in connection with the powers,
10 duties, and functions transferred shall be assigned to the
11 consolidated technology services agency.

12 (b) Any appropriations made to the office of the chief
13 information officer within the office of financial management for
14 carrying out the powers, duties, and functions transferred shall, on
15 the effective date of this section, be transferred and credited to
16 the consolidated technology services agency.

17 (c) Whenever any question arises as to the transfer of any
18 personnel, funds, books, documents, records, papers, files,
19 equipment, or other tangible property used or held in the exercise of
20 the powers and the performance of the duties and functions
21 transferred, the director of financial management shall make a
22 determination as to the proper allocation and certify the same to the
23 state agencies concerned.

24 (3) All rules and all pending business before the office of the
25 chief information officer within the office of financial management
26 pertaining to the powers, duties, and functions transferred shall be
27 continued and acted upon by the consolidated technology services
28 agency. All existing contracts and obligations shall remain in full
29 force and shall be performed by the consolidated technology services
30 agency.

31 (4) The transfer of the powers, duties, functions, and personnel
32 of the office of the chief information officer within the office of
33 financial management shall not affect the validity of any act
34 performed before the effective date of this section.

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

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

11 NEW SECTION. **Sec. 604.** A new section is added to chapter 43.19
12 RCW to read as follows:

13 (1) All powers, duties, and functions of the department of
14 enterprise services pertaining to risk management and personnel
15 services are transferred to the office of financial management. All
16 references to the director or the department of enterprise services
17 in the Revised Code of Washington shall be construed to mean the
18 director or the office of financial management when referring to the
19 functions transferred in this section.

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

31 (b) Any appropriations made to the department of enterprise
32 services for carrying out the powers, duties, and functions
33 transferred shall, on the effective date of this section, be
34 transferred and credited to the office of financial management.

35 (c) If any question arises as to the transfer of any personnel,
36 funds, books, documents, records, papers, files, equipment, or other
37 tangible property used or held in the exercise of the powers and the
38 performance of the duties and functions transferred, the director of

1 financial management shall make a determination as to the proper
2 allocation and certify the same to the state agencies concerned.

3 (3) All rules and all pending business before the department of
4 enterprise services pertaining to the powers, duties, and functions
5 transferred shall be continued and acted upon by the office of
6 financial management. All existing contracts and obligations shall
7 remain in full force and shall be performed by the office of
8 financial management.

9 (4) The transfer of the powers, duties, functions, and personnel
10 of the department of enterprise services shall not affect the
11 validity of any act performed before the effective date of this
12 section.

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

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

28 NEW SECTION. **Sec. 605.** (1) All powers, duties, and functions of
29 the department of enterprise services pertaining to statewide
30 information technology services and applications are transferred to
31 the consolidated technology services agency.

32 (2)(a) All reports, documents, surveys, books, records, files,
33 papers, or written material in the possession of the department of
34 enterprise services pertaining to the powers, duties, and functions
35 transferred shall be delivered to the custody of the consolidated
36 technology services agency. All cabinets, furniture, office
37 equipment, motor vehicles, and other tangible property employed by
38 the department of enterprise services in carrying out the powers,
39 duties, and functions transferred shall be made available to the

1 consolidated technology services agency. All funds, credits, or other
2 assets held in connection with the powers, duties, and functions
3 transferred shall be assigned to the consolidated technology services
4 agency.

5 (b) Any appropriations made to the department of enterprise
6 services for carrying out the powers, duties, and functions
7 transferred shall, on the effective date of this section, be
8 transferred and credited to the consolidated technology services
9 agency.

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

16 (3) All rules and all pending business before the department of
17 enterprise services pertaining to the powers, duties, and functions
18 transferred shall be continued and acted upon by the consolidated
19 technology services agency. All existing contracts and obligations
20 shall remain in full force and shall be performed by the consolidated
21 technology services agency.

22 (4) The transfer of the powers, duties, functions, and personnel
23 of the department of enterprise services shall not affect the
24 validity of any act performed before the effective date of this
25 section.

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

32 (6) All employees of the department of enterprise services
33 engaged in performing the powers, duties, and functions transferred
34 are transferred to the jurisdiction of the consolidated technology
35 services agency. All employees classified under chapter 41.06 RCW,
36 the state civil service law, are assigned to the consolidated
37 technology services agency to perform their usual duties upon the
38 same terms as formerly, without any loss of rights, subject to any
39 action that may be appropriate thereafter in accordance with the laws
40 and rules governing state civil service.

1 NEW SECTION. **Sec. 606.** This act is necessary for the immediate
2 preservation of the public peace, health, or safety, or support of
3 the state government and its existing public institutions, and takes
4 effect July 1, 2015.

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