

CERTIFICATION OF ENROLLMENT
ENGROSSED SECOND SUBSTITUTE SENATE BILL 5315

Chapter 1, Laws of 2015

64th Legislature
2015 3rd Special Session

STATE AGENCIES--TRANSFER OF DUTIES--INFORMATION TECHNOLOGY

EFFECTIVE DATE: 10/9/2015 - Except for sections 401 through 405, 409, 411, and 412 which become effective 7/24/2015; Sections 101 through 109, 201 through 224, 406 through 408, 410, 501 through 507, 601 and 602 which become effective 7/1/2015.

Passed by the Senate June 29, 2015
Yeas 46 Nays 0

PAM ROACH

President of the Senate

Passed by the House June 29, 2015
Yeas 87 Nays 11

FRANK CHOPP

Speaker of the House of Representatives

Approved June 30, 2015 11:30 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SECOND SUBSTITUTE SENATE BILL 5315** as passed by Senate and the House of Representatives on the dates hereon set forth.

HUNTER G. GOODMAN

Deputy Secretary

FILED

July 1, 2015

**Secretary of State
State of Washington**

ENGROSSED SECOND SUBSTITUTE SENATE BILL 5315

Passed Legislature - 2015 3rd Special Session

State of Washington

64th Legislature

2015 Regular Session

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

READ FIRST TIME 04/02/15.

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

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

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

PART I

CONSOLIDATED TECHNOLOGY SERVICES AGENCY

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

Information technology is a tool used by state agencies to improve their ability to deliver public services efficiently and effectively. Advances in information technology ~~((-))~~₁ including advances in hardware, software, and business processes for implementing and managing these resources ~~((-))~~₁ offer new opportunities to improve the level of support provided to citizens and state agencies and to reduce the per-transaction cost of these services. These advances are one component in the process of reengineering how government delivers services to citizens.

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

To maximize the potential for information technology to contribute to government business process reengineering₁ the state must establish clear central authority to plan, set enterprise policies and standards, and provide project oversight and management analysis of the various aspects of a business process.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (2) The director shall:

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

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

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

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

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

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

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

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

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

25 The agency shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (a) To develop statewide standards and policies governing the:
16 (i) Acquisition (~~(and disposition)~~) of equipment, software, and
17 (~~(personal and purchased)~~) technology-related services(~~(τ)~~);

18 (ii) Disposition of equipment;

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

21 (iv) Confidentiality of computerized data;

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

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

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

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

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

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

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

4 (iii) Project management; and

5 (iv) Cybersecurity;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (5) The treasurer shall:

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

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

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

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

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

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

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

23 (6) The state auditor shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 PART II

29 OFFICE OF THE STATE CHIEF INFORMATION OFFICER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART III

OFFICE OF FINANCIAL MANAGEMENT REALIGNMENT

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

The office of financial management shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (e) Review any pay and classification plans, and changes
8 thereunder, developed by any agency for their fiscal impact:

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

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

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

27 (5) The treasurer shall:

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

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

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

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

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

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

39 (6) The state auditor shall:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 (1) This chapter shall not apply to:

16 (a) The state militia, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

31 (ii) Terminate state employment;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 3 (a) Be simple and streamlined;
- 4 (b) Support state agencies in responding to changing
5 technologies, economic and social conditions, and the needs of its
6 citizens;
- 7 (c) Value workplace diversity;
- 8 (d) Facilitate the reorganization and decentralization of
9 governmental services;
- 10 (e) Enhance mobility and career advancement opportunities; and
- 11 (f) Consider rates in other public employment and private
12 employment in the state.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NEW SECTION. **Sec. 325.** RCW 43.41.130, 43.41.140, 43.41.150, 43.41.370, and 43.41.380 are each recodified as sections in chapter 43.19 RCW.

NEW SECTION. **Sec. 326.** The following acts or parts of acts are each repealed:

(1) RCW 43.41.190 (Community network programs—Recommended legislation) and 1994 sp.s. c 7 s 318; and

(2) RCW 43.41.195 (Community networks—Fund distribution formula) and 1999 c 372 s 8 & 1994 sp.s. c 7 s 319.

PART IV

CORRECTION OF OBSOLETE REFERENCES

Sec. 401. RCW 2.36.057 and 2015 c 225 s 2 are each amended to read as follows:

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

Sec. 402. RCW 2.36.0571 and 2015 c 225 s 3 are each amended to read as follows:

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

Sec. 403. RCW 2.68.060 and 2015 c 225 s 4 are each amended to read as follows:

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

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

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

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

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

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

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

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

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

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

29 (d) Use a trustworthy system;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 **PART V**

28 **INFORMATION TECHNOLOGY ACCOUNTING REVISIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 **PART VI**
35 **MISCELLANEOUS PROVISIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Passed by the Senate June 29, 2015.

Passed by the House June 29, 2015.

Approved by the Governor June 30, 2015.

Filed in Office of Secretary of State July 1, 2015.