
HOUSE BILL 2814

State of Washington

52nd Legislature

1992 Regular Session

By Representatives H. Sommers, Silver, Anderson, Locke and Winsley; by request of Department of Information Services and Office of Financial Management

Read first time 01/28/92. Referred to Committee on Appropriations.

1 AN ACT Relating to state information resources; amending RCW
2 43.105.017, 43.105.020, 43.105.032, 43.105.041, 43.105.047, 43.105.052,
3 43.88.030, 39.29.006, and 43.19.1901; reenacting and amending RCW
4 43.88.030; adding new sections to chapter 43.105 RCW; repealing RCW
5 43.105.005; providing an effective date; providing an expiration date;
6 and declaring an emergency.

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

8 **Sec. 1.** RCW 43.105.017 and 1990 c 208 s 2 are each amended to read
9 as follows:

10 It is the intent of the legislature that:

11 (1) State government provide leadership, direction, and assistance
12 in the state's use ((voice, data, and video telecommunications
13 technologies)) of information resources to:

1 (a) Transmit and increase access to live, interactive classroom
2 instruction and training((;

3 ~~(b) Provide for~~) and promote interactive public affairs
4 presentations, including a public forum for state and local issues;

5 ~~((e))~~ (b) Facilitate communications and exchange of information
6 among state and local elected officials and the general public; and

7 ~~((d))~~ (c) Enhance state-wide communications within state
8 agencies; ~~((and~~

9 ~~(e) Through the use of telecommunications, reduce time lost due to~~
10 ~~travel to in-state meetings;))~~

11 ~~(2) ((Information be shared and administered in a coordinated~~
12 ~~manner, except when prevented by agency responsibilities for security,~~
13 ~~privacy, or confidentiality;~~

14 ~~(3))~~ A formal process and procedures be established to guide and
15 control the use of information resources. It is intended that the
16 planning, budgeting, and management of information will be based upon
17 cost-effective and efficient use of resources and that information
18 systems will support program goals and objectives. The development and
19 implementation of information systems will be subject to the
20 requirements of this chapter, which create and establish a process for
21 the phased funding and implementation of all information systems,
22 unless a system is determined by the department to be exempt under
23 section 7 of this act. Information is a state resource and it is the
24 intent of the legislature that all elements of state government
25 cooperate in moving towards comprehensive and integrated information
26 systems that support improved service delivery;

27 (3) Information systems reflect and support agency missions and
28 functions and this linkage be established by agency management
29 participating in strategic planning activities; strategic plans direct
30 the agency requests for resources to design, build, implement, and

1 operate these systems; construction of every information system be
2 explicitly controlled by the agency to assure success in a timely and
3 cost-efficient manner; and agencies monitor expenditures and
4 performance in constructing information systems;

5 (4) All data collected, created, and generated by state government
6 be treated as a resource of the state to be managed by the state, in
7 accord with security and privacy requirements; access to data be shared
8 and administered in a coordinated manner among state agencies and
9 between the executive, legislative, and judicial branches of state
10 government, except when prevented by the need to protect accuracy,
11 integrity, security, privacy, or confidentiality; data be used for
12 setting strategic directions, improving agency management, and
13 directing agency operations, and all these uses are appropriate and to
14 be taken into consideration when organizing data collection and
15 processing;

16 (5) Nothing in chapter ---, Laws of 1992 (this act) is intended to
17 supersede or change current state or federal statutes on data
18 confidentiality;

19 (6) Agencies accurately state the costs of their information system
20 projects, define their benefits in measurable terms, state their risks
21 and identify how these risks can be mitigated; and all agency
22 information system projects be an identifiable element of agency
23 strategic plans and support the strategic directions of the state;

24 (7) Budgetary review of all agency requests for information
25 resources be required to assure that agency missions and objectives,
26 strategic directions, and information system projects are congruent.
27 This budgetary review will consider the impact of information resources
28 on agency services, the likelihood of information projects success,
29 consistency with agency plans, and the costs and benefits of the
30 information technology;

1 (8) The primary responsibility for the management and use of state
2 agency, legislative, and judicial information~~((7))~~ and information
3 ~~((systems, telecommunications, equipment, software, and services))~~
4 resources rests with ~~((each agency))~~ the agency head of the agency
5 planning, acquiring, or managing the resources, such as the director of
6 an executive agency, the chief justice of the supreme court, or, in the
7 case of the legislature, jointly with the president of the senate and
8 the speaker of the house of representatives, or their designated
9 representatives;

10 ~~((4))~~ (9) Information resources shall be ~~((used in the most~~
11 ~~efficient manner and services be shared when cost effective))~~ planned,
12 acquired, and managed in a manner that takes into consideration such
13 factors as quality of service, consistency with the state information
14 technology plan, and data sharing potential;

15 ~~((5))~~ (10) A structure be created to:

16 (a) Plan and manage telecommunications and computing networks;

17 (b) Increase ~~((agencies))~~ awareness of information sharing
18 opportunities among all three branches of state government and with
19 local governments; and

20 (c) Assist agencies and the judiciary in identifying and
21 implementing such shared possibilities;

22 ~~((6))~~ (11) An acquisition process for ~~((equipment, proprietary~~
23 ~~software, and related services))~~ information resources be established
24 that meets the needs of the users, considers the relevant exchange of
25 information among all government agencies, and promotes fair and open
26 competition;

27 ~~((7) The state improve)~~ (12) Agencies receive assistance in
28 improving recruitment, retention, and training of professional and
29 technical staff, including individuals who possess state-of-the-art

1 skills in planning information systems, and acquiring and managing
2 information resources;

3 ((+8)) (13) Plans, proposals, and acquisitions for information
4 services be reviewed from a financial and management perspective as
5 part of the budget process; and

6 ((+9)) (14) State government adopt policies and procedures that
7 maximize the effective use of ((existing video telecommunications))
8 information resources, coordinate and develop ((video
9 telecommunications)) information resources in a manner that is cost-
10 effective and encourages shared use, when feasible, and ensures the
11 appropriate use of ((video telecommunications)) these resources to
12 fulfill identified needs.

13 **Sec. 2.** RCW 43.105.020 and 1990 c 208 s 3 are each amended to read
14 as follows:

15 As used in this chapter, unless the context indicates otherwise,
16 the following definitions shall apply:

17 (1) "Department" means the department of information services;

18 (2) "Board" means the information services board;

19 (3) "Local governments" includes all municipal and quasi municipal
20 corporations and political subdivisions, and all agencies of such
21 corporations and subdivisions authorized to contract separately;

22 (4) "Director" means the director of the department;

23 (5) "Purchased services" means services provided by a vendor to
24 accomplish routine, continuing, and necessary functions. This term
25 includes, but is not limited to, services acquired for equipment
26 maintenance and repair, operation of a physical plant, security,
27 computer hardware and software installation and maintenance, data
28 entry, keypunch services, programming services, and computer time-
29 sharing;

1 (6) (~~"Backbone network" means the shared high-density portions of~~
2 ~~the state's telecommunications transmission facilities. It includes~~
3 ~~specially conditioned high-speed communications carrier lines,~~
4 ~~multiplexors, switches associated with such communications lines, and~~
5 ~~any equipment and software components necessary for management and~~
6 ~~control of the backbone network;~~

7 (7) ~~"Telecommunications" means the transmission of information by~~
8 ~~wire, radio, optical cable, electromagnetic, or other means;~~

9 (8) ~~"Information processing" means the electronic capture,~~
10 ~~collection, storage, manipulation, transmission, retrieval, and~~
11 ~~presentation of information in the form of data, text, voice, or image~~
12 ~~and includes telecommunications and office automation functions;~~

13 (9)) "Information ((~~services~~)) resources" means data processing,
14 telecommunications, and office automation equipment, systems, and
15 services, including proprietary software;

16 ((~~10~~)) (7) "Equipment" means the machines, devices, and
17 transmission facilities used in information processing, such as
18 computers, word processors, terminals, telephones, and cables;

19 ((~~11~~)) (8) "Proprietary software" means that software offered for
20 sale or license;

21 ((~~12~~)) (9) "Video telecommunications" means the electronic
22 interconnection of two or more sites for the purpose of transmitting
23 and/or receiving visual and associated audio information and is
24 considered a component of information resources. ((Video
25 telecommunications shall not include existing public television
26 broadcast stations as currently designated by the department of
27 community development under chapter 43.63A RCW.))

28 (10) "Major project" means an information resources project that
29 has a significant impact upon the state's, an agency's, or a program's
30 operations, as determined by the department;

1 (11) "State agency," "agency," or "agencies" means any executive
2 branch agency in which the chief executive officer is appointed
3 directly by the governor or by a board that is appointed in whole or in
4 part by the governor. "State agency," "agency," or "agencies" also
5 includes, but is not limited to, the offices of other independently
6 elected state officials such as the lieutenant governor, the
7 superintendent of public instruction, the insurance commissioner, the
8 state treasurer, the state auditor, the secretary of state, the
9 commissioner of public lands, the attorney general, and includes state
10 universities and colleges;

11 (12) "Agency head" means the director, secretary, or commissioner
12 of an executive agency as defined in RCW 43.17.020 and 50.08.010. This
13 definition includes, but is not limited to, other independently elected
14 state officials such as the lieutenant governor, the superintendent of
15 public instruction, the insurance commissioner, the state treasurer,
16 the state auditor, the secretary of state, the commissioner of public
17 lands, the attorney general, and presidents of state universities and
18 colleges.

19 **Sec. 3.** RCW 43.105.032 and 1987 c 504 s 4 are each amended to read
20 as follows:

21 There is hereby created the Washington state information services
22 board. The board shall be composed of ~~((nine))~~ ten members. ~~((Seven))~~
23 Eight members shall be appointed by the governor, ~~((and))~~ serving at
24 the governor's pleasure as follows: ~~((Three))~~ Four representatives
25 from cabinet agencies, one of which shall be the director of
26 information services, one representative from higher education, one
27 representative from a noncabinet executive agency, and two
28 representatives from the private sector. One member shall represent
29 the judicial branch and be appointed by the chief justice of the

1 supreme court. One member shall represent the legislative branch and
2 shall be selected by the president of the senate and the speaker of the
3 house of representatives. These members shall constitute the
4 membership of the board with full voting rights. ~~((The director shall
5 be an ex officio, nonvoting member of the board.))~~ The board shall
6 select a chairperson from among its members.

7 Vacancies shall be filled in the same manner that the original
8 appointments were made.

9 A majority of the members of the board shall constitute a quorum
10 for the transaction of business.

11 Members of the board shall be compensated for service on the board
12 in accordance with RCW 43.03.240 and shall be reimbursed for travel
13 expenses as provided in RCW 43.03.050 and 43.03.060.

14 **Sec. 4.** RCW 43.105.041 and 1990 c 208 s 6 are each amended to read
15 as follows:

16 The board shall have the following powers and duties related to
17 information ~~((services))~~ resources:

18 (1) To develop standards and policies governing ~~((the acquisition
19 and disposition of equipment, proprietary software and purchased
20 services,))~~ information resources and ~~((confidentiality))~~ accuracy,
21 integrity, security, privacy, and confidentiality of computerized data;

22 (2) To purchase, lease, rent, or otherwise acquire, dispose of, and
23 maintain ~~((equipment, proprietary software, and purchased services))~~
24 information resources, or to delegate to other agencies and
25 institutions of state government, under appropriate standards, the
26 authority to purchase, lease, rent, or otherwise acquire, dispose of,
27 and maintain ~~((equipment, proprietary software, and purchased
28 services))~~ information resources: ~~PROVIDED, That, agencies and
29 institutions of state government are expressly prohibited from~~

1 ~~acquiring or disposing of ((equipment, proprietary software, and~~
2 ~~purchased services)) information resources without such delegation of~~
3 authority. The acquisition and disposition of ~~((equipment, proprietary~~
4 ~~software, and purchased services)) information resources is exempt from~~
5 RCW 43.19.1919 and, as provided in RCW 43.19.1901, from the provisions
6 of RCW 43.19.190 through 43.19.200. This subsection does not apply to
7 the legislative branch;

8 ~~(3) ((To develop state wide or interagency technical policies,~~
9 ~~standards, and procedures;~~

10 ~~(4))~~ To assure the cost-effective development and incremental
11 implementation of a state-wide video telecommunications system to
12 serve: Public schools; educational service districts; vocational-
13 technical institutes; community colleges; colleges and universities;
14 state and local government; and the general public through public
15 affairs programming;

16 ~~((5))~~ (4) To ~~((provide))~~ establish direction concerning strategic
17 planning goals and objectives for the state. The board shall seek
18 input from the legislature and the judiciary;

19 ~~((6))~~ (5) To develop and implement a process for the resolution
20 of appeals by:

21 (a) Vendors concerning the conduct of an acquisition process by an
22 agency or the department; or

23 (b) A customer agency concerning the provision of services by the
24 department or by other state agency providers;

25 ~~((7))~~ (6) To establish policies for the periodic review by the
26 department of agency performance which may include but are not limited
27 to analysis of:

28 (a) Planning, management, control, and use of information services;

29 (b) Training and education; and

30 (c) Project management;

1 ~~((8))~~ (7) To set its meeting schedules and convene at scheduled
2 times, or meet at the request of a majority of its members, the chair,
3 or the director; ~~((and~~

4 ~~(9))~~ (8) To review and approve that portion of the department's
5 budget requests that provide~~((s))~~ for support to the board;

6 (9) To review and approve the state strategic information
7 technology plan;

8 (10) To approve, require revision of, or reject agency information
9 technology plans;

10 (11) To review the state information technology performance report;
11 and

12 (12) To adopt rules and policies necessary for carrying out the
13 provisions of this chapter as provided in chapter 34.05 RCW.

14 **Sec. 5.** RCW 43.105.047 and 1987 c 504 s 6 are each amended to read
15 as follows:

16 There is created the department of information services. The
17 department shall be headed by a director appointed by the governor with
18 the consent of the senate. The director shall serve at the governor's
19 pleasure and shall receive such salary as determined by the governor.
20 The director shall:

21 (1) Appoint a confidential secretary and such deputy and assistant
22 directors as needed to administer the department~~((-. However, the total~~
23 ~~number of deputy and assistant directors shall not exceed four))~~;

24 (2) Maintain ~~((and fund a planning component))~~ a policy and
25 regulation division separate from the services component of the
26 department. The policy and regulation division shall be managed as a
27 separate component of the department for accounting and auditing
28 purposes, and shall operate solely on funds appropriated by the
29 legislature for administering the duties of the regulation division;

1 (3) Appoint such professional, technical, and clerical assistants
2 and employees as may be necessary to perform the duties imposed by this
3 chapter;

4 (4) Approve, with the director of the office of financial
5 management and the director of each agency undertaking a major project,
6 a project agreement as described in section 8 of this act;

7 (5) Report to the governor and the board any matters relating to
8 abuses and evasions of this chapter; and

9 ((+5)) (6) Recommend statutory changes to the governor and the
10 board.

11 **Sec. 6.** RCW 43.105.052 and 1990 c 208 s 7 are each amended to read
12 as follows:

13 The department shall:

14 (1) Provide leadership, direction, and assistance to agencies and
15 the judiciary in acquiring, developing, managing, and using information
16 resources in a government setting.

17 (2) Perform all duties and responsibilities the board delegates to
18 the department, including but not limited to:

19 (a) The review of agency acquisition plans and requests; and

20 (b) Implementation of state-wide ((and interagency)) policies,
21 standards, and guidelines;

22 ((+2)) (3) Make available information services to state agencies
23 and local governments on a full cost-recovery basis. These services
24 may include, but are not limited to:

25 (a) Telecommunications services for voice, data, and video;

26 (b) Mainframe computing services;

27 (c) Support for departmental and microcomputer evaluation,
28 installation, and use;

1 (d) Equipment acquisition assistance, including leasing, brokering,
2 and establishing master contracts;

3 (e) Facilities management services for information technology
4 equipment, equipment repair, and maintenance service;

5 ~~((f))~~ ~~((Negotiate [Negotiation] with local cable companies and local
6 governments to provide for connection to local cable services to allow
7 for access to these public and educational channels in the state;~~

8 ~~((g))~~ Office automation services;

9 ~~((h))~~ (g) System development services; and

10 ~~((i))~~ (h) Training.

11 These services are for discretionary use by customers and customers
12 may elect other alternatives for service if, in the judgment of the
13 board, those alternatives are more ~~((cost effective or provide better
14 service. Agencies may be required to use the backbone network portions
15 of the telecommunications services during an initial start-up period
16 not to exceed three years))~~ effective when taking into consideration
17 such factors as quality of service, economy, consistency within the
18 state information technology plan, and data sharing potential;

19 ~~((3))~~ (4) Negotiate with local cable companies and local
20 governments to provide for connection to local cable services to allow
21 for access to these public and educational channels in the state;

22 (5) Establish rates and fees for services provided by the
23 department to assure that the services component of the department is
24 self-supporting. A billing rate plan shall be developed for a two-year
25 period to coincide with the budgeting process. The rate plan shall be
26 subject to review at least annually by the customer oversight
27 committees. The rate plan shall show the proposed rates by each ~~((cost
28 center))~~ product or service and will show the components of the rate
29 structure as mutually determined by the department and the customer
30 oversight committees. The same rate structure will apply to all user

1 agencies of each (~~cost-center~~) product or service. The rate plan and
2 any adjustments to rates shall be approved by the office of financial
3 management. The services component shall not subsidize the operations
4 of the (~~planning component~~) policy and regulation division. The
5 department may use contract vendors to collect the rates and fees under
6 this subsection;

7 (~~(4) With the advice of the information services board and~~
8 ~~agencies, develop and publish state-wide goals and objectives at least~~
9 ~~biennially;~~

10 (~~(5) Develop plans for the department's achievement of state-wide~~
11 ~~goals and objectives. These plans shall address such services as~~
12 ~~telecommunications, central and distributed computing, local area~~
13 ~~networks, office automation, and end user computing. The department~~
14 ~~shall seek the advice of customer oversight committees and the board in~~
15 ~~the development of these plans;~~)

16 (6) Under direction of the information services board and in
17 collaboration with the department of personnel, the higher education
18 personnel board, and other agencies as may be appropriate, develop
19 training plans and coordinate training programs that are responsive to
20 the needs of agencies;

21 (7) Identify opportunities for the effective use of information
22 (~~services~~) resources and coordinate appropriate responses to those
23 opportunities;

24 (8) Assess agencies' projects, acquisitions, plans, or overall
25 information processing performance as requested by the board, agencies,
26 the director of financial management, or the legislature. Agencies may
27 be required to reimburse the department for agency-requested reviews;

28 (9) (~~Develop planning, budgeting, and expenditure reporting~~
29 ~~requirements, in conjunction with the office of financial management,~~
30 ~~for agencies to follow;~~

1 ~~(10) Assist the office of financial management with budgetary and~~
2 ~~policy review of agency plans for information services;~~

3 ~~(11))~~ Provide ~~((staff support from the planning component to the~~
4 ~~board for))~~ a policy and regulation division which shall:

5 (a) Provide staff support to the board for:

6 (i) Meeting preparation, notices, and minutes;

7 ~~((b))~~ (ii) Promulgation of policies, standards, and guidelines
8 adopted by the board;

9 ~~((c))~~ (iii) Supervision of studies and reports requested by the
10 board; and

11 ~~((d))~~ (iv) Conducting reviews and assessments as directed by the
12 board;

13 ~~((12))~~ (b) Be the primary department division responsible for
14 enforcement of policies, standards, and guidelines adopted by the
15 board;

16 (c) Develop a state strategic information technology plan for board
17 review and adoption. The purpose of the plan is to set direction for
18 information technology in the state and formally establish the state's
19 mission, goals, and objectives for information technology. The
20 department shall forward copies of the approved plan to the board,
21 office of the governor, office of financial management, legislative
22 fiscal committees, and state agency directors;

23 (d) Using agency performance reports, prepare an annual state
24 performance report on information technology. The purpose of the report
25 is to evaluate state performance in the field of information resources
26 against stated objectives and to describe the state's resource
27 management activities for the previous year. The report shall include
28 an assessment of progress made toward implementing the state's
29 strategic information technology plan and an inventory of the state's
30 major information technology resources which specifically identifies

1 major resources acquired during the previous fiscal year. The report
2 shall be distributed to the office of financial management, appropriate
3 legislative committees, and agency directors;

4 (e) Develop planning, budgeting, and expenditure reporting
5 requirements, in conjunction with the office of financial management,
6 for agencies to follow;

7 (f) Review and provide recommendations to the office of financial
8 management regarding agency budget requests for information resources.
9 Each agency will be provided a copy of the department's recommendations
10 on its information technology budget request. Copies of the
11 department's recommendations will be submitted to appropriate
12 legislative committees, concurrently with submission of the governor's
13 budget;

14 (g) Approve each phase of a major project undertaken by an agency.
15 Work on a phase shall not begin until the department has approved the
16 work performed on the previous phase;

17 (h) At key decision points, mutually agreed upon by the department
18 and the agency undertaking the project, recommend whether a project
19 proceed to its next phase; and

20 (i) Review agency information systems or information technology
21 projects when requested by the information services board, the office
22 of financial management, or the legislature by concurrent resolution,
23 bill, or budget proviso;

24 (10) Be the lead agency in coordinating video telecommunications
25 services for all state agencies and develop, pursuant to board
26 policies, standards and common specifications for leased and purchased
27 telecommunications equipment. The department shall not evaluate the
28 merits of school curriculum, higher education course offerings, or
29 other education and training programs proposed for transmission and/or
30 reception using video telecommunications resources. Nothing in this

1 section shall abrogate or abridge the legal responsibilities of
2 licensees of telecommunications facilities as licensed by the federal
3 communications commission on March 27, 1990; ((and

4 ~~(13))~~ (11) Adopt rules and policies necessary to carry out the
5 provisions of this chapter, as provided in chapter 34.05 RCW; and

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

8 NEW SECTION. Sec. 7. (1) In addition to the requirements
9 established by RCW 43.88.030, each agency's budget request shall
10 specifically identify those portions of the request related to
11 information resources and additional information related to information
12 resources deemed pertinent by the office of financial management.
13 Agency requests shall be related to the agency goals and objectives for
14 each program as required by RCW 43.88.090(2).

15 (2) The department shall develop criteria for the review of agency
16 budget requests for information resources. The criteria shall include,
17 but are not limited to, program impacts of the information technology,
18 the risks to successful implementation and use of the information
19 resource, consistency with agency strategic information resources
20 plans, consistency with the state strategic information resources plan,
21 and costs and benefits. Following this review, the department will
22 provide the office of financial management and the legislative fiscal
23 committees with its recommendations for funding all or part of the
24 request. At a time specified by the office of financial management,
25 these recommendations are to be submitted by the department to the
26 office of financial management and will be submitted to the legislative
27 fiscal committees concurrently with submission of the governor's
28 budget. The department is authorized to exempt, from review under this
29 subsection, those portions of agency budget requests which do not

1 contain major projects or initiatives and to develop criteria which
2 will determine at what level projects will be exempted from review.
3 However, no exemption for the review of any portion of an agency budget
4 request for information resources shall be given by the department to
5 any agency for which the legislature has requested a complete review
6 under RCW 43.105.052(9)(i).

7 (3) Funds shall be released by the office of financial management
8 to agencies receiving appropriations based upon the determination by
9 the department that the requirements of section 8 of this act,
10 establishing agency project management, have been met, but in no case
11 shall funds be released for the succeeding phase of an agency project
12 until all of the requirements of the prior phase have been met.

13 (4) All fiscal information regarding information resources shall be
14 in the form, and in formats, established by the state budgeting,
15 accounting, and reporting system. To the greatest extent practicable,
16 fiscal information regarding information resources is to be captured by
17 existing state-wide fiscal systems so as to reduce the reporting burden
18 on agencies and increase the comparability of fiscal information across
19 state government.

20 (5) All benefits, cost avoidance, and cost savings resulting from
21 the implementation of new information systems and the operation of
22 existing information resources shall be reported to the office of
23 financial management as part of each agency budget submittal.
24 Following the identification of these cost savings, the director of
25 each agency shall develop, with the director of financial management,
26 a fiscal agreement determining what portion of the savings will be
27 recommended for retention in the governor's budget recommendation for
28 that agency and the portion to be made available for reallocation in
29 the governor's recommended budget.

1 NEW SECTION. **Sec. 8.**

(1) Major projects shall be funded on an
2 incremental basis, which consists of the following increments:

3 (a) Needs assessment and project definition;

4 (b) Definition of requirements and general design and preparation
5 of a feasibility study; and

6 (c) Design, construction, and implementation.

7 (2) Agency projects shall follow a systems development life cycle,
8 which is composed of a needs assessment and project definition, a
9 requirements definition and general design, and feasibility study
10 design; construction implementation of the system; and review of the
11 achievements of the system. Major information technology projects or
12 initiatives which are proposed, in process, or in operation shall be
13 identified in the agency strategic plans. The following requirements
14 apply to agencies initiating new information technology projects:

15 (a) For proposed projects, a needs assessment and project
16 definition shall be prepared, in a format prescribed by the department,
17 which will provide an initial and preliminary estimate of the
18 functions, scope, risks, and costs and benefits of the proposed system.
19 These estimates are tentative and shall be modified in the following
20 phases of the project when more accurate information becomes available.

21 (b) An agency receiving an appropriation for a proposed project
22 shall prepare a project requirements statement and general design in a
23 format prescribed by the department. The department will specify the
24 criteria for the review and approval of these documents. If these
25 documents are approved, the agency shall prepare a project feasibility
26 study for departmental review and approval in a format specified by the
27 department. The feasibility study will provide detailed and specific
28 statements of scope, functionality, development tasks and times, and
29 estimated costs and benefits. These estimates are subject to change,

1 and may be modified by the agency, subject to formats and procedures
2 prescribed by the department.

3 (3) An agency requesting funds for a proposed major information
4 technology project shall request incremental funding for phases of the
5 proposed system in a format established by the office of financial
6 management. The development of needs assessments and project
7 definitions, requirements definition and general design, and the
8 feasibility study may occur with existing resources and without
9 specific funding, with the concurrence of the department. Funding for
10 major projects shall be requested for each of the remaining phases and,
11 if appropriated, funds shall be released by the office of financial
12 management only on a phase-by-phase basis and only where the prior
13 phase is completed.

14 (4) An agency receiving an appropriation for a major information
15 technology project or initiative shall prepare a project agreement in
16 a format prescribed by the department. The agency head, the director,
17 and the director of financial management shall approve the project
18 agreement. A copy of the project agreement shall be provided to the
19 legislative fiscal committees. The project agreement shall address
20 factors critical to the success of the overall project, including, but
21 not limited to:

- 22 (a) Project organization;
- 23 (b) Scope, change, and cost control;
- 24 (c) Risk assessment and mitigation;
- 25 (d) Project monitoring and quality assurance; and
- 26 (e) A project work plan, specifying timelines and deliverables.

27 Any changes to the agreement shall only be made with the mutual
28 consent of the parties. The legislative fiscal committees shall
29 receive written notification of all changes.

1 (5) An agency shall conduct decision point reviews upon reaching
2 the key decision points identified in the work plan of the project
3 agreement. The agency will prepare a report of its findings and
4 recommendations in a format prescribed by the department, which review
5 shall be submitted to the department and the office of financial
6 management. The department will consider the agency report and
7 recommend to the office of financial management whether the project
8 should continue to the next phase or not. The office of financial
9 management will consider the department's recommendation in determining
10 if the agency should begin the next phase of the project. If the
11 decision point review coincides with the end of a project phase,
12 appropriated funds will be released by the office of financial
13 management only if the requirements of the current phase have been met.
14 If the office of financial management, after consultation with the
15 department, determines that an agency has failed to meet its project
16 agreement responsibilities, the office of financial management shall
17 withhold all further releases of appropriated funds for the project, or
18 shall require the agency to accomplish specific corrective actions
19 prior to further release of funds and notify the legislative fiscal
20 committees of this action. Key decision point reviews include, but are
21 not limited to:

- 22 (a) Progress in meeting project objectives;
- 23 (b) Effectiveness of project management;
- 24 (c) Changes in project scope or objectives;
- 25 (d) Project expenditures and variance reporting, including an
26 explanation of the cause of the variance;
- 27 (e) Changes in benefits expected from the project;
- 28 (f) Risk management and mitigation; and
- 29 (g) Such additional information as is requested by the department.

1 (6) At the direction of, and in a format and time frame prescribed
2 by the department, an agency shall submit regular project progress and
3 risk assessment reports. The department shall prepare a consolidated
4 report which shall be distributed to the board, appropriate legislative
5 committees, agency directors, and the office of financial management.

6 (7) Upon the implementation of a new information system, project,
7 or application, an agency shall prepare a written postimplementation
8 review to determine the effectiveness of the system in supporting the
9 agency's goals and objectives. The review shall be in a format
10 prescribed by the department and shall include, but is not limited to:

11 (a) Determination of the extent to which the project accomplished
12 its objectives;

13 (b) Statement of the actual costs of development and an analysis of
14 the variance from the original estimated costs;

15 (c) Determination of the benefits of the system, including
16 measurable reductions in costs and intangible benefits; and

17 (d) Significant lessons learned which will be useful for future
18 development efforts of the agency or state government, unanticipated
19 problems which were encountered and how they were resolved, and users'
20 evaluation of the performance of the new system.

21 NEW SECTION. **Sec. 9.** (1) Each agency, based upon the state
22 strategic information technology plan, shall adopt a strategic
23 information technology plan and submit it to the department for review
24 and recommendations to the board. The plan shall be prepared in a
25 format prescribed by the department. The plan shall be approved by the
26 agency director. The purpose of the plan is to establish directions
27 and priorities for the agency. The plan shall include, at a minimum:

28 (a) A statement of the agency's mission, goals, and objectives for
29 information technology;

1 (b) An explanation of how (a) of this subsection supports the state
2 strategic information technology plan as adopted by the board; and

3 (c) Major projects and resources required to meet the strategic
4 information management objectives, as well as an estimated schedule for
5 the proposed projects, and, when accurate estimates have been
6 developed, total projected costs of the projects.

7 An approved plan shall be amended by the agency to reflect major
8 changes in the direction of a major project. An approved plan may also
9 be amended to reflect other changes which the agency determines warrant
10 amendment. Amendments shall be submitted to the department for
11 approval. Copies of approved amendments shall be provided to the
12 board, the office of financial management and the legislative fiscal
13 committees.

14 (2) An agency shall prepare a tactical information technology plan
15 based upon funds appropriated. The plan shall be in a format
16 prescribed by the department and shall include, at a minimum:

17 (a) Major projects, services and support activities resources to be
18 undertaken;

19 (b) Project objectives based upon funds appropriated; and

20 (c) Objectives and actions planned for all agency information
21 technology activities, based upon appropriations received.

22 (3) Each agency shall prepare an annual performance report and
23 inventory which shall be submitted to the department. The performance
24 report shall be in a format prescribed by the department. The purpose
25 of the report is to evaluate the agency's performance in the field of
26 information resources management against state and agency objectives
27 and describe its information resource management activities for the
28 previous year, and shall include, at a minimum:

29 (a) A summary of the agency's information resource management
30 activities;

1 (b) An explanation of the agency's major successes and failures in
2 its information technology program;

3 (c) An assessment of progress made toward implementing the agency's
4 projects defined in its strategic information and tactical technology
5 plans;

6 (d) An assessment of progress made toward implementing the agency's
7 objectives for information technology management services and support;

8 (e) A comparison and assessment of the agency's estimated
9 expenditures for information resources management for the prior fiscal
10 year and appropriations for those resources contained in the agency's
11 approved budget. Major differences between expenditures and
12 appropriations shall be noted and justified;

13 (f) An inventory list, by major categories, of the agency's
14 information technology resources which specifically identifies
15 resources acquired during the previous fiscal year;

16 (g) An assessment of opportunities for agency participation in
17 multi-agency information resources management activities;

18 (h) Lessons learned as a result of the year's activities; and

19 (i) Other items deemed necessary by the department.

20 **Sec. 10.** RCW 43.88.030 and 1991 c 284 s 1 are each amended to read
21 as follows:

22 (1) The director of financial management shall provide all agencies
23 with a complete set of instructions for submitting biennial budget
24 requests to the director at least three months before agency budget
25 documents are due into the office of financial management. The budget
26 document or documents shall consist of the governor's budget message
27 which shall be explanatory of the budget and shall contain an outline
28 of the proposed financial policies of the state for the ensuing fiscal
29 period and shall describe in connection therewith the important

1 features of the budget. The message shall set forth the reasons for
2 salient changes from the previous fiscal period in expenditure and
3 revenue items and shall explain any major changes in financial policy.
4 Attached to the budget message shall be such supporting schedules,
5 exhibits and other explanatory material in respect to both current
6 operations and capital improvements as the governor shall deem to be
7 useful to the legislature. The budget document or documents shall set
8 forth a proposal for expenditures in the ensuing fiscal period based
9 upon the estimated revenues as approved by the economic and revenue
10 forecast council for such fiscal period from the source and at the
11 rates existing by law at the time of submission of the budget document.
12 However, the estimated revenues for use in the governor's budget
13 document may be adjusted to reflect budgetary revenue transfers and
14 revenue estimates dependent upon budgetary assumptions of enrollments,
15 workloads, and caseloads. All adjustments to the approved estimated
16 revenues must be set forth in the budget document. The governor may
17 additionally submit, as an appendix to each agency budget or to the
18 budget document or documents, a proposal for expenditures in the
19 ensuing fiscal period from revenue sources derived from proposed
20 changes in existing statutes.

21 The budget document or documents shall also contain:

22 (a) Revenues classified by fund and source for the immediately past
23 fiscal period, those received or anticipated for the current fiscal
24 period, and those anticipated for the ensuing biennium;

25 (b) The undesignated fund balance or deficit, by fund;

26 (c) Such additional information dealing with expenditures,
27 revenues, workload, performance and personnel as the legislature may
28 direct by law or concurrent resolution;

1 (d) Such additional information dealing with revenues and
2 expenditures as the governor shall deem pertinent and useful to the
3 legislature;

4 (e) Tabulations showing expenditures classified by fund, function,
5 activity and object;

6 (f) A delineation of each agency's activities, including those
7 activities funded from nonbudgeted, nonappropriated sources, including
8 funds maintained outside the state treasury; (~~and~~)

9 (g) Identification of all proposed direct expenditures to implement
10 the Puget Sound water quality plan under chapter 90.70 RCW, shown by
11 agency and in total; and

12 (h) Recommendations of the department of information services under
13 section 7 of this act related to agency requests for funding
14 information resources.

15 (2) The budget document or documents shall include detailed
16 estimates of all anticipated revenues applicable to proposed operating
17 or capital expenditures and shall also include all proposed operating
18 or capital expenditures. The total of beginning undesignated fund
19 balance and estimated revenues less working capital and other reserves
20 shall equal or exceed the total of proposed applicable expenditures.
21 The budget document or documents shall further include:

22 (a) Interest, amortization and redemption charges on the state
23 debt;

24 (b) Payments of all reliefs, judgments and claims;

25 (c) Other statutory expenditures;

26 (d) Expenditures incident to the operation for each agency;

27 (e) Revenues derived from agency operations;

28 (f) Expenditures and revenues shall be given in comparative form
29 showing those incurred or received for the immediately past fiscal

1 period and those anticipated for the current biennium and next ensuing
2 biennium;

3 (g) A showing and explanation of amounts of general fund
4 obligations for debt service and any transfers of moneys that otherwise
5 would have been available for general fund appropriations;

6 (h) Common school expenditures on a fiscal-year basis;

7 (i) A showing, by agency, of the value and purpose of financing
8 contracts for the lease/purchase or acquisition of personal or real
9 property for the current and ensuing fiscal periods.

10 (3) A separate budget document or schedule may be submitted
11 consisting of:

12 (a) Expenditures incident to current or pending capital projects
13 and to proposed new capital projects, relating the respective amounts
14 proposed to be raised therefor by appropriations in the budget and the
15 respective amounts proposed to be raised therefor by the issuance of
16 bonds during the fiscal period;

17 (b) A capital program consisting of proposed capital projects for
18 at least the two fiscal periods succeeding the next fiscal period. The
19 capital program shall include for each proposed project a statement of
20 the reason or purpose for the project along with an estimate of its
21 cost;

22 (c) A capital plan consisting of proposed capital spending for at
23 least four fiscal periods succeeding the next fiscal period;

24 (d) Such other information bearing upon capital projects as the
25 governor shall deem to be useful to the legislature;

26 (e) Such other information relating to capital improvement projects
27 as the legislature may direct by law or concurrent resolution.

28 (4) No change affecting the comparability of agency or program
29 information relating to expenditures, revenues, workload, performance
30 and personnel shall be made in the format of any budget document or

1 report presented to the legislature under this section or RCW
2 43.88.160(1) relative to the format of the budget document or report
3 which was presented to the previous regular session of the legislature
4 during an odd-numbered year without prior legislative concurrence.
5 Prior legislative concurrence shall consist of (a) a favorable majority
6 vote on the proposal by the standing committees on ways and means of
7 both houses if the legislature is in session or (b) a favorable
8 majority vote on the proposal by members of the legislative evaluation
9 and accountability program committee if the legislature is not in
10 session.

11 **Sec. 11.** RCW 43.88.030 and 1991 c 358 s 1 and 1991 c 284 s 1 are
12 each reenacted and amended to read as follows:

13 (1) The director of financial management shall provide all agencies
14 with a complete set of instructions for submitting biennial budget
15 requests to the director at least three months before agency budget
16 documents are due into the office of financial management. The
17 director shall provide agencies that are required under RCW 44.40.070
18 to develop comprehensive six-year program and financial plans with a
19 complete set of instructions for submitting these program and financial
20 plans at the same time that instructions for submitting other budget
21 requests are provided. The budget document or documents shall consist
22 of the governor's budget message which shall be explanatory of the
23 budget and shall contain an outline of the proposed financial policies
24 of the state for the ensuing fiscal period, as well as an outline of
25 the proposed six-year financial policies where applicable, and shall
26 describe in connection therewith the important features of the budget.
27 The message shall set forth the reasons for salient changes from the
28 previous fiscal period in expenditure and revenue items and shall
29 explain any major changes in financial policy. Attached to the budget

1 message shall be such supporting schedules, exhibits and other
2 explanatory material in respect to both current operations and capital
3 improvements as the governor shall deem to be useful to the
4 legislature. The budget document or documents shall set forth a
5 proposal for expenditures in the ensuing fiscal period, or six-year
6 period where applicable, based upon the estimated revenues as approved
7 by the economic and revenue forecast council or upon the estimated
8 revenues of the office of financial management for those funds,
9 accounts, and sources for which the office of the economic and revenue
10 forecast council does not prepare an official forecast, including those
11 revenues anticipated to support the six-year programs and financial
12 plans under RCW 44.40.070. In estimating revenues to support financial
13 plans under RCW 44.40.070, the office of financial management shall
14 rely on information and advice from the interagency revenue task force.
15 Revenues shall be estimated for such fiscal period from the source and
16 at the rates existing by law at the time of submission of the budget
17 document, including the supplemental budgets submitted in the even-
18 numbered years of a biennium. However, the estimated revenues for use
19 in the governor's budget document may be adjusted to reflect budgetary
20 revenue transfers and revenue estimates dependent upon budgetary
21 assumptions of enrollments, workloads, and caseloads. All adjustments
22 to the approved estimated revenues must be set forth in the budget
23 document. The governor may additionally submit, as an appendix to each
24 supplemental, biennial, or six-year agency budget or to the budget
25 document or documents, a proposal for expenditures in the ensuing
26 fiscal period from revenue sources derived from proposed changes in
27 existing statutes.

28 Supplemental and biennial documents shall reflect a six-year
29 expenditure plan consistent with estimated revenues from existing
30 sources and at existing rates for those agencies required to submit

1 six-year program and financial plans under RCW 44.40.070. Any
2 additional revenue resulting from proposed changes to existing statutes
3 shall be separately identified within the document as well as related
4 expenditures for the six-year period.

5 The budget document or documents shall also contain:

6 (a) Revenues classified by fund and source for the immediately past
7 fiscal period, those received or anticipated for the current fiscal
8 period, those anticipated for the ensuing biennium, and those
9 anticipated for the ensuing six-year period to support the six-year
10 programs and financial plans required under RCW 44.40.070;

11 (b) The undesignated fund balance or deficit, by fund;

12 (c) Such additional information dealing with expenditures,
13 revenues, workload, performance, and personnel as the legislature may
14 direct by law or concurrent resolution;

15 (d) Such additional information dealing with revenues and
16 expenditures as the governor shall deem pertinent and useful to the
17 legislature;

18 (e) Tabulations showing expenditures classified by fund, function,
19 activity and object;

20 (f) A delineation of each agency's activities, including those
21 activities funded from nonbudgeted, nonappropriated sources, including
22 funds maintained outside the state treasury; (~~and~~)

23 (g) Identification of all proposed direct expenditures to implement
24 the Puget Sound water quality plan under chapter 90.70 RCW, shown by
25 agency and in total; and

26 (h) Recommendations of the department of information services under
27 section 7 of this act related to agency requests for funding
28 information resources.

29 (2) The budget document or documents shall include detailed
30 estimates of all anticipated revenues applicable to proposed operating

1 or capital expenditures and shall also include all proposed operating
2 or capital expenditures. The total of beginning undesignated fund
3 balance and estimated revenues less working capital and other reserves
4 shall equal or exceed the total of proposed applicable expenditures.
5 The budget document or documents shall further include:

6 (a) Interest, amortization and redemption charges on the state
7 debt;

8 (b) Payments of all reliefs, judgments and claims;

9 (c) Other statutory expenditures;

10 (d) Expenditures incident to the operation for each agency;

11 (e) Revenues derived from agency operations;

12 (f) Expenditures and revenues shall be given in comparative form
13 showing those incurred or received for the immediately past fiscal
14 period and those anticipated for the current biennium and next ensuing
15 biennium, as well as those required to support the six-year programs
16 and financial plans required under RCW 44.40.070;

17 (g) A showing and explanation of amounts of general fund and other
18 funds obligations for debt service and any transfers of moneys that
19 otherwise would have been available for appropriation;

20 (h) Common school expenditures on a fiscal-year basis;

21 (i) A showing, by agency, of the value and purpose of financing
22 contracts for the lease/purchase or acquisition of personal or real
23 property for the current and ensuing fiscal periods.

24 (3) A separate capital budget document or schedule shall be
25 submitted that will contain the following:

26 (a) A capital plan consisting of proposed capital spending for at
27 least four fiscal periods succeeding the next fiscal period;

28 (b) A capital program consisting of proposed capital projects for
29 at least the two fiscal periods succeeding the next fiscal period;

1 (c) A capital plan consisting of proposed capital spending for at
2 least four fiscal periods succeeding the next fiscal period;

3 (d) A statement of the reason or purpose for a project;

4 (e) Verification that a project is consistent with the provisions
5 set forth in chapter 36.70A RCW;

6 (f) A statement about the proposed site, size, and estimated life
7 of the project, if applicable;

8 (g) Estimated total project cost;

9 (h) Estimated total project cost for each phase of the project as
10 defined by the office of financial management;

11 (i) Estimated ensuing biennium costs;

12 (j) Estimated costs beyond the ensuing biennium;

13 (k) Estimated construction start and completion dates;

14 (l) Source and type of funds proposed;

15 (m) Such other information bearing upon capital projects as the
16 governor deems to be useful;

17 (n) Standard terms, including a standard and uniform definition of
18 maintenance for all capital projects;

19 (o) Such other information as the legislature may direct by law or
20 concurrent resolution.

21 For purposes of this subsection (3), the term "capital project"
22 shall be defined subsequent to the analysis, findings, and
23 recommendations of a joint committee comprised of representatives from
24 the house capital appropriations committee, senate ways and means
25 committee, legislative transportation committee, legislative evaluation
26 and accountability program committee, and office of financial
27 management.

28 (4) No change affecting the comparability of agency or program
29 information relating to expenditures, revenues, workload, performance
30 and personnel shall be made in the format of any budget document or

1 report presented to the legislature under this section or RCW
2 43.88.160(1) relative to the format of the budget document or report
3 which was presented to the previous regular session of the legislature
4 during an odd-numbered year without prior legislative concurrence.
5 Prior legislative concurrence shall consist of (a) a favorable majority
6 vote on the proposal by the standing committees on ways and means of
7 both houses if the legislature is in session or (b) a favorable
8 majority vote on the proposal by members of the legislative evaluation
9 and accountability program committee if the legislature is not in
10 session.

11 **Sec. 12.** RCW 39.29.006 and 1987 c 414 s 2 are each amended to read
12 as follows:

13 As used in this chapter:

14 (1) "Agency" means any state office or activity of the executive
15 and judicial branches of state government, including state agencies,
16 departments, offices, divisions, boards, commissions, and educational,
17 correctional, and other types of institutions.

18 (2) "Client services" means services provided directly to agency
19 clients including, but not limited to, medical and dental services,
20 employment and training programs, residential care, and subsidized
21 housing.

22 (3) "Competitive solicitation" means a documented formal process
23 providing an equal and open opportunity to qualified parties and
24 culminating in a selection based on criteria which may include such
25 factors as the consultant's fees or costs, ability, capacity,
26 experience, reputation, responsiveness to time limitations,
27 responsiveness to solicitation requirements, quality of previous
28 performance, and compliance with statutes and rules relating to
29 contracts or services.

1 (4) "Consultant" means an independent individual or firm
2 contracting with an agency to perform a service or render an opinion or
3 recommendation according to the consultant's methods and without being
4 subject to the control of the agency except as to the result of the
5 work. The agency monitors progress under the contract and authorizes
6 payment.

7 (5) "Emergency" means a set of unforeseen circumstances beyond the
8 control of the agency that either:

9 (a) Present a real, immediate threat to the proper performance of
10 essential functions; or

11 (b) May result in material loss or damage to property, bodily
12 injury, or loss of life if immediate action is not taken.

13 (6) "Evidence of competition" means documentation demonstrating
14 that the agency has solicited responses from multiple firms in
15 selecting a consultant.

16 (7) "Personal service" means professional or technical expertise
17 provided by a consultant to accomplish a specific study, project, task,
18 or other work statement. This term does not include purchased services
19 as defined under subsection (9) of this section or information
20 resources as defined in RCW 43.105.020(6). This term does include
21 client services.

22 (8) "Personal service contract" means an agreement, or any
23 amendment thereto, with a consultant for the rendering of personal
24 services to the state which is consistent with RCW 41.06.380.

25 (9) "Purchased services" means services provided by a vendor to
26 accomplish routine, continuing and necessary functions. This term
27 includes, but is not limited to, services acquired under RCW 43.19.190
28 or 43.105.041 for equipment maintenance and repair; operation of a
29 physical plant; security; computer hardware and software maintenance;

1 data entry; key punch services; and computer time-sharing, contract
2 programming, and analysis.

3 (10) "Sole source" means a consultant providing professional or
4 technical expertise of such a unique nature that the consultant is
5 clearly and justifiably the only practicable source to provide the
6 service. The justification shall be based on either the uniqueness of
7 the service or sole availability at the location required.

8 **Sec. 13.** RCW 43.19.1901 and 1987 c 434 s 23 are each amended to
9 read as follows:

10 The term "purchase" as used in RCW 43.19.190 through 43.19.200, and
11 as they may hereafter be amended, shall include leasing or renting:
12 PROVIDED, That the purchasing, leasing or renting of electronic data
13 processing equipment shall not be included in the term "purchasing" if
14 and when such transactions are otherwise expressly provided for by law,
15 including acquisitions under authority of the department of information
16 systems under chapter 43.105 RCW.

17 The acquisition of job services and all other services for the
18 family independence program under chapter 74.21 RCW shall not be
19 included in the term "purchasing" under this chapter.

20 NEW SECTION. **Sec. 14.** RCW 43.105.005 and 1990 c 208 s 1 & 1987
21 c 504 s 1 are each repealed.

22 NEW SECTION. **Sec. 15.** Sections 7 through 9 of this act are
23 each added to chapter 43.105 RCW.

24 NEW SECTION. **Sec. 16.** If any provision of this act or its
25 application to any person or circumstance is held invalid, the

1 remainder of the act or the application of the provision to other
2 persons or circumstances is not affected.

3 NEW SECTION. **Sec. 17.** (1) This act is necessary to implement
4 planning for the 1993-95 biennial budget.

5 (2) Sections 1 through 10 and 12 through 14 of this act are
6 necessary for the immediate preservation of the public peace, health,
7 or safety, or support of the state government and its existing public
8 institutions, and shall take effect immediately.

9 (3) Section 11 of this act is necessary for the immediate
10 preservation of the public peace, health, or safety, or support of the
11 state government and its existing public institutions, and shall take
12 effect April 1, 1992.

13 NEW SECTION. **Sec. 18.** Section 10 of this act shall expire
14 April 1, 1992.