

CERTIFICATION OF ENROLLMENT

SENATE BILL 5194

56th Legislature
1999 Regular Session

Passed by the Senate March 12, 1999
YEAS 47 NAYS 0

President of the Senate

Passed by the House April 9, 1999
YEAS 93 NAYS 0

**Speaker of the
House of Representatives**

**Speaker of the
House of Representatives**

Approved

Governor of the State of Washington

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5194** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

SENATE BILL 5194

Passed Legislature - 1999 Regular Session

State of Washington

56th Legislature

1999 Regular Session

By Senators Brown, Rossi, Fraser, Finkbeiner, Gardner and Winsley; by request of Department of Information Services

Read first time 01/15/1999. Referred to Committee on Energy, Technology & Telecommunications.

1 AN ACT Relating to information technology management in state
2 government; amending RCW 43.105.020, 43.105.047, 43.105.052,
3 43.105.055, 43.105.080, 43.105.160, and 43.105.190; reenacting and
4 amending RCW 43.105.170 and 43.105.180; and adding new sections to
5 chapter 43.105 RCW.

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

7 **Sec. 1.** RCW 43.105.020 and 1993 c 280 s 78 are each amended to
8 read as follows:

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

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

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

13 (3) "Local governments" includes all municipal and quasi municipal
14 corporations and political subdivisions, and all agencies of such
15 corporations and subdivisions authorized to contract separately;

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

17 (5) "Purchased services" means services provided by a vendor to
18 accomplish routine, continuing, and necessary functions. This term
19 includes, but is not limited to, services acquired for equipment

1 maintenance and repair, operation of a physical plant, security,
2 computer hardware and software installation and maintenance, data
3 entry, keypunch services, programming services, and computer time-
4 sharing;

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

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

13 (8) "Information processing" means the electronic capture,
14 collection, storage, manipulation, transmission, retrieval, and
15 presentation of information in the form of data, text, voice, or image
16 and includes telecommunications and office automation functions;

17 (9) "Information services" means data processing,
18 telecommunications, and office automation;

19 (10) "Equipment" means the machines, devices, and transmission
20 facilities used in information processing, such as computers, word
21 processors, terminals, telephones, and cables;

22 (11) "Information technology portfolio" or "portfolio" means a
23 strategic management process documenting relationships between agency
24 missions and information technology investments;

25 (12) "Oversight" means a process of comprehensive risk analysis and
26 management designed to ensure optimum use of information technology
27 resources;

28 (13) "Proprietary software" means that software offered for sale or
29 license;

30 (~~(12)~~) (14) "Video telecommunications" means the electronic
31 interconnection of two or more sites for the purpose of transmitting
32 and/or receiving visual and associated audio information. Video
33 telecommunications shall not include existing public television
34 broadcast stations as currently designated by the department of
35 community, trade, and economic development under chapter 43.330 RCW.

36 NEW SECTION. Sec. 2. A new section is added to chapter 43.105 RCW
37 to read as follows:

1 Information technology portfolios shall reflect (1) links among an
2 agency's objectives, business plan, and technology; (2) analysis of the
3 effect of an agency's proposed new technology investments on its
4 existing infrastructure and business functions; and (3) analysis of the
5 effect of proposed information technology investments on the state's
6 information technology infrastructure.

7 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.105 RCW
8 to read as follows:

9 (1) Under the direction of the board, the department shall develop
10 policies and procedures to implement a management and oversight
11 structure based on the use of information technology portfolios.

12 (2) These policies and procedures shall support and conform to:

13 (a) The state strategic information technology plan developed under
14 RCW 43.105.160(1) and section 2 of this act; and

15 (b) Technology standards established by the board.

16 NEW SECTION. **Sec. 4.** A new section is added to chapter 43.105 RCW
17 to read as follows:

18 An agency information technology portfolio shall serve as the basis
19 for making information technology decisions and plans including:

20 (1) System refurbishment, acquisitions, and development efforts;

21 (2) Setting goals and objectives for using information technology;

22 (3) Assessments of information processing performance, resources,
23 and capabilities;

24 (4) Ensuring the appropriate transfer of technological expertise
25 for the operation of new systems developed using external resources;
26 and

27 (5) Progress toward providing electronic access to public
28 information.

29 **Sec. 5.** RCW 43.105.047 and 1992 c 20 s 9 are each amended to read
30 as follows:

31 There is created the department of information services. The
32 department shall be headed by a director appointed by the governor with
33 the consent of the senate. The director shall serve at the governor's
34 pleasure and shall receive such salary as determined by the governor.
35 The director shall:

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

4 (2) Maintain and fund a strategic planning and policy component
5 separate from the services component of the department;

6 (3) Appoint, after consulting with the board, the assistant or
7 deputy director for the planning component;

8 (4) Appoint such professional, technical, and clerical assistants
9 and employees as may be necessary to perform the duties imposed by this
10 chapter;

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

13 (6) Recommend statutory changes to the governor and the board.

14 **Sec. 6.** RCW 43.105.052 and 1993 c 281 s 53 are each amended to
15 read as follows:

16 The department shall:

17 (1) 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))~~ information
20 technology portfolios and related requests; and

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

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

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

27 (b) Mainframe computing services;

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

30 (d) Equipment acquisition assistance, including leasing, brokering,
31 and establishing master contracts;

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

34 (f) Negotiation with local cable companies and local governments to
35 provide for connection to local cable services to allow for access to
36 these public and educational channels in the state;

37 (g) Office automation services;

38 (h) System development services; and

1 (i) Training.

2 These services are for discretionary use by customers and customers
3 may elect other alternatives for service if those alternatives are more
4 cost-effective or provide better service. Agencies may be required to
5 use the backbone network portions of the telecommunications services
6 during an initial start-up period not to exceed three years;

7 (3) Establish rates and fees for services provided by the
8 department to assure that the services component of the department is
9 self-supporting. A billing rate plan shall be developed for a two-year
10 period to coincide with the budgeting process. The rate plan shall be
11 subject to review at least annually by the customer (~~oversight~~
12 ~~committees~~) advisory board. The rate plan shall show the proposed
13 rates by each cost center and will show the components of the rate
14 structure as mutually determined by the department and the customer
15 (~~oversight committees~~) advisory board. The same rate structure will
16 apply to all user agencies of each cost center. The rate plan and any
17 adjustments to rates shall be approved by the office of financial
18 management. The services component shall not subsidize the operations
19 of the strategic planning and policy component;

20 (4) With the advice of the information services board and agencies,
21 develop a state strategic information technology plan and performance
22 reports as required under RCW 43.105.160;

23 (5) Develop plans for the department's achievement of state-wide
24 goals and objectives set forth in the state strategic information
25 technology plan required under RCW 43.105.160. These plans shall
26 address such services as telecommunications, central and distributed
27 computing, local area networks, office automation, and end user
28 computing. The department shall seek the advice of the customer
29 (~~oversight committees~~) advisory board and the board in the
30 development of these plans;

31 (6) Under direction of the information services board and in
32 collaboration with the department of personnel, and other agencies as
33 may be appropriate, develop training plans and coordinate training
34 programs that are responsive to the needs of agencies;

35 (7) Identify opportunities for the effective use of information
36 services and coordinate appropriate responses to those opportunities;

37 (8) Assess agencies' projects, acquisitions, plans, information
38 technology portfolios, or overall information processing performance as
39 requested by the board, agencies, the director of financial management,

1 or the legislature. Agencies may be required to reimburse the
2 department for agency-requested reviews;

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

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

8 (11) Provide staff support from the strategic planning and policy
9 component to the board for:

10 (a) Meeting preparation, notices, and minutes;

11 (b) Promulgation of policies, standards, and guidelines adopted by
12 the board;

13 (c) Supervision of studies and reports requested by the board;

14 (d) Conducting reviews and assessments as directed by the board;

15 (12) Be the lead agency in coordinating video telecommunications
16 services for all state agencies and develop, pursuant to board
17 policies, standards and common specifications for leased and purchased
18 telecommunications equipment. The department shall not evaluate the
19 merits of school curriculum, higher education course offerings, or
20 other education and training programs proposed for transmission and/or
21 reception using video telecommunications resources. Nothing in this
22 section shall abrogate or abridge the legal responsibilities of
23 licensees of telecommunications facilities as licensed by the federal
24 communication commission on March 27, 1990; and

25 (13) Perform all other matters and things necessary to carry out
26 the purposes and provisions of this chapter.

27 **Sec. 7.** RCW 43.105.055 and 1987 c 504 s 9 are each amended to read
28 as follows:

29 (1) The director shall appoint advisory committees to assist the
30 department. Advisory committees shall include, but are not limited to,
31 the customer ((oversight committees)) advisory board.

32 (2) The customer ((oversight committees)) advisory board shall
33 provide the department with advice concerning the type, quality, and
34 cost of the department's services. The ~~((number of))~~ customer
35 ~~((oversight committees))~~ advisory board and ~~((their))~~ its membership
36 shall be determined by the director to assure that all services are
37 subject to ~~((oversight by))~~ advice from a representative selection of
38 customers. At least annually, these committees shall meet to

1 recommend, review, and comment on the service goals and objectives of
2 the department and the budgets for operations of those services and the
3 rates to be charged for those services. The ~~((committees))~~ advisory
4 board may call upon the board to resolve disputes between agencies and
5 the department which may arise with regard to service offerings,
6 budgets, or rates.

7 (3) ~~((Any))~~ The customer advisory ~~((committee created by the~~
8 ~~director))~~ board may be convened by a majority of its members, by its
9 chair, or by the director.

10 **Sec. 8.** RCW 43.105.080 and 1992 c 235 s 6 are each amended to read
11 as follows:

12 There is created a revolving fund to be known as the data
13 processing revolving fund in the custody of the state treasurer. The
14 revolving fund shall be used for the acquisition of equipment,
15 software, supplies, and services and the payment of salaries, wages,
16 and other costs incidental to the acquisition, development, operation,
17 and administration of information services, telecommunications,
18 systems, software, supplies and equipment, including the payment of
19 principal and interest on bonds issued for capital projects, by the
20 department, Washington State University's computer services center, the
21 department of personnel's personnel information systems division, the
22 office of financial management's financial systems management group,
23 and other users as jointly determined by the department and the office
24 of financial management. The revolving fund is subject to the
25 allotment procedure provided under chapter 43.88 RCW. Disbursements
26 from the revolving fund for the services component of the department
27 are not subject to appropriation. Disbursements for the strategic
28 planning and policy component of the department are subject to
29 appropriation. All disbursements from the fund are subject to the
30 allotment procedures provided under chapter 43.88 RCW. The department
31 shall establish and implement a billing structure to assure all
32 agencies pay an equitable share of the costs.

33 As used in this section, the word "supplies" shall not be
34 interpreted to delegate or abrogate the division of purchasing's
35 responsibilities and authority to purchase supplies as described in RCW
36 43.19.190 and 43.19.200.

1 **Sec. 9.** RCW 43.105.160 and 1998 c 177 s 3 are each amended to read
2 as follows:

3 (1) The department shall prepare a state strategic information
4 technology plan which shall establish a state-wide mission, goals, and
5 objectives for the use of information technology, including goals for
6 electronic access to government records, information, and services.
7 The plan shall be developed in accordance with the standards and
8 policies established by the board and shall be submitted to the board
9 for review, modification as necessary, and approval. The department
10 shall seek the advice of the board in the development of this plan.

11 The plan approved under this section shall be updated as necessary
12 and submitted to the governor, the chairs and ranking minority members
13 of the appropriations committees of the senate and the house of
14 representatives, and, during the legislative session, to the chairs and
15 ranking minority members of the transportation committees of the senate
16 and the house of representatives. During the legislative interim, the
17 approved plan must be submitted to the legislative transportation
18 committee, instead of the standing transportation committees.

19 (2) The department shall prepare a biennial state performance
20 report on information technology based on agency performance reports
21 required under RCW 43.105.170 and other information deemed appropriate
22 by the department. The report shall include, but not be limited to:

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

26 (b) An evaluation of performance relating to information
27 technology;

28 (~~(b)~~) (c) An assessment of progress made toward implementing the
29 state strategic information technology plan, including progress toward
30 electronic access to public information and enabling citizens to have
31 two-way access to public records, information, and services;

32 (~~(e)~~) (d) An analysis of the success or failure, feasibility,
33 progress, costs, and timeliness of implementation of major information
34 technology projects under RCW 43.105.190;

35 (~~(d)~~) (e) Identification of benefits, cost avoidance, and cost
36 savings generated by major information technology projects developed
37 under RCW 43.105.190; and

38 (~~(e)~~) (f) An inventory of state information services, equipment,
39 and proprietary software.

1 Copies of the report shall be distributed biennially to the
2 governor, the chairs and ranking minority members of the appropriations
3 committees of the senate and the house of representatives, and, during
4 the legislative session, the chairs and ranking minority members of the
5 transportation committees of the senate and the house of
6 representatives. During the legislative interim, the report must be
7 submitted to the legislative transportation committee, instead of the
8 standing transportation committees.

9 **Sec. 10.** RCW 43.105.170 and 1996 c 171 s 10 and 1996 c 137 s 13
10 are each reenacted and amended to read as follows:

11 (1) Each agency shall develop an (~~agency strategic~~) information
12 technology (~~plan which establishes agency goals and objectives~~
13 ~~regarding the development and use of information technology~~) portfolio
14 consistent with section 3 of this act. The superintendent of public
15 instruction shall develop its (~~plan~~) portfolio in conjunction with
16 educational service districts and state-wide or regional providers of
17 K-12 education information technology services.

18 (~~Plans~~) (2) Agency portfolios shall include, but not be limited
19 to, the following:

20 (a) A baseline assessment of the agency's information technology
21 resources and capabilities that will serve as the benchmark for
22 subsequent planning and performance measures;

23 (b) A statement of the agency's mission, goals, and objectives for
24 information technology, including goals and objectives for achieving
25 electronic access to agency records, information, and services;

26 (~~(b)~~) (c) An explanation of how the agency's mission, goals, and
27 objectives for information technology support and conform to the state
28 strategic information technology plan developed under RCW 43.105.160;

29 (~~(e)~~) (d) An implementation strategy to provide electronic access
30 to public records and information. This implementation strategy must
31 be assembled to include:

32 (i) Compliance with Title 40 RCW;

33 (ii) Adequate public notice and opportunity for comment;

34 (iii) Consideration of a variety of electronic technologies,
35 including those that help transcend geographic locations, standard
36 business hours, economic conditions of users, and disabilities;

37 (iv) Methods to educate both state employees and the public in the
38 effective use of access technologies;

1 ~~((d))~~ (e) Projects and resources required to meet the objectives
2 of the ~~((plan))~~ portfolio; and

3 ~~((e))~~ (f) Where feasible, estimated schedules and funding
4 required to implement identified projects.

5 ~~((2) Plans))~~ (3) Portfolios developed under subsection (1) of this
6 section shall be submitted to the department for review and forwarded
7 along with the department's recommendations to the board for review and
8 approval. The board may reject, require modification to, or approve
9 ~~((plans))~~ portfolios as deemed appropriate by the board. ~~((Plans))~~
10 Portfolios submitted under this subsection shall be updated and
11 submitted for review and approval as necessary.

12 ~~((3))~~ (4) Each agency shall prepare and submit to the department
13 a biennial performance report that evaluates progress toward the
14 objectives articulated in its information technology portfolio. The
15 superintendent of public instruction shall develop its ~~((plan))~~
16 portfolio in conjunction with educational service districts and state-
17 wide or regional providers of K-12 education information technology
18 services. The report shall include:

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

21 (b) An assessment of progress made toward implementing the agency
22 ~~((strategie))~~ information technology ~~((plan))~~ portfolio;

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

26 (d) An inventory of agency information services, equipment, and
27 proprietary software.

28 ~~((4))~~ (5) The department, with the approval of the board, shall
29 establish standards, elements, form, and format for plans and reports
30 developed under this section.

31 ~~((5))~~ (6) Agency activities to increase electronic access to
32 public records and information, as required by this section, must be
33 implemented within available resources and existing agency planning
34 processes.

35 ~~((6))~~ (7) The board may exempt any agency from any or all of the
36 requirements of this section.

37 **Sec. 11.** RCW 43.105.180 and 1996 c 171 s 11 and 1996 c 137 s 14
38 are each reenacted and amended to read as follows:

1 Upon request of the office of financial management, the department
2 shall evaluate agency budget requests for major information technology
3 projects identified under RCW 43.105.190, including those proposed by
4 the superintendent of public instruction, in conjunction with
5 educational service districts, or state-wide or regional providers of
6 K-12 education information technology services. The department shall
7 submit recommendations for funding all or part of such requests to the
8 office of financial management.

9 The department, with the advice and approval of the office of
10 financial management, shall establish criteria, consistent with
11 portfolio-based information technology management, for the evaluation
12 of agency budget requests under this section. These budget requests
13 shall be made in the context of an agency's information technology
14 portfolio; technology initiatives underlying budget requests are
15 subject to board review. Criteria shall include, but not be limited
16 to: Feasibility of the proposed projects, consistency with the state
17 ((and agency)) strategic information technology plan((s)), consistency
18 with ((agency goals and objectives)) information technology portfolios,
19 appropriate provision for public electronic access to information and
20 services, costs, and benefits.

21 **Sec. 12.** RCW 43.105.190 and 1998 c 177 s 4 are each amended to
22 read as follows:

23 (1) The department, with the approval of the board, shall establish
24 standards and policies governing the planning, implementation, and
25 evaluation of major information technology projects, including those
26 proposed by the superintendent of public instruction, in conjunction
27 with educational service districts, or state-wide or regional providers
28 of K-12 education information technology services. The standards and
29 policies shall:

30 (a) Establish criteria to identify projects which are subject to
31 this section. Such criteria shall include, but not be limited to,
32 significant anticipated cost, complexity, or state-wide significance of
33 the project; and

34 (b) Establish a model process and procedures which agencies shall
35 follow in developing and implementing projects ((plans)) within their
36 information technology portfolios. Agencies may propose, for approval
37 by the department, a process and procedures unique to the agency. The
38 department may accept or require modification of such agency proposals

1 or the department may reject such agency proposals and require use of
2 the model process and procedures established under this subsection.
3 Any process and procedures developed under this subsection shall
4 require (i) distinct and identifiable phases upon which funding may be
5 based, (ii) user validation of products through system demonstrations
6 and testing of prototypes and deliverables, and (iii) other elements
7 identified by the board.

8 ~~((Project plans and any agreements established under such plans
9 shall be approved and mutually agreed upon by the director, the
10 director of financial management, and the head of the agency proposing
11 the project.))~~

12 The director may terminate a major project if the director
13 determines that the project is not meeting or is not expected to meet
14 anticipated performance standards.

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

19 (a) Funding of a project under terms and conditions mutually agreed
20 to by the director, the director of financial management, and the head
21 of the agency proposing the project. However, the office of financial
22 management may require incremental funding of a project on a phase-by-
23 phase basis whereby funds for a given phase of a project may be
24 released only when the office of financial management determines, with
25 the advice of the department, that the previous phase is satisfactorily
26 completed;

27 (b) Acceptance testing of products to assure that products perform
28 satisfactorily before they are accepted and final payment is made; and

29 (c) Other elements deemed necessary by the office of financial
30 management.

31 (3) The department shall evaluate projects ~~((at three stages of
32 development as follows: (a) Initial needs assessment; (b) feasibility
33 study including definition of scope, development of tasks and
34 timelines, and estimated costs and benefits; and (c)))~~ based on the
35 demonstrated business needs and benefits; cost; technology scope and
36 feasibility; impact on the agency's information technology portfolio
37 and on the state-wide infrastructure; and final project implementation
38 plan based upon available funding.

1 Copies of project evaluations conducted under this subsection shall
2 be submitted to the office of financial management and the chairs,
3 ranking minority members, and staff coordinators of the appropriations
4 committees of the senate and house of representatives.

5 If there are projects that receive funding from a transportation
6 fund or account, copies of those projects' evaluations conducted under
7 this subsection must be submitted, during the legislative session, to
8 the chairs and ranking minority members of the transportation
9 committees of the senate and the house of representatives. During the
10 legislative interim, the project evaluations must be submitted to the
11 legislative transportation committee.

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