

ESSB 5931 - H COMM AMD
By Committee on Ways & Means

NOT ADOPTED 05/25/2011

1 Strike everything after the enacting clause and insert the
2 following:

3 "PART I

4 DEPARTMENT OF ENTERPRISE SERVICES CREATED

5 NEW SECTION. **Sec. 101.** To maximize the benefits to the public,
6 state government should be operated in an efficient and effective
7 manner. The department of enterprise services is created to provide
8 centralized leadership in efficiently and cost-effectively managing
9 resources necessary to support the delivery of state government
10 services. The mission of the department is to implement a world-class,
11 customer-focused organization that provides valued products and
12 services to government and state residents.

13 NEW SECTION. **Sec. 102.** A new section is added to chapter 43.19
14 RCW to read as follows:

15 The definitions in this section apply throughout this chapter
16 unless the context clearly requires otherwise.

17 (1) "Department" means the department of enterprise services.

18 (2) "Director" means the director of enterprise services.

19 NEW SECTION. **Sec. 103.** A new section is added to chapter 43.19
20 RCW to read as follows:

21 (1) The department of enterprise services is created as an
22 executive branch agency. The department is vested with all powers and
23 duties transferred to it under this act and such other powers and
24 duties as may be authorized by law.

25 (2) In addition to the powers and duties as provided in this act,
26 the department shall:

1 (a) Provide products and services to support state agencies, and
2 may enter into agreements with any other governmental entity or a
3 public benefit nonprofit organization, in compliance with RCW
4 39.34.055, to furnish such products and services as deemed appropriate
5 by both parties. The agreement shall provide for the reimbursement to
6 the department of the reasonable cost of the products and services
7 furnished. All governmental entities of this state may enter into such
8 agreements, unless otherwise prohibited; and

9 (b) Make available to state, local, and federal agencies, local
10 governments, and public benefit nonprofit corporations on a full cost-
11 recovery basis information and printing services to include equipment
12 acquisition assistance, including leasing, brokering, and establishing
13 master contracts. For the purposes of this section "public benefit
14 nonprofit corporation" means a public benefit nonprofit corporation as
15 defined in RCW 24.03.005 that is receiving local, state, or federal
16 funds either directly or through a public agency other than an Indian
17 tribe or political subdivision of another state.

18 NEW SECTION. **Sec. 104.** A new section is added to chapter 43.19
19 RCW to read as follows:

20 (1) The executive powers and management of the department shall be
21 administered as described in this section.

22 (2) The executive head and appointing authority of the department
23 is the director. The director is appointed by the governor, subject to
24 confirmation by the senate. The director serves at the pleasure of the
25 governor. The director is paid a salary fixed by the governor in
26 accordance with RCW 43.03.040. If a vacancy occurs in the position of
27 director while the senate is not in session, the governor shall make a
28 temporary appointment until the next meeting of the senate at which
29 time he or she shall present to that body his or her nomination for the
30 position.

31 (3) The director may employ staff members, who are exempt from
32 chapter 41.06 RCW, and any additional staff members as are necessary to
33 administer this chapter, and such other duties as may be authorized by
34 law. The director may delegate any power or duty vested in him or her
35 by this act or other law, including authority to make final decisions
36 and enter final orders in hearings conducted under chapter 34.05 RCW.

1 (4) The internal affairs of the department are under the control of
2 the director in order that the director may manage the department in a
3 flexible and intelligent manner as dictated by changing contemporary
4 circumstances. Unless specifically limited by law, the director has
5 complete charge and supervisory powers over the department. The
6 director may create the administrative structures as the director deems
7 appropriate, except as otherwise specified by law, and the director may
8 employ personnel as may be necessary in accordance with chapter 41.06
9 RCW, except as otherwise provided by law.

10 (5) Until June 30, 2018, at the beginning of each fiscal biennium,
11 the office of financial management shall conduct a review of the
12 programs and services that are performed by the department to determine
13 whether the program or service may be performed by the private sector
14 in a more cost-efficient and effective manner than being performed by
15 the department. In conducting this review, the office of financial
16 management shall:

17 (a) Examine the existing activities currently being performed by
18 the department, including but not limited to an examination of services
19 for their performance, staffing, capital requirements, and mission.
20 Programs may be broken down into discrete services or activities or
21 reviewed as a whole; and

22 (b) Examine the activities to determine which specific services are
23 available in the marketplace and what potential for efficiency gains or
24 savings exist.

25 (i) As part of the review in this subsection (5), the office of
26 financial management shall select up to six activities or services that
27 have been determined as an activity that may be provided by the private
28 sector at a cost-effective and efficient manner. The office of
29 financial management must consult with the affected industry
30 stakeholders in making its decision on which activities to contract
31 out. Priority for selection shall be given to agency activities or
32 services that are significant, ongoing functions.

33 (ii) The office of financial management must consider the
34 consequences and potential mitigation of improper or failed performance
35 by the contractor.

36 (iii) For each of the selected activities, the department shall use
37 a request for information, request for proposal, or other procurement

1 process to determine if a contract for the activity would result in the
2 activity being provided at a reduced cost and with greater efficiency.

3 (iv) The request for information, request for proposal, or other
4 procurement process must contain measurable standards for the
5 performance of the contract.

6 (v) The department may contract with one or more vendors to provide
7 the service as a result of the procurement process.

8 (vi) If the office of financial management determines through the
9 procurement process under this subsection that the activity cannot be
10 provided by the private sector at a reduced cost and greater
11 efficiency, the department may cancel the procurement without entering
12 into a contract and shall promptly notify the legislative fiscal
13 committees of such a decision.

14 (vii) The department of enterprise services, in consultation with
15 the office of financial management, must establish a contract
16 monitoring process to measure contract performance, costs, service
17 delivery quality, and other contract standards, and to cancel contracts
18 that do not meet those standards. No contracts may be renewed without
19 a review of these measures.

20 (viii) The office of financial management shall prepare a biennial
21 report summarizing the results of the examination of the agency's
22 programs and services. In addition to the programs and services
23 examined and the result of the examination, the report shall provide
24 information on any procurement process that does not result in a
25 contract for the services.

26 (ix) The joint legislative audit and review committee shall conduct
27 a performance audit of the contracting out provisions of this
28 subsection (5) and report to the legislature by January 1, 2018, on the
29 results of the performance audit. The report must include additional
30 costs or savings to taxpayers as a result of the contracting out
31 provisions.

32 NEW SECTION. **Sec. 105.** (1) The department of enterprise services
33 has powers and duties related to state contracting as provided in
34 chapters 43.19 and 39.29 RCW. The process and procedures in each
35 chapter differ from each other in many respects. In addition, the
36 process and procedures may not represent the best practices for the
37 agency or the public.

1 (2) In order to effect reform and consolidation of procurement
2 practices, the department shall review current state procurement
3 practices, not including public works, and provide a report to the
4 governor with procurement reform recommendations. The department
5 should review national best practices and the procedures used in other
6 states and by the federal government. The department may also review
7 private sector procedures and model codes such as the American bar
8 association model procurement code. The department shall seek input
9 from stakeholders and interested parties. The department shall submit
10 a report to the governor and the office of financial management by
11 December 31, 2011. The report shall include any draft legislation
12 needed to accomplish the report's recommendations.

13 NEW SECTION. **Sec. 106.** A new section is added to chapter 41.06
14 RCW to read as follows:

15 In addition to the exemptions under RCW 41.06.070, this chapter
16 does not apply in the department of enterprise services to the
17 director, the director's confidential secretary, deputy and assistant
18 directors, and any other exempt staff members provided for in section
19 104 of this act.

20 **Sec. 107.** RCW 43.17.010 and 2009 c 565 s 25 are each amended to
21 read as follows:

22 There shall be departments of the state government which shall be
23 known as (1) the department of social and health services, (2) the
24 department of ecology, (3) the department of labor and industries, (4)
25 the department of agriculture, (5) the department of fish and wildlife,
26 (6) the department of transportation, (7) the department of licensing,
27 (8) the department of (~~general administration~~) enterprise services,
28 (9) the department of commerce, (10) the department of veterans
29 affairs, (11) the department of revenue, (12) the department of
30 retirement systems, (13) the department of corrections, (14) the
31 department of health, (15) the department of financial institutions,
32 (16) the department of archaeology and historic preservation, (17) the
33 department of early learning, and (18) the Puget Sound partnership,
34 which shall be charged with the execution, enforcement, and
35 administration of such laws, and invested with such powers and required
36 to perform such duties, as the legislature may provide.

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

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

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

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

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

12 **Sec. 110.** RCW 42.17.2401 and 2009 c 565 s 24 are each amended to
13 read as follows:

14 For the purposes of RCW 42.17.240, the term "executive state
15 officer" includes:

16 (1) The chief administrative law judge, the director of
17 agriculture, the administrator of the Washington basic health plan, the
18 director of the department of services for the blind, the chief
19 information officer of the office of the chief information officer, the
20 director of the state system of community and technical colleges, the
21 director of commerce, the director of the consolidated technology
22 services agency, the secretary of corrections, the director of early
23 learning, the director of ecology, the commissioner of employment
24 security, the chair of the energy facility site evaluation council, the
25 secretary of the state finance committee, the director of financial
26 management, the director of fish and wildlife, the executive secretary
27 of the forest practices appeals board, the director of the gambling
28 commission, the director of (~~general administration~~) enterprise
29 services, the secretary of health, the administrator of the Washington
30 state health care authority, the executive secretary of the health care
31 facilities authority, the executive secretary of the higher education
32 facilities authority, the executive secretary of the horse racing
33 commission, the human resources director, the executive secretary of
34 the human rights commission, the executive secretary of the
35 indeterminate sentence review board, (~~the director of the department~~
36 ~~of information services,~~) the executive director of the state
37 investment board, the director of labor and industries, the director of

1 licensing, the director of the lottery commission, the director of the
2 office of minority and women's business enterprises, the director of
3 parks and recreation, (~~the director of personnel,~~) the executive
4 director of the public disclosure commission, the executive director of
5 the Puget Sound partnership, the director of the recreation and
6 conservation office, the director of retirement systems, the director
7 of revenue, the secretary of social and health services, the chief of
8 the Washington state patrol, the executive secretary of the board of
9 tax appeals, the secretary of transportation, the secretary of the
10 utilities and transportation commission, the director of veterans
11 affairs, the president of each of the regional and state universities
12 and the president of The Evergreen State College, and each district and
13 each campus president of each state community college;

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

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

16 (4) Central Washington University board of trustees, the boards of
17 trustees of each community college and each technical college, each
18 member of the state board for community and technical colleges, state
19 convention and trade center board of directors, committee for deferred
20 compensation, Eastern Washington University board of trustees,
21 Washington economic development finance authority, The Evergreen State
22 College board of trustees, executive ethics board, forest practices
23 appeals board, forest practices board, gambling commission, life
24 sciences discovery fund authority board of trustees, Washington health
25 care facilities authority, each member of the Washington health
26 services commission, higher education coordinating board, higher
27 education facilities authority, horse racing commission, state housing
28 finance commission, human rights commission, indeterminate sentence
29 review board, board of industrial insurance appeals, (~~information
30 services board,~~) recreation and conservation funding board, state
31 investment board, commission on judicial conduct, legislative ethics
32 board, liquor control board, lottery commission, marine oversight
33 board, Pacific Northwest electric power and conservation planning
34 council, parks and recreation commission, board of pilotage
35 commissioners, pollution control hearings board, public disclosure
36 commission, public pension commission, shorelines hearings board,
37 public employees' benefits board, salmon recovery funding board, board
38 of tax appeals, transportation commission, University of Washington

1 board of regents, utilities and transportation commission, Washington
2 state maritime commission, Washington personnel resources board,
3 Washington public power supply system executive board, Washington State
4 University board of regents, Western Washington University board of
5 trustees, and fish and wildlife commission.

6 NEW SECTION. **Sec. 111.** Section 109 of this act takes effect
7 January 1, 2012.

8 NEW SECTION. **Sec. 112.** Section 110 of this act expires January 1,
9 2012.

10 **PART II**

11 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT**
12 **OF GENERAL ADMINISTRATION**

13 **Sec. 201.** RCW 43.19.011 and 1999 c 229 s 2 are each amended to
14 read as follows:

15 (1) The director of (~~general administration~~) enterprise services
16 shall supervise and administer the activities of the department of
17 (~~general administration~~) enterprise services and shall advise the
18 governor and the legislature with respect to matters under the
19 jurisdiction of the department.

20 (2) In addition to other powers and duties granted to the director,
21 the director shall have the following powers and duties:

22 (a) Enter into contracts on behalf of the state to carry out the
23 purposes of this chapter;

24 (b) Accept and expend gifts and grants that are related to the
25 purposes of this chapter, whether such grants be of federal or other
26 funds;

27 (c) Appoint (~~a~~) deputy (~~director~~) and (~~such~~) assistant
28 directors and such other special assistants as may be needed to
29 administer the department. These employees are exempt from the
30 provisions of chapter 41.06 RCW;

31 (d) Adopt rules in accordance with chapter 34.05 RCW and perform
32 all other functions necessary and proper to carry out the purposes of
33 this chapter;

1 (e) Delegate powers, duties, and functions as the director deems
2 necessary for efficient administration, but the director shall be
3 responsible for the official acts of the officers and employees of the
4 department; (~~and~~)

5 (f) Apply for grants from public and private entities, and receive
6 and administer any grant funding received for the purpose and intent of
7 this chapter; and

8 (g) Perform other duties as are necessary and consistent with law.

9 (3) The director may establish additional advisory groups as may be
10 necessary to carry out the purposes of this chapter.

11 (~~(4) The internal affairs of the department shall be under the~~
12 ~~control of the director in order that the director may manage the~~
13 ~~department in a flexible and intelligent manner as dictated by changing~~
14 ~~contemporary circumstances. Unless specifically limited by law, the~~
15 ~~director shall have complete charge and supervisory powers over the~~
16 ~~department. The director may create such administrative structures as~~
17 ~~the director deems appropriate, except as otherwise specified by law,~~
18 ~~and the director may employ such personnel as may be necessary in~~
19 ~~accordance with chapter 41.06 RCW, except as otherwise provided by~~
20 ~~law.))~~

21 **Sec. 202.** RCW 43.19.025 and 2002 c 332 s 3 are each amended to
22 read as follows:

23 The (~~general administration~~) enterprise services account is
24 created in the custody of the state treasurer and shall be used for all
25 activities previously budgeted and accounted for in the following
26 internal service funds: The motor transport account, the (~~general~~
27 ~~administration~~) enterprise services management fund, the (~~general~~
28 ~~administration~~) enterprise services facilities and services revolving
29 fund, the central stores revolving fund, the surplus property purchase
30 revolving fund, and the energy efficiency services account. Only the
31 director or the director's designee may authorize expenditures from the
32 account. The account is subject to the allotment procedures under
33 chapter 43.88 RCW.

34 **Sec. 203.** RCW 43.19.035 and 2005 c 16 s 1 are each amended to read
35 as follows:

36 (1) The commemorative works account is created in the custody of

1 the state treasurer and shall be used by the department of (~~general~~
2 ~~administration~~) enterprise services for the ongoing care, maintenance,
3 and repair of commemorative works on the state capitol grounds. Only
4 the director or the director's designee may authorize expenditures from
5 the account. The account is subject to the allotment procedures under
6 chapter 43.88 RCW, but an appropriation is not necessary for
7 expenditures.

8 (2) For purposes of this section, "state capitol grounds" means
9 buildings and land owned by the state and otherwise designated as state
10 capitol grounds, including the west capitol campus, the east capitol
11 campus, the north capitol campus, the Tumwater campus, the Lacey
12 campus, Sylvester Park, Centennial Park, the Old Capitol Building, and
13 Capitol Lake.

14 **Sec. 204.** RCW 43.19.125 and 2007 c 520 s 6014 are each amended to
15 read as follows:

16 (1) The director of (~~general administration, through the division~~
17 ~~of capitol buildings,~~) enterprise services shall have custody and
18 control of the capitol buildings and grounds, supervise and direct
19 proper care, heating, lighting and repairing thereof, and designate
20 rooms in the capitol buildings to be occupied by various state
21 officials.

22 (2) During the 2007-2009 biennium, responsibility for development
23 of the "Wheeler block" on the capitol campus as authorized in section
24 6013, chapter 520, Laws of 2007 shall be transferred from the
25 department of general administration to the department of information
26 services. (~~The department of general administration and the~~
27 ~~department of information services shall develop a joint operating~~
28 ~~agreement for the new facilities on the "Wheeler block" and provide~~
29 ~~copies of that agreement to the appropriate committees of the~~
30 ~~legislature by December 30, 2008.~~

31 (~~3) During the 2007-2009 biennium, responsibility for development~~
32 ~~of the Pritchard building rehabilitation on the capitol campus as~~
33 ~~authorized in section 1090, chapter 520, Laws of 2007 shall be~~
34 ~~transferred from the department of general administration to the~~
35 ~~statute law committee.))~~

1 **Sec. 205.** RCW 43.19.180 and 2009 c 549 s 5063 are each amended to
2 read as follows:

3 The director of (~~general administration shall appoint and deputize~~
4 ~~an assistant director to be known as the state purchasing and material~~
5 ~~control director, who shall have charge and supervision of the division~~
6 ~~of purchasing. In this capacity he or she~~) enterprise services shall
7 ensure that overall state purchasing and material control policy is
8 implemented by state agencies, including educational institutions,
9 within established time limits.

10 (~~With the approval of the director of general administration, he~~
11 ~~or she may appoint and employ such assistants and personnel as may be~~
12 ~~necessary to carry on the work of the division.~~)

13 **Sec. 206.** RCW 43.19.185 and 1987 c 47 s 1 are each amended to read
14 as follows:

15 (1) The director (~~of general administration through the state~~
16 ~~purchasing and material control director~~) shall develop a system for
17 state agencies and departments to use credit cards or similar devices
18 to make purchases. The director may contract to administer the credit
19 cards.

20 (2) The director (~~of general administration through the state~~
21 ~~purchasing and material control director~~) shall adopt rules for:

22 (a) The distribution of the credit cards;

23 (b) The authorization and control of the use of the credit cards;

24 (c) The credit limits available on the credit cards;

25 (d) Instructing users of gasoline credit cards to use self-service
26 islands whenever possible;

27 (e) Payments of the bills; and

28 (f) Any other rule necessary to implement or administer the program
29 under this section.

30 **Sec. 207.** RCW 43.19.190 and 2002 c 200 s 3 are each amended to
31 read as follows:

32 The director (~~of general administration, through the state~~
33 ~~purchasing and material control director,~~) shall:

34 (1) (~~Establish and staff such administrative organizational units~~
35 ~~within the division of purchasing as may be necessary for effective~~

1 ~~administration of the provisions of RCW 43.19.190 through 43.19.1939))~~
2 Develop rules and standards governing the acquisition and disposition
3 of goods and services;

4 ~~(2) ((Purchase all material, supplies, services, and equipment~~
5 ~~needed for the support, maintenance, and use of all state institutions,~~
6 ~~colleges, community colleges, technical colleges, college districts,~~
7 ~~and universities, the offices of the elective state officers, the~~
8 ~~supreme court, the court of appeals, the administrative and other~~
9 ~~departments of state government, and the offices of all appointive~~
10 ~~officers of the state)) Enter into contracts on behalf of the state to~~

11 carry out the following: To purchase, lease, rent or otherwise
12 acquire, dispose of, and maintain assets, licenses, purchased goods and
13 services, client services, and personal services, or to delegate to
14 other agencies and institutions of state government, under appropriate
15 standards, the authority to purchase, lease, rent or otherwise acquire,
16 dispose of, and maintain assets, licenses, purchased goods and
17 services, client services, and personal services. Agencies and
18 institutions of state government are expressly prohibited from
19 acquiring or disposing of such assets, licenses, purchased services,
20 and personal services without such delegation of authority: PROVIDED,

21 That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in
22 any manner to the operation of the state legislature except as
23 requested by the legislature: PROVIDED, That any agency may purchase
24 material, supplies, services, and equipment for which the agency has
25 notified the purchasing and material control director that it is more
26 cost-effective for the agency to make the purchase directly from the
27 vendor: PROVIDED, That primary authority for the purchase of
28 specialized equipment, instructional, and research material for their
29 own use shall rest with the colleges, community colleges, and
30 universities: PROVIDED FURTHER, That universities operating hospitals
31 and the ~~((state purchasing and material control))~~ director, as the
32 agent for state hospitals as defined in RCW 72.23.010, and for health
33 care programs provided in state correctional institutions as defined in
34 RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010
35 and 72.36.070, may make purchases for hospital operation by
36 participating in contracts for materials, supplies, and equipment
37 entered into by nonprofit cooperative hospital group purchasing
38 organizations: PROVIDED FURTHER, That primary authority for the

1 purchase of materials, supplies, and equipment for resale to other than
2 public agencies shall rest with the state agency concerned: PROVIDED
3 FURTHER, That authority to purchase services as included herein does
4 not apply to personal services as defined in chapter 39.29 RCW, unless
5 such organization specifically requests assistance from the ((~~division~~
6 ~~of purchasing~~)) department of enterprise services in obtaining personal
7 services and resources are available within the ((~~division~~)) department
8 to provide such assistance: ((~~PROVIDED FURTHER, That the authority for~~
9 ~~the purchase of insurance and bonds shall rest with the risk manager~~
10 ~~under RCW 43.19.1935~~)) PROVIDED FURTHER, That, except for the
11 authority of the risk manager to purchase insurance and bonds, the
12 director is not required to provide purchasing services for
13 institutions of higher education that choose to exercise independent
14 purchasing authority under RCW 28B.10.029: PROVIDED FURTHER, That the
15 authority to purchase interpreter services and interpreter brokerage
16 services on behalf of limited-English speaking or sensory-impaired
17 applicants and recipients of public assistance shall rest with the
18 department of social and health services in consultation with the
19 department;

20 (3) Have authority to delegate to state agencies authorization to
21 purchase or sell, which authorization shall specify restrictions as to
22 dollar amount or to specific types of material, equipment, services,
23 and supplies. Acceptance of the purchasing authorization by a state
24 agency does not relieve such agency from conformance with other
25 sections of RCW 43.19.190 through 43.19.1939, or from policies
26 established by the director. Also, delegation of such authorization to
27 a state agency, including an educational institution to which this
28 section applies, to purchase or sell material, equipment, services, and
29 supplies shall not be granted, or otherwise continued under a previous
30 authorization, if such agency is not in substantial compliance with
31 overall state purchasing and material control policies as established
32 herein;

33 (4) Contract for the testing of material, supplies, and equipment
34 with public and private agencies as necessary and advisable to protect
35 the interests of the state;

36 (5) ((~~Prescribe the manner of inspecting all deliveries of~~
37 ~~supplies, materials, and equipment purchased through the division~~))

1 Develop statewide or interagency procurement policies, standards, and
2 procedures;

3 ~~(6) ((Prescribe the manner in which supplies, materials, and~~
4 ~~equipment purchased through the division shall be delivered, stored,~~
5 ~~and distributed))~~ Provide direction concerning strategic planning goals
6 and objectives related to state purchasing and contracts activities.
7 The director shall seek input from the legislature and the judiciary;

8 ~~(7) ((Provide for the maintenance of a catalogue library,~~
9 ~~manufacturers' and wholesalers' lists, and current market information))~~
10 Develop and implement a process for the resolution of appeals by:

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

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

15 (8) Establish policies for the periodic review by the department of
16 agency performance which may include but are not limited to analysis
17 of:

18 (a) Planning, management, purchasing control, and use of purchased
19 services and personal services;

20 (b) Training and education; and

21 (c) Project management;

22 ~~((+8))~~ (9) Provide for a commodity classification system and may,
23 in addition, provide for the adoption of standard specifications;

24 ~~((+9) Provide for the maintenance of inventory records of supplies,~~
25 ~~materials, and other property;))~~

26 (10) Prepare rules and regulations governing the relationship and
27 procedures between the ~~((division of purchasing))~~ department and state
28 agencies and vendors;

29 (11) Publish procedures and guidelines for compliance by all state
30 agencies, including those educational institutions to which this
31 section applies, which implement overall state purchasing and material
32 control policies;

33 (12) Advise state agencies, including educational institutions,
34 regarding compliance with established purchasing and material control
35 policies under existing statutes.

36 **Sec. 208.** RCW 43.19.1905 and 2009 c 486 s 10 are each amended to
37 read as follows:

1 (1) The director of (~~general administration~~) enterprise services
2 shall establish overall state policy for compliance by all state
3 agencies, including educational institutions, regarding the following
4 purchasing and material control functions:

5 (a) Development of a state commodity coding system(~~, including~~
6 ~~common stock numbers for items maintained in stores for reissue;~~

7 ~~(b) Determination where consolidations, closures, or additions of~~
8 ~~stores operated by state agencies and educational institutions should~~
9 ~~be initiated;~~

10 ~~(c) Institution of standard criteria for determination of when and~~
11 ~~where an item in the state supply system should be stocked;~~

12 ~~(d) Establishment of stock levels to be maintained in state stores,~~
13 ~~and formulation of standards for replenishment of stock;~~

14 ~~(e) Formulation of an overall distribution and redistribution~~
15 ~~system for stock items which establishes sources of supply support for~~
16 ~~all agencies, including interagency supply support;~~

17 ~~(f) Determination of what function data processing equipment,~~
18 ~~including remote terminals, shall perform in statewide purchasing and~~
19 ~~material control for improvement of service and promotion of economy;~~

20 ~~(g) Standardization of records and forms used statewide for supply~~
21 ~~system activities involving purchasing, receiving, inspecting, storing,~~
22 ~~requisitioning, and issuing functions, including a));~~

23 (b) A standard notification form for state agencies to report cost-
24 effective direct purchases, which shall at least identify the price of
25 the goods as available through the (~~division of purchasing~~)
26 department, the price of the goods as available from the alternative
27 source, the total savings, and the signature of the notifying agency's
28 director or the director's designee;

29 ~~((h))~~ (c) Screening of supplies, material, and equipment excess
30 to the requirements of one agency for overall state need before sale as
31 surplus;

32 ~~((i) Establishment of warehouse operation and storage standards to~~
33 ~~achieve uniform, effective, and economical stores operations;~~

34 ~~(j) Establishment of time limit standards for the issuing of~~
35 ~~material in store and for processing requisitions requiring purchase;~~

36 ~~(k) Formulation of criteria for))~~

37 (d) Determining when centralized rather than decentralized

1 purchasing shall be used to obtain maximum benefit of volume buying of
2 identical or similar items, including procurement from federal supply
3 sources;

4 ~~((+l))~~ (e) Development of criteria for use of leased, rather than
5 state owned, warehouse space based on relative cost and accessibility;

6 ~~((+m) Institution of standard criteria for purchase and placement
7 of state furnished materials, carpeting, furniture, fixtures, and
8 nonfixed equipment, in newly constructed or renovated state buildings;~~

9 ~~(+n))~~ (f) Determination of how transportation costs incurred by the
10 state for materials, supplies, services, and equipment can be reduced
11 by improved freight and traffic coordination and control;

12 ~~((+o))~~ (g) Establishment of a formal certification program for
13 state employees who are authorized to perform purchasing functions as
14 agents for the state under the provisions of chapter 43.19 RCW;

15 ~~((+p))~~ (h) Development of performance measures for the reduction
16 of total overall expense for material, supplies, equipment, and
17 services used each biennium by the state;

18 ~~((+q))~~ (i) Establishment of a standard system for all state
19 organizations to record and report dollar savings and cost avoidance
20 which are attributable to the establishment and implementation of
21 improved purchasing and material control procedures;

22 ~~((+r))~~ (j) Development of procedures for mutual and voluntary
23 cooperation between state agencies, including educational institutions,
24 and political subdivisions for exchange of purchasing and material
25 control services;

26 ~~((+s))~~ (k) Resolution of all other purchasing and material matters
27 which require the establishment of overall statewide policy for
28 effective and economical supply management;

29 ~~((+t))~~ (l) Development of guidelines and criteria for the purchase
30 of vehicles, high gas mileage vehicles, alternate vehicle fuels and
31 systems, equipment, and materials that reduce overall energy-related
32 costs and energy use by the state, including investigations into all
33 opportunities to aggregate the purchasing of clean technologies by
34 state and local governments, and including the requirement that new
35 passenger vehicles purchased by the state meet the minimum standards
36 for passenger automobile fuel economy established by the United States
37 secretary of transportation pursuant to the energy policy and
38 conservation act (15 U.S.C. Sec. 2002);

1 ((+u)) (m) Development of goals for state use of recycled or
2 environmentally preferable products through specifications for products
3 and services, processes for requests for proposals and requests for
4 qualifications, contractor selection, and contract negotiations;

5 ((+v)) (n) Development of procurement policies and procedures,
6 such as unbundled contracting and subcontracting, that encourage and
7 facilitate the purchase of products and services by state agencies and
8 institutions from Washington small businesses to the maximum extent
9 practicable and consistent with international trade agreement
10 commitments;

11 ((+w)) (o) Development of food procurement procedures and
12 materials that encourage and facilitate the purchase of Washington
13 grown food by state agencies and institutions to the maximum extent
14 practicable and consistent with international trade agreement
15 commitments; and

16 ((+x)) (p) Development of policies requiring all food contracts to
17 include a plan to maximize to the extent practicable and consistent
18 with international trade agreement commitments the availability of
19 Washington grown food purchased through the contract.

20 (2) ~~((The department of general administration shall convene a
21 working group including representatives of the office of financial
22 management, the department of information services, and the state
23 printer. The purpose of the working group is to work collaboratively
24 to develop common policies and procedures that encourage and facilitate
25 state government purchases from Washington small businesses, as
26 required in subsection (1)(v) of this section, and in RCW 39.29.065,
27 43.78.110, and 43.105.041(1)(j). By December 1, 2009, these central
28 services agencies shall jointly provide a written progress report to
29 the governor and legislature on actions taken and planned, barriers
30 identified, and solutions recommended to reach this goal.~~

31 (+3)) The definitions in this subsection apply throughout this
32 section and RCW 43.19.1908.

33 (a) "Common vendor registration and bid notification system" has
34 the definition in RCW 39.29.006.

35 (b) "Small business" has the definition in RCW 39.29.006.

36 (c) "Washington grown" has the definition in RCW 15.64.060.

1 **Sec. 209.** RCW 43.19.19052 and 1998 c 245 s 54 are each amended to
2 read as follows:

3 Initial policy determinations for the functions described in RCW
4 43.19.1905 shall be developed and published within the 1975-77 biennium
5 by the director for guidance and compliance by all state agencies,
6 including educational institutions, involved in purchasing and material
7 control. Modifications to these initial supply management policies
8 established during the 1975-77 biennium shall be instituted by the
9 director in future biennia as required to maintain an efficient and up-
10 to-date state supply management system.

11 It is the intention of the legislature that measurable improvements
12 in the effectiveness and economy of supply management in state
13 government shall be achieved during the 1975-77 biennium, and each
14 biennium thereafter. All agencies, departments, offices, divisions,
15 boards, and commissions and educational, correctional, and other types
16 of institutions are required to cooperate with and support the
17 development and implementation of improved efficiency and economy in
18 purchasing and material control. To effectuate this legislative
19 intention, the director(~~(, through the state purchasing and material~~
20 ~~control director, shall have)) has the authority to direct and require
21 the submittal of data from all state organizations concerning
22 purchasing and material control matters.~~

23 **Sec. 210.** RCW 43.19.1906 and 2008 c 215 s 5 are each amended to
24 read as follows:

25 Insofar as practicable, all purchases and sales shall be based on
26 competitive bids, and a formal sealed, electronic, or web-based bid
27 procedure, subject to RCW 43.19.1911, shall be used as standard
28 procedure for all purchases and contracts for purchases and sales
29 executed by the (~~(state purchasing and material control))~~ director and
30 under the powers granted by RCW 43.19.190 through 43.19.1939. This
31 requirement also applies to purchases and contracts for purchases and
32 sales executed by agencies, including educational institutions, under
33 delegated authority granted in accordance with provisions of RCW
34 43.19.190 or under RCW 28B.10.029. However, formal sealed, electronic,
35 or web-based competitive bidding is not necessary for:

36 (1) Emergency purchases made pursuant to RCW 43.19.200 if the

1 sealed bidding procedure would prevent or hinder the emergency from
2 being met appropriately;

3 (2) (~~Purchases not exceeding thirty five thousand dollars, or~~
4 ~~subsequent limits as calculated by the office of financial management:~~
5 ~~PROVIDED, That the state director of general administration shall~~
6 ~~establish procedures to assure that purchases made by or on behalf of~~
7 ~~the various state agencies shall not be made so as to avoid the thirty-~~
8 ~~five thousand dollar bid limitation, or subsequent bid limitations as~~
9 ~~calculated by the office of financial management: PROVIDED FURTHER,~~
10 ~~That the state purchasing and material control director is authorized~~
11 ~~to reduce the formal sealed bid limits of thirty five thousand dollars,~~
12 ~~or subsequent limits as calculated by the office of financial~~
13 ~~management, to a lower dollar amount for purchases by individual state~~
14 ~~agencies if considered necessary to maintain full disclosure of~~
15 ~~competitive procurement or otherwise to achieve overall state~~
16 ~~efficiency and economy in purchasing and material control. Quotations~~
17 ~~from three thousand dollars to thirty five thousand dollars, or~~
18 ~~subsequent limits as calculated by the office of financial management,~~
19 ~~shall be secured from at least three vendors to assure establishment of~~
20 ~~a competitive price and may be obtained by telephone or written~~
21 ~~quotations, or both. The agency shall invite at least one quotation~~
22 ~~each from a certified minority and a certified women owned vendor who~~
23 ~~shall otherwise qualify to perform such work. Immediately after the~~
24 ~~award is made, the bid quotations obtained shall be recorded and open~~
25 ~~to public inspection and shall be available by telephone inquiry. A~~
26 ~~record of competition for all such purchases from three thousand~~
27 ~~dollars to thirty five thousand dollars, or subsequent limits as~~
28 ~~calculated by the office of financial management, shall be documented~~
29 ~~for audit purposes. Purchases up to three thousand dollars may be made~~
30 ~~without competitive bids based on buyer experience and knowledge of the~~
31 ~~market in achieving maximum quality at minimum cost)) Direct buy
32 purchases and informal competitive bidding, as designated by the
33 director of enterprise services. The director of enterprise services
34 shall establish policies annually to define criteria and dollar
35 thresholds for direct buy purchases and informal competitive bidding
36 limits. These criteria may be adjusted to accommodate special market
37 conditions and to promote market diversity for the benefit of the
38 citizens of the state of Washington;~~

1 (3) Purchases which are clearly and legitimately limited to a
2 single source of supply and purchases involving special facilities,
3 services, or market conditions, in which instances the purchase price
4 may be best established by direct negotiation;

5 (4) Purchases of insurance and bonds by the risk management
6 (~~division~~) office under RCW 43.41.310 (as recodified by this act);

7 (5) Purchases and contracts for vocational rehabilitation clients
8 of the department of social and health services: PROVIDED, That this
9 exemption is effective only when the (~~state purchasing and material~~
10 ~~control~~) director of enterprise services, after consultation with the
11 director of the division of vocational rehabilitation and appropriate
12 department of social and health services procurement personnel,
13 declares that such purchases may be best executed through direct
14 negotiation with one or more suppliers in order to expeditiously meet
15 the special needs of the state's vocational rehabilitation clients;

16 (6) Purchases by universities for hospital operation or biomedical
17 teaching or research purposes and by the (~~state purchasing and~~
18 ~~material control~~) director of enterprise services, as the agent for
19 state hospitals as defined in RCW 72.23.010, and for health care
20 programs provided in state correctional institutions as defined in RCW
21 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and
22 72.36.070, made by participating in contracts for materials, supplies,
23 and equipment entered into by nonprofit cooperative hospital group
24 purchasing organizations;

25 (7) Purchases for resale by institutions of higher education to
26 other than public agencies when such purchases are for the express
27 purpose of supporting instructional programs and may best be executed
28 through direct negotiation with one or more suppliers in order to meet
29 the special needs of the institution;

30 (8) Purchases by institutions of higher education (~~not exceeding~~
31 ~~thirty five thousand dollars:~~ PROVIDED, That for purchases between
32 ~~three thousand dollars and thirty five thousand dollars quotations~~
33 ~~shall be secured from at least three vendors to assure establishment of~~
34 ~~a competitive price and may be obtained by telephone or written~~
35 ~~quotations, or both. For purchases between three thousand dollars and~~
36 ~~thirty five thousand dollars, each institution of higher education~~
37 ~~shall invite at least one quotation each from a certified minority and~~
38 ~~a certified women owned vendor who shall otherwise qualify to perform~~

1 ~~such work. A record of competition for all such purchases made from~~
2 ~~three thousand to thirty five thousand dollars shall be documented for~~
3 ~~audit purposes)) under RCW 43.19.190(2), direct buy purchases, and~~
4 ~~informal competitive bidding, as designated by the director of~~
5 ~~enterprise services; and~~

6 (9) Off-contract purchases of Washington grown food when such food
7 is not available from Washington sources through an existing contract.
8 However, Washington grown food purchased under this subsection must be
9 of an equivalent or better quality than similar food available through
10 the contract and be able to be paid from the agency's existing budget.
11 This requirement also applies to purchases and contracts for purchases
12 executed by state agencies, including institutions of higher education,
13 under delegated authority granted in accordance with RCW 43.19.190 or
14 under RCW 28B.10.029(~~;~~ and

15 ~~(10) Negotiation of a contract by the department of transportation,~~
16 ~~valid until June 30, 2001, with registered tow truck operators to~~
17 ~~provide roving service patrols in one or more Washington state patrol~~
18 ~~tow zones whereby those registered tow truck operators wishing to~~
19 ~~participate would cooperatively, with the department of transportation,~~
20 ~~develop a demonstration project upon terms and conditions negotiated by~~
21 ~~the parties)).~~

22 Beginning on July 1, 1995, and on July 1st of each succeeding odd-
23 numbered year, the dollar limits specified in this section shall be
24 adjusted as follows: The office of financial management shall
25 calculate such limits by adjusting the previous biennium's limits by
26 the appropriate federal inflationary index reflecting the rate of
27 inflation for the previous biennium. Such amounts shall be rounded to
28 the nearest one hundred dollars. (~~However, the three thousand dollar~~
29 ~~figure in subsections (2) and (8) of this section may not be adjusted~~
30 ~~to exceed five thousand dollars.))~~

31 As used in this section, "Washington grown" has the definition in
32 RCW 15.64.060.

33 **Sec. 211.** RCW 43.19.1908 and 2009 c 486 s 11 are each amended to
34 read as follows:

35 Competitive bidding required by RCW 43.19.190 through 43.19.1939
36 shall be solicited by public notice, by posting of the contract
37 opportunity on the state's common vendor registration and bid

1 notification system, and through the sending of notices by mail,
2 electronic transmission, or other means to bidders on the appropriate
3 list of bidders who shall have qualified by application to the
4 ~~((division of purchasing))~~ department. Bids may be solicited by the
5 ~~((purchasing division))~~ department from any source thought to be of
6 advantage to the state. All bids shall be in written or electronic
7 form and conform to rules of the ~~((division of purchasing))~~ department.

8 **Sec. 212.** RCW 43.19.1913 and 1965 c 8 s 43.19.1913 are each
9 amended to read as follows:

10 The ~~((division of purchasing))~~ department may reject the bid of any
11 bidder who has failed to perform satisfactorily a previous contract
12 with the state.

13 **Sec. 213.** RCW 43.19.1915 and 2009 c 549 s 5064 are each amended to
14 read as follows:

15 When any bid has been accepted, the ~~((division of purchasing))~~
16 department may require of the successful bidder a bond payable to the
17 state in such amount with such surety or sureties as determined by the
18 ~~((division of purchasing))~~ department, conditioned that he or she will
19 fully, faithfully and accurately execute the terms of the contract into
20 which he or she has entered. The bond shall be filed in the ~~((office~~
21 ~~of the division of purchasing))~~ department. Bidders who regularly do
22 business with the state shall be permitted to file with the ~~((division~~
23 ~~of purchasing))~~ department an annual bid bond in an amount established
24 by the ~~((division))~~ department and such annual bid bond shall be
25 acceptable as surety in lieu of furnishing surety with individual bids.

26 **Sec. 214.** RCW 43.19.1917 and 1979 c 88 s 3 are each amended to
27 read as follows:

28 All state agencies, including educational institutions, shall
29 maintain a perpetual record of ownership of state owned equipment,
30 which shall be available for the inspection and check of those officers
31 who are charged by law with the responsibility for auditing the records
32 and accounts of the state organizations owning the equipment, or to
33 such other special investigators and others as the governor may direct.
34 In addition, these records shall be made available to members of the

1 legislature, the legislative committees, and legislative staff on
2 request.

3 All state agencies, including educational institutions, shall
4 account to the office of financial management upon request for state
5 equipment owned by, assigned to, or otherwise possessed by them and
6 maintain such records as the office of financial management deems
7 necessary for proper accountability therefor. The office of financial
8 management shall publish a procedural directive for compliance by all
9 state agencies, including educational institutions, which establishes
10 a standard method of maintaining records for state owned equipment,
11 including the use of standard state forms. This published directive
12 also shall include instructions for reporting to the (~~division of~~
13 ~~purchasing~~) department all state equipment which is excess to the
14 needs of state organizations owning such equipment. The term "state
15 equipment" means all items of machines, tools, furniture, or
16 furnishings other than expendable supplies and materials as defined by
17 the office of financial management.

18 **Sec. 215.** RCW 43.19.1919 and 2000 c 183 s 1 are each amended to
19 read as follows:

20 The (~~division of purchasing~~) department shall sell or exchange
21 personal property belonging to the state for which the agency, office,
22 department, or educational institution having custody thereof has no
23 further use, at public or private sale, and cause the moneys realized
24 from the sale of any such property to be paid into the fund from which
25 such property was purchased or, if such fund no longer exists, into the
26 state general fund. This requirement is subject to the following
27 exceptions and limitations:

28 (1) This section does not apply to property under RCW 27.53.045,
29 28A.335.180, or 43.19.1920;

30 (2) Sales of capital assets may be made by the (~~division of~~
31 ~~purchasing~~) department and a credit established (~~in central stores~~)
32 for future purchases of capital items as provided for in RCW 43.19.190
33 through 43.19.1939;

34 (3) Personal property, excess to a state agency, including
35 educational institutions, shall not be sold or disposed of prior to
36 reasonable efforts by the (~~division of purchasing~~) department to
37 determine if other state agencies have a requirement for such personal

1 property. Such determination shall follow sufficient notice to all
2 state agencies to allow adequate time for them to make their needs
3 known. Surplus items may be disposed of without prior notification to
4 state agencies if it is determined by the director (~~(of general~~
5 ~~administration))~~) to be in the best interest of the state. The
6 (~~(division of purchasing))~~ department shall maintain a record of
7 disposed surplus property, including date and method of disposal,
8 identity of any recipient, and approximate value of the property;

9 (4) This section does not apply to personal property acquired by a
10 state organization under federal grants and contracts if in conflict
11 with special title provisions contained in such grants or contracts;

12 (5) A state agency having a surplus personal property asset with a
13 fair market value of less than five hundred dollars may transfer the
14 asset to another state agency without charging fair market value. A
15 state agency conducting this action must maintain adequate records to
16 comply with agency inventory procedures and state audit requirements.

17 **Sec. 216.** RCW 43.19.19191 and 1999 c 186 s 1 are each amended to
18 read as follows:

19 (1) In addition to disposing of property under RCW 28A.335.180,
20 39.33.010, 43.19.1919, and 43.19.1920, state-owned, surplus computers
21 and computer-related equipment may be donated to any school district or
22 educational service district under the guidelines and distribution
23 standards established pursuant to subsection (2) of this section.

24 (2) (~~(By September 1, 1999,))~~) The department and office of the
25 superintendent of public instruction shall jointly develop guidelines
26 and distribution standards for the donation of state-owned, surplus
27 computers and computer-related equipment to school districts and
28 educational service districts. The guidelines and distribution
29 standards shall include considerations for quality, school-district
30 needs, and accountability, and shall give priority to meeting the
31 computer-related needs of children with disabilities, including those
32 disabilities necessitating the portability of laptop computers. The
33 guidelines must be updated as needed.

34 **Sec. 217.** RCW 43.19.1920 and 1995 c 399 s 63 are each amended to
35 read as follows:

36 The (~~(division of purchasing))~~ department may donate state-owned,

1 surplus, tangible personal property to shelters that are: Participants
2 in the department of (~~community, trade, and economic development's~~)
3 commerce's emergency shelter assistance program; and operated by
4 nonprofit organizations or units of local government providing
5 emergency or transitional housing for homeless persons. A donation may
6 be made only if all of the following conditions have been met:

7 (1) The (~~division of purchasing~~) department has made reasonable
8 efforts to determine if any state agency has a requirement for such
9 personal property and no such agency has been identified. Such
10 determination shall follow sufficient notice to all state agencies to
11 allow adequate time for them to make their needs known;

12 (2) The agency owning the property has authorized the (~~division of~~
13 ~~purchasing~~) department to donate the property in accordance with this
14 section;

15 (3) The nature and quantity of the property in question is directly
16 germane to the needs of the homeless persons served by the shelter and
17 the purpose for which the shelter exists and the shelter agrees to use
18 the property for such needs and purposes; and

19 (4) The director (~~of general administration~~) has determined that
20 the donation of such property is in the best interest of the state.

21 **Sec. 218.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to
22 read as follows:

23 (1) The department (~~of general administration~~) shall identify and
24 catalog real property that is no longer required for department
25 purposes and is suitable for the development of affordable housing for
26 very low-income, low-income, and moderate-income households as defined
27 in RCW 43.63A.510. The inventory shall include the location,
28 approximate size, and current zoning classification of the property.
29 The department (~~of general administration~~) shall provide a copy of
30 the inventory to the department of (~~community, trade, and economic~~
31 ~~development~~) commerce by November 1, 1993, and every November 1
32 thereafter.

33 (2) By November 1 of each year, beginning in 1994, the department
34 (~~of general administration~~) shall purge the inventory of real
35 property of sites that are no longer available for the development of
36 affordable housing. The department shall include an updated listing of

1 real property that has become available since the last update. As used
2 in this section, "real property" means buildings, land, or buildings
3 and land.

4 **Sec. 219.** RCW 43.19.1921 and 1979 c 151 s 100 are each amended to
5 read as follows:

6 The director (~~(of general administration, through the division of~~
7 ~~purchasing,)~~) shall:

8 (1) Establish and maintain warehouses (~~(hereinafter referred to as~~
9 ~~"central stores")~~) for the centralized storage and distribution of such
10 supplies, equipment, and other items of common use in order to effect
11 economies in the purchase of supplies and equipment for state agencies.
12 To provide (~~(central stores)~~) warehouse facilities the (~~(division of~~
13 ~~purchasing)~~) department may, by arrangement with the state agencies,
14 utilize any surplus available state owned space, and may acquire other
15 needed warehouse facilities by lease or purchase of the necessary
16 premises;

17 (2) Provide for the central salvage(~~(, maintenance, repair, and~~
18 ~~servicing)~~) of equipment, furniture, or furnishings used by state
19 agencies, and also by means of such a service provide an equipment pool
20 for effecting sales and exchanges of surplus and unused property by and
21 between state agencies. (~~(Funds derived from the sale and exchange of~~
22 ~~property shall be placed to the account of the appropriate state agency~~
23 ~~on the central stores accounts but such funds may not be expended~~
24 ~~through central stores without prior approval of the office of~~
25 ~~financial management.)~~)

26 **Sec. 220.** RCW 43.19.1932 and 1989 c 185 s 2 are each amended to
27 read as follows:

28 The department of corrections shall be exempt from the following
29 provisions of this chapter in respect to goods or services purchased or
30 sold pursuant to the operation of correctional industries: RCW
31 43.19.180, 43.19.190, 43.19.1901, 43.19.1905, 43.19.1906, 43.19.1908,
32 43.19.1911, 43.19.1913, 43.19.1915, 43.19.1917, 43.19.1919, 43.19.1921,
33 (~~(43.19.1925,)~~) and 43.19.200.

34 **Sec. 221.** RCW 43.19.200 and 2009 c 549 s 5066 are each amended to
35 read as follows:

1 (1) The governing authorities of the state's educational
2 institutions, the elective state officers, the supreme court, the court
3 of appeals, the administrative and other departments of the state
4 government, and all appointive officers of the state, shall prepare
5 estimates of the supplies required for the proper conduct and
6 maintenance of their respective institutions, offices, and departments,
7 covering periods to be fixed by the director, and forward them to the
8 director in accordance with his or her directions. No such
9 authorities, officers, or departments, or any officer or employee
10 thereof, may purchase any article for the use of their institutions,
11 offices, or departments, except in case of emergency purchases as
12 provided in subsection (2) of this section.

13 (2) The authorities, officers, and departments enumerated in
14 subsection (1) of this section may make emergency purchases in response
15 to unforeseen circumstances beyond the control of the agency which
16 present a real, immediate, and extreme threat to the proper performance
17 of essential functions or which may reasonably be expected to result in
18 excessive loss or damage to property, bodily injury, or loss of life.
19 When an emergency purchase is made, the agency head shall submit
20 written notification of the purchase, within three days of the
21 purchase, to the director (~~(of general administration)~~). This
22 notification shall contain a description of the purchase, description
23 of the emergency and the circumstances leading up to the emergency, and
24 an explanation of why the circumstances required an emergency purchase.

25 (3) Purchases made for the state's educational institutions, the
26 offices of the elective state officers, the supreme court, the court of
27 appeals, the administrative and other departments of the state
28 government, and the offices of all appointive officers of the state,
29 shall be paid for out of the moneys appropriated for supplies,
30 material, and service of the respective institutions, offices, and
31 departments.

32 (4) The director (~~(of general administration)~~) shall submit, on an
33 annual basis, the written notifications required by subsection (2) of
34 this section to the director of financial management.

35 **Sec. 222.** RCW 43.19.450 and 1994 c 264 s 15 are each amended to
36 read as follows:

37 The director (~~(of general administration)~~) shall appoint (~~and~~

1 ~~deputize an assistant director to be known as the~~) a supervisor of
2 engineering and architecture (~~who shall have charge and supervision of~~
3 ~~the division of engineering and architecture. With the approval of the~~
4 ~~director, the supervisor may appoint and employ such assistants and~~
5 ~~personnel as may be necessary to carry out the work of the division~~)).

6 ((~~No~~)) A person (~~shall be~~) is not eligible for appointment as
7 supervisor of engineering and architecture unless he or she is licensed
8 to practice the profession of engineering or the profession of
9 architecture in the state of Washington and for the last five years
10 prior to his or her appointment has been licensed to practice the
11 profession of engineering or the profession of architecture.

12 As used in this section, "state facilities" includes all state
13 buildings, related structures, and appurtenances constructed for any
14 elected state officials, institutions, departments, boards,
15 commissions, colleges, community colleges, except the state
16 universities, The Evergreen State College and regional universities.
17 "State facilities" does not include facilities owned by or used for
18 operational purposes and constructed for the department of
19 transportation, department of fish and wildlife, department of natural
20 resources, or state parks and recreation commission.

21 The director (~~of general administration, through the division of~~
22 ~~engineering and architecture~~) or the director's designee shall:

23 (1) Prepare cost estimates and technical information to accompany
24 the capital budget and prepare or contract for plans and specifications
25 for new construction and major repairs and alterations to state
26 facilities.

27 (2) Contract for professional architectural, engineering, and
28 related services for the design of new state facilities and major
29 repair or alterations to existing state facilities.

30 (3) Provide contract administration for new construction and the
31 repair and alteration of existing state facilities.

32 (4) In accordance with the public works laws, contract on behalf of
33 the state for the new construction and major repair or alteration of
34 state facilities.

35 The director may delegate any and all of the functions under
36 subsections (1) through (4) of this section to any agency upon such
37 terms and conditions as considered advisable.

1 (~~The director may delegate the authority granted to the department~~
2 ~~under RCW 39.04.150 to any agency upon such terms as considered~~
3 ~~advisable.~~)

4 **Sec. 223.** RCW 43.19.455 and 2005 c 36 s 6 are each amended to read
5 as follows:

6 Except as provided under RCW 43.17.210, the Washington state arts
7 commission shall determine the amount to be made available for the
8 purchase of art under RCW 43.17.200 in consultation with the director
9 (~~of general administration~~), and payments therefor shall be made in
10 accordance with law. The designation of projects and sites, selection,
11 contracting, purchase, commissioning, reviewing of design, execution
12 and placement, acceptance, maintenance, and sale, exchange, or
13 disposition of works of art shall be the responsibility of the
14 Washington state arts commission in consultation with the director (~~of~~
15 ~~general administration~~).

16 **Sec. 224.** RCW 43.19.500 and 2005 c 330 s 6 are each amended to
17 read as follows:

18 The (~~general administration~~) enterprise services account shall be
19 used by the department (~~of general administration~~) for the payment of
20 certain costs, expenses, and charges, as specified in this section,
21 incurred by it in the operation and administration of the department in
22 the rendering of services, the furnishing or supplying of equipment,
23 supplies and materials, and for providing or allocating facilities,
24 including the operation, maintenance, rehabilitation, or furnishings
25 thereof to other agencies, offices, departments, activities, and other
26 entities enumerated in RCW 43.01.090 and including the rendering of
27 services in acquiring real estate under RCW 43.82.010 and the operation
28 and maintenance of public and historic facilities at the state capitol,
29 as defined in RCW 79.24.710. The department shall treat the rendering
30 of services in acquiring real estate and the operation and maintenance
31 of state capitol public and historic facilities as separate operating
32 entities within the account for financial accounting and control.

33 The schedule of services, facilities, equipment, supplies,
34 materials, maintenance, rehabilitation, furnishings, operations, and
35 administration to be so financed and recovered shall be determined
36 jointly by the director (~~of general administration~~) and the director

1 of financial management, in equitable amounts which, together with any
2 other income or appropriation, will provide the department (~~(of general~~
3 ~~administration)~~) with funds to meet its anticipated expenditures during
4 any allotment period.

5 The director (~~(of general administration)~~) may adopt rules
6 governing the provisions of RCW 43.01.090 and this section and the
7 relationships and procedures between the department (~~(of general~~
8 ~~administration)~~) and such other entities.

9 **Sec. 225.** RCW 43.19.501 and 2009 c 564 s 932 are each amended to
10 read as follows:

11 The Thurston county capital facilities account is created in the
12 state treasury. The account is subject to the appropriation and
13 allotment procedures under chapter 43.88 RCW. Moneys in the account
14 may be expended for capital projects in facilities owned and managed by
15 the department (~~(of general administration)~~) in Thurston county. For
16 the 2007-2009 biennium, moneys in the account may be used for predesign
17 identified in section 1037, chapter 328, Laws of 2008.

18 During the 2009-2011 fiscal biennium, the legislature may transfer
19 from the Thurston county capital facilities account to the state
20 general fund such amounts as reflect the excess fund balance of the
21 account.

22 **Sec. 226.** RCW 43.19.530 and 2005 c 204 s 2 are each amended to
23 read as follows:

24 The state agencies and departments are hereby authorized to
25 purchase products and/or services manufactured or provided by(
26 ~~(1))~~) community rehabilitation programs of the department of social
27 and health services(~~(; and~~
28 ~~(2) Until December 31, 2009, businesses owned and operated by~~
29 ~~persons with disabilities)~~).

30 Such purchases shall be at the fair market price of such products
31 and services as determined by the (~~(division of purchasing of the)~~)
32 department of (~~(general administration)~~) enterprise services. To
33 determine the fair market price the (~~(division)~~) department shall use
34 the last comparable bid on the products and/or services or in the
35 alternative the last price paid for the products and/or services. The
36 increased cost of labor, materials, and other documented costs since

1 the last comparable bid or the last price paid are additional cost
2 factors which shall be considered in determining fair market price.
3 Upon the establishment of the fair market price as provided for in this
4 section the (~~division~~) department is hereby empowered to negotiate
5 directly for the purchase of products or services with officials in
6 charge of the community rehabilitation programs of the department of
7 social and health services (~~and, until December 31, 2007, businesses~~
8 ~~owned and operated by persons with disabilities~~)).

9 **Sec. 227.** RCW 43.19.534 and 2009 c 470 s 717 are each amended to
10 read as follows:

11 (1) State agencies, the legislature, and departments shall purchase
12 for their use all goods and services required by the legislature,
13 agencies, or departments that are produced or provided in whole or in
14 part from class II inmate work programs operated by the department of
15 corrections through state contract. These goods and services shall not
16 be purchased from any other source unless, upon application by the
17 department or agency: (a) The department (~~of general administration~~)
18 finds that the articles or products do not meet the reasonable
19 requirements of the agency or department, (b) are not of equal or
20 better quality, or (c) the price of the product or service is higher
21 than that produced by the private sector. However, the criteria
22 contained in (a), (b), and (c) of this (~~section~~) subsection for
23 purchasing goods and services from sources other than correctional
24 industries do not apply to goods and services produced by correctional
25 industries that primarily replace goods manufactured or services
26 obtained from outside the state. The department of corrections and
27 department (~~of general administration~~) shall adopt administrative
28 rules that implement this section.

29 (2) During the 2009-2011 fiscal biennium, and in conformance with
30 section 223(11), chapter 470, Laws of 2009, this section does not apply
31 to the purchase of uniforms by the Washington state ferries.

32 **Sec. 228.** RCW 43.19.538 and 1991 c 297 s 5 are each amended to
33 read as follows:

34 (1) The director (~~of general administration, through the state~~
35 ~~purchasing director,~~) shall develop specifications and adopt rules for

1 the purchase of products which will provide for preferential purchase
2 of products containing recycled material by:

3 (a) The use of a weighting factor determined by the amount of
4 recycled material in a product, where appropriate and known in advance
5 to potential bidders, to determine the lowest responsible bidder. The
6 actual dollars bid shall be the contracted amount. If the department
7 determines, according to criteria established by rule that the use of
8 this weighting factor does not encourage the use of more recycled
9 material, the department shall consider and award bids without regard
10 to the weighting factor. In making this determination, the department
11 shall consider but not be limited to such factors as adequate
12 competition, economics or environmental constraints, quality, and
13 availability.

14 (b) Requiring a written statement of the percentage range of
15 recycled content from the bidder providing products containing recycled
16 [material]. The range may be stated in five percent increments.

17 (2) The director shall develop a directory of businesses that
18 supply products containing significant quantities of recycled
19 materials. This directory may be combined with and made accessible
20 through the database of recycled content products to be developed under
21 RCW 43.19A.060.

22 (3) The director shall encourage all parties using the state
23 purchasing office to purchase products containing recycled materials.

24 (4) The rules, specifications, and bid evaluation shall be
25 consistent with recycled content standards adopted under RCW
26 43.19A.020.

27 **Sec. 229.** RCW 43.19.539 and 2006 c 183 s 36 are each amended to
28 read as follows:

29 (1) The department (~~(of general administration)~~) shall establish
30 purchasing and procurement policies that establish a preference for
31 electronic products that meet environmental performance standards
32 relating to the reduction or elimination of hazardous materials.

33 (2) The department (~~(of general administration)~~) shall ensure that
34 their surplus electronic products, other than those sold individually
35 to private citizens, are managed only by registered transporters and by
36 processors meeting the requirements of RCW 70.95N.250 (~~(and section 26~~
37 ~~of this act)~~)).

1 (3) The department (~~(of general administration)~~) shall ensure that
2 their surplus electronic products are directed to legal secondary
3 materials markets by requiring a chain of custody record that documents
4 to whom the products were initially delivered through to the end use
5 manufacturer.

6 **Sec. 230.** RCW 43.19.560 and 1983 c 187 s 3 are each amended to
7 read as follows:

8 As used in RCW 43.19.565 through 43.19.635, 43.41.130 and
9 43.41.140, the following definitions shall apply:

10 (1) "Passenger motor vehicle" means any sedan, station wagon, bus,
11 or light truck which is designed for carrying ten passengers or less
12 and is used primarily for the transportation of persons;

13 (2) "State agency" shall include any state office, agency,
14 commission, department, or institution financed in whole or in part
15 from funds appropriated by the legislature. It shall also include the
16 Washington state school director's association (~~(and the state
17 printer)~~), but it shall not include (a) the state supreme court or any
18 agency of the judicial branch or (b) the legislature or any of its
19 statutory, standing, special, or interim committees, other than at the
20 option of the judicial or legislative agency or committee concerned;

21 (3) "Employee commuting" shall mean travel by a state officer or
22 employee to or from his or her official residence or other domicile to
23 or from his or her official duty station or other place of work;

24 (4) "Motor vehicle transportation services" shall include but not
25 be limited to the furnishing of motor vehicles for the transportation
26 of persons or property, with or without drivers, and may also include
27 furnishing of maintenance, storage, and other support services to state
28 agencies for the conduct of official state business.

29 **Sec. 231.** RCW 43.19.565 and 2005 c 214 s 1 are each amended to
30 read as follows:

31 The department (~~(of general administration)~~) shall establish a
32 motor vehicle transportation service which is hereby empowered to:

33 (1) Provide suitable motor vehicle transportation services to
34 (~~(any)~~) state (~~(agency)~~) agencies on either a temporary or permanent
35 basis (~~(upon requisition from a state agency)~~) and upon such
36 demonstration of need as the department may require;

1 (2) Provide motor pools for the use of state agencies located in
2 the Olympia area and such additional motor pools at other locations in
3 the state as may be necessary to provide economic, efficient, and
4 effective motor vehicle transportation services to state agencies.
5 Such additional motor pools may be under either the direct control of
6 the department or under the supervision of another state agency by
7 agreement with the department;

8 (3) Establish an equitable schedule of rental and mileage charges
9 to agencies for motor vehicle transportation services furnished which
10 shall be designed to provide funds to (~~cover replacement of vehicles,~~
11 ~~the purchase of additional vehicles, and to~~) recover the actual total
12 costs of motor pool operations including but not limited to vehicle
13 operation expense, depreciation expense, overhead, and nonrecoverable
14 collision or other damage to vehicles; and

15 (4) Establish guidelines, procedures, and standards for fleet
16 operations that other state agencies and institutions of higher
17 education may adopt. The guidelines, procedures, and standards shall
18 be consistent with and carry out the objectives of any general policies
19 adopted by the office of financial management under RCW 43.41.130.

20 Unless otherwise determined by the director after consultation with
21 the office of financial management, vehicles owned and managed by the
22 department of transportation, the department of natural resources, and
23 the Washington state patrol are exempt from the requirements of
24 subsections (1), (2), and (4) of this section.

25 **Sec. 232.** RCW 43.19.585 and 1975 1st ex.s. c 167 s 7 are each
26 amended to read as follows:

27 The director (~~of general administration shall appoint a supervisor~~
28 ~~of motor transport, who~~) or the director's designee shall have general
29 charge and supervision of state motor pools and motor vehicle
30 transportation services under departmental administration and control.
31 (~~The appointment of all personnel, except the supervisor, shall be~~
32 ~~made pursuant to chapter 41.06 RCW, the state civil service law, as now~~
33 ~~or hereafter amended.~~

34 ~~With the approval of~~) The director(~~, the supervisor shall (1)~~
35 ~~appoint and employ such assistants and personnel as may be necessary,~~
36 ~~(2)~~) or the director's designee shall (1) acquire by purchase or
37 otherwise a sufficient number of motor vehicles to fulfill state agency

1 needs for motor vehicle transportation service, ~~((+3))~~ (2) provide for
2 necessary ~~((storage,))~~ upkeep~~((,))~~ and repair, and ~~((+4))~~ (3) provide
3 for servicing motor pool vehicles with fuel, lubricants, and other
4 operating requirements.

5 **Sec. 233.** RCW 43.19.600 and 2009 c 549 s 5068 are each amended to
6 read as follows:

7 (1) ~~((On or after July 1, 1975,))~~ Any passenger motor vehicles
8 currently owned or hereafter acquired by any state agency~~((, except~~
9 ~~vehicles acquired from federal granted funds and over which the federal~~
10 ~~government retains jurisdiction and control, may))~~ shall be purchased
11 by or transferred to the department ~~((of general administration with~~
12 ~~the consent of the state agency concerned))~~. The director ~~((of general~~
13 ~~administration))~~ may accept vehicles subject to the provisions of RCW
14 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 prior to July 1,
15 1975, if he or she deems it expedient to accomplish an orderly
16 transition.

17 (2) The department, in cooperation with the office of financial
18 management, shall study and ascertain current and prospective needs of
19 state agencies for passenger motor vehicles and shall ~~((recommend))~~
20 direct the transfer to a state motor pool or other appropriate
21 disposition of any vehicle found not to be required by a state agency.

22 (3) The department shall direct the transfer of passenger motor
23 vehicles from a state agency to a state motor pool or other disposition
24 as appropriate, based on a study under subsection (2) of this section,
25 ~~((or after a public hearing held by the department,))~~ if a finding is
26 made based on ~~((testimony and))~~ data therein submitted that the
27 economy, efficiency, or effectiveness of state government would be
28 improved by such a transfer or other disposition of passenger motor
29 vehicles. Any dispute over the accuracy of ~~((testimony and))~~ data
30 submitted as to the benefits in state governmental economy, efficiency,
31 and effectiveness to be gained by such transfer shall be resolved by
32 the ~~((governor or the governor's designee))~~ director and the director
33 of financial management. Unless otherwise determined by the director
34 after consultation with the office of financial management, vehicles
35 owned and managed by the department of transportation, the department
36 of natural resources, and the Washington state patrol are exempt from
37 the requirements of subsections (1) through (3) of this section.

1 **Sec. 234.** RCW 43.19.610 and 1998 c 105 s 12 are each amended to
2 read as follows:

3 All moneys, funds, proceeds, and receipts as (~~provided in RCW~~
4 ~~43.19.615 and as may otherwise be~~) provided by law shall be paid into
5 the (~~general administration~~) enterprise services account.
6 Disbursements therefrom shall be made in accordance with the provisions
7 of RCW 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 as
8 authorized by the director or a duly authorized representative and as
9 may be provided by law.

10 **Sec. 235.** RCW 43.19.620 and 2009 c 549 s 5069 are each amended to
11 read as follows:

12 The director (~~of general administration, through the supervisor of~~
13 ~~motor transport,~~) shall adopt(~~, promulgate,~~) and enforce (~~such~~
14 ~~regulations~~) rules as may be deemed necessary to accomplish the
15 purpose of RCW 43.19.560 through 43.19.630, 43.41.130, and 43.41.140.
16 (~~Such regulations~~) The rules, in addition to other matters, shall
17 provide authority for any agency director or his or her delegate to
18 approve the use on official state business of personally owned or
19 commercially owned rental passenger motor vehicles. Before such an
20 authorization is made, it must first be reasonably determined that
21 state owned passenger vehicles or other suitable transportation is not
22 available at the time or location required or that the use of such
23 other transportation would not be conducive to the economical,
24 efficient, and effective conduct of business.

25 (~~Such regulations~~) The rules shall be consistent with and shall
26 carry out the objectives of the general policies and guidelines adopted
27 by the office of financial management pursuant to RCW 43.41.130.

28 **Sec. 236.** RCW 43.19.635 and 2009 c 549 s 5071 are each amended to
29 read as follows:

30 (1) The governor, acting through the department (~~of general~~
31 ~~administration~~) and any other appropriate agency or agencies as he or
32 she may direct, is empowered to utilize all reasonable means for
33 detecting the unauthorized use of state owned motor vehicles, including
34 the execution of agreements with the state patrol for compliance
35 enforcement. Whenever such illegal use is discovered which involves a
36 state employee, the employing agency shall proceed as provided by law

1 to establish the amount, extent, and dollar value of any such use,
2 including an opportunity for notice and hearing for the employee
3 involved. When such illegal use is so established, the agency shall
4 assess its full cost of any mileage illegally used and shall recover
5 such amounts by deductions from salary or allowances due to be paid to
6 the offending official or employee by other means. Recovery of costs
7 by the state under this subsection shall not preclude disciplinary or
8 other action by the appropriate appointing authority or employing
9 agency under subsection (2) of this section.

10 (2) Any (~~wilful~~) willful and knowing violation of any provision
11 of RCW 43.19.560 through 43.19.620, 43.41.130 and 43.41.140 shall
12 subject the state official or employee committing such violation to
13 disciplinary action by the appropriate appointing or employing agency.
14 Such disciplinary action may include, but shall not be limited to,
15 suspension without pay, or termination of employment in the case of
16 repeated violations.

17 (3) Any casual or inadvertent violation of RCW 43.19.560 through
18 43.19.620, 43.41.130 and 43.41.140 may subject the state official or
19 employee committing such violation to disciplinary action by the
20 appropriate appointing authority or employing agency. Such
21 disciplinary action may include, but need not be limited to, suspension
22 without pay.

23 **Sec. 237.** RCW 43.19.646 and 2006 c 338 s 12 are each amended to
24 read as follows:

25 (1) The department (~~(of general administration)~~) must assist state
26 agencies seeking to meet the biodiesel fuel requirements in RCW
27 43.19.642 by coordinating the purchase and delivery of biodiesel if
28 requested by any state agency. The department may use long-term
29 contracts of up to ten years, when purchasing from in-state suppliers
30 who use predominantly in-state feedstock, to secure a sufficient and
31 stable supply of biodiesel for use by state agencies.

32 (2) The department shall compile and analyze the reports submitted
33 under RCW 43.19.642(~~(+4)~~) (3) and report in an electronic format its
34 findings and recommendations to the governor and committees of the
35 legislature with responsibility for energy issues, within sixty days
36 from the end of each reporting period. The governor shall consider

1 these reports in determining whether to temporarily suspend minimum
2 renewable fuel content requirements as authorized under RCW 19.112.160.

3 **Sec. 238.** RCW 43.19.663 and 2002 c 285 s 4 are each amended to
4 read as follows:

5 (1) The department (~~(of general administration)~~), in cooperation
6 with public agencies, shall investigate opportunities to aggregate the
7 purchase of clean technologies with other public agencies to determine
8 whether or not combined purchasing can reduce the unit cost of clean
9 technologies.

10 (2) State agencies that are retail electric customers shall
11 investigate opportunities to aggregate the purchase of electricity
12 produced from generation resources that are fueled by wind or solar
13 energy for their facilities located within a single utility's service
14 area, to determine whether or not combined purchasing can reduce the
15 unit cost of those resources.

16 (3) No public agency is required under this section to purchase
17 clean technologies at prohibitive costs.

18 (4)(a) "Electric utility" shall have the same meaning as provided
19 under RCW 19.29A.010.

20 (b) "Clean technology" includes, but may not be limited to,
21 alternative fueled hybrid-electric and fuel cell vehicles, and
22 distributive power generation.

23 (c) "Distributive power generation" means the generation of
24 electricity from an integrated or stand-alone power plant that
25 generates electricity from wind energy, solar energy, or fuel cells.

26 (d) "Retail electric customer" shall have the same meaning as
27 provided under RCW 19.29A.010.

28 (e) "Facility" means any building owned or leased by a public
29 agency.

30 **Sec. 239.** RCW 43.19.685 and 1982 c 48 s 4 are each amended to read
31 as follows:

32 The director (~~(of general administration)~~) shall develop lease
33 covenants, conditions, and terms which:

34 (1) Obligate the lessor to conduct or have conducted a walk-through
35 survey of the leased premises;

1 (2) Obligate the lessor to implement identified energy conservation
2 maintenance and operating procedures upon completion of the walk-
3 through survey; and

4 (3) Obligate the lessor to undertake technical assistance studies
5 and subsequent acquisition and installation of energy conservation
6 measures if the director (~~(of general administration)~~), in accordance
7 with rules adopted by the department, determines that these studies and
8 measures will both conserve energy and can be accomplished with a state
9 funding contribution limited to the savings which would result in
10 utility expenses during the term of the lease.

11 These lease covenants, conditions, and terms shall be incorporated
12 into all specified new, renewed, and renegotiated leases executed on or
13 after January 1, 1983. This section applies to all leases under which
14 state occupancy is at least half of the facility space and includes an
15 area greater than three thousand square feet.

16 **Sec. 240.** RCW 43.19.702 and 1983 c 183 s 2 are each amended to
17 read as follows:

18 The director (~~(of general administration)~~) shall compile a list of
19 the statutes and regulations, relating to state purchasing, of each
20 state, which statutes and regulations the director believes grant a
21 preference to vendors located within the state or goods manufactured
22 within the state. At least once every twelve months the director shall
23 update the list.

24 **Sec. 241.** RCW 43.19.704 and 1983 c 183 s 3 are each amended to
25 read as follows:

26 The director (~~(of general administration)~~) shall adopt and apply
27 rules designed to provide for some reciprocity in bidding between
28 Washington and those states having statutes or regulations on the list
29 under RCW 43.19.702. The director (~~(of general administration)~~) shall
30 have broad discretionary power in developing these rules and the rules
31 shall provide for reciprocity only to the extent and in those instances
32 where the director considers it appropriate. For the purpose of
33 determining the lowest responsible bidder pursuant to RCW 43.19.1911,
34 such rules shall (1) require the director to impose a reciprocity
35 increase on bids when appropriate under the rules and (2) establish

1 methods for determining the amount of the increase. In no instance
2 shall such increase, if any, be paid to a vendor whose bid is accepted.

3 **Sec. 242.** RCW 43.19.708 and 2010 c 5 s 5 are each amended to read
4 as follows:

5 The department (~~(of general administration)~~) shall identify in the
6 department's vendor registry all vendors that are veteran-owned
7 businesses as certified by the department of veterans affairs under RCW
8 43.60A.195.

9 **Sec. 243.** RCW 43.19.710 and 1993 c 219 s 2 are each amended to
10 read as follows:

11 Unless the context clearly requires otherwise, the definitions in
12 this section apply throughout this section and RCW 43.19.715.

13 (1) "Consolidated mail service" means incoming, outgoing, and
14 internal mail processing.

15 ~~(2) ("Department" means the department of general administration.~~

16 ~~(3) "Director" means the director of the department of general
17 administration.~~

18 ~~(4) "Agency" means:~~

19 ~~(a) The office of the governor; and~~

20 ~~(b) Any office, department, board, commission, or other separate
21 unit or division, however designated, of the state government, together
22 with all personnel thereof: Upon which the statutes confer powers and
23 impose duties in connection with operations of either a governmental or
24 proprietary nature; and that has as its chief executive officer a
25 person or combination of persons such as a commission, board, or
26 council, by law empowered to operate it, responsible either to: (i) No
27 other public officer or (ii) the governor.~~

28 ~~(5))~~ "Incoming mail" means mail, packages, or similar items
29 received by an agency, through the United States postal service,
30 private carrier services, or other courier services.

31 ~~((+6))~~ (3) "Outgoing mail" means mail, packages, or similar items
32 processed for agencies to be sent through the United States postal
33 service, private carrier services, or other courier services.

34 ~~((+7))~~ (4) "Internal mail" means interagency mail, packages, or
35 similar items that are delivered or to be delivered to a state agency,

1 the legislature, the supreme court, or the court of appeals, and their
2 officers and employees.

3 **Sec. 244.** RCW 19.27.070 and 2010 c 275 s 1 are each amended to
4 read as follows:

5 There is hereby established a state building code council, to be
6 appointed by the governor.

7 (1) The state building code council shall consist of fifteen
8 members:

9 (a) Two members must be county elected legislative body members or
10 elected executives;

11 (b) Two members must be city elected legislative body members or
12 mayors;

13 (c) One member must be a local government building code enforcement
14 official;

15 (d) One member must be a local government fire service official;

16 (e) One member shall represent general construction, specializing
17 in commercial and industrial building construction;

18 (f) One member shall represent general construction, specializing
19 in residential and multifamily building construction;

20 (g) One member shall represent the architectural design profession;

21 (h) One member shall represent the structural engineering
22 profession;

23 (i) One member shall represent the mechanical engineering
24 profession;

25 (j) One member shall represent the construction building trades;

26 (k) One member shall represent manufacturers, installers, or
27 suppliers of building materials and components;

28 (l) One member must be a person with a physical disability and
29 shall represent the disability community; and

30 (m) One member shall represent the general public.

31 (2) At least six of these fifteen members shall reside east of the
32 crest of the Cascade mountains.

33 (3) The council shall include: Two members of the house of
34 representatives appointed by the speaker of the house, one from each
35 caucus; two members of the senate appointed by the president of the
36 senate, one from each caucus; and an employee of the electrical

1 division of the department of labor and industries, as ex officio,
2 nonvoting members with all other privileges and rights of membership.

3 (4)(a) Terms of office shall be for three years, or for so long as
4 the member remains qualified for the appointment.

5 (b) The council shall elect a member to serve as chair of the
6 council for one-year terms of office.

7 (c) Any member who is appointed by virtue of being an elected
8 official or holding public employment shall be removed from the council
9 if he or she ceases being such an elected official or holding such
10 public employment.

11 (d) Any member who is appointed to represent a specific private
12 sector industry must maintain sufficiently similar employment or
13 circumstances throughout the term of office to remain qualified to
14 represent the specified industry. Retirement or unemployment is not
15 cause for termination. However, if a councilmember enters into
16 employment outside of the industry he or she has been appointed to
17 represent, then he or she shall be removed from the council.

18 (e) Any member who no longer qualifies for appointment under this
19 section may not vote on council actions, but may participate as an ex
20 officio, nonvoting member until a replacement member is appointed. A
21 member must notify the council staff and the governor's office within
22 thirty days of the date the member no longer qualifies for appointment
23 under this section. The governor shall appoint a qualified replacement
24 for the member within sixty days of notice.

25 (5) Before making any appointments to the building code council,
26 the governor shall seek nominations from recognized organizations which
27 represent the entities or interests identified in this section.

28 (6) Members shall not be compensated but shall receive
29 reimbursement for travel expenses in accordance with RCW 43.03.050 and
30 43.03.060.

31 (7) The department of (~~commerce~~) enterprise services shall
32 provide administrative and clerical assistance to the building code
33 council.

34 **Sec. 245.** RCW 19.27A.140 and 2010 c 271 s 305 are each amended to
35 read as follows:

36 The definitions in this section apply to RCW 19.27A.130 through

1 19.27A.190 and 19.27A.020 unless the context clearly requires
2 otherwise.

3 (1) "Benchmark" means the energy used by a facility as recorded
4 monthly for at least one year and the facility characteristics
5 information inputs required for a portfolio manager.

6 (2) "Conditioned space" means conditioned space, as defined in the
7 Washington state energy code.

8 (3) "Consumer-owned utility" includes a municipal electric utility
9 formed under Title 35 RCW, a public utility district formed under Title
10 54 RCW, an irrigation district formed under chapter 87.03 RCW, a
11 cooperative formed under chapter 23.86 RCW, a mutual corporation or
12 association formed under chapter 24.06 RCW, a port district formed
13 under Title 53 RCW, or a water-sewer district formed under Title 57
14 RCW, that is engaged in the business of distributing electricity to one
15 or more retail electric customers in the state.

16 (4) "Cost-effectiveness" means that a project or resource is
17 forecast:

18 (a) To be reliable and available within the time it is needed; and

19 (b) To meet or reduce the power demand of the intended consumers at
20 an estimated incremental system cost no greater than that of the least-
21 cost similarly reliable and available alternative project or resource,
22 or any combination thereof.

23 (5) "Council" means the state building code council.

24 (6) "Embodied energy" means the total amount of fossil fuel energy
25 consumed to extract raw materials and to manufacture, assemble,
26 transport, and install the materials in a building and the life-cycle
27 cost benefits including the recyclability and energy efficiencies with
28 respect to building materials, taking into account the total sum of
29 current values for the costs of investment, capital, installation,
30 operating, maintenance, and replacement as estimated for the lifetime
31 of the product or project.

32 (7) "Energy consumption data" means the monthly amount of energy
33 consumed by a customer as recorded by the applicable energy meter for
34 the most recent twelve-month period.

35 (8) "Energy service company" has the same meaning as in RCW
36 43.19.670.

37 (9) "~~((General administration))~~ Enterprise services" means the
38 department of ~~((general administration))~~ enterprise services.

1 (10) "Greenhouse gas" and "greenhouse gases" includes carbon
2 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,
3 and sulfur hexafluoride.

4 (11) "Investment grade energy audit" means an intensive engineering
5 analysis of energy efficiency and management measures for the facility,
6 net energy savings, and a cost-effectiveness determination.

7 (12) "Investor-owned utility" means a corporation owned by
8 investors that meets the definition of "corporation" as defined in RCW
9 80.04.010 and is engaged in distributing either electricity or natural
10 gas, or both, to more than one retail electric customer in the state.

11 (13) "Major facility" means any publicly owned or leased building,
12 or a group of such buildings at a single site, having ten thousand
13 square feet or more of conditioned floor space.

14 (14) "National energy performance rating" means the score provided
15 by the energy star program, to indicate the energy efficiency
16 performance of the building compared to similar buildings in that
17 climate as defined in the United States environmental protection agency
18 "ENERGY STAR® Performance Ratings Technical Methodology."

19 (15) "Net zero energy use" means a building with net energy
20 consumption of zero over a typical year.

21 (16) "Portfolio manager" means the United States environmental
22 protection agency's energy star portfolio manager or an equivalent tool
23 adopted by the department of (~~general administration~~) enterprise
24 services.

25 (17) "Preliminary energy audit" means a quick evaluation by an
26 energy service company of the energy savings potential of a building.

27 (18) "Qualifying public agency" includes all state agencies,
28 colleges, and universities.

29 (19) "Qualifying utility" means a consumer-owned or investor-owned
30 gas or electric utility that serves more than twenty-five thousand
31 customers in the state of Washington.

32 (20) "Reporting public facility" means any of the following:

33 (a) A building or structure, or a group of buildings or structures
34 at a single site, owned by a qualifying public agency, that exceed ten
35 thousand square feet of conditioned space;

36 (b) Buildings, structures, or spaces leased by a qualifying public
37 agency that exceeds ten thousand square feet of conditioned space,

1 where the qualifying public agency purchases energy directly from the
2 investor-owned or consumer-owned utility;

3 (c) A wastewater treatment facility owned by a qualifying public
4 agency; or

5 (d) Other facilities selected by the qualifying public agency.

6 (21) "State portfolio manager master account" means a portfolio
7 manager account established to provide a single shared portfolio that
8 includes reports for all the reporting public facilities.

9 **Sec. 246.** RCW 39.34.055 and 1994 c 98 s 1 are each amended to read
10 as follows:

11 The (~~office of state procurement within the~~) department of
12 (~~general administration~~) enterprise services may enter into an
13 agreement with a public benefit nonprofit corporation to allow the
14 public benefit nonprofit corporation to participate in state contracts
15 for purchases administered by the (~~office of state procurement~~)
16 department. Such agreement must comply with the requirements of RCW
17 39.34.030 through 39.34.050. For the purposes of this section "public
18 benefit nonprofit corporation" means a public benefit nonprofit
19 corporation as defined in RCW 24.03.005 that is receiving local, state,
20 or federal funds either directly or through a public agency other than
21 an Indian tribe or a political subdivision of another state.

22 **Sec. 247.** RCW 39.35.030 and 2001 c 214 s 16 are each amended to
23 read as follows:

24 For the purposes of this chapter the following words and phrases
25 shall have the following meanings unless the context clearly requires
26 otherwise:

27 (1) "Public agency" means every state office, officer, board,
28 commission, committee, bureau, department, and all political
29 subdivisions of the state.

30 (2) "Department" means the state department of (~~general~~
31 ~~administration~~) enterprise services.

32 (3) "Major facility" means any publicly owned or leased building
33 having twenty-five thousand square feet or more of usable floor space.

34 (4) "Initial cost" means the moneys required for the capital
35 construction or renovation of a major facility.

1 (5) "Renovation" means additions, alterations, or repairs within
2 any twelve-month period which exceed fifty percent of the value of a
3 major facility and which will affect any energy system.

4 (6) "Economic life" means the projected or anticipated useful life
5 of a major facility as expressed by a term of years.

6 (7) "Energy management system" means a program, energy efficiency
7 equipment, technology, device, or other measure including, but not
8 limited to, a management, educational, or promotional program, smart
9 appliance, meter reading system that provides energy information
10 capability, computer software or hardware, communications equipment or
11 hardware, thermostat or other control equipment, together with related
12 administrative or operational programs, that allows identification and
13 management of opportunities for improvement in the efficiency of energy
14 use, including but not limited to a measure that allows:

15 (a) Energy consumers to obtain information about their energy usage
16 and the cost of energy in connection with their usage;

17 (b) Interactive communication between energy consumers and their
18 energy suppliers;

19 (c) Energy consumers to respond to energy price signals and to
20 manage their purchase and use of energy; or

21 (d) For other kinds of dynamic, demand-side energy management.

22 (8) "Life-cycle cost" means the initial cost and cost of operation
23 of a major facility over its economic life. This shall be calculated
24 as the initial cost plus the operation, maintenance, and energy costs
25 over its economic life, reflecting anticipated increases in these costs
26 discounted to present value at the current rate for borrowing public
27 funds, as determined by the office of financial management. The energy
28 cost projections used shall be those provided by the department. The
29 department shall update these projections at least every two years.

30 (9) "Life-cycle cost analysis" includes, but is not limited to, the
31 following elements:

32 (a) The coordination and positioning of a major facility on its
33 physical site;

34 (b) The amount and type of fenestration employed in a major
35 facility;

36 (c) The amount of insulation incorporated into the design of a
37 major facility;

1 (d) The variable occupancy and operating conditions of a major
2 facility; and

3 (e) An energy-consumption analysis of a major facility.

4 (10) "Energy systems" means all utilities, including, but not
5 limited to, heating, air-conditioning, ventilating, lighting, and the
6 supplying of domestic hot water.

7 (11) "Energy-consumption analysis" means the evaluation of all
8 energy systems and components by demand and type of energy including
9 the internal energy load imposed on a major facility by its occupants,
10 equipment, and components, and the external energy load imposed on a
11 major facility by the climatic conditions of its location. An energy-
12 consumption analysis of the operation of energy systems of a major
13 facility shall include, but not be limited to, the following elements:

14 (a) The comparison of three or more system alternatives, at least
15 one of which shall include renewable energy systems, and one of which
16 shall comply at a minimum with the sustainable design guidelines of the
17 United States green building council leadership in energy and
18 environmental design silver standard or similar design standard as may
19 be adopted by rule by the department;

20 (b) The simulation of each system over the entire range of
21 operation of such facility for a year's operating period; and

22 (c) The evaluation of the energy consumption of component equipment
23 in each system considering the operation of such components at other
24 than full or rated outputs.

25 The energy-consumption analysis shall be prepared by a professional
26 engineer or licensed architect who may use computers or such other
27 methods as are capable of producing predictable results.

28 (12) "Renewable energy systems" means methods of facility design
29 and construction and types of equipment for the utilization of
30 renewable energy sources including, but not limited to, hydroelectric
31 power, active or passive solar space heating or cooling, domestic solar
32 water heating, windmills, waste heat, biomass and/or refuse-derived
33 fuels, photovoltaic devices, and geothermal energy.

34 (13) "Cogeneration" means the sequential generation of two or more
35 forms of energy from a common fuel or energy source. Where these forms
36 are electricity and thermal energy, then the operating and efficiency
37 standards established by 18 C.F.R. Sec. 292.205 and the definitions

1 established by 18 C.F.R. 292.202 (c) through (m) as of July 28, 1991,
2 shall apply.

3 (14) "Selected buildings" means educational, office, residential
4 care, and correctional facilities that are designed to comply with the
5 design standards analyzed and recommended by the department.

6 (15) "Design standards" means the heating, air-conditioning,
7 ventilating, and renewable resource systems identified, analyzed, and
8 recommended by the department as providing an efficient energy system
9 or systems based on the economic life of the selected buildings.

10 **Sec. 248.** RCW 39.35C.010 and 2007 c 39 s 4 are each amended to
11 read as follows:

12 Unless the context clearly requires otherwise, the definitions in
13 this section apply throughout this chapter.

14 (1) "Cogeneration" means the sequential generation of two or more
15 forms of energy from a common fuel or energy source. If these forms
16 are electricity and thermal energy, then the operating and efficiency
17 standards established by 18 C.F.R. Sec. 292.205 and the definitions
18 established by 18 C.F.R. Sec. 292.202 (c) through (m) apply.

19 (2) "Conservation" means reduced energy consumption or energy cost,
20 or increased efficiency in the use of energy, and activities, measures,
21 or equipment designed to achieve such results, but does not include
22 thermal or electric energy production from cogeneration.
23 "Conservation" also means reductions in the use or cost of water,
24 wastewater, or solid waste.

25 (3) "Cost-effective" means that the present value to a state agency
26 or school district of the energy reasonably expected to be saved or
27 produced by a facility, activity, measure, or piece of equipment over
28 its useful life, including any compensation received from a utility or
29 the Bonneville power administration, is greater than the net present
30 value of the costs of implementing, maintaining, and operating such
31 facility, activity, measure, or piece of equipment over its useful
32 life, when discounted at the cost of public borrowing.

33 (4) "Energy" means energy as defined in RCW 43.21F.025(~~((+1))~~) (5).

34 (5) "Energy audit" has the definition provided in RCW 43.19.670,
35 and may include a determination of the water or solid waste consumption
36 characteristics of a facility.

1 (6) "Energy efficiency project" means a conservation or
2 cogeneration project.

3 (7) "Energy efficiency services" means assistance furnished by the
4 department to state agencies and school districts in identifying,
5 evaluating, and implementing energy efficiency projects.

6 (8) "Department" means the state department of (~~general~~
7 ~~administration~~) enterprise services.

8 (9) "Performance-based contracting" means contracts for which
9 payment is conditional on achieving contractually specified energy
10 savings.

11 (10) "Public agency" means every state office, officer, board,
12 commission, committee, bureau, department, and all political
13 subdivisions of the state.

14 (11) "Public facility" means a building or structure, or a group of
15 buildings or structures at a single site, owned by a state agency or
16 school district.

17 (12) "State agency" means every state office or department, whether
18 elective or appointive, state institutions of higher education, and all
19 boards, commissions, or divisions of state government, however
20 designated.

21 (13) "State facility" means a building or structure, or a group of
22 buildings or structures at a single site, owned by a state agency.

23 (14) "Utility" means privately or publicly owned electric and gas
24 utilities, electric cooperatives and mutuals, whether located within or
25 without Washington state.

26 (15) "Local utility" means the utility or utilities in whose
27 service territory a public facility is located.

28 **Sec. 249.** RCW 39.35D.020 and 2006 c 263 s 330 are each amended to
29 read as follows:

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

32 (1) "Department" means the department of (~~general administration~~)
33 enterprise services.

34 (2) "High-performance public buildings" means high-performance
35 public buildings designed, constructed, and certified to a standard as
36 identified in this chapter.

1 (3) "Institutions of higher education" means the state
2 universities, the regional universities, The Evergreen State College,
3 the community colleges, and the technical colleges.

4 (4) "LEED silver standard" means the United States green building
5 council leadership in energy and environmental design green building
6 rating standard, referred to as silver standard.

7 (5)(a) "Major facility project" means: (i) A construction project
8 larger than five thousand gross square feet of occupied or conditioned
9 space as defined in the Washington state energy code; or (ii) a
10 building renovation project when the cost is greater than fifty percent
11 of the assessed value and the project is larger than five thousand
12 gross square feet of occupied or conditioned space as defined in the
13 Washington state energy code.

14 (b) "Major facility project" does not include: (i) Projects for
15 which the department, public school district, or other applicable
16 agency and the design team determine the LEED silver standard or the
17 Washington sustainable school design protocol to be not practicable; or
18 (ii) transmitter buildings, pumping stations, hospitals, research
19 facilities primarily used for sponsored laboratory experimentation,
20 laboratory research, or laboratory training in research methods, or
21 other similar building types as determined by the department. When the
22 LEED silver standard is determined to be not practicable for a project,
23 then it must be determined if any LEED standard is practicable for the
24 project. If LEED standards or the Washington sustainable school design
25 protocol are not followed for the project, the public school district
26 or public agency shall report these reasons to the department.

27 (6) "Public agency" means every state office, officer, board,
28 commission, committee, bureau, department, and public higher education
29 institution.

30 (7) "Public school district" means a school district eligible to
31 receive state basic education moneys pursuant to RCW 28A.150.250 and
32 28A.150.260.

33 (8) "Washington sustainable school design protocol" means the
34 school design protocol and related information developed by the office
35 of the superintendent of public instruction, in conjunction with school
36 districts and the school facilities advisory board.

1 **Sec. 250.** RCW 43.19A.010 and 1992 c 174 s 12 are each amended to
2 read as follows:

3 Unless the context clearly requires otherwise, the definitions in
4 this section apply throughout this chapter.

5 (1) "Compost products" means mulch, soil amendments, ground cover,
6 or other landscaping material derived from the biological or mechanical
7 conversion of biosolids or cellulose-containing waste materials.

8 (2) "Department" means the department of (~~general administration~~)
9 enterprise services.

10 (3) "Director" means the director of the department of (~~general
11 administration~~) enterprise services.

12 (4) "Local government" means a city, town, county, special purpose
13 district, school district, or other municipal corporation.

14 (5) "Lubricating oil" means petroleum-based oils for reducing
15 friction in engine parts and other mechanical parts.

16 (6) "Mixed waste paper" means assorted low-value grades of paper
17 that have not been separated into individual grades of paper at the
18 point of collection.

19 (7) "Municipal sewage sludge" means a semisolid substance
20 consisting of settled sewage solids combined with varying amounts of
21 water and dissolved materials generated from a publicly owned
22 wastewater treatment plant.

23 (8) "Biosolids" means municipal sewage sludge or septic tank
24 septage sludge that meets the requirements of chapter 70.95J RCW.

25 (9) "Paper and paper products" means all items manufactured from
26 paper or paperboard.

27 (10) "Postconsumer waste" means a material or product that has
28 served its intended use and has been discarded for disposal or recovery
29 by a final consumer.

30 (11) "Procurement officer" means the person that has the primary
31 responsibility for procurement of materials or products.

32 (12) "State agency" means all units of state government, including
33 divisions of the governor's office, the legislature, the judiciary,
34 state agencies and departments, correctional institutions, vocational
35 technical institutions, and universities and colleges.

36 (13) "Recycled content product" or "recycled product" means a
37 product containing recycled materials.

1 (14) "Recycled materials" means waste materials and by-products
2 that have been recovered or diverted from solid waste and that can be
3 utilized in place of a raw or virgin material in manufacturing a
4 product and consists of materials derived from postconsumer waste,
5 manufacturing waste, industrial scrap, agricultural wastes, and other
6 items, all of which can be used in the manufacture of new or recycled
7 products.

8 (15) "Re-refined oils" means used lubricating oils from which the
9 physical and chemical contaminants acquired through previous use have
10 been removed through a refining process. Re-refining may include
11 distillation, hydrotreating, or treatments employing acid, caustic,
12 solvent, clay, or other chemicals, or other physical treatments other
13 than those used in reclaiming.

14 (16) "USEPA product standards" means the product standards of the
15 United States environmental protection agency for recycled content
16 published in the code of federal regulations.

17 **Sec. 251.** RCW 43.19A.022 and 2009 c 356 s 2 are each amended to
18 read as follows:

19 (1) (~~((By December 31, 2009,))~~) All state agencies shall purchase one
20 hundred percent recycled content white cut sheet bond paper used in
21 office printers and copiers. State agencies are encouraged to give
22 priority to purchasing from companies that produce paper in facilities
23 that generate energy from a renewable energy source.

24 (2) State agencies that utilize office printers and copiers that,
25 after reasonable attempts, cannot be calibrated to utilize such paper
26 referenced in subsection (1) of this section, must for those models of
27 equipment:

28 (a) Purchase paper at the highest recycled content that can be
29 utilized efficiently by the copier or printer;

30 (b) At the time of lease renewal or at the end of the life-cycle,
31 either lease or purchase a model that will efficiently utilize one
32 hundred percent recycled content white cut sheet bond paper;

33 (3) Printed projects that require the use of high volume production
34 inserters or high-speed digital devices, such as those used by (~~the~~
35 ~~state printer, department of information services, and~~) the department
36 of (~~general administration~~) enterprise services, are not required to
37 meet the one hundred percent recycled content white cut sheet bond

1 paper standard, but must utilize the highest recycled content that can
2 be utilized efficiently by such equipment and not impede the business
3 of agencies.

4 (4) The (~~state printer,~~) department of (~~general~~
5 ~~administration,~~) enterprise services and the department of information
6 services shall work together to identify for use by agencies one
7 hundred percent recycled paper products that process efficiently
8 through high-speed production equipment and do not impede the business
9 of agencies.

10 **Sec. 252.** RCW 39.32.035 and 1998 c 105 s 3 are each amended to
11 read as follows:

12 The (~~general administration~~) enterprise services account shall be
13 administered by the director of (~~general administration~~) enterprise
14 services and be used for the purchase, lease or other acquisition from
15 time to time of surplus property from any federal, state, or local
16 government surplus property disposal agency. The director may
17 purchase, lease or acquire such surplus property on the requisition of
18 an eligible donee and without such requisition at such time or times as
19 he or she deems it advantageous to do so; and in either case he or she
20 shall be responsible for the care and custody of the property purchased
21 so long as it remains in his or her possession.

22 **Sec. 253.** RCW 43.01.225 and 1995 c 215 s 2 are each amended to
23 read as follows:

24 There is hereby established an account in the state treasury to be
25 known as the "state vehicle parking account." All parking rental
26 income resulting from parking fees established by the department of
27 (~~general administration~~) enterprise services under RCW 46.08.172 at
28 state-owned or leased property shall be deposited in the "state vehicle
29 parking account." Revenue deposited in the "state vehicle parking
30 account" shall be first applied to pledged purposes. Unpledged parking
31 revenues deposited in the "state vehicle parking account" may be used
32 to:

33 (1) Pay costs incurred in the operation, maintenance, regulation,
34 and enforcement of vehicle parking and parking facilities;

35 (2) Support the lease costs and/or capital investment costs of
36 vehicle parking and parking facilities; and

1 (3) Support agency commute trip reduction programs under RCW
2 70.94.521 through 70.94.551.

3 **Sec. 254.** RCW 43.82.120 and 1998 c 105 s 14 are each amended to
4 read as follows:

5 All rental income collected by the department of (~~general~~
6 ~~administration~~) enterprise services from rental of state buildings
7 shall be deposited in the (~~general—administration~~) enterprise
8 services account.

9 **Sec. 255.** RCW 43.82.125 and 1998 c 105 s 15 are each amended to
10 read as follows:

11 The (~~general—administration~~) enterprise services account shall be
12 used to pay all costs incurred by the department in the operation of
13 real estate managed under the terms of this chapter. Moneys received
14 into the (~~general—administration~~) enterprise services account shall
15 be used to pay rent to the owner of the space for occupancy of which
16 the charges have been made and to pay utility and operational costs of
17 the space utilized by the occupying agency: PROVIDED, That moneys
18 received into the account for occupancy of space owned by the state
19 where utilities and other operational costs are covered by
20 appropriation to the department of (~~general—administration~~)
21 enterprise services shall be immediately transmitted to the general
22 fund.

23 **Sec. 256.** RCW 43.99H.070 and 1995 c 215 s 6 are each amended to
24 read as follows:

25 In addition to any other charges authorized by law and to assist in
26 the reimbursement of principal and interest payments on bonds issued
27 for the purposes of RCW 43.99H.020(15), the following revenues may be
28 collected:

29 (1) The director of (~~general—administration~~) enterprise services
30 may assess a charge against each state board, commission, agency,
31 office, department, activity, or other occupant of the facility or
32 building constructed with bonds issued for the purposes of RCW
33 43.99H.020(15) for payment of a proportion of costs for each square
34 foot of floor space assigned to or occupied by the entity. Payment of
35 the amount billed to the entity for such occupancy shall be made

1 quarterly during each fiscal year. The director of (~~general~~
2 ~~administration~~) enterprise services shall deposit the payment in the
3 capitol campus reserve account.

4 (2) The director of (~~general administration~~) enterprise services
5 may pledge a portion of the parking rental income collected by the
6 department of (~~general administration~~) enterprise services from
7 parking space developed as a part of the facility constructed with
8 bonds issued for the purposes of RCW 43.99H.020(15). The pledged
9 portion of this income shall be deposited in the capitol campus reserve
10 account. The unpledged portion of this income shall continue to be
11 deposited in the state vehicle parking account.

12 (3) The state treasurer shall transfer four million dollars from
13 the capitol building construction account to the capitol campus reserve
14 account each fiscal year from 1990 to 1995. Beginning in fiscal year
15 1996, the director of (~~general administration~~) enterprise services,
16 in consultation with the state finance committee, shall determine the
17 necessary amount for the state treasurer to transfer from the capitol
18 building construction account to the capitol campus reserve account for
19 the purpose of repayment of the general fund of the costs of the bonds
20 issued for the purposes of RCW 43.99H.020(15).

21 (4) Any remaining balance in the state building and parking bond
22 redemption account after the final debt service payment shall be
23 transferred to the capitol campus reserve account.

24 **Sec. 257.** RCW 73.24.020 and 1937 c 36 s 1 are each amended to read
25 as follows:

26 The director of the department of (~~finance, budget and business~~)
27 enterprise services is hereby authorized and directed to contract with
28 Olympia Lodge No. 1, F.& A.M., a corporation for the improvement and
29 perpetual care of the state veterans' plot in the Masonic cemetery at
30 Olympia; such care to include the providing of proper curbs and walks,
31 cultivating, reseeding and fertilizing grounds, repairing and resetting
32 the bases and monuments in place on the ground, leveling grounds, and
33 transporting and setting headstones for graves of persons hereafter
34 buried on the plot.

35 NEW SECTION. **Sec. 258.** The following acts or parts of acts are
36 each repealed:

1 (1) RCW 43.19.010 (Director--Authority, appointment, salary) and
2 1999 c 229 s 1, 1993 c 472 s 19, 1988 c 25 s 10, 1975 1st ex.s. c 167
3 s 1, & 1965 c 8 s 43.19.010;

4 (2) RCW 43.19.1923 (General administration services account--Use)
5 and 2001 c 292 s 3, 1998 c 105 s 6, 1991 sp.s. c 16 s 921, 1987 c 504
6 s 17, 1975-'76 2nd ex.s. c 21 s 12, 1967 ex.s. c 104 s 5, & 1965 c 8 s
7 43.19.1923;

8 (3) RCW 43.19.1925 (Combined purchases of commonly used items--
9 Advance payments by state agencies--Costs of operating central stores)
10 and 1998 c 105 s 7, 1975 c 40 s 8, 1973 c 104 s 2, & 1965 c 8 s
11 43.19.1925;

12 (4) RCW 43.19.590 (Motor vehicle transportation service--Transfer
13 of employees--Retention of employment rights) and 1975 1st ex.s. c 167
14 s 8;

15 (5) RCW 43.19.595 (Motor vehicle transportation service--Transfer
16 of motor vehicles, property, etc., from motor pool to department) and
17 2009 c 549 s 5067 & 1975 1st ex.s. c 167 s 9;

18 (6) RCW 43.19.615 (Motor vehicle transportation service--Deposits--
19 Disbursements) and 2005 c 214 s 2, 1998 c 105 s 13, & 1975 1st ex.s. c
20 167 s 13;

21 (7) RCW 43.19.675 (Energy audits of state-owned facilities
22 required--Completion dates) and 2001 c 214 s 26, 1982 c 48 s 2, & 1980
23 c 172 s 4;

24 (8) RCW 43.19.680 (Implementation of energy conservation and
25 maintenance procedures after walk-through survey--Investment grade
26 audit--Reports--Contracts with energy service companies, staffing) and
27 2001 c 214 s 27, 1996 c 186 s 506, 1986 c 325 s 2, 1983 c 313 s 1, 1982
28 c 48 s 3, & 1980 c 172 s 5; and

29 (9) 2010 c 271 s 301.

30 NEW SECTION. **Sec. 259.** RCW 43.19.123 is decodified.

31 **PART III**
32 **POWERS AND DUTIES TRANSFERRED FROM THE PUBLIC PRINTER**

33 **Sec. 301.** RCW 43.78.030 and 2010 1st sp.s. c 37 s 927 are each
34 amended to read as follows:

35 (1) The ((~~public printer~~)) department shall print and bind the

1 session laws, the journals of the two houses of the legislature, all
2 bills, resolutions, documents, and other printing and binding of either
3 the senate or house, as ~~((the same))~~ may be ordered by the legislature;
4 and such forms, blanks, record books, and printing and binding ~~((of~~
5 ~~every description))~~ as may be ordered by ~~((all state officers, boards,~~
6 ~~commissions, and institutions, and))~~ the supreme court, and the court
7 of appeals ~~((and officers thereof, as the same may be ordered on~~
8 ~~requisition, from time to time, by the proper authorities)), and~~
9 material with sensitive or personally identifiable information not
10 publicly available. This section shall not apply to the printing of
11 the supreme court and the court of appeals reports~~((7))~~ or to the
12 printing of bond certificates or bond offering disclosure documents~~((7~~
13 ~~to the printing of educational publications of the state historical~~
14 ~~societies, or to any printing done or contracted for by institutions of~~
15 ~~higher education: PROVIDED, That institutions of higher education, in~~
16 ~~consultation with the public printer, develop vendor selection~~
17 ~~procedures comparable to those used by the public printer for~~
18 ~~contracted printing jobs. Where any institution or institution of~~
19 ~~higher learning of the state is or may become equipped with facilities~~
20 ~~for doing such work, it may do any printing: (1) For itself, or (2)~~
21 ~~for any other state institution when such printing is done as part of~~
22 ~~a course of study relative to the profession of printer. Any printing~~
23 ~~and binding of whatever description as may be needed by any institution~~
24 ~~or agency of the state department of social and health services not at~~
25 ~~Olympia, or the supreme court or the court of appeals or any officer~~
26 ~~thereof, the estimated cost of which shall not exceed one thousand~~
27 ~~dollars, may be done by any private printing company in the general~~
28 ~~vicinity within the state of Washington so ordering, if in the judgment~~
29 ~~of the officer of the agency so ordering, the saving in time and~~
30 ~~processing justifies the award to such local private printing concern.~~

31 Beginning on July 1, 1989, and on July 1 of each succeeding odd-
32 numbered year, the dollar limit specified in this section shall be
33 adjusted as follows: The office of financial management shall
34 calculate such limit by adjusting the previous biennium's limit by an
35 appropriate federal inflationary index reflecting the rate of inflation
36 for the previous biennium. Such amounts shall be rounded to the
37 nearest fifty dollars.

1 ~~During the 2009-2011 fiscal biennium, this section does not apply~~
2 ~~to pilot printing projects authorized by the office of financial~~
3 ~~management to allow state agencies and institutions to directly acquire~~
4 ~~printing services)).~~

5 (2) State agencies, boards, commissions, and institutions of higher
6 education requiring the services of a print shop may use the department
7 without bid. If a print job is put out for bid, the department must be
8 included in the bid solicitation. All solicitations must be posted on
9 the state's common vendor registration and bid notification system.
10 All solicitations must include the requirement to use recycled copy and
11 printing paper for all jobs printed on white copy and printing paper as
12 is required under RCW 43.78.170 (as recodified by this act). All bid
13 specifications must require the use of biodegradable ink, if feasible
14 for the print job.

15 **Sec. 302.** RCW 43.78.070 and 2009 c 549 s 5148 are each amended to
16 read as follows:

17 ~~((The public printer shall use the state printing plant upon the~~
18 ~~following conditions, to wit:~~

19 ~~(1) He or she shall do the public printing, and charge therefor the~~
20 ~~fees as provided by law. He or she may print the Washington Reports~~
21 ~~for the publishers thereof under a contract approved in writing by the~~
22 ~~governor.~~

23 ~~(2) The gross income of the public printer shall be deposited in an~~
24 ~~account designated "state printing plant revolving fund" in~~
25 ~~depositories approved by the state treasurer, and shall be disbursed by~~
26 ~~the public printer by check and only as follows:~~

27 ~~First, in payment of the actual cost of labor, material, supplies,~~
28 ~~replacements, repairs, water, light, heat, telephone, rent, and all~~
29 ~~other expenses necessary in the operation of the plant: PROVIDED, That~~
30 ~~no machinery shall be purchased except on written approval of the~~
31 ~~governor;~~

32 ~~Second, in payment of the cost of reasonable insurance upon the~~
33 ~~printing plant, payable to the state and of all fidelity bonds required~~
34 ~~by law of the public printer;~~

35 ~~Third, in payment to the public printer of a salary which shall be~~
36 ~~fixed by the governor in accordance with the provisions of RCW~~
37 ~~43.03.040;~~

1 ~~Fourth, in remitting the balance to the state treasurer for the~~
2 ~~general fund: PROVIDED, That a reasonable sum to be determined by the~~
3 ~~governor, the public printer, and the director of financial management~~
4 ~~shall be retained in the fund for working capital for the public~~
5 ~~printer.))~~

6 (1) The department must use the state printing plant and must
7 charge fees as provided by law.

8 (2) The department may print the Washington Reports for the
9 publishers under a contract.

10 (3) The director must update the budgeted hourly rate model for
11 printing, as needed, to accurately reflect its operational costs.

12 (4) The director must transfer any residual funds remaining in the
13 state printing plant revolving fund to the public printing revolving
14 account established in section 303 of this act.

15 NEW SECTION. Sec. 303. A new section is added to chapter 43.19
16 RCW to read as follows:

17 The public printing revolving account is created in the custody of
18 the state treasurer. All receipts from public printing must be
19 deposited in the account. Expenditures from the account may be used
20 only for administrative and operating purposes related to public
21 printing. Only the director or his or her designee may authorize
22 expenditures from the account. The account is subject to allotment
23 procedures under chapter 43.88 RCW, but an appropriation is not
24 required for expenditures.

25 **Sec. 304.** RCW 43.78.110 and 2009 c 486 s 12 are each amended to
26 read as follows:

27 (1) Whenever in the judgment of the ~~((public printer))~~ department
28 certain printing, ruling, binding, or supplies can be secured from
29 private sources more economically than by doing the work or preparing
30 the supplies in the state printing plant, the ~~((public printer))~~
31 director may obtain such work or supplies from such private sources.
32 The bid solicitation ~~((for the contract opportunity))~~ must be posted
33 ~~((on the state's common vendor registration and bid))~~ to the public
34 printer vendor notification system. The ~~((public printer))~~ director
35 shall develop procurement policies and procedures, such as unbundled
36 contracting and subcontracting, that encourage and facilitate the

1 purchase of such services or supplies from Washington small businesses
2 to the maximum extent practicable and consistent with international
3 trade agreement commitments.

4 (2) In the event any work or supplies are secured on behalf of the
5 state under this section the ~~((state printing plant shall be entitled
6 to))~~ department may add up to five percent to the cost ~~((thereof))~~ to
7 cover the handling of the orders ~~((which shall be added to the bills
8 and charged to the respective authorities ordering the work or
9 supplies. The five percent handling charge shall not apply to
10 contracts with institutions of higher education.~~

11 ~~(3) The definitions in this subsection apply throughout this
12 section.~~

13 ~~(a) "Common vendor registration and bid notification system" has
14 the definition in RCW 39.29.006)).~~

15 ~~((b))~~ (3) For purposes of this section, "small business" has the
16 definition in RCW 39.29.006.

17 NEW SECTION. Sec. 305. A new section is added to chapter 43.19
18 RCW to read as follows:

19 (1) The department shall broker print management contracts for
20 state agencies that are required to utilize print management contracts
21 under this section.

22 (2) The department is authorized to broker print management
23 contracts for other state agencies that choose to utilize these
24 services.

25 (3) Except as provided under subsection (6) of this section, all
26 state agencies with total annual average full-time equivalent staff
27 that exceeds five hundred as determined by the office of financial
28 management shall utilize print management services brokered by the
29 department, as follows:

30 (a) Any agency with a copier and multifunctional device contract
31 that is set to expire on or before December 31, 2012, may opt to:

32 (i) Renew the copier and multifunctional device contract; or

33 (ii) Enter a print management contract;

34 (b) Any agency with a copier and multifunctional device contract
35 that is set to expire on or after January 1, 2011, shall begin planning
36 for the transition to a print management contract six months prior to

1 the expiration date of the contract. Upon expiration of the copier and
2 multifunctional device contract, the agency shall utilize a print
3 management contract; and

4 (c) Any agency with a copier and multifunctional device contract
5 that is terminated on or after January 1, 2012, shall enter a print
6 management contract.

7 (4) Until December 31, 2016, for each agency transitioning from a
8 copier and multifunctional device contract to a print management
9 contract, the print management contract should result in savings in
10 comparison with the prior copier and multifunctional device contract.

11 (5) If an agency has more full-time equivalent employees than it
12 had when it entered its most recently completed print management
13 contract, the cost of a new print management contract may exceed the
14 cost of the most recently completed print management contract.

15 (6) The director of financial management may exempt a state agency,
16 or a program within a state agency, from the requirements of this
17 section if he or she deems it unfeasible or the department and agency
18 could not reasonably reach an agreement regarding print management.

19 NEW SECTION. **Sec. 306.** A new section is added to chapter 43.19
20 RCW to read as follows:

21 (1) The department shall consult with the office of financial
22 management and state agencies to more efficiently manage the use of
23 envelopes by standardizing them to the extent feasible given the
24 business needs of state agencies.

25 (2) All state agencies with total annual average full-time
26 equivalent staff that exceeds five hundred as determined by the office
27 of financial management shall cooperate with the department in efforts
28 to standardize envelopes under subsection (1) of this section. In the
29 event that an agency is updating a mailing, the agency shall transition
30 to an envelope recommended by the department, unless the office of
31 financial management considers the change unfeasible.

32 (3) State agencies with five hundred total annual average full-time
33 equivalent staff or less, as determined by the office of financial
34 management, are encouraged to cooperate with the office to standardize
35 envelopes under this section.

1 NEW SECTION. **Sec. 307.** A new section is added to chapter 43.19
2 RCW to read as follows:

3 For every printing job and binding job ordered by a state agency,
4 the department shall advise the agency on how to choose more economic
5 and efficient options to reduce costs.

6 NEW SECTION. **Sec. 308.** A new section is added to chapter 43.19
7 RCW to read as follows:

8 To improve the efficiency and minimize the costs of agency-based
9 printing, the department shall establish rules and guidelines for all
10 agencies to use in managing their printing operations, including both
11 agency-based printing and those jobs that require the services of a
12 print shop, as based on the successes of implementation of existing
13 print management programs in state agencies. At a minimum, the rules
14 and guidelines must implement managed print strategies to track,
15 manage, and reduce agency-based printing.

16 NEW SECTION. **Sec. 309.** The department must determine which
17 agencies have print shops and must prepare proposed legislation by
18 December 31, 2011, to transfer print shop personnel, equipment, and
19 activities of state agencies and institutions of higher education, as
20 defined in RCW 28B.10.016, to the department. A transfer under this
21 section does not imply that any print shop operations will close at the
22 affected agencies and institutions of higher education.

23 NEW SECTION. **Sec. 310.** A new section is added to chapter 43.09
24 RCW to read as follows:

25 By November 1, 2016, building on the findings of the 2011 audit,
26 the state auditor shall conduct a comprehensive performance audit of
27 state printing services in accordance with RCW 43.09.470. Following
28 the audit in 2016, the state auditor shall conduct follow-up audits as
29 deemed necessary to ensure effective implementation of this act.

30 **Sec. 311.** RCW 1.08.039 and 1955 c 235 s 8 are each amended to read
31 as follows:

32 The committee may enter into contracts or otherwise arrange for the
33 publication and/or distribution, provided for in RCW 1.08.038, with or
34 without calling for bids, by the ((~~public printer~~)) department or by

1 private printer, upon specifications formulated under the authority of
2 RCW 1.08.037, and upon such basis as the committee deems to be most
3 expeditious and economical. Any such contract may be upon such terms
4 as the committee deems to be most advantageous to the state and to
5 potential purchasers of such publications. The committee shall fix
6 terms and prices for such publications.

7 **Sec. 312.** RCW 28A.300.040 and 2009 c 556 s 10 are each amended to
8 read as follows:

9 In addition to any other powers and duties as provided by law, the
10 powers and duties of the superintendent of public instruction shall be:

11 (1) To have supervision over all matters pertaining to the public
12 schools of the state;

13 (2) To report to the governor and the legislature such information
14 and data as may be required for the management and improvement of the
15 schools;

16 (3) To prepare and have printed such forms, registers, courses of
17 study, rules for the government of the common schools, and such other
18 material and books as may be necessary for the discharge of the duties
19 of teachers and officials charged with the administration of the laws
20 relating to the common schools, and to distribute the same to
21 educational service district superintendents;

22 (4) To travel, without neglecting his or her other official duties
23 as superintendent of public instruction, for the purpose of attending
24 educational meetings or conventions, of visiting schools, and of
25 consulting educational service district superintendents or other school
26 officials;

27 (5) To prepare and from time to time to revise a manual of the
28 Washington state common school code, copies of which shall be made
29 available online and which shall be sold at approximate actual cost of
30 publication and distribution per volume to public and nonpublic
31 agencies or individuals, said manual to contain Titles 28A and 28C RCW,
32 rules related to the common schools, and such other matter as the state
33 superintendent or the state board of education shall determine.
34 Proceeds of the sale of such code shall be (~~transmitted to the public~~
35 ~~printer who shall credit the state superintendent's account within~~)
36 deposited in the ((state)) public printing ((plant)) revolving ((fund

1 ~~by a like amount~~) account and credited to the state superintendent's
2 account within the account;

3 (6) To file all papers, reports and public documents transmitted to
4 the superintendent by the school officials of the several counties or
5 districts of the state, each year separately. Copies of all papers
6 filed in the superintendent's office, and the superintendent's official
7 acts, may, or upon request, shall be certified by the superintendent
8 and attested by the superintendent's official seal, and when so
9 certified shall be evidence of the papers or acts so certified to;

10 (7) To require annually, on or before the 15th day of August, of
11 the president, manager, or principal of every educational institution
12 in this state, a report as required by the superintendent of public
13 instruction; and it is the duty of every president, manager, or
14 principal, to complete and return such forms within such time as the
15 superintendent of public instruction shall direct;

16 (8) To keep in the superintendent's office a record of all teachers
17 receiving certificates to teach in the common schools of this state;

18 (9) To issue certificates as provided by law;

19 (10) To keep in the superintendent's office at the capital of the
20 state, all books and papers pertaining to the business of the
21 superintendent's office, and to keep and preserve in the
22 superintendent's office a complete record of statistics, as well as a
23 record of the meetings of the state board of education;

24 (11) With the assistance of the office of the attorney general, to
25 decide all points of law which may be submitted to the superintendent
26 in writing by any educational service district superintendent, or that
27 may be submitted to the superintendent by any other person, upon appeal
28 from the decision of any educational service district superintendent;
29 and the superintendent shall publish his or her rulings and decisions
30 from time to time for the information of school officials and teachers;
31 and the superintendent's decision shall be final unless set aside by a
32 court of competent jurisdiction;

33 (12) To administer oaths and affirmations in the discharge of the
34 superintendent's official duties;

35 (13) To deliver to his or her successor, at the expiration of the
36 superintendent's term of office, all records, books, maps, documents
37 and papers of whatever kind belonging to the superintendent's office or

1 which may have been received by the superintendent's for the use of the
2 superintendent's office;

3 (14) To administer family services and programs to promote the
4 state's policy as provided in RCW 74.14A.025;

5 (15) To promote the adoption of school-based curricula and policies
6 that provide quality, daily physical education for all students, and to
7 encourage policies that provide all students with opportunities for
8 physical activity outside of formal physical education classes;

9 (16) To perform such other duties as may be required by law.

10 **Sec. 313.** RCW 28B.10.029 and 2010 c 61 s 1 are each amended to
11 read as follows:

12 (1)(a) An institution of higher education may exercise
13 independently those powers otherwise granted to the director of
14 (~~general administration~~) enterprise services in chapter 43.19 RCW in
15 connection with the purchase and disposition of all material, supplies,
16 services, and equipment needed for the support, maintenance, and use of
17 the respective institution of higher education.

18 (b) Property disposition policies followed by institutions of
19 higher education shall be consistent with policies followed by the
20 department of (~~general administration~~) enterprise services.

21 (c) Purchasing policies and procedures followed by institutions of
22 higher education shall be in compliance with chapters 39.19, 39.29, and
23 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917,
24 43.19.1937, 43.19.534, 43.19.685, 43.19.700 through 43.19.704, and
25 43.19.560 through 43.19.637.

26 (d) Purchases under chapter 39.29, 43.19, or 43.105 RCW by
27 institutions of higher education may be made by using contracts for
28 materials, supplies, services, or equipment negotiated or entered into
29 by, for, or through group purchasing organizations.

30 (e) The community and technical colleges shall comply with RCW
31 43.19.450.

32 (f) Except for the University of Washington, institutions of higher
33 education shall comply with RCW 43.41.310, 43.41.290, and 43.41.350 (as
34 recodified by this act).

35 (g) If an institution of higher education can satisfactorily
36 demonstrate to the director of the office of financial management that

1 the cost of compliance is greater than the value of benefits from any
2 of the following statutes, then it shall be exempt from them: RCW
3 43.19.685, 43.19.534, and 43.19.637.

4 (h) Any institution of higher education that chooses to exercise
5 independent purchasing authority for a commodity or group of
6 commodities shall notify the director of (~~general administration~~)
7 enterprise services. Thereafter the director of (~~general~~
8 ~~administration~~) enterprise services shall not be required to provide
9 those services for that institution for the duration of the (~~general~~
10 ~~administration~~) department of enterprise services contract term for
11 that commodity or group of commodities.

12 (2) The council of presidents and the state board for community and
13 technical colleges shall convene its correctional industries business
14 development advisory committee, and work collaboratively with
15 correctional industries, to:

16 (a) Reaffirm purchasing criteria and ensure that quality, service,
17 and timely delivery result in the best value for expenditure of state
18 dollars;

19 (b) Update the approved list of correctional industries products
20 from which higher education shall purchase; and

21 (c) Develop recommendations on ways to continue to build
22 correctional industries' business with institutions of higher
23 education.

24 (3) Higher education and correctional industries shall develop a
25 plan to build higher education business with correctional industries to
26 increase higher education purchases of correctional industries
27 products, based upon the criteria established in subsection (2) of this
28 section. The plan shall include the correctional industries'
29 production and sales goals for higher education and an approved list of
30 products from which higher education institutions shall purchase, based
31 on the criteria established in subsection (2) of this section. Higher
32 education and correctional industries shall report to the legislature
33 regarding the plan and its implementation no later than January 30,
34 2005.

35 (4) Institutions of higher education shall set as a target to
36 contract, beginning not later than June 30, 2006, to purchase one
37 percent of the total goods and services required by the institutions
38 each year produced or provided in whole or in part from class II inmate

1 work programs operated by the department of corrections. Institutions
2 of higher education shall set as a target to contract, beginning not
3 later than June 30, 2008, to purchase two percent of the total goods
4 and services required by the institutions each year produced or
5 provided in whole or in part from class II inmate work programs
6 operated by the department of corrections.

7 (5) An institution of higher education may exercise independently
8 those powers otherwise granted to the ((~~public printer in chapter 43.78~~
9 RCW)) department of enterprise services in connection with the
10 production or purchase of any printing and binding needed by the
11 respective institution of higher education. Purchasing policies and
12 procedures followed by institutions of higher education shall be in
13 compliance with chapter 39.19 RCW. Any institution of higher education
14 that chooses to exercise independent printing production or purchasing
15 authority shall notify the ((~~public printer~~)) department of enterprise
16 services. Thereafter the ((~~public printer~~)) department shall not be
17 required to provide those services for that institution.

18 **Sec. 314.** RCW 40.04.030 and 1995 c 24 s 1 are each amended to read
19 as follows:

20 The ((~~public printer~~)) department of enterprise services shall
21 deliver to the statute law committee all bound volumes of the session
22 laws. The ((~~public printer~~)) department shall deliver the house and
23 senate journals as they are published to the chief clerk of the house
24 of representatives and the secretary of the senate, as appropriate.
25 The publisher of the supreme court reports and the court of appeals
26 reports of the state of Washington shall deliver the copies that are
27 purchased by the supreme court for the use of the state to the state
28 law librarian.

29 **Sec. 315.** RCW 40.06.030 and 2006 c 199 s 5 are each amended to
30 read as follows:

31 (1) Every state agency shall promptly submit to the state library
32 copies of published information that are state publications.

33 (a) For state publications available only in print format, each
34 state agency shall deposit, at a minimum, two copies of each of its
35 publications with the state library. For the purposes of broad public

1 access, state agencies may deposit additional copies with the state
2 library for distribution to additional depository libraries.

3 (b) For state publications available only in electronic format,
4 each state agency shall deposit one copy of each of its publications
5 with the state library.

6 (c) For state publications available in both print and electronic
7 format, each state agency shall deposit two print copies and one
8 electronic copy of the publication with the state library.

9 (2) Annually, each state agency shall provide the state library
10 with a listing of all its publications made available to state
11 government and the public during the preceding year, including those
12 published in electronic form. The secretary of state shall, by rule,
13 establish the annual date by which state agencies must provide the list
14 of its publications to the state library.

15 (3) In the interest of economy and efficiency, the state librarian
16 may specifically or by general rule exempt a given state publication or
17 class of publications from the requirements of this section in full or
18 in part.

19 (4) Upon consent of the issuing state agency, such state
20 publications as are printed by the (~~public printer shall~~) department
21 of enterprise services must be delivered directly to the center.

22 **Sec. 316.** RCW 40.07.050 and 1986 c 158 s 5 are each amended to
23 read as follows:

24 Neither the (~~public printer~~) department of enterprise services
25 nor any state agency shall print or authorize for printing any state
26 publication that has been determined by the director to be inconsistent
27 with RCW 40.07.030 except to the extent this requirement may conflict
28 with the laws of the United States or any rules or regulations lawfully
29 promulgated under those laws. A copy of any state publication printed
30 without the approval of the director under the exceptions authorized in
31 this section shall be filed with the director with a letter of
32 transmittal citing the federal statute, rule, or regulation requiring
33 the publication.

34 **Sec. 317.** RCW 43.08.061 and 1993 c 38 s 1 are each amended to read
35 as follows:

36 The (~~public printer~~) department shall print all state treasury

1 warrants for distribution as directed by the state treasurer. All
2 warrants redeemed by the state treasurer shall be retained for a period
3 of one year, following their redemption, after which they may be
4 destroyed without regard to the requirements imposed for their
5 destruction by chapter 40.14 RCW.

6 NEW SECTION. **Sec. 318.** The following acts or parts of acts are
7 each repealed:

8 (1) RCW 15.24.085 (Promotional printing not restricted by public
9 printer laws) and 2002 c 313 s 121 & 1961 c 11 s 15.24.085;

10 (2) RCW 15.62.190 (Promotional printing and literature--Exempt from
11 public printing requirements) and 1989 c 5 s 19;

12 (3) RCW 16.67.170 (Promotional printing not restricted by public
13 printer laws) and 1969 c 133 s 16;

14 (4) RCW 43.78.010 (Appointment of public printer) and 2009 c 549 s
15 5146, 1981 c 338 s 6, & 1965 c 8 s 43.78.010;

16 (5) RCW 43.78.020 (Bond) and 2009 c 549 s 5147 & 1965 c 8 s
17 43.78.020;

18 (6) RCW 43.78.040 (Requisitions) and 1965 c 8 s 43.78.040;

19 (7) RCW 43.78.050 (Itemized statement of charges) and 1965 c 8 s
20 43.78.050;

21 (8) RCW 43.78.080 (Printing specifications) and 1972 ex.s. c 1 s 1,
22 1969 c 6 s 7, & 1965 c 8 s 43.78.080;

23 (9) RCW 43.78.090 (Reprinting) and 1965 c 8 s 43.78.090;

24 (10) RCW 43.78.100 (Stock to be furnished) and 1993 c 379 s 106 &
25 1965 c 8 s 43.78.100; and

26 (11) RCW 43.78.105 (Printing for institutions of higher education--
27 Interlocal agreements) and 1993 c 379 s 105.

28 NEW SECTION. **Sec. 319.** RCW 43.78.030, 43.78.070, 43.78.110,
29 43.78.130, 43.78.140, 43.78.150, 43.78.160, and 43.78.170 are each
30 recodified as sections in chapter 43.19 RCW.

31 **PART IV**
32 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT OF PERSONNEL**

33 **Sec. 401.** RCW 41.06.020 and 1993 c 281 s 19 are each amended to
34 read as follows:

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

3 (1) "Agency" means an office, department, board, commission, or
4 other separate unit or division, however designated, of the state
5 government and all personnel thereof; it includes any unit of state
6 government established by law, the executive officer or members of
7 which are either elected or appointed, upon which the statutes confer
8 powers and impose duties in connection with operations of either a
9 governmental or proprietary nature.

10 (2) "Board" means the Washington personnel resources board
11 established under the provisions of RCW 41.06.110, except that this
12 definition does not apply to the words "board" or "boards" when used in
13 RCW 41.06.070.

14 (3) "Classified service" means all positions in the state service
15 subject to the provisions of this chapter.

16 (4) "Competitive service" means all positions in the classified
17 service for which a competitive examination is required as a condition
18 precedent to appointment.

19 (5) "Comparable worth" means the provision of similar salaries for
20 positions that require or impose similar responsibilities, judgments,
21 knowledge, skills, and working conditions.

22 (6) "Noncompetitive service" means all positions in the classified
23 service for which a competitive examination is not required.

24 (7) "Department" means an agency of government that has as its
25 governing officer a person, or combination of persons such as a
26 commission, board, or council, by law empowered to operate the agency
27 responsible either to (a) no other public officer or (b) the governor.

28 (8) "Career development" means the progressive development of
29 employee capabilities to facilitate productivity, job satisfaction, and
30 upward mobility through work assignments as well as education and
31 training that are both state-sponsored and are achieved by individual
32 employee efforts, all of which shall be consistent with the needs and
33 obligations of the state and its agencies.

34 (9) "Training" means activities designed to develop job-related
35 knowledge and skills of employees.

36 (10) "Director" means the human resources director (~~(of personnel~~
37 ~~appointed under the provisions of RCW 41.06.130)) within the office of
38 financial management and appointed under section 430 of this act.~~

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

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

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

13 **Sec. 402.** RCW 41.06.076 and 1997 c 386 s 1 are each amended to
14 read as follows:

15 In addition to the exemptions set forth in RCW 41.06.070, the
16 provisions of this chapter shall not apply in the department of social
17 and health services to the secretary; the secretary's executive
18 assistant, if any; not to exceed six assistant secretaries, thirteen
19 division directors, six regional directors; one confidential secretary
20 for each of the above-named officers; not to exceed six bureau chiefs;
21 (~~all social worker V positions~~) and all superintendents of
22 institutions of which the average daily population equals or exceeds
23 one hundred residents(~~(: PROVIDED, That each such confidential~~
24 ~~secretary must meet the minimum qualifications for the class of~~
25 ~~secretary II as determined by the Washington personnel resources board.~~
26 ~~This section expires June 30, 2005)).~~

27 **Sec. 403.** RCW 41.06.080 and 1970 ex.s. c 12 s 2 are each amended
28 to read as follows:

29 Notwithstanding the provisions of this chapter, the (~~department of~~
30 ~~personnel~~) office of financial management and the department of
31 enterprise services may make (~~its~~) their human resource services
32 available on request, on a reimbursable basis, to:

33 (1) Either the legislative or the judicial branch of the state
34 government;

35 (2) Any county, city, town, or other municipal subdivision of the
36 state;

1 (3) The institutions of higher learning;

2 (4) Any agency, class, or position set forth in RCW 41.06.070.

3 **Sec. 404.** RCW 41.06.093 and 1993 c 281 s 24 are each amended to
4 read as follows:

5 In addition to the exemptions set forth in RCW 41.06.070, the
6 provisions of this chapter shall not apply in the Washington state
7 patrol to confidential secretaries of agency bureau chiefs, or their
8 functional equivalent, and a confidential secretary for the chief of
9 staff(~~(: PROVIDED, That each confidential secretary must meet the~~
10 ~~minimum qualifications for the class of secretary II as determined by~~
11 ~~the Washington personnel resources board)~~)).

12 **Sec. 405.** RCW 41.06.110 and 2002 c 354 s 210 are each amended to
13 read as follows:

14 (1) There is hereby created a Washington personnel resources board
15 composed of three members appointed by the governor, subject to
16 confirmation by the senate. The members of the personnel board serving
17 June 30, 1993, shall be the members of the Washington personnel
18 resources board, and they shall complete their terms as under the
19 personnel board. Each odd-numbered year thereafter the governor shall
20 appoint a member for a six-year term. Each member shall continue to
21 hold office after the expiration of the member's term until a successor
22 has been appointed. Persons so appointed shall have clearly
23 demonstrated an interest and belief in the merit principle, shall not
24 hold any other employment with the state, shall not have been an
25 officer of a political party for a period of one year immediately prior
26 to such appointment, and shall not be or become a candidate for
27 partisan elective public office during the term to which they are
28 appointed;

29 (2) Each member of the board shall be compensated in accordance
30 with RCW 43.03.250. The members of the board may receive any number of
31 daily payments for official meetings of the board actually attended.
32 Members of the board shall also be reimbursed for travel expenses
33 incurred in the discharge of their official duties in accordance with
34 RCW 43.03.050 and 43.03.060.

35 (3) At its first meeting following the appointment of all of its
36 members, and annually thereafter, the board shall elect a chair and

1 vice chair from among its members to serve one year. The presence of
2 at least two members of the board shall constitute a quorum to transact
3 business. A written public record shall be kept by the board of all
4 actions of the board. The director (~~(of personnel)~~) shall serve as
5 secretary.

6 (4) The board may appoint and compensate hearing officers to hear
7 and conduct appeals. Such compensation shall be paid on a contractual
8 basis for each hearing, in accordance with the provisions of chapter
9 43.88 RCW and rules adopted pursuant thereto, as they relate to
10 personal service contracts.

11 **Sec. 406.** RCW 41.06.120 and 1981 c 311 s 17 are each amended to
12 read as follows:

13 (1) In the necessary conduct of its work, the board shall meet
14 monthly unless there is no pending business requiring board action and
15 may hold hearings, such hearings to be called by (a) the chairman of
16 the board, or (b) a majority of the members of the board. An official
17 notice of the calling of the hearing shall be filed with the secretary,
18 and all members shall be notified of the hearing within a reasonable
19 period of time prior to its convening.

20 (2) No release of material or statement of findings shall be made
21 except with the approval of a majority of the board;

22 (3) In the conduct of hearings or investigations, a member of the
23 board or the director (~~(of personnel)~~), or the hearing officer, may
24 administer oaths.

25 **Sec. 407.** RCW 41.06.133 and 2010 c 2 s 3 and 2010 c 1 s 2 are each
26 reenacted and amended to read as follows:

27 (1) The director shall adopt rules, consistent with the purposes
28 and provisions of this chapter and with the best standards of personnel
29 administration, regarding the basis and procedures to be followed for:

30 (a) The reduction, dismissal, suspension, or demotion of an
31 employee;

32 (b) Training and career development;

33 (c) Probationary periods of six to twelve months and rejections of
34 probationary employees, depending on the job requirements of the class,
35 except (~~that~~) as follows:

1 (i) Entry level state park rangers shall serve a probationary
2 period of twelve months; and

3 (ii) The probationary period of campus police officer appointees
4 who are required to attend the Washington state criminal justice
5 training commission basic law enforcement academy shall extend from the
6 date of appointment until twelve months from the date of successful
7 completion of the basic law enforcement academy, or twelve months from
8 the date of appointment if academy training is not required. The
9 director shall adopt rules to ensure that employees promoting to campus
10 police officer who are required to attend the Washington state criminal
11 justice training commission basic law enforcement academy shall have
12 the trial service period extend from the date of appointment until
13 twelve months from the date of successful completion of the basic law
14 enforcement academy, or twelve months from the date of appointment if
15 academy training is not required;

16 (d) Transfers;

17 (e) Promotional preferences;

18 (f) Sick leaves and vacations;

19 (g) Hours of work;

20 (h) Layoffs when necessary and subsequent reemployment, except for
21 the financial basis for layoffs;

22 (i) The number of names to be certified for vacancies;

23 (j) Adoption and revision of a state salary schedule to reflect the
24 prevailing rates in Washington state private industries and other
25 governmental units. The rates in the salary schedules or plans shall
26 be increased if necessary to attain comparable worth under an
27 implementation plan under RCW 41.06.155 and, for institutions of higher
28 education and related boards, shall be competitive for positions of a
29 similar nature in the state or the locality in which an institution of
30 higher education or related board is located. Such adoption and
31 revision is subject to approval by the director of financial management
32 in accordance with chapter 43.88 RCW;

33 (k) Increment increases within the series of steps for each pay
34 grade based on length of service for all employees whose standards of
35 performance are such as to permit them to retain job status in the
36 classified service. From February 18, 2009, through June 30, 2011, a
37 salary or wage increase shall not be granted to any exempt position
38 under this chapter, except that a salary or wage increase may be

1 granted to employees pursuant to collective bargaining agreements
2 negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or
3 negotiated by the nonprofit corporation formed under chapter 67.40 RCW,
4 and except that increases may be granted for positions for which the
5 employer has demonstrated difficulty retaining qualified employees if
6 the following conditions are met:

7 (i) The salary increase can be paid within existing resources; and

8 (ii) The salary increase will not adversely impact the provision of
9 client services;

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

16 (l) Optional lump sum relocation compensation approved by the
17 agency director, whenever it is reasonably necessary that a person make
18 a domiciliary move in accepting a transfer or other employment with the
19 state. An agency must provide lump sum compensation within existing
20 resources. If the person receiving the relocation payment terminates
21 or causes termination with the state, for reasons other than layoff,
22 disability separation, or other good cause as determined by an agency
23 director, within one year of the date of the employment, the state is
24 entitled to reimbursement of the lump sum compensation from the person;

25 (m) Providing for veteran's preference as required by existing
26 statutes, with recognition of preference in regard to layoffs and
27 subsequent reemployment for veterans and their surviving spouses by
28 giving such eligible veterans and their surviving spouses additional
29 credit in computing their seniority by adding to their unbroken state
30 service, as defined by the director, the veteran's service in the
31 military not to exceed five years. For the purposes of this section,
32 "veteran" means any person who has one or more years of active military
33 service in any branch of the armed forces of the United States or who
34 has less than one year's service and is discharged with a disability
35 incurred in the line of duty or is discharged at the convenience of the
36 government and who, upon termination of such service, has received an
37 honorable discharge, a discharge for physical reasons with an honorable
38 record, or a release from active military service with evidence of

1 service other than that for which an undesirable, bad conduct, or
2 dishonorable discharge shall be given. However, the surviving spouse
3 of a veteran is entitled to the benefits of this section regardless of
4 the veteran's length of active military service. For the purposes of
5 this section, "veteran" does not include any person who has voluntarily
6 retired with twenty or more years of active military service and whose
7 military retirement pay is in excess of five hundred dollars per month.

8 (2) Rules adopted under this section by the director shall provide
9 for local administration and management by the institutions of higher
10 education and related boards, subject to periodic audit and review by
11 the director.

12 (3) Rules adopted by the director under this section may be
13 superseded by the provisions of a collective bargaining agreement
14 negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The
15 supersession of such rules shall only affect employees in the
16 respective collective bargaining units.

17 (4)(a) The director shall require that each state agency report
18 annually the following data:

19 (i) The number of classified, Washington management service, and
20 exempt employees in the agency and the change compared to the previous
21 report;

22 (ii) The number of bonuses and performance-based incentives awarded
23 to agency staff and the base wages of such employees; and

24 (iii) The cost of each bonus or incentive awarded.

25 (b) A report that compiles the data in (a) of this subsection for
26 all agencies will be provided annually to the governor and the
27 appropriate committees of the legislature and must be posted for the
28 public on the (~~department of personnel's~~) office of financial
29 management's agency web site.

30 (5) From February 15, 2010, until June 30, 2011, no monetary
31 performance-based awards or incentives may be granted by the director
32 or employers to employees covered by rules adopted under this section.
33 This subsection does not prohibit the payment of awards provided for in
34 chapter 41.60 RCW.

35 **Sec. 408.** RCW 41.06.142 and 2008 c 267 s 9 are each amended to
36 read as follows:

37 (1) Any department, agency, or institution of higher education may

1 purchase services, including services that have been customarily and
2 historically provided by employees in the classified service under this
3 chapter, by contracting with individuals, nonprofit organizations,
4 businesses, employee business units, or other entities if the following
5 criteria are met:

6 (a) The invitation for bid or request for proposal contains
7 measurable standards for the performance of the contract;

8 (b) Employees in the classified service whose positions or work
9 would be displaced by the contract are provided an opportunity to offer
10 alternatives to purchasing services by contract and, if these
11 alternatives are not accepted, compete for the contract under
12 competitive contracting procedures in subsection (4) of this section;

13 (c) The contract with an entity other than an employee business
14 unit includes a provision requiring the entity to consider employment
15 of state employees who may be displaced by the contract;

16 (d) The department, agency, or institution of higher education has
17 established a contract monitoring process to measure contract
18 performance, costs, service delivery quality, and other contract
19 standards, and to cancel contracts that do not meet those standards;
20 and

21 (e) The department, agency, or institution of higher education has
22 determined that the contract results in savings or efficiency
23 improvements. The contracting agency must consider the consequences
24 and potential mitigation of improper or failed performance by the
25 contractor.

26 (2) Any provision contrary to or in conflict with this section in
27 any collective bargaining agreement in effect on July 1, 2005, is not
28 effective beyond the expiration date of the agreement.

29 (3) Contracting for services that is expressly mandated by the
30 legislature or was authorized by law prior to July 1, 2005, including
31 contracts and agreements between public entities, shall not be subject
32 to the processes set forth in subsections (1), (4), and (5) of this
33 section.

34 (4) Competitive contracting shall be implemented as follows:

35 (a) At least ninety days prior to the date the contracting agency
36 requests bids from private entities for a contract for services
37 provided by classified employees, the contracting agency shall notify
38 the classified employees whose positions or work would be displaced by

1 the contract. The employees shall have sixty days from the date of
2 notification to offer alternatives to purchasing services by contract,
3 and the agency shall consider the alternatives before requesting bids.

4 (b) If the employees decide to compete for the contract, they shall
5 notify the contracting agency of their decision. Employees must form
6 one or more employee business units for the purpose of submitting a bid
7 or bids to perform the services.

8 (c) The (~~director of personnel~~) department of enterprise
9 services, with the advice and assistance of the (~~department of general~~
10 administration) office of financial management, shall develop and make
11 available to employee business units training in the bidding process
12 and general bid preparation.

13 (d) The director of (~~general administration~~) enterprise services,
14 with the advice and assistance of the (~~department of personnel~~)
15 office of financial management, shall, by rule, establish procedures to
16 ensure that bids are submitted and evaluated in a fair and objective
17 manner and that there exists a competitive market for the service.
18 Such rules shall include, but not be limited to: (i) Prohibitions
19 against participation in the bid evaluation process by employees who
20 prepared the business unit's bid or who perform any of the services to
21 be contracted; (ii) provisions to ensure no bidder receives an
22 advantage over other bidders and that bid requirements are applied
23 equitably to all parties; and (iii) procedures that require the
24 contracting agency to receive complaints regarding the bidding process
25 and to consider them before awarding the contract. Appeal of an
26 agency's actions under this subsection is an adjudicative proceeding
27 and subject to the applicable provisions of chapter 34.05 RCW, the
28 administrative procedure act, with the final decision to be rendered by
29 an administrative law judge assigned under chapter 34.12 RCW.

30 (e) An employee business unit's bid must include the fully
31 allocated costs of the service, including the cost of the employees'
32 salaries and benefits, space, equipment, materials, and other costs
33 necessary to perform the function. An employee business unit's cost
34 shall not include the state's indirect overhead costs unless those
35 costs can be attributed directly to the function in question and would
36 not exist if that function were not performed in state service.

37 (f) A department, agency, or institution of higher education may

1 contract with the department of (~~general administration~~) enterprise
2 services to conduct the bidding process.

3 (5) As used in this section:

4 (a) "Employee business unit" means a group of employees who perform
5 services to be contracted under this section and who submit a bid for
6 the performance of those services under subsection (4) of this section.

7 (b) "Indirect overhead costs" means the pro rata share of existing
8 agency administrative salaries and benefits, and rent, equipment costs,
9 utilities, and materials associated with those administrative
10 functions.

11 (c) "Competitive contracting" means the process by which classified
12 employees of a department, agency, or institution of higher education
13 compete with businesses, individuals, nonprofit organizations, or other
14 entities for contracts authorized by subsection (1) of this section.

15 (6) The (~~requirements~~) processes set forth in subsections (1),
16 (4), and (5) of this section do not apply to:

17 (a) RCW 74.13.031(5);

18 (b) The acquisition of printing services by a state agency pursuant
19 to RCW 43.78.030 (as recodified by this act);

20 (c) Contracting out provisions in section 104 of this act until
21 June 30, 2018. Any services contracted out under the provisions of
22 section 104 of this act will continue to be exempted until the existing
23 contract expires.

24 **Sec. 409.** RCW 41.06.150 and 2002 c 371 s 906, 2002 c 354 s 203,
25 2002 c 354 s 202, and 2002 c 110 s 1 are each reenacted and amended to
26 read as follows:

27 The director shall adopt rules, consistent with the purposes and
28 provisions of this chapter and with the best standards of personnel
29 administration, regarding the basis and procedures to be followed for:

30 (1) Certification of names for vacancies;

31 (2) Examinations for all positions in the competitive and
32 noncompetitive service;

33 (3) Appointments;

34 (~~(4) Adoption and revision of a comprehensive classification plan,~~
35 ~~in accordance with rules adopted by the board under RCW 41.06.136, for~~
36 ~~all positions in the classified service, based on investigation and~~

1 ~~analysis of the duties and responsibilities of each such position and~~
2 ~~allocation and reallocation of positions within the classification~~
3 ~~plan.~~

4 ~~(a) The director shall not adopt job classification revisions or~~
5 ~~class studies unless implementation of the proposed revision or study~~
6 ~~will result in net cost savings, increased efficiencies, or improved~~
7 ~~management of personnel or services, and the proposed revision or study~~
8 ~~has been approved by the director of financial management in accordance~~
9 ~~with chapter 43.88 RCW.~~

10 ~~(b) Reclassifications, class studies, and salary adjustments are~~
11 ~~governed by (a) of this subsection and RCW 41.06.152;~~

12 ~~(5))~~ Permitting agency heads to delegate the authority to appoint,
13 reduce, dismiss, suspend, or demote employees within their agencies if
14 such agency heads do not have specific statutory authority to so
15 delegate: PROVIDED, That the director may not authorize such
16 delegation to any position lower than the head of a major subdivision
17 of the agency;

18 ~~((6))~~ (5) Assuring persons who are or have been employed in
19 classified positions before July 1, 1993, will be eligible for
20 employment, reemployment, transfer, and promotion in respect to
21 classified positions covered by this chapter;

22 ~~((7))~~ (6) Affirmative action in appointment, promotion, transfer,
23 recruitment, training, and career development; development and
24 implementation of affirmative action goals and timetables; and
25 monitoring of progress against those goals and timetables.

26 The director shall consult with the human rights commission in the
27 development of rules pertaining to affirmative action. ~~((The~~
28 ~~department of personnel shall transmit a report annually to the human~~
29 ~~rights commission which states the progress each state agency has made~~
30 ~~in meeting affirmative action goals and timetables.))~~

31 Rules adopted under this section by the director shall provide for
32 local administration and management by the institutions of higher
33 education and related boards, subject to periodic audit and review by
34 the director.

35 **Sec. 410.** RCW 41.06.152 and 2007 c 489 s 1 are each amended to
36 read as follows:

1 (1) The director shall adopt only those job classification
2 revisions, class studies, and salary adjustments under ((RCW
3 ~~41.06.150(4)~~)) section 411 of this act that:

4 (a) As defined by the director, are due to documented recruitment
5 or retention difficulties, salary compression or inversion,
6 classification plan maintenance, higher level duties and
7 responsibilities, or inequities; and

8 (b) Are such that the office of financial management has reviewed
9 the affected agency's fiscal impact statement and has concurred that
10 the affected agency can absorb the biennialized cost of the
11 reclassification, class study, or salary adjustment within the agency's
12 current authorized level of funding for the current fiscal biennium and
13 subsequent fiscal biennia.

14 (2) This section does not apply to the higher education hospital
15 special pay plan or to any adjustments to the classification plan under
16 ((RCW ~~41.06.150(4)~~)) section 411 of this act that are due to emergent
17 conditions. Emergent conditions are defined as emergency conditions
18 requiring the establishment of positions necessary for the preservation
19 of the public health, safety, or general welfare.

20 NEW SECTION. Sec. 411. A new section is added to chapter 41.06
21 RCW to read as follows:

22 (1) To promote the most effective use of the state's workforce and
23 improve the effectiveness and efficiency of the delivery of services to
24 the citizens of the state, the director shall adopt and maintain a
25 comprehensive classification plan for all positions in the classified
26 service. The classification plan must:

27 (a) Be simple and streamlined;

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

30 (c) Value workplace diversity;

31 (d) Facilitate the reorganization and decentralization of
32 governmental services;

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

34 (f) Consider rates in other public employment and private
35 employment in the state.

36 (2) An appointing authority and an employee organization

1 representing classified employees of the appointing authority for
2 collective bargaining purposes may jointly request the human resources
3 director to initiate a classification study.

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

8 (4) The director may undertake salary surveys of positions in other
9 public and private employment to establish market rates. Any salary
10 survey information collected from private employers which identifies a
11 specific employer with salary rates which the employer pays to its
12 employees shall not be subject to public disclosure under chapter 42.56
13 RCW.

14 NEW SECTION. **Sec. 412.** A new section is added to chapter 41.06
15 RCW to read as follows:

16 The director of financial management shall adopt and maintain a
17 state salary schedule. Such adoption and revision is subject to
18 approval by the director in accordance with chapter 43.88 RCW.

19 **Sec. 413.** RCW 41.06.167 and 2005 c 274 s 279 are each amended to
20 read as follows:

21 The ((~~department of personnel~~)) human resources director shall
22 undertake comprehensive compensation surveys for officers and entry-
23 level officer candidates of the Washington state patrol, with such
24 surveys to be conducted in the year prior to the convening of every
25 other one hundred five day regular session of the state legislature.
26 Salary and fringe benefit survey information collected from private
27 employers which identifies a specific employer with the salary and
28 fringe benefit rates which that employer pays to its employees shall
29 not be subject to public disclosure under chapter 42.56 RCW.

30 **Sec. 414.** RCW 41.06.169 and 1985 c 461 s 3 are each amended to
31 read as follows:

32 After consultation with state agency heads, employee organizations,
33 and other interested parties, the ((~~state personnel~~)) director shall
34 develop standardized employee performance evaluation procedures and
35 forms which shall be used by state agencies for the appraisal of

1 employee job performance at least annually. These procedures shall
2 include means whereby individual agencies may supplement the
3 standardized evaluation process with special performance factors
4 peculiar to specific organizational needs. Performance evaluation
5 procedures shall place primary emphasis on recording how well the
6 employee has contributed to efficiency, effectiveness, and economy in
7 fulfilling state agency and job objectives.

8 **Sec. 415.** RCW 41.06.170 and 2009 c 534 s 3 are each amended to
9 read as follows:

10 (1) The director, in the adoption of rules governing suspensions
11 for cause, shall not authorize an appointing authority to suspend an
12 employee for more than fifteen calendar days as a single penalty or
13 more than thirty calendar days in any one calendar year as an
14 accumulation of several penalties. The director shall require that the
15 appointing authority give written notice to the employee not later than
16 one day after the suspension takes effect, stating the reasons for and
17 the duration thereof.

18 (2) Any employee who is reduced, dismissed, suspended, or demoted,
19 after completing his or her probationary period of service as provided
20 by the rules of the director, or any employee who is adversely affected
21 by a violation of the state civil service law, chapter 41.06 RCW, or
22 rules adopted under it, shall have the right to appeal, either
23 individually or through his or her authorized representative, not later
24 than thirty days after the effective date of such action (~~to the~~
25 ~~personnel appeals board through June 30, 2005, and~~) to the Washington
26 personnel resources board (~~after June 30, 2005~~). The employee shall
27 be furnished with specified charges in writing when a reduction,
28 dismissal, suspension, or demotion action is taken. Such appeal shall
29 be in writing. Decisions of the Washington personnel resources board
30 on appeals filed after June 30, 2005, shall be final and not subject to
31 further appeal.

32 (3) Any employee whose position has been exempted after July 1,
33 1993, shall have the right to appeal, either individually or through
34 his or her authorized representative, not later than thirty days after
35 the effective date of such action to the (~~personnel appeals board~~
36 ~~through June 30, 2005, and to the~~) Washington personnel resources

1 board (~~after June 30, 2005~~). If the position being exempted is
2 vacant, the exclusive bargaining unit representative may act in lieu of
3 an employee for the purposes of appeal.

4 (4) An employee incumbent in a position at the time of its
5 allocation or reallocation, or the agency utilizing the position, may
6 appeal the allocation or reallocation to the (~~personnel appeals board~~
7 ~~through December 31, 2005, and to the~~) Washington personnel resources
8 board (~~after December 31, 2005~~). Notice of such appeal must be filed
9 in writing within thirty days of the action from which appeal is taken.

10 (5) Subsections (1) and (2) of this section do not apply to any
11 employee who is subject to the provisions of a collective bargaining
12 agreement negotiated under RCW 41.80.001 and 41.80.010 through
13 41.80.130.

14 **Sec. 416.** RCW 41.06.220 and 1961 c 1 s 22 are each amended to read
15 as follows:

16 (~~(1) An employee who is terminated from state service may request~~
17 ~~the board to place his name on an appropriate reemployment list and the~~
18 ~~board shall grant this request where the circumstances are found to~~
19 ~~warrant reemployment.~~

20 (+2)) Any employee, when fully reinstated after appeal, shall be
21 guaranteed all employee rights and benefits, including back pay, sick
22 leave, vacation accrual, retirement and OASDI credits.

23 **Sec. 417.** RCW 41.06.260 and 1961 c 1 s 26 are each amended to read
24 as follows:

25 If any part of this chapter shall be found to be in conflict with
26 federal requirements which are a condition precedent to the allocation
27 of federal funds to the state, such conflicting part of this chapter is
28 hereby declared to be inoperative solely to the extent of such conflict
29 and with respect to the agencies directly affected, and such findings
30 or determination shall not affect the operation of the remainder of
31 this chapter in its application to the agencies concerned. The
32 (~~board~~) office of financial management and the department of
33 enterprise services, as appropriate, shall make such rules and
34 regulations as may be necessary to meet federal requirements which are
35 a condition precedent to the receipt of federal funds by the state.

1 **Sec. 418.** RCW 41.06.270 and 2002 c 354 s 217 are each amended to
2 read as follows:

3 A disbursing officer shall not pay any employee holding a position
4 covered by this chapter unless the employment is in accordance with
5 this chapter or the rules, regulations and orders issued hereunder.
6 The directors of (~~personnel~~) enterprise services and financial
7 management shall jointly establish procedures for the certification of
8 payrolls.

9 **Sec. 419.** RCW 41.06.280 and 1993 c 379 s 309 are each amended to
10 read as follows:

11 There is hereby created a fund within the state treasury,
12 designated as the "~~(department of)~~ personnel service fund," to be
13 used by the (~~board~~) office of financial management and the department
14 of enterprise services as a revolving fund for the payment of salaries,
15 wages, and operations required for the administration of the provisions
16 of this chapter, applicable provisions of chapter 41.04 RCW, and
17 chapter 41.60 RCW. An amount not to exceed one and one-half percent of
18 the (~~approved allotments of~~) salaries and wages for all positions in
19 the classified service in each of the agencies subject to this chapter,
20 except the institutions of higher education, shall be charged to the
21 operations appropriations of each agency and credited to the
22 (~~department of~~) personnel service fund as the allotments are approved
23 pursuant to chapter 43.88 RCW. Subject to the above limitations, the
24 amount shall be charged against the allotments pro rata, at a rate to
25 be fixed by the director from time to time which, together with income
26 derived from services rendered under RCW 41.06.080, will provide the
27 (~~department~~) office of financial management and the department of
28 enterprise services with funds to meet its anticipated expenditures
29 during the allotment period, including the training requirements in RCW
30 41.06.500 and 41.06.530.

31 The director (~~of personnel~~) shall fix the terms and charges for
32 services rendered by the department of (~~personnel~~) enterprise
33 services and the office of financial management pursuant to RCW
34 41.06.080, which amounts shall be credited to the (~~department of~~)
35 personnel service fund and charged against the proper fund or
36 appropriation of the recipient of such services on a (~~quarterly~~)
37 monthly basis. Payment for services so rendered under RCW 41.06.080

1 shall be made on a (~~quarterly~~) monthly basis to the state treasurer
2 and deposited (~~by him~~) in the (~~department of~~) personnel service
3 fund.

4 Moneys from the (~~department of~~) personnel service fund shall be
5 disbursed by the state treasurer by warrants on vouchers duly
6 authorized by the (~~board~~) office of financial management and the
7 department of enterprise services.

8 **Sec. 420.** RCW 41.06.285 and 1998 c 245 s 41 are each amended to
9 read as follows:

10 (1) There is hereby created a fund within the state treasury,
11 designated as the "higher education personnel service fund," to be used
12 by the (~~board~~) office of financial management as a revolving fund for
13 the payment of salaries, wages, and operations required for the
14 administration of (~~institutions of higher education and related~~
15 ~~boards, the budget for which shall be subject to review and approval~~
16 ~~and appropriation by the legislature~~) the provisions of chapter 41.06
17 RCW and applicable provisions of chapters 41.04 and 41.60 RCW. Subject
18 to the requirements of subsection (2) of this section, an amount not to
19 exceed one-half of one percent of the salaries and wages for all
20 positions in the classified service shall be contributed from the
21 operations appropriations of each institution and the state board for
22 community and technical colleges and credited to the higher education
23 personnel service fund as such allotments are approved pursuant to
24 chapter 43.88 RCW. Subject to the above limitations, such amount shall
25 be charged against the allotments pro rata, at a rate to be fixed by
26 the director of financial management from time to time, which will
27 provide the (~~board~~) office of financial management with funds to meet
28 its anticipated expenditures during the allotment period.

29 (2) If employees of institutions of higher education cease to be
30 classified under this chapter pursuant to an agreement authorized by
31 RCW 41.56.201, each institution of higher education and the state board
32 for community and technical colleges shall continue, for six months
33 after the effective date of the agreement, to make contributions to the
34 higher education personnel service fund based on employee salaries and
35 wages that includes the employees under the agreement. At the
36 expiration of the six-month period, the director of financial
37 management shall make across-the-board reductions in allotments of the

1 higher education personnel service fund for the remainder of the
2 biennium so that the charge to the institutions of higher education and
3 state board for community and technical colleges based on the salaries
4 and wages of the remaining employees of institutions of higher
5 education and related boards classified under this chapter does not
6 increase during the biennium, unless an increase is authorized by the
7 legislature.

8 (3) Moneys from the higher education personnel service fund shall
9 be disbursed by the state treasurer by warrants on vouchers duly
10 authorized by the (~~board~~) office of financial management.

11 **Sec. 421.** RCW 41.06.350 and 2002 c 354 s 218 are each amended to
12 read as follows:

13 The director is authorized to receive federal funds now available
14 or hereafter made available for the assistance and improvement of
15 public personnel administration, which may be expended in addition to
16 the (~~department of~~) personnel service fund established by RCW
17 41.06.280.

18 **Sec. 422.** RCW 41.06.395 and 2007 c 76 s 1 are each amended to read
19 as follows:

20 The director shall adopt rules establishing guidelines for
21 policies, procedures, and mandatory training programs on sexual
22 harassment for state employees to be adopted by state agencies (~~and~~
23 ~~establishing~~). The department of enterprise services shall establish
24 reporting requirements for state agencies on compliance with RCW
25 43.01.135.

26 **Sec. 423.** RCW 41.06.400 and 2002 c 354 s 219 are each amended to
27 read as follows:

28 (1) In addition to other powers and duties specified in this
29 chapter, the (~~director~~) department of enterprise services in
30 consultation with the office of financial management shall(~~τ~~):

31 (a) By rule, prescribe the purpose and minimum standards for
32 training and career development programs and, in so doing, regularly
33 consult with and consider the needs of individual agencies and
34 employees(~~τ~~

1 ~~(2) In addition to other powers and duties specified in this~~
2 ~~chapter, the director shall:~~

3 ~~(a) Provide for the evaluation of training and career development~~
4 ~~programs and plans of agencies. The director shall report the results~~
5 ~~of such evaluations to the agency which is the subject of the~~
6 ~~evaluation;))~~

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

9 (c) Promote interagency sharing of resources for training and
10 career development;

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

14 ~~((3))~~ (2) At an agency's request, the ~~((director))~~ department of
15 enterprise services may provide training and career development
16 programs for an agency's internal use which may be conducted more
17 efficiently and economically by the department of ~~((personnel))~~
18 enterprise services.

19 **Sec. 424.** RCW 41.06.410 and 2002 c 354 s 220 are each amended to
20 read as follows:

21 Each agency subject to the provisions of this chapter shall:

22 (1) Prepare an employee training and career development plan which
23 shall at least meet minimum standards established by the ~~((director.~~
24 ~~A copy of such plan shall be submitted to the director for purposes of~~
25 ~~administering the provisions of RCW 41.06.400(2))~~ department of
26 enterprise services;

27 (2) Provide for training and career development for its employees
28 in accordance with the agency plan;

29 ~~(3) ((Report on its training and career development program~~
30 ~~operations and costs to the director in accordance with reporting~~
31 ~~procedures adopted by the director;~~

32 ~~(4))~~ Budget for training and career development in accordance with
33 procedures of the office of financial management.

34 **Sec. 425.** RCW 41.06.420 and 1980 c 118 s 6 are each amended to
35 read as follows:

36 (1) The ~~((board))~~ office of financial management, by rule, shall

1 prescribe the conditions under which an employee appointed to a
2 supervisory or management position after June 12, 1980, shall be
3 required to successfully complete an entry-level management training
4 course as approved by the director. Such training shall not be
5 required of any employee who has completed a management training course
6 prior to the employee's appointment which is, in the judgment of the
7 director, at least equivalent to the entry-level course required by
8 this section.

9 (2) The ((board)) office of financial management, by rule, shall
10 establish procedures for the suspension of the entry-level training
11 requirement in cases where the ability of an agency to perform its
12 responsibilities is adversely affected, or for the waiver of this
13 requirement in cases where a person has demonstrated experience as a
14 substitute for training.

15 (3) Agencies subject to the provisions of this chapter, in
16 accordance with rules prescribed by the ((board)) office of financial
17 management, shall designate individual positions, or groups of
18 positions, as being "supervisory" or "management" positions. Such
19 designations shall be subject to review by the director ((as part of
20 the director's evaluation of training and career development programs
21 prescribed by RCW 41.06.400(2))).

22 **Sec. 426.** RCW 41.06.476 and 2001 c 296 s 6 are each amended to
23 read as follows:

24 (1) The ((board)) office of financial management shall amend any
25 existing rules established under RCW 41.06.475 and adopt rules
26 developed in cooperation and agreement with the department of social
27 and health services to implement the provisions of chapter 296, Laws of
28 2001.

29 (2) The legislature's delegation of authority to the agency under
30 chapter 296, Laws of 2001 is strictly limited to:

31 (a) The minimum delegation necessary to administer the clear and
32 unambiguous directives of chapter 296, Laws of 2001; and

33 (b) The administration of circumstances and behaviors foreseeable
34 at the time of enactment.

35 **Sec. 427.** RCW 41.06.490 and 2002 c 354 s 223 are each amended to
36 read as follows:

1 ~~((1))~~ In addition to the rules adopted under RCW 41.06.150, the
2 director shall adopt rules establishing a state employee return-to-work
3 program. The program shall, at a minimum:

4 ~~((a))~~ (1) Direct each agency to adopt a return-to-work policy.
5 The program shall allow each agency program to take into consideration
6 the special nature of employment in the agency;

7 ~~((b))~~ (2) Provide for eligibility in the return-to-work program,
8 for a minimum of two years from the date the temporary disability
9 commenced, for any permanent employee who is receiving compensation
10 under RCW 51.32.090 and who is, by reason of his or her temporary
11 disability, unable to return to his or her previous work, but who is
12 physically capable of carrying out work of a lighter or modified
13 nature;

14 ~~((c) Allow opportunity for return to work statewide when
15 appropriate job classifications are not available in the agency that is
16 the appointing authority at the time of injury;~~

17 ~~(d))~~ (3) Require each agency to name an agency representative
18 responsible for coordinating the return-to-work program of the agency;

19 ~~((e))~~ (4) Provide that applicants receiving appointments for
20 classified service receive an explanation of the return-to-work policy;

21 ~~((f))~~ (5) Require training of supervisors on implementation of
22 the return-to-work policy, including but not limited to assessment of
23 the appropriateness of the return-to-work job for the employee; and

24 ~~((g))~~ (6) Coordinate participation of applicable employee
25 assistance programs, as appropriate.

26 ~~((2) The agency full-time equivalents necessary to implement the
27 return-to-work program established under this section shall be used
28 only for the purposes of the return-to-work program and the net
29 increase in full-time equivalents shall be temporary.))~~

30 **Sec. 428.** RCW 41.06.510 and 1993 c 281 s 10 are each amended to
31 read as follows:

32 Each institution of higher education and each related board shall
33 designate an officer who shall perform duties as personnel officer.
34 The personnel officer at each institution or related board shall
35 direct, supervise, and manage administrative and technical personnel
36 activities for the classified service at the institution or related
37 board consistent with policies established by the institution or

1 related board and in accordance with the provisions of this chapter and
2 the rules adopted under this chapter. Institutions may undertake
3 jointly with one or more other institutions to appoint a person
4 qualified to perform the duties of personnel officer, provide staff and
5 financial support and may engage consultants to assist in the
6 performance of specific projects. The services of the department of
7 (~~personnel~~) enterprise services and the office of financial
8 management may also be used by the institutions or related boards
9 pursuant to RCW 41.06.080.

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

13 **Sec. 429.** RCW 41.06.530 and 1993 c 281 s 12 are each amended to
14 read as follows:

15 (1) The legislature recognizes that:

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

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

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

23 It is therefore the policy of the state to create an organizational
24 culture in state government that respects and values individual
25 differences and encourages the productive potential of every employee.

26 (2) To implement this policy(~~(, the department shall)~~):

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

32 (~~(In consultation with agencies, employee organizations, and~~
33 ~~employees, institutions of higher education, and related boards,~~
34 ~~develop model policies, procedures, and technical information to be~~
35 ~~made available to such entities for the support of workplace diversity~~
36 ~~programs, including, but not limited to:~~

37 (~~i) Voluntary mentorship programs;~~

1 ~~(ii) Alternative testing practices for persons of disability where~~
2 ~~deemed appropriate;~~

3 ~~(iii) Career counseling;~~

4 ~~(iv) Training opportunities, including management and employee~~
5 ~~awareness and skills training, English as a second language, and~~
6 ~~individual tutoring;~~

7 ~~(v) Recruitment strategies;~~

8 ~~(vi) Management performance appraisal techniques that focus on~~
9 ~~valuing and managing diversity in the workplace; and~~

10 ~~(vii) Alternative work arrangements;~~

11 ~~(e))~~ The department of enterprise services, in consultation with
12 agencies, employee organizations, and employees, institutions of higher
13 education, and related boards, develop training programs for all
14 managers to enhance their ability to implement diversity policies and
15 to provide a thorough grounding in all aspects of the state civil
16 service law and merit system rules, and how the proper implementation
17 and application thereof can facilitate and further the mission of the
18 agency.

19 (3) The department of enterprise services and the office of
20 financial management shall coordinate implementation of this section
21 with the ~~((office of financial management and))~~ institutions of higher
22 education and related boards to reduce duplication of effort.

23 NEW SECTION. Sec. 430. A new section is added to chapter 43.41
24 RCW to read as follows:

25 (1) The office of financial management shall direct and supervise
26 the personnel policy and application of the civil service laws, chapter
27 41.06 RCW.

28 (2) The human resources director is created in the office of
29 financial management. The human resources director shall be appointed
30 by the governor, and shall serve at the pleasure of the governor. The
31 director shall receive a salary in an amount fixed by the governor.

32 (3) The human resources director has the authority and shall
33 perform the functions as prescribed in chapter 41.06 RCW, or as
34 otherwise prescribed by law.

35 (4) The human resources director may delegate to any agency the
36 authority to perform administrative and technical personnel activities
37 if the agency requests such authority and the human resources director

1 is satisfied that the agency has the personnel management capabilities
2 to effectively perform the delegated activities. The human resources
3 director shall prescribe standards and guidelines for the performance
4 of delegated activities. If the human resources director determines
5 that an agency is not performing delegated activities within the
6 prescribed standards and guidelines, the director shall withdraw the
7 authority from the agency to perform such activities.

8 **Sec. 431.** RCW 34.05.030 and 2006 c 300 s 4 are each amended to
9 read as follows:

10 (1) This chapter shall not apply to:

11 (a) The state militia, or

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

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

16 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not
17 apply:

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

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

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

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

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

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

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

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

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

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

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

11 **Sec. 432.** RCW 41.04.340 and 2002 c 354 s 227 are each amended to
12 read as follows:

13 (1) An attendance incentive program is established for all eligible
14 employees. As used in this section the term "eligible employee" means
15 any employee of the state, other than eligible employees of the
16 community and technical colleges and the state board for community and
17 technical colleges identified in RCW 28B.50.553, and teaching and
18 research faculty at the state and regional universities and The
19 Evergreen State College, entitled to accumulate sick leave and for whom
20 accurate sick leave records have been maintained. No employee may
21 receive compensation under this section for any portion of sick leave
22 accumulated at a rate in excess of one day per month. The state and
23 regional universities and The Evergreen State College shall maintain
24 complete and accurate sick leave records for all teaching and research
25 faculty.

26 (2) In January of the year following any year in which a minimum of
27 sixty days of sick leave is accrued, and each January thereafter, any
28 eligible employee may receive remuneration for unused sick leave
29 accumulated in the previous year at a rate equal to one day's monetary
30 compensation of the employee for each four full days of accrued sick
31 leave in excess of sixty days. Sick leave for which compensation has
32 been received shall be deducted from accrued sick leave at the rate of
33 four days for every one day's monetary compensation.

34 (3) At the time of separation from state service due to retirement
35 or death, an eligible employee or the employee's estate may elect to
36 receive remuneration at a rate equal to one day's current monetary

1 compensation of the employee for each four full days of accrued sick
2 leave.

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

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

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

16 (7) In lieu of remuneration for unused sick leave at retirement as
17 provided in subsection (3) of this section, an agency head or designee
18 may with equivalent funds, provide eligible employees with a benefit
19 plan that provides for reimbursement for medical expenses. This plan
20 shall be implemented only after consultation with affected groups of
21 employees. For eligible employees covered by chapter 41.06 RCW,
22 procedures for the implementation of these plans shall be adopted by
23 the human resources director (~~(of personnel)~~). For eligible employees
24 exempt from chapter 41.06 RCW, and classified employees who have opted
25 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,
26 implementation procedures shall be adopted by an agency head having
27 jurisdiction over the employees.

28 (8) Implementing procedures adopted by the human resources director
29 (~~(of personnel)~~) or agency heads shall require that each medical
30 expense plan authorized by subsection (7) of this section apply to all
31 eligible employees in any one of the following groups: (a) Employees
32 in an agency; (b) employees in a major organizational subdivision of an
33 agency; (c) employees at a major operating location of an agency; (d)
34 exempt employees under the jurisdiction of an elected or appointed
35 Washington state executive; (e) employees of the Washington state
36 senate; (f) employees of the Washington state house of representatives;
37 (g) classified employees in a bargaining unit established by the
38 director of personnel; or (h) other group of employees defined by an

1 agency head that is not designed to provide an individual-employee
2 choice regarding participation in a medical expense plan. However,
3 medical expense plans for eligible employees in any of the groups under
4 (a) through (h) of this subsection who are covered by a collective
5 bargaining agreement shall be implemented only by written agreement
6 with the bargaining unit's exclusive representative and a separate
7 medical expense plan may be provided for unrepresented employees.

8 (9) Medical expense plans authorized by subsection (7) of this
9 section must require as a condition of participation in the plan that
10 employees in the group affected by the plan sign an agreement with the
11 employer. The agreement must include a provision to hold the employer
12 harmless should the United States government find that the employer or
13 the employee is in debt to the United States as a result of the
14 employee not paying income taxes due on the equivalent funds placed
15 into the plan, or as a result of the employer not withholding or
16 deducting a tax, assessment, or other payment on the funds as required
17 by federal law. The agreement must also include a provision that
18 requires an eligible employee to forfeit remuneration under subsection
19 (3) of this section if the employee belongs to a group that has been
20 designated to participate in the medical expense plan permitted under
21 this section and the employee refuses to execute the required
22 agreement.

23 **Sec. 433.** RCW 41.04.385 and 2006 c 265 s 201 are each amended to
24 read as follows:

25 The legislature finds that (1) demographic, economic, and social
26 trends underlie a critical and increasing demand for child care in the
27 state of Washington; (2) working parents and their children benefit
28 when the employees' child care needs have been resolved; (3) the state
29 of Washington should serve as a model employer by creating a supportive
30 atmosphere, to the extent feasible, in which its employees may meet
31 their child care needs; and (4) the state of Washington should
32 encourage the development of partnerships between state agencies, state
33 employees, state employee labor organizations, and private employers to
34 expand the availability of affordable quality child care. The
35 legislature finds further that resolving employee child care concerns
36 not only benefits the employees and their children, but may benefit the
37 employer by reducing absenteeism, increasing employee productivity,

1 improving morale, and enhancing the employer's position in recruiting
2 and retaining employees. Therefore, the legislature declares that it
3 is the policy of the state of Washington to assist state employees by
4 creating a supportive atmosphere in which they may meet their child
5 care needs. Policies and procedures for state agencies to address
6 employee child care needs will be the responsibility of the director of
7 ((~~personnel~~)) enterprise services in consultation with the director of
8 the department of early learning and state employee representatives.

9 **Sec. 434.** RCW 41.04.395 and 1994 sp.s. c 9 s 801 are each amended
10 to read as follows:

11 (1) The disability accommodation revolving fund is created in the
12 custody of the state treasurer. Disbursements from the fund shall be
13 on authorization of the director of ((~~the department of personnel~~))
14 financial management or the director's designee. The fund is subject
15 to the allotment procedure provided under chapter 43.88 RCW, but no
16 appropriation is required for disbursements. The fund shall be used
17 exclusively by state agencies to accommodate the unanticipated job site
18 or equipment needs of persons of disability in state employ.

19 (2) The director of ((~~the department of personnel~~)) financial
20 management or the director's designee shall consult with the governor's
21 committee on disability issues and employment regarding requests for
22 disbursements from the disability accommodation revolving fund. The
23 department shall establish application procedures, adopt criteria, and
24 provide technical assistance to users of the fund.

25 (3) Agencies that receive moneys from the disability accommodation
26 revolving fund shall return to the fund the amount received from the
27 fund by no later than the end of the first month of the following
28 fiscal biennium.

29 **Sec. 435.** RCW 41.04.665 and 2010 1st sp.s. c 32 s 10 and 2010 c
30 168 s 1 are each reenacted and amended to read as follows:

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

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

1 (ii) The employee has been called to service in the uniformed
2 services;

3 (iii) A state of emergency has been declared anywhere within the
4 United States by the federal or any state government and the employee
5 has needed skills to assist in responding to the emergency or its
6 aftermath and volunteers his or her services to either a governmental
7 agency or to a nonprofit organization engaged in humanitarian relief in
8 the devastated area, and the governmental agency or nonprofit
9 organization accepts the employee's offer of volunteer services;

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

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

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

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

21 (ii) Terminate state employment;

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

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

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

27 (ii) Annual leave and paid military leave allowed under RCW
28 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or

29 (iii) Annual leave if he or she qualifies under (a)(iii), (iv), or
30 (v) of this subsection;

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

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

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

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

1 (2) The agency head shall determine the amount of leave, if any,
2 which an employee may receive under this section. However, an employee
3 shall not receive a total of more than five hundred twenty-two days of
4 leave, except that, a supervisor may authorize leave in excess of five
5 hundred twenty-two days in extraordinary circumstances for an employee
6 qualifying for the shared leave program because he or she is suffering
7 from an illness, injury, impairment, or physical or mental condition
8 which is of an extraordinary or severe nature. Shared leave received
9 under the uniformed service shared leave pool in RCW 41.04.685 is not
10 included in this total.

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

13 (a) An employee who has an accrued annual leave balance of more
14 than ten days may request that the head of the agency for which the
15 employee works transfer a specified amount of annual leave to another
16 employee authorized to receive leave under subsection (1) of this
17 section. In no event may the employee request a transfer of an amount
18 of leave that would result in his or her annual leave account going
19 below ten days. For purposes of this subsection (3)(a), annual leave
20 does not accrue if the employee receives compensation in lieu of
21 accumulating a balance of annual leave.

22 (b) An employee may transfer a specified amount of sick leave to an
23 employee requesting shared leave only when the donating employee
24 retains a minimum of one hundred seventy-six hours of sick leave after
25 the transfer.

26 (c) An employee may transfer, under the provisions of this section
27 relating to the transfer of leave, all or part of his or her personal
28 holiday, as that term is defined under RCW 1.16.050, or as such
29 holidays are provided to employees by agreement with a school
30 district's board of directors if the leave transferred under this
31 subsection does not exceed the amount of time provided for personal
32 holidays under RCW 1.16.050.

33 (4) An employee of an institution of higher education under RCW
34 28B.10.016, school district, or educational service district who does
35 not accrue annual leave but does accrue sick leave and who has an
36 accrued sick leave balance of more than twenty-two days may request
37 that the head of the agency for which the employee works transfer a
38 specified amount of sick leave to another employee authorized to

1 receive leave under subsection (1) of this section. In no event may
2 such an employee request a transfer that would result in his or her
3 sick leave account going below twenty-two days. Transfers of sick
4 leave under this subsection are limited to transfers from employees who
5 do not accrue annual leave. Under this subsection, "sick leave" also
6 includes leave accrued pursuant to RCW 28A.400.300(2) or 28A.310.240(1)
7 with compensation for illness, injury, and emergencies.

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

10 (6) Leave transferred under this section may be transferred from
11 employees of one agency to an employee of the same agency or, with the
12 approval of the heads of both agencies, to an employee of another state
13 agency.

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

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

23 (b) In the case of leave transferred by an employee of one agency
24 to an employee of another agency, the agencies involved shall arrange
25 for the transfer of funds and credit for the appropriate value of
26 leave.

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

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

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

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

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

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

20 (11) The human resources director (~~(of personnel)~~) may adopt rules
21 as necessary to implement subsection (2)(~~(a) through (c)~~) of this
22 section.

23 **Sec. 436.** RCW 41.04.670 and 1993 c 281 s 18 are each amended to
24 read as follows:

25 The (~~Washington personnel resources board~~) office of financial
26 management and other personnel authorities shall each adopt rules
27 applicable to employees under their respective jurisdictions: (1)
28 Establishing appropriate parameters for the program which are
29 consistent with the provisions of RCW 41.04.650 through 41.04.665; (2)
30 providing for equivalent treatment of employees between their
31 respective jurisdictions and allowing transfers of leave in accordance
32 with RCW 41.04.665(5); (3) establishing procedures to ensure that the
33 program does not significantly increase the cost of providing leave;
34 and (4) providing for the administration of the program and providing
35 for maintenance and collection of sufficient information on the program
36 to allow a thorough legislative review.

1 **Sec. 437.** RCW 41.04.680 and 2006 c 356 s 1 are each amended to
2 read as follows:

3 The (~~department of personnel~~) office of financial management and
4 other personnel authorities shall adopt rules or policies governing the
5 accumulation and use of sick leave for state agency and department
6 employees, expressly for the establishment of a plan allowing
7 participating employees to pool sick leave and allowing any sick leave
8 thus pooled to be used by any participating employee who has used all
9 of the sick leave, annual leave, and compensatory leave that has been
10 personally accrued by him or her. Each department or agency of the
11 state may allow employees to participate in a sick leave pool
12 established by the (~~department of personnel~~) office of financial
13 management and other personnel authorities.

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

16 (a) Is counted and converted in the same manner as sick leave under
17 the Washington state leave sharing program as provided in this chapter;
18 and

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

22 (2) The (~~department~~) office of financial management and other
23 personnel authorities, except the personnel authorities for higher
24 education institutions, shall adopt rules which provide:

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

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

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

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

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

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

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

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

9 (i) That an employee who transfers from one position in state
10 government to another position in state government may transfer from
11 one pool to another if the eligibility criteria of the pools are
12 comparable and the administrators of the pools have agreed on a formula
13 for transfer of credits;

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

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

21 (l) That each department or agency shall maintain accurate and
22 reliable records showing the amount of sick leave which has been
23 accumulated and is unused by employees, in accordance with guidelines
24 established by the department of personnel.

25 (3) Personnel authorities for higher education institutions shall
26 adopt policies consistent with the needs of the employees under their
27 respective jurisdictions.

28 **Sec. 438.** RCW 41.04.685 and 2007 c 25 s 1 are each amended to read
29 as follows:

30 (1) The uniformed service shared leave pool is created to allow
31 employees to donate leave to be used as shared leave for any employee
32 who has been called to service in the uniformed services and who meets
33 the requirements of RCW 41.04.665. Participation in the pool shall, at
34 all times, be voluntary on the part of the employee. The military
35 department, in consultation with the (~~department of personnel and~~
36 ~~the~~) office of financial management, shall administer the uniformed
37 service shared leave pool.

1 (2) Employees as defined in subsection (10) of this section who are
2 eligible to donate leave under RCW 41.04.665 may donate leave to the
3 uniformed service shared leave pool.

4 (3) An employee as defined in subsection (10) of this section who
5 has been called to service in the uniformed services and is eligible
6 for shared leave under RCW 41.04.665 may request shared leave from the
7 uniformed service shared leave pool.

8 (4) It shall be the responsibility of the employee who has been
9 called to service to provide an earnings statement verifying military
10 salary, orders of service, and notification of a change in orders of
11 service or military salary.

12 (5) Shared leave under this section may not be granted unless the
13 pool has a sufficient balance to fund the requested shared leave for
14 the expected term of service.

15 (6) Shared leave paid under this section, in combination with
16 military salary, shall not exceed the level of the employee's state
17 monthly salary.

18 (7) Any leave donated shall be removed from the personally
19 accumulated leave balance of the employee donating the leave.

20 (8) An employee who receives shared leave from the pool is not
21 required to recontribute such leave to the pool, except as otherwise
22 provided in this section.

23 (9) Leave that may be donated or received by any one employee shall
24 be calculated as in RCW 41.04.665.

25 (10) As used in this section:

26 (a) "Employee" has the meaning provided in RCW 41.04.655, except
27 that "employee" as used in this section does not include employees of
28 school districts and educational service districts.

29 (b) "Service in the uniformed services" has the meaning provided in
30 RCW 41.04.655.

31 (c) "Military salary" includes base, specialty, and other pay, but
32 does not include allowances such as the basic allowance for housing.

33 (d) "Monthly salary" includes monthly salary and special pay and
34 shift differential, or the monthly equivalent for hourly employees.
35 "Monthly salary" does not include:

36 (i) Overtime pay;

37 (ii) Call back pay;

38 (iii) Standby pay; or

1 (iv) Performance bonuses.

2 (11) The (~~department of personnel~~) office of financial
3 management, in consultation with the military department (~~and the~~
4 ~~office of financial management~~), shall adopt rules and policies
5 governing the donation and use of shared leave from the uniformed
6 service shared leave pool, including definitions of pay and allowances
7 and guidelines for agencies to use in recordkeeping concerning shared
8 leave.

9 (12) Agencies shall investigate any alleged abuse of the uniformed
10 service shared leave pool and on a finding of wrongdoing, the employee
11 may be required to repay all of the shared leave received from the
12 uniformed service shared leave pool.

13 (13) Higher education institutions shall adopt policies consistent
14 with the needs of the employees under their respective jurisdictions.

15 **Sec. 439.** RCW 41.04.720 and 1990 c 60 s 303 are each amended to
16 read as follows:

17 The director of (~~human resources~~) enterprise services shall:

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

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

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

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

27 (5) Assist and encourage supervisors to identify and refer
28 employees with problems that impair their performance by incorporating
29 proper use of the program in management training, management
30 performance criteria, ongoing communication with agencies, and other
31 appropriate means;

32 (6) Offer substance abuse prevention and awareness activities to be
33 provided through the employee assistance program and the state employee
34 wellness program;

35 (7) Monitor and evaluate the effectiveness of the program,
36 including the collection, analysis, and publication of relevant
37 statistical information; and

1 (8) Consult with state agencies, institutions of higher education,
2 and employee organizations in carrying out the purposes of RCW
3 41.04.700 through 41.04.730.

4 **Sec. 440.** RCW 41.04.770 and 1997 c 287 s 4 are each amended to
5 read as follows:

6 The department of social and health services and the department of
7 ~~((personnel))~~ enterprise services shall, after consultation with
8 supported employment provider associations and other interested
9 parties, encourage, educate, and assist state agencies in implementing
10 supported employment programs. The department of ~~((personnel))~~
11 enterprise services shall provide human resources technical assistance
12 to agencies implementing supported employment programs. ~~((The
13 department of personnel shall make available, upon request of the
14 legislature, an annual report that evaluates the overall progress of
15 supported employment in state government.))~~

16 **Sec. 441.** RCW 41.07.020 and 1979 c 151 s 62 are each amended to
17 read as follows:

18 The department of ~~((personnel))~~ enterprise services is authorized
19 to administer, maintain, and operate the central personnel-payroll
20 system and to provide its services for any state agency designated
21 jointly by the director of the department of ~~((personnel))~~ enterprise
22 services and the director of financial management.

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

33 **Sec. 442.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each
34 amended to read as follows:

35 The costs of administering, maintaining, and operating the central

1 personnel-payroll system shall be distributed to the using state
2 agencies. In order to insure proper and equitable distribution of
3 costs the department of (~~personnel~~) enterprise services shall utilize
4 cost accounting procedures to identify all costs incurred in the
5 administration, maintenance, and operation of the central personnel-
6 payroll system. In order to facilitate proper and equitable
7 distribution of costs to the using state agencies the department of
8 (~~personnel~~) enterprise services is authorized to utilize the data
9 processing revolving fund created by RCW 43.105.080 (as recodified by
10 this act) and the (~~department of~~) personnel service fund created by
11 RCW 41.06.280.

12 **Sec. 443.** RCW 41.60.015 and 2000 c 139 s 1 are each amended to
13 read as follows:

14 (1) There is hereby created the productivity board, which may also
15 be known as the employee involvement and recognition board. The board
16 shall administer the employee suggestion program and the teamwork
17 incentive program under this chapter.

18 (2) The board shall be composed of:

19 (a) The secretary of state who shall act as chairperson;

20 (b) (~~The director of personnel appointed under the provisions of~~
21 ~~RCW 41.06.130 or the director's designee;~~

22 ~~(c)~~) The director of financial management or the director's
23 designee;

24 (~~(d)~~) (c) The director of (~~general administration~~) enterprise
25 services or the director's designee;

26 (~~(e)~~) (d) Three persons with experience in administering
27 incentives such as those used by industry, with the governor,
28 lieutenant governor, and speaker of the house of representatives each
29 appointing one person. The governor's appointee shall be a
30 representative of an employee organization certified as an exclusive
31 representative of at least one bargaining unit of classified employees;

32 (~~(f)~~) (e) Two persons representing state agencies and
33 institutions with employees subject to chapter 41.06 RCW, and one
34 person representing those subject to chapter 28B.16 RCW, both appointed
35 by the governor; and

36 (~~(g)~~) (f) In addition, the governor and board chairperson may

1 jointly appoint persons to the board on an ad hoc basis. Ad hoc
2 members shall serve in an advisory capacity and shall not have the
3 right to vote.

4 Members under subsection (2)((+e+))(d) and ((+f+)) (e) of this
5 section shall be appointed to serve three-year terms.

6 Members of the board appointed pursuant to subsection (2)((+e+))(d)
7 of this section may be compensated in accordance with RCW 43.03.240.
8 Any board member who is not a state employee may be reimbursed for
9 travel expenses under RCW 43.03.050 and 43.03.060.

10 **Sec. 444.** RCW 41.80.005 and 2002 c 354 s 321 are each amended to
11 read as follows:

12 Unless the context clearly requires otherwise, the definitions in
13 this section apply throughout this chapter.

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

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

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

24 (4) "Confidential employee" means an employee who, in the regular
25 course of his or her duties, assists in a confidential capacity persons
26 who formulate, determine, and effectuate management policies with
27 regard to labor relations or who, in the regular course of his or her
28 duties, has authorized access to information relating to the
29 effectuation or review of the employer's collective bargaining
30 policies, or who assists or aids a manager. "Confidential employee"
31 also includes employees who assist assistant attorneys general who
32 advise and represent managers or confidential employees in personnel or
33 labor relations matters, or who advise or represent the state in tort
34 actions.

35 (5) "Director" means the director of the public employment
36 relations commission.

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

4 (a) Employees covered for collective bargaining by chapter 41.56
5 RCW;

6 (b) Confidential employees;

7 (c) Members of the Washington management service;

8 (d) Internal auditors in any agency; or

9 (e) Any employee of the commission, the office of financial
10 management, (~~or the department of personnel~~) or the office of risk
11 management within the department of enterprise services.

12 (7) "Employee organization" means any organization, union, or
13 association in which employees participate and that exists for the
14 purpose, in whole or in part, of collective bargaining with employers.

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

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

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

23 (11) "Labor dispute" means any controversy concerning terms,
24 tenure, or conditions of employment, or concerning the association or
25 representation of persons in negotiating, fixing, maintaining,
26 changing, or seeking to arrange terms or conditions of employment with
27 respect to the subjects of bargaining provided in this chapter,
28 regardless of whether the disputants stand in the proximate relation of
29 employer and employee.

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

31 (13) "Supervisor" means an employee who has authority, in the
32 interest of the employer, to hire, transfer, suspend, lay off, recall,
33 promote, discharge, direct, reward, or discipline employees, or to
34 adjust employee grievances, or effectively to recommend such action, if
35 the exercise of the authority is not of a merely routine nature but
36 requires the consistent exercise of individual judgment. However, no
37 employee who is a member of the Washington management service may be

1 included in a collective bargaining unit established under this
2 section.

3 (14) "Unfair labor practice" means any unfair labor practice listed
4 in RCW 41.80.110.

5 **Sec. 445.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to
6 read as follows:

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

11 (2) The employer is not required to bargain over matters pertaining
12 to:

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

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

16 (c) Rules of the human resources director (~~(of personnel)~~), the
17 director of enterprise services, or the Washington personnel resources
18 board adopted under (~~(section 203, chapter 354, Laws of 2002)~~) section
19 411 of this act.

20 (3) Matters subject to bargaining include the number of names to be
21 certified for vacancies, promotional preferences, and the dollar amount
22 expended on behalf of each employee for health care benefits. However,
23 except as provided otherwise in this subsection for institutions of
24 higher education, negotiations regarding the number of names to be
25 certified for vacancies, promotional preferences, and the dollar amount
26 expended on behalf of each employee for health care benefits shall be
27 conducted between the employer and one coalition of all the exclusive
28 bargaining representatives subject to this chapter. The exclusive
29 bargaining representatives for employees that are subject to chapter
30 47.64 RCW shall bargain the dollar amount expended on behalf of each
31 employee for health care benefits with the employer as part of the
32 coalition under this subsection. Any such provision agreed to by the
33 employer and the coalition shall be included in all master collective
34 bargaining agreements negotiated by the parties. For institutions of
35 higher education, promotional preferences and the number of names to be
36 certified for vacancies shall be bargained under the provisions of RCW
37 41.80.010(4).

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

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

10 (6) Except as otherwise provided in this chapter, if a conflict
11 exists between an executive order, administrative rule, or agency
12 policy relating to wages, hours, and terms and conditions of employment
13 and a collective bargaining agreement negotiated under this chapter,
14 the collective bargaining agreement shall prevail. A provision of a
15 collective bargaining agreement that conflicts with the terms of a
16 statute is invalid and unenforceable.

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

19 **Sec. 446.** RCW 42.16.010 and 2008 c 186 s 1 are each amended to
20 read as follows:

21 (1) Except as provided otherwise in subsections (2) and (3) of this
22 section, all state officers and employees shall be paid for services
23 rendered from the first day of the month through the fifteenth day of
24 the month and for services rendered from the sixteenth day of the month
25 through the last calendar day of the month. Paydates for these two pay
26 periods shall be established by the director of financial management
27 through the administrative hearing process and the official paydates
28 shall be established six months prior to the beginning of each
29 subsequent calendar year. Under no circumstance shall the paydate be
30 established more than ten days after the pay period in which the wages
31 are earned except when the designated paydate falls on Sunday, in which
32 case the paydate shall not be later than the following Monday. Payment
33 shall be deemed to have been made by the established paydates if: (a)
34 The salary warrant is available at the geographic work location at
35 which the warrant is normally available to the employee; or (b) the
36 salary has been electronically transferred into the employee's account
37 at the employee's designated financial institution; or (c) the salary

1 warrants are mailed at least two days before the established paydaye
2 for those employees engaged in work in remote or varying locations from
3 the geographic location at which the payroll is prepared, provided that
4 the employee has requested payment by mail.

5 The office of financial management shall develop the necessary
6 policies and operating procedures to assure that all remuneration for
7 services rendered including basic salary, shift differential, standby
8 pay, overtime, penalty pay, salary due based on contractual agreements,
9 and special pay provisions, as provided for by law, (~~Washington~~
10 ~~personnel resources board rules,~~) agency policy or rule, or contract,
11 shall be available to the employee on the designated paydaye.
12 Overtime, penalty pay, and special pay provisions may be paid by the
13 next following paydaye if the postponement of payment is attributable
14 to: The employee's not making a timely or accurate report of the facts
15 which are the basis for the payment, or the employer's lack of
16 reasonable opportunity to verify the claim.

17 Compensable benefits payable because of separation from state
18 service shall be paid with the earnings for the final period worked
19 unless the employee separating has not provided the agency with the
20 proper notification of intent to terminate.

21 One-half of the employee's basic monthly salary shall be paid in
22 each pay period. Employees paid on an hourly basis or employees who
23 work less than a full pay period shall be paid for actual salary
24 earned.

25 (2) Subsection (1) of this section shall not apply in instances
26 where it would conflict with contractual rights or, with the approval
27 of the office of financial management, to short-term, intermittent,
28 noncareer state employees, to student employees of institutions of
29 higher education, to national or state guard members participating in
30 state active duty, and to liquor control agency managers who are paid
31 a percentage of monthly liquor sales.

32 (3) When a national or state guard member is called to participate
33 in state active duty, the paydaye shall be no more than seven days
34 following completion of duty or the end of the pay period, whichever is
35 first. When the seventh day falls on Sunday, the paydaye shall not be
36 later than the following Monday. This subsection shall apply only to
37 the pay a national or state guard member receives from the military
38 department for state active duty.

1 (4) Notwithstanding subsections (1) and (2) of this section, a
2 bargained contract at an institution of higher education may include a
3 provision for paying part-time academic employees on a pay schedule
4 that coincides with all the paydays used for full-time academic
5 employees.

6 **Sec. 447.** RCW 42.17.370 and 2010 1st sp.s. c 7 s 4 are each
7 amended to read as follows:

8 The commission is empowered to:

9 (1) Adopt, promulgate, amend, and rescind suitable administrative
10 rules to carry out the policies and purposes of this chapter, which
11 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
12 campaign finance, political advertising, or related forms that would
13 otherwise take effect after June 30th of a general election year shall
14 take effect no earlier than the day following the general election in
15 that year;

16 (2) Appoint and set, within the limits established by the
17 (~~department of personnel~~) office of financial management under RCW
18 43.03.028, the compensation of an executive director who shall perform
19 such duties and have such powers as the commission may prescribe and
20 delegate to implement and enforce this chapter efficiently and
21 effectively. The commission shall not delegate its authority to adopt,
22 amend, or rescind rules nor shall it delegate authority to determine
23 whether an actual violation of this chapter has occurred or to assess
24 penalties for such violations;

25 (3) Prepare and publish such reports and technical studies as in
26 its judgment will tend to promote the purposes of this chapter,
27 including reports and statistics concerning campaign financing,
28 lobbying, financial interests of elected officials, and enforcement of
29 this chapter;

30 (4) Make from time to time, on its own motion, audits and field
31 investigations;

32 (5) Make public the time and date of any formal hearing set to
33 determine whether a violation has occurred, the question or questions
34 to be considered, and the results thereof;

35 (6) Administer oaths and affirmations, issue subpoenas, and compel
36 attendance, take evidence and require the production of any books,

1 papers, correspondence, memorandums, or other records relevant or
2 material for the purpose of any investigation authorized under this
3 chapter, or any other proceeding under this chapter;

4 (7) Adopt and promulgate a code of fair campaign practices;

5 (8) Relieve, by rule, candidates or political committees of
6 obligations to comply with the provisions of this chapter relating to
7 election campaigns, if they have not received contributions nor made
8 expenditures in connection with any election campaign of more than one
9 thousand dollars;

10 (9) Adopt rules prescribing reasonable requirements for keeping
11 accounts of and reporting on a quarterly basis costs incurred by state
12 agencies, counties, cities, and other municipalities and political
13 subdivisions in preparing, publishing, and distributing legislative
14 information. The term "legislative information," for the purposes of
15 this subsection, means books, pamphlets, reports, and other materials
16 prepared, published, or distributed at substantial cost, a substantial
17 purpose of which is to influence the passage or defeat of any
18 legislation. The state auditor in his or her regular examination of
19 each agency under chapter 43.09 RCW shall review the rules, accounts,
20 and reports and make appropriate findings, comments, and
21 recommendations in his or her examination reports concerning those
22 agencies;

23 (10) After hearing, by order approved and ratified by a majority of
24 the membership of the commission, suspend or modify any of the
25 reporting requirements of this chapter in a particular case if it finds
26 that literal application of this chapter works a manifestly
27 unreasonable hardship and if it also finds that the suspension or
28 modification will not frustrate the purposes of the chapter. The
29 commission shall find that a manifestly unreasonable hardship exists if
30 reporting the name of an entity required to be reported under RCW
31 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
32 position of any entity in which the person filing the report or any
33 member of his or her immediate family holds any office, directorship,
34 general partnership interest, or an ownership interest of ten percent
35 or more. Any suspension or modification shall be only to the extent
36 necessary to substantially relieve the hardship. The commission shall
37 act to suspend or modify any reporting requirements only if it
38 determines that facts exist that are clear and convincing proof of the

1 findings required under this section. Requests for renewals of
2 reporting modifications may be heard in a brief adjudicative proceeding
3 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
4 the standards established in this section. No initial request may be
5 heard in a brief adjudicative proceeding and no request for renewal may
6 be heard in a brief adjudicative proceeding if the initial request was
7 granted more than three years previously or if the applicant is holding
8 an office or position of employment different from the office or
9 position held when the initial request was granted. The commission
10 shall adopt administrative rules governing the proceedings. Any
11 citizen has standing to bring an action in Thurston county superior
12 court to contest the propriety of any order entered under this section
13 within one year from the date of the entry of the order; ((and))

14 (11) Revise, at least once every five years but no more often than
15 every two years, the monetary reporting thresholds and reporting code
16 values of this chapter. The revisions shall be only for the purpose of
17 recognizing economic changes as reflected by an inflationary index
18 recommended by the office of financial management. The revisions shall
19 be guided by the change in the index for the period commencing with the
20 month of December preceding the last revision and concluding with the
21 month of December preceding the month the revision is adopted. As to
22 each of the three general categories of this chapter (reports of
23 campaign finance, reports of lobbyist activity, and reports of the
24 financial affairs of elected and appointed officials), the revisions
25 shall equally affect all thresholds within each category. Revisions
26 shall be adopted as rules under chapter 34.05 RCW. The first revision
27 authorized by this subsection shall reflect economic changes from the
28 time of the last legislative enactment affecting the respective code or
29 threshold through December 1985; and

30 (12) Develop and provide to filers a system for certification of
31 reports required under this chapter which are transmitted by facsimile
32 or electronically to the commission. Implementation of the program is
33 contingent on the availability of funds.

34 **Sec. 448.** RCW 42.17A.110 and 2010 1st sp.s. c 7 s 4 and 2010 c 204
35 s 303 are each reenacted and amended to read as follows:

36 The commission is empowered to:

1 (1) Adopt, promulgate, amend, and rescind suitable administrative
2 rules to carry out the policies and purposes of this chapter, which
3 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
4 campaign finance, political advertising, or related forms that would
5 otherwise take effect after June 30th of a general election year shall
6 take effect no earlier than the day following the general election in
7 that year;

8 (2) Appoint and set, within the limits established by the
9 (~~committee on agency officials' salaries~~) office of financial
10 management under RCW 43.03.028, the compensation of an executive
11 director who shall perform such duties and have such powers as the
12 commission may prescribe and delegate to implement and enforce this
13 chapter efficiently and effectively. The commission shall not delegate
14 its authority to adopt, amend, or rescind rules nor shall it delegate
15 authority to determine whether an actual violation of this chapter has
16 occurred or to assess penalties for such violations;

17 (3) Prepare and publish such reports and technical studies as in
18 its judgment will tend to promote the purposes of this chapter,
19 including reports and statistics concerning campaign financing,
20 lobbying, financial interests of elected officials, and enforcement of
21 this chapter;

22 (4) Make from time to time, on its own motion, audits and field
23 investigations;

24 (5) Make public the time and date of any formal hearing set to
25 determine whether a violation has occurred, the question or questions
26 to be considered, and the results thereof;

27 (6) Administer oaths and affirmations, issue subpoenas, and compel
28 attendance, take evidence and require the production of any books,
29 papers, correspondence, memorandums, or other records relevant or
30 material for the purpose of any investigation authorized under this
31 chapter, or any other proceeding under this chapter;

32 (7) Adopt and promulgate a code of fair campaign practices;

33 (8) Relieve, by rule, candidates or political committees of
34 obligations to comply with the provisions of this chapter relating to
35 election campaigns, if they have not received contributions nor made
36 expenditures in connection with any election campaign of more than one
37 thousand dollars;

1 (9) Adopt rules prescribing reasonable requirements for keeping
2 accounts of and reporting on a quarterly basis costs incurred by state
3 agencies, counties, cities, and other municipalities and political
4 subdivisions in preparing, publishing, and distributing legislative
5 information. The term "legislative information," for the purposes of
6 this subsection, means books, pamphlets, reports, and other materials
7 prepared, published, or distributed at substantial cost, a substantial
8 purpose of which is to influence the passage or defeat of any
9 legislation. The state auditor in his or her regular examination of
10 each agency under chapter 43.09 RCW shall review the rules, accounts,
11 and reports and make appropriate findings, comments, and
12 recommendations in his or her examination reports concerning those
13 agencies;

14 (10) After hearing, by order approved and ratified by a majority of
15 the membership of the commission, suspend or modify any of the
16 reporting requirements of this chapter in a particular case if it finds
17 that literal application of this chapter works a manifestly
18 unreasonable hardship and if it also finds that the suspension or
19 modification will not frustrate the purposes of the chapter. The
20 commission shall find that a manifestly unreasonable hardship exists if
21 reporting the name of an entity required to be reported under RCW
22 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
23 position of any entity in which the person filing the report or any
24 member of his or her immediate family holds any office, directorship,
25 general partnership interest, or an ownership interest of ten percent
26 or more. Any suspension or modification shall be only to the extent
27 necessary to substantially relieve the hardship. The commission shall
28 act to suspend or modify any reporting requirements only if it
29 determines that facts exist that are clear and convincing proof of the
30 findings required under this section. Requests for renewals of
31 reporting modifications may be heard in a brief adjudicative proceeding
32 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
33 the standards established in this section. No initial request may be
34 heard in a brief adjudicative proceeding and no request for renewal may
35 be heard in a brief adjudicative proceeding if the initial request was
36 granted more than three years previously or if the applicant is holding
37 an office or position of employment different from the office or
38 position held when the initial request was granted. The commission

1 shall adopt administrative rules governing the proceedings. Any
2 citizen has standing to bring an action in Thurston county superior
3 court to contest the propriety of any order entered under this section
4 within one year from the date of the entry of the order; and

5 (11) Revise, at least once every five years but no more often than
6 every two years, the monetary reporting thresholds and reporting code
7 values of this chapter. The revisions shall be only for the purpose of
8 recognizing economic changes as reflected by an inflationary index
9 recommended by the office of financial management. The revisions shall
10 be guided by the change in the index for the period commencing with the
11 month of December preceding the last revision and concluding with the
12 month of December preceding the month the revision is adopted. As to
13 each of the three general categories of this chapter (reports of
14 campaign finance, reports of lobbyist activity, and reports of the
15 financial affairs of elected and appointed officials), the revisions
16 shall equally affect all thresholds within each category. Revisions
17 shall be adopted as rules under chapter 34.05 RCW. The first revision
18 authorized by this subsection shall reflect economic changes from the
19 time of the last legislative enactment affecting the respective code or
20 threshold through December 1985;

21 (12) Develop and provide to filers a system for certification of
22 reports required under this chapter which are transmitted by facsimile
23 or electronically to the commission. Implementation of the program is
24 contingent on the availability of funds.

25 **Sec. 449.** RCW 43.01.040 and 2009 c 549 s 5001 are each amended to
26 read as follows:

27 Each subordinate officer and employee of the several offices,
28 departments, and institutions of the state government shall be entitled
29 under their contract of employment with the state government to not
30 less than one working day of vacation leave with full pay for each
31 month of employment if said employment is continuous for six months.

32 Each such subordinate officer and employee shall be entitled under
33 such contract of employment to not less than one additional working day
34 of vacation with full pay each year for satisfactorily completing the
35 first two, three and five continuous years of employment respectively.

36 Such part time officers or employees of the state government who
37 are employed on a regular schedule of duration of not less than one

1 year shall be entitled under their contract of employment to that
2 fractional part of the vacation leave that the total number of hours of
3 such employment bears to the total number of hours of full time
4 employment.

5 Each subordinate officer and employee of the several offices,
6 departments and institutions of the state government shall be entitled
7 under his or her contract of employment with the state government to
8 accrue unused vacation leave not to exceed thirty working days.
9 Officers and employees transferring within the several offices,
10 departments and institutions of the state government shall be entitled
11 to transfer such accrued vacation leave to each succeeding state
12 office, department or institution. All vacation leave shall be taken
13 at the time convenient to the employing office, department or
14 institution: PROVIDED, That if a subordinate officer's or employee's
15 request for vacation leave is deferred by reason of the convenience of
16 the employing office, department or institution, and a statement of the
17 necessity therefor is (~~filed by such employing office, department or~~
18 ~~institution with the appropriate personnel board or other state agency~~
19 ~~or officer~~) retained by the agency, then the aforesaid maximum thirty
20 working days of accrued unused vacation leave shall be extended for
21 each month said leave is so deferred.

22 **Sec. 450.** RCW 43.01.135 and 2007 c 76 s 2 are each amended to read
23 as follows:

24 Agencies as defined in RCW 41.06.020, except for institutions of
25 higher education, shall:

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

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

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

32 (c) Identifies appropriate sanctions and disciplinary actions; and

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

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

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

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

5 (5) Report to the department of (~~personnel~~) enterprise services
6 on compliance with this section.

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

9 **Sec. 451.** RCW 43.03.028 and 2010 1st sp.s. c 7 s 2 are each
10 amended to read as follows:

11 (1) The (~~department of personnel~~) office of financial management
12 shall study the duties and salaries of the directors of the several
13 departments and the members of the several boards and commissions of
14 state government, who are subject to appointment by the governor or
15 whose salaries are fixed by the governor, and of the chief executive
16 officers of the following agencies of state government:

17 The arts commission; the human rights commission; the board of
18 accountancy; (~~the board of pharmacy~~) the eastern Washington
19 historical society; the Washington state historical society; the
20 recreation and conservation office; the criminal justice training
21 commission; (~~the department of personnel; the state library~~) the
22 traffic safety commission; the horse racing commission; (~~the advisory~~
23 ~~council on vocational education~~) the public disclosure commission;
24 the state conservation commission; the commission on Hispanic affairs;
25 the commission on Asian Pacific American affairs; the state board for
26 volunteer firefighters and reserve officers; the transportation
27 improvement board; the public employment relations commission; (~~the~~
28 ~~forest practices appeals board~~) and the energy facilities site
29 evaluation council.

30 (2) The (~~department of personnel~~) office of financial management
31 shall report to the governor or the chairperson of the appropriate
32 salary fixing authority at least once in each fiscal biennium on such
33 date as the governor may designate, but not later than seventy-five
34 days prior to the convening of each regular session of the legislature
35 during an odd-numbered year, its recommendations for the salaries to be
36 fixed for each position.

1 **Sec. 452.** RCW 43.03.120 and 2009 c 549 s 5009 are each amended to
2 read as follows:

3 Any state office, commission, department or institution may also
4 pay the moving expenses of a new employee, necessitated by his or her
5 acceptance of state employment, pursuant to mutual agreement with such
6 employee in advance of his or her employment(~~(:—PROVIDED, That if such~~
7 ~~employee is in the classified service as defined in chapter 41.06 RCW,~~
8 ~~that said employee has been duly certified from an eligible register.~~
9 ~~No such offer or agreement for such payment shall be made to a~~
10 ~~prospective member of the classified service, prior to such~~
11 ~~certification, except through appropriate public announcement by the~~
12 ~~department of personnel, or other corresponding personnel agency as~~
13 ~~provided by chapter 41.06 RCW)).~~ Payment for all expenses authorized
14 by RCW 43.03.060, 43.03.110 through 43.03.210 including moving expenses
15 of new employees, exempt or classified, and others, shall be subject to
16 reasonable (~~(regulations promulgated)~~) rules adopted by the director of
17 financial management, including regulations defining allowable moving
18 costs: PROVIDED, That, if the new employee terminates or causes
19 termination of his or her employment with the state within one year of
20 the date of employment, the state shall be entitled to reimbursement
21 for the moving costs which have been paid and may withhold such sum as
22 necessary therefor from any amounts due the employee.

23 **Sec. 453.** RCW 43.03.130 and 2000 c 153 s 1 are each amended to
24 read as follows:

25 Any state office, commission, department or institution may agree
26 to pay the travel expenses of a prospective employee as an inducement
27 for such applicant to travel to a designated place to be interviewed by
28 and for the convenience of such agency(~~(:—PROVIDED, That if such~~
29 ~~employment is to be in the classified service, such offer may be made~~
30 ~~only on the express authorization of the state department of personnel,~~
31 ~~or other corresponding personnel agency as provided by chapter 41.06~~
32 ~~RCW, to applicants reporting for a merit system examination or to~~
33 ~~applicants from an eligible register reporting for a pre-employment~~
34 ~~interview)).~~ Travel expenses authorized for prospective employees
35 called for interviews shall be payable at rates in accordance with RCW
36 43.03.050 and 43.03.060 as now existing or hereafter amended. When an
37 applicant is called to be interviewed by or on behalf of more than one

1 agency, the authorized travel expenses may be paid directly by the
2 authorizing personnel department or agency, subject to reimbursement
3 from the interviewing agencies on a pro rata basis.

4 In the case of both classified and exempt positions, such travel
5 expenses will be paid only for applicants being considered for the
6 positions of director, deputy director, assistant director, or
7 supervisor of state departments, boards or commissions; or equivalent
8 or higher positions; or engineers, or other personnel having both
9 executive and professional status. In the case of the state investment
10 board, such travel expenses may also be paid for applicants being
11 considered for investment officer positions. In the case of four-year
12 institutions of higher education, such travel expenses will be paid
13 only for applicants being considered for academic positions above the
14 rank of instructor or professional or administrative employees in
15 supervisory positions. In the case of community and technical
16 colleges, such travel expenses may be paid for applicants being
17 considered for full-time faculty positions or administrative employees
18 in supervisory positions.

19 **Sec. 454.** RCW 43.06.013 and 2006 c 45 s 1 are each amended to read
20 as follows:

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

34 **Sec. 455.** RCW 43.06.410 and 1993 c 281 s 47 are each amended to
35 read as follows:

36 There is established within the office of the governor the

1 Washington state internship program to assist students and state
2 employees in gaining valuable experience and knowledge in various areas
3 of state government. In administering the program, the governor shall:

4 (1) Consult with the secretary of state, the director of
5 (~~personnel~~) enterprise services, the commissioner of the employment
6 security department, and representatives of labor;

7 (2) Encourage and assist agencies in developing intern positions;

8 (3) Develop and coordinate a selection process for placing
9 individuals in intern positions. This selection process shall give due
10 regard to the responsibilities of the state to provide equal employment
11 opportunities;

12 (4) Develop and coordinate a training component of the internship
13 program which balances the need for training and exposure to new ideas
14 with the intern's and agency's need for on-the-job work experience;

15 (5) Work with institutions of higher education in developing the
16 program, soliciting qualified applicants, and selecting participants;
17 and

18 (6) Develop guidelines for compensation of the participants.

19 **Sec. 456.** RCW 43.06.425 and 2002 c 354 s 229 are each amended to
20 read as follows:

21 The director of (~~personnel~~) financial management or the
22 director's designee shall adopt rules to provide that:

23 (1) Successful completion of an internship under RCW 43.06.420
24 shall be considered as employment experience at the level at which the
25 intern was placed;

26 (2) Persons leaving classified or exempt positions in state
27 government in order to take an internship under RCW 43.06.420: (a)
28 Have the right of reversion to the previous position at any time during
29 the internship or upon completion of the internship; and (b) shall
30 continue to receive all fringe benefits as if they had never left their
31 classified or exempt positions;

32 (3) Participants in the undergraduate internship program who were
33 not public employees prior to accepting a position in the program
34 receive sick leave allowances commensurate with other state employees;

35 (4) Participants in the executive fellows program who were not
36 public employees prior to accepting a position in the program receive

1 sick and vacation leave allowances commensurate with other state
2 employees.

3 **Sec. 457.** RCW 43.33A.100 and 2008 c 236 s 1 are each amended to
4 read as follows:

5 The state investment board shall maintain appropriate offices and
6 employ such personnel as may be necessary to perform its duties.
7 Employment by the investment board shall include but not be limited to
8 an executive director, investment officers, and a confidential
9 secretary, which positions are exempt from classified service under
10 chapter 41.06 RCW. Employment of the executive director by the board
11 shall be for a term of three years, and such employment shall be
12 subject to confirmation of the state finance committee: PROVIDED, That
13 nothing shall prevent the board from dismissing the director for cause
14 before the expiration of the term nor shall anything prohibit the
15 board, with the confirmation of the state finance committee, from
16 employing the same individual as director in succeeding terms.
17 Compensation levels for the executive director, a confidential
18 secretary, and all investment officers, including the deputy director
19 for investment management, employed by the investment board shall be
20 established by the state investment board. The investment board is
21 authorized to maintain a retention pool within the state investment
22 board expense account under RCW 43.33A.160, from the earnings of the
23 funds managed by the board, pursuant to a performance management and
24 compensation program developed by the investment board, in order to
25 address recruitment and retention problems and to reward performance.
26 The compensation levels and incentive compensation for investment
27 officers shall be limited to the average of total compensation provided
28 by state or other public funds of similar size, based upon a biennial
29 survey conducted by the investment board, with review and comment by
30 the joint legislative audit and review committee. However, in any
31 fiscal year the incentive compensation granted by the investment board
32 from the retention pool to investment officers pursuant to this section
33 may not exceed thirty percent. Disbursements from the retention pool
34 shall be from legislative appropriations and shall be on authorization
35 of the board's executive director or the director's designee.

36 The investment board shall provide notice to (~~the director of the~~
37 ~~department of personnel,~~) the director of financial management((~~7~~))

1 and the chairs of the house of representatives and senate fiscal
2 committees of proposed changes to the compensation levels for the
3 positions. The notice shall be provided not less than sixty days prior
4 to the effective date of the proposed changes.

5 As of July 1, 1981, all employees classified under chapter 41.06
6 RCW and engaged in duties assumed by the state investment board on July
7 1, 1981, are assigned to the state investment board. The transfer
8 shall not diminish any rights granted these employees under chapter
9 41.06 RCW nor exempt the employees from any action which may occur
10 thereafter in accordance with chapter 41.06 RCW.

11 All existing contracts and obligations pertaining to the functions
12 transferred to the state investment board in chapter 3, Laws of 1981
13 shall remain in full force and effect, and shall be performed by the
14 board. None of the transfers directed by chapter 3, Laws of 1981 shall
15 affect the validity of any act performed by a state entity or by any
16 official or employee thereof prior to July 1, 1981.

17 **Sec. 458.** RCW 43.130.060 and 1973 2nd ex.s. c 37 s 6 are each
18 amended to read as follows:

19 In order to reimburse the public employees' retirement system for
20 any increased costs occasioned by the provisions of this chapter which
21 affect the retirement system, the ((~~public employees' retirement~~
22 ~~board~~)) director of retirement systems shall, within thirty days of the
23 date upon which any affected employee elects to take advantage of the
24 retirement provisions of this chapter, determine the increased present
25 and future cost to the retirement system of such employee's election.
26 Upon the determination of the amount necessary to offset ((~~said~~)) the
27 increased cost, the ((~~retirement board~~)) director of retirement systems
28 shall bill the department of ((~~personnel~~)) enterprise services for the
29 amount of the increased cost: PROVIDED, That such billing shall not
30 exceed eight hundred sixty-one thousand dollars. Such billing shall be
31 paid by the department as, and the same shall be, a proper charge
32 against any moneys available or appropriated to the department for this
33 purpose.

34 **Sec. 459.** RCW 43.131.090 and 2002 c 354 s 230 are each amended to
35 read as follows:

36 Unless the legislature specifies a shorter period of time, a

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

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

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

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

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

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

29 **Sec. 460.** RCW 48.37.060 and 2008 c 100 s 2 are each amended to
30 read as follows:

31 (1) When the commissioner determines that other market conduct
32 actions identified in RCW 48.37.040(4)(a) have not sufficiently
33 addressed issues raised concerning company activities in Washington
34 state, the commissioner has the discretion to conduct market conduct
35 examinations in accordance with the NAIC market conduct uniform
36 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 not
4 have laws substantially similar to those of this state, or does not
5 have a market oversight system that is comparable to the market conduct
6 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 the
16 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 assist
25 in the examination;
- 26 (h) A time estimate for the examination;
- 27 (i) A budget for the examination if the cost of the examination is
28 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 contained
32 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 of
38 any person to the examination.

1 (b) Within five business days of receiving a request for
2 discretionary review of any alleged conflict of interest in the
3 proposed assignment of any person to a market conduct examination, the
4 commissioner or designee shall notify the insurer of any action
5 regarding the assignment of personnel to a market conduct examination
6 based on the insurer's allegation of conflict of interest.

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

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

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

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

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

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

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

1 insurer, in accordance with procedures in the NAIC market regulation
2 handbook.

3 (12)(a) No later than sixty days after completion of each market
4 conduct examination, the commissioner shall make a full written report
5 of each market conduct examination containing only facts ascertained
6 from the accounts, records, and documents examined and from the sworn
7 testimony of individuals, and such conclusions and recommendations as
8 may reasonably be warranted from such facts.

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

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

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

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

33 (ii) Rejecting the market conduct examination report with
34 directions to the examiners to reopen the examination for purposes of
35 obtaining additional data, documentation, or information, and refileing
36 under this subsection; or

37 (iii) Calling for an investigatory hearing with no less than twenty

1 days' notice to the company for purposes of obtaining additional
2 documentation, data, information, and testimony.

3 (e) All orders entered under (d) of this subsection must be
4 accompanied by findings and conclusions resulting from the
5 commissioner's consideration and review of the market conduct
6 examination report, relevant examiner work papers, and any written
7 submissions or rebuttals. The order is considered a final
8 administrative decision and may be appealed under the administrative
9 procedure act, chapter 34.05 RCW, and must be served upon the company
10 by certified mail or certifiable electronic means, together with a copy
11 of the adopted examination report. A copy of the adopted examination
12 report must be sent by certified mail or certifiable electronic means
13 to each director at the director's residential address or to a personal
14 e-mail account.

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

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

25 (iii) Nothing contained in this subsection requires the
26 commissioner to disclose any information or records that would indicate
27 or show the existence or content of any investigation or activity of a
28 criminal justice agency.

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

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

35 (14)(a) Market conduct examinations within this state of any
36 insurer domiciled or having its home offices in this state, other than
37 a title insurer, made by the commissioner or the commissioner's

1 examiners and employees shall, except as to fees, mileage, and expense
2 incurred as to witnesses, be at the expense of the state.

3 (b) Every other examination, whatsoever, or any part of the market
4 conduct examination of any person domiciled or having its home offices
5 in this state requiring travel and services outside this state, shall
6 be made by the commissioner or by examiners designated by the
7 commissioner and shall be at the expense of the person examined; but a
8 domestic insurer shall not be liable for the compensation of examiners
9 employed by the commissioner for such services outside this state.

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

26 (d)(i) The person examined and liable shall reimburse the state
27 upon presentation of an itemized statement thereof, for the actual
28 travel expenses of the commissioner's examiners, their reasonable
29 living expenses allowance, and their per diem compensation, including
30 salary and the employer's cost of employee benefits, at a reasonable
31 rate approved by the commissioner, incurred on account of the
32 examination. Per diem, salary, and expenses for employees examining
33 insurers domiciled outside the state of Washington shall be established
34 by the commissioner on the basis of the national association of
35 insurance commissioner's recommended salary and expense schedule for
36 zone examiners, or the salary schedule established by the human
37 resources director (~~(of the Washington department of personnel)~~) and
38 the expense schedule established by the office of financial management,

1 whichever is higher. A domestic title insurer shall pay the
2 examination expense and costs to the commissioner as itemized and
3 billed by the commissioner.

4 (ii) The commissioner or the commissioner's examiners shall not
5 receive or accept any additional emolument on account of any
6 examination.

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

11 (e) Nothing contained in this chapter limits the commissioner's
12 authority to terminate or suspend any examination in order to pursue
13 other legal or regulatory action under the insurance laws of this
14 state. Findings of fact and conclusions made pursuant to any
15 examination are prima facie evidence in any legal or regulatory action.

16 (f) The commissioner shall maintain active management and oversight
17 of market conduct examination costs, including costs associated with
18 the commissioner's own examiners, and with retaining qualified contract
19 examiners necessary to perform an examination. Any agreement with a
20 contract examiner shall:

21 (i) Clearly identify the types of functions to be subject to
22 outsourcing;

23 (ii) Provide specific timelines for completion of the outsourced
24 review;

25 (iii) Require disclosure to the insurer of contract examiners'
26 recommendations;

27 (iv) Establish and use a dispute resolution or arbitration
28 mechanism to resolve conflicts with insurers regarding examination
29 fees; and

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

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

36 **Sec. 461.** RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040
37 are each reenacted and amended to read as follows:

1 As used in this chapter:

2 (1) "Director" means the director of labor and industries;

3 (2) "Wage" means compensation due to an employee by reason of
4 employment, payable in legal tender of the United States or checks on
5 banks convertible into cash on demand at full face value, subject to
6 such deductions, charges, or allowances as may be permitted by rules of
7 the director;

8 (3) "Employ" includes to permit to work;

9 (4) "Employer" includes any individual, partnership, association,
10 corporation, business trust, or any person or group of persons acting
11 directly or indirectly in the interest of an employer in relation to an
12 employee;

13 (5) "Employee" includes any individual employed by an employer but
14 shall not include:

15 (a) Any individual (i) employed as a hand harvest laborer and paid
16 on a piece rate basis in an operation which has been, and is generally
17 and customarily recognized as having been, paid on a piece rate basis
18 in the region of employment; (ii) who commutes daily from his or her
19 permanent residence to the farm on which he or she is employed; and
20 (iii) who has been employed in agriculture less than thirteen weeks
21 during the preceding calendar year;

22 (b) Any individual employed in casual labor in or about a private
23 home, unless performed in the course of the employer's trade, business,
24 or profession;

25 (c) Any individual employed in a bona fide executive,
26 administrative, or professional capacity or in the capacity of outside
27 salesperson as those terms are defined and delimited by rules of the
28 director. However, those terms shall be defined and delimited by the
29 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW
30 for employees employed under the director of personnel's jurisdiction;

31 (d) Any individual engaged in the activities of an educational,
32 charitable, religious, state or local governmental body or agency, or
33 nonprofit organization where the employer-employee relationship does
34 not in fact exist or where the services are rendered to such
35 organizations gratuitously. If the individual receives reimbursement
36 in lieu of compensation for normally incurred out-of-pocket expenses or
37 receives a nominal amount of compensation per unit of voluntary service
38 rendered, an employer-employee relationship is deemed not to exist for

1 the purpose of this section or for purposes of membership or
2 qualification in any state, local government, or publicly supported
3 retirement system other than that provided under chapter 41.24 RCW;

4 (e) Any individual employed full time by any state or local
5 governmental body or agency who provides voluntary services but only
6 with regard to the provision of the voluntary services. The voluntary
7 services and any compensation therefor shall not affect or add to
8 qualification, entitlement, or benefit rights under any state, local
9 government, or publicly supported retirement system other than that
10 provided under chapter 41.24 RCW;

11 (f) Any newspaper vendor or carrier;

12 (g) Any carrier subject to regulation by Part 1 of the Interstate
13 Commerce Act;

14 (h) Any individual engaged in forest protection and fire prevention
15 activities;

16 (i) Any individual employed by any charitable institution charged
17 with child care responsibilities engaged primarily in the development
18 of character or citizenship or promoting health or physical fitness or
19 providing or sponsoring recreational opportunities or facilities for
20 young people or members of the armed forces of the United States;

21 (j) Any individual whose duties require that he or she reside or
22 sleep at the place of his or her employment or who otherwise spends a
23 substantial portion of his or her work time subject to call, and not
24 engaged in the performance of active duties;

25 (k) Any resident, inmate, or patient of a state, county, or
26 municipal correctional, detention, treatment or rehabilitative
27 institution;

28 (l) Any individual who holds a public elective or appointive office
29 of the state, any county, city, town, municipal corporation or quasi
30 municipal corporation, political subdivision, or any instrumentality
31 thereof, or any employee of the state legislature;

32 (m) All vessel operating crews of the Washington state ferries
33 operated by the department of transportation;

34 (n) Any individual employed as a seaman on a vessel other than an
35 American vessel;

36 (o) Any farm intern providing his or her services to a small farm
37 which has a special certificate issued under RCW 49.12.465;

1 (6) "Occupation" means any occupation, service, trade, business,
2 industry, or branch or group of industries or employment or class of
3 employment in which employees are gainfully employed;

4 (7) "Retail or service establishment" means an establishment
5 seventy-five percent of whose annual dollar volume of sales of goods or
6 services, or both, is not for resale and is recognized as retail sales
7 or services in the particular industry.

8 **Sec. 462.** RCW 49.46.010 and 2010 c 8 s 12040 are each amended to
9 read as follows:

10 As used in this chapter:

11 (1) "Director" means the director of labor and industries;

12 (2) "Wage" means compensation due to an employee by reason of
13 employment, payable in legal tender of the United States or checks on
14 banks convertible into cash on demand at full face value, subject to
15 such deductions, charges, or allowances as may be permitted by rules of
16 the director;

17 (3) "Employ" includes to permit to work;

18 (4) "Employer" includes any individual, partnership, association,
19 corporation, business trust, or any person or group of persons acting
20 directly or indirectly in the interest of an employer in relation to an
21 employee;

22 (5) "Employee" includes any individual employed by an employer but
23 shall not include:

24 (a) Any individual (i) employed as a hand harvest laborer and paid
25 on a piece rate basis in an operation which has been, and is generally
26 and customarily recognized as having been, paid on a piece rate basis
27 in the region of employment; (ii) who commutes daily from his or her
28 permanent residence to the farm on which he or she is employed; and
29 (iii) who has been employed in agriculture less than thirteen weeks
30 during the preceding calendar year;

31 (b) Any individual employed in casual labor in or about a private
32 home, unless performed in the course of the employer's trade, business,
33 or profession;

34 (c) Any individual employed in a bona fide executive,
35 administrative, or professional capacity or in the capacity of outside
36 salesperson as those terms are defined and delimited by rules of the

1 director. However, those terms shall be defined and delimited by the
2 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW
3 for employees employed under the director of personnel's jurisdiction;

4 (d) Any individual engaged in the activities of an educational,
5 charitable, religious, state or local governmental body or agency, or
6 nonprofit organization where the employer-employee relationship does
7 not in fact exist or where the services are rendered to such
8 organizations gratuitously. If the individual receives reimbursement
9 in lieu of compensation for normally incurred out-of-pocket expenses or
10 receives a nominal amount of compensation per unit of voluntary service
11 rendered, an employer-employee relationship is deemed not to exist for
12 the purpose of this section or for purposes of membership or
13 qualification in any state, local government, or publicly supported
14 retirement system other than that provided under chapter 41.24 RCW;

15 (e) Any individual employed full time by any state or local
16 governmental body or agency who provides voluntary services but only
17 with regard to the provision of the voluntary services. The voluntary
18 services and any compensation therefor shall not affect or add to
19 qualification, entitlement, or benefit rights under any state, local
20 government, or publicly supported retirement system other than that
21 provided under chapter 41.24 RCW;

22 (f) Any newspaper vendor or carrier;

23 (g) Any carrier subject to regulation by Part 1 of the Interstate
24 Commerce Act;

25 (h) Any individual engaged in forest protection and fire prevention
26 activities;

27 (i) Any individual employed by any charitable institution charged
28 with child care responsibilities engaged primarily in the development
29 of character or citizenship or promoting health or physical fitness or
30 providing or sponsoring recreational opportunities or facilities for
31 young people or members of the armed forces of the United States;

32 (j) Any individual whose duties require that he or she reside or
33 sleep at the place of his or her employment or who otherwise spends a
34 substantial portion of his or her work time subject to call, and not
35 engaged in the performance of active duties;

36 (k) Any resident, inmate, or patient of a state, county, or
37 municipal correctional, detention, treatment or rehabilitative
38 institution;

1 (1) Any individual who holds a public elective or appointive office
2 of the state, any county, city, town, municipal corporation or quasi
3 municipal corporation, political subdivision, or any instrumentality
4 thereof, or any employee of the state legislature;

5 (m) All vessel operating crews of the Washington state ferries
6 operated by the department of transportation;

7 (n) Any individual employed as a seaman on a vessel other than an
8 American vessel;

9 (6) "Occupation" means any occupation, service, trade, business,
10 industry, or branch or group of industries or employment or class of
11 employment in which employees are gainfully employed;

12 (7) "Retail or service establishment" means an establishment
13 seventy-five percent of whose annual dollar volume of sales of goods or
14 services, or both, is not for resale and is recognized as retail sales
15 or services in the particular industry.

16 **Sec. 463.** RCW 49.74.020 and 1993 c 281 s 57 are each amended to
17 read as follows:

18 If the commission reasonably believes that a state agency, an
19 institution of higher education, or the state patrol has failed to
20 comply with an affirmative action rule adopted under RCW 41.06.150 or
21 43.43.340, the commission shall notify the director of the state
22 agency, president of the institution of higher education, or chief of
23 the Washington state patrol of the noncompliance, as well as the human
24 resources director (~~(of personnel)~~). The commission shall give the
25 director of the state agency, president of the institution of higher
26 education, or chief of the Washington state patrol an opportunity to be
27 heard on the failure to comply.

28 **Sec. 464.** RCW 49.74.030 and 2002 c 354 s 246 are each amended to
29 read as follows:

30 The commission in conjunction with the department of (~~personnel~~)
31 enterprise services, the office of financial management, or the state
32 patrol, whichever is appropriate, shall attempt to resolve the
33 noncompliance through conciliation. If an agreement is reached for the
34 elimination of noncompliance, the agreement shall be reduced to writing
35 and an order shall be issued by the commission setting forth the terms
36 of the agreement. The noncomplying state agency, institution of higher

1 education, or state patrol shall make a good faith effort to conciliate
2 and make a full commitment to correct the noncompliance with any action
3 that may be necessary to achieve compliance, provided such action is
4 not inconsistent with the rules adopted under RCW 41.06.150(~~(+6)~~)(5)
5 and 43.43.340(5), whichever is appropriate.

6 **Sec. 465.** RCW 49.90.010 and 2009 c 294 s 5 are each amended to
7 read as follows:

8 (1) Within this section, "sensory disability" means a sensory
9 condition that materially limits, contributes to limiting, or, if not
10 corrected or accommodated, will probably result in limiting an
11 individual's activities or functioning.

12 (2) The (~~department of personnel~~) office of financial management
13 shall adopt rules that authorize state agencies to provide allowances
14 to employees with sensory disabilities who must attend training
15 necessary to attain a new service animal. The employee's absence must
16 be treated in the same manner as that granted to employees who are
17 absent to attend training that supports or improves their job
18 performance, except that the employee shall not be eligible for
19 reimbursement under RCW 43.03.050 or 43.03.060. The (~~department of~~
20 ~~personnel~~) office of financial management shall adopt rules as
21 necessary to implement this chapter.

22 (3) If the necessity to attend training for a new service animal is
23 foreseeable and the training will cause the employee to miss work, the
24 employee shall provide the employer with not less than thirty days'
25 notice, before the date the absence is to begin, of the employee's
26 impending absence. If the date of the training requires the absence to
27 begin in less than thirty days, the employee shall provide notice as is
28 practicable.

29 (4) An agency may require that a request to attend service animal
30 training be supported by a certification issued by the relevant
31 training organization. The employee must provide, in a timely manner,
32 a copy of the certification to the agency. Certification provided
33 under this section is sufficient if it states: (a) The date on which
34 the service animal training session is scheduled to commence; and (b)
35 the session's duration.

1 **Sec. 466.** RCW 50.13.060 and 2008 c 120 s 6 are each amended to
2 read as follows:

3 (1) Governmental agencies, including law enforcement agencies,
4 prosecuting agencies, and the executive branch, whether state, local,
5 or federal shall have access to information or records deemed private
6 and confidential under this chapter if the information or records are
7 needed by the agency for official purposes and:

8 (a) The agency submits an application in writing to the employment
9 security department for the records or information containing a
10 statement of the official purposes for which the information or records
11 are needed and specific identification of the records or information
12 sought from the department; and

13 (b) The director, commissioner, chief executive, or other official
14 of the agency has verified the need for the specific information in
15 writing either on the application or on a separate document; and

16 (c) The agency requesting access has served a copy of the
17 application for records or information on the individual or employing
18 unit whose records or information are sought and has provided the
19 department with proof of service. Service shall be made in a manner
20 which conforms to the civil rules for superior court. The requesting
21 agency shall include with the copy of the application a statement to
22 the effect that the individual or employing unit may contact the public
23 records officer of the employment security department to state any
24 objections to the release of the records or information. The
25 employment security department shall not act upon the application of
26 the requesting agency until at least five days after service on the
27 concerned individual or employing unit. The employment security
28 department shall consider any objections raised by the concerned
29 individual or employing unit in deciding whether the requesting agency
30 needs the information or records for official purposes.

31 (2) The requirements of subsections (1) and (9) of this section
32 shall not apply to the state legislative branch. The state legislature
33 shall have access to information or records deemed private and
34 confidential under this chapter, if the legislature or a legislative
35 committee finds that the information or records are necessary and for
36 official purposes. If the employment security department does not make
37 information or records available as provided in this subsection, the
38 legislature may exercise its authority granted by chapter 44.16 RCW.

1 (3) In cases of emergency the governmental agency requesting access
2 shall not be required to formally comply with the provisions of
3 subsection (1) of this section at the time of the request if the
4 procedures required by subsection (1) of this section are complied with
5 by the requesting agency following the receipt of any records or
6 information deemed private and confidential under this chapter. An
7 emergency is defined as a situation in which irreparable harm or damage
8 could occur if records or information are not released immediately.

9 (4) The requirements of subsection (1)(c) of this section shall not
10 apply to governmental agencies where the procedures would frustrate the
11 investigation of possible violations of criminal laws or to the release
12 of employing unit names, addresses, number of employees, and aggregate
13 employer wage data for the purpose of state governmental agencies
14 preparing small business economic impact statements under chapter 19.85
15 RCW or preparing cost-benefit analyses under RCW 34.05.328(1) (c) and
16 (d). Information provided by the department and held to be private and
17 confidential under state or federal laws must not be misused or
18 released to unauthorized parties. A person who misuses such
19 information or releases such information to unauthorized parties is
20 subject to the sanctions in RCW 50.13.080.

21 (5) Governmental agencies shall have access to certain records or
22 information, limited to such items as names, addresses, social security
23 numbers, and general information about benefit entitlement or employer
24 information possessed by the department, for comparison purposes with
25 records or information possessed by the requesting agency to detect
26 improper or fraudulent claims, or to determine potential tax liability
27 or employer compliance with registration and licensing requirements.
28 In those cases the governmental agency shall not be required to comply
29 with subsection (1)(c) of this section, but the requirements of the
30 remainder of subsection (1) of this section must be satisfied.

31 (6) Governmental agencies may have access to certain records and
32 information, limited to employer information possessed by the
33 department for purposes authorized in chapter 50.38 RCW. Access to
34 these records and information is limited to only those individuals
35 conducting authorized statistical analysis, research, and evaluation
36 studies. Only in cases consistent with the purposes of chapter 50.38
37 RCW are government agencies not required to comply with subsection
38 (1)(c) of this section, but the requirements of the remainder of

1 subsection (1) of this section must be satisfied. Information provided
2 by the department and held to be private and confidential under state
3 or federal laws shall not be misused or released to unauthorized
4 parties subject to the sanctions in RCW 50.13.080.

5 (7) Disclosure to governmental agencies of information or records
6 obtained by the employment security department from the federal
7 government shall be governed by any applicable federal law or any
8 agreement between the federal government and the employment security
9 department where so required by federal law. When federal law does not
10 apply to the records or information state law shall control.

11 (8) The department may provide information for purposes of
12 statistical analysis and evaluation of the WorkFirst program or any
13 successor state welfare program to the department of social and health
14 services, the office of financial management, and other governmental
15 entities with oversight or evaluation responsibilities for the program
16 in accordance with RCW 43.20A.080. The confidential information
17 provided by the department shall remain the property of the department
18 and may be used by the authorized requesting agencies only for
19 statistical analysis, research, and evaluation purposes as provided in
20 RCW 74.08A.410 and 74.08A.420. The department of social and health
21 services, the office of financial management, or other governmental
22 entities with oversight or evaluation responsibilities for the program
23 are not required to comply with subsection (1)(c) of this section, but
24 the requirements of the remainder of subsection (1) of this section and
25 applicable federal laws and regulations must be satisfied. The
26 confidential information used for evaluation and analysis of welfare
27 reform supplied to the authorized requesting entities with regard to
28 the WorkFirst program or any successor state welfare program are exempt
29 from public inspection and copying under chapter 42.56 RCW.

30 (9) The disclosure of any records or information by a governmental
31 agency which has obtained the records or information under this section
32 is prohibited unless the disclosure is (a) directly connected to the
33 official purpose for which the records or information were obtained or
34 (b) to another governmental agency which would be permitted to obtain
35 the records or information under subsection (4) or (5) of this section.

36 (10) In conducting periodic salary or fringe benefit studies
37 pursuant to law, the (~~department of personnel~~) office of financial

1 management shall have access to records of the employment security
2 department as may be required for such studies. For such purposes, the
3 requirements of subsection (1)(c) of this section need not apply.

4 (11)(a) To promote the reemployment of job seekers, the
5 commissioner may enter into data-sharing contracts with partners of the
6 one-stop career development system. The contracts shall provide for
7 the transfer of data only to the extent that the transfer is necessary
8 for the efficient provisions of workforce programs, including but not
9 limited to public labor exchange, unemployment insurance, worker
10 training and retraining, vocational rehabilitation, vocational
11 education, adult education, transition from public assistance, and
12 support services. The transfer of information under contracts with
13 one-stop partners is exempt from subsection (1)(c) of this section.

14 (b) An individual who applies for services from the department and
15 whose information will be shared under (a) of this subsection (11) must
16 be notified that his or her private and confidential information in the
17 department's records will be shared among the one-stop partners to
18 facilitate the delivery of one-stop services to the individual. The
19 notice must advise the individual that he or she may request that
20 private and confidential information not be shared among the one-stop
21 partners and the department must honor the request. In addition, the
22 notice must:

23 (i) Advise the individual that if he or she requests that private
24 and confidential information not be shared among one-stop partners, the
25 request will in no way affect eligibility for services;

26 (ii) Describe the nature of the information to be shared, the
27 general use of the information by one-stop partner representatives, and
28 among whom the information will be shared;

29 (iii) Inform the individual that shared information will be used
30 only for the purpose of delivering one-stop services and that further
31 disclosure of the information is prohibited under contract and is not
32 subject to disclosure under chapter 42.56 RCW; and

33 (iv) Be provided in English and an alternative language selected by
34 the one-stop center or job service center as appropriate for the
35 community where the center is located.

36 If the notice is provided in-person, the individual who does not
37 want private and confidential information shared among the one-stop
38 partners must immediately advise the one-stop partner representative of

1 that decision. The notice must be provided to an individual who
2 applies for services telephonically, electronically, or by mail, in a
3 suitable format and within a reasonable time after applying for
4 services, which shall be no later than ten working days from the
5 department's receipt of the application for services. A one-stop
6 representative must be available to answer specific questions regarding
7 the nature, extent, and purpose for which the information may be
8 shared.

9 (12) To facilitate improved operation and evaluation of state
10 programs, the commissioner may enter into data-sharing contracts with
11 other state agencies only to the extent that such transfer is necessary
12 for the efficient operation or evaluation of outcomes for those
13 programs. The transfer of information by contract under this
14 subsection is exempt from subsection (1)(c) of this section.

15 (13) The misuse or unauthorized release of records or information
16 by any person or organization to which access is permitted by this
17 chapter subjects the person or organization to a civil penalty of five
18 thousand dollars and other applicable sanctions under state and federal
19 law. Suit to enforce this section shall be brought by the attorney
20 general and the amount of any penalties collected shall be paid into
21 the employment security department administrative contingency fund.
22 The attorney general may recover reasonable attorneys' fees for any
23 action brought to enforce this section.

24 **Sec. 467.** RCW 28A.345.060 and 1986 c 158 s 3 are each amended to
25 read as follows:

26 The association shall contract with the (~~department of personnel~~
27 ~~for the department of personnel~~) human resources director in the
28 office of financial management to audit in odd-numbered years the
29 association's staff classifications and employees' salaries. The
30 association shall give copies of the audit reports to the office of
31 financial management and the committees of each house of the
32 legislature dealing with common schools.

33 **Sec. 468.** RCW 28A.400.201 and 2010 c 236 s 7 are each amended to
34 read as follows:

35 (1) The legislature recognizes that providing students with the
36 opportunity to access a world-class educational system depends on our

1 continuing ability to provide students with access to world-class
2 educators. The legislature also understands that continuing to attract
3 and retain the highest quality educators will require increased
4 investments. The legislature intends to enhance the current salary
5 allocation model and recognizes that changes to the current model
6 cannot be imposed without great deliberation and input from teachers,
7 administrators, and classified employees. Therefore, it is the intent
8 of the legislature to begin the process of developing an enhanced
9 salary allocation model that is collaboratively designed to ensure the
10 rationality of any conclusions regarding what constitutes adequate
11 compensation.

12 (2) Beginning July 1, 2011, the office of the superintendent of
13 public instruction, in collaboration with the human resources director
14 in the office of financial management, shall convene a technical
15 working group to recommend the details of an enhanced salary allocation
16 model that aligns state expectations for educator development and
17 certification with the compensation system and establishes
18 recommendations for a concurrent implementation schedule. In addition
19 to any other details the technical working group deems necessary, the
20 technical working group shall make recommendations on the following:

21 (a) How to reduce the number of tiers within the existing salary
22 allocation model;

23 (b) How to account for labor market adjustments;

24 (c) How to account for different geographic regions of the state
25 where districts may encounter difficulty recruiting and retaining
26 teachers;

27 (d) The role of and types of bonuses available;

28 (e) Ways to accomplish salary equalization over a set number of
29 years; and

30 (f) Initial fiscal estimates for implementing the recommendations
31 including a recognition that staff on the existing salary allocation
32 model would have the option to grandfather in permanently to the
33 existing schedule.

34 (3) As part of its work, the technical working group shall conduct
35 or contract for a preliminary comparative labor market analysis of
36 salaries and other compensation for school district employees to be
37 conducted and shall include the results in any reports to the

1 legislature. For the purposes of this subsection, "salaries and other
2 compensation" includes average base salaries, average total salaries,
3 average employee basic benefits, and retirement benefits.

4 (4) The analysis required under subsection (1) of this section
5 must:

6 (a) Examine salaries and other compensation for teachers, other
7 certificated instructional staff, principals, and other building-level
8 certificated administrators, and the types of classified employees for
9 whom salaries are allocated;

10 (b) Be calculated at a statewide level that identifies labor
11 markets in Washington through the use of data from the United States
12 bureau of the census and the bureau of labor statistics; and

13 (c) Include a comparison of salaries and other compensation to the
14 appropriate labor market for at least the following subgroups of
15 educators: Beginning teachers and types of educational staff
16 associates.

17 (5) The working group shall include representatives of the
18 (~~department of personnel~~) office of financial management, the
19 professional educator standards board, the office of the superintendent
20 of public instruction, the Washington education association, the
21 Washington association of school administrators, the association of
22 Washington school principals, the Washington state school directors'
23 association, the public school employees of Washington, and other
24 interested stakeholders with appropriate expertise in compensation
25 related matters. The working group may convene advisory subgroups on
26 specific topics as necessary to assure participation and input from a
27 broad array of diverse stakeholders.

28 (6) The working group shall be monitored and overseen by the
29 legislature and the quality education council created in RCW
30 28A.290.010. The working group shall make an initial report to the
31 legislature by June 30, 2012, and shall include in its report
32 recommendations for whether additional further work of the group is
33 necessary.

34 **Sec. 469.** RCW 34.12.100 and 2010 1st sp.s. c 7 s 3 are each
35 amended to read as follows:

36 The chief administrative law judge shall be paid a salary fixed by
37 the governor after recommendation of the (~~department of personnel~~)

1 human resources director in the office of financial management. The
2 salaries of administrative law judges appointed under the terms of this
3 chapter shall be determined by the chief administrative law judge after
4 recommendation of the department of personnel.

5 **Sec. 470.** RCW 36.21.011 and 1995 c 134 s 12 are each amended to
6 read as follows:

7 Any assessor who deems it necessary in order to complete the
8 listing and the valuation of the property of the county within the time
9 prescribed by law, (1) may appoint one or more well qualified persons
10 to act as assistants or deputies who shall not engage in the private
11 practice of appraising within the county in which he or she is employed
12 without the written permission of the assessor filed with the auditor;
13 and each such assistant or deputy so appointed shall, under the
14 direction of the assessor, after taking the required oath, perform all
15 the duties enjoined upon, vested in or imposed upon assessors, and (2)
16 may contract with any persons, firms or corporations, who are expert
17 appraisers, to assist in the valuation of property.

18 To assist each assessor in obtaining adequate and well qualified
19 assistants or deputies, the (~~state department of personnel~~) office of
20 financial management, after consultation with the Washington state
21 association of county assessors, the Washington state association of
22 counties, and the department of revenue, shall establish by July 1,
23 1967, and shall thereafter maintain, a classification and salary plan
24 for those employees of an assessor who act as appraisers. The plan
25 shall recommend the salary range and employment qualifications for each
26 position encompassed by it, and shall, to the fullest extent
27 practicable, conform to the classification plan, salary schedules and
28 employment qualifications for state employees performing similar
29 appraisal functions.

30 An assessor who intends to put such plan into effect shall inform
31 the department of revenue and the county legislative authority of this
32 intent in writing. The department of revenue and the county
33 legislative authority may thereupon each designate a representative,
34 and such representative or representatives as may be designated by the
35 department of revenue or the county legislative authority, or both,
36 shall form with the assessor a committee. The committee so formed may,
37 by unanimous vote only, determine the required number of certified

1 appraiser positions and their salaries necessary to enable the assessor
2 to carry out the requirements relating to revaluation of property in
3 chapter 84.41 RCW. The determination of the committee shall be
4 certified to the county legislative authority. The committee may be
5 formed only once in a period of four calendar years.

6 After such determination, the assessor may provide, in each of the
7 four next succeeding annual budget estimates, for as many positions as
8 are established in such determination. Each county legislative
9 authority to which such a budget estimate is submitted shall allow
10 sufficient funds for such positions. An employee may be appointed to
11 a position covered by the plan only if the employee meets the
12 employment qualifications established by the plan.

13 **Sec. 471.** RCW 41.04.020 and 1998 c 116 s 1 are each amended to
14 read as follows:

15 Any employee or group of employees of the state of Washington or
16 any of its political subdivisions, or of any institution supported, in
17 whole or in part, by the state or any of its political subdivisions,
18 may authorize the deduction from his or her salaries or wages and
19 payment to another, the amount or amounts of his or her subscription
20 payments or contributions to any person, firm, or corporation
21 administering, furnishing, or providing (1) medical, surgical, and
22 hospital care or either of them, or (2) life insurance or accident and
23 health disability insurance, or (3) any individual retirement account
24 selected by the employee or the employee's spouse established under
25 applicable state or federal law: PROVIDED, That such authorization by
26 said employee or group of employees, shall be first approved by the
27 head of the department, division office or institution of the state or
28 any political subdivision thereof, employing such person or group of
29 persons, and filed with the department of (~~personnel~~) enterprise
30 services; or in the case of political subdivisions of the state of
31 Washington, with the auditor of such political subdivision or the
32 person authorized by law to draw warrants against the funds of said
33 political subdivision.

34 **Sec. 472.** RCW 41.04.460 and 1992 c 234 s 10 are each amended to
35 read as follows:

36 The department of (~~personnel~~) enterprise services, through the

1 combined benefits communication project, shall prepare information
2 encouraging individual financial planning for retirement and describing
3 the potential consequences of early retirement, including members'
4 assumption of health insurance costs, members' receipt of reduced
5 retirement benefits, and the increased period of time before members
6 will become eligible for cost-of-living adjustments. The department of
7 retirement systems shall distribute the information to members who are
8 eligible to retire under the provisions of chapter 234, Laws of 1992.
9 Prior to retiring, such members who elect to retire shall sign a
10 statement acknowledging their receipt and understanding of the
11 information.

12 **Sec. 473.** RCW 41.60.050 and 1991 sp.s. c 16 s 918 are each amended
13 to read as follows:

14 The legislature shall appropriate from the ((department of))
15 personnel service fund for the payment of administrative costs of the
16 productivity board. However, during the 1991-93 fiscal biennium, the
17 administrative costs of the productivity board shall be appropriated
18 from the savings recovery account.

19 **Sec. 474.** RCW 41.68.030 and 1983 1st ex.s. c 15 s 3 are each
20 amended to read as follows:

21 A claim under this chapter may be submitted to the department of
22 ((personnel)) enterprise services for the reparation of salary losses
23 suffered during the years 1942 through 1947. The claim shall be
24 supported by appropriate verification, such as the person's name at the
25 time of the dismissal, the name of the employing department, and a
26 social security number, or by evidence of official action of
27 termination. The claimant shall also provide an address to which the
28 department shall mail notification of its determination regarding the
29 claimant's eligibility.

30 **Sec. 475.** RCW 41.68.040 and 1983 1st ex.s. c 15 s 4 are each
31 amended to read as follows:

32 (1) The department of ((personnel)) enterprise services shall
33 determine the eligibility of a claimant to receive reparations
34 authorized by this chapter. The department shall then notify the

1 claimant by mail of its determination regarding the claimant's
2 eligibility.

3 (2) The department may adopt rules that will assist in the fair
4 determination of eligibility and the processing of claims. The
5 department, however, has no obligation to directly notify any person of
6 possible eligibility for reparation of salary losses under this
7 chapter.

8 **Sec. 476.** RCW 41.68.050 and 1983 1st ex.s. c 15 s 5 are each
9 amended to read as follows:

10 A claimant under this chapter who is determined eligible by the
11 department of (~~personnel~~) enterprise services shall receive two
12 thousand five hundred dollars each year for two years. All claims
13 which the department determines are eligible for reparation shall be
14 immediately forwarded to the state treasurer, who shall issue warrants
15 in the appropriate amounts upon demand and verification of identity.
16 If a claimant dies after filing a claim but before receiving full
17 payment, payments shall be made to the claimant's estate upon demand
18 and verification of identity.

19 **Sec. 477.** RCW 47.28.251 and 2003 c 363 s 103 are each amended to
20 read as follows:

21 (1) The department of transportation shall work with
22 representatives of transportation labor groups to develop a financial
23 incentive program to aid in retention and recruitment of employee
24 classifications where problems exist and program delivery is negatively
25 affected. The department's financial incentive program must be
26 reviewed and approved by the legislature before it can be implemented.
27 This program must support the goal of enhancing project delivery
28 timelines as outlined in section 101, chapter 363, Laws of 2003. Upon
29 receiving approval from the legislature, the (~~department of~~
30 ~~personnel~~) office of financial management shall implement, as
31 required, specific aspects of the financial incentive package, as
32 developed by the department of transportation.

33 (2) Notwithstanding chapter 41.06 RCW, the department of
34 transportation may acquire services from qualified private firms in
35 order to deliver the transportation construction program to the public.
36 Services may be acquired solely for augmenting the department's

1 workforce capacity and only when the department's transportation
2 construction program cannot be delivered through its existing or
3 readily available workforce. The department of transportation shall
4 work with representatives of transportation labor groups to develop and
5 implement a program identifying those projects requiring contracted
6 services while establishing a program as defined in subsection (1) of
7 this section to provide the classified personnel necessary to deliver
8 future construction programs. The procedures for acquiring
9 construction engineering services from private firms may not be used to
10 displace existing state employees nor diminish the number of existing
11 classified positions in the present construction program. The
12 acquisition procedures must be in accordance with chapter 39.80 RCW.

13 (3) Starting in December 2004, and biennially thereafter, the
14 secretary shall report to the transportation committees of the
15 legislature on the use of construction engineering services from
16 private firms authorized under this section. The information provided
17 to the committees must include an assessment of the benefits and costs
18 associated with using construction engineering services, or other
19 services, from private firms, and a comparison of public versus private
20 sector costs. The secretary may act on these findings to ensure the
21 most cost-effective means of service delivery.

22 NEW SECTION. **Sec. 478.** The following acts or parts of acts are
23 each repealed:

24 (1) RCW 41.06.030 (Department of personnel established) and 2002 c
25 354 s 201, 1993 c 281 s 20, & 1961 c 1 s 3;

26 (2) RCW 41.06.111 (Personnel appeals board abolished--Powers,
27 duties, and functions transferred to the Washington personnel resources
28 board) and 2002 c 354 s 233;

29 (3) RCW 41.06.130 (Director of personnel--Appointment--Rules--
30 Powers and duties--Delegation of authority) and 1993 c 281 s 26, 1982
31 1st ex.s. c 53 s 3, & 1961 c 1 s 13;

32 (4) RCW 41.06.139 (Classification system for classified service--
33 Director implements--Rules of the board--Appeals) and 2002 c 354 s 206;

34 (5) RCW 41.06.480 (Background check disqualification--Policy
35 recommendations) and 2001 c 296 s 7; and

36 (6) RCW 41.07.900 (Transfer of personnel, records, equipment, etc)
37 and 1975 1st ex.s. c 239 s 4.

1 There is hereby created ((a)) an office of risk management
2 ((~~division~~)) within the ((~~office of financial management~~)) department
3 of enterprise services. The director shall implement the risk
4 management policy in RCW 43.41.280 (as recodified by this act) through
5 the office of risk management ((~~division~~)). The director shall appoint
6 a risk manager to supervise the office of risk management ((~~division~~)).
7 The office of risk management ((~~division~~)) shall make recommendations
8 when appropriate to state agencies on the application of prudent
9 safety, security, loss prevention, and loss minimization methods so as
10 to reduce or avoid risk or loss.

11 **Sec. 503.** RCW 43.41.310 and 2002 c 332 s 5 are each amended to
12 read as follows:

13 As a means of providing for the procurement of insurance and bonds
14 on a volume rate basis, the director shall purchase or contract for the
15 needs of state agencies in relation to all such insurance and bonds:
16 PROVIDED, That authority to purchase insurance may be delegated to
17 state agencies. Insurance in force shall be reported to the office of
18 risk management ((~~division~~)) periodically under rules established by
19 the director. Nothing contained in this section shall prohibit the use
20 of licensed agents or brokers for the procurement and service of
21 insurance.

22 The amounts of insurance or bond coverage shall be as fixed by law,
23 or if not fixed by law, such amounts shall be as fixed by the director.

24 The premium cost for insurance acquired and bonds furnished shall
25 be paid from appropriations or other appropriate resources available to
26 the state agency or agencies for which procurement is made, and all
27 vouchers drawn in payment therefor shall bear the written approval of
28 the office of risk management ((~~division~~)) prior to the issuance of the
29 warrant in payment therefor. Where deemed advisable the premium cost
30 for insurance and bonds may be paid by the risk management
31 administration account which shall be reimbursed by the agency or
32 agencies for which procurement is made.

33 **Sec. 504.** RCW 43.41.320 and 2002 c 332 s 6 are each amended to
34 read as follows:

35 The director, through the office of risk management ((~~division~~)),

1 may purchase, or contract for the purchase of, property and liability
2 insurance for any municipality upon request of the municipality.

3 As used in this section, "municipality" means any city, town,
4 county, special purpose district, municipal corporation, or political
5 subdivision of the state of Washington.

6 **Sec. 505.** RCW 43.41.330 and 2002 c 332 s 8 are each amended to
7 read as follows:

8 The director, through the office of risk management (~~(division)~~),
9 shall receive and enforce bonds posted pursuant to RCW 39.59.010 (3)
10 and (4).

11 **Sec. 506.** RCW 43.41.340 and 2002 c 332 s 9 are each amended to
12 read as follows:

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

16 **Sec. 507.** RCW 43.41.360 and 2009 c 549 s 5121 are each amended to
17 read as follows:

18 (~~(In addition to other powers and duties prescribed by this~~
19 ~~chapter,)~~) The director shall:

20 (1) Fix the amount of bond to be given by each appointive state
21 officer and each employee of the state in all cases where it is not
22 fixed by law;

23 (2) Require the giving of an additional bond, or a bond in a
24 greater amount than provided by law, in all cases where in his or her
25 judgment the statutory bond is not sufficient in amount to cover the
26 liabilities of the officer or employee;

27 (3) Exempt subordinate employees from giving bond when in his or
28 her judgment their powers and duties are such as not to require a bond.

29 **Sec. 508.** RCW 43.41.370 and 2002 c 333 s 2 are each amended to
30 read as follows:

31 (1) The director (~~(of financial management)~~) shall appoint a loss
32 prevention review team when the death of a person, serious injury to a
33 person, or other substantial loss is alleged or suspected to be caused
34 at least in part by the actions of a state agency, unless the director

1 in his or her discretion determines that the incident does not merit
2 review. A loss prevention review team may also be appointed when any
3 other substantial loss occurs as a result of agency policies,
4 litigation or defense practices, or other management practices. When
5 the director decides not to appoint a loss prevention review team he or
6 she shall issue a statement of the reasons for the director's decision.
7 The statement shall be made available on the department's web site (~~of~~
8 ~~the office of financial management~~). The director's decision pursuant
9 to this section to appoint or not appoint a loss prevention review team
10 shall not be admitted into evidence in a civil or administrative
11 proceeding.

12 (2) A loss prevention review team shall consist of at least three
13 but no more than five persons, and may include independent consultants,
14 contractors, or state employees, but it shall not include any person
15 employed by the agency involved in the loss or risk of loss giving rise
16 to the review, nor any person with testimonial knowledge of the
17 incident to be reviewed. At least one member of the review team shall
18 have expertise relevant to the matter under review.

19 (3) The loss prevention review team shall review the death, serious
20 injury, or other incident and the circumstances surrounding it,
21 evaluate its causes, and recommend steps to reduce the risk of such
22 incidents occurring in the future. The loss prevention review team
23 shall accomplish these tasks by reviewing relevant documents,
24 interviewing persons with relevant knowledge, and reporting its
25 recommendations in writing to the director (~~of financial management~~)
26 and the director of the agency involved in the loss or risk of loss
27 within the time requested by the director (~~of financial management~~).
28 The final report shall not disclose the contents of any documents
29 required by law to be kept confidential.

30 (4) Pursuant to guidelines established by the director, state
31 agencies must notify the (~~office of financial management~~) department
32 immediately upon becoming aware of a death, serious injury, or other
33 substantial loss that is alleged or suspected to be caused at least in
34 part by the actions of the state agency. State agencies shall provide
35 the loss prevention review team ready access to relevant documents in
36 their possession and ready access to their employees.

1 **Sec. 509.** RCW 43.41.380 and 2002 c 333 s 3 are each amended to
2 read as follows:

3 (1) The final report from a loss prevention review team to the
4 director ((~~of financial management~~)) shall be made public by the
5 director promptly upon receipt, and shall be subject to public
6 disclosure. The final report shall be subject to discovery in a civil
7 or administrative proceeding. However, the final report shall not be
8 admitted into evidence or otherwise used in a civil or administrative
9 proceeding except pursuant to subsection (2) of this section.

10 (2) The relevant excerpt or excerpts from the final report of a
11 loss prevention review team may be used to impeach a fact witness in a
12 civil or administrative proceeding only if the party wishing to use the
13 excerpt or excerpts from the report first shows the court by clear and
14 convincing evidence that the witness, in testimony provided in
15 deposition or at trial in the present proceeding, has contradicted his
16 or her previous statements to the loss prevention review team on an
17 issue of fact material to the present proceeding. In that case, the
18 party may use only the excerpt or excerpts necessary to demonstrate the
19 contradiction. This section shall not be interpreted as expanding the
20 scope of material that may be used to impeach a witness.

21 (3) No member of a loss prevention review team may be examined in
22 a civil or administrative proceeding as to (a) the work of the loss
23 prevention review team, (b) the incident under review, (c) his or her
24 statements, deliberations, thoughts, analyses, or impressions relating
25 to the work of the loss prevention review team or the incident under
26 review, or (d) the statements, deliberations, thoughts, analyses, or
27 impressions of any other member of the loss prevention review team, or
28 any person who provided information to it, relating to the work of the
29 loss prevention review team or the incident under review.

30 (4) Any document that exists prior to the appointment of a loss
31 prevention review team, or that is created independently of such a
32 team, does not become inadmissible merely because it is reviewed or
33 used by the loss prevention review team. A person does not become
34 unavailable as a witness merely because the person has been interviewed
35 by or has provided a statement to a loss prevention review team.
36 However, if called as a witness, the person may not be examined
37 regarding the person's interactions with the loss prevention review
38 team, including without limitation whether the loss prevention review

1 team interviewed the person, what questions the loss prevention review
2 team asked, and what answers the person provided to the loss prevention
3 review team. This section shall not be construed as restricting the
4 person from testifying fully in any proceeding regarding his or her
5 knowledge of the incident under review.

6 (5) Documents prepared by or for the loss prevention review team
7 are inadmissible and may not be used in a civil or administrative
8 proceeding, except that excerpts may be used to impeach the credibility
9 of a witness under the same circumstances that excerpts of the final
10 report may be used pursuant to subsection (2) of this section.

11 (6) The restrictions set forth in this section shall not apply in
12 a licensing or disciplinary proceeding arising from an agency's effort
13 to revoke or suspend the license of any licensed professional based in
14 whole or in part upon allegations of wrongdoing in connection with the
15 death, injury, or other incident reviewed by the loss prevention review
16 team.

17 (7) Within one hundred twenty days after completion of the final
18 report of a loss prevention review team, the agency under review shall
19 issue to the (~~office of financial management~~) department a response
20 to the report. The response will indicate (a) which of the report's
21 recommendations the agency hopes to implement, (b) whether
22 implementation of those recommendations will require additional funding
23 or legislation, and (c) whatever other information the director may
24 require. This response shall be considered part of the final report
25 and shall be subject to all provisions of this section that apply to
26 the final report, including without limitation the restrictions on
27 admissibility and use in civil or administrative proceedings and the
28 obligation of the director to make the final report public.

29 (8) Nothing in RCW 43.41.370 or this section is intended to limit
30 the scope of a legislative inquiry into or review of an incident that
31 is the subject of a loss prevention review.

32 (9) Nothing in RCW 43.41.370 or in this section affects chapter
33 70.41 RCW and application of that chapter to state-owned or managed
34 hospitals licensed under chapter 70.41 RCW.

35 **Sec. 510.** RCW 43.41.110 and 2002 c 332 s 23 are each amended to
36 read as follows:

37 The office of financial management shall:

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

4 (2) Perform the comprehensive planning functions and processes
5 necessary or advisable for state program planning and development,
6 preparation of the budget, inter-departmental and inter-governmental
7 coordination and cooperation, and determination of state capital
8 improvement requirements.

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

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

14 (5) Participate with other states or subdivisions thereof in
15 interstate planning.

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

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

20 ~~(8) ((Carry out the provisions of this chapter and chapter 4.92 RCW
21 relating to risk management.~~

22 ~~(9))~~ Be the official state participant in the federal-state
23 cooperative program for local population estimates and as such certify
24 all city and county special censuses to be considered in the allocation
25 of state and federal revenues.

26 ~~((10))~~ (9) Be the official state center for processing and
27 dissemination of federal decennial or quinquennial census data in
28 cooperation with other state agencies.

29 ~~((11))~~ (10) Be the official state agency certifying annexations,
30 incorporations, or disincorporations to the United States bureau of the
31 census.

32 ~~((12))~~ (11) Review all United States bureau of the census
33 population estimates used for federal revenue sharing purposes and
34 provide a liaison for local governments with the United States bureau
35 of the census in adjusting or correcting revenue sharing population
36 estimates.

37 ~~((13))~~ (12) Provide fiscal notes depicting the expected fiscal
38 impact of proposed legislation in accordance with chapter 43.88A RCW.

1 (~~(14)~~) (13) Be the official state agency to estimate and manage
2 the cash flow of all public funds as provided in chapter 43.88 RCW. To
3 this end, the office shall adopt such rules as are necessary to manage
4 the cash flow of public funds.

5 **Sec. 511.** RCW 4.92.006 and 2002 c 332 s 10 are each amended to
6 read as follows:

7 As used in this chapter:

8 (1) (~~("Office" means the office of financial management.)~~)
9 "Department" means the department of enterprise services.

10 (2) "Director" means the director of (~~(financial management)~~)
11 enterprise services.

12 (3) (~~("Risk management division")~~) "Office of risk management"
13 means the (~~(division of the office of financial management)~~) office
14 within the department of enterprise services that carries out the
15 powers and duties under this chapter relating to claim filing, claims
16 administration, and claims payment.

17 (4) "Risk manager" means the person supervising the office of risk
18 management (~~(division)~~).

19 **Sec. 512.** RCW 4.92.040 and 2002 c 332 s 11 are each amended to
20 read as follows:

21 (1) No execution shall issue against the state on any judgment.

22 (2) Whenever a final judgment against the state is obtained in an
23 action on a claim arising out of tortious conduct, the claim shall be
24 paid from the liability account.

25 (3) Whenever a final judgment against the state shall have been
26 obtained in any other action, the clerk of the court shall make and
27 furnish to the office of risk management (~~(division)~~) a duly certified
28 copy of such judgment; the office of risk management (~~(division)~~) shall
29 thereupon audit the amount of damages and costs therein awarded, and
30 the same shall be paid from appropriations specifically provided for
31 such purposes by law.

32 (4) Final judgments for which there are no provisions in state law
33 for payment shall be transmitted by the office of risk management
34 (~~(division)~~) to the senate and house of representatives committees on
35 ways and means as follows:

1 (a) On the first day of each session of the legislature, the office
2 of risk management (~~(division)~~) shall transmit judgments received and
3 audited since the adjournment of the previous session of the
4 legislature.

5 (b) During each session of legislature, the office of risk
6 management (~~(division)~~) shall transmit judgments immediately upon
7 completion of audit.

8 (5) All claims, other than judgments, made to the legislature
9 against the state of Washington for money or property, shall be
10 accompanied by a statement of the facts on which such claim is based
11 and such evidence as the claimant intends to offer in support of the
12 claim and shall be filed with the office of risk management
13 (~~(division)~~), which shall retain the same as a record. All claims of
14 two thousand dollars or less shall be approved or rejected by the
15 office of risk management (~~(division)~~), and if approved shall be paid
16 from appropriations specifically provided for such purpose by law.
17 Such decision, if adverse to the claimant in whole or part, shall not
18 preclude the claimant from seeking relief from the legislature. If the
19 claimant accepts any part of his or her claim which is approved for
20 payment by the office of risk management (~~(division)~~), such acceptance
21 shall constitute a waiver and release of the state from any further
22 claims relating to the damage or injury asserted in the claim so
23 accepted. The office of risk management (~~(division)~~) shall submit to
24 the house and senate committees on ways and means, at the beginning of
25 each regular session, a comprehensive list of all claims paid pursuant
26 to this subsection during the preceding year. For all claims not
27 approved by the office of risk management (~~(division)~~), the office of
28 risk management (~~(division)~~) shall recommend to the legislature whether
29 such claims should be approved or rejected. Recommendations shall be
30 submitted to the senate and house of representatives committees on ways
31 and means not later than the thirtieth day of each regular session of
32 the legislature. Claims which cannot be processed for timely
33 submission of recommendations shall be held for submission during the
34 following regular session of the legislature. The recommendations
35 shall include, but not be limited to:

36 (a) A summary of the facts alleged in the claim, and a statement as
37 to whether these facts can be verified by the office of risk management
38 (~~(division)~~);

1 (b) An estimate by the office of risk management (~~(division)~~) of
2 the value of the loss or damage which was alleged to have occurred;

3 (c) An analysis of the legal liability, if any, of the state for
4 the alleged loss or damage; and

5 (d) A summary of equitable or public policy arguments which might
6 be helpful in resolving the claim.

7 (6) The legislative committees to whom such claims are referred
8 shall make a transcript, recording, or statement of the substance of
9 the evidence given in support of such a claim. If the legislature
10 approves a claim the same shall be paid from appropriations
11 specifically provided for such purpose by law.

12 (7) Subsections (3) through (6) of this section do not apply to
13 judgments or claims against the state housing finance commission
14 created under chapter 43.180 RCW.

15 **Sec. 513.** RCW 4.92.130 and 2009 c 560 s 15 are each amended to
16 read as follows:

17 A liability account in the custody of the treasurer is hereby
18 created as a nonappropriated account to be used solely and exclusively
19 for the payment of liability settlements and judgments against the
20 state under 42 U.S.C. Sec. 1981 et seq. or for the tortious conduct of
21 its officers, employees, and volunteers and all related legal defense
22 costs.

23 (1) The purpose of the liability account is to: (a) Expeditiously
24 pay legal liabilities and defense costs of the state resulting from
25 tortious conduct; (b) promote risk control through a cost allocation
26 system which recognizes agency loss experience, levels of self-
27 retention, and levels of risk exposure; and (c) establish an
28 actuarially sound system to pay incurred losses, within defined limits.

29 (2) The liability account shall be used to pay claims for injury
30 and property damages and legal defense costs exclusive of agency-
31 retained expenses otherwise budgeted.

32 (3) No money shall be paid from the liability account, except for
33 defense costs, unless all proceeds available to the claimant from any
34 valid and collectible liability insurance shall have been exhausted and
35 unless:

36 (a) The claim shall have been reduced to final judgment in a court
37 of competent jurisdiction; or

1 (b) The claim has been approved for payment.

2 (4) The liability account shall be financed through annual premiums
3 assessed to state agencies, based on sound actuarial principles, and
4 shall be for liability coverage in excess of agency-budgeted self-
5 retention levels.

6 (5) Annual premium levels shall be determined by the risk manager.
7 An actuarial study shall be conducted to assist in determining the
8 appropriate level of funding.

9 (6) Disbursements for claims from the liability account shall be
10 made to the claimant, or to the clerk of the court for judgments, upon
11 written request to the state treasurer from the risk manager.

12 (7) The director may direct agencies to transfer moneys from other
13 funds and accounts to the liability account if premiums are delinquent.

14 (8) The liability account shall not exceed fifty percent of the
15 actuarial value of the outstanding liability as determined annually by
16 the office of risk management (~~(division)~~). If the account exceeds the
17 maximum amount specified in this section, premiums may be adjusted by
18 the office of risk management (~~(division)~~) in order to maintain the
19 account balance at the maximum limits. If, after adjustment of
20 premiums, the account balance remains above the limits specified, the
21 excess amount shall be prorated back to the appropriate funds.

22 **Sec. 514.** RCW 4.92.150 and 2002 c 332 s 15 are each amended to
23 read as follows:

24 After commencement of an action in a court of competent
25 jurisdiction upon a claim against the state, or any of its officers,
26 employees, or volunteers arising out of tortious conduct or pursuant to
27 42 U.S.C. Sec. 1981 et seq., or against a foster parent that the
28 attorney general is defending pursuant to RCW 4.92.070, or upon
29 petition by the state, the attorney general, with the prior approval of
30 the office of risk management (~~(division)~~) and with the approval of the
31 court, following such testimony as the court may require, may
32 compromise and settle the same and stipulate for judgment against the
33 state, the affected officer, employee, volunteer, or foster parent.

34 **Sec. 515.** RCW 4.92.160 and 2002 c 332 s 16 are each amended to
35 read as follows:

36 Payment of claims and judgments arising out of tortious conduct or

1 pursuant to 42 U.S.C. Sec. 1981 et seq. shall not be made by any agency
2 or department of state government with the exception of the office of
3 risk management (~~(division)~~), and that (~~(division)~~) office shall
4 authorize and direct the payment of moneys only from the liability
5 account whenever:

6 (1) The head or governing body of any agency or department of state
7 or the designee of any such agency certifies to the office of risk
8 management (~~(division)~~) that a claim has been settled; or

9 (2) The clerk of court has made and forwarded a certified copy of
10 a final judgment in a court of competent jurisdiction and the attorney
11 general certifies that the judgment is final and was entered in an
12 action on a claim arising out of tortious conduct or under and pursuant
13 to 42 U.S.C. Sec. 1981 et seq. Payment of a judgment shall be made to
14 the clerk of the court for the benefit of the judgment creditors. Upon
15 receipt of payment, the clerk shall satisfy the judgment against the
16 state.

17 **Sec. 516.** RCW 4.92.210 and 2002 c 332 s 17 are each amended to
18 read as follows:

19 (1) All liability claims arising out of tortious conduct or under
20 42 U.S.C. Sec. 1981 et seq. that the state of Washington or any of its
21 officers, employees, or volunteers would be liable for shall be filed
22 with the office of risk management (~~(division)~~).

23 (2) A centralized claim tracking system shall be maintained to
24 provide agencies with accurate and timely data on the status of
25 liability claims. Information in this claim file, other than the claim
26 itself, shall be privileged and confidential.

27 (3) Standardized procedures shall be established for filing,
28 reporting, processing, and adjusting claims, which includes the use of
29 qualified claims management personnel.

30 (4) All claims shall be reviewed by the office of risk management
31 (~~(division)~~) to determine an initial valuation, to delegate to the
32 appropriate office to investigate, negotiate, compromise, and settle
33 the claim, or to retain that responsibility on behalf of and with the
34 assistance of the affected state agency.

35 (5) All claims that result in a lawsuit shall be forwarded to the
36 attorney general's office. Thereafter the attorney general and the

1 office of risk management (~~division~~) shall collaborate in the
2 investigation, denial, or settlement of the claim.

3 (6) Reserves shall be established for recognizing financial
4 liability and monitoring effectiveness. The valuation of specific
5 claims against the state shall be privileged and confidential.

6 (7) All settlements shall be approved by the responsible agencies,
7 or their designees, prior to settlement.

8 **Sec. 517.** RCW 4.92.270 and 2002 c 332 s 21 are each amended to
9 read as follows:

10 The risk manager shall develop procedures for standard
11 indemnification agreements for state agencies to use whenever the
12 agency agrees to indemnify, or be indemnified by, any person or party.
13 The risk manager shall also develop guidelines for the use of
14 indemnification agreements by state agencies. On request of the risk
15 manager, an agency shall forward to the office of risk management
16 (~~division~~) for review and approval any contract or agreement
17 containing an indemnification agreement.

18 **Sec. 518.** RCW 4.92.280 and 1998 c 217 s 4 are each amended to read
19 as follows:

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

25 **Sec. 519.** RCW 10.92.020 and 2008 c 224 s 2 are each amended to
26 read as follows:

27 (1) Tribal police officers under subsection (2) of this section
28 shall be recognized and authorized to act as general authority
29 Washington peace officers. A tribal police officer recognized and
30 authorized to act as a general authority Washington peace officer under
31 this section has the same powers as any other general authority
32 Washington peace officer to enforce state laws in Washington, including
33 the power to make arrests for violations of state laws.

34 (2) A tribal police officer may exercise the powers of law

1 enforcement of a general authority Washington peace officer under this
2 section, subject to the following:

3 (a) The appropriate sovereign tribal nation shall submit to the
4 (~~office of financial management~~) department of enterprise services
5 proof of public liability and property damage insurance for vehicles
6 operated by the peace officers and police professional liability
7 insurance from a company licensed to sell insurance in the state. For
8 purposes of determining adequacy of insurance liability, the sovereign
9 tribal government must submit with the proof of liability insurance a
10 copy of the interlocal agreement between the sovereign tribal
11 government and the local governments that have shared jurisdiction
12 under this chapter where such an agreement has been reached pursuant to
13 subsection (10) of this section.

14 (i) Within the thirty days of receipt of the information from the
15 sovereign tribal nation, the (~~office of financial management~~)
16 department of enterprise services shall either approve or reject the
17 adequacy of insurance, giving consideration to the scope of the
18 interlocal agreement. The adequacy of insurance under this chapter
19 shall be subject to annual review by the (~~state office of financial~~
20 ~~management~~) department of enterprise services.

21 (ii) Each policy of insurance issued under this chapter must
22 include a provision that the insurance shall be available to satisfy
23 settlements or judgments arising from the tortious conduct of tribal
24 police officers when acting in the capacity of a general authority
25 Washington peace officer, and that to the extent of policy coverage
26 neither the sovereign tribal nation nor the insurance carrier will
27 raise a defense of sovereign immunity to preclude an action for damages
28 under state or federal law, the determination of fault in a civil
29 action, or the payment of a settlement or judgment arising from the
30 tortious conduct.

31 (b) The appropriate sovereign tribal nation shall submit to the
32 (~~office of financial management~~) department of enterprise services
33 proof of training requirements for each tribal police officer. To be
34 authorized as a general authority Washington peace officer, a tribal
35 police officer must successfully complete the requirements set forth
36 under RCW 43.101.157. Any applicant not meeting the requirements for
37 certification as a tribal police officer may not act as a general

1 authority Washington peace officer under this chapter. The criminal
2 justice training commission shall notify the (~~office of financial~~
3 ~~management~~) department of enterprise services if:

4 (i) A tribal police officer authorized under this chapter as a
5 general authority Washington state peace officer has been decertified
6 pursuant to RCW 43.101.157; or

7 (ii) An appropriate sovereign tribal government is otherwise in
8 noncompliance with RCW 43.101.157.

9 (3) A copy of any citation or notice of infraction issued, or any
10 incident report taken, by a tribal police officer acting in the
11 capacity of a general authority Washington peace officer as authorized
12 by this chapter must be submitted within three days to the police chief
13 or sheriff within whose jurisdiction the action was taken. Any
14 citation issued under this chapter shall be to a Washington court,
15 except that any citation issued to Indians within the exterior
16 boundaries of an Indian reservation may be cited to a tribal court.
17 Any arrest made or citation issued not in compliance with this chapter
18 is not enforceable.

19 (4) Any authorization granted under this chapter shall not in any
20 way expand the jurisdiction of any tribal court or other tribal
21 authority.

22 (5) The authority granted under this chapter shall be coextensive
23 with the exterior boundaries of the reservation, except that an officer
24 commissioned under this section may act as authorized under RCW
25 10.93.070 beyond the exterior boundaries of the reservation.

26 (6) For purposes of civil liability under this chapter, a tribal
27 police officer shall not be considered an employee of the state of
28 Washington or any local government except where a state or local
29 government has deputized a tribal police officer as a specially
30 commissioned officer. Neither the state of Washington and its
31 individual employees nor any local government and its individual
32 employees shall be liable for the authorization of tribal police
33 officers under this chapter, nor for the negligence or other misconduct
34 of tribal officers. The authorization of tribal police officers under
35 this chapter shall not be deemed to have been a nondelegable duty of
36 the state of Washington or any local government.

37 (7) Nothing in this chapter impairs or affects the existing status

1 and sovereignty of those sovereign tribal governments whose traditional
2 lands and territories lie within the borders of the state of Washington
3 as established under the laws of the United States.

4 (8) Nothing in this chapter limits, impairs, or nullifies the
5 authority of a county sheriff to appoint duly commissioned state or
6 federally certified tribal police officers as deputy sheriffs
7 authorized to enforce the criminal and traffic laws of the state of
8 Washington.

9 (9) Nothing in this chapter limits, impairs, or otherwise affects
10 the existing authority under state or federal law of state or local law
11 enforcement officers to enforce state law within the exterior
12 boundaries of an Indian reservation or to enter Indian country in fresh
13 pursuit, as defined in RCW 10.93.120, of a person suspected of
14 violating state law, where the officer would otherwise not have
15 jurisdiction.

16 (10) An interlocal agreement pursuant to chapter 39.34 RCW is
17 required between the sovereign tribal government and all local
18 government law enforcement agencies that will have shared jurisdiction
19 under this chapter prior to authorization taking effect under this
20 chapter. Nothing in this chapter shall limit, impair, or otherwise
21 affect the implementation of an interlocal agreement completed pursuant
22 to chapter 39.34 RCW by July 1, 2008, between a sovereign tribal
23 government and a local government law enforcement agency for
24 cooperative law enforcement.

25 (a) Sovereign tribal governments that meet all of the requirements
26 of subsection (2) of this section, but do not have an interlocal
27 agreement pursuant to chapter 39.34 RCW and seek authorization under
28 this chapter, may submit proof of liability insurance and training
29 certification to the ((~~office of financial management~~)) department of
30 enterprise services. Upon confirmation of receipt of the information
31 from the ((~~office of financial management~~)) department of enterprise
32 services, the sovereign tribal government and the local government law
33 enforcement agencies that will have shared jurisdiction under this
34 chapter have one year to enter into an interlocal agreement pursuant to
35 chapter 39.34 RCW. If the sovereign tribal government and the local
36 government law enforcement agencies that will have shared jurisdiction
37 under this chapter are not able to reach agreement after one year, the
38 sovereign tribal governments and the local government law enforcement

1 agencies shall submit to binding arbitration pursuant to chapter 7.04A
2 RCW with the American arbitration association or successor agency for
3 purposes of completing an agreement prior to authorization going into
4 effect.

5 (b) For the purposes of (a) of this subsection, those sovereign
6 tribal government and local government law enforcement agencies that
7 must enter into binding arbitration shall submit to last best offer
8 arbitration. For purposes of accepting a last best offer, the
9 arbitrator must consider other interlocal agreements between sovereign
10 tribal governments and local law enforcement agencies in Washington
11 state, any model policy developed by the Washington association of
12 sheriffs and police chiefs or successor agency, and national best
13 practices.

14 **Sec. 520.** RCW 48.62.021 and 2004 c 255 s 2 are each amended to
15 read as follows:

16 Unless the context clearly requires otherwise, the definitions in
17 this section apply throughout this chapter.

18 (1) "Local government entity" or "entity" means every unit of local
19 government, both general purpose and special purpose, and includes, but
20 is not limited to, counties, cities, towns, port districts, public
21 utility districts, water-sewer districts, school districts, fire
22 protection districts, irrigation districts, metropolitan municipal
23 corporations, conservation districts, and other political subdivisions,
24 governmental subdivisions, municipal corporations, and quasi-municipal
25 corporations.

26 (2) "Risk assumption" means a decision to absorb the entity's
27 financial exposure to a risk of loss without the creation of a formal
28 program of advance funding of anticipated losses.

29 (3) "Self-insurance" means a formal program of advance funding and
30 management of entity financial exposure to a risk of loss that is not
31 transferred through the purchase of an insurance policy or contract.

32 (4) "Health and welfare benefits" means a plan or program
33 established by a local government entity or entities for the purpose of
34 providing its employees and their dependents, and in the case of school
35 districts, its district employees, students, directors, or any of their
36 dependents, with health care, accident, disability, death, and salary
37 protection benefits.

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

7 (6) "State risk manager" means the risk manager of the office of
8 risk management (~~(division)~~) within the (~~(office of financial~~
9 ~~management)~~) department of enterprise services.

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

12 **Sec. 521.** RCW 48.64.010 and 2009 c 314 s 2 are each amended to
13 read as follows:

14 The definitions in this section apply throughout this chapter
15 unless the context clearly requires otherwise.

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

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

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

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

31 (c) A general or limited partnership or limited liability company,
32 whether organized under the laws of this state or another state, that
33 is engaged in providing affordable housing as defined in this section.
34 A partnership or limited liability company may only be considered an
35 affordable housing entity if a housing authority or nonprofit
36 corporation, as described in this subsection, satisfies any of the
37 following conditions: (i) It has, or has the right to acquire, a

1 financial or ownership interest in the partnership or limited liability
2 company; (ii) it possesses the power to direct management or policies
3 of the partnership or limited liability company; or (iii) it has
4 entered into a contract to lease, manage, or operate the affordable
5 housing owned by the partnership or limited liability company.

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

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

14 (5) "State risk manager" means the risk manager of the office of
15 risk management ((division)) within the ((office of financial
16 management)) department of enterprise services.

17 **Sec. 522.** RCW 39.29.011 and 2009 c 486 s 7 are each amended to
18 read as follows:

19 All personal service contracts shall be entered into pursuant to
20 competitive solicitation, except for:

21 (1) Emergency contracts;

22 (2) Sole source contracts;

23 (3) Contract amendments;

24 (4) Contracts between a consultant and an agency of less than
25 twenty thousand dollars. However, contracts of five thousand dollars
26 or greater but less than twenty thousand dollars shall have documented
27 evidence of competition, which must include agency posting of the
28 contract opportunity on the state's common vendor registration and bid
29 notification system. Agencies shall not structure contracts to evade
30 these requirements; and

31 (5) Other specific contracts or classes or groups of contracts
32 exempted from the competitive solicitation process by the director of
33 the ((office of financial management)) department of enterprise
34 services when it has been determined that a competitive solicitation
35 process is not appropriate or cost-effective.

1 the contract or in the scope of work specified in the formal
2 solicitation document must generally be awarded as new contracts.
3 Substantial changes executed by contract amendments must be submitted
4 to the (~~office of financial management~~) department of enterprise
5 services, and are subject to approval by the (~~office of financial~~
6 ~~management~~) department of enterprise services.

7 (2) An amendment or amendments to personal service contracts, if
8 the value of the amendment or amendments, whether singly or
9 cumulatively, exceeds fifty percent of the value of the original
10 contract must be provided to the (~~office of financial management~~)
11 department of enterprise services.

12 (3) The (~~office of financial management~~) department of enterprise
13 services shall approve amendments provided to it under this section
14 before the amendments become binding and before services may be
15 performed under the amendments.

16 (4) The amendments must be filed with the (~~office of financial~~
17 ~~management~~) department of enterprise services and made available for
18 public inspection at least ten working days prior to the proposed
19 starting date of services under the amendments.

20 (5) The (~~office of financial management~~) department of enterprise
21 services shall approve amendments provided to it under this section
22 only if they meet the criteria for approval of the amendments
23 established by the director of the (~~office of financial management~~)
24 department of enterprise services.

25 **Sec. 526.** RCW 39.29.055 and 1998 c 101 s 8 are each amended to
26 read as follows:

27 (1) Personal service contracts subject to competitive solicitation
28 shall be (a) filed with the (~~office of financial management~~)
29 department of enterprise services and made available for public
30 inspection; and (b) reviewed and approved by the (~~office of financial~~
31 ~~management~~) department of enterprise services when those contracts
32 provide services relating to management consulting, organizational
33 development, marketing, communications, employee training, or employee
34 recruiting.

35 (2) Personal service contracts subject to competitive solicitation
36 that provide services relating to management consulting, organizational
37 development, marketing, communications, employee training, or employee

1 recruiting shall be made available for public inspection at least ten
2 working days before the proposed starting date of the contract. All
3 other contracts shall be effective no earlier than the date they are
4 filed with the (~~office of financial management~~) department of
5 enterprise services.

6 **Sec. 527.** RCW 39.29.065 and 2009 c 486 s 9 are each amended to
7 read as follows:

8 To implement this chapter, the director of the (~~office of~~
9 ~~financial management~~) department of enterprise services shall
10 establish procedures for the competitive solicitation and award of
11 personal service contracts, recordkeeping requirements, and procedures
12 for the reporting and filing of contracts. The director shall develop
13 procurement policies and procedures, such as unbundled contracting and
14 subcontracting, that encourage and facilitate the purchase of products
15 and services by state agencies and institutions from Washington small
16 businesses to the maximum extent practicable and consistent with
17 international trade agreement commitments. For reporting purposes, the
18 director may establish categories for grouping of contracts. The
19 procedures required under this section shall also include the criteria
20 for amending personal service contracts. At the beginning of each
21 biennium, the director may, by administrative policy, adjust the dollar
22 thresholds prescribed in RCW 39.29.011, 39.29.018, and 39.29.040 to
23 levels not to exceed the percentage increase in the implicit price
24 deflator. Adjusted dollar thresholds shall be rounded to the nearest
25 five hundred dollar increment.

26 **Sec. 528.** RCW 39.29.068 and 1998 c 245 s 33 and 1998 c 101 s 10
27 are each reenacted and amended to read as follows:

28 The (~~office of financial management~~) department of enterprise
29 services shall maintain a publicly available list of all personal
30 service contracts entered into by state agencies during each fiscal
31 year. The list shall identify the contracting agency, the contractor,
32 the purpose of the contract, effective dates and periods of
33 performance, the cost of the contract and funding source, any
34 modifications to the contract, and whether the contract was
35 competitively procured or awarded on a sole source basis. The (~~office~~
36 ~~of financial management~~) department of enterprise services shall also

1 ensure that state accounting definitions and procedures are consistent
2 with RCW 39.29.006 and permit the reporting of personal services
3 expenditures by agency and by type of service. Designations of type of
4 services shall include, but not be limited to, management and
5 organizational services, legal and expert witness services, financial
6 services, computer and information services, social or technical
7 research, marketing, communications, and employee training or
8 recruiting services. The (~~office of financial management~~) department
9 of enterprise services shall report annually to the fiscal committees
10 of the senate and house of representatives on sole source contracts
11 filed under this chapter. The report shall describe: (1) The number
12 and aggregate value of contracts for each category established in this
13 section; (2) the number and aggregate value of contracts of five
14 thousand dollars or greater but less than twenty thousand dollars; (3)
15 the number and aggregate value of contracts of twenty thousand dollars
16 or greater; (4) the justification provided by agencies for the use of
17 sole source contracts; and (5) any trends in the use of sole source
18 contracts.

19 **Sec. 529.** RCW 39.29.075 and 1987 c 414 s 9 are each amended to
20 read as follows:

21 As requested by the legislative auditor, the (~~office of financial~~
22 ~~management~~) department of enterprise services shall provide
23 information on contracts filed under this chapter for use in
24 preparation of summary reports on personal services contracts.

25 **Sec. 530.** RCW 39.29.090 and 1998 c 101 s 11 are each amended to
26 read as follows:

27 Personal service contracts awarded by institutions of higher
28 education from nonstate funds do not have to be filed in advance and
29 approved by the (~~office of financial management~~) department of
30 enterprise services. Any such contract is subject to all other
31 requirements of this chapter, including the requirements under RCW
32 39.29.068 for annual reporting of personal service contracts to the
33 (~~office of financial management~~) department of enterprise services.

34 **Sec. 531.** RCW 39.29.100 and 2002 c 260 s 7 are each amended to
35 read as follows:

1 (1) The (~~office of financial management~~) department of enterprise
2 services shall adopt uniform guidelines for the effective and efficient
3 management of personal service contracts and client service contracts
4 by all state agencies. The guidelines must, at a minimum, include:

5 (a) Accounting methods, systems, measures, and principles to be
6 used by agencies and contractors;

7 (b) Precontract procedures for selecting potential contractors
8 based on their qualifications and ability to perform;

9 (c) Incorporation of performance measures and measurable benchmarks
10 in contracts, and the use of performance audits;

11 (d) Uniform contract terms to ensure contract performance and
12 compliance with state and federal standards;

13 (e) Proper payment and reimbursement methods to ensure that the
14 state receives full value for taxpayer moneys, including cost
15 settlements and cost allowance;

16 (f) Postcontract procedures, including methods for recovering
17 improperly spent or overspent moneys for disallowance and adjustment;

18 (g) Adequate contract remedies and sanctions to ensure compliance;

19 (h) Monitoring, fund tracking, risk assessment, and auditing
20 procedures and requirements;

21 (i) Financial reporting, record retention, and record access
22 procedures and requirements;

23 (j) Procedures and criteria for terminating contracts for cause or
24 otherwise; and

25 (k) Any other subject related to effective and efficient contract
26 management.

27 (2) The (~~office of financial management~~) department of enterprise
28 services shall submit the guidelines required by subsection (1) of this
29 section to the governor and the appropriate standing committees of the
30 legislature no later than December 1, 2002.

31 (3) The (~~office of financial management~~) department of enterprise
32 services shall publish a guidebook for use by state agencies containing
33 the guidelines required by subsection (1) of this section.

34 **Sec. 532.** RCW 39.29.110 and 2002 c 260 s 8 are each amended to
35 read as follows:

36 (1) A state agency entering into or renewing personal service

1 contracts or client service contracts shall follow the guidelines
2 required by RCW 39.29.100.

3 (2) A state agency that has entered into or renewed personal
4 service contracts or client service contracts during a calendar year
5 shall, on or before January 1st of the following calendar year, provide
6 the (~~office of financial management~~) department of enterprise
7 services with a report detailing the procedures the agency employed in
8 entering into, renewing, and managing the contracts.

9 (3) The provisions of this section apply to state agencies entering
10 into or renewing contracts after January 1, 2003.

11 **Sec. 533.** RCW 39.29.120 and 2002 c 260 s 9 are each amended to
12 read as follows:

13 (1) The (~~office of financial management~~) department of enterprise
14 services shall provide a training course for agency personnel
15 responsible for executing and managing personal service contracts and
16 client service contracts. The course must contain training on
17 effective and efficient contract management under the guidelines
18 established under RCW 39.29.100. State agencies shall require agency
19 employees responsible for executing or managing personal service
20 contracts and client service contracts to complete the training course
21 to the satisfaction of the (~~office of financial management~~)
22 department of enterprise services. Beginning January 1, 2004, no
23 agency employee may execute or manage personal service contracts or
24 client service contracts unless the employee has completed the training
25 course. Any request for exception to this requirement shall be
26 submitted to the (~~office of financial management~~) department of
27 enterprise services in writing and shall be approved by the (~~office of~~
28 ~~financial management~~) department of enterprise services prior to the
29 employee executing or managing the contract.

30 (2)(a) The (~~office of financial management~~) department of
31 enterprise services shall conduct risk-based audits of the contracting
32 practices associated with individual personal service and client
33 service contracts from multiple state agencies to ensure compliance
34 with the guidelines established in RCW 39.29.110. The (~~office of~~
35 ~~financial management~~) department of enterprise services shall conduct
36 the number of audits deemed appropriate by the director of the (~~office~~

1 ~~of financial management~~) department of enterprise services based on
2 funding provided.

3 (b) The (~~office of financial management~~) department of enterprise
4 services shall forward the results of the audits conducted under this
5 section to the governor, the appropriate standing committees of the
6 legislature, and the joint legislative audit and review committee.

7 **Sec. 534.** RCW 43.88.580 and 2008 c 326 s 3 are each amended to
8 read as follows:

9 (1) The (~~office of financial management~~) department of enterprise
10 services shall make electronically available to the public a database
11 of state agency contracts for personal services required to be filed
12 with the (~~office of financial management~~) department of enterprise
13 services under chapter 39.29 RCW.

14 (2) The state expenditure information web site described in RCW
15 44.48.150 shall include a link to the (~~office of financial~~
16 ~~management~~) department of enterprise services database described in
17 subsection (1) of this section.

18 NEW SECTION. **Sec. 535.** RCW 43.41.280, 43.41.290, 43.41.300,
19 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.350, and 43.41.360
20 are each recodified as sections in chapter 43.19 RCW.

21 **PART VI**
22 **POWERS AND DUTIES TRANSFERRED FROM THE**
23 **DEPARTMENT OF INFORMATION SERVICES**

24 **Sec. 601.** RCW 43.105.080 and 2010 1st sp.s. c 37 s 931 are each
25 amended to read as follows:

26 There is created a revolving fund to be known as the data
27 processing revolving fund in the custody of the state treasurer. The
28 revolving fund shall be used for the acquisition of equipment,
29 software, supplies, and services and the payment of salaries, wages,
30 and other costs incidental to the acquisition, development, operation,
31 and administration of information services, telecommunications,
32 systems, software, supplies and equipment, including the payment of
33 principal and interest on bonds issued for capital projects, by the
34 department, Washington State University's computer services center, the

1 department of (~~personnel's~~) enterprise services' personnel
2 information systems (~~division, the office of financial management's~~)
3 group and financial systems management group, and other users as
4 (~~jointly~~) determined by the (~~department and the~~) office of
5 financial management. The revolving fund is subject to the allotment
6 procedure provided under chapter 43.88 RCW. Disbursements from the
7 revolving fund for the services component of the department are not
8 subject to appropriation. The chief information officer or the chief
9 information officer's designee, with the approval of the technology
10 services board, is authorized to expend up to one million dollars per
11 fiscal biennium for the technology services board to conduct
12 independent technical and financial analysis of proposed information
13 technology projects, and such expenditures do not require an
14 appropriation. Disbursements for the strategic planning and policy
15 component of the department are subject to appropriation. All
16 disbursements from the fund are subject to the allotment procedures
17 provided under chapter 43.88 RCW. The department shall establish and
18 implement a billing structure to assure all agencies pay an equitable
19 share of the costs.

20 During the 2009-2011 fiscal biennium, the legislature may transfer
21 from the data processing revolving account to the state general fund
22 such amounts as reflect the excess fund balance associated with the
23 information technology pool.

24 As used in this section, the word "supplies" shall not be
25 interpreted to delegate or abrogate the division of purchasing's
26 responsibilities and authority to purchase supplies as described in RCW
27 43.19.190 and 43.19.200.

28 **Sec. 602.** RCW 43.105.320 and 1999 c 287 s 18 are each amended to
29 read as follows:

30 The department of (~~information~~) enterprise services may become a
31 licensed certification authority, under chapter 19.34 RCW, for the
32 purpose of providing services to agencies, local governments, and other
33 entities and persons for purposes of official state business. The
34 department is not subject to RCW 19.34.100(1)(a). The department shall
35 only issue certificates, as defined in RCW 19.34.020, in which the
36 subscriber is:

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

3 (2) A city, county, district, or other municipal corporation, or a
4 department, office, or agency of the city, county, district, or
5 municipal corporation;

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

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

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

21 **Sec. 603.** RCW 43.105.370 and 2009 c 509 s 2 are each amended to
22 read as follows:

23 (1) The broadband mapping account is established in the custody of
24 the state treasurer. The department shall deposit into the account
25 such funds received from legislative appropriation, federal (~~grants~~
26 ~~authorized under the federal broadband data improvement act, P.L. 110-~~
27 ~~385, Title I~~) funding, and donated funds from private and public
28 sources. Expenditures from the account may be used only for the
29 purposes of RCW 43.105.372 through 43.105.376 (as recodified by this
30 act). Only the director of the department or the director's designee
31 may authorize expenditures from the account. The account is subject to
32 the allotment procedures under chapter 43.88 RCW, but an appropriation
33 is not required for expenditures.

34 (2) The department (~~of information services~~) is the single
35 eligible entity in the state for purposes of the federal broadband
36 (~~data improvement act, P.L. 110-385, Title I~~) mapping activities.

1 (3) Federal funding received by the department (~~((under the federal~~
2 ~~broadband data improvement act, P.L. 110-385, Title I,))~~ for broadband
3 mapping activities must be used in accordance with (~~(the))~~ any federal
4 requirements (~~(of that act))~~ and, subject to those requirements, may be
5 distributed by the department on a competitive basis to other entities
6 in the state (~~(to achieve the purposes of that act))~~).

7 (4) The department (~~(of information services))~~ shall consult with
8 (~~(the department of community, trade, and economic development or its~~
9 ~~successor agency,))~~ the office of financial management(~~(-))~~ and the
10 utilities and transportation commission in coordinating broadband
11 mapping activities. In carrying out any broadband mapping activities,
12 the provisions of P.L. 110-385, Title I, regarding trade secrets,
13 commercial or financial information, and privileged or confidential
14 information submitted by the federal communications commission or a
15 broadband provider are deemed to encompass the consulted agencies.

16 **Sec. 604.** RCW 43.105.372 and 2009 c 509 s 3 are each amended to
17 read as follows:

18 (1) Subject to the availability of federal or state funding, the
19 department may:

20 (a) Develop an interactive web site to allow residents to self-
21 report whether high-speed internet is available at their home or
22 residence and at what speed; and

23 (b) Conduct a detailed survey of all high-speed internet
24 infrastructure owned or leased by state agencies and (~~(creating~~
25 ~~[create])~~) create a geographic information system map of all high-speed
26 internet infrastructure owned or leased by the state.

27 (2) State agencies responding to a survey request from the
28 department under subsection (1)(b) of this section shall respond in a
29 reasonable and timely manner, not to exceed one hundred twenty days.
30 The department shall request of state agencies, at a minimum:

31 (a) The total bandwidth of high-speed internet infrastructure owned
32 or leased;

33 (b) The cost of maintaining that high-speed internet
34 infrastructure, if owned, or the price paid for the high-speed internet
35 infrastructure, if leased; and

36 (c) The leasing entity, if applicable.

1 (3) The department may adopt rules as necessary to carry out the
2 provisions of this section.

3 (4) For purposes of this section, "state agency" includes every
4 state office, department, division, bureau, board, commission, or other
5 state agency.

6 **Sec. 605.** RCW 43.105.374 and 2009 c 509 s 4 are each amended to
7 read as follows:

8 (1) The department is authorized, through a competitive bidding
9 process, to procure on behalf of the state a geographic information
10 system map detailing high-speed internet infrastructure, service
11 availability, and adoption. This geographic information system map may
12 include adoption information, availability information, type of high-
13 speed internet deployment technology, and available speed tiers for
14 high-speed internet based on any publicly available data.

15 (2) The department may procure this map either by:

16 (a) Contracting for and purchasing a completed map or updates to a
17 map from a third party; or

18 (b) Working directly with the federal communications commission to
19 accept publicly available data.

20 (3) The department shall establish an accountability and oversight
21 structure to ensure that there is transparency in the bidding and
22 contracting process and full financial and technical accountability for
23 any information or actions taken by a third-party contractor creating
24 this map.

25 (4) In contracting for purchase of the map or updates to a map in
26 subsection (2)(a) of this section, the department may take no action,
27 nor impose any condition on the third party, that causes any record
28 submitted by a public or private broadband service provider to the
29 third party to meet the standard of a public record as defined in RCW
30 42.56.010. This prohibition does not apply to any records delivered to
31 the department by the third party as a component of the (~~completed~~)
32 map. For the purpose of RCW 42.56.010(~~(+2)~~) (3), the purchase by the
33 department of a completed map or updates to a map may not be deemed use
34 or ownership by the department of the underlying information used by
35 the third party to complete the map.

36 (5) Data or information that is publicly available as of July 1,

1 2009, will not cease to be publicly available due to any provision of
2 chapter 509, Laws of 2009.

3 **Sec. 606.** RCW 43.105.376 and 2009 c 509 s 5 are each amended to
4 read as follows:

5 (1) The department, in coordination with (~~the department of~~
6 ~~community, trade, and economic development and~~) the utilities and
7 transportation commission, and such advisors as the department chooses,
8 may prepare regular reports that identify the following:

9 (a) The geographic areas of greatest priority for the deployment of
10 advanced telecommunications infrastructure in the state;

11 (b) A detailed explanation of how any amount of funding received
12 from the federal government for the purposes of broadband mapping,
13 deployment, and adoption will be or have been used; and

14 (c) A determination of how nonfederal sources may be utilized to
15 achieve the purposes of broadband mapping, deployment, and adoption
16 activities in the state.

17 (2) To the greatest extent possible, the initial report should be
18 based upon the information identified in the geographic system maps
19 developed under the requirements of this chapter.

20 (3) The initial report should be delivered to the appropriate
21 committees of the legislature as soon as feasible, but no later than
22 January 18, 2010.

23 (4) Any future reports prepared by the department based upon the
24 requirements of subsection (1) of this section should be delivered to
25 the appropriate committees of the legislature by January 15th of each
26 year.

27 **Sec. 607.** RCW 43.105.380 and 2009 c 509 s 6 are each amended to
28 read as follows:

29 The community technology opportunity program is created to support
30 the efforts of community technology programs throughout the state. The
31 community technology opportunity program must be administered by the
32 department (~~of information services~~). The department may contract
33 for services in order to carry out the department's obligations under
34 this section.

35 (1) In implementing the community technology opportunity program

1 the ((~~administrator~~)) director must, to the extent funds are
2 appropriated for this purpose:

3 (a) Provide organizational and capacity building support to
4 community technology programs throughout the state, and identify and
5 facilitate the availability of other public and private sources of
6 funds to enhance the purposes of the program and the work of community
7 technology programs. No more than fifteen percent of funds received by
8 the ((~~administrator~~)) director for the program may be expended on these
9 functions;

10 (b) Establish a competitive grant program and provide grants to
11 community technology programs to provide training and skill-building
12 opportunities; access to hardware and software; internet connectivity;
13 digital media literacy; assistance in the adoption of information and
14 communication technologies in low-income and underserved areas of the
15 state; and development of locally relevant content and delivery of
16 vital services through technology.

17 (2) Grant applicants must:

18 (a) Provide evidence that the applicant is a nonprofit entity or a
19 public entity that is working in partnership with a nonprofit entity;

20 (b) Define the geographic area or population to be served;

21 (c) Include in the application the results of a needs assessment
22 addressing, in the geographic area or among the population to be
23 served: The impact of inadequacies in technology access or knowledge,
24 barriers faced, and services needed;

25 (d) Explain in detail the strategy for addressing the needs
26 identified and an implementation plan including objectives, tasks, and
27 benchmarks for the applicant and the role that other organizations will
28 play in assisting the applicant's efforts;

29 (e) Provide evidence of matching funds and resources, which are
30 equivalent to at least one-quarter of the grant amount committed to the
31 applicant's strategy;

32 (f) Provide evidence that funds applied for, if received, will be
33 used to provide effective delivery of community technology services in
34 alignment with the goals of this program and to increase the
35 applicant's level of effort beyond the current level; and

36 (g) Comply with such other requirements as the ((~~administrator~~))
37 director establishes.

1 (3) The (~~administrator~~) director may use no more than ten percent
2 of funds received for the community technology opportunity program to
3 cover administrative expenses.

4 (4) The (~~administrator~~) director must establish expected program
5 outcomes for each grant recipient and must require grant recipients to
6 provide an annual accounting of program outcomes.

7 **Sec. 608.** RCW 43.105.382 and 2009 c 509 s 8 are each amended to
8 read as follows:

9 The Washington community technology opportunity account is
10 established in the state treasury. The governor or the governor's
11 designee and the director or the director's designee shall deposit into
12 the account federal grants to the state (~~authorized under Division B,~~
13 ~~Title VI of the American recovery and reinvestment act of 2009~~),
14 legislative appropriations, and donated funds from private and public
15 sources for purposes related to broadband deployment and adoption,
16 including matching funds required by the act. Donated funds from
17 private and public sources may be deposited into the account.
18 Expenditures from the account may be used only as matching funds for
19 federal and other grants to fund the operation of the community
20 technology opportunity program under this chapter, and to fund other
21 broadband-related activities authorized in chapter 509, Laws of 2009.
22 Only the director or the director's designee may authorize expenditures
23 from the account.

24 **Sec. 609.** RCW 43.105.390 and 2009 c 509 s 9 are each amended to
25 read as follows:

26 (1) The governor may take all appropriate steps to (~~carry out the~~
27 ~~purposes of Division B, Title VI of the American recovery and~~
28 ~~reinvestment act of 2009, P.L. 111-5, and~~) seek federal funding in
29 order to maximize investment in broadband deployment and adoption in
30 the state of Washington (~~consistent with chapter 509, Laws of 2009~~).
31 Such steps may include the designation of a broadband deployment and
32 adoption coordinator; review and prioritization of grant applications
33 by public and private entities as directed by the national
34 telecommunications and information administration, the rural utility
35 services, and the federal communications commission; disbursement of
36 block grant funding; and direction to state agencies to provide

1 staffing as necessary to carry out this section. The authority for
2 overseeing broadband adoption and deployment efforts on behalf of the
3 state is vested in the department.

4 (2) The department may apply for federal funds and other grants or
5 donations, may deposit such funds in the Washington community
6 technology opportunity account created in RCW 43.105.382 (as recodified
7 by this act), may oversee implementation of federally funded or
8 mandated broadband programs for the state and may adopt rules to
9 administer the programs. These programs may include but are not
10 limited to the following:

11 (a) Engaging in periodic statewide surveys of residents,
12 businesses, and nonprofit organizations concerning their use and
13 adoption of high-speed internet, computer, and related information
14 technology for the purpose of identifying barriers to adoption;

15 (b) Working with communities to identify barriers to the adoption
16 of broadband service and related information technology services by
17 individuals, nonprofit organizations, and businesses;

18 (c) Identifying broadband demand opportunities in communities by
19 working cooperatively with local organizations, government agencies,
20 and businesses;

21 (d) Creating, implementing, and administering programs to improve
22 computer ownership, technology literacy, digital media literacy, and
23 high-speed internet access for populations not currently served or
24 underserved in the state. This may include programs to provide low-
25 income families, community-based nonprofit organizations, nonprofit
26 entities, and public entities that work in partnership with nonprofit
27 entities to provide increased access to computers and broadband, with
28 reduced cost internet access;

29 (e) Administering the community technology opportunity program
30 under RCW 43.105.380 and 43.105.382 (as recodified by this act);

31 (f) Creating additional programs to spur the development of high-
32 speed internet resources in the state;

33 (g) Establishing technology literacy and digital inclusion programs
34 and establishing low-cost hardware, software, and internet purchasing
35 programs that may include allowing participation by community
36 technology programs in state purchasing programs; and

37 (h) Developing technology loan programs targeting small businesses
38 or businesses located in unserved and underserved areas.

1 **Sec. 610.** RCW 43.105.400 and 2009 c 509 s 10 are each amended to
2 read as follows:

3 ~~((1))~~ Subject to the availability of federal or state funding,
4 the department may ~~((reconvene the high-speed internet work group~~
5 ~~previously established by chapter 262, Laws of 2008. The work group is~~
6 ~~renamed the advisory council on digital inclusion, and is))~~ convene an
7 advisory group ~~((to the department))~~ on digital inclusion and
8 technology planning. The ~~((council must))~~ advisory group may include,
9 but is not limited to, volunteer representatives from community
10 technology organizations, telecommunications providers, higher
11 education institutions, K-12 education institutions, public health
12 institutions, public housing entities, and local government and other
13 governmental entities that are engaged in community technology
14 activities.

15 ~~((2) The council shall prepare a report by January 15th of each~~
16 ~~year and submit it to the department, the governor, and the appropriate~~
17 ~~committees of the legislature. The report must contain:~~

18 ~~(a) An analysis of how support from public and private sector~~
19 ~~partnerships, the philanthropic community, and other not-for-profit~~
20 ~~organizations in the community, along with strong relationships with~~
21 ~~the state board for community and technical colleges, the higher~~
22 ~~education coordinating board, and higher education institutions, could~~
23 ~~establish a variety of high-speed internet access alternatives for~~
24 ~~citizens;~~

25 ~~(b) Proposed strategies for continued broadband deployment and~~
26 ~~adoption efforts, as well as further development of advanced~~
27 ~~telecommunications applications;~~

28 ~~(c) Recommendations on methods for maximizing the state's research~~
29 ~~and development capacity at universities and in the private sector for~~
30 ~~developing advanced telecommunications applications and services, and~~
31 ~~recommendations on incentives to stimulate the demand for and~~
32 ~~development of these applications and services;~~

33 ~~(d) An identification of barriers that hinder the advancement of~~
34 ~~technology entrepreneurship in the state; and~~

35 ~~(e) An evaluation of programs designed to advance digital literacy~~
36 ~~and computer access that are made available by the federal government,~~
37 ~~local agencies, telecommunications providers, and business and~~
38 ~~charitable entities.))~~

1 **Sec. 611.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each
2 amended to read as follows:

3 The costs of administering, maintaining, and operating the central
4 personnel-payroll system shall be distributed to the using state
5 agencies. In order to insure proper and equitable distribution of
6 costs the department of personnel shall utilize cost accounting
7 procedures to identify all costs incurred in the administration,
8 maintenance, and operation of the central personnel-payroll system. In
9 order to facilitate proper and equitable distribution of costs to the
10 using state agencies the department of personnel is authorized to
11 utilize the data processing revolving fund created by RCW 43.105.080
12 (as recodified by this act) and the ~~((department of))~~ personnel service
13 fund created by RCW 41.06.280.

14 **Sec. 612.** RCW 43.99I.040 and 1997 c 456 s 39 are each amended to
15 read as follows:

16 (1) On each date on which any interest or principal and interest
17 payment is due on bonds issued for the purposes of RCW 43.99I.020(4),
18 the state treasurer shall transfer from property taxes in the state
19 general fund levied for this support of the common schools under RCW
20 84.52.065 to the general fund of the state treasury for unrestricted
21 use the amount computed in RCW 43.99I.030 for the bonds issued for the
22 purposes of RCW 43.99I.020(4).

23 (2) On each date on which any interest or principal and interest
24 payment is due on bonds issued for the purposes of RCW 43.99I.020(5),
25 the state treasurer shall transfer from higher education operating fees
26 deposited in the general fund to the general fund of the state treasury
27 for unrestricted use, or if chapter 231, Laws of 1992 (Senate Bill No.
28 6285) becomes law and changes the disposition of higher education
29 operating fees from the general fund to another account, the state
30 treasurer shall transfer the proportional share from the University of
31 Washington operating fees account, the Washington State University
32 operating fees account, and the Central Washington University operating
33 fees account the amount computed in RCW 43.99I.030 for the bonds issued
34 for the purposes of RCW 43.99I.020(6).

35 (3) On each date on which any interest or principal and interest
36 payment is due on bonds issued for the purposes of RCW 43.99I.020(6),
37 the state treasurer shall transfer from the data processing revolving

1 fund created in RCW 43.105.080 (as recodified by this act) to the
2 general fund of the state treasury the amount computed in RCW
3 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6).

4 (4) On each date on which any interest or principal and interest
5 payment is due on bonds issued for the purpose of RCW 43.99I.020(7),
6 the Washington state dairy products commission shall cause the amount
7 computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW
8 43.99I.020(7) to be paid out of the commission's general operating fund
9 to the state treasurer for deposit into the general fund of the state
10 treasury.

11 (5) The higher education operating fee accounts for the University
12 of Washington, Washington State University, and Central Washington
13 University established by chapter 231, Laws of 1992 and repealed by
14 chapter 18, Laws of 1993 1st sp. sess. are reestablished in the state
15 treasury for purposes of fulfilling debt service reimbursement
16 transfers to the general fund required by bond resolutions and
17 covenants for bonds issued for purposes of RCW 43.99I.020(5).

18 (6) For bonds issued for purposes of RCW 43.99I.020(5), on each
19 date on which any interest or principal and interest payment is due,
20 the board of regents or board of trustees of the University of
21 Washington, Washington State University, or Central Washington
22 University shall cause the amount as determined by the state treasurer
23 to be paid out of the local operating fee account for deposit by the
24 universities into the state treasury higher education operating fee
25 accounts. The state treasurer shall transfer the proportional share
26 from the University of Washington operating fees account, the
27 Washington State University operating fees account, and the Central
28 Washington University operating fees account the amount computed in RCW
29 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6)
30 to reimburse the general fund.

31 NEW SECTION. **Sec. 613.** The following acts or parts of acts are
32 each repealed:

33 (1) RCW 43.105.300 (Education in use of technology encouraged) and
34 1996 c 171 s 14; and

35 (2) RCW 43.105.360 (Web directory--Public community technology
36 programs) and 2008 c 262 s 5.

1 NEW SECTION. **Sec. 702.** (1) The office of the chief information
2 officer is created within the office of financial management.

3 (2) Powers, duties, and functions assigned to the department of
4 information services as specified in this chapter shall be transferred
5 to the office of the chief information officer as provided in this
6 chapter.

7 (3) The primary duties of the office are:

8 (a) To prepare and lead the implementation of a strategic direction
9 and enterprise architecture for information technology for state
10 government;

11 (b) To enable the standardization and consolidation of information
12 technology infrastructure across all state agencies to support
13 enterprise-based system development and improve and maintain service
14 delivery;

15 (c) To establish standards and policies for the consistent and
16 efficient operation of information technology services throughout state
17 government;

18 (d) To establish statewide enterprise architecture that will serve
19 as the organizing standard for information technology for state
20 agencies;

21 (e) Educate and inform state managers and policymakers on
22 technological developments, industry trends and best practices,
23 industry benchmarks that strengthen decision making and professional
24 development, and industry understanding for public managers and
25 decision makers.

26 (4) In the case of institutions of higher education, the powers of
27 the office and the provisions of this chapter apply to business and
28 administrative applications but do not apply to (a) academic and
29 research applications; and (b) medical, clinical, and health care
30 applications, including the business and administrative applications
31 for such operations. However, institutions of higher education must
32 disclose to the office any proposed academic applications that are
33 enterprise-wide in nature relative to the needs and interests of other
34 institutions of higher education.

35 (5) The legislature and the judiciary, which are constitutionally
36 recognized as separate branches of government, are strongly encouraged
37 to coordinate with the office and participate in shared services

1 initiatives and the development of enterprise-based strategies, where
2 appropriate.

3 NEW SECTION. **Sec. 703.** (1) The executive head and appointing
4 authority of the office is the chief information officer. The chief
5 information officer shall be appointed by the governor, subject to
6 confirmation by the senate. The chief information officer shall serve
7 at the pleasure of the governor. The chief information officer shall
8 be paid a salary fixed by the governor. If a vacancy occurs in the
9 position of the chief information officer while the senate is not in
10 session, the governor shall make a temporary appointment until the next
11 meeting of the senate at which time he or she shall present to that
12 body his or her nomination for the position.

13 (2) The chief information officer may employ staff members, some of
14 whom may be exempt from chapter 41.06 RCW, and any additional staff
15 members as are necessary to administer this chapter, and such other
16 duties as may be authorized by law. The chief information officer may
17 delegate any power or duty vested in him or her by this chapter or
18 other law.

19 (3) The internal affairs of the office shall be under the control
20 of the chief information officer in order that the chief information
21 officer may manage the office in a flexible and intelligent manner as
22 dictated by changing contemporary circumstances. Unless specifically
23 limited by law, the chief information officer shall have complete
24 charge and supervisory powers over the office. The chief information
25 officer may create such administrative structures as the chief
26 information officer deems appropriate, except as otherwise specified by
27 law, and the chief information officer may employ staff members as may
28 be necessary in accordance with chapter 41.06 RCW, except as otherwise
29 provided by law.

30 NEW SECTION. **Sec. 704.** The chief information officer shall:

31 (1) Supervise and administer the activities of the office of the
32 chief information officer;

33 (2) Exercise all the powers and perform all the duties prescribed
34 by law with respect to the administration of this chapter including:

35 (a) Appoint such professional, technical, and clerical assistants

1 and employees as may be necessary to perform the duties imposed by this
2 chapter; and

3 (b) Report to the governor any matters relating to abuses and
4 evasions of this chapter.

5 (3) In addition to other powers and duties granted, the chief
6 information officer has the following powers and duties:

7 (a) Enter into contracts on behalf of the state to carry out the
8 purposes of this chapter;

9 (b) Accept and expend gifts and grants that are related to the
10 purposes of this chapter, whether such grants be of federal or other
11 funds;

12 (c) Apply for grants from public and private entities, and receive
13 and administer any grant funding received for the purpose and intent of
14 this chapter;

15 (d) Adopt rules in accordance with chapter 34.05 RCW and perform
16 all other functions necessary and proper to carry out the purposes of
17 this chapter;

18 (e) Delegate powers, duties, and functions as the chief information
19 officer deems necessary for efficient administration, but the chief
20 information officer shall be responsible for the official acts of the
21 officers and employees of the office; and

22 (f) Perform other duties as are necessary and consistent with law.

23 NEW SECTION. **Sec. 705.** The definitions in this section apply
24 throughout this chapter unless the context clearly requires otherwise.

25 (1) "Backbone network" means the shared high-density portions of
26 the state's telecommunications transmission facilities. It includes
27 specially conditioned high-speed communications carrier lines,
28 multiplexors, switches associated with such communications lines, and
29 any equipment and software components necessary for management and
30 control of the backbone network.

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

32 (3) "Committee" means the state interoperability executive
33 committee.

34 (4) "Educational sectors" means those institutions of higher
35 education, school districts, and educational service districts that use
36 the network for distance education, data transmission, and other uses
37 permitted by the board.

1 (5) "Enterprise architecture" means an ongoing program for
2 translating business vision and strategy into effective enterprise
3 change. It is a continuous activity. Enterprise architecture creates,
4 communicates, and improves the key principles and models that describe
5 the enterprise's future state and enable its evolution.

6 (6) "Equipment" means the machines, devices, and transmission
7 facilities used in information processing, including but not limited to
8 computers, terminals, telephones, wireless communications system
9 facilities, cables, and any physical facility necessary for the
10 operation of such equipment.

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

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

19 (9) "Information technology portfolio" or "portfolio" means a
20 strategic management process documenting relationships between agency
21 missions and information technology and telecommunications investments.

22 (10) "K-20 network" means the network established in section 718 of
23 this act.

24 (11) "Local governments" includes all municipal and quasi-municipal
25 corporations and political subdivisions, and all agencies of such
26 corporations and subdivisions authorized to contract separately.

27 (12) "Office" means the office of the chief information officer.

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

31 (14) "Proprietary software" means that software offered for sale or
32 license.

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

36 (16) "Telecommunications" includes, but is not limited to, wireless
37 or wired systems for transport of voice, video, and data
38 communications, network systems, requisite facilities, equipment,

1 system controls, simulation, electronic commerce, and all related
2 interactions between people and machines. "Telecommunications" does
3 not include public safety communications.

4 **STANDARDS AND POLICIES**

5 NEW SECTION. **Sec. 706.** (1) The chief information officer shall
6 establish standards and policies to govern information technology in
7 the state of Washington.

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

10 (a) To develop statewide standards and policies governing the
11 acquisition and disposition of equipment, software, and personal and
12 purchased services, licensing of the radio spectrum by or on behalf of
13 state agencies, and confidentiality of computerized data;

14 (b) To develop statewide or interagency technical policies,
15 standards, and procedures;

16 (c) To review and approve standards and common specifications for
17 new or expanded telecommunications networks proposed by agencies,
18 public postsecondary education institutions, educational service
19 districts, or statewide or regional providers of K-12 information
20 technology services;

21 (d) To provide direction concerning strategic planning goals and
22 objectives for the state. The office shall seek input from the
23 legislature and the judiciary; and

24 (e) To establish policies for the periodic review by the office of
25 agency performance which may include but are not limited to analysis
26 of:

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

28 (ii) Training and education; and

29 (iii) Project management.

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

34 (a) Establish technical standards to facilitate electronic access
35 to government information and interoperability of information systems,
36 including wireless communications systems; and

1 (b) Require agencies to include an evaluation of electronic public
2 access needs when planning new information systems or major upgrades of
3 systems.

4 In developing these standards, the office is encouraged to include
5 the state library, state archives, and appropriate representatives of
6 state and local government.

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

9 **STRATEGIC PLANNING**

10 NEW SECTION. **Sec. 707.** (1) The office shall prepare a state
11 strategic information technology plan which shall establish a statewide
12 mission, goals, and objectives for the use of information technology,
13 including goals for electronic access to government records,
14 information, and services. The plan shall be developed in accordance
15 with the standards and policies established by the office. The office
16 shall seek the advice of the board in the development of this plan.

17 The plan shall be updated as necessary and submitted to the
18 governor and the legislature.

19 (2) The office shall prepare a biennial state performance report on
20 information technology based on agency performance reports required
21 under section 710 of this act and other information deemed appropriate
22 by the office. 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 (c) An assessment of progress made toward implementing the state
29 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; and

32 (d) An analysis of the success or failure, feasibility, progress,
33 costs, and timeliness of implementation of major information technology
34 projects under section 712 of this act. At a minimum, the portion of
35 the report regarding major technology projects must include:

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

6 (ii) The original proposed project schedule and the final actual
7 project schedule;

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

10 (iv) Discussion of lessons learned on the project, performance of
11 any contractors used, and reasons for project delays or cost increases;
12 and

13 (v) Identification of benefits generated by major information
14 technology projects developed under section 712 of this act.

15 Copies of the report shall be distributed biennially to the
16 governor and the legislature. The major technology section of the
17 report must examine major information technology projects completed in
18 the previous biennium.

19 **PORTFOLIO MANAGEMENT**

20 NEW SECTION. **Sec. 708.** Management of information technology
21 across state government requires managing resources and business
22 processes across multiple agencies. It is no longer sufficient to
23 pursue efficiencies within agency or individual business process
24 boundaries. The state must manage the business process changes and
25 information technology in support of business processes as a statewide
26 portfolio. The chief information officer will use agency information
27 technology portfolio planning as input to develop a statewide portfolio
28 to guide resource allocation and prioritization decisions.

29 NEW SECTION. **Sec. 709.** An agency information technology portfolio
30 shall serve as the basis for making information technology decisions
31 and plans which may include, but are not limited to:

- 32 (1) System refurbishment, acquisitions, and development efforts;
33 (2) Setting goals and objectives for using information technology;
34 (3) Assessments of information processing performance, resources,
35 and capabilities;

- 1 (4) Ensuring the appropriate transfer of technological expertise
2 for the operation of new systems developed using external resources;
3 (5) Guiding new investment demand, prioritization, selection,
4 performance, and asset value of technology and telecommunications; and
5 (6) Progress toward providing electronic access to public
6 information.

7 NEW SECTION. **Sec. 710.** (1) Each agency shall develop an
8 information technology portfolio consistent with RCW 43.105.172 (as
9 recodified by this act). The superintendent of public instruction
10 shall develop its portfolio in conjunction with educational service
11 districts and statewide or regional providers of K-12 education
12 information technology services.

13 (2) Agency portfolios shall include, but not be limited to, the
14 following:

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

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

21 (c) An explanation of how the agency's mission, goals, and
22 objectives for information technology support and conform to the state
23 strategic information technology plan developed under section 707 of
24 this act;

25 (d) An implementation strategy to provide electronic access to
26 public records and information. This implementation strategy must be
27 assembled to include:

28 (i) Compliance with Title 40 RCW;

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

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

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

35 (e) Projects and resources required to meet the objectives of the
36 portfolio; and

1 (f) Where feasible, estimated schedules and funding required to
2 implement identified projects.

3 (3) Portfolios developed under subsection (1) of this section shall
4 be submitted to the office for review and approval. The chief
5 information officer may reject, require modification to, or approve
6 portfolios as deemed appropriate. Portfolios submitted under this
7 subsection shall be updated and submitted for review and approval as
8 necessary.

9 (4) Each agency shall prepare and submit to the office a biennial
10 performance report that evaluates progress toward the objectives
11 articulated in its information technology portfolio and the strategic
12 priorities of the state. The superintendent of public instruction
13 shall develop its portfolio in conjunction with educational service
14 districts and statewide or regional providers of K-12 education
15 information technology services. The report shall include:

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

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

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

23 (d) An inventory of agency information services, equipment, and
24 proprietary software.

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

27 (6) Agency activities to increase electronic access to public
28 records and information, as required by this section, must be
29 implemented within available resources and existing agency planning
30 processes.

31 (7) The office may exempt any agency from any or all of the
32 requirements of this section.

33 BUDGET REVIEW

34 NEW SECTION. **Sec. 711.** (1) At the request of the director of
35 financial management, the office shall evaluate both state agency
36 information technology current spending and technology budget requests,

1 including those proposed by the superintendent of public instruction,
2 in conjunction with educational service districts, or statewide or
3 regional providers of K-12 education information technology services.
4 The office shall submit recommendations for funding all or part of such
5 requests to the director of financial management. The office shall
6 also submit recommendations regarding consolidation and coordination of
7 similar proposals or other efficiencies it finds in reviewing
8 proposals.

9 (2) The office shall establish criteria, consistent with portfolio-
10 based information technology management, for the evaluation of agency
11 budget requests under this section. Technology budget requests shall
12 be evaluated in the context of the state's information technology
13 portfolio; technology initiatives underlying budget requests are
14 subject to review by the office. Criteria shall include, but not be
15 limited to: Feasibility of the proposed projects, consistency with the
16 state strategic information technology plan and the state enterprise
17 architecture, consistency with information technology portfolios,
18 appropriate provision for public electronic access to information,
19 evidence of business process streamlining and gathering of business and
20 technical requirements, services, duration of investment, costs, and
21 benefits.

22 **PROJECT MANAGEMENT OVERSIGHT**

23 NEW SECTION. **Sec. 712.** (1) The office shall establish standards
24 and policies governing the planning, implementation, and evaluation of
25 major information technology projects, including those proposed by the
26 superintendent of public instruction, in conjunction with educational
27 service districts, or statewide or regional providers of K-12 education
28 information technology services. The standards and policies shall:

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

33 (b) Establish a model process and procedures which state agencies
34 shall follow in developing and implementing projects within their
35 information technology portfolios. This process may include project
36 oversight experts or panels, as appropriate. Agencies may propose, for

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

10 The chief information officer may suspend or terminate a major
11 project, and direct that the project funds be placed into unallotted
12 reserve status, if the chief information officer determines that the
13 project is not meeting or is not expected to meet anticipated
14 performance standards.

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

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

27 (b) Other elements deemed necessary by the office of financial
28 management.

29 NEW SECTION. **Sec. 713.** (1) Prior to making a commitment to
30 purchase, acquire, or develop a major information technology product or
31 service, state agencies must provide a proposal to the office outlining
32 the business case of the proposed product or service, including the
33 upfront and ongoing cost of the proposal.

34 (2) Within sixty days of receipt of a proposal, the office shall
35 approve the proposal, reject it, or propose modifications.

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

1 (a) The standards and policies developed by the office pursuant to
2 section 706 of this act; and

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

4 (4) If a substantially similar product or service is offered by the
5 consolidated technology services agency established in RCW 43.105.047,
6 the office may require the agency to procure the product or service
7 through the consolidated technology services agency, if doing so would
8 benefit the state as an enterprise.

9 (5) The office shall provide guidance to agencies as to what
10 threshold of information technology spending constitutes a major
11 information technology product or service under this section. If the
12 total cost of ownership of a proposed information technology product or
13 service exceeds ten million dollars, the office shall require that the
14 agency conduct an independent technical and financial analysis of the
15 product or service prior to submitting a technology budget request to
16 the office of financial management for inclusion in any proposed
17 capital, operating, or transportation budget.

18 ENTERPRISE ARCHITECTURE

19 NEW SECTION. **Sec. 714.** (1) The office shall develop an
20 enterprise-based strategy for information technology in state
21 government informed by portfolio management planning and information
22 technology expenditure information collected from state agencies
23 pursuant to RCW 43.88.092.

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

30 (b) The enterprise architecture program will facilitate business
31 process collaboration among agencies statewide; improving the
32 reliability, interoperability, and sustainability of the business
33 processes that state agencies use.

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

1 (i) Developing evaluation criteria for deciding which common
2 enterprise-wide business processes should become managed as enterprise
3 services;

4 (ii) Developing a roadmap of priorities for creating enterprise
5 services;

6 (iii) Developing decision criteria for determining implementation
7 criteria for centralized or decentralized enterprise services;

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

10 (v) Performing such other duties as may be assigned by the office
11 to promote effective enterprise change.

12 (c) The program will establish performance measurement criteria for
13 each of its initiatives; will measure the success of those initiatives;
14 and will assess its quarterly results with the chief information
15 officer to determine whether to continue, revise, or disband the
16 initiative.

17 **ADVISORY BOARD--CREATION AND DUTIES**

18 NEW SECTION. **Sec. 715.** The technology services board is created
19 within the office of the chief information officer.

20 (1) The board shall be composed of eleven members. Six members
21 shall be appointed by the governor, three of whom shall be
22 representatives of state agencies or institutions, and three of whom
23 shall be representatives of the private sector. Of the state agency
24 representatives, at least one of the representatives must have direct
25 experience using the software projects overseen by the board or
26 reasonably expect to use the new software developed under the oversight
27 of the board. Two members shall represent the house of representatives
28 and shall be selected by the speaker of the house of representatives
29 with one representative chosen from each major caucus of the house of
30 representatives; two members shall represent the senate and shall be
31 appointed by the president of the senate with one representative chosen
32 from each major caucus of the senate. One member shall be the chief
33 information officer who shall be a voting member of the board and serve
34 as chair.

35 (2) Of the initial members, two must be appointed for a one-year

1 term, three must be appointed for a two-year term, and three must be
2 appointed for a three-year term. Thereafter, members must be appointed
3 for three-year terms.

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

6 (4) Members of the board shall be reimbursed for travel expenses as
7 provided in RCW 43.03.050 and 43.03.060.

8 (5) The office shall provide staff support to the board.

9 NEW SECTION. **Sec. 716.** The board shall have the following powers
10 and duties related to information services:

11 (1) To review and approve standards and procedures, developed by
12 the office of the chief information officer, governing the acquisition
13 and disposition of equipment, proprietary software, and purchased
14 services, licensing of the radio spectrum by or on behalf of state
15 agencies, and confidentiality of computerized data;

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

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

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

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

27 (c) Whether the project is technically and financially justifiable
28 when compared against the state's enterprise-based strategy, long-term
29 technology trends, and existing or potential partnerships with private
30 providers or vendors.

31 (4) To review and approve standards and common specifications for
32 new or expanded telecommunications networks proposed by agencies,
33 public postsecondary education institutions, educational service
34 districts, or statewide or regional providers of K-12 information
35 technology services, and to assure the cost-effective development and
36 incremental implementation of a statewide video telecommunications
37 system to serve: Public schools; educational service districts;

1 vocational-technical institutes; community colleges; colleges and
2 universities; state and local government; and the general public
3 through public affairs programming;

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

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

10 (7) To provide a forum where ideas and issues related to
11 information technology plans, policies, and standards can be reviewed.

12 **INTEROPERABILITY COMMITTEE--TRANSFER FROM DEPARTMENT OF**
13 **INFORMATION SERVICES**

14 NEW SECTION. **Sec. 717.** (1) The chief information officer shall
15 appoint a state interoperability executive committee, the membership of
16 which must include, but not be limited to, representatives of the
17 military department, the Washington state patrol, the department of
18 transportation, the office of the chief information officer, the
19 department of natural resources, city and county governments, state and
20 local fire chiefs, police chiefs, and sheriffs, and state and local
21 emergency management directors. The chair and legislative members of
22 the board will serve as nonvoting ex officio members of the committee.
23 Voting membership may not exceed fifteen members.

24 (2) The chief information officer shall appoint the chair of the
25 committee from among the voting members of the committee.

26 (3) The state interoperability executive committee has the
27 following responsibilities:

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

33 (b) Coordinate and manage on behalf of the office the licensing and
34 use of state-designated and state-licensed radio frequencies, including
35 the spectrum used for public safety and emergency communications, and

1 serve as the point of contact with the federal communications
2 commission on matters relating to allocation, use, and licensing of
3 radio spectrum;

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

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

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

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

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

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

16 (f) Foster cooperation and coordination among public safety and
17 emergency response organizations;

18 (g) Work with wireless communications groups and associations to
19 ensure interoperability among all public safety and emergency response
20 wireless communications systems; and

21 (h) Perform such other duties as may be assigned by the office to
22 promote interoperability of wireless communications systems.

23 (4) The office shall provide administrative support to the
24 committee.

25 **K-20 GOVERNANCE AND OPERATIONS OVERSIGHT--TRANSFER FROM**
26 **DEPARTMENT OF INFORMATION SERVICES**

27 NEW SECTION. **Sec. 718.** (1) The office has the duty to govern and
28 oversee the technical design, implementation, and operation of the K-20
29 network including, but not limited to, the following duties:
30 Establishment and implementation of K-20 network technical policy,
31 including technical standards and conditions of use; review and
32 approval of network design; and resolving user/provider disputes.

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

34 (a) In cooperation with the educational sectors and other
35 interested parties, to establish goals and measurable objectives for
36 the network;

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

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

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

24 (e) To adopt and monitor the implementation of a methodology to
25 evaluate the effectiveness of the network in achieving the educational
26 goals and measurable objectives;

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

36 NEW SECTION. **Sec. 719.** The office shall maintain, in consultation
37 with the K-20 network users, the K-20 operations cooperative, which

1 shall be responsible for day-to-day network management, technical
2 network status monitoring, technical problem response coordination, and
3 other duties as agreed to by the office and the educational sectors.
4 Funding for the K-20 operations cooperative shall be provided from the
5 education technology revolving fund under RCW 43.105.835 (as recodified
6 by this act).

7 NEW SECTION. **Sec. 720.** The chief information officer, in
8 conjunction with the K-20 network users, shall maintain a technical
9 plan of the K-20 telecommunications system and ongoing system
10 enhancements. The office shall ensure that the technical plan adheres
11 to the goals and objectives established under section 706 of this act.
12 The technical plan shall provide for:

13 (1) A telecommunications backbone connecting educational service
14 districts, the main campuses of public baccalaureate institutions, the
15 branch campuses of public research institutions, and the main campuses
16 of community colleges and technical colleges.

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

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

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

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

1 NEW SECTION. **Sec. 721.** (1) In overseeing the technical aspects of
2 the K-20 network, the office is not intended to duplicate the statutory
3 responsibilities of the higher education coordinating board, the
4 superintendent of public instruction, the state librarian, or the
5 governing boards of the institutions of higher education.

6 (2) The office may not interfere in any curriculum or legally
7 offered programming offered over the K-20 network.

8 (3) The responsibility to review and approve standards and common
9 specifications for the K-20 network remains the responsibility of the
10 office under section 706 of this act.

11 (4) The coordination of telecommunications planning for the common
12 schools remains the responsibility of the superintendent of public
13 instruction. Except as set forth in section 706(2)(e) of this act, the
14 office may recommend, but not require, revisions to the
15 superintendent's telecommunications plans.

16 **Sec. 722.** RCW 43.105.835 and 2004 c 276 s 910 are each amended to
17 read as follows:

18 (1) The education technology revolving fund is created in the
19 custody of the state treasurer. All receipts from billings under
20 subsection (2) of this section must be deposited in the revolving fund.
21 Only the (~~director of the department of information services or the~~
22 ~~director's designee~~) chief information officer or the chief
23 information officer's designee may authorize expenditures from the
24 fund. The revolving fund shall be used to pay for K-20 network
25 operations, transport, equipment, software, supplies, and services,
26 maintenance and depreciation of on-site data, and shared
27 infrastructure, and other costs incidental to the development,
28 operation, and administration of shared educational information
29 technology services, telecommunications, and systems. The revolving
30 fund shall not be used for the acquisition, maintenance, or operations
31 of local telecommunications infrastructure or the maintenance or
32 depreciation of on-premises video equipment specific to a particular
33 institution or group of institutions.

34 (2) The revolving fund and all disbursements from the revolving
35 fund are subject to the allotment procedure under chapter 43.88 RCW,
36 but an appropriation is not required for expenditures. The
37 (~~department of information services~~) office shall, (~~in consultation~~

1 ~~with entities connected to the network under RCW 43.105.820 and~~)
2 subject to the review and approval of the office of financial
3 management, establish and implement a billing structure for network
4 services identified in subsection (1) of this section.

5 (3) The (~~department~~) office shall charge those public entities
6 connected to the K-20 (~~telecommunications [telecommunication system]~~
7 ~~under RCW 43.105.820~~) telecommunications system under section 720 of
8 this act an annual copayment per unit of transport connection as
9 determined by the legislature after consideration of the (~~K-20~~)
10 board's recommendations. This copayment shall be deposited into the
11 revolving fund to be used for the purposes in subsection (1) of this
12 section. It is the intent of the legislature to appropriate to the
13 revolving fund such moneys as necessary to cover the costs for
14 transport, maintenance, and depreciation of data equipment located at
15 the individual public institutions, maintenance and depreciation of the
16 K-20 network backbone, and services provided to the network under (~~RCW~~
17 ~~43.105.815~~).

18 (~~4~~) ~~During the 2003-05 biennium, the legislature may transfer~~
19 ~~moneys from the education technology revolving fund to the state~~
20 ~~general fund and the data processing revolving fund such amounts as~~
21 ~~reflect the excess fund balance of the account~~) section 718 of this
22 act.

23 **GENERAL PROVISIONS RELATED TO OFFICE OF THE CHIEF INFORMATION OFFICER**

24 NEW SECTION. **Sec. 723.** A new section is added to chapter 41.06
25 RCW to read as follows:

26 In addition to the exemptions under RCW 41.06.070, the provisions
27 of this chapter do not apply in the office of the chief information
28 officer to the chief information officer, the chief information
29 officer's confidential secretary, assistant directors, and any other
30 exempt staff members provided for in section 703 of this act.

31 **Sec. 724.** RCW 43.105.290 and 1996 c 171 s 13 are each amended to
32 read as follows:

33 The state library, with the assistance of the (~~department of~~
34 ~~information services~~) office and the state archives, shall establish
35 a pilot project to design and test an electronic information locator

1 system, allowing members of the public to locate and access electronic
2 public records. In designing the system, the following factors shall
3 be considered: (1) Ease of operation by citizens; (2) access through
4 multiple technologies, such as direct dial and toll-free numbers,
5 kiosks, and the internet; (3) compatibility with private online
6 services; and (4) capability of expanding the electronic public records
7 included in the system. The pilot project may restrict the type and
8 quality of electronic public records that are included in the system to
9 test the feasibility of making electronic public records and
10 information widely available to the public.

11 **Sec. 725.** RCW 28A.650.015 and 2009 c 556 s 17 are each amended to
12 read as follows:

13 (1) The superintendent of public instruction, to the extent funds
14 are appropriated, shall develop and implement a Washington state K-12
15 education technology plan. The technology plan shall be updated on at
16 least a biennial basis, shall be developed to coordinate and expand the
17 use of education technology in the common schools of the state. The
18 plan shall be consistent with applicable provisions of chapter 43.105
19 RCW. The plan, at a minimum, shall address:

20 (a) The provision of technical assistance to schools and school
21 districts for the planning, implementation, and training of staff in
22 the use of technology in curricular and administrative functions;

23 (b) The continued development of a network to connect school
24 districts, institutions of higher learning, and other sources of online
25 information; and

26 (c) Methods to equitably increase the use of education technology
27 by students and school personnel throughout the state.

28 (2) The superintendent of public instruction shall appoint an
29 educational technology advisory committee to assist in the development
30 and implementation of the technology plan in subsection (1) of this
31 section. The committee shall include, but is not limited to, persons
32 representing: ~~The ((department of information services))~~ office of the
33 chief information officer, educational service districts, school
34 directors, school administrators, school principals, teachers,
35 classified staff, higher education faculty, parents, students,
36 business, labor, scientists and mathematicians, the higher education

1 coordinating board, the workforce training and education coordinating
2 board, and the state library.

3 (3) The plan adopted and implemented under this section may not
4 impose on school districts any requirements that are not specifically
5 required by federal law or regulation, including requirements to
6 maintain eligibility for the federal schools and libraries program of
7 the universal service fund.

8 **Sec. 726.** RCW 39.94.040 and 2010 1st sp.s. c 36 s 6015 and 2010
9 1st sp.s. c 35 s 406 are each reenacted and amended to read as follows:

10 (1) Except as provided in RCW 28B.10.022, the state may not enter
11 into any financing contract for itself if the aggregate principal
12 amount payable thereunder is greater than an amount to be established
13 from time to time by the state finance committee or participate in a
14 program providing for the issuance of certificates of participation,
15 including any contract for credit enhancement, without the prior
16 approval of the state finance committee. Except as provided in RCW
17 28B.10.022, the state finance committee shall approve the form of all
18 financing contracts or a standard format for all financing contracts.
19 The state finance committee also may:

20 (a) Consolidate existing or potential financing contracts into
21 master financing contracts with respect to property acquired by one or
22 more agencies, departments, instrumentalities of the state, the state
23 board for community and technical colleges, or a state institution of
24 higher learning; or to be acquired by another agency;

25 (b) Approve programs providing for the issuance of certificates of
26 participation in master financing contracts for the state or for other
27 agencies;

28 (c) Enter into agreements with trustees relating to master
29 financing contracts; and

30 (d) Make appropriate rules for the performance of its duties under
31 this chapter.

32 (2) In the performance of its duties under this chapter, the state
33 finance committee may consult with representatives from the department
34 of general administration, the office of financial management, and the
35 (~~department of information services~~) office of the chief information
36 officer.

1 (3) With the approval of the state finance committee, the state
2 also may enter into agreements with trustees relating to financing
3 contracts and the issuance of certificates of participation.

4 (4) Except for financing contracts for real property used for the
5 purposes described under chapter 28B.140 RCW, the state may not enter
6 into any financing contract for real property of the state without
7 prior approval of the legislature. For the purposes of this
8 requirement, a financing contract must be treated as used for real
9 property if it is being entered into by the state for the acquisition
10 of land; the acquisition of an existing building; the construction of
11 a new building; or a major remodeling, renovation, rehabilitation, or
12 rebuilding of an existing building. Prior approval of the legislature
13 is not required under this chapter for a financing contract entered
14 into by the state under this chapter for energy conservation
15 improvements to existing buildings where such improvements include:
16 (a) Fixtures and equipment that are not part of a major remodeling,
17 renovation, rehabilitation, or rebuilding of the building, or (b) other
18 improvements to the building that are being performed for the primary
19 purpose of energy conservation. Such energy conservation improvements
20 must be determined eligible for financing under this chapter by the
21 office of financial management in accordance with financing guidelines
22 established by the state treasurer, and are to be treated as personal
23 property for the purposes of this chapter.

24 (5) The state may not enter into any financing contract on behalf
25 of another agency without the approval of such a financing contract by
26 the governing body of the other agency.

27 **Sec. 727.** RCW 40.14.020 and 2002 c 358 s 4 are each amended to
28 read as follows:

29 All public records shall be and remain the property of the state of
30 Washington. They shall be delivered by outgoing officials and
31 employees to their successors and shall be preserved, stored,
32 transferred, destroyed or disposed of, and otherwise managed, only in
33 accordance with the provisions of this chapter. In order to insure the
34 proper management and safeguarding of public records, the division of
35 archives and records management is established in the office of the
36 secretary of state. The state archivist, who shall administer the

1 division and have reasonable access to all public records, wherever
2 kept, for purposes of information, surveying, or cataloguing, shall
3 undertake the following functions, duties, and responsibilities:

4 (1) To manage the archives of the state of Washington;

5 (2) To centralize the archives of the state of Washington, to make
6 them available for reference and scholarship, and to insure their
7 proper preservation;

8 (3) To inspect, inventory, catalog, and arrange retention and
9 transfer schedules on all record files of all state departments and
10 other agencies of state government;

11 (4) To insure the maintenance and security of all state public
12 records and to establish safeguards against unauthorized removal or
13 destruction;

14 (5) To establish and operate such state record centers as may from
15 time to time be authorized by appropriation, for the purpose of
16 preserving, servicing, screening and protecting all state public
17 records which must be preserved temporarily or permanently, but which
18 need not be retained in office space and equipment;

19 (6) To adopt rules under chapter 34.05 RCW:

20 (a) Setting standards for the durability and permanence of public
21 records maintained by state and local agencies;

22 (b) Governing procedures for the creation, maintenance,
23 transmission, cataloging, indexing, storage, or reproduction of
24 photographic, optical, electronic, or other images of public documents
25 or records in a manner consistent with current standards, policies, and
26 procedures of the (~~department of information services~~) office of the
27 chief information officer for the acquisition of information
28 technology;

29 (c) Governing the accuracy and durability of, and facilitating
30 access to, photographic, optical, electronic, or other images used as
31 public records; or

32 (d) To carry out any other provision of this chapter;

33 (7) To gather and disseminate to interested agencies information on
34 all phases of records management and current practices, methods,
35 procedures, techniques, and devices for efficient and economical
36 management and preservation of records;

37 (8) To operate a central microfilming bureau which will microfilm,
38 at cost, records approved for filming by the head of the office of

1 origin and the archivist; to approve microfilming projects undertaken
2 by state departments and all other agencies of state government; and to
3 maintain proper standards for this work;

4 (9) To maintain necessary facilities for the review of records
5 approved for destruction and for their economical disposition by sale
6 or burning; directly to supervise such destruction of public records as
7 shall be authorized by the terms of this chapter;

8 (10) To assist and train state and local agencies in the proper
9 methods of creating, maintaining, cataloging, indexing, transmitting,
10 storing, and reproducing photographic, optical, electronic, or other
11 images used as public records;

12 (11) To solicit, accept, and expend donations as provided in RCW
13 43.07.037 for the purpose of the archive program. These purposes
14 include, but are not limited to, acquisition, accession,
15 interpretation, and display of archival materials. Donations that do
16 not meet the criteria of the archive program may not be accepted.

17 **Sec. 728.** RCW 42.17.460 and 1999 c 401 s 1 are each amended to
18 read as follows:

19 It is the intent of the legislature to ensure that the commission
20 provide the general public timely access to all contribution and
21 expenditure reports submitted by candidates, continuing political
22 committees, bona fide political parties, lobbyists, and lobbyists'
23 employers. The legislature finds that failure to meet goals for full
24 and timely disclosure threatens to undermine our electoral process.

25 Furthermore, the legislature intends for the commission to consult
26 with the ((~~department of information services~~)) office of the chief
27 information officer as it seeks to implement chapter 401, Laws of 1999,
28 and that the commission follow the standards and procedures established
29 by the ((~~department of information services~~)) office of the chief
30 information officer in chapter 43.105 RCW as they relate to information
31 technology.

32 **Sec. 729.** RCW 42.17.467 and 1999 c 401 s 5 are each amended to
33 read as follows:

34 In preparing the information technology plan, the commission shall
35 consult with affected state agencies, the ((~~department of information~~
36 ~~services~~)) office of the chief information officer, and stakeholders in

1 the commission's work, including representatives of political
2 committees, bona fide political parties, news media, and the general
3 public.

4 **Sec. 730.** RCW 42.17.469 and 1999 c 401 s 6 are each amended to
5 read as follows:

6 The commission shall submit the information technology plan to the
7 senate and house of representatives fiscal committees, the governor,
8 the senate state and local government committee, the house of
9 representatives state government committee, and the (~~department of~~
10 ~~information services~~) office of the chief information officer by
11 February 1, 2000. It is the intent of the legislature that the
12 commission thereafter comply with the requirements of chapter 43.105
13 RCW with respect to preparation and submission of biennial performance
14 reports on the commission's information technology.

15 **Sec. 731.** RCW 42.17.471 and 1999 c 401 s 7 are each amended to
16 read as follows:

17 The commission shall prepare and submit to the (~~department of~~
18 ~~information services~~) office of the chief information officer a
19 biennial performance report (~~in accordance with chapter 43.105 RCW~~).

20 The report must include:

21 (1) An evaluation of the agency's performance relating to
22 information technology;

23 (2) An assessment of progress made toward implementing the agency
24 information technology plan;

25 (3) An analysis of the commission's performance measures, set forth
26 in RCW 42.17.463, that relate to the electronic filing of reports and
27 timely public access to those reports via the commission's web site;

28 (4) A comprehensive description of the methods by which citizens
29 may interact with the agency in order to obtain information and
30 services from the commission; and

31 (5) An inventory of agency information services, equipment, and
32 proprietary software.

33 **Sec. 732.** RCW 42.17A.060 and 1999 c 401 s 1 are each amended to
34 read as follows:

35 It is the intent of the legislature to ensure that the commission

1 provide the general public timely access to all contribution and
2 expenditure reports submitted by candidates, continuing political
3 committees, bona fide political parties, lobbyists, and lobbyists'
4 employers. The legislature finds that failure to meet goals for full
5 and timely disclosure threatens to undermine our electoral process.

6 Furthermore, the legislature intends for the commission to consult
7 with the (~~department of information services~~) office of the chief
8 information officer as it seeks to implement chapter 401, Laws of 1999,
9 and that the commission follow the standards and procedures established
10 by the (~~department of information services~~) office of the chief
11 information officer in chapter 43.105 RCW as they relate to information
12 technology.

13 **Sec. 733.** RCW 43.88.092 and 2010 c 282 s 3 are each amended to
14 read as follows:

15 (1) As part of the biennial budget process, the office of financial
16 management shall collect from agencies, and agencies shall provide,
17 information to produce reports, summaries, and budget detail sufficient
18 to allow review, analysis, and documentation by the office of financial
19 management and the chief information officer of all current and
20 proposed expenditures for information technology by state agencies.
21 Information technology budget detail must be included as part of the
22 budget submittal documentation required pursuant to RCW 43.88.030.

23 (2) The office of financial management must collect, and present as
24 part of the biennial budget documentation, information for all existing
25 information technology projects as defined by information services
26 board policy. The office of financial management must work with the
27 (~~department of information services~~) office of the chief information
28 officer to maximize the ability to draw this information from the
29 information technology portfolio management data collected by the
30 (~~department of information services~~) office of the chief information
31 officer pursuant to (~~RCW 43.105.170~~) section 710 of this act.
32 Connecting project information collected through the portfolio
33 management process with financial data developed under subsection (1)
34 of this section provides transparency regarding expenditure data for
35 existing technology projects.

36 (3) The biennial budget documentation submitted by the office of
37 financial management pursuant to RCW 43.88.030 must include an

1 information technology plan and a technology budget for the state
2 identifying current baseline funding for information technology,
3 proposed ((large)) and ongoing major information technology projects,
4 and their associated costs. This plan and technology budget must be
5 presented using a method similar to the capital budget, identifying
6 project costs through stages of the project and across fiscal periods
7 and biennia from project initiation to implementation. This
8 information must be submitted electronically, in a format to be
9 determined by the office of financial management and the legislative
10 evaluation and accountability program committee.

11 (4) The office of financial management shall also institute a
12 method of accounting for information technology-related expenditures,
13 including creating common definitions for what constitutes an
14 information technology investment.

15 (5) For the purposes of this section, "major information technology
16 projects" includes projects that have a significant anticipated cost,
17 complexity, or are of statewide significance such as enterprise level
18 solutions, enterprise resource planning, and shared services
19 initiatives.

20 **Sec. 734.** RCW 43.105.410 and 2010 c 282 s 2 are each amended to
21 read as follows:

22 (1) State agencies that are purchasing wireless devices or services
23 must make such purchases through the state master contract, unless the
24 state agency provides to the office of ((financial management)) the
25 chief information officer evidence that the state agency is securing
26 its wireless devices or services from another source for a lower cost
27 than through participation in the state master contract.

28 (2) For the purposes of this section, "state agency" means any
29 office, department, board, commission, or other unit of state
30 government, but does not include a unit of state government headed by
31 a statewide elected official, an institution of higher education as
32 defined in RCW 28B.10.016, the higher education coordinating board, the
33 state board for community and technical colleges, or agencies of the
34 legislative or judicial branches of state government.

35 **STATE DATA CENTER**

1 **CREATING THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

2 NEW SECTION. **Sec. 801.** A new section is added to chapter 43.105
3 RCW to read as follows:

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

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

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

28 **Sec. 802.** RCW 43.105.020 and 2010 1st sp.s. c 7 s 64 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) (~~"Administrator" means the community technology opportunity~~
33 ~~program administrator designated by the department.~~

34 (2) ~~"Backbone network" means the shared high density portions of~~
35 ~~the state's telecommunications transmission facilities. It includes~~
36 ~~specially conditioned high speed communications carrier lines,~~

1 multiplexors, switches associated with such communications lines, and
2 any equipment and software components necessary for management and
3 control of the backbone network.

4 (3) "Board" means the information services board.

5 (4) "Broadband" means a high-speed, high-capacity transmission
6 medium, using land-based, satellite, wireless, or any other mechanism,
7 that can carry either signals or transmit data, or both, over long
8 distances by using a wide range of frequencies.

9 (5) "Committee" means the state interoperability executive
10 committee.

11 (6) "Common vendor registration and bid notification system" has
12 the definition in RCW 39.29.006.

13 (7) "Community technology programs" means programs that are engaged
14 in diffusing information and communications technology in local
15 communities, particularly in unserved and underserved areas of the
16 state. These programs may include, but are not limited to, programs
17 that provide education and skill-building opportunities, hardware and
18 software, internet connectivity, digital media literacy, development of
19 locally relevant content, and delivery of vital services through
20 technology.

21 (8) "Council" means the advisory council on digital inclusion
22 created in RCW 43.105.400.

23 (9) "Department" means the department of information services.

24 (10)) "Agency" means the consolidated technology services agency.

25 (2) "Board" means the consolidated technology services board.

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

29 (4) "Director" means the director of the ((department))
30 consolidated technology services agency.

31 ((11) "Educational sectors" means those institutions of higher
32 education, school districts, and educational service districts that use
33 the network for distance education, data transmission, and other uses
34 permitted by the K-20 board.

35 ((12)) (5) "Equipment" means the machines, devices, and
36 transmission facilities used in information processing, ((such as))
37 including but not limited to computers, ((word processors,)) terminals,

1 telephones, wireless communications system facilities, cables, and any
2 physical facility necessary for the operation of such equipment.

3 ~~((13) "High speed internet" means broadband.~~

4 ~~(14) "Information" includes, but is not limited to, data, text,~~
5 ~~voice, and video.~~

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

10 ~~(16) "Information services" means data processing,~~
11 ~~telecommunications, office automation, and computerized information~~
12 ~~systems.~~

13 ~~(17))~~ (17)) "Enterprise architecture" means an ongoing program for
14 translating business vision and strategy into effective enterprise
15 change. It is a continuous activity. Enterprise architecture creates,
16 communicates, and improves the key principles and models that describe
17 the enterprise's future state and enable its evolution.

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

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

27 ~~((18) "K-20 network" means the network established in RCW~~
28 ~~43.105.820.~~

29 ~~(19))~~ (9) "Local governments" includes all municipal and quasi
30 municipal corporations and political subdivisions, and all agencies of
31 such corporations and subdivisions authorized to contract separately.

32 ~~((20))~~ (10) "Oversight" means a process of comprehensive risk
33 analysis and management designed to ensure optimum use of information
34 technology resources and telecommunications.

35 ~~((21))~~ (11) "Proprietary software" means that software offered
36 for sale or license.

37 ~~((22) "Purchased services" means services provided by a vendor to~~
38 ~~accomplish routine, continuing, and necessary functions. This term~~

1 includes, but is not limited to, services acquired for equipment
2 maintenance and repair, operation of a physical plant, security,
3 computer hardware and software installation and maintenance,
4 telecommunications installation and maintenance, data entry, keypunch
5 services, programming services, and computer time sharing.

6 (23) "Small business" has the definition in RCW 39.29.006.

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

9 (25) "Video telecommunications" means the electronic
10 interconnection of two or more sites for the purpose of transmitting
11 and/or receiving visual and associated audio information. Video
12 telecommunications shall not include existing public television
13 broadcast stations as currently designated by the department of
14 commerce under chapter 43.330 RCW.) (12) "Telecommunications"
15 includes, but is not limited to, wireless or wired systems for
16 transport of voice, video, and data communications, network systems,
17 requisite facilities, equipment, system controls, simulation,
18 electronic commerce, and all related interactions between people and
19 machines. "Telecommunications" does not include public safety
20 communications.

21 **Sec. 803.** RCW 43.105.047 and 1999 c 80 s 5 are each amended to
22 read as follows:

23 There is created the ((department of information services))
24 consolidated technology services agency, an agency of state government.
25 The ((department)) agency shall be headed by a director appointed by
26 the governor with the consent of the senate. The director shall serve
27 at the governor's pleasure and shall receive such salary as determined
28 by the governor. The director shall:

29 (1) Appoint a confidential secretary and such deputy and assistant
30 directors as needed to administer the ((department)) agency; and

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

33 (3) ~~Appoint, after consulting with the board, the assistant or~~
34 ~~deputy director for the planning component;~~

35 (4)) Appoint such professional, technical, and clerical assistants
36 and employees as may be necessary to perform the duties imposed by this
37 chapter((+)

1 ~~(5) Report to the governor and the board any matters relating to~~
2 ~~abuses and evasions of this chapter; and~~

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

4 **Sec. 804.** RCW 43.105.052 and 2010 1st sp.s. c 7 s 16 are each
5 amended to read as follows:

6 The ((department)) agency shall:

7 ~~(1) ((Perform all duties and responsibilities the board delegates~~
8 ~~to the department, including but not limited to:~~

9 ~~(a) The review of agency information technology portfolios and~~
10 ~~related requests; and~~

11 ~~(b) Implementation of statewide and interagency policies,~~
12 ~~standards, and guidelines;~~

13 ~~(2))~~ Make available information services to ((state)) public
14 agencies ((and local governments)) and public benefit nonprofit
15 corporations ((on a full cost recovery basis)). For the purposes of
16 this section "public agency" means any agency of this state or another
17 state; any political subdivision, or unit of local government of this
18 state or another state including, but not limited to, municipal
19 corporations, quasi-municipal corporations, special purpose districts,
20 and local service districts; any agency of the United States; and any
21 Indian tribe recognized as such by the federal government and "public
22 benefit nonprofit corporation" means a public benefit nonprofit
23 corporation as defined in RCW 24.03.005 that is receiving local, state,
24 or federal funds either directly or through a public agency other than
25 an Indian tribe or political subdivision of another state((. These
26 services may include, but are not limited to:

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

28 ~~(b) Mainframe computing services;~~

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

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

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

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

- 1 ~~(g) Office automation services;~~
- 2 ~~(h) System development services; and~~
- 3 ~~(i) Training.~~

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

9 ~~((+3))~~ (2) Establish rates and fees for services provided by the
10 ~~((department to assure that the services component of the department is~~
11 ~~self-supporting))~~ agency. A billing rate plan shall be developed for
12 a two-year period to coincide with the budgeting process. The rate
13 plan shall be subject to review at least annually by the office of
14 financial management. The rate plan shall show the proposed rates by
15 each cost center and will show the components of the rate structure as
16 mutually determined by the ~~((department))~~ agency and the office of
17 financial management. ~~((The same rate structure will apply to all user~~
18 ~~agencies of each cost center.))~~ The rate plan and any adjustments to
19 rates shall be approved by the office of financial management~~((—The~~
20 ~~services component shall not subsidize the operations of the strategic~~
21 ~~planning and policy component))~~);

22 ~~((+4))~~ (3) With the advice of the ~~((information services))~~ board
23 and customer agencies, develop a state strategic information technology
24 plan and performance reports as required under ~~((RCW 43.105.160))~~
25 section 707 of this act;

26 ~~((+5))~~ (4) Develop plans for the ~~((department's))~~ agency's
27 achievement of statewide goals and objectives set forth in the state
28 strategic information technology plan required under ~~((RCW 43.105.160.~~
29 ~~These plans shall address such services as telecommunications, central~~
30 ~~and distributed computing, local area networks, office automation, and~~
31 ~~end user computing. The department shall seek the advice of the board~~
32 ~~in the development of these plans;~~

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

37 ~~(7) Identify opportunities for the effective use of information~~
38 ~~services and coordinate appropriate responses to those opportunities;~~

1 ~~(8) Assess agencies' projects, acquisitions, plans, information~~
2 ~~technology portfolios, or overall information processing performance as~~
3 ~~requested by the board, agencies, the director of financial management,~~
4 ~~or the legislature. Agencies may be required to reimburse the~~
5 ~~department for agency requested reviews)) section 707 of this act;~~

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

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

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

13 ~~(a) Meeting preparation, notices, and minutes;~~

14 ~~(b) Promulgation of policies, standards, and guidelines adopted by~~
15 ~~the board;~~

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

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

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

28 ~~((13))~~ (5) Perform all other matters and things necessary to
29 carry out the purposes and provisions of this chapter.

30 NEW SECTION. Sec. 805. A new section is added to chapter 43.105
31 RCW to read as follows:

32 (1) There is hereby created the consolidated technology services
33 board. The board shall be composed of eleven members appointed by the
34 governor. Seven of the board members shall consist of customer
35 representatives either in the position of chief executive officer,
36 chief financial officer, or chief information officer. Four of the

1 board members shall be legislators, who serve as ex officio, nonvoting
2 members of the board.

3 (2)(a) Nonlegislative members shall serve three-year terms.
4 Members may not serve more than two consecutive terms.

5 (b) Of the initial nonlegislative members, two must be appointed
6 for a one-year term, two must be appointed for a two-year term, and
7 three must be appointed for a three-year term. Thereafter, members
8 must be appointed for three-year terms.

9 (c) Vacancies shall be filled in the same manner that the original
10 appointments were made for the remainder of the member's term.

11 (3)(a) Of the initial legislative members, the president of the
12 senate and the speaker of the house of representatives shall make the
13 appointments.

14 (b) The president of the senate shall appoint one member from each
15 of the two largest caucuses in the senate.

16 (c) The speaker of the house of representatives shall appoint one
17 member from each of the two largest caucuses of the house of
18 representatives.

19 (4) A majority of the members of the board shall constitute a
20 quorum for the transaction of business.

21 **Sec. 806.** RCW 43.19.190 and 2002 c 200 s 3 are each amended to
22 read as follows:

23 The director of general administration, through the state
24 purchasing and material control director, shall:

25 (1) Establish and staff such administrative organizational units
26 within the division of purchasing as may be necessary for effective
27 administration of the provisions of RCW 43.19.190 through 43.19.1939;

28 (2) Purchase all material, supplies, services, and equipment needed
29 for the support, maintenance, and use of all state institutions,
30 colleges, community colleges, technical colleges, college districts,
31 and universities, the offices of the elective state officers, the
32 supreme court, the court of appeals, the administrative and other
33 departments of state government, and the offices of all appointive
34 officers of the state: PROVIDED, That the provisions of RCW 43.19.190
35 through 43.19.1937 do not apply in any manner to the operation of the
36 state legislature except as requested by the legislature: PROVIDED,
37 That the provisions of this section and RCW 43.19.1901 through

1 43.19.1925 do not apply to the consolidated technology services agency
2 created in RCW 43.105.047: PROVIDED, That any agency may purchase
3 material, supplies, services, and equipment for which the agency has
4 notified the purchasing and material control director that it is more
5 cost-effective for the agency to make the purchase directly from the
6 vendor: PROVIDED, That primary authority for the purchase of
7 specialized equipment, instructional, and research material for their
8 own use shall rest with the colleges, community colleges, and
9 universities: PROVIDED FURTHER, That universities operating hospitals
10 and the state purchasing and material control director, as the agent
11 for state hospitals as defined in RCW 72.23.010, and for health care
12 programs provided in state correctional institutions as defined in RCW
13 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and
14 72.36.070, may make purchases for hospital operation by participating
15 in contracts for materials, supplies, and equipment entered into by
16 nonprofit cooperative hospital group purchasing organizations:
17 PROVIDED FURTHER, That primary authority for the purchase of materials,
18 supplies, and equipment for resale to other than public agencies shall
19 rest with the state agency concerned: PROVIDED FURTHER, That authority
20 to purchase services as included herein does not apply to personal
21 services as defined in chapter 39.29 RCW, unless such organization
22 specifically requests assistance from the division of purchasing in
23 obtaining personal services and resources are available within the
24 division to provide such assistance: PROVIDED FURTHER, That the
25 authority for the purchase of insurance and bonds shall rest with the
26 risk manager under RCW (~~(43.19.1935)~~) 43.41.310: PROVIDED FURTHER,
27 That, except for the authority of the risk manager to purchase
28 insurance and bonds, the director is not required to provide purchasing
29 services for institutions of higher education that choose to exercise
30 independent purchasing authority under RCW 28B.10.029: PROVIDED
31 FURTHER, That the authority to purchase interpreter services and
32 interpreter brokerage services on behalf of limited-English speaking or
33 sensory-impaired applicants and recipients of public assistance shall
34 rest with the department of social and health services;

35 (3) Have authority to delegate to state agencies authorization to
36 purchase or sell, which authorization shall specify restrictions as to
37 dollar amount or to specific types of material, equipment, services,
38 and supplies. Acceptance of the purchasing authorization by a state

1 agency does not relieve such agency from conformance with other
2 sections of RCW 43.19.190 through 43.19.1939, or from policies
3 established by the director. Also, delegation of such authorization to
4 a state agency, including an educational institution to which this
5 section applies, to purchase or sell material, equipment, services, and
6 supplies shall not be granted, or otherwise continued under a previous
7 authorization, if such agency is not in substantial compliance with
8 overall state purchasing and material control policies as established
9 herein;

10 (4) Contract for the testing of material, supplies, and equipment
11 with public and private agencies as necessary and advisable to protect
12 the interests of the state;

13 (5) Prescribe the manner of inspecting all deliveries of supplies,
14 materials, and equipment purchased through the division;

15 (6) Prescribe the manner in which supplies, materials, and
16 equipment purchased through the division shall be delivered, stored,
17 and distributed;

18 (7) Provide for the maintenance of a catalogue library,
19 manufacturers' and wholesalers' lists, and current market information;

20 (8) Provide for a commodity classification system and may, in
21 addition, provide for the adoption of standard specifications;

22 (9) Provide for the maintenance of inventory records of supplies,
23 materials, and other property;

24 (10) Prepare rules and regulations governing the relationship and
25 procedures between the division of purchasing and state agencies and
26 vendors;

27 (11) Publish procedures and guidelines for compliance by all state
28 agencies, including those educational institutions to which this
29 section applies, which implement overall state purchasing and material
30 control policies;

31 (12) Advise state agencies, including educational institutions,
32 regarding compliance with established purchasing and material control
33 policies under existing statutes.

34 NEW SECTION. **Sec. 807.** A new section is added to chapter 43.105
35 RCW to read as follows:

36 The board has the following powers and duties:

37 (1) Approve rates for services offered by the agency;

1 (2) Approve the budget proposal to the office of financial
2 management for the agency;

3 (3) Approve the catalog of services to be provided or procured for
4 client agencies;

5 (4) Prepare and submit an annual performance evaluation of the
6 director to the governor;

7 (5) Prepare and submit a performance assessment of the agency to
8 the governor annually; and

9 (6) Advise the director on operational issues and plans brought
10 before the board by the director.

11 NEW SECTION. **Sec. 808.** A new section is added to chapter 43.105
12 RCW to read as follows:

13 The director in consultation with the board shall set performance
14 targets and approve plans for achieving measurable and specific goals
15 for the agency. By January 2012, the appropriate organizational
16 performance and accountability measures and performance targets shall
17 be submitted to the governor. These measures and targets shall include
18 measures of performance demonstrating specific and measurable
19 improvements related to service delivery and costs, operational
20 efficiencies, and overall customer satisfaction. The agency shall
21 develop a dashboard of key performance measures that will be updated
22 quarterly and made available on the agency public web site.

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

26 NEW SECTION. **Sec. 809.** (1) The state auditor shall complete a
27 two-part performance audit of the consolidated state data center. The
28 first part of the performance audit may include, but is not limited to:

29 (a) A review of the business case developed prior to the state
30 entering into financial agreements for the consolidated state data
31 center, including an assessment of:

32 (i) The methodology used to determine the requisite size and scale
33 of the project;

34 (ii) The cost assumptions developed as part of the business case
35 for building a data center in Thurston county as compared to building
36 a data center in other locations in the state;

1 (iii) To what extent private sector alternatives were considered;
2 and

3 (iv) An assessment of the decision-making process leading up to the
4 decision to enter into financial agreements for the consolidated state
5 data center, including who made the decision to pursue the consolidated
6 state data center over other alternatives; and

7 (b) A review of the timeline under which milestone decisions were
8 made regarding the consolidated state data center.

9 (2) The first part of the performance audit conducted under this
10 section will be used to inform the second part of the performance audit
11 conducted under section 810 of this act. The full two-part performance
12 audit must be completed and submitted to the governor and the
13 legislature by December 1, 2011.

14 NEW SECTION. **Sec. 810.** (1) Upon completion of the first part of
15 a two-part performance audit of the consolidated state data center as
16 outlined under section 809 of this act, the state auditor shall
17 complete the second part of the performance audit. The second part of
18 the performance audit may include, but is not limited to, a technical
19 and financial assessment of the current business plan developed for the
20 consolidated state data center, which may include:

21 (a) A detailed comparison of the consolidated state data center
22 business plan with business plans developed for state data centers in
23 other states;

24 (b) The costs associated with transitioning to, and operating, the
25 consolidated state data center, including analysis of the fixed lease
26 costs, the up-front transition costs, and the ongoing maintenance and
27 operation costs;

28 (c) The potential budgetary impacts on the general fund in the
29 short and long term;

30 (d) The predictability of the cost of occupying the consolidated
31 state data center for state agencies;

32 (e) The risks associated with transitioning to the consolidated
33 state data center, including the possibility of service interruptions,
34 cost overruns, and other unforeseen costs;

35 (f) The potential return on investment for state taxpayers,
36 including the future value of the consolidated state data center once
37 the state has paid the lease costs in full; and

1 (g) A review of the business and financial viability of the state
2 receiving revenue from leasing equipment or excess capacity, or both,
3 in data halls 3 and 4 of the consolidated state data center.

4 (2) The full performance audit must be completed and submitted to
5 the governor and the legislature by December 1, 2011.

6 **Sec. 811.** RCW 43.105.057 and 1992 c 20 s 11 are each amended to
7 read as follows:

8 The (~~department of information services and the information~~
9 ~~services board, respectively,~~) agency shall adopt rules as necessary
10 under chapter 34.05 RCW to implement the provisions of this chapter.

11 **Sec. 812.** RCW 43.105.060 and 1987 c 504 s 10 are each amended to
12 read as follows:

13 State and local government agencies are authorized to enter into
14 any contracts with the (~~department or its successor~~) agency which may
15 be necessary or desirable to effectuate the purposes and policies of
16 this chapter or for maximum utilization of facilities and services
17 which are the subject of this chapter.

18 **Sec. 813.** RCW 19.34.231 and 1999 c 287 s 12 are each amended to
19 read as follows:

20 (1) If a signature of a unit of state or local government,
21 including its appropriate officers or employees, is required by
22 statute, administrative rule, court rule, or requirement of the office
23 of financial management, that unit of state or local government shall
24 become a subscriber to a certificate issued by a licensed certification
25 authority for purposes of conducting official public business with
26 electronic records.

27 (2) A city or county may become a licensed certification authority
28 under RCW 19.34.100 for purposes of providing services to local
29 government, if authorized by ordinance adopted by the city or county
30 legislative authority.

31 (3) A unit of state government, except the secretary (~~and the~~
32 ~~department of information services~~), may not act as a certification
33 authority.

1 **Sec. 814.** RCW 19.34.420 and 1998 c 33 s 2 are each amended to read
2 as follows:

3 (1) The following information, when in the possession of the
4 secretary(~~(, the department of information services,)~~) or the state
5 auditor for purposes of this chapter, shall not be made available for
6 public disclosure, inspection, or copying, unless the request is made
7 under an order of a court of competent jurisdiction based upon an
8 express written finding that the need for the information outweighs any
9 reason for maintaining the privacy and confidentiality of the
10 information or records:

11 (a) A trade secret, as defined by RCW 19.108.010; and

12 (b) Information regarding design, security, or programming of a
13 computer system used for purposes of licensing or operating a
14 certification authority or repository under this chapter.

15 (2) The state auditor, or an authorized agent, must be given access
16 to all information referred to in subsection (1) of this section for
17 the purpose of conducting audits under this chapter or under other law,
18 but shall not make that information available for public inspection or
19 copying except as provided in subsection (1) of this section.

20 **Sec. 815.** RCW 46.20.157 and 1999 c 6 s 21 are each amended to read
21 as follows:

22 (1) Except as provided in subsection (2) of this section, the
23 department shall annually provide to the (~~department of information~~
24 ~~services~~) consolidated technology services agency an electronic data
25 file. The data file must:

26 (a) Contain information on all licensed drivers and identicard
27 holders who are eighteen years of age or older and whose records have
28 not expired for more than two years;

29 (b) Be provided at no charge; and

30 (c) Contain the following information on each such person: Full
31 name, date of birth, residence address including county, sex, and most
32 recent date of application, renewal, replacement, or change of driver's
33 license or identicard.

34 (2) Before complying with subsection (1) of this section, the
35 department shall remove from the file the names of any certified
36 participants in the Washington state address confidentiality program

1 under chapter 40.24 RCW that have been identified to the department by
2 the secretary of state.

3 **Sec. 816.** RCW 2.36.054 and 1993 c 408 s 3 are each amended to read
4 as follows:

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

8 (1) The superior court of each county, after consultation with the
9 county clerk and county auditor of that jurisdiction, shall annually
10 notify the (~~department of information services~~) consolidated
11 technology services agency not later than March 1 of each year of its
12 election to use either a jury source list that is merged by the county
13 or a jury source list that is merged by the (~~department of information~~
14 ~~services~~) consolidated technology services agency. The (~~department~~
15 ~~of information services~~) consolidated technology services agency shall
16 annually furnish at no charge to the superior court of each county a
17 separate list of the registered voters residing in that county as
18 supplied annually by the secretary of state and a separate list of
19 driver's license and identicard holders residing in that county as
20 supplied annually by the department of licensing, or a merged list of
21 all such persons residing in that county, in accordance with the annual
22 notification required by this subsection. The lists provided by the
23 (~~department of information services~~) consolidated technology services
24 agency shall be in an electronic format mutually agreed upon by the
25 superior court requesting it and the department of information
26 services. The annual merger of the list of registered voters residing
27 in each county with the list of licensed drivers and identicard holders
28 residing in each county to form a jury source list for each county
29 shall be in accordance with the standards and methodology established
30 in this chapter or by superseding court rule whether the merger is
31 accomplished by the (~~department of information services~~) consolidated
32 technology services agency or by a county.

33 (2) Persons on the lists of registered voters and driver's license
34 and identicard holders shall be identified by a minimum of last name,
35 first name, middle initial where available, date of birth, gender, and
36 county of residence. Identifying information shall be used when
37 merging the lists to ensure to the extent reasonably possible that

1 persons are only listed once on the merged list. Conflicts in
2 addresses are to be resolved by using the most recent record by date of
3 last vote in a general election, date of driver's license or identicard
4 address change or date of voter registration.

5 (3) The (~~department of information services~~) consolidated
6 technology services agency shall provide counties that elect to receive
7 a jury source list merged by (~~department of information services~~) the
8 consolidated technology services agency with a list of names which are
9 possible duplicates that cannot be resolved based on the identifying
10 information required under subsection (2) of this section. If a
11 possible duplication cannot subsequently be resolved satisfactorily
12 through reasonable efforts by the county receiving the merged list, the
13 possible duplicate name shall be stricken from the jury source list
14 until the next annual jury source list is prepared.

15 **Sec. 817.** RCW 29A.08.760 and 2009 c 369 s 35 are each amended to
16 read as follows:

17 The secretary of state shall provide a duplicate copy of the master
18 statewide computer file or electronic data file of registered voters to
19 the (~~department of information services~~) consolidated technology
20 services agency for purposes of creating the jury source list without
21 cost. Restrictions as to the commercial use of the information on the
22 statewide computer tape or data file of registered voters, and
23 penalties for its misuse, shall be the same as provided in RCW
24 29A.08.720 and 29A.08.740.

25 **Sec. 818.** RCW 43.63A.550 and 1998 c 245 s 71 are each amended to
26 read as follows:

27 (1) The department shall assist in the process of inventorying and
28 collecting data on public and private land for the acquisition of data
29 describing land uses, demographics, infrastructure, critical areas,
30 transportation corridors physical features, housing, and other
31 information useful in managing growth throughout the state. For this
32 purpose the department (~~shall~~) may contract with the (~~department of~~
33 ~~information services~~) consolidated technology services agency and
34 shall form an advisory group consisting of representatives from state,
35 local, and federal agencies, colleges and universities, and private

1 firms with expertise in land planning, and geographic information
2 systems.

3 (2) The department shall establish a sequence for acquiring data,
4 giving priority to rapidly growing areas. The data shall be retained
5 in a manner to facilitate its use in preparing maps, aggregating with
6 data from multiple jurisdictions, and comparing changes over time.
7 Data shall further be retained in a manner which permits its access via
8 computer.

9 (3) The department shall work with other state agencies, local
10 governments, and private organizations that are inventorying public and
11 private lands to ensure close coordination and to ensure that
12 duplication of efforts does not occur.

13 **PART IX**

14 **EDUCATION RESEARCH AND DATA CENTER**

15 **Sec. 901.** RCW 43.41.400 and 2009 c 548 s 201 are each amended to
16 read as follows:

17 ~~((1) An education data center shall be established in the office
18 of financial management. The education data center shall jointly, with
19 the legislative evaluation and accountability program committee,
20 conduct collaborative analyses of early learning, K-12, and higher
21 education programs and education issues across the P-20 system, which
22 includes the department of early learning, the superintendent of public
23 instruction, the professional educator standards board, the state board
24 of education, the state board for community and technical colleges, the
25 workforce training and education coordinating board, the higher
26 education coordinating board, public and private nonprofit four-year
27 institutions of higher education, and the employment security
28 department. The education data center shall conduct collaborative
29 analyses under this section with the legislative evaluation and
30 accountability program committee and provide data electronically to the
31 legislative evaluation and accountability program committee, to the
32 extent permitted by state and federal confidentiality requirements.
33 The education data center shall be considered an authorized
34 representative of the state educational agencies in this section under
35 applicable federal and state statutes for purposes of accessing and
36 compiling student record data for research purposes.~~

1 ~~(2) The education data center shall:~~

2 ~~(a) In consultation with the legislative evaluation and~~
3 ~~accountability program committee and the agencies and organizations~~
4 ~~participating in the education data center, identify the critical~~
5 ~~research and policy questions that are intended to be addressed by the~~
6 ~~education data center and the data needed to address the questions;~~

7 ~~(b) Coordinate with other state education agencies to compile and~~
8 ~~analyze education data, including data on student demographics that is~~
9 ~~disaggregated by distinct ethnic categories within racial subgroups,~~
10 ~~and complete P-20 research projects;~~

11 ~~(c) Collaborate with the legislative evaluation and accountability~~
12 ~~program committee and the education and fiscal committees of the~~
13 ~~legislature in identifying the data to be compiled and analyzed to~~
14 ~~ensure that legislative interests are served;~~

15 ~~(d) Annually provide to the K-12 data governance group a list of~~
16 ~~data elements and data quality improvements that are necessary to~~
17 ~~answer the research and policy questions identified by the education~~
18 ~~data center and have been identified by the legislative committees in~~
19 ~~(c) of this subsection. Within three months of receiving the list, the~~
20 ~~K-12 data governance group shall develop and transmit to the education~~
21 ~~data center a feasibility analysis of obtaining or improving the data,~~
22 ~~including the steps required, estimated time frame, and the financial~~
23 ~~and other resources that would be required. Based on the analysis, the~~
24 ~~education data center shall submit, if necessary, a recommendation to~~
25 ~~the legislature regarding any statutory changes or resources that would~~
26 ~~be needed to collect or improve the data;~~

27 ~~(e) Monitor and evaluate the education data collection systems of~~
28 ~~the organizations and agencies represented in the education data center~~
29 ~~ensuring that data systems are flexible, able to adapt to evolving~~
30 ~~needs for information, and to the extent feasible and necessary,~~
31 ~~include data that are needed to conduct the analyses and provide~~
32 ~~answers to the research and policy questions identified in (a) of this~~
33 ~~subsection;~~

34 ~~(f))~~ The office of financial management shall:

35 (1) Track enrollment and outcomes through the public centralized
36 higher education enrollment system;

37 ~~((g))~~ (2) Assist other state educational agencies' collaborative

1 efforts to develop a long-range enrollment plan for higher education
2 including estimates to meet demographic and workforce needs;

3 ~~((h) Provide research that focuses on student transitions within
4 and among the early learning, K-12, and higher education sectors in the
5 P-20 system; and~~

6 ~~(i) Make recommendations to the legislature as necessary to help
7 ensure the goals and objectives of this section and RCW 28A.655.210 and
8 28A.300.507 are met.~~

9 ~~(3) The department of early learning, superintendent of public
10 instruction, professional educator standards board, state board of
11 education, state board for community and technical colleges, workforce
12 training and education coordinating board, higher education
13 coordinating board, public four-year institutions of higher education,
14 and employment security department shall work with the education data
15 center to develop data sharing and research agreements, consistent with
16 applicable security and confidentiality requirements, to facilitate the
17 work of the center. Private, nonprofit institutions of higher
18 education that provide programs of education beyond the high school
19 level leading at least to the baccalaureate degree and are accredited
20 by the Northwest association of schools and colleges or their peer
21 accreditation bodies may also develop data sharing and research
22 agreements with the education data center, consistent with applicable
23 security and confidentiality requirements. The education data center
24 shall make data from collaborative analyses available to the education
25 agencies and institutions that contribute data to the education data
26 center to the extent allowed by federal and state security and
27 confidentiality requirements applicable to the data of each
28 contributing agency or institution))~~

29 (3) Develop data-sharing and research agreements with the
30 legislative evaluation and accountability program and public
31 institutions of higher education, consistent with applicable security
32 and confidentiality requirements, to facilitate the work of the
33 education research and data center under section 902 of this act; and

34 (4) Cooperate with the education research and data center to
35 compile and analyze education data.

36 NEW SECTION. Sec. 902. A new section is added to chapter 44.48
37 RCW to read as follows:

1 (1) An education research and data center is established under the
2 legislative evaluation and accountability program committee. The
3 purpose of the center is to:

4 (a) Serve as a data warehouse for education data across the P-20
5 education system, which includes the department of early learning, the
6 office of the superintendent of public instruction, the professional
7 educator standards board, the state board of education, the state board
8 for community and technical colleges, the workforce training and
9 education coordinating board, the office of financial management, the
10 higher education coordinating board, public and private nonprofit four-
11 year institutions of higher education, and the employment security
12 department;

13 (b) Coordinate with other state education agencies to compile and
14 analyze education data, including data on student demographics that is
15 disaggregated by distinct ethnic categories within racial subgroups,
16 and conduct collaborative analyses of early learning, K-12, and higher
17 education programs and education issues across the P-20 system;

18 (c) Disseminate education data and information, consistent with
19 applicable security and confidentiality requirements, to the education
20 agencies and institutions that contribute data to the center and to
21 school districts, policymakers, educators, researchers, and the public;
22 and

23 (d) Develop and maintain a searchable web site with education data
24 and information, including downloadable files and customizable reports.

25 (2) The education research and data center shall be considered an
26 authorized representative of the state educational agencies in this
27 section under applicable federal and state statutes for purposes of
28 accessing and compiling student record data for research purposes.

29 (3) The education research and data center shall:

30 (a) In consultation with the agencies and organizations
31 participating in the center, identify the critical research and policy
32 questions that are intended to be addressed by the center, the data
33 needed to address the questions, key clients for the data and their
34 needs, and the role these clients can play in addressing the questions;

35 (b) Collaborate with the office of financial management and the
36 education and fiscal committees of the legislature in identifying the
37 data to be compiled and analyzed;

1 (c) Annually provide to the K-12 data governance group under RCW
2 28A.300.507 a list of data elements and data quality improvements that
3 are necessary to answer critical research and policy questions. Within
4 three months of receiving the list, the K-12 data governance group
5 shall develop and transmit to the center a feasibility analysis of
6 obtaining or improving the data, including the steps required,
7 estimated time frame, and the financial and other resources that would
8 be required. Based on the analysis, the education research and data
9 center shall submit, if necessary, a recommendation to the legislature
10 regarding any statutory changes or resources that would be needed to
11 collect or improve the data;

12 (d) Monitor and evaluate the education data collection systems of
13 the state educational agencies to ensure that data systems are flexible
14 and able to adapt to evolving needs for information, and to the extent
15 feasible and necessary, include data needed to conduct the analyses and
16 provide answers to the research and policy questions identified in (a)
17 of this subsection;

18 (e) Facilitate use of the data to support academic research and
19 studies by the state educational agencies, independent academic
20 researchers, legislative research agencies, and others; and

21 (f) Make recommendations to the legislature as necessary so that
22 the goals and objectives of this section and RCW 28A.655.210 and
23 28A.300.507 are met.

24 (4) The department of early learning, office of the superintendent
25 of public instruction, professional educator standards board, state
26 board of education, state board for community and technical colleges,
27 workforce training and education coordinating board, higher education
28 coordinating board, office of financial management, public four-year
29 institutions of higher education, and employment security department
30 shall work with the education research and data center to develop data-
31 sharing and research agreements, consistent with applicable security
32 and confidentiality requirements, to facilitate the work of the center.
33 Private, nonprofit institutions of higher education that provide
34 programs of education beyond the high school level leading at least to
35 the baccalaureate degree and are accredited by the Northwest
36 association of schools and colleges or their peer accreditation bodies
37 may also develop data-sharing and research agreements with the

1 education research and data center, consistent with applicable security
2 and confidentiality requirements.

3 (5) The education research and data center and the superintendent
4 of public instruction shall take all actions necessary to secure
5 federal funds to implement this section, RCW 28A.655.210, and
6 28A.300.507.

7 **Sec. 903.** RCW 44.48.090 and 2001 c 259 s 14 are each amended to
8 read as follows:

9 The committee shall have the following powers:

10 (1) To have timely access, upon written request of the
11 administrator, to all machine readable, printed, and other data of
12 state agencies relative to expenditures, budgets, and related fiscal
13 matters;

14 (2) To suggest changes relative to state accounting and reporting
15 systems to the office of financial management or its successor and to
16 require timely written responses to such suggestions; (~~and~~)

17 (3) Subject to RCW 44.04.260, to enter into contracts; and when
18 entering into any contract for computer access, make necessary
19 provisions relative to the scheduling of computer time and usage in
20 recognition of the unique requirements and priorities of the
21 legislative process; and

22 (4) To manage and oversee the education research and data center as
23 provided in section 902 of this act.

24 NEW SECTION. **Sec. 904.** (1) The education data center in the
25 office of financial management is abolished.

26 (2)(a) All reports, documents, surveys, books, records, files,
27 papers, databases, or other written or electronic material in the
28 possession of the education data center shall be delivered to the
29 custody of the legislative evaluation and accountability program
30 committee for purposes of the education research and data center
31 established under section 902 of this act. Written or electronic
32 materials and data sets pertaining solely to the public centralized
33 higher education enrollment system shall be retained by the office of
34 financial management, but written or electronic materials and data sets
35 that are the result of the work of the education data center to link
36 data in the public centralized higher education enrollment system to

1 other educational databases shall be delivered to the legislative
2 evaluation and accountability program committee. All funds, credits,
3 or other monetary assets held by the education data center shall be
4 assigned to the legislative evaluation and accountability program
5 committee.

6 (b) Any appropriations made to the office of financial management
7 for purposes of the education data center shall, on the effective date
8 of this section, be transferred and credited to the legislative
9 evaluation and accountability program committee.

10 (c) If any questions arise as to the transfer of any funds, books,
11 documents, records, papers, files, databases, or other written or
12 electronic material previously used or held in the exercise of the
13 powers and performance of the education data center, the director of
14 financial management shall make a determination as to the proper
15 allocation and certify the same to the state agencies concerned.

16 (d) The elimination of the education data center shall not affect
17 the validity of any act performed before the effective date of this
18 section.

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

25 (3) All data-sharing and research agreements developed between the
26 state educational agencies under section 902 of this act and the
27 education data center before the effective date of this section shall
28 be transferred to the education research and data center under the
29 legislative evaluation and accountability program committee and shall
30 be continued and acted upon by the education research and data center
31 as the successor agency and authorized representative of the state
32 educational agencies. All existing contracts and obligations shall
33 remain in full force and shall be performed by the education research
34 and data center.

35 (4) The education research and data center under the legislative
36 evaluation and accountability program committee shall assume the role
37 of program director for purposes of the federal evergreen state P-20
38 longitudinal education data system grant.

1 **Sec. 905.** RCW 28A.300.500 and 2007 c 401 s 2 are each amended to
2 read as follows:

3 (1) The office of the superintendent of public instruction is
4 authorized to establish a longitudinal student data system for and on
5 behalf of school districts in the state. The primary purpose of the
6 data system is to better aid research into programs and interventions
7 that are most effective in improving student performance, better
8 understand the state's public educator workforce, and provide
9 information on areas within the educational system that need
10 improvement.

11 (2) The confidentiality of personally identifiable student data
12 shall be safeguarded consistent with the requirements of the federal
13 family educational rights privacy act and applicable state laws.
14 Consistent with the provisions of these federal and state laws, data
15 may be disclosed for educational purposes and studies, including but
16 not limited to:

17 (a) Educational studies authorized or mandated by the state
18 legislature;

19 (b) Studies initiated by other state educational authorities and
20 authorized by the office of the superintendent of public instruction,
21 including analysis conducted by the education research and data center
22 established under (~~RCW 43.41.400~~) section 902 of this act; and

23 (c) Studies initiated by other public or private agencies and
24 organizations and authorized by the office of the superintendent of
25 public instruction.

26 (3) Any agency or organization that is authorized by the office of
27 the superintendent of public instruction to access student-level data
28 shall adhere to all federal and state laws protecting student data and
29 safeguarding the confidentiality and privacy of student records.

30 (4) Nothing in this section precludes the office of the
31 superintendent of public instruction from collecting and distributing
32 aggregate data about students or student-level data without personally
33 identifiable information.

34 **Sec. 906.** RCW 28A.300.507 and 2009 c 548 s 203 are each amended to
35 read as follows:

36 (1) A K-12 data governance group shall be established within the
37 office of the superintendent of public instruction to assist in the

1 design and implementation of a K-12 education data improvement system
2 for financial, student, and educator data. It is the intent that the
3 data system reporting specifically serve requirements for teachers,
4 parents, superintendents, school boards, the office of the
5 superintendent of public instruction, the legislature, and the public.

6 (2) The K-12 data governance group shall include representatives of
7 the education research and data center, the office of the
8 superintendent of public instruction, (~~the legislative evaluation and~~
9 ~~accountability program committee,~~) the professional educator standards
10 board, the state board of education, and school district staff,
11 including information technology staff. Additional entities with
12 expertise in education data may be included in the K-12 data governance
13 group.

14 (3) The K-12 data governance group shall:

15 (a) Identify the critical research and policy questions that need
16 to be addressed by the K-12 education data improvement system;

17 (b) Identify reports and other information that should be made
18 available on the internet in addition to the reports identified in
19 subsection (5) of this section;

20 (c) Create a comprehensive needs requirement document detailing the
21 specific information and technical capacity needed by school districts
22 and the state to meet the legislature's expectations for a
23 comprehensive K-12 education data improvement system as described under
24 RCW 28A.655.210;

25 (d) Conduct a gap analysis of current and planned information
26 compared to the needs requirement document, including an analysis of
27 the strengths and limitations of an education data system and programs
28 currently used by school districts and the state, and specifically the
29 gap analysis must look at the extent to which the existing data can be
30 transformed into canonical form and where existing software can be used
31 to meet the needs requirement document;

32 (e) Focus on financial and cost data necessary to support the new
33 K-12 financial models and funding formulas, including any necessary
34 changes to school district budgeting and accounting, and on assuring
35 the capacity to link data across financial, student, and educator
36 systems; and

37 (f) Define the operating rules and governance structure for K-12
38 data collections, ensuring that data systems are flexible and able to

1 adapt to evolving needs for information, within an objective and
2 orderly data governance process for determining when changes are needed
3 and how to implement them. Strong consideration must be made to the
4 current practice and cost of migration to new requirements. The
5 operating rules should delineate the coordination, delegation, and
6 escalation authority for data collection issues, business rules, and
7 performance goals for each K-12 data collection system, including:

8 (i) Defining and maintaining standards for privacy and
9 confidentiality;

10 (ii) Setting data collection priorities;

11 (iii) Defining and updating a standard data dictionary;

12 (iv) Ensuring data compliance with the data dictionary;

13 (v) Ensuring data accuracy; and

14 (vi) Establishing minimum standards for school, student, financial,
15 and teacher data systems. Data elements may be specified "to the
16 extent feasible" or "to the extent available" to collect more and
17 better data sets from districts with more flexible software. Nothing
18 in (~~RCW 43.41.400~~) section 902 of this act, this section, or RCW
19 28A.655.210 should be construed to require that a data dictionary or
20 reporting should be hobbled to the lowest common set. The work of the
21 K-12 data governance group must specify which data are desirable.
22 Districts that can meet these requirements shall report the desirable
23 data. Funding from the legislature must establish which subset data
24 are absolutely required.

25 (4)(a) The K-12 data governance group shall provide updates on its
26 work as requested by the education research and data center (~~(and the~~
27 ~~legislative evaluation and accountability program committee)~~).

28 (b) The work of the K-12 data governance group shall be
29 periodically reviewed and monitored by the (~~educational~~) education
30 research and data center (~~(and the legislative evaluation and~~
31 ~~accountability program committee)~~).

32 (5) To the extent data is available, the office of the
33 superintendent of public instruction shall make the following minimum
34 reports available on the internet. The reports must either be run on
35 demand against current data, or, if a static report, must have been run
36 against the most recent data:

37 (a) The percentage of data compliance and data accuracy by school
38 district;

1 (b) The magnitude of spending per student, by student estimated by
2 the following algorithm and reported as the detailed summation of the
3 following components:

4 (i) An approximate, prorated fraction of each teacher or human
5 resource element that directly serves the student. Each human resource
6 element must be listed or accessible through online tunneling in the
7 report;

8 (ii) An approximate, prorated fraction of classroom or building
9 costs used by the student;

10 (iii) An approximate, prorated fraction of transportation costs
11 used by the student; and

12 (iv) An approximate, prorated fraction of all other resources
13 within the district. District-wide components should be disaggregated
14 to the extent that it is sensible and economical;

15 (c) The cost of K-12 basic education, per student, by student, by
16 school district, estimated by the algorithm in (b) of this subsection,
17 and reported in the same manner as required in (b) of this subsection;

18 (d) The cost of K-12 special education services per student, by
19 student receiving those services, by school district, estimated by the
20 algorithm in (b) of this subsection, and reported in the same manner as
21 required in (b) of this subsection;

22 (e) Improvement on the statewide assessments computed as both a
23 percentage change and absolute change on a scale score metric by
24 district, by school, and by teacher that can also be filtered by a
25 student's length of full-time enrollment within the school district;

26 (f) Number of K-12 students per classroom teacher on a per teacher
27 basis;

28 (g) Number of K-12 classroom teachers per student on a per student
29 basis;

30 (h) Percentage of a classroom teacher per student on a per student
31 basis; and

32 (i) The cost of K-12 education per student by school district
33 sorted by federal, state, and local dollars.

34 (6) The superintendent of public instruction shall submit a
35 preliminary report to the legislature by November 15, 2009, including
36 the analyses by the K-12 data governance group under subsection (3) of
37 this section and preliminary options for addressing identified gaps.
38 A final report, including a proposed phase-in plan and preliminary cost

1 estimates for implementation of a comprehensive data improvement system
2 for financial, student, and educator data shall be submitted to the
3 legislature by September 1, 2010.

4 (7) All reports and data referenced in this section (~~and RCW~~
5 ~~43.41.400~~), section 902 of this act, and RCW 28A.655.210 shall be made
6 available in a manner consistent with the technical requirements of the
7 (~~legislative evaluation and accountability program committee and the~~)
8 education research and data center so that selected data can be
9 provided to the legislature, governor, school districts, and the
10 public.

11 (8) Reports shall contain data to the extent it is available. All
12 reports must include documentation of which data are not available or
13 are estimated. Reports must not be suppressed because of poor data
14 accuracy or completeness. Reports may be accompanied with
15 documentation to inform the reader of why some data are missing or
16 inaccurate or estimated.

17 **Sec. 907.** RCW 28A.655.210 and 2009 c 548 s 202 are each amended to
18 read as follows:

19 (1) It is the legislature's intent to establish a comprehensive K-
20 12 education data improvement system for financial, student, and
21 educator data. The objective of the system is to monitor student
22 progress, have information on the quality of the educator workforce,
23 monitor and analyze the costs of programs, provide for financial
24 integrity and accountability, and have the capability to link across
25 these various data components by student, by class, by teacher, by
26 school, by district, and statewide. Education data systems must be
27 flexible and able to adapt to evolving needs for information, but there
28 must be an objective and orderly data governance process for
29 determining when changes are needed and how to implement them. It is
30 the further intent of the legislature to provide independent review and
31 evaluation of a comprehensive K-12 education data improvement system by
32 assigning the review and monitoring responsibilities to the education
33 research and data center (~~and the legislative evaluation and~~
34 ~~accountability program committee~~).

35 (2) It is the intent that the data system specifically service
36 reporting requirements for teachers, parents, superintendents, school

1 boards, the legislature, the office of the superintendent of public
2 instruction, and the public.

3 (3) It is the legislature's intent that the K-12 education data
4 improvement system used by school districts and the state include but
5 not be limited to the following information and functionality:

6 (a) Comprehensive educator information, including grade level and
7 courses taught, building or location, program, job assignment, years of
8 experience, the institution of higher education from which the educator
9 obtained his or her degree, compensation, class size, mobility of class
10 population, socioeconomic data of class, number of languages and which
11 languages are spoken by students, general resources available for
12 curriculum and other classroom needs, and number and type of
13 instructional support staff in the building;

14 (b) The capacity to link educator assignment information with
15 educator certification information such as certification number, type
16 of certification, route to certification, certification program, and
17 certification assessment or evaluation scores;

18 (c) Common coding of secondary courses and major areas of study at
19 the elementary level or standard coding of course content;

20 (d) Robust student information, including but not limited to
21 student characteristics, course and program enrollment, performance on
22 statewide and district summative and formative assessments to the
23 extent district assessments are used, and performance on college
24 readiness tests;

25 (e) A subset of student information elements to serve as a dropout
26 early warning system;

27 (f) The capacity to link educator information with student
28 information;

29 (g) A common, standardized structure for reporting the costs of
30 programs at the school and district level with a focus on the cost of
31 services delivered to students;

32 (h) Separate accounting of state, federal, and local revenues and
33 costs;

34 (i) Information linking state funding formulas to school district
35 budgeting and accounting, including procedures:

36 (i) To support the accuracy and auditing of financial data; and

37 (ii) Using the prototypical school model for school district
38 financial accounting reporting;

1 (j) The capacity to link program cost information with student
2 performance information to gauge the cost-effectiveness of programs;

3 (k) Information that is centrally accessible and updated regularly;
4 and

5 (l) An anonymous, nonidentifiable replicated copy of data that is
6 updated at least quarterly, and made available to the public by the
7 state.

8 (4) It is the legislature's goal that all school districts have the
9 capability to collect state-identified common data and export it in a
10 standard format to support a statewide K-12 education data improvement
11 system under this section.

12 (5) It is the legislature's intent that the K-12 education data
13 improvement system be developed to provide the capability to make
14 reports as required under RCW 28A.300.507 available.

15 (6) It is the legislature's intent that school districts collect
16 and report new data elements to satisfy the requirements of ((RCW
17 ~~43.41.400~~) section 902 of this act, this section, and RCW 28A.300.507,
18 only to the extent funds are available for this purpose.

19 **Sec. 908.** RCW 28A.657.110 and 2010 c 235 s 111 are each amended to
20 read as follows:

21 (1) The state board of education shall continue to refine the
22 development of an accountability framework that creates a unified
23 system of support for challenged schools, that aligns with basic
24 education, increases the level of support based upon the magnitude of
25 need, and uses data for decisions.

26 (2) The state board of education shall develop an accountability
27 index to identify schools and districts for recognition, for continuous
28 improvement, and for additional state support. The index shall be
29 based on criteria that are fair, consistent, and transparent.
30 Performance shall be measured using multiple outcomes and indicators
31 including, but not limited to, graduation rates and results from
32 statewide assessments. The index shall be developed in such a way as
33 to be easily understood by both employees within the schools and
34 districts, as well as parents and community members. It is the
35 legislature's intent that the index provide feedback to schools and
36 districts to self-assess their progress, and enable the identification

1 of schools with exemplary student performance and those that need
2 assistance to overcome challenges in order to achieve exemplary student
3 performance.

4 (3) The state board of education, in cooperation with the office of
5 the superintendent of public instruction, shall annually recognize
6 schools for exemplary performance as measured on the state board of
7 education accountability index. The state board of education shall
8 have ongoing collaboration with the achievement gap oversight and
9 accountability committee regarding the measures used to measure the
10 closing of the achievement gaps and the recognition provided to the
11 school districts for closing the achievement gaps.

12 (4) In coordination with the superintendent of public instruction,
13 the state board of education shall seek approval from the United States
14 department of education for use of the accountability index and the
15 state system of support, assistance, and intervention, to replace the
16 federal accountability system under P.L. 107-110, the no child left
17 behind act of 2001.

18 (5) The state board of education shall work with the education
19 research and data center (~~established within the office of financial~~
20 ~~management~~) and the technical working group established in (~~section~~
21 ~~112, chapter 548, Laws of 2009~~) RCW 28A.290.020 to determine the
22 feasibility of using the prototypical funding allocation model as not
23 only a tool for allocating resources to schools and districts but also
24 as a tool for schools and districts to report to the state legislature
25 and the state board of education on how the state resources received
26 are being used.

27 NEW SECTION. Sec. 909. RCW 43.41.405 (K-12 data--Securing federal
28 funds) and 2009 c 548 s 204 are each repealed.

29 **PART X**

30 **ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS**

31 NEW SECTION. Sec. 1001. A new section is added to chapter 41.80
32 RCW to read as follows:

33 (1) Consistent with the procedures for applications for
34 certification set forth in RCW 41.80.070, the public employment

1 relations commission may review the appropriateness of the collective
2 bargaining units transferred under sections 1002 through 1004 and 1009
3 of this act.

4 (2) If the commission determines that an existing collective
5 bargaining unit is appropriate pursuant to RCW 41.80.070, the exclusive
6 bargaining representative certified to represent the bargaining unit
7 prior to January 1, 2012, shall continue as the exclusive bargaining
8 representative without the necessity of an election.

9 (3) If the commission determines that existing collective
10 bargaining units are not appropriate, the commission may modify the
11 units and order an election pursuant to RCW 41.80.080. Certified
12 bargaining representatives will not be required to demonstrate a
13 showing of interest to be included on the ballot.

14 (4) The commission may require an election pursuant to RCW
15 41.80.080 if similarly situated employees are represented by more than
16 one employee organization. Certified bargaining representatives will
17 not be required to demonstrate a showing of interest to be included on
18 the ballot.

19 NEW SECTION. **Sec. 1002.** A new section is added to chapter 43.19
20 RCW to read as follows:

21 (1) The department of general administration is hereby abolished
22 and its powers, duties, and functions are transferred to the department
23 of enterprise services. All references to the director or department
24 of general administration in the Revised Code of Washington shall be
25 construed to mean the director or the department of enterprise
26 services.

27 (2)(a) All reports, documents, surveys, books, records, files,
28 papers, or written material in the possession of the department of
29 general administration shall be delivered to the custody of the
30 department of enterprise services. All cabinets, furniture, office
31 equipment, motor vehicles, and other tangible property employed by the
32 department of general administration shall be made available to the
33 department of enterprise services. All funds, credits, or other assets
34 held by the department of general administration shall be assigned to
35 the department of enterprise services.

36 (b) Any appropriations made to the department of general

1 administration shall, on the effective date of this section, be
2 transferred and credited to the department of enterprise services.

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

9 (3) All rules and all pending business before the department of
10 general administration shall be continued and acted upon by the
11 department of enterprise services. All existing contracts and
12 obligations shall remain in full force and shall be performed by the
13 department of enterprise services.

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

17 (5) If apportionments of budgeted funds are required because of the
18 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 general administration
24 engaged in performing the powers, functions, and duties transferred to
25 the department of enterprise services, are transferred to the
26 department of enterprise services. All employees classified under
27 chapter 41.06 RCW, the state civil service law, are assigned to the
28 department of enterprise services to perform their usual duties upon
29 the 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 law.

32 (7) Unless or until modified by the public employment relations
33 commission pursuant to section 1001 of this act:

34 (a) The bargaining units of employees at the department of general
35 administration existing on the effective date of this section shall be
36 considered appropriate units at the department of enterprise services
37 and will be so certified by the public employment relations commission.

1 (b) The exclusive bargaining representatives recognized as
2 representing the bargaining units of employees at the department of
3 general administration existing on the effective date of this section
4 shall continue as the exclusive bargaining representatives of the
5 transferred bargaining units without the necessity of an election.

6 NEW SECTION. **Sec. 1003.** A new section is added to chapter 43.19
7 RCW to read as follows:

8 (1) The public printer is hereby abolished and its powers, duties,
9 and functions, to the extent provided in this act, are transferred to
10 the department of enterprise services. All references to the public
11 printer in the Revised Code of Washington shall be construed to mean
12 the director or the department of enterprise services.

13 (2)(a) All reports, documents, surveys, books, records, files,
14 papers, or written material in the possession of the public printer
15 shall be delivered to the custody of the department of enterprise
16 services. All cabinets, furniture, office equipment, motor vehicles,
17 and other tangible property employed by the public printer shall be
18 made available to the department of enterprise services. All funds,
19 credits, or other assets held by the public printer shall be assigned
20 to the department of enterprise services.

21 (b) Any appropriations made to the public printer shall, on the
22 effective date of this section, be transferred and credited to the
23 department of enterprise services.

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

30 (3) All rules and all pending business before the public printer
31 shall be continued and acted upon by the department of enterprise
32 services. All existing contracts and obligations shall remain in full
33 force and shall be performed by the department of enterprise services.

34 (4) The transfer of the powers, duties, functions, and personnel of
35 the public printer shall not affect the validity of any act performed
36 before the effective date of this section.

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

7 (6) All employees of the public printer engaged in performing the
8 powers, functions, and duties transferred to the department of
9 enterprise services are transferred to the department of enterprise
10 services.

11 (a) The commercial agreement between the graphic communications
12 conference of the international brotherhood of teamsters, local 767M
13 and the department of printing-bindery that became effective July 1,
14 2007, shall remain in effect during its duration. Upon expiration, the
15 parties may extend the terms of the agreement; however, the agreement
16 may not be extended beyond September 30, 2011. Beginning October 1,
17 2011, chapter 41.80 RCW shall apply to the department of enterprise
18 services with respect to employees in positions formerly covered under
19 the expired commercial agreement.

20 (b) The commercial agreement between the graphic communications
21 conference of the international brotherhood of teamsters, local 767M
22 and the department of printing-litho that became effective July 1,
23 2007, shall remain in effect during its duration. Upon expiration, the
24 parties may extend the terms of the agreement; however, the agreement
25 may not be extended beyond September 30, 2011. Beginning October 1,
26 2011, chapter 41.80 RCW shall apply to the department of enterprise
27 services with respect to the employees in positions formerly covered
28 under the expired commercial agreement.

29 (c) The typographical contract between the communications workers
30 of America, the newspaper guild, local 37082, and the department of
31 printing-typographical that became effective July 1, 2007, shall remain
32 in effect during its duration. Upon expiration, the parties may extend
33 the terms of the agreement; however, the agreement may not be extended
34 beyond September 30, 2011. Beginning October 1, 2011, chapter 41.80
35 RCW shall apply to the department of enterprise services with respect
36 to the employees in positions formerly covered under the expired
37 typographical contract.

1 (d) All other employees of the public printer not covered by the
2 contracts and agreements specified in (a) through (c) of this
3 subsection shall be exempt from chapter 41.06 RCW until October 1,
4 2011, at which time these employees shall be subject to chapter 41.06
5 RCW, unless otherwise deemed exempt in accordance with that chapter.

6 (7) Unless or until modified by the public employment relations
7 commission pursuant to section 1001 of this act:

8 (a) The bargaining units of printing craft employees existing on
9 the effective date of this section shall be considered an appropriate
10 unit at the department of enterprise services and will be so certified
11 by the public employment relations commission; and

12 (b) The exclusive bargaining representatives recognized as
13 representing the bargaining units of printing craft employees existing
14 on the effective date of this section shall continue as the exclusive
15 bargaining representatives of the transferred bargaining units without
16 the necessity of an election.

17 NEW SECTION. **Sec. 1004.** A new section is added to chapter 43.19
18 RCW to read as follows:

19 (1) The powers, duties, and functions of the department of
20 information services as set forth in sections 601, 602, and 614 of this
21 act are hereby transferred to the department of enterprise services.

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

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

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 information services pertaining to the powers, duties, and functions
9 transferred shall be continued and acted upon by the department of
10 enterprise services. All existing contracts and obligations shall
11 remain in full force and shall be performed by the department of
12 enterprise services.

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

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

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

31 (7) Unless or until modified by the public employment relations
32 commission pursuant to section 1001 of this act:

33 (a) The portions of the bargaining units of employees at the
34 department of information services existing on the effective date of
35 this section shall be considered appropriate units at the department of
36 enterprise services and will be so certified by the public employment
37 relations commission.

1 (b) The exclusive bargaining representatives recognized as
2 representing the portions of the bargaining units of employees at the
3 department of information services existing on the effective date of
4 this section shall continue as the exclusive bargaining representative
5 of the transferred bargaining units without the necessity of an
6 election.

7 NEW SECTION. **Sec. 1005.** A new section is added to chapter 43.19
8 RCW to read as follows:

9 (1) Those powers, duties, and functions of the department of
10 personnel being transferred to the department of enterprise services as
11 set forth in Part IV of this act are hereby transferred to the
12 department of enterprise services.

13 (2)(a) All reports, documents, surveys, books, records, files,
14 papers, or written material in the possession of the department of
15 personnel pertaining to the powers, duties, and functions transferred
16 shall be delivered to the custody of the department of enterprise
17 services. All cabinets, furniture, office equipment, motor vehicles,
18 and other tangible property employed by the department of personnel in
19 carrying out the powers, duties, and functions transferred shall be
20 made available to the department of enterprise services. All funds,
21 credits, or other assets held by the department of personnel in
22 connection with the powers, duties, and functions transferred shall be
23 assigned to the department of enterprise services.

24 (b) Any appropriations made to the department of personnel for
25 carrying out the powers, functions, and duties transferred shall, on
26 the effective date of this section, be transferred and credited to the
27 department of enterprise services.

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

34 (3) All rules and all pending business before the department of
35 personnel pertaining to the powers, duties, and functions transferred
36 shall be continued and acted upon by the department of enterprise

1 services. All existing contracts and obligations shall remain in full
2 force and shall be performed by the department of enterprise services.

3 (4) The transfer of the powers, duties, functions, and personnel of
4 the department of personnel shall not affect the validity of any act
5 performed before the effective date of this section.

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

12 (6) All employees of the department of personnel engaged in
13 performing the powers, functions, and duties transferred to the
14 department of enterprise services, are transferred to the department of
15 enterprise services. All employees classified under chapter 41.06 RCW,
16 the state civil service law, are assigned to the department of
17 enterprise services to perform their usual duties upon the same terms
18 as formerly, without any loss of rights, subject to any action that may
19 be appropriate thereafter in accordance with the laws and rules
20 governing state civil service law.

21 NEW SECTION. **Sec. 1006.** A new section is added to chapter 43.41
22 RCW to read as follows:

23 (1) Those powers, duties, and functions of the department of
24 personnel being transferred to the office of financial management as
25 set forth in Part IV of this act are hereby transferred to the office
26 of financial management.

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

1 (b) Any appropriations made to the department of personnel for
2 carrying out the powers, functions, and duties transferred shall, on
3 the effective date of this section, be transferred and credited to the
4 office of financial management.

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

11 (3) All rules and all pending business before the department of
12 personnel pertaining to the powers, duties, and functions transferred
13 shall be continued and acted upon by the office of financial
14 management. All existing contracts and obligations shall remain in
15 full force and shall be performed by the office of financial
16 management.

17 (4) The transfer of the powers, duties, functions, and personnel of
18 the department of personnel shall not affect the validity of any act
19 performed before the effective date of this section.

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

26 (6) All employees of the department of personnel engaged in
27 performing the powers, functions, and duties transferred to the office
28 of financial management, are transferred to the office of financial
29 management. All employees classified under chapter 41.06 RCW, the
30 state civil service law, are assigned to the office of financial
31 management to perform their usual duties upon the same terms as
32 formerly, without any loss of rights, subject to any action that may be
33 appropriate thereafter in accordance with the laws and rules governing
34 state civil service law.

35 NEW SECTION. **Sec. 1007.** A new section is added to chapter 43.19
36 RCW to read as follows:

1 (1) The powers, duties, and functions of the office of financial
2 management as set forth in Part V of this act are hereby transferred to
3 the department of enterprise services.

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

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

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

26 (3) All rules and all pending business before the office of
27 financial management pertaining to the powers, duties, and functions
28 transferred shall be continued and acted upon by the department of
29 enterprise services. All existing contracts and obligations shall
30 remain in full force and shall be performed by the department of
31 enterprise services.

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

35 (5) If apportionments of budgeted funds are required because of the
36 transfers directed by this section, the director of financial
37 management shall certify the apportionments to the agencies affected,

1 the state auditor, and the state treasurer. Each of these shall make
2 the appropriate transfer and adjustments in funds and appropriation
3 accounts and equipment records in accordance with the certification.

4 (6) All employees of the office of financial management engaged in
5 performing the powers, functions, and duties transferred to the
6 department of enterprise services, are transferred to the department of
7 enterprise services. All employees classified under chapter 41.06 RCW,
8 the state civil service law, are assigned to department of enterprise
9 services to perform their usual duties upon the same terms as formerly,
10 without any loss of rights, subject to any action that may be
11 appropriate thereafter in accordance with the laws and rules governing
12 state civil service law.

13 NEW SECTION. **Sec. 1008.** A new section is added to chapter 43.330
14 RCW to read as follows:

15 (1) All powers, duties, and functions of the department of
16 information services pertaining to high-speed internet activities are
17 transferred to the department of commerce. All references to the
18 director or the department of information services in the Revised Code
19 of Washington shall be construed to mean the director or the department
20 of commerce when referring to the functions transferred in this
21 section.

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

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

36 (c) Whenever any question arises as to the transfer of any
37 personnel, funds, books, documents, records, papers, files, equipment,

1 or other tangible property used or held in the exercise of the powers
2 and the performance of the duties and functions transferred, the
3 director of financial management shall make a determination as to the
4 proper allocation and certify the same to the state agencies concerned.

5 (3) All employees of the department of information services engaged
6 in performing the powers, functions, and duties transferred are
7 transferred to the jurisdiction of the department of commerce. All
8 employees classified under chapter 41.06 RCW, the state civil service
9 law, are assigned to the department of commerce to perform their usual
10 duties upon the same terms as formerly, without any loss of rights,
11 subject to any action that may be appropriate thereafter in accordance
12 with the laws and rules governing state civil service.

13 (4) All rules and all pending business before the department of
14 information services pertaining to the powers, functions, and duties
15 transferred shall be continued and acted upon by the department of
16 commerce. All existing contracts and obligations shall remain in full
17 force and shall be performed by the department of commerce.

18 (5) The transfer of the powers, duties, functions, and personnel of
19 the department of information services shall not affect the validity of
20 any act performed before the effective date of this section.

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

27 (7) All classified employees of the department of information
28 services assigned to the department of commerce under this section
29 whose positions are within an existing bargaining unit description at
30 the department of commerce shall become a part of the existing
31 bargaining unit at the department of commerce and shall be considered
32 an appropriate inclusion or modification of the existing bargaining
33 unit under the provisions of chapter 41.80 RCW.

34 NEW SECTION. **Sec. 1009.** (1) Those powers, duties, and functions
35 of the department of information services being transferred to the
36 consolidated technology services agency as set forth in sections 801

1 through 818 of this act are hereby transferred to the consolidated
2 technology services agency.

3 (2)(a) All reports, documents, surveys, books, records, files,
4 papers, or written material in the possession of the department of
5 information services shall be delivered to the custody of the
6 consolidated technology services agency. All cabinets, furniture,
7 office equipment, motor vehicles, and other tangible property employed
8 by the department of information services shall be made available to
9 the consolidated technology services agency. All funds, credits, or
10 other assets held by the department of information services shall be
11 assigned to the consolidated technology services agency.

12 (b) Any appropriations made to the department of information
13 services shall, on the effective date of this section, be transferred
14 and credited to the consolidated technology services agency.

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

21 (3) All rules and all pending business before the department of
22 information services pertaining to the powers, duties, and functions
23 transferred shall be continued and acted upon by the consolidated
24 technology services agency. All existing contracts and obligations
25 shall remain in full force and shall be performed by the consolidated
26 technology services agency.

27 (4) The transfer of the powers, duties, functions, and personnel of
28 the department of information services shall not affect the validity of
29 any act performed before the effective date of this section.

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

36 (6) All employees of the department of information services engaged
37 in performing the powers, functions, and duties transferred to the
38 consolidated technology services agency, are transferred to the

1 consolidated technology services agency. All employees classified
2 under chapter 41.06 RCW, the state civil service law, are assigned to
3 the consolidated technology services agency to perform their usual
4 duties upon the same terms as formerly, without any loss of rights,
5 subject to any action that may be appropriate thereafter in accordance
6 with the laws and rules governing state civil service law.

7 (7) Unless or until modified by the public employment relations
8 commission pursuant to section 1001 of this act:

9 (a) The portions of the bargaining units of employees at the
10 department of information services existing on the effective date of
11 this section shall be considered appropriate units at the consolidated
12 technology services agency and will be so certified by the public
13 employment relations commission.

14 (b) The exclusive bargaining representatives recognized as
15 representing the portions of the bargaining units of employees at the
16 department of information services existing on the effective date of
17 this section shall continue as the exclusive bargaining representatives
18 of the transferred bargaining units without the necessity of an
19 election.

20 **Sec. 1010.** RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and
21 2010 c 1 s 1 are each reenacted and amended to read as follows:

22 (1) The provisions of this chapter do not apply to:

23 (a) The members of the legislature or to any employee of, or
24 position in, the legislative branch of the state government including
25 members, officers, and employees of the legislative council, joint
26 legislative audit and review committee, statute law committee, and any
27 interim committee of the legislature;

28 (b) The justices of the supreme court, judges of the court of
29 appeals, judges of the superior courts or of the inferior courts, or to
30 any employee of, or position in the judicial branch of state
31 government;

32 (c) Officers, academic personnel, and employees of technical
33 colleges;

34 (d) The officers of the Washington state patrol;

35 (e) Elective officers of the state;

36 (f) The chief executive officer of each agency;

1 (g) In the departments of employment security and social and health
2 services, the director and the director's confidential secretary; in
3 all other departments, the executive head of which is an individual
4 appointed by the governor, the director, his or her confidential
5 secretary, and his or her statutory assistant directors;

6 (h) In the case of a multimember board, commission, or committee,
7 whether the members thereof are elected, appointed by the governor or
8 other authority, serve ex officio, or are otherwise chosen:

9 (i) All members of such boards, commissions, or committees;

10 (ii) If the members of the board, commission, or committee serve on
11 a part-time basis and there is a statutory executive officer: The
12 secretary of the board, commission, or committee; the chief executive
13 officer of the board, commission, or committee; and the confidential
14 secretary of the chief executive officer of the board, commission, or
15 committee;

16 (iii) If the members of the board, commission, or committee serve
17 on a full-time basis: The chief executive officer or administrative
18 officer as designated by the board, commission, or committee; and a
19 confidential secretary to the chair of the board, commission, or
20 committee;

21 (iv) If all members of the board, commission, or committee serve ex
22 officio: The chief executive officer; and the confidential secretary
23 of such chief executive officer;

24 (i) The confidential secretaries and administrative assistants in
25 the immediate offices of the elective officers of the state;

26 (j) Assistant attorneys general;

27 (k) Commissioned and enlisted personnel in the military service of
28 the state;

29 (l) Inmate, student, part-time, or temporary employees, and part-
30 time professional consultants, as defined by the Washington personnel
31 resources board;

32 ~~(m) ((The public printer or to any employees of or positions in the
33 state printing plant;~~

34 ~~(n))~~ Officers and employees of the Washington state fruit
35 commission;

36 ~~((+o))~~ (n) Officers and employees of the Washington apple
37 commission;

1 ~~((p))~~ (o) Officers and employees of the Washington state dairy
2 products commission;

3 ~~((q))~~ (p) Officers and employees of the Washington tree fruit
4 research commission;

5 ~~((r))~~ (q) Officers and employees of the Washington state beef
6 commission;

7 ~~((s))~~ (r) Officers and employees of the Washington grain
8 commission;

9 ~~((t))~~ (s) Officers and employees of any commission formed under
10 chapter 15.66 RCW;

11 ~~((u))~~ (t) Officers and employees of agricultural commissions
12 formed under chapter 15.65 RCW;

13 ~~((v))~~ (u) Officers and employees of the nonprofit corporation
14 formed under chapter 67.40 RCW;

15 ~~((w))~~ (v) Executive assistants for personnel administration and
16 labor relations in all state agencies employing such executive
17 assistants including but not limited to all departments, offices,
18 commissions, committees, boards, or other bodies subject to the
19 provisions of this chapter and this subsection shall prevail over any
20 provision of law inconsistent herewith unless specific exception is
21 made in such law;

22 ~~((x))~~ (w) In each agency with fifty or more employees: Deputy
23 agency heads, assistant directors or division directors, and not more
24 than three principal policy assistants who report directly to the
25 agency head or deputy agency heads;

26 ~~((y))~~ (x) All employees of the marine employees' commission;

27 ~~((z))~~ (y) Staff employed by the department of commerce to
28 administer energy policy functions;

29 ~~((aa))~~ (z) The manager of the energy facility site evaluation
30 council;

31 ~~((bb))~~ (aa) A maximum of ten staff employed by the department of
32 commerce to administer innovation and policy functions, including the
33 three principal policy assistants exempted under (x) of this
34 subsection;

35 ~~((cc))~~ (bb) Staff employed by Washington State University to
36 administer energy education, applied research, and technology transfer
37 programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5);

1 (cc) Officers and employees of the consolidated technology services
2 agency created in section 801 of this act that perform the following
3 functions or duties: Systems integration; data center engineering and
4 management; network systems engineering and management; information
5 technology contracting; information technology customer relations
6 management; senior expert in enterprise information technology
7 infrastructure, engineering, or systems; and network and systems
8 security.

9 (2) The following classifications, positions, and employees of
10 institutions of higher education and related boards are hereby exempted
11 from coverage of this chapter:

12 (a) Members of the governing board of each institution of higher
13 education and related boards, all presidents, vice presidents, and
14 their confidential secretaries, administrative, and personal
15 assistants; deans, directors, and chairs; academic personnel; and
16 executive heads of major administrative or academic divisions employed
17 by institutions of higher education; principal assistants to executive
18 heads of major administrative or academic divisions; other managerial
19 or professional employees in an institution or related board having
20 substantial responsibility for directing or controlling program
21 operations and accountable for allocation of resources and program
22 results, or for the formulation of institutional policy, or for
23 carrying out personnel administration or labor relations functions,
24 legislative relations, public information, development, senior computer
25 systems and network programming, or internal audits and investigations;
26 and any employee of a community college district whose place of work is
27 one which is physically located outside the state of Washington and who
28 is employed pursuant to RCW 28B.50.092 and assigned to an educational
29 program operating outside of the state of Washington;

30 (b) The governing board of each institution, and related boards,
31 may also exempt from this chapter classifications involving research
32 activities, counseling of students, extension or continuing education
33 activities, graphic arts or publications activities requiring
34 prescribed academic preparation or special training as determined by
35 the board: PROVIDED, That no nonacademic employee engaged in office,
36 clerical, maintenance, or food and trade services may be exempted by
37 the board under this provision;

1 (c) Printing craft employees in the department of printing at the
2 University of Washington.

3 (3) In addition to the exemptions specifically provided by this
4 chapter, the director (~~(of personnel)~~) may provide for further
5 exemptions pursuant to the following procedures. The governor or other
6 appropriate elected official may submit requests for exemption to the
7 (~~(director of personnel)~~) office of financial management stating the
8 reasons for requesting such exemptions. The director (~~(of personnel)~~)
9 shall hold a public hearing, after proper notice, on requests submitted
10 pursuant to this subsection. If the director determines that the
11 position for which exemption is requested is one involving substantial
12 responsibility for the formulation of basic agency or executive policy
13 or one involving directing and controlling program operations of an
14 agency or a major administrative division thereof, the director (~~(of~~
15 ~~personnel)~~) shall grant the request (~~(and such determination shall be~~
16 ~~final as to any decision made before July 1, 1993)~~). The total number
17 of additional exemptions permitted under this subsection shall not
18 exceed one percent of the number of employees in the classified service
19 not including employees of institutions of higher education and related
20 boards for those agencies not directly under the authority of any
21 elected public official other than the governor, and shall not exceed
22 a total of twenty-five for all agencies under the authority of elected
23 public officials other than the governor.

24 The salary and fringe benefits of all positions presently or
25 hereafter exempted except for the chief executive officer of each
26 agency, full-time members of boards and commissions, administrative
27 assistants and confidential secretaries in the immediate office of an
28 elected state official, and the personnel listed in subsections (1)(j)
29 through (~~(v)~~) (u) and (~~(y)~~) (x) and (2) of this section, shall be
30 determined by the director (~~(of personnel)~~). Changes to the
31 classification plan affecting exempt salaries must meet the same
32 provisions for classified salary increases resulting from adjustments
33 to the classification plan as outlined in RCW 41.06.152.

34 From February 18, 2009, through June 30, 2011, a salary or wage
35 increase shall not be granted to any position exempt from
36 classification under this chapter, except that a salary or wage
37 increase may be granted to employees pursuant to collective bargaining
38 agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW,

1 or negotiated by the nonprofit corporation formed under chapter 67.40
2 RCW, and except that increases may be granted for positions for which
3 the employer has demonstrated difficulty retaining qualified employees
4 if the following conditions are met:

5 (a) The salary increase can be paid within existing resources; and

6 (b) The salary increase will not adversely impact the provision of
7 client services.

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

14 Any person holding a classified position subject to the provisions
15 of this chapter shall, when and if such position is subsequently
16 exempted from the application of this chapter, be afforded the
17 following rights: If such person previously held permanent status in
18 another classified position, such person shall have a right of
19 reversion to the highest class of position previously held, or to a
20 position of similar nature and salary.

21 Any classified employee having civil service status in a classified
22 position who accepts an appointment in an exempt position shall have
23 the right of reversion to the highest class of position previously
24 held, or to a position of similar nature and salary.

25 A person occupying an exempt position who is terminated from the
26 position for gross misconduct or malfeasance does not have the right of
27 reversion to a classified position as provided for in this section.

28 From February 15, 2010, until June 30, 2011, no monetary
29 performance-based awards or incentives may be granted by the director
30 or employers to employees covered by rules adopted under this section.
31 This subsection does not prohibit the payment of awards provided for in
32 chapter 41.60 RCW.

33 NEW SECTION. **Sec. 1011.** Sections 701 through 721 of this act
34 constitute a new chapter in Title 43 RCW to be codified as chapter
35 43.41A RCW.

1 (14) RCW 43.105.330 (State interoperability executive committee)
2 and 2006 c 76 s 2 & 2003 c 18 s 4;

3 (15) RCW 43.105.805 (Information services board--Powers and duties)
4 and 2010 1st sp.s. c 9 s 1, 2010 1st sp.s. c 7 s 66, & 1999 c 285 s 3;

5 (16) RCW 43.105.815 (K-20 operations cooperative--Ongoing
6 management) and 1999 c 285 s 8; and

7 (17) RCW 43.105.820 (K-20 telecommunication system--Technical plan)
8 and 2010 1st sp.s. c 7 s 67, 1999 c 285 s 11, & 1996 c 137 s 8.

9 NEW SECTION. **Sec. 1014.** Sections 728 through 731 of this act
10 expire January 1, 2012.

11 NEW SECTION. **Sec. 1015.** Section 732 of this act takes effect
12 January 1, 2012.

13 NEW SECTION. **Sec. 1016.** The code reviser shall note wherever the
14 director or department of any agency or agency's duties transferred or
15 consolidated under this act is used or referred to in statute that the
16 name of the director or department has changed. The code reviser shall
17 prepare legislation for the 2012 regular session that (1) changes all
18 statutory references to the director or department of any agency
19 transferred or consolidated under this act, and (2) changes statutory
20 references to sections recodified by this act but not amended in this
21 act.

22 NEW SECTION. **Sec. 1017.** Except for sections 109, 448, 462, 732,
23 and 901 through 909 of this act, this act takes effect October 1, 2011.

24 NEW SECTION. **Sec. 1018.** Sections 901 through 909 of this act are
25 necessary for the immediate preservation of the public peace, health,
26 or safety, or support of the state government and its existing public
27 institutions, and take effect July 1, 2011."

28 Correct the title.

--- END ---