

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5931

62nd Legislature
2011 1st Special Session

Passed by the Senate May 25, 2011
YEAS 31 NAYS 15

President of the Senate

Passed by the House May 25, 2011
YEAS 54 NAYS 42

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Thomas Hoemann, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5931** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5931

AS AMENDED BY THE HOUSE

Passed Legislature - 2011 1st Special Session

State of Washington 62nd Legislature 2011 1st Special Session

By Senate Ways & Means (originally sponsored by Senators Baumgartner and Zarelli)

READ FIRST TIME 05/17/11.

1 AN ACT Relating to reorganizing and streamlining central service
2 functions, powers, and duties of state government; amending RCW
3 43.17.010, 43.17.020, 42.17A.705, 42.17.2401, 43.19.011, 43.19.025,
4 43.19.035, 43.19.125, 43.19.180, 43.19.185, 43.19.190, 43.19.1905,
5 43.19.19052, 43.19.1906, 43.19.1908, 43.19.1913, 43.19.1915,
6 43.19.1917, 43.19.1919, 43.19.19191, 43.19.1920, 43.19.19201,
7 43.19.1921, 43.19.1932, 43.19.200, 43.19.450, 43.19.455, 43.19.500,
8 43.19.501, 43.19.530, 43.19.534, 43.19.538, 43.19.539, 43.19.560,
9 43.19.565, 43.19.585, 43.19.600, 43.19.610, 43.19.620, 43.19.635,
10 43.19.646, 43.19.663, 43.19.685, 43.19.702, 43.19.704, 43.19.708,
11 43.19.710, 19.27.070, 19.27A.140, 39.34.055, 39.35.030, 39.35C.010,
12 39.35D.020, 43.19A.010, 43.19A.022, 39.32.035, 43.01.225, 43.82.120,
13 43.82.125, 43.99H.070, 73.24.020, 1.08.039, 28A.300.040, 28B.10.029,
14 40.06.030, 43.08.061, 41.06.020, 41.06.076, 41.06.080, 41.06.093,
15 41.06.110, 41.06.120, 41.06.142, 41.06.152, 41.06.167, 41.06.169,
16 41.06.170, 41.06.220, 41.06.260, 41.06.270, 41.06.280, 41.06.285,
17 41.06.350, 41.06.395, 41.06.400, 41.06.410, 41.06.420, 41.06.476,
18 41.06.490, 41.06.510, 41.06.530, 34.05.030, 41.04.340, 41.04.385,
19 41.04.395, 41.04.670, 41.04.680, 41.04.685, 41.04.720, 41.04.770,
20 41.07.020, 41.07.030, 41.60.015, 41.80.005, 41.80.020, 42.16.010,
21 42.17.370, 43.01.040, 43.01.135, 43.03.028, 43.03.120, 43.03.130,

1 43.06.013, 43.06.410, 43.06.425, 43.33A.100, 43.130.060, 43.131.090,
2 48.37.060, 49.46.010, 49.74.020, 49.74.030, 49.90.010, 50.13.060,
3 28A.345.060, 28A.400.201, 34.12.100, 36.21.011, 41.04.020, 41.04.460,
4 41.60.050, 41.68.030, 41.68.040, 41.68.050, 47.28.251, 43.41.290,
5 43.41.300, 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.360,
6 43.41.370, 43.41.380, 43.41.110, 4.92.006, 4.92.040, 4.92.130,
7 4.92.150, 4.92.160, 4.92.210, 4.92.270, 4.92.280, 10.92.020, 48.62.021,
8 48.64.010, 39.29.011, 39.29.016, 39.29.018, 39.29.025, 39.29.055,
9 39.29.065, 39.29.075, 39.29.090, 39.29.100, 39.29.110, 39.29.120,
10 43.88.580, 43.105.080, 43.105.320, 43.105.370, 43.105.372, 43.105.374,
11 43.105.376, 43.105.380, 43.105.382, 43.105.390, 43.105.400, 41.07.030,
12 43.99I.040, 43.105.835, 43.105.290, 28A.650.015, 40.14.020, 42.17.460,
13 42.17.467, 42.17.469, 42.17.471, 42.17A.060, 43.88.092, 43.105.410,
14 43.105.020, 43.105.047, 43.105.052, 43.19.190, 43.105.057, 43.105.060,
15 19.34.231, 19.34.420, 46.20.157, 2.36.054, 29A.08.760, 43.63A.550,
16 41.80.020, 43.41.400, 44.48.090, 28A.300.500, 28A.300.507, 28A.655.210,
17 and 28A.657.110; reenacting and amending RCW 41.06.133, 41.06.150,
18 41.04.665, 42.17A.110, 49.46.010, 39.29.068, 39.94.040, and 41.06.070;
19 adding new sections to chapter 43.19 RCW; adding new sections to
20 chapter 41.06 RCW; adding a new section to chapter 43.09 RCW; adding
21 new sections to chapter 43.41 RCW; adding new sections to chapter
22 43.330 RCW; adding new sections to chapter 43.105 RCW; adding a new
23 section to chapter 44.48 RCW; adding a new section to chapter 41.80
24 RCW; adding a new chapter to Title 43 RCW; creating new sections;
25 recodifying RCW 43.78.130, 43.78.140, 43.78.150, 43.78.160, 43.41.280,
26 43.41.290, 43.41.300, 43.41.310, 43.41.320, 43.41.330, 43.41.340,
27 43.41.350, 43.41.360, 43.105.080, 43.105.320, 43.105.410, 43.105.370,
28 43.105.372, 43.105.374, 43.105.376, 43.105.380, 43.105.382, 43.105.390,
29 43.105.400, 43.105.052, 43.105.172, 43.105.250, 43.105.260, 43.105.270,
30 43.105.280, 43.105.290, 43.105.310, and 43.105.835; decodifying RCW
31 43.19.123, 41.06.136, 43.31.086, 41.80.900, 41.80.901, 41.80.902,
32 41.80.903, and 41.80.904; repealing RCW 43.19.010, 43.19.1923,
33 43.19.1925, 43.19.590, 43.19.595, 43.19.615, 43.19.675, 43.19.680,
34 43.78.010, 43.78.020, 43.78.030, 43.78.040, 43.78.050, 43.78.070,
35 43.78.080, 43.78.090, 43.78.100, 43.78.105, 43.78.110, 43.78.170,
36 15.24.085, 15.62.190, 16.67.170, 40.04.030, 40.07.050, 41.06.030,
37 41.06.111, 41.06.130, 41.06.139, 41.06.480, 41.07.900, 43.105.300,
38 43.105.360, 43.41.405, 43.105.005, 43.105.013, 43.105.019, 43.105.032,

1 43.105.041, 43.105.095, 43.105.105, 43.105.160, 43.105.170, 43.105.180,
2 43.105.190, 43.105.200, 43.105.210, 43.105.330, 43.105.805, 43.105.815,
3 and 43.105.820; repealing 2010 c 271 s 301; providing effective dates;
4 and providing expiration dates.

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

6 **PART I**

7 **DEPARTMENT OF ENTERPRISE SERVICES CREATED**

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

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

18 The definitions in this section apply throughout this chapter
19 unless the context clearly requires otherwise.

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

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

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

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

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

30 (a) Provide products and services to support state agencies, and
31 may enter into agreements with any other governmental entity or a
32 public benefit nonprofit organization, in compliance with RCW
33 39.34.055, to furnish such products and services as deemed appropriate

1 by both parties. The agreement shall provide for the reimbursement to
2 the department of the reasonable cost of the products and services
3 furnished. All governmental entities of this state may enter into such
4 agreements, unless otherwise prohibited; and

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

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

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

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

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

33 (4) The internal affairs of the department are under the control of
34 the director in order that the director may manage the department in a
35 flexible and intelligent manner as dictated by changing contemporary
36 circumstances. Unless specifically limited by law, the director has
37 complete charge and supervisory powers over the department. The

1 director may create the administrative structures as the director deems
2 appropriate, except as otherwise specified by law, and the director may
3 employ personnel as may be necessary in accordance with chapter 41.06
4 RCW, except as otherwise provided by law.

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

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

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

20 (i) As part of the review in this subsection (5), the office of
21 financial management shall select up to six activities or services that
22 have been determined as an activity that may be provided by the private
23 sector in a cost-effective and efficient manner, including for the
24 2011-2013 fiscal biennium the bulk printing services. The office of
25 financial management may consult with affected industry stakeholders in
26 making its decision on which activities to contract for services.
27 Priority for selection shall be given to agency activities or services
28 that are significant, ongoing functions.

29 (ii) The office of financial management must consider the
30 consequences and potential mitigation of improper or failed performance
31 by the contractor.

32 (iii) For each of the selected activities, the department shall use
33 a request for information, request for proposal, or other procurement
34 process to determine if a contract for the activity would result in the
35 activity being provided at a reduced cost and with greater efficiency.

36 (iv) The request for information, request for proposal, or other
37 procurement process must contain measurable standards for the
38 performance of the contract.

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

3 (vi) If the office of financial management determines via the
4 procurement process that the activity cannot be provided by the private
5 sector at a reduced cost and greater efficiency, the department of
6 enterprise services may cancel the procurement without entering into a
7 contract and shall promptly notify the legislative fiscal committees of
8 such a decision.

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

15 (viii) The office of financial management shall prepare a biennial
16 report summarizing the results of the examination of the agency's
17 programs and services. In addition to the programs and services
18 examined and the result of the examination, the report shall provide
19 information on any procurement process that does not result in a
20 contract for the services. During each regular legislative session
21 held in odd-numbered years, the legislative fiscal committees shall
22 hold a public hearing on the report and the department's activities
23 under this section.

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

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

35 (2) In order to effect reform and consolidation of procurement
36 practices, the department shall review current state procurement
37 practices, not including public works, and provide a report to the

1 governor with procurement reform recommendations. The department
2 should review national best practices and the procedures used in other
3 states and by the federal government. The department may also review
4 private sector procedures and model codes such as the American bar
5 association model procurement code. The department shall seek input
6 from stakeholders and interested parties. The department shall submit
7 a report to the governor and the office of financial management by
8 December 31, 2011. The report shall include any draft legislation
9 needed to accomplish the report's recommendations.

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

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

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

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

34 **Sec. 108.** RCW 43.17.020 and 2009 c 565 s 26 are each amended to
35 read as follows:

1 There shall be a chief executive officer of each department to be
2 known as: (1) The secretary of social and health services, (2) the
3 director of ecology, (3) the director of labor and industries, (4) the
4 director of agriculture, (5) the director of fish and wildlife, (6) the
5 secretary of transportation, (7) the director of licensing, (8) the
6 director of (~~general administration~~) enterprise services, (9) the
7 director of commerce, (10) the director of veterans affairs, (11) the
8 director of revenue, (12) the director of retirement systems, (13) the
9 secretary of corrections, (14) the secretary of health, (15) the
10 director of financial institutions, (16) the director of the department
11 of archaeology and historic preservation, (17) the director of early
12 learning, and (18) the executive director of the Puget Sound
13 partnership.

14 Such officers, except the director of fish and wildlife, shall be
15 appointed by the governor, with the consent of the senate, and hold
16 office at the pleasure of the governor. The director of fish and
17 wildlife shall be appointed by the fish and wildlife commission as
18 prescribed by RCW 77.04.055.

19 **Sec. 109.** RCW 42.17A.705 and 2010 c 204 s 902 are each amended to
20 read as follows:

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

23 (1) The chief administrative law judge, the director of
24 agriculture, the director of the department of services for the blind,
25 the chief information officer of the office of chief information
26 officer, the director of the state system of community and technical
27 colleges, the director of commerce, the director of the consolidated
28 technology services agency, the secretary of corrections, the director
29 of early learning, the director of ecology, the commissioner of
30 employment security, the chair of the energy facility site evaluation
31 council, the director of enterprise services, the secretary of the
32 state finance committee, the director of financial management, the
33 director of fish and wildlife, the executive secretary of the forest
34 practices appeals board, the director of the gambling commission, (~~the~~
35 ~~director of general administration,~~) the secretary of health, the
36 administrator of the Washington state health care authority, the
37 executive secretary of the health care facilities authority, the

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

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

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

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

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

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

12 For the purposes of RCW 42.17.240, the term "executive state
13 officer" includes:

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

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

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

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

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

1 Washington public power supply system executive board, Washington State
2 University board of regents, Western Washington University board of
3 trustees, and fish and wildlife commission.

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

6 NEW SECTION. **Sec. 112.** Section 110 of this act expires January 1,
7 2012.

8 **PART II**

9 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT**
10 **OF GENERAL ADMINISTRATION**

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

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

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

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

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

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

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

32 (e) Delegate powers, duties, and functions as the director deems
33 necessary for efficient administration, but the director shall be

1 responsible for the official acts of the officers and employees of the
2 department; (~~and~~)

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

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

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

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

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

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

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

34 (1) The commemorative works account is created in the custody of
35 the state treasurer and shall be used by the department of (~~general~~
36 ~~administration~~) enterprise services for the ongoing care, maintenance,

1 and repair of commemorative works on the state capitol grounds. Only
2 the director or the director's designee may authorize expenditures from
3 the account. The account is subject to the allotment procedures under
4 chapter 43.88 RCW, but an appropriation is not necessary for
5 expenditures.

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

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

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

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

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

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

36 The director of (~~general administration shall appoint and deputize~~

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

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

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

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

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

- 19 (a) The distribution of the credit cards;
20 (b) The authorization and control of the use of the credit cards;
21 (c) The credit limits available on the credit cards;
22 (d) Instructing users of gasoline credit cards to use self-service
23 islands whenever possible;
24 (e) Payments of the bills; and
25 (f) Any other rule necessary to implement or administer the program
26 under this section.

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

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

- 31 (1) ~~((Establish and staff such administrative organizational units~~
32 ~~within the division of purchasing as may be necessary for effective~~
33 ~~administration of the provisions of RCW 43.19.190 through 43.19.1939))~~
34 Develop rules and standards governing the acquisition and disposition
35 of goods and services;

1 (2) (~~Purchase all material, supplies, services, and equipment~~
2 ~~needed for the support, maintenance, and use of all state institutions,~~
3 ~~colleges, community colleges, technical colleges, college districts,~~
4 ~~and universities, the offices of the elective state officers, the~~
5 ~~supreme court, the court of appeals, the administrative and other~~
6 ~~departments of state government, and the offices of all appointive~~
7 ~~officers of the state)) Enter into contracts on behalf of the state to
8 carry out the following: To purchase, lease, rent or otherwise
9 acquire, dispose of, and maintain assets, licenses, purchased goods and
10 services, client services, and personal services, or to delegate to
11 other agencies and institutions of state government, under appropriate
12 standards, the authority to purchase, lease, rent or otherwise acquire,
13 dispose of, and maintain assets, licenses, purchased goods and
14 services, client services, and personal services. Agencies and
15 institutions of state government are expressly prohibited from
16 acquiring or disposing of such assets, licenses, purchased services,
17 and personal services without such delegation of authority: PROVIDED,
18 That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in
19 any manner to the operation of the state legislature except as
20 requested by the legislature: PROVIDED, That any agency may purchase
21 material, supplies, services, and equipment for which the agency has
22 notified the purchasing and material control director that it is more
23 cost-effective for the agency to make the purchase directly from the
24 vendor: PROVIDED, That primary authority for the purchase of
25 specialized equipment, instructional, and research material for their
26 own use shall rest with the colleges, community colleges, and
27 universities: PROVIDED FURTHER, That universities operating hospitals
28 and the (~~state purchasing and material control~~) director, as the
29 agent for state hospitals as defined in RCW 72.23.010, and for health
30 care programs provided in state correctional institutions as defined in
31 RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010
32 and 72.36.070, may make purchases for hospital operation by
33 participating in contracts for materials, supplies, and equipment
34 entered into by nonprofit cooperative hospital group purchasing
35 organizations: PROVIDED FURTHER, That primary authority for the
36 purchase of materials, supplies, and equipment for resale to other than
37 public agencies shall rest with the state agency concerned: PROVIDED
38 FURTHER, That authority to purchase services as included herein does~~

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

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

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

33 (~~Prescribe the manner of inspecting all deliveries of~~
34 ~~supplies, materials, and equipment purchased through the division~~)
35 Develop statewide or interagency procurement policies, standards, and
36 procedures;

37 (~~Prescribe the manner in which supplies, materials, and~~
38 ~~equipment purchased through the division shall be delivered, stored,~~

1 ~~and distributed~~) Provide direction concerning strategic planning goals
2 and objectives related to state purchasing and contracts activities.

3 The director shall seek input from the legislature and the judiciary;

4 ~~(7) ((Provide for the maintenance of a catalogue library,~~
5 ~~manufacturers' and wholesalers' lists, and current market information))~~

6 Develop and implement a process for the resolution of appeals by:

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

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

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

14 (a) Planning, management, purchasing control, and use of purchased
15 services and personal services;

16 (b) Training and education; and

17 (c) Project management;

18 ~~((+8))~~ (9) Provide for a commodity classification system and may,
19 in addition, provide for the adoption of standard specifications;

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

22 (10) Prepare rules and regulations governing the relationship and
23 procedures between the ~~((division of purchasing))~~ department and state
24 agencies and vendors;

25 (11) Publish procedures and guidelines for compliance by all state
26 agencies, including those educational institutions to which this
27 section applies, which implement overall state purchasing and material
28 control policies;

29 (12) Advise state agencies, including educational institutions,
30 regarding compliance with established purchasing and material control
31 policies under existing statutes.

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

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

1 (a) Development of a state commodity coding system(~~(, including~~
2 ~~common stock numbers for items maintained in stores for reissue;~~
3 ~~(b) Determination where consolidations, closures, or additions of~~
4 ~~stores operated by state agencies and educational institutions should~~
5 ~~be initiated;~~
6 ~~(c) Institution of standard criteria for determination of when and~~
7 ~~where an item in the state supply system should be stocked;~~
8 ~~(d) Establishment of stock levels to be maintained in state stores,~~
9 ~~and formulation of standards for replenishment of stock;~~
10 ~~(e) Formulation of an overall distribution and redistribution~~
11 ~~system for stock items which establishes sources of supply support for~~
12 ~~all agencies, including interagency supply support;~~
13 ~~(f) Determination of what function data processing equipment,~~
14 ~~including remote terminals, shall perform in statewide purchasing and~~
15 ~~material control for improvement of service and promotion of economy;~~
16 ~~(g) Standardization of records and forms used statewide for supply~~
17 ~~system activities involving purchasing, receiving, inspecting, storing,~~
18 ~~requisitioning, and issuing functions, including a));~~
19 (b) A standard notification form for state agencies to report cost-
20 effective direct purchases, which shall at least identify the price of
21 the goods as available through the ~~((division of purchasing))~~
22 department, the price of the goods as available from the alternative
23 source, the total savings, and the signature of the notifying agency's
24 director or the director's designee;
25 ~~((+h))~~ (c) Screening of supplies, material, and equipment excess
26 to the requirements of one agency for overall state need before sale as
27 surplus;
28 ~~((+i) Establishment of warehouse operation and storage standards to~~
29 ~~achieve uniform, effective, and economical stores operations;~~
30 ~~(+j) Establishment of time limit standards for the issuing of~~
31 ~~material in store and for processing requisitions requiring purchase;~~
32 ~~(+k) Formulation of criteria for))~~
33 (d) Determining when centralized rather than decentralized
34 purchasing shall be used to obtain maximum benefit of volume buying of
35 identical or similar items, including procurement from federal supply
36 sources;
37 ~~((+l))~~ (e) Development of criteria for use of leased, rather than
38 state owned, warehouse space based on relative cost and accessibility;

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

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

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

10 ~~((p))~~ (h) Development of performance measures for the reduction
11 of total overall expense for material, supplies, equipment, and
12 services used each biennium by the state;

13 ~~((q))~~ (i) Establishment of a standard system for all state
14 organizations to record and report dollar savings and cost avoidance
15 which are attributable to the establishment and implementation of
16 improved purchasing and material control procedures;

17 ~~((r))~~ (j) Development of procedures for mutual and voluntary
18 cooperation between state agencies, including educational institutions,
19 and political subdivisions for exchange of purchasing and material
20 control services;

21 ~~((s))~~ (k) Resolution of all other purchasing and material matters
22 which require the establishment of overall statewide policy for
23 effective and economical supply management;

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

34 ~~((u))~~ (m) Development of goals for state use of recycled or
35 environmentally preferable products through specifications for products
36 and services, processes for requests for proposals and requests for
37 qualifications, contractor selection, and contract negotiations;

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

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

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

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

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

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

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

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

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

35 Initial policy determinations for the functions described in RCW
36 43.19.1905 shall be developed and published within the 1975-77 biennium
37 by the director for guidance and compliance by all state agencies,

1 including educational institutions, involved in purchasing and material
2 control. Modifications to these initial supply management policies
3 established during the 1975-77 biennium shall be instituted by the
4 director in future biennia as required to maintain an efficient and up-
5 to-date state supply management system.

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

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

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

31 (1) Emergency purchases made pursuant to RCW 43.19.200 if the
32 sealed bidding procedure would prevent or hinder the emergency from
33 being met appropriately;

34 (2) (~~Purchases not exceeding thirty five thousand dollars, or~~
35 ~~subsequent limits as calculated by the office of financial management:~~
36 ~~PROVIDED, That the state director of general administration shall~~
37 ~~establish procedures to assure that purchases made by or on behalf of~~

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

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

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

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

10 (6) Purchases by universities for hospital operation or biomedical
11 teaching or research purposes and by the (~~state purchasing and~~
12 ~~material control~~) director of enterprise services, as the agent for
13 state hospitals as defined in RCW 72.23.010, and for health care
14 programs provided in state correctional institutions as defined in RCW
15 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and
16 72.36.070, made by participating in contracts for materials, supplies,
17 and equipment entered into by nonprofit cooperative hospital group
18 purchasing organizations;

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

24 (8) Purchases by institutions of higher education (~~not exceeding~~
25 ~~thirty five thousand dollars: PROVIDED, That for purchases between~~
26 ~~three thousand dollars and thirty five thousand dollars quotations~~
27 ~~shall be secured from at least three vendors to assure establishment of~~
28 ~~a competitive price and may be obtained by telephone or written~~
29 ~~quotations, or both. For purchases between three thousand dollars and~~
30 ~~thirty five thousand dollars, each institution of higher education~~
31 ~~shall invite at least one quotation each from a certified minority and~~
32 ~~a certified women-owned vendor who shall otherwise qualify to perform~~
33 ~~such work. A record of competition for all such purchases made from~~
34 ~~three thousand to thirty five thousand dollars shall be documented for~~
35 ~~audit purposes~~) under RCW 43.19.190(2), direct buy purchases, and
36 informal competitive bidding, as designated by the director of
37 enterprise services; and

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

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

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

26 As used in this section, "Washington grown" has the definition in
27 RCW 15.64.060.

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

30 Competitive bidding required by RCW 43.19.190 through 43.19.1939
31 shall be solicited by public notice, by posting of the contract
32 opportunity on the state's common vendor registration and bid
33 notification system, and through the sending of notices by mail,
34 electronic transmission, or other means to bidders on the appropriate
35 list of bidders who shall have qualified by application to the
36 (~~division of purchasing~~) department. Bids may be solicited by the

1 ((~~purchasing division~~)) department from any source thought to be of
2 advantage to the state. All bids shall be in written or electronic
3 form and conform to rules of the ((~~division of purchasing~~)) department.

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

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

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

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

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

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

33 All state agencies, including educational institutions, shall
34 account to the office of financial management upon request for state
35 equipment owned by, assigned to, or otherwise possessed by them and

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

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

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

23 (1) This section does not apply to property under RCW 27.53.045,
24 28A.335.180, or 43.19.1920;

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

29 (3) Personal property, excess to a state agency, including
30 educational institutions, shall not be sold or disposed of prior to
31 reasonable efforts by the (~~division of purchasing~~) department to
32 determine if other state agencies have a requirement for such personal
33 property. Such determination shall follow sufficient notice to all
34 state agencies to allow adequate time for them to make their needs
35 known. Surplus items may be disposed of without prior notification to
36 state agencies if it is determined by the director (~~of general~~
37 ~~administration~~) to be in the best interest of the state. The

1 ((~~division of purchasing~~)) department shall maintain a record of
2 disposed surplus property, including date and method of disposal,
3 identity of any recipient, and approximate value of the property;

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

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

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

14 (1) In addition to disposing of property under RCW 28A.335.180,
15 39.33.010, 43.19.1919, and 43.19.1920, state-owned, surplus computers
16 and computer-related equipment may be donated to any school district or
17 educational service district under the guidelines and distribution
18 standards established pursuant to subsection (2) of this section.

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

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

31 The ((~~division of purchasing~~)) department may donate state-owned,
32 surplus, tangible personal property to shelters that are: Participants
33 in the department of ((~~community, trade, and economic development's~~))
34 commerce's emergency shelter assistance program; and operated by
35 nonprofit organizations or units of local government providing

1 emergency or transitional housing for homeless persons. A donation may
2 be made only if all of the following conditions have been met:

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

8 (2) The agency owning the property has authorized the (~~division of~~
9 ~~purchasing~~) department to donate the property in accordance with this
10 section;

11 (3) The nature and quantity of the property in question is directly
12 germane to the needs of the homeless persons served by the shelter and
13 the purpose for which the shelter exists and the shelter agrees to use
14 the property for such needs and purposes; and

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

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

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

29 (2) By November 1 of each year, beginning in 1994, the department
30 (~~of general administration~~) shall purge the inventory of real
31 property of sites that are no longer available for the development of
32 affordable housing. The department shall include an updated listing of
33 real property that has become available since the last update. As used
34 in this section, "real property" means buildings, land, or buildings
35 and land.

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

3 The director (~~(of general administration, through the division of~~
4 ~~purchasing,~~) shall:

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

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

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

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

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

33 (1) The governing authorities of the state's educational
34 institutions, the elective state officers, the supreme court, the court
35 of appeals, the administrative and other departments of the state
36 government, and all appointive officers of the state, shall prepare

1 estimates of the supplies required for the proper conduct and
2 maintenance of their respective institutions, offices, and departments,
3 covering periods to be fixed by the director, and forward them to the
4 director in accordance with his or her directions. No such
5 authorities, officers, or departments, or any officer or employee
6 thereof, may purchase any article for the use of their institutions,
7 offices, or departments, except in case of emergency purchases as
8 provided in subsection (2) of this section.

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

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

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

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

33 The director (~~(of general administration)~~) shall appoint (~~(and~~
34 ~~deputize an assistant director to be known as the)~~) a supervisor of
35 engineering and architecture (~~(who shall have charge and supervision of~~
36 ~~the division of engineering and architecture. With the approval of the~~

1 ~~director, the supervisor may appoint and employ such assistants and~~
2 ~~personnel as may be necessary to carry out the work of the division)).~~

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

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

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

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

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

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

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

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

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

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

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

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

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

30 The schedule of services, facilities, equipment, supplies,
31 materials, maintenance, rehabilitation, furnishings, operations, and
32 administration to be so financed and recovered shall be determined
33 jointly by the director (~~(of general administration)~~) and the director
34 of financial management, in equitable amounts which, together with any
35 other income or appropriation, will provide the department (~~(of general~~
36 ~~administration)~~) with funds to meet its anticipated expenditures during
37 any allotment period.

1 The director (~~(of general administration)~~) may adopt rules
2 governing the provisions of RCW 43.01.090 and this section and the
3 relationships and procedures between the department (~~(of general~~
4 ~~administration)~~) and such other entities.

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

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

14 During the 2009-2011 fiscal biennium, the legislature may transfer
15 from the Thurston county capital facilities account to the state
16 general fund such amounts as reflect the excess fund balance of the
17 account.

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

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

26 Such purchases shall be at the fair market price of such products
27 and services as determined by the (~~(division of purchasing of the)~~)
28 department of (~~(general administration)~~) enterprise services. To
29 determine the fair market price the (~~(division)~~) department shall use
30 the last comparable bid on the products and/or services or in the
31 alternative the last price paid for the products and/or services. The
32 increased cost of labor, materials, and other documented costs since
33 the last comparable bid or the last price paid are additional cost
34 factors which shall be considered in determining fair market price.
35 Upon the establishment of the fair market price as provided for in this
36 section the (~~(division)~~) department is hereby empowered to negotiate

1 directly for the purchase of products or services with officials in
2 charge of the community rehabilitation programs of the department of
3 social and health services (~~(and, until December 31, 2007, businesses~~
4 ~~owned and operated by persons with disabilities)~~).

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

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

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

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

30 (1) The director (~~(of general administration, through the state~~
31 ~~purchasing director,)~~) shall develop specifications and adopt rules for
32 the purchase of products which will provide for preferential purchase
33 of products containing recycled material by:

34 (a) The use of a weighting factor determined by the amount of
35 recycled material in a product, where appropriate and known in advance
36 to potential bidders, to determine the lowest responsible bidder. The

1 actual dollars bid shall be the contracted amount. If the department
2 determines, according to criteria established by rule that the use of
3 this weighting factor does not encourage the use of more recycled
4 material, the department shall consider and award bids without regard
5 to the weighting factor. In making this determination, the department
6 shall consider but not be limited to such factors as adequate
7 competition, economics or environmental constraints, quality, and
8 availability.

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

12 (2) The director shall develop a directory of businesses that
13 supply products containing significant quantities of recycled
14 materials. This directory may be combined with and made accessible
15 through the database of recycled content products to be developed under
16 RCW 43.19A.060.

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

19 (4) The rules, specifications, and bid evaluation shall be
20 consistent with recycled content standards adopted under RCW
21 43.19A.020.

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

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

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

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

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

3 As used in RCW 43.19.565 through 43.19.635, 43.41.130 and
4 43.41.140, the following definitions shall apply:

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

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

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

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

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

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

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

32 (2) Provide motor pools for the use of state agencies located in
33 the Olympia area and such additional motor pools at other locations in
34 the state as may be necessary to provide economic, efficient, and
35 effective motor vehicle transportation services to state agencies.
36 Such additional motor pools may be under either the direct control of

1 the department or under the supervision of another state agency by
2 agreement with the department;

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

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

15 Unless otherwise determined by the director after consultation with
16 the office of financial management, vehicles owned and managed by the
17 department of transportation, the department of natural resources, and
18 the Washington state patrol are exempt from the requirements of
19 subsections (1), (2), and (4) of this section.

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

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

29 ~~With the approval of~~) The director(~~, the supervisor shall (1)~~
30 ~~appoint and employ such assistants and personnel as may be necessary,~~
31 ~~(2)~~) or the director's designee shall (1) acquire by purchase or
32 otherwise a sufficient number of motor vehicles to fulfill state agency
33 needs for motor vehicle transportation service, (~~(+3)~~) (2) provide for
34 necessary (~~storage,~~) upkeep(~~(7)~~) and repair, and (~~(+4)~~) (3) provide
35 for servicing motor pool vehicles with fuel, lubricants, and other
36 operating requirements.

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

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

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

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

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

36 All moneys, funds, proceeds, and receipts as (~~(provided in RCW~~
37 ~~43.19.615 and as may otherwise be)) provided by law shall be paid into~~

1 the (~~general administration~~) enterprise services account.
2 Disbursements therefrom shall be made in accordance with the provisions
3 of RCW 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 as
4 authorized by the director or a duly authorized representative and as
5 may be provided by law.

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

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

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

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

26 (1) The governor, acting through the department (~~of general~~
27 ~~administration~~) and any other appropriate agency or agencies as he or
28 she may direct, is empowered to utilize all reasonable means for
29 detecting the unauthorized use of state owned motor vehicles, including
30 the execution of agreements with the state patrol for compliance
31 enforcement. Whenever such illegal use is discovered which involves a
32 state employee, the employing agency shall proceed as provided by law
33 to establish the amount, extent, and dollar value of any such use,
34 including an opportunity for notice and hearing for the employee
35 involved. When such illegal use is so established, the agency shall
36 assess its full cost of any mileage illegally used and shall recover

1 such amounts by deductions from salary or allowances due to be paid to
2 the offending official or employee by other means. Recovery of costs
3 by the state under this subsection shall not preclude disciplinary or
4 other action by the appropriate appointing authority or employing
5 agency under subsection (2) of this section.

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

13 (3) Any casual or inadvertent violation of RCW 43.19.560 through
14 43.19.620, 43.41.130 and 43.41.140 may subject the state official or
15 employee committing such violation to disciplinary action by the
16 appropriate appointing authority or employing agency. Such
17 disciplinary action may include, but need not be limited to, suspension
18 without pay.

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

21 (1) The department (~~(of general administration)~~) must assist state
22 agencies seeking to meet the biodiesel fuel requirements in RCW
23 43.19.642 by coordinating the purchase and delivery of biodiesel if
24 requested by any state agency. The department may use long-term
25 contracts of up to ten years, when purchasing from in-state suppliers
26 who use predominantly in-state feedstock, to secure a sufficient and
27 stable supply of biodiesel for use by state agencies.

28 (2) The department shall compile and analyze the reports submitted
29 under RCW 43.19.642(~~(+4)~~) (3) and report in an electronic format its
30 findings and recommendations to the governor and committees of the
31 legislature with responsibility for energy issues, within sixty days
32 from the end of each reporting period. The governor shall consider
33 these reports in determining whether to temporarily suspend minimum
34 renewable fuel content requirements as authorized under RCW 19.112.160.

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (3) Obligate the lessor to undertake technical assistance studies
36 and subsequent acquisition and installation of energy conservation
37 measures if the director (~~of general administration~~), in accordance

1 with rules adopted by the department, determines that these studies and
2 measures will both conserve energy and can be accomplished with a state
3 funding contribution limited to the savings which would result in
4 utility expenses during the term of the lease.

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

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

12 The director (~~(of general administration)~~) shall compile a list of
13 the statutes and regulations, relating to state purchasing, of each
14 state, which statutes and regulations the director believes grant a
15 preference to vendors located within the state or goods manufactured
16 within the state. At least once every twelve months the director shall
17 update the list.

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

20 The director (~~(of general administration)~~) shall adopt and apply
21 rules designed to provide for some reciprocity in bidding between
22 Washington and those states having statutes or regulations on the list
23 under RCW 43.19.702. The director (~~(of general administration)~~) shall
24 have broad discretionary power in developing these rules and the rules
25 shall provide for reciprocity only to the extent and in those instances
26 where the director considers it appropriate. For the purpose of
27 determining the lowest responsible bidder pursuant to RCW 43.19.1911,
28 such rules shall (1) require the director to impose a reciprocity
29 increase on bids when appropriate under the rules and (2) establish
30 methods for determining the amount of the increase. In no instance
31 shall such increase, if any, be paid to a vendor whose bid is accepted.

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

34 The department (~~(of general administration)~~) shall identify in the

1 department's vendor registry all vendors that are veteran-owned
2 businesses as certified by the department of veterans affairs under RCW
3 43.60A.195.

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

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

8 (1) "Consolidated mail service" means incoming, outgoing, and
9 internal mail processing.

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

11 ~~(3) "Director" means the director of the department of general
12 administration.~~

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

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

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

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

26 ~~((+6))~~ (3) "Outgoing mail" means mail, packages, or similar items
27 processed for agencies to be sent through the United States postal
28 service, private carrier services, or other courier services.

29 ~~((+7))~~ (4) "Internal mail" means interagency mail, packages, or
30 similar items that are delivered or to be delivered to a state agency,
31 the legislature, the supreme court, or the court of appeals, and their
32 officers and employees.

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

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

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

3 (a) Two members must be county elected legislative body members or
4 elected executives;

5 (b) Two members must be city elected legislative body members or
6 mayors;

7 (c) One member must be a local government building code enforcement
8 official;

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

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

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

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

15 (h) One member shall represent the structural engineering
16 profession;

17 (i) One member shall represent the mechanical engineering
18 profession;

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

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

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

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

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

27 (3) The council shall include: Two members of the house of
28 representatives appointed by the speaker of the house, one from each
29 caucus; two members of the senate appointed by the president of the
30 senate, one from each caucus; and an employee of the electrical
31 division of the department of labor and industries, as ex officio,
32 nonvoting members with all other privileges and rights of membership.

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

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

37 (c) Any member who is appointed by virtue of being an elected

1 official or holding public employment shall be removed from the council
2 if he or she ceases being such an elected official or holding such
3 public employment.

4 (d) Any member who is appointed to represent a specific private
5 sector industry must maintain sufficiently similar employment or
6 circumstances throughout the term of office to remain qualified to
7 represent the specified industry. Retirement or unemployment is not
8 cause for termination. However, if a councilmember enters into
9 employment outside of the industry he or she has been appointed to
10 represent, then he or she shall be removed from the council.

11 (e) Any member who no longer qualifies for appointment under this
12 section may not vote on council actions, but may participate as an ex
13 officio, nonvoting member until a replacement member is appointed. A
14 member must notify the council staff and the governor's office within
15 thirty days of the date the member no longer qualifies for appointment
16 under this section. The governor shall appoint a qualified replacement
17 for the member within sixty days of notice.

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

21 (6) Members shall not be compensated but shall receive
22 reimbursement for travel expenses in accordance with RCW 43.03.050 and
23 43.03.060.

24 (7) The department of (~~commerce~~) enterprise services shall
25 provide administrative and clerical assistance to the building code
26 council.

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

29 The definitions in this section apply to RCW 19.27A.130 through
30 19.27A.190 and 19.27A.020 unless the context clearly requires
31 otherwise.

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

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

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

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

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

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

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

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

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

28 (8) "Energy service company" has the same meaning as in RCW
29 43.19.670.

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

32 (10) "Greenhouse gas" and "greenhouse gases" includes carbon
33 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,
34 and sulfur hexafluoride.

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

1 (12) "Investor-owned utility" means a corporation owned by
2 investors that meets the definition of "corporation" as defined in RCW
3 80.04.010 and is engaged in distributing either electricity or natural
4 gas, or both, to more than one retail electric customer in the state.

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

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

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

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

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

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

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

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

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

30 (b) Buildings, structures, or spaces leased by a qualifying public
31 agency that exceeds ten thousand square feet of conditioned space,
32 where the qualifying public agency purchases energy directly from the
33 investor-owned or consumer-owned utility;

34 (c) A wastewater treatment facility owned by a qualifying public
35 agency; or

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

37 (21) "State portfolio manager master account" means a portfolio

1 manager account established to provide a single shared portfolio that
2 includes reports for all the reporting public facilities.

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

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

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

18 For the purposes of this chapter the following words and phrases
19 shall have the following meanings unless the context clearly requires
20 otherwise:

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

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

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

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

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

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

35 (7) "Energy management system" means a program, energy efficiency
36 equipment, technology, device, or other measure including, but not

1 limited to, a management, educational, or promotional program, smart
2 appliance, meter reading system that provides energy information
3 capability, computer software or hardware, communications equipment or
4 hardware, thermostat or other control equipment, together with related
5 administrative or operational programs, that allows identification and
6 management of opportunities for improvement in the efficiency of energy
7 use, including but not limited to a measure that allows:

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

10 (b) Interactive communication between energy consumers and their
11 energy suppliers;

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

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

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

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

25 (a) The coordination and positioning of a major facility on its
26 physical site;

27 (b) The amount and type of fenestration employed in a major
28 facility;

29 (c) The amount of insulation incorporated into the design of a
30 major facility;

31 (d) The variable occupancy and operating conditions of a major
32 facility; and

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

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

37 (11) "Energy-consumption analysis" means the evaluation of all
38 energy systems and components by demand and type of energy including

1 the internal energy load imposed on a major facility by its occupants,
2 equipment, and components, and the external energy load imposed on a
3 major facility by the climatic conditions of its location. An energy-
4 consumption analysis of the operation of energy systems of a major
5 facility shall include, but not be limited to, the following elements:

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

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

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

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

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

26 (13) "Cogeneration" means the sequential generation of two or more
27 forms of energy from a common fuel or energy source. Where these forms
28 are electricity and thermal energy, then the operating and efficiency
29 standards established by 18 C.F.R. Sec. 292.205 and the definitions
30 established by 18 C.F.R. 292.202 (c) through (m) as of July 28, 1991,
31 shall apply.

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

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

1 **Sec. 248.** RCW 39.35C.010 and 2007 c 39 s 4 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) "Cogeneration" means the sequential generation of two or more
6 forms of energy from a common fuel or energy source. If these forms
7 are electricity and thermal energy, then the operating and efficiency
8 standards established by 18 C.F.R. Sec. 292.205 and the definitions
9 established by 18 C.F.R. Sec. 292.202 (c) through (m) apply.

10 (2) "Conservation" means reduced energy consumption or energy cost,
11 or increased efficiency in the use of energy, and activities, measures,
12 or equipment designed to achieve such results, but does not include
13 thermal or electric energy production from cogeneration.
14 "Conservation" also means reductions in the use or cost of water,
15 wastewater, or solid waste.

16 (3) "Cost-effective" means that the present value to a state agency
17 or school district of the energy reasonably expected to be saved or
18 produced by a facility, activity, measure, or piece of equipment over
19 its useful life, including any compensation received from a utility or
20 the Bonneville power administration, is greater than the net present
21 value of the costs of implementing, maintaining, and operating such
22 facility, activity, measure, or piece of equipment over its useful
23 life, when discounted at the cost of public borrowing.

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

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

28 (6) "Energy efficiency project" means a conservation or
29 cogeneration project.

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

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

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

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

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

7 (12) "State agency" means every state office or department, whether
8 elective or appointive, state institutions of higher education, and all
9 boards, commissions, or divisions of state government, however
10 designated.

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

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

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

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

20 The definitions in this section apply throughout this chapter
21 unless the context clearly requires otherwise.

22 (1) "Department" means the department of (~~general administration~~)
23 enterprise services.

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

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

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

33 (5)(a) "Major facility project" means: (i) A construction project
34 larger than five thousand gross square feet of occupied or conditioned
35 space as defined in the Washington state energy code; or (ii) a
36 building renovation project when the cost is greater than fifty percent

1 of the assessed value and the project is larger than five thousand
2 gross square feet of occupied or conditioned space as defined in the
3 Washington state energy code.

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

17 (6) "Public agency" means every state office, officer, board,
18 commission, committee, bureau, department, and public higher education
19 institution.

20 (7) "Public school district" means a school district eligible to
21 receive state basic education moneys pursuant to RCW 28A.150.250 and
22 28A.150.260.

23 (8) "Washington sustainable school design protocol" means the
24 school design protocol and related information developed by the office
25 of the superintendent of public instruction, in conjunction with school
26 districts and the school facilities advisory board.

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

29 Unless the context clearly requires otherwise, the definitions in
30 this section apply throughout this chapter.

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

34 (2) "Department" means the department of (~~general administration~~)
35 enterprise services.

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

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

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

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

8 (7) "Municipal sewage sludge" means a semisolid substance
9 consisting of settled sewage solids combined with varying amounts of
10 water and dissolved materials generated from a publicly owned
11 wastewater treatment plant.

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

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

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

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

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

25 (13) "Recycled content product" or "recycled product" means a
26 product containing recycled materials.

27 (14) "Recycled materials" means waste materials and by-products
28 that have been recovered or diverted from solid waste and that can be
29 utilized in place of a raw or virgin material in manufacturing a
30 product and consists of materials derived from postconsumer waste,
31 manufacturing waste, industrial scrap, agricultural wastes, and other
32 items, all of which can be used in the manufacture of new or recycled
33 products.

34 (15) "Re-refined oils" means used lubricating oils from which the
35 physical and chemical contaminants acquired through previous use have
36 been removed through a refining process. Re-refining may include
37 distillation, hydrotreating, or treatments employing acid, caustic,

1 solvent, clay, or other chemicals, or other physical treatments other
2 than those used in reclaiming.

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

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

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

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

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

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

22 (3) Printed projects that require the use of high volume production
23 inserters or high-speed digital devices, such as those used by (~~the~~
24 ~~state printer, department of information services, and~~) the department
25 of (~~general administration~~) enterprise services, are not required to
26 meet the one hundred percent recycled content white cut sheet bond
27 paper standard, but must utilize the highest recycled content that can
28 be utilized efficiently by such equipment and not impede the business
29 of agencies.

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

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

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

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

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

21 (1) The director of ((~~general administration~~)) enterprise services
22 may assess a charge against each state board, commission, agency,
23 office, department, activity, or other occupant of the facility or
24 building constructed with bonds issued for the purposes of RCW
25 43.99H.020(15) for payment of a proportion of costs for each square
26 foot of floor space assigned to or occupied by the entity. Payment of
27 the amount billed to the entity for such occupancy shall be made
28 quarterly during each fiscal year. The director of ((~~general~~
29 ~~administration~~)) enterprise services shall deposit the payment in the
30 capitol campus reserve account.

31 (2) The director of ((~~general administration~~)) enterprise services
32 may pledge a portion of the parking rental income collected by the
33 department of ((~~general administration~~)) enterprise services from
34 parking space developed as a part of the facility constructed with
35 bonds issued for the purposes of RCW 43.99H.020(15). The pledged
36 portion of this income shall be deposited in the capitol campus reserve

1 account. The unpledged portion of this income shall continue to be
2 deposited in the state vehicle parking account.

3 (3) The state treasurer shall transfer four million dollars from
4 the capitol building construction account to the capitol campus reserve
5 account each fiscal year from 1990 to 1995. Beginning in fiscal year
6 1996, the director of (~~general administration~~) enterprise services,
7 in consultation with the state finance committee, shall determine the
8 necessary amount for the state treasurer to transfer from the capitol
9 building construction account to the capitol campus reserve account for
10 the purpose of repayment of the general fund of the costs of the bonds
11 issued for the purposes of RCW 43.99H.020(15).

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

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

17 The director of the department of (~~finance, budget and business~~)
18 enterprise services is hereby authorized and directed to contract with
19 Olympia Lodge No. 1, F.& A.M., a corporation for the improvement and
20 perpetual care of the state veterans' plot in the Masonic cemetery at
21 Olympia; such care to include the providing of proper curbs and walks,
22 cultivating, reseeding and fertilizing grounds, repairing and resetting
23 the bases and monuments in place on the ground, leveling grounds, and
24 transporting and setting headstones for graves of persons hereafter
25 buried on the plot.

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

28 (1) RCW 43.19.010 (Director--Authority, appointment, salary) and
29 1999 c 229 s 1, 1993 c 472 s 19, 1988 c 25 s 10, 1975 1st ex.s. c 167
30 s 1, & 1965 c 8 s 43.19.010;

31 (2) RCW 43.19.1923 (General administration services account--Use)
32 and 2001 c 292 s 3, 1998 c 105 s 6, 1991 sp.s. c 16 s 921, 1987 c 504
33 s 17, 1975-'76 2nd ex.s. c 21 s 12, 1967 ex.s. c 104 s 5, & 1965 c 8 s
34 43.19.1923;

35 (3) RCW 43.19.1925 (Combined purchases of commonly used items--

1 Advance payments by state agencies--Costs of operating central stores)
2 and 1998 c 105 s 7, 1975 c 40 s 8, 1973 c 104 s 2, & 1965 c 8 s
3 43.19.1925;

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

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

10 (6) RCW 43.19.615 (Motor vehicle transportation service--Deposits--
11 Disbursements) and 2005 c 214 s 2, 1998 c 105 s 13, & 1975 1st ex.s. c
12 167 s 13;

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

16 (8) RCW 43.19.680 (Implementation of energy conservation and
17 maintenance procedures after walk-through survey--Investment grade
18 audit--Reports--Contracts with energy service companies, staffing) and
19 2001 c 214 s 27, 1996 c 186 s 506, 1986 c 325 s 2, 1983 c 313 s 1, 1982
20 c 48 s 3, & 1980 c 172 s 5; and

21 (9) 2010 c 271 s 301.

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

23 **PART III**
24 **POWERS AND DUTIES TRANSFERRED FROM THE PUBLIC PRINTER**

25 **Sec. 301.** RCW 1.08.039 and 1955 c 235 s 8 are each amended to read
26 as follows:

27 The committee may enter into contracts or otherwise arrange for the
28 publication and/or distribution, provided for in RCW 1.08.038, with or
29 without calling for bids, by the (~~public printer or by private~~
30 ~~printer~~) department of enterprise services, upon specifications
31 formulated under the authority of RCW 1.08.037, and upon such basis as
32 the committee deems to be most expeditious and economical. Any such
33 contract may be upon such terms as the committee deems to be most
34 advantageous to the state and to potential purchasers of such

1 publications. The committee shall fix terms and prices for such
2 publications.

3 **Sec. 302.** RCW 28A.300.040 and 2009 c 556 s 10 are each amended to
4 read as follows:

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

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

9 (2) To report to the governor and the legislature such information
10 and data as may be required for the management and improvement of the
11 schools;

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

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

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

33 (6) To file all papers, reports and public documents transmitted to
34 the superintendent by the school officials of the several counties or
35 districts of the state, each year separately. Copies of all papers
36 filed in the superintendent's office, and the superintendent's official

1 acts, may, or upon request, shall be certified by the superintendent
2 and attested by the superintendent's official seal, and when so
3 certified shall be evidence of the papers or acts so certified to;

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

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

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

13 (10) To keep in the superintendent's office at the capital of the
14 state, all books and papers pertaining to the business of the
15 superintendent's office, and to keep and preserve in the
16 superintendent's office a complete record of statistics, as well as a
17 record of the meetings of the state board of education;

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

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

29 (13) To deliver to his or her successor, at the expiration of the
30 superintendent's term of office, all records, books, maps, documents
31 and papers of whatever kind belonging to the superintendent's office or
32 which may have been received by the superintendent's for the use of the
33 superintendent's office;

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

36 (15) To promote the adoption of school-based curricula and policies
37 that provide quality, daily physical education for all students, and to

1 encourage policies that provide all students with opportunities for
2 physical activity outside of formal physical education classes;
3 (16) To perform such other duties as may be required by law.

4 **Sec. 303.** RCW 28B.10.029 and 2010 c 61 s 1 are each amended to
5 read as follows:

6 (1)(a) An institution of higher education may exercise
7 independently those powers otherwise granted to the director of
8 (~~general administration~~) enterprise services in chapter 43.19 RCW in
9 connection with the purchase and disposition of all material, supplies,
10 services, and equipment needed for the support, maintenance, and use of
11 the respective institution of higher education.

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

15 (c) Purchasing policies and procedures followed by institutions of
16 higher education shall be in compliance with chapters 39.19, 39.29, and
17 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917,
18 43.19.1937, 43.19.534, 43.19.685, 43.19.700 through 43.19.704, and
19 43.19.560 through 43.19.637.

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

24 (e) The community and technical colleges shall comply with RCW
25 43.19.450.

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

29 (g) If an institution of higher education can satisfactorily
30 demonstrate to the director of the office of financial management that
31 the cost of compliance is greater than the value of benefits from any
32 of the following statutes, then it shall be exempt from them: RCW
33 43.19.685, 43.19.534, and 43.19.637.

34 (h) Any institution of higher education that chooses to exercise
35 independent purchasing authority for a commodity or group of
36 commodities shall notify the director of (~~general administration~~)
37 enterprise services. Thereafter the director of (~~general~~

1 ~~administration~~) enterprise services shall not be required to provide
2 those services for that institution for the duration of the (~~general~~
3 ~~administration~~) enterprise services contract term for that commodity
4 or group of commodities.

5 (2) The council of presidents and the state board for community and
6 technical colleges shall convene its correctional industries business
7 development advisory committee, and work collaboratively with
8 correctional industries, to:

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

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

14 (c) Develop recommendations on ways to continue to build
15 correctional industries' business with institutions of higher
16 education.

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

28 (4) Institutions of higher education shall set as a target to
29 contract, beginning not later than June 30, 2006, to purchase one
30 percent of the total goods and services required by the institutions
31 each year produced or provided in whole or in part from class II inmate
32 work programs operated by the department of corrections. Institutions
33 of higher education shall set as a target to contract, beginning not
34 later than June 30, 2008, to purchase two percent of the total goods
35 and services required by the institutions each year produced or
36 provided in whole or in part from class II inmate work programs
37 operated by the department of corrections.

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

11 **Sec. 304.** RCW 40.06.030 and 2006 c 199 s 5 are each amended to
12 read as follows:

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

15 (a) For state publications available only in print format, each
16 state agency shall deposit, at a minimum, two copies of each of its
17 publications with the state library. For the purposes of broad public
18 access, state agencies may deposit additional copies with the state
19 library for distribution to additional depository libraries.

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

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

26 (2) Annually, each state agency shall provide the state library
27 with a listing of all its publications made available to state
28 government and the public during the preceding year, including those
29 published in electronic form. The secretary of state shall, by rule,
30 establish the annual date by which state agencies must provide the list
31 of its publications to the state library.

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

36 ~~((4) Upon consent of the issuing state agency, such state~~

1 ~~publications as are printed by the public printer shall be delivered~~
2 ~~directly to the center.))~~

3 **Sec. 305.** RCW 43.08.061 and 1993 c 38 s 1 are each amended to read
4 as follows:

5 The ~~((public printer shall print))~~ department of enterprise
6 services is responsible for the printing of all state treasury warrants
7 for distribution as directed by the state treasurer. All warrants
8 redeemed by the state treasurer shall be retained for a period of one
9 year, following their redemption, after which they may be destroyed
10 without regard to the requirements imposed for their destruction by
11 chapter 40.14 RCW.

12 NEW SECTION. **Sec. 306.** The following acts or parts of acts are
13 each repealed:

14 (1) 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 (2) RCW 43.78.020 (Bond) and 2009 c 549 s 5147 & 1965 c 8 s
17 43.78.020;

18 (3) RCW 43.78.030 (Duties--Exceptions) and 2010 1st sp.s. c 37 s
19 927, 1994 c 82 s 1, 1993 c 379 s 104, 1988 c 102 s 1, 1987 c 72 s 1,
20 1982 c 164 s 2, 1971 c 81 s 114, & 1965 c 8 s 43.78.030;

21 (4) RCW 43.78.040 (Requisitions) and 1965 c 8 s 43.78.040;

22 (5) RCW 43.78.050 (Itemized statement of charges) and 1965 c 8 s
23 43.78.050;

24 (6) RCW 43.78.070 (Use of state plant--Conditions--Public printer's
25 salary) and 2009 c 549 s 5148, 1979 c 151 s 134, & 1965 c 8 s
26 43.78.070;

27 (7) RCW 43.78.080 (Printing specifications) and 1972 ex.s. c 1 s 1,
28 1969 c 6 s 7, & 1965 c 8 s 43.78.080;

29 (8) RCW 43.78.090 (Reprinting) and 1965 c 8 s 43.78.090;

30 (9) RCW 43.78.100 (Stock to be furnished) and 1993 c 379 s 106 &
31 1965 c 8 s 43.78.100;

32 (10) RCW 43.78.105 (Printing for institutions of higher education--
33 Interlocal agreements) and 1993 c 379 s 105;

34 (11) RCW 43.78.110 (Securing printing from private sources--
35 Definitions) and 2009 c 486 s 12, 1993 c 379 s 107, 1982 c 164 s 3,
36 1969 c 79 s 1, & 1965 c 8 s 43.78.110;

1 (12) RCW 43.78.170 (Recycled copy and printing paper requirement)
2 and 2009 c 356 s 5, 1996 c 198 s 3, & 1991 c 297 s 10;

3 (13) RCW 15.24.085 (Promotional printing not restricted by public
4 printer laws) and 2002 c 313 s 121 & 1961 c 11 s 15.24.085;

5 (14) RCW 15.62.190 (Promotional printing and literature--Exempt
6 from public printing requirements) and 1989 c 5 s 19;

7 (15) RCW 16.67.170 (Promotional printing not restricted by public
8 printer laws) and 1969 c 133 s 16;

9 (16) RCW 40.04.030 (Session laws, legislative journals, supreme
10 court and court of appeals reports--Duties of public printer,
11 publisher) and 1995 c 24 s 1, 1971 c 42 s 2, & 1941 c 150 s 3; and

12 (17) RCW 40.07.050 (Prohibition of state publications not in
13 accordance with RCW 40.07.030--Exceptions) and 1986 c 158 s 5 & 1977
14 ex.s. c 232 s 5.

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

17 (1) The public printing revolving account is created in the custody
18 of 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 the director's designee may authorize
22 expenditures from the account. The account is subject to allotment
23 procedures under chapter 43.88 RCW, but an appropriation is not
24 required for expenditures.

25 (2) On the effective date of this section, the state treasurer
26 shall transfer any residual funds remaining in the state printing plant
27 revolving fund to the public printing revolving account established in
28 this section.

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

31 (1) The department shall broker print management contracts for
32 state agencies that are required to utilize print management contracts
33 under this section.

34 (2) The department is authorized to broker print management
35 contracts for other state agencies that choose to utilize these
36 services.

1 (3) Except as provided under subsection (6) of this section, all
2 state agencies with total annual average full-time equivalent staff
3 that exceeds one thousand as determined by the office of financial
4 management shall utilize print management services brokered by the
5 department, as follows:

6 (a) Any agency with a copier and multifunctional device contract
7 that is set to expire on or before December 31, 2011, may opt to:

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

9 (ii) Enter a print management contract;

10 (b) Any agency with a copier and multifunctional device contract
11 that is set to expire on or after January 1, 2012, shall begin planning
12 for the transition to a print management contract six months prior to
13 the expiration date of the contract. Upon expiration of the copier and
14 multifunctional device contract, the agency shall utilize a print
15 management contract; and

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

19 (4) Until December 31, 2016, for each agency transitioning from a
20 copier and multifunctional device contract to a print management
21 contract, the print management contract should result in savings in
22 comparison with the prior copier and multifunctional device contract.

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

27 (6) The director of financial management may exempt a state agency,
28 or a program within a state agency, from the requirements of this
29 section if the director deems it unfeasible or the department and
30 agency could not reasonably reach an agreement regarding print
31 management.

32 NEW SECTION. **Sec. 309.** A new section is added to chapter 43.19
33 RCW to read as follows:

34 (1) State agencies, boards, commissions, and institutions of higher
35 education requiring the services of a print shop may use public
36 printing services provided by the department. If a print job is put
37 out for bid, the department must be included in the bid solicitation.

1 All solicitations must be posted on the state's common vendor
2 registration and bid notification system and results provided to the
3 department. All bid specifications must encourage the use of recycled
4 paper and biodegradable ink must be used if feasible for the print job.

5 (2)(a) Except as provided in (b) of this subsection, the department
6 shall print all agency materials that contain sensitive or personally
7 identifiable information not publicly available.

8 (b) If it is more economically feasible to contract with a private
9 vendor for the printing of agency materials that contain sensitive or
10 personally identifiable information, the department shall require the
11 vendor to enter into a confidentiality agreement with the department to
12 protect the information that is provided as part of the print job.

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

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

20 NEW SECTION. **Sec. 311.** A new section is added to chapter 43.19
21 RCW to read as follows:

22 For every printing job and binding job ordered by a state agency,
23 the agency shall consult with the department on how to choose more
24 economic and efficient options to reduce costs.

25 NEW SECTION. **Sec. 312.** A new section is added to chapter 43.19
26 RCW to read as follows:

27 To improve the efficiency and minimize the costs of agency-based
28 printing, the department shall establish rules and guidelines for all
29 agencies to use in managing their printing operations, including both
30 agency-based printing and those jobs that require the services of a
31 print shop, as based on the successes of implementation of existing
32 print management programs in state agencies. At a minimum, the rules
33 and guidelines must implement managed print strategies to track,
34 manage, and reduce agency-based printing.

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

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

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

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

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

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

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

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

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

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

37 (11) "Affirmative action" means a procedure by which racial
38 minorities, women, persons in the protected age category, persons with

1 disabilities, Vietnam-era veterans, and disabled veterans are provided
2 with increased employment opportunities. It shall not mean any sort of
3 quota system.

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

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

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

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

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

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

31 (1) Either the legislative or the judicial branch of the state
32 government;

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

35 (3) The institutions of higher learning;

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

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

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

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

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

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

33 (3) At its first meeting following the appointment of all of its
34 members, and annually thereafter, the board shall elect a chair and
35 vice chair from among its members to serve one year. The presence of
36 at least two members of the board shall constitute a quorum to transact

1 business. A written public record shall be kept by the board of all
2 actions of the board. The director (~~(of personnel)~~) shall serve as
3 secretary.

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

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

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

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

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

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

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

28 (a) The reduction, dismissal, suspension, or demotion of an
29 employee;

30 (b) Training and career development;

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

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

1 negotiated by the nonprofit corporation formed under chapter 67.40 RCW,
2 and except that increases may be granted for positions for which the
3 employer has demonstrated difficulty retaining qualified employees if
4 the following conditions are met:

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

6 (ii) 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 under this chapter shall
10 submit a report to the fiscal committees of the legislature no later
11 than July 31, 2011, detailing the positions for which salary increases
12 were granted, the size of the increases, and the reasons for giving the
13 increases;

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

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

1 of a veteran is entitled to the benefits of this section regardless of
2 the veteran's length of active military service. For the purposes of
3 this section, "veteran" does not include any person who has voluntarily
4 retired with twenty or more years of active military service and whose
5 military retirement pay is in excess of five hundred dollars per month.

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

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

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

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

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

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

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

28 (5) 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 **Sec. 408.** RCW 41.06.142 and 2008 c 267 s 9 are each amended to
34 read as follows:

35 (1) Any department, agency, or institution of higher education may
36 purchase services, including services that have been customarily and
37 historically provided by employees in the classified service under this

1 chapter, by contracting with individuals, nonprofit organizations,
2 businesses, employee business units, or other entities if the following
3 criteria are met:

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

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

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

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

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

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

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

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

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

1 notification to offer alternatives to purchasing services by contract,
2 and the agency shall consider the alternatives before requesting bids.

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

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

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

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

36 (f) A department, agency, or institution of higher education may
37 contract with the department of (~~general administration~~) enterprise
38 services to conduct the bidding process.

1 (5) As used in this section:

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

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

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

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

15 (a) RCW 74.13.031(5);

16 (b) The acquisition of printing services by a state agency; and

17 (c) Contracting for services or activities by the department of
18 enterprise services under section 104 of this act and the department
19 may continue to contract for such services and activities after June
20 30, 2018.

21 (7) The processes set forth in subsections (1), (4), and (5) of
22 this section do not apply to the consolidated technology services
23 agency when contracting for services or activities as follows:

24 (a) Contracting for services and activities that are necessary to
25 establish, operate, or manage the state data center, including
26 architecture, design, engineering, installation, and operation of the
27 facility that are approved by the technology services board created in
28 section 715 of this act.

29 (b) Contracting for services and activities recommended by the
30 chief information officer through a business plan and approved by the
31 technology services board created in section 715 of this act.

32 **Sec. 409.** RCW 41.06.150 and 2002 c 371 s 906, 2002 c 354 s 203,
33 2002 c 354 s 202, and 2002 c 110 s 1 are each reenacted and amended to
34 read as follows:

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

1 (1) Certification of names for vacancies;

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

4 (3) Appointments;

5 (4) ~~((Adoption and revision of a comprehensive classification plan,~~
6 ~~in accordance with rules adopted by the board under RCW 41.06.136, for~~
7 ~~all positions in the classified service, based on investigation and~~
8 ~~analysis of the duties and responsibilities of each such position and~~
9 ~~allocation and reallocation of positions within the classification~~
10 ~~plan.~~

11 ~~(a) The director shall not adopt job classification revisions or~~
12 ~~class studies unless implementation of the proposed revision or study~~
13 ~~will result in net cost savings, increased efficiencies, or improved~~
14 ~~management of personnel or services, and the proposed revision or study~~
15 ~~has been approved by the director of financial management in accordance~~
16 ~~with chapter 43.88 RCW.~~

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

19 ~~(5))~~ Permitting agency heads to delegate the authority to appoint,
20 reduce, dismiss, suspend, or demote employees within their agencies if
21 such agency heads do not have specific statutory authority to so
22 delegate: PROVIDED, That the director may not authorize such
23 delegation to any position lower than the head of a major subdivision
24 of the agency;

25 ~~((+6))~~ (5) Assuring persons who are or have been employed in
26 classified positions before July 1, 1993, will be eligible for
27 employment, reemployment, transfer, and promotion in respect to
28 classified positions covered by this chapter;

29 ~~((+7))~~ (6) Affirmative action in appointment, promotion, transfer,
30 recruitment, training, and career development; development and
31 implementation of affirmative action goals and timetables; and
32 monitoring of progress against those goals and timetables.

33 The director shall consult with the human rights commission in the
34 development of rules pertaining to affirmative action. ~~((The~~
35 ~~department of personnel shall transmit a report annually to the human~~
36 ~~rights commission which states the progress each state agency has made~~
37 ~~in meeting affirmative action goals and timetables.))~~

1 Rules adopted under this section by the director shall provide for
2 local administration and management by the institutions of higher
3 education and related boards, subject to periodic audit and review by
4 the director.

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

7 (1) The director shall adopt only those job classification
8 revisions, class studies, and salary adjustments under ((RCW
9 ~~41.06.150(4)~~)) section 411 of this act that:

10 (a) As defined by the director, are due to documented recruitment
11 or retention difficulties, salary compression or inversion,
12 classification plan maintenance, higher level duties and
13 responsibilities, or inequities; and

14 (b) Are such that the office of financial management has reviewed
15 the affected agency's fiscal impact statement and has concurred that
16 the affected agency can absorb the biennialized cost of the
17 reclassification, class study, or salary adjustment within the agency's
18 current authorized level of funding for the current fiscal biennium and
19 subsequent fiscal biennia.

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

26 NEW SECTION. **Sec. 411.** A new section is added to chapter 41.06
27 RCW to read as follows:

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

- 33 (a) Be simple and streamlined;
- 34 (b) Support state agencies in responding to changing technologies,
35 economic and social conditions, and the needs of its citizens;
- 36 (c) Value workplace diversity;

1 (d) Facilitate the reorganization and decentralization of
2 governmental services;

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

4 (f) Consider rates in other public employment and private
5 employment in the state.

6 (2) An appointing authority and an employee organization
7 representing classified employees of the appointing authority for
8 collective bargaining purposes may jointly request the human resources
9 director to initiate a classification study.

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

14 (4) The director may undertake salary surveys of positions in other
15 public and private employment to establish market rates. Any salary
16 survey information collected from private employers which identifies a
17 specific employer with salary rates which the employer pays to its
18 employees shall not be subject to public disclosure under chapter 42.56
19 RCW.

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

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

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

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

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

3 After consultation with state agency heads, employee organizations,
4 and other interested parties, the (~~state personnel~~) director shall
5 develop standardized employee performance evaluation procedures and
6 forms which shall be used by state agencies for the appraisal of
7 employee job performance at least annually. These procedures shall
8 include means whereby individual agencies may supplement the
9 standardized evaluation process with special performance factors
10 peculiar to specific organizational needs. Performance evaluation
11 procedures shall place primary emphasis on recording how well the
12 employee has contributed to efficiency, effectiveness, and economy in
13 fulfilling state agency and job objectives.

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

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

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

1 (3) Any employee whose position has been exempted after July 1,
2 1993, shall have the right to appeal, either individually or through
3 his or her authorized representative, not later than thirty days after
4 the effective date of such action to the (~~personnel appeals board~~
5 ~~through June 30, 2005, and to the~~) Washington personnel resources
6 board (~~after June 30, 2005~~). If the position being exempted is
7 vacant, the exclusive bargaining unit representative may act in lieu of
8 an employee for the purposes of appeal.

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

15 (5) Subsections (1) and (2) of this section do not apply to any
16 employee who is subject to the provisions of a collective bargaining
17 agreement negotiated under RCW 41.80.001 and 41.80.010 through
18 41.80.130.

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

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

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

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

30 If any part of this chapter shall be found to be in conflict with
31 federal requirements which are a condition precedent to the allocation
32 of federal funds to the state, such conflicting part of this chapter is
33 hereby declared to be inoperative solely to the extent of such conflict
34 and with respect to the agencies directly affected, and such findings
35 or determination shall not affect the operation of the remainder of
36 this chapter in its application to the agencies concerned. The

1 (~~board~~) office of financial management and the department of
2 enterprise services, as appropriate, shall make such rules and
3 regulations as may be necessary to meet federal requirements which are
4 a condition precedent to the receipt of federal funds by the state.

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

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

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

15 There is hereby created a fund within the state treasury,
16 designated as the "~~(department of)~~ personnel service fund," to be
17 used by the (~~board~~) office of financial management and the department
18 of enterprise services as a revolving fund for the payment of salaries,
19 wages, and operations required for the administration of the provisions
20 of this chapter, applicable provisions of chapter 41.04 RCW, and
21 chapter 41.60 RCW. An amount not to exceed one and one-half percent of
22 the (~~approved allotments of~~) salaries and wages for all positions in
23 the classified service in each of the agencies subject to this chapter,
24 except the institutions of higher education, shall be charged to the
25 operations appropriations of each agency and credited to the
26 (~~department of~~) personnel service fund as the allotments are approved
27 pursuant to chapter 43.88 RCW. Subject to the above limitations, the
28 amount shall be charged against the allotments pro rata, at a rate to
29 be fixed by the director from time to time which, together with income
30 derived from services rendered under RCW 41.06.080, will provide the
31 (~~department~~) office of financial management and the department of
32 enterprise services with funds to meet its anticipated expenditures
33 during the allotment period, including the training requirements in RCW
34 41.06.500 and 41.06.530.

35 The director (~~of personnel~~) shall fix the terms and charges for
36 services rendered by the department of (~~personnel~~) enterprise

1 services and the office of financial management pursuant to RCW
2 41.06.080, which amounts shall be credited to the (~~department of~~)
3 personnel service fund and charged against the proper fund or
4 appropriation of the recipient of such services on a (~~quarterly~~)
5 monthly basis. Payment for services so rendered under RCW 41.06.080
6 shall be made on a (~~quarterly~~) monthly basis to the state treasurer
7 and deposited (~~by him~~) in the (~~department of~~) personnel service
8 fund.

9 Moneys from the (~~department of~~) personnel service fund shall be
10 disbursed by the state treasurer by warrants on vouchers duly
11 authorized by the (~~board~~) office of financial management and the
12 department of enterprise services.

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

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

34 (2) If employees of institutions of higher education cease to be
35 classified under this chapter pursuant to an agreement authorized by
36 RCW 41.56.201, each institution of higher education and the state board
37 for community and technical colleges shall continue, for six months

1 after the effective date of the agreement, to make contributions to the
2 higher education personnel service fund based on employee salaries and
3 wages that includes the employees under the agreement. At the
4 expiration of the six-month period, the director of financial
5 management shall make across-the-board reductions in allotments of the
6 higher education personnel service fund for the remainder of the
7 biennium so that the charge to the institutions of higher education and
8 state board for community and technical colleges based on the salaries
9 and wages of the remaining employees of institutions of higher
10 education and related boards classified under this chapter does not
11 increase during the biennium, unless an increase is authorized by the
12 legislature.

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

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

18 The director is authorized to receive federal funds now available
19 or hereafter made available for the assistance and improvement of
20 public personnel administration, which may be expended in addition to
21 the (~~department of~~) personnel service fund established by RCW
22 41.06.280.

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

25 The director shall adopt rules establishing guidelines for
26 policies, procedures, and mandatory training programs on sexual
27 harassment for state employees to be adopted by state agencies (~~and~~
28 ~~establishing~~). The department of enterprise services shall establish
29 reporting requirements for state agencies on compliance with RCW
30 43.01.135.

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

33 (1) In addition to other powers and duties specified in this
34 chapter, the (~~director~~) department of enterprise services in
35 consultation with the office of financial management shall(~~(7)~~):

1 (a) By rule, prescribe the purpose and minimum standards for
2 training and career development programs and, in so doing, regularly
3 consult with and consider the needs of individual agencies and
4 employees((-

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

7 ~~(a) Provide for the evaluation of training and career development~~
8 ~~programs and plans of agencies. The director shall report the results~~
9 ~~of such evaluations to the agency which is the subject of the~~
10 ~~evaluation;))~~

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

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

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

18 ((+3)) (2) At an agency's request, the ((director)) department of
19 enterprise services may provide training and career development
20 programs for an agency's internal use which may be conducted more
21 efficiently and economically by the department of ((personnel))
22 enterprise services.

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

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

26 (1) Prepare an employee training and career development plan which
27 shall at least meet minimum standards established by the ((director-
28 A copy of such plan shall be submitted to the director for purposes of
29 administering the provisions of RCW 41.06.400(2)) department of
30 enterprise services;

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

33 ((Report on its training and career development program
34 operations and costs to the director in accordance with reporting
35 procedures adopted by the director;

36 (+4)) Budget for training and career development in accordance with
37 procedures of the office of financial management.

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

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

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

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

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

27 (1) The ((~~board~~)) office of financial management shall amend any
28 existing rules established under RCW 41.06.475 and adopt rules
29 developed in cooperation and agreement with the department of social
30 and health services to implement the provisions of chapter 296, Laws of
31 2001.

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

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

36 (b) The administration of circumstances and behaviors foreseeable
37 at the time of enactment.

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

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

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

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

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

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

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

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

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

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

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

34 Each institution of higher education and each related board shall
35 designate an officer who shall perform duties as personnel officer.
36 The personnel officer at each institution or related board shall
37 direct, supervise, and manage administrative and technical personnel

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

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

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

17 (1) The legislature recognizes that:

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

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

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

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

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

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

34 (~~(In consultation with agencies, employee organizations, and~~
35 ~~employees, institutions of higher education, and related boards,~~
36 ~~develop model policies, procedures, and technical information to be~~

1 made available to such entities for the support of workplace diversity
2 programs, including, but not limited to:

3 (i) Voluntary mentorship programs;

4 (ii) Alternative testing practices for persons of disability where
5 deemed appropriate;

6 (iii) Career counseling;

7 (iv) Training opportunities, including management and employee
8 awareness and skills training, English as a second language, and
9 individual tutoring;

10 (v) Recruitment strategies;

11 (vi) Management performance appraisal techniques that focus on
12 valuing and managing diversity in the workplace; and

13 (vii) Alternative work arrangements;

14 (e)) The department of enterprise services, in consultation with
15 agencies, employee organizations, and employees, institutions of higher
16 education, and related boards, develop training programs for all
17 managers to enhance their ability to implement diversity policies and
18 to provide a thorough grounding in all aspects of the state civil
19 service law and merit system rules, and how the proper implementation
20 and application thereof can facilitate and further the mission of the
21 agency.

22 (3) The department of enterprise services and the office of
23 financial management shall coordinate implementation of this section
24 with the ((office of financial management and)) institutions of higher
25 education and related boards to reduce duplication of effort.

26 NEW SECTION. Sec. 430. A new section is added to chapter 43.41
27 RCW to read as follows:

28 (1) The office of financial management shall direct and supervise
29 the personnel policy and application of the civil service laws, chapter
30 41.06 RCW.

31 (2) The human resources director is created in the office of
32 financial management. The human resources director shall be appointed
33 by the governor, and shall serve at the pleasure of the governor. The
34 director shall receive a salary in an amount fixed by the governor.

35 (3) The human resources director has the authority and shall
36 perform the functions as prescribed in chapter 41.06 RCW, or as
37 otherwise prescribed by law.

1 (4) The human resources director may delegate to any agency the
2 authority to perform administrative and technical personnel activities
3 if the agency requests such authority and the human resources director
4 is satisfied that the agency has the personnel management capabilities
5 to effectively perform the delegated activities. The human resources
6 director shall prescribe standards and guidelines for the performance
7 of delegated activities. If the human resources director determines
8 that an agency is not performing delegated activities within the
9 prescribed standards and guidelines, the director shall withdraw the
10 authority from the agency to perform such activities.

11 **Sec. 431.** RCW 34.05.030 and 2006 c 300 s 4 are each amended to
12 read as follows:

13 (1) This chapter shall not apply to:

14 (a) The state militia, or

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

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

19 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not
20 apply:

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

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

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

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

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

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

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

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

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

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

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

14 **Sec. 432.** RCW 41.04.340 and 2002 c 354 s 227 are each amended to
15 read as follows:

16 (1) An attendance incentive program is established for all eligible
17 employees. As used in this section the term "eligible employee" means
18 any employee of the state, other than eligible employees of the
19 community and technical colleges and the state board for community and
20 technical colleges identified in RCW 28B.50.553, and teaching and
21 research faculty at the state and regional universities and The
22 Evergreen State College, entitled to accumulate sick leave and for whom
23 accurate sick leave records have been maintained. No employee may
24 receive compensation under this section for any portion of sick leave
25 accumulated at a rate in excess of one day per month. The state and
26 regional universities and The Evergreen State College shall maintain
27 complete and accurate sick leave records for all teaching and research
28 faculty.

29 (2) In January of the year following any year in which a minimum of
30 sixty days of sick leave is accrued, and each January thereafter, any
31 eligible employee may receive remuneration for unused sick leave
32 accumulated in the previous year at a rate equal to one day's monetary
33 compensation of the employee for each four full days of accrued sick
34 leave in excess of sixty days. Sick leave for which compensation has
35 been received shall be deducted from accrued sick leave at the rate of
36 four days for every one day's monetary compensation.

1 (3) At the time of separation from state service due to retirement
2 or death, an eligible employee or the employee's estate may elect to
3 receive remuneration at a rate equal to one day's current monetary
4 compensation of the employee for each four full days of accrued sick
5 leave.

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

9 (5) Except as provided in subsections (7) through (9) of this
10 section for employees not covered by chapter 41.06 RCW, this section
11 shall be administered, and rules shall be adopted to carry out its
12 purposes, by the human resources director (~~(of personnel)~~) for persons
13 subject to chapter 41.06 RCW: PROVIDED, That determination of classes
14 of eligible employees shall be subject to approval by the office of
15 financial management.

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

19 (7) In lieu of remuneration for unused sick leave at retirement as
20 provided in subsection (3) of this section, an agency head or designee
21 may with equivalent funds, provide eligible employees with a benefit
22 plan that provides for reimbursement for medical expenses. This plan
23 shall be implemented only after consultation with affected groups of
24 employees. For eligible employees covered by chapter 41.06 RCW,
25 procedures for the implementation of these plans shall be adopted by
26 the human resources director (~~(of personnel)~~). For eligible employees
27 exempt from chapter 41.06 RCW, and classified employees who have opted
28 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,
29 implementation procedures shall be adopted by an agency head having
30 jurisdiction over the employees.

31 (8) Implementing procedures adopted by the human resources director
32 (~~(of personnel)~~) or agency heads shall require that each medical
33 expense plan authorized by subsection (7) of this section apply to all
34 eligible employees in any one of the following groups: (a) Employees
35 in an agency; (b) employees in a major organizational subdivision of an
36 agency; (c) employees at a major operating location of an agency; (d)
37 exempt employees under the jurisdiction of an elected or appointed
38 Washington state executive; (e) employees of the Washington state

1 senate; (f) employees of the Washington state house of representatives;
2 (g) classified employees in a bargaining unit established by the
3 director of personnel; or (h) other group of employees defined by an
4 agency head that is not designed to provide an individual-employee
5 choice regarding participation in a medical expense plan. However,
6 medical expense plans for eligible employees in any of the groups under
7 (a) through (h) of this subsection who are covered by a collective
8 bargaining agreement shall be implemented only by written agreement
9 with the bargaining unit's exclusive representative and a separate
10 medical expense plan may be provided for unrepresented employees.

11 (9) Medical expense plans authorized by subsection (7) of this
12 section must require as a condition of participation in the plan that
13 employees in the group affected by the plan sign an agreement with the
14 employer. The agreement must include a provision to hold the employer
15 harmless should the United States government find that the employer or
16 the employee is in debt to the United States as a result of the
17 employee not paying income taxes due on the equivalent funds placed
18 into the plan, or as a result of the employer not withholding or
19 deducting a tax, assessment, or other payment on the funds as required
20 by federal law. The agreement must also include a provision that
21 requires an eligible employee to forfeit remuneration under subsection
22 (3) of this section if the employee belongs to a group that has been
23 designated to participate in the medical expense plan permitted under
24 this section and the employee refuses to execute the required
25 agreement.

26 **Sec. 433.** RCW 41.04.385 and 2006 c 265 s 201 are each amended to
27 read as follows:

28 The legislature finds that (1) demographic, economic, and social
29 trends underlie a critical and increasing demand for child care in the
30 state of Washington; (2) working parents and their children benefit
31 when the employees' child care needs have been resolved; (3) the state
32 of Washington should serve as a model employer by creating a supportive
33 atmosphere, to the extent feasible, in which its employees may meet
34 their child care needs; and (4) the state of Washington should
35 encourage the development of partnerships between state agencies, state
36 employees, state employee labor organizations, and private employers to
37 expand the availability of affordable quality child care. The

1 legislature finds further that resolving employee child care concerns
2 not only benefits the employees and their children, but may benefit the
3 employer by reducing absenteeism, increasing employee productivity,
4 improving morale, and enhancing the employer's position in recruiting
5 and retaining employees. Therefore, the legislature declares that it
6 is the policy of the state of Washington to assist state employees by
7 creating a supportive atmosphere in which they may meet their child
8 care needs. Policies and procedures for state agencies to address
9 employee child care needs will be the responsibility of the director of
10 (~~personnel~~) enterprise services in consultation with the director of
11 the department of early learning and state employee representatives.

12 **Sec. 434.** RCW 41.04.395 and 1994 sp.s. c 9 s 801 are each amended
13 to read as follows:

14 (1) The disability accommodation revolving fund is created in the
15 custody of the state treasurer. Disbursements from the fund shall be
16 on authorization of the director of (~~the department of personnel~~)
17 financial management or the director's designee. The fund is subject
18 to the allotment procedure provided under chapter 43.88 RCW, but no
19 appropriation is required for disbursements. The fund shall be used
20 exclusively by state agencies to accommodate the unanticipated job site
21 or equipment needs of persons of disability in state employ.

22 (2) The director of (~~the department of personnel~~) financial
23 management or the director's designee shall consult with the governor's
24 committee on disability issues and employment regarding requests for
25 disbursements from the disability accommodation revolving fund. The
26 department shall establish application procedures, adopt criteria, and
27 provide technical assistance to users of the fund.

28 (3) Agencies that receive moneys from the disability accommodation
29 revolving fund shall return to the fund the amount received from the
30 fund by no later than the end of the first month of the following
31 fiscal biennium.

32 **Sec. 435.** RCW 41.04.665 and 2010 1st sp.s. c 32 s 10 and 2010 c
33 168 s 1 are each reenacted and amended to read as follows:

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

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

4 (ii) The employee has been called to service in the uniformed
5 services;

6 (iii) A state of emergency has been declared anywhere within the
7 United States by the federal or any state government and the employee
8 has needed skills to assist in responding to the emergency or its
9 aftermath and volunteers his or her services to either a governmental
10 agency or to a nonprofit organization engaged in humanitarian relief in
11 the devastated area, and the governmental agency or nonprofit
12 organization accepts the employee's offer of volunteer services;

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

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

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

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

24 (ii) Terminate state employment;

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

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

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

30 (ii) Annual leave and paid military leave allowed under RCW
31 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or

32 (iii) Annual leave if he or she qualifies under (a)(iii), (iv), or
33 (v) of this subsection;

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

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

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

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

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

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

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

25 (b) An employee may transfer a specified amount of sick leave to an
26 employee requesting shared leave only when the donating employee
27 retains a minimum of one hundred seventy-six hours of sick leave after
28 the transfer.

29 (c) An employee may transfer, under the provisions of this section
30 relating to the transfer of leave, all or part of his or her personal
31 holiday, as that term is defined under RCW 1.16.050, or as such
32 holidays are provided to employees by agreement with a school
33 district's board of directors if the leave transferred under this
34 subsection does not exceed the amount of time provided for personal
35 holidays under RCW 1.16.050.

36 (4) An employee of an institution of higher education under RCW
37 28B.10.016, school district, or educational service district who does
38 not accrue annual leave but does accrue sick leave and who has an

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

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

13 (6) Leave transferred under this section may be transferred from
14 employees of one agency to an employee of the same agency or, with the
15 approval of the heads of both agencies, to an employee of another state
16 agency.

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

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

26 (b) In the case of leave transferred by an employee of one agency
27 to an employee of another agency, the agencies involved shall arrange
28 for the transfer of funds and credit for the appropriate value of
29 leave.

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

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

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

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

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

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

23 (11) The human resources director (~~(of personnel)~~) may adopt rules
24 as necessary to implement subsection (2)(~~(a) through (c)~~) of this
25 section.

26 **Sec. 436.** RCW 41.04.670 and 1993 c 281 s 18 are each amended to
27 read as follows:

28 The (~~Washington personnel resources board~~) office of financial
29 management and other personnel authorities shall each adopt rules
30 applicable to employees under their respective jurisdictions: (1)
31 Establishing appropriate parameters for the program which are
32 consistent with the provisions of RCW 41.04.650 through 41.04.665; (2)
33 providing for equivalent treatment of employees between their
34 respective jurisdictions and allowing transfers of leave in accordance
35 with RCW 41.04.665(5); (3) establishing procedures to ensure that the
36 program does not significantly increase the cost of providing leave;

1 and (4) providing for the administration of the program and providing
2 for maintenance and collection of sufficient information on the program
3 to allow a thorough legislative review.

4 **Sec. 437.** RCW 41.04.680 and 2006 c 356 s 1 are each amended to
5 read as follows:

6 The ((~~department of personnel~~)) office of financial management and
7 other personnel authorities shall adopt rules or policies governing the
8 accumulation and use of sick leave for state agency and department
9 employees, expressly for the establishment of a plan allowing
10 participating employees to pool sick leave and allowing any sick leave
11 thus pooled to be used by any participating employee who has used all
12 of the sick leave, annual leave, and compensatory leave that has been
13 personally accrued by him or her. Each department or agency of the
14 state may allow employees to participate in a sick leave pool
15 established by the ((~~department of personnel~~)) office of financial
16 management and other personnel authorities.

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

19 (a) Is counted and converted in the same manner as sick leave under
20 the Washington state leave sharing program as provided in this chapter;
21 and

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

25 (2) The ((~~department~~)) office of financial management and other
26 personnel authorities, except the personnel authorities for higher
27 education institutions, shall adopt rules which provide:

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

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

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

36 (d) That any sick leave in the pool that is used by a participating

1 employee may be used only for the employee's personal illness,
2 accident, or injury;

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

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

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

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

14 (i) That an employee who transfers from one position in state
15 government to another position in state government may transfer from
16 one pool to another if the eligibility criteria of the pools are
17 comparable and the administrators of the pools have agreed on a formula
18 for transfer of credits;

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

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

26 (l) That each department or agency shall maintain accurate and
27 reliable records showing the amount of sick leave which has been
28 accumulated and is unused by employees, in accordance with guidelines
29 established by the department of personnel.

30 (3) Personnel authorities for higher education institutions shall
31 adopt policies consistent with the needs of the employees under their
32 respective jurisdictions.

33 **Sec. 438.** RCW 41.04.685 and 2007 c 25 s 1 are each amended to read
34 as follows:

35 (1) The uniformed service shared leave pool is created to allow
36 employees to donate leave to be used as shared leave for any employee
37 who has been called to service in the uniformed services and who meets

1 the requirements of RCW 41.04.665. Participation in the pool shall, at
2 all times, be voluntary on the part of the employee. The military
3 department, in consultation with the (~~department of personnel and~~
4 ~~the~~) office of financial management, shall administer the uniformed
5 service shared leave pool.

6 (2) Employees as defined in subsection (10) of this section who are
7 eligible to donate leave under RCW 41.04.665 may donate leave to the
8 uniformed service shared leave pool.

9 (3) An employee as defined in subsection (10) of this section who
10 has been called to service in the uniformed services and is eligible
11 for shared leave under RCW 41.04.665 may request shared leave from the
12 uniformed service shared leave pool.

13 (4) It shall be the responsibility of the employee who has been
14 called to service to provide an earnings statement verifying military
15 salary, orders of service, and notification of a change in orders of
16 service or military salary.

17 (5) Shared leave under this section may not be granted unless the
18 pool has a sufficient balance to fund the requested shared leave for
19 the expected term of service.

20 (6) Shared leave paid under this section, in combination with
21 military salary, shall not exceed the level of the employee's state
22 monthly salary.

23 (7) Any leave donated shall be removed from the personally
24 accumulated leave balance of the employee donating the leave.

25 (8) An employee who receives shared leave from the pool is not
26 required to recontribute such leave to the pool, except as otherwise
27 provided in this section.

28 (9) Leave that may be donated or received by any one employee shall
29 be calculated as in RCW 41.04.665.

30 (10) As used in this section:

31 (a) "Employee" has the meaning provided in RCW 41.04.655, except
32 that "employee" as used in this section does not include employees of
33 school districts and educational service districts.

34 (b) "Service in the uniformed services" has the meaning provided in
35 RCW 41.04.655.

36 (c) "Military salary" includes base, specialty, and other pay, but
37 does not include allowances such as the basic allowance for housing.

1 (d) "Monthly salary" includes monthly salary and special pay and
2 shift differential, or the monthly equivalent for hourly employees.

3 "Monthly salary" does not include:

- 4 (i) Overtime pay;
- 5 (ii) Call back pay;
- 6 (iii) Standby pay; or
- 7 (iv) Performance bonuses.

8 (11) The (~~department of personnel~~) office of financial
9 management, in consultation with the military department (~~and the~~
10 ~~office of financial management~~), shall adopt rules and policies
11 governing the donation and use of shared leave from the uniformed
12 service shared leave pool, including definitions of pay and allowances
13 and guidelines for agencies to use in recordkeeping concerning shared
14 leave.

15 (12) Agencies shall investigate any alleged abuse of the uniformed
16 service shared leave pool and on a finding of wrongdoing, the employee
17 may be required to repay all of the shared leave received from the
18 uniformed service shared leave pool.

19 (13) Higher education institutions shall adopt policies consistent
20 with the needs of the employees under their respective jurisdictions.

21 **Sec. 439.** RCW 41.04.720 and 1990 c 60 s 303 are each amended to
22 read as follows:

23 The director of (~~human resources~~) enterprise services shall:

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

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

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

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

33 (5) Assist and encourage supervisors to identify and refer
34 employees with problems that impair their performance by incorporating
35 proper use of the program in management training, management
36 performance criteria, ongoing communication with agencies, and other
37 appropriate means;

1 (6) Offer substance abuse prevention and awareness activities to be
2 provided through the employee assistance program and the state employee
3 wellness program;

4 (7) Monitor and evaluate the effectiveness of the program,
5 including the collection, analysis, and publication of relevant
6 statistical information; and

7 (8) Consult with state agencies, institutions of higher education,
8 and employee organizations in carrying out the purposes of RCW
9 41.04.700 through 41.04.730.

10 **Sec. 440.** RCW 41.04.770 and 1997 c 287 s 4 are each amended to
11 read as follows:

12 The department of social and health services and the department of
13 ~~((personnel))~~ enterprise services shall, after consultation with
14 supported employment provider associations and other interested
15 parties, encourage, educate, and assist state agencies in implementing
16 supported employment programs. The department of ~~((personnel))~~
17 enterprise services shall provide human resources technical assistance
18 to agencies implementing supported employment programs. ~~((The
19 department of personnel shall make available, upon request of the
20 legislature, an annual report that evaluates the overall progress of
21 supported employment in state government.))~~

22 **Sec. 441.** RCW 41.07.020 and 1979 c 151 s 62 are each amended to
23 read as follows:

24 The department of ~~((personnel))~~ enterprise services is authorized
25 to administer, maintain, and operate the central personnel-payroll
26 system and to provide its services for any state agency designated
27 jointly by the director of the department of ~~((personnel))~~ enterprise
28 services and the director of financial management.

29 The system shall be operated through state data processing centers.
30 State agencies shall convert personnel and payroll processing to the
31 central personnel-payroll system as soon as administratively and
32 technically feasible as determined by the office of financial
33 management and the department of ~~((personnel))~~ enterprise services. It
34 is the intent of the legislature to provide, through the central
35 personnel-payroll system, for uniform reporting to the office of

1 financial management and to the legislature regarding salaries and
2 related costs, and to reduce present costs of manual procedures in
3 personnel and payroll record keeping and reporting.

4 **Sec. 442.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each
5 amended to read as follows:

6 The costs of administering, maintaining, and operating the central
7 personnel-payroll system shall be distributed to the using state
8 agencies. In order to insure proper and equitable distribution of
9 costs the department of (~~personnel~~) enterprise services shall utilize
10 cost accounting procedures to identify all costs incurred in the
11 administration, maintenance, and operation of the central personnel-
12 payroll system. In order to facilitate proper and equitable
13 distribution of costs to the using state agencies the department of
14 (~~personnel~~) enterprise services is authorized to utilize the data
15 processing revolving fund created by RCW 43.105.080 (as recodified by
16 this act) and the (~~department of~~) personnel service fund created by
17 RCW 41.06.280.

18 **Sec. 443.** RCW 41.60.015 and 2000 c 139 s 1 are each amended to
19 read as follows:

20 (1) There is hereby created the productivity board, which may also
21 be known as the employee involvement and recognition board. The board
22 shall administer the employee suggestion program and the teamwork
23 incentive program under this chapter.

24 (2) The board shall be composed of:

25 (a) The secretary of state who shall act as chairperson;

26 (b) (~~The director of personnel appointed under the provisions of~~
27 ~~RCW 41.06.130 or the director's designee;~~

28 ~~(c)~~) The director of financial management or the director's
29 designee;

30 (~~(d)~~) (c) The director of (~~general administration~~) enterprise
31 services or the director's designee;

32 (~~(e)~~) (d) Three persons with experience in administering
33 incentives such as those used by industry, with the governor,
34 lieutenant governor, and speaker of the house of representatives each
35 appointing one person. The governor's appointee shall be a

1 representative of an employee organization certified as an exclusive
2 representative of at least one bargaining unit of classified employees;
3 ~~((f))~~ (e) Two persons representing state agencies and
4 institutions with employees subject to chapter 41.06 RCW, and one
5 person representing those subject to chapter 28B.16 RCW, both appointed
6 by the governor; and

7 ~~((g))~~ (f) In addition, the governor and board chairperson may
8 jointly appoint persons to the board on an ad hoc basis. Ad hoc
9 members shall serve in an advisory capacity and shall not have the
10 right to vote.

11 Members under subsection (2)~~((e))~~(d) and ~~((f))~~ (e) of this
12 section shall be appointed to serve three-year terms.

13 Members of the board appointed pursuant to subsection (2)~~((e))~~(d)
14 of this section may be compensated in accordance with RCW 43.03.240.
15 Any board member who is not a state employee may be reimbursed for
16 travel expenses under RCW 43.03.050 and 43.03.060.

17 **Sec. 444.** RCW 41.80.005 and 2002 c 354 s 321 are each amended to
18 read as follows:

19 Unless the context clearly requires otherwise, the definitions in
20 this section apply throughout this chapter.

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

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

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

31 (4) "Confidential employee" means an employee who, in the regular
32 course of his or her duties, assists in a confidential capacity persons
33 who formulate, determine, and effectuate management policies with
34 regard to labor relations or who, in the regular course of his or her
35 duties, has authorized access to information relating to the
36 effectuation or review of the employer's collective bargaining
37 policies, or who assists or aids a manager. "Confidential employee"

1 also includes employees who assist assistant attorneys general who
2 advise and represent managers or confidential employees in personnel or
3 labor relations matters, or who advise or represent the state in tort
4 actions.

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

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

10 (a) Employees covered for collective bargaining by chapter 41.56
11 RCW;

12 (b) Confidential employees;

13 (c) Members of the Washington management service;

14 (d) Internal auditors in any agency; or

15 (e) Any employee of the commission, the office of financial
16 management, (~~or the department of personnel~~) or the office of risk
17 management within the department of enterprise services.

18 (7) "Employee organization" means any organization, union, or
19 association in which employees participate and that exists for the
20 purpose, in whole or in part, of collective bargaining with employers.

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

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

25 (10) "Institutions of higher education" means the University of
26 Washington, Washington State University, Central Washington University,
27 Eastern Washington University, Western Washington University, The
28 Evergreen State College, and the various state community colleges.

29 (11) "Labor dispute" means any controversy concerning terms,
30 tenure, or conditions of employment, or concerning the association or
31 representation of persons in negotiating, fixing, maintaining,
32 changing, or seeking to arrange terms or conditions of employment with
33 respect to the subjects of bargaining provided in this chapter,
34 regardless of whether the disputants stand in the proximate relation of
35 employer and employee.

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

37 (13) "Supervisor" means an employee who has authority, in the
38 interest of the employer, to hire, transfer, suspend, lay off, recall,

1 promote, discharge, direct, reward, or discipline employees, or to
2 adjust employee grievances, or effectively to recommend such action, if
3 the exercise of the authority is not of a merely routine nature but
4 requires the consistent exercise of individual judgment. However, no
5 employee who is a member of the Washington management service may be
6 included in a collective bargaining unit established under this
7 section.

8 (14) "Unfair labor practice" means any unfair labor practice listed
9 in RCW 41.80.110.

10 **Sec. 445.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to
11 read as follows:

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

16 (2) The employer is not required to bargain over matters pertaining
17 to:

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

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

21 (c) Rules of the human resources director (~~(of personnel)~~), the
22 director of enterprise services, or the Washington personnel resources
23 board adopted under (~~(section 203, chapter 354, Laws of 2002)~~) section
24 411 of this act.

25 (3) Matters subject to bargaining include the number of names to be
26 certified for vacancies, promotional preferences, and the dollar amount
27 expended on behalf of each employee for health care benefits. However,
28 except as provided otherwise in this subsection for institutions of
29 higher education, negotiations regarding the number of names to be
30 certified for vacancies, promotional preferences, and the dollar amount
31 expended on behalf of each employee for health care benefits shall be
32 conducted between the employer and one coalition of all the exclusive
33 bargaining representatives subject to this chapter. The exclusive
34 bargaining representatives for employees that are subject to chapter
35 47.64 RCW shall bargain the dollar amount expended on behalf of each
36 employee for health care benefits with the employer as part of the
37 coalition under this subsection. Any such provision agreed to by the

1 employer and the coalition shall be included in all master collective
2 bargaining agreements negotiated by the parties. For institutions of
3 higher education, promotional preferences and the number of names to be
4 certified for vacancies shall be bargained under the provisions of RCW
5 41.80.010(4).

6 (4) The employer and the exclusive bargaining representative shall
7 not agree to any proposal that would prevent the implementation of
8 approved affirmative action plans or that would be inconsistent with
9 the comparable worth agreement that provided the basis for the salary
10 changes implemented beginning with the 1983-1985 biennium to achieve
11 comparable worth.

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

15 (6) Except as otherwise provided in this chapter, if a conflict
16 exists between an executive order, administrative rule, or agency
17 policy relating to wages, hours, and terms and conditions of employment
18 and a collective bargaining agreement negotiated under this chapter,
19 the collective bargaining agreement shall prevail. A provision of a
20 collective bargaining agreement that conflicts with the terms of a
21 statute is invalid and unenforceable.

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

24 **Sec. 446.** RCW 42.16.010 and 2008 c 186 s 1 are each amended to
25 read as follows:

26 (1) Except as provided otherwise in subsections (2) and (3) of this
27 section, all state officers and employees shall be paid for services
28 rendered from the first day of the month through the fifteenth day of
29 the month and for services rendered from the sixteenth day of the month
30 through the last calendar day of the month. Paydates for these two pay
31 periods shall be established by the director of financial management
32 through the administrative hearing process and the official paydates
33 shall be established six months prior to the beginning of each
34 subsequent calendar year. Under no circumstance shall the paydate be
35 established more than ten days after the pay period in which the wages
36 are earned except when the designated paydate falls on Sunday, in which
37 case the paydate shall not be later than the following Monday. Payment

1 shall be deemed to have been made by the established paydates if: (a)
2 The salary warrant is available at the geographic work location at
3 which the warrant is normally available to the employee; or (b) the
4 salary has been electronically transferred into the employee's account
5 at the employee's designated financial institution; or (c) the salary
6 warrants are mailed at least two days before the established paydate
7 for those employees engaged in work in remote or varying locations from
8 the geographic location at which the payroll is prepared, provided that
9 the employee has requested payment by mail.

10 The office of financial management shall develop the necessary
11 policies and operating procedures to assure that all remuneration for
12 services rendered including basic salary, shift differential, standby
13 pay, overtime, penalty pay, salary due based on contractual agreements,
14 and special pay provisions, as provided for by law, (~~Washington~~
15 ~~personnel resources board rules,~~) agency policy or rule, or contract,
16 shall be available to the employee on the designated paydate.
17 Overtime, penalty pay, and special pay provisions may be paid by the
18 next following paydate if the postponement of payment is attributable
19 to: The employee's not making a timely or accurate report of the facts
20 which are the basis for the payment, or the employer's lack of
21 reasonable opportunity to verify the claim.

22 Compensable benefits payable because of separation from state
23 service shall be paid with the earnings for the final period worked
24 unless the employee separating has not provided the agency with the
25 proper notification of intent to terminate.

26 One-half of the employee's basic monthly salary shall be paid in
27 each pay period. Employees paid on an hourly basis or employees who
28 work less than a full pay period shall be paid for actual salary
29 earned.

30 (2) Subsection (1) of this section shall not apply in instances
31 where it would conflict with contractual rights or, with the approval
32 of the office of financial management, to short-term, intermittent,
33 noncareer state employees, to student employees of institutions of
34 higher education, to national or state guard members participating in
35 state active duty, and to liquor control agency managers who are paid
36 a percentage of monthly liquor sales.

37 (3) When a national or state guard member is called to participate
38 in state active duty, the paydate shall be no more than seven days

1 following completion of duty or the end of the pay period, whichever is
2 first. When the seventh day falls on Sunday, the paydate shall not be
3 later than the following Monday. This subsection shall apply only to
4 the pay a national or state guard member receives from the military
5 department for state active duty.

6 (4) Notwithstanding subsections (1) and (2) of this section, a
7 bargained contract at an institution of higher education may include a
8 provision for paying part-time academic employees on a pay schedule
9 that coincides with all the paydays used for full-time academic
10 employees.

11 **Sec. 447.** RCW 42.17.370 and 2010 1st sp.s. c 7 s 4 are each
12 amended to read as follows:

13 The commission is empowered to:

14 (1) Adopt, promulgate, amend, and rescind suitable administrative
15 rules to carry out the policies and purposes of this chapter, which
16 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
17 campaign finance, political advertising, or related forms that would
18 otherwise take effect after June 30th of a general election year shall
19 take effect no earlier than the day following the general election in
20 that year;

21 (2) Appoint and set, within the limits established by the
22 (~~department of personnel~~) office of financial management under RCW
23 43.03.028, the compensation of an executive director who shall perform
24 such duties and have such powers as the commission may prescribe and
25 delegate to implement and enforce this chapter efficiently and
26 effectively. The commission shall not delegate its authority to adopt,
27 amend, or rescind rules nor shall it delegate authority to determine
28 whether an actual violation of this chapter has occurred or to assess
29 penalties for such violations;

30 (3) Prepare and publish such reports and technical studies as in
31 its judgment will tend to promote the purposes of this chapter,
32 including reports and statistics concerning campaign financing,
33 lobbying, financial interests of elected officials, and enforcement of
34 this chapter;

35 (4) Make from time to time, on its own motion, audits and field
36 investigations;

1 (5) Make public the time and date of any formal hearing set to
2 determine whether a violation has occurred, the question or questions
3 to be considered, and the results thereof;

4 (6) Administer oaths and affirmations, issue subpoenas, and compel
5 attendance, take evidence and require the production of any books,
6 papers, correspondence, memorandums, or other records relevant or
7 material for the purpose of any investigation authorized under this
8 chapter, or any other proceeding under this chapter;

9 (7) Adopt and promulgate a code of fair campaign practices;

10 (8) Relieve, by rule, candidates or political committees of
11 obligations to comply with the provisions of this chapter relating to
12 election campaigns, if they have not received contributions nor made
13 expenditures in connection with any election campaign of more than one
14 thousand dollars;

15 (9) Adopt rules prescribing reasonable requirements for keeping
16 accounts of and reporting on a quarterly basis costs incurred by state
17 agencies, counties, cities, and other municipalities and political
18 subdivisions in preparing, publishing, and distributing legislative
19 information. The term "legislative information," for the purposes of
20 this subsection, means books, pamphlets, reports, and other materials
21 prepared, published, or distributed at substantial cost, a substantial
22 purpose of which is to influence the passage or defeat of any
23 legislation. The state auditor in his or her regular examination of
24 each agency under chapter 43.09 RCW shall review the rules, accounts,
25 and reports and make appropriate findings, comments, and
26 recommendations in his or her examination reports concerning those
27 agencies;

28 (10) After hearing, by order approved and ratified by a majority of
29 the membership of the commission, suspend or modify any of the
30 reporting requirements of this chapter in a particular case if it finds
31 that literal application of this chapter works a manifestly
32 unreasonable hardship and if it also finds that the suspension or
33 modification will not frustrate the purposes of the chapter. The
34 commission shall find that a manifestly unreasonable hardship exists if
35 reporting the name of an entity required to be reported under RCW
36 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
37 position of any entity in which the person filing the report or any
38 member of his or her immediate family holds any office, directorship,

1 general partnership interest, or an ownership interest of ten percent
2 or more. Any suspension or modification shall be only to the extent
3 necessary to substantially relieve the hardship. The commission shall
4 act to suspend or modify any reporting requirements only if it
5 determines that facts exist that are clear and convincing proof of the
6 findings required under this section. Requests for renewals of
7 reporting modifications may be heard in a brief adjudicative proceeding
8 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
9 the standards established in this section. No initial request may be
10 heard in a brief adjudicative proceeding and no request for renewal may
11 be heard in a brief adjudicative proceeding if the initial request was
12 granted more than three years previously or if the applicant is holding
13 an office or position of employment different from the office or
14 position held when the initial request was granted. The commission
15 shall adopt administrative rules governing the proceedings. Any
16 citizen has standing to bring an action in Thurston county superior
17 court to contest the propriety of any order entered under this section
18 within one year from the date of the entry of the order; (~~and~~)

19 (11) Revise, at least once every five years but no more often than
20 every two years, the monetary reporting thresholds and reporting code
21 values of this chapter. The revisions shall be only for the purpose of
22 recognizing economic changes as reflected by an inflationary index
23 recommended by the office of financial management. The revisions shall
24 be guided by the change in the index for the period commencing with the
25 month of December preceding the last revision and concluding with the
26 month of December preceding the month the revision is adopted. As to
27 each of the three general categories of this chapter (reports of
28 campaign finance, reports of lobbyist activity, and reports of the
29 financial affairs of elected and appointed officials), the revisions
30 shall equally affect all thresholds within each category. Revisions
31 shall be adopted as rules under chapter 34.05 RCW. The first revision
32 authorized by this subsection shall reflect economic changes from the
33 time of the last legislative enactment affecting the respective code or
34 threshold through December 1985; and

35 (12) Develop and provide to filers a system for certification of
36 reports required under this chapter which are transmitted by facsimile
37 or electronically to the commission. Implementation of the program is
38 contingent on the availability of funds.

1 **Sec. 448.** RCW 42.17A.110 and 2010 1st sp.s. c 7 s 4 and 2010 c 204
2 s 303 are each reenacted and amended to read as follows:

3 The commission is empowered to:

4 (1) Adopt, promulgate, amend, and rescind suitable administrative
5 rules to carry out the policies and purposes of this chapter, which
6 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
7 campaign finance, political advertising, or related forms that would
8 otherwise take effect after June 30th of a general election year shall
9 take effect no earlier than the day following the general election in
10 that year;

11 (2) Appoint and set, within the limits established by the
12 (~~committee on agency officials' salaries~~) office of financial
13 management under RCW 43.03.028, the compensation of an executive
14 director who shall perform such duties and have such powers as the
15 commission may prescribe and delegate to implement and enforce this
16 chapter efficiently and effectively. The commission shall not delegate
17 its authority to adopt, amend, or rescind rules nor shall it delegate
18 authority to determine whether an actual violation of this chapter has
19 occurred or to assess penalties for such violations;

20 (3) Prepare and publish such reports and technical studies as in
21 its judgment will tend to promote the purposes of this chapter,
22 including reports and statistics concerning campaign financing,
23 lobbying, financial interests of elected officials, and enforcement of
24 this chapter;

25 (4) Make from time to time, on its own motion, audits and field
26 investigations;

27 (5) Make public the time and date of any formal hearing set to
28 determine whether a violation has occurred, the question or questions
29 to be considered, and the results thereof;

30 (6) Administer oaths and affirmations, issue subpoenas, and compel
31 attendance, take evidence and require the production of any books,
32 papers, correspondence, memorandums, or other records relevant or
33 material for the purpose of any investigation authorized under this
34 chapter, or any other proceeding under this chapter;

35 (7) Adopt and promulgate a code of fair campaign practices;

36 (8) Relieve, by rule, candidates or political committees of
37 obligations to comply with the provisions of this chapter relating to

1 election campaigns, if they have not received contributions nor made
2 expenditures in connection with any election campaign of more than one
3 thousand dollars;

4 (9) Adopt rules prescribing reasonable requirements for keeping
5 accounts of and reporting on a quarterly basis costs incurred by state
6 agencies, counties, cities, and other municipalities and political
7 subdivisions in preparing, publishing, and distributing legislative
8 information. The term "legislative information," for the purposes of
9 this subsection, means books, pamphlets, reports, and other materials
10 prepared, published, or distributed at substantial cost, a substantial
11 purpose of which is to influence the passage or defeat of any
12 legislation. The state auditor in his or her regular examination of
13 each agency under chapter 43.09 RCW shall review the rules, accounts,
14 and reports and make appropriate findings, comments, and
15 recommendations in his or her examination reports concerning those
16 agencies;

17 (10) After hearing, by order approved and ratified by a majority of
18 the membership of the commission, suspend or modify any of the
19 reporting requirements of this chapter in a particular case if it finds
20 that literal application of this chapter works a manifestly
21 unreasonable hardship and if it also finds that the suspension or
22 modification will not frustrate the purposes of the chapter. The
23 commission shall find that a manifestly unreasonable hardship exists if
24 reporting the name of an entity required to be reported under RCW
25 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
26 position of any entity in which the person filing the report or any
27 member of his or her immediate family holds any office, directorship,
28 general partnership interest, or an ownership interest of ten percent
29 or more. Any suspension or modification shall be only to the extent
30 necessary to substantially relieve the hardship. The commission shall
31 act to suspend or modify any reporting requirements only if it
32 determines that facts exist that are clear and convincing proof of the
33 findings required under this section. Requests for renewals of
34 reporting modifications may be heard in a brief adjudicative proceeding
35 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
36 the standards established in this section. No initial request may be
37 heard in a brief adjudicative proceeding and no request for renewal may
38 be heard in a brief adjudicative proceeding if the initial request was

1 granted more than three years previously or if the applicant is holding
2 an office or position of employment different from the office or
3 position held when the initial request was granted. The commission
4 shall adopt administrative rules governing the proceedings. Any
5 citizen has standing to bring an action in Thurston county superior
6 court to contest the propriety of any order entered under this section
7 within one year from the date of the entry of the order; and

8 (11) Revise, at least once every five years but no more often than
9 every two years, the monetary reporting thresholds and reporting code
10 values of this chapter. The revisions shall be only for the purpose of
11 recognizing economic changes as reflected by an inflationary index
12 recommended by the office of financial management. The revisions shall
13 be guided by the change in the index for the period commencing with the
14 month of December preceding the last revision and concluding with the
15 month of December preceding the month the revision is adopted. As to
16 each of the three general categories of this chapter (reports of
17 campaign finance, reports of lobbyist activity, and reports of the
18 financial affairs of elected and appointed officials), the revisions
19 shall equally affect all thresholds within each category. Revisions
20 shall be adopted as rules under chapter 34.05 RCW. The first revision
21 authorized by this subsection shall reflect economic changes from the
22 time of the last legislative enactment affecting the respective code or
23 threshold through December 1985;

24 (12) Develop and provide to filers a system for certification of
25 reports required under this chapter which are transmitted by facsimile
26 or electronically to the commission. Implementation of the program is
27 contingent on the availability of funds.

28 **Sec. 449.** RCW 43.01.040 and 2009 c 549 s 5001 are each amended to
29 read as follows:

30 Each subordinate officer and employee of the several offices,
31 departments, and institutions of the state government shall be entitled
32 under their contract of employment with the state government to not
33 less than one working day of vacation leave with full pay for each
34 month of employment if said employment is continuous for six months.

35 Each such subordinate officer and employee shall be entitled under
36 such contract of employment to not less than one additional working day

1 of vacation with full pay each year for satisfactorily completing the
2 first two, three and five continuous years of employment respectively.

3 Such part time officers or employees of the state government who
4 are employed on a regular schedule of duration of not less than one
5 year shall be entitled under their contract of employment to that
6 fractional part of the vacation leave that the total number of hours of
7 such employment bears to the total number of hours of full time
8 employment.

9 Each subordinate officer and employee of the several offices,
10 departments and institutions of the state government shall be entitled
11 under his or her contract of employment with the state government to
12 accrue unused vacation leave not to exceed thirty working days.
13 Officers and employees transferring within the several offices,
14 departments and institutions of the state government shall be entitled
15 to transfer such accrued vacation leave to each succeeding state
16 office, department or institution. All vacation leave shall be taken
17 at the time convenient to the employing office, department or
18 institution: PROVIDED, That if a subordinate officer's or employee's
19 request for vacation leave is deferred by reason of the convenience of
20 the employing office, department or institution, and a statement of the
21 necessity therefor is (~~filed by such employing office, department or~~
22 ~~institution with the appropriate personnel board or other state agency~~
23 ~~or officer~~) retained by the agency, then the aforesaid maximum thirty
24 working days of accrued unused vacation leave shall be extended for
25 each month said leave is so deferred.

26 **Sec. 450.** RCW 43.01.135 and 2007 c 76 s 2 are each amended to read
27 as follows:

28 Agencies as defined in RCW 41.06.020, except for institutions of
29 higher education, shall:

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

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

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

36 (c) Identifies appropriate sanctions and disciplinary actions; and

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

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

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

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

10 (5) Report to the department of (~~personnel~~) enterprise services
11 on compliance with this section.

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

14 **Sec. 451.** RCW 43.03.028 and 2010 1st sp.s. c 7 s 2 are each
15 amended to read as follows:

16 (1) The (~~department of personnel~~) office of financial management
17 shall study the duties and salaries of the directors of the several
18 departments and the members of the several boards and commissions of
19 state government, who are subject to appointment by the governor or
20 whose salaries are fixed by the governor, and of the chief executive
21 officers of the following agencies of state government:

22 The arts commission; the human rights commission; the board of
23 accountancy; (~~the board of pharmacy~~) the eastern Washington
24 historical society; the Washington state historical society; the
25 recreation and conservation office; the criminal justice training
26 commission; (~~the department of personnel; the state library~~) the
27 traffic safety commission; the horse racing commission; (~~the advisory
28 council on vocational education~~) the public disclosure commission;
29 the state conservation commission; the commission on Hispanic affairs;
30 the commission on Asian Pacific American affairs; the state board for
31 volunteer firefighters and reserve officers; the transportation
32 improvement board; the public employment relations commission; (~~the
33 forest practices appeals board~~) and the energy facilities site
34 evaluation council.

35 (2) The (~~department of personnel~~) office of financial management
36 shall report to the governor or the chairperson of the appropriate
37 salary fixing authority at least once in each fiscal biennium on such

1 date as the governor may designate, but not later than seventy-five
2 days prior to the convening of each regular session of the legislature
3 during an odd-numbered year, its recommendations for the salaries to be
4 fixed for each position.

5 **Sec. 452.** RCW 43.03.120 and 2009 c 549 s 5009 are each amended to
6 read as follows:

7 Any state office, commission, department or institution may also
8 pay the moving expenses of a new employee, necessitated by his or her
9 acceptance of state employment, pursuant to mutual agreement with such
10 employee in advance of his or her employment(~~(:—PROVIDED, That if such~~
11 ~~employee is in the classified service as defined in chapter 41.06 RCW,~~
12 ~~that said employee has been duly certified from an eligible register.~~
13 ~~No such offer or agreement for such payment shall be made to a~~
14 ~~prospective member of the classified service, prior to such~~
15 ~~certification, except through appropriate public announcement by the~~
16 ~~department of personnel, or other corresponding personnel agency as~~
17 ~~provided by chapter 41.06 RCW)).~~ Payment for all expenses authorized
18 by RCW 43.03.060, 43.03.110 through 43.03.210 including moving expenses
19 of new employees, exempt or classified, and others, shall be subject to
20 reasonable (~~(regulations promulgated)~~) rules adopted by the director of
21 financial management, including regulations defining allowable moving
22 costs: PROVIDED, That, if the new employee terminates or causes
23 termination of his or her employment with the state within one year of
24 the date of employment, the state shall be entitled to reimbursement
25 for the moving costs which have been paid and may withhold such sum as
26 necessary therefor from any amounts due the employee.

27 **Sec. 453.** RCW 43.03.130 and 2000 c 153 s 1 are each amended to
28 read as follows:

29 Any state office, commission, department or institution may agree
30 to pay the travel expenses of a prospective employee as an inducement
31 for such applicant to travel to a designated place to be interviewed by
32 and for the convenience of such agency(~~(:—PROVIDED, That if such~~
33 ~~employment is to be in the classified service, such offer may be made~~
34 ~~only on the express authorization of the state department of personnel,~~
35 ~~or other corresponding personnel agency as provided by chapter 41.06~~
36 ~~RCW, to applicants reporting for a merit system examination or to~~

1 ~~applicants from an eligible register reporting for a pre-employment~~
2 ~~interview)).~~ Travel expenses authorized for prospective employees
3 called for interviews shall be payable at rates in accordance with RCW
4 43.03.050 and 43.03.060 as now existing or hereafter amended. When an
5 applicant is called to be interviewed by or on behalf of more than one
6 agency, the authorized travel expenses may be paid directly by the
7 authorizing personnel department or agency, subject to reimbursement
8 from the interviewing agencies on a pro rata basis.

9 In the case of both classified and exempt positions, such travel
10 expenses will be paid only for applicants being considered for the
11 positions of director, deputy director, assistant director, or
12 supervisor of state departments, boards or commissions; or equivalent
13 or higher positions; or engineers, or other personnel having both
14 executive and professional status. In the case of the state investment
15 board, such travel expenses may also be paid for applicants being
16 considered for investment officer positions. In the case of four-year
17 institutions of higher education, such travel expenses will be paid
18 only for applicants being considered for academic positions above the
19 rank of instructor or professional or administrative employees in
20 supervisory positions. In the case of community and technical
21 colleges, such travel expenses may be paid for applicants being
22 considered for full-time faculty positions or administrative employees
23 in supervisory positions.

24 **Sec. 454.** RCW 43.06.013 and 2006 c 45 s 1 are each amended to read
25 as follows:

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

1 history record check. "Agency head" as used in this section has the
2 same definition as provided in RCW 34.05.010.

3 **Sec. 455.** RCW 43.06.410 and 1993 c 281 s 47 are each amended to
4 read as follows:

5 There is established within the office of the governor the
6 Washington state internship program to assist students and state
7 employees in gaining valuable experience and knowledge in various areas
8 of state government. In administering the program, the governor shall:

9 (1) Consult with the secretary of state, the director of
10 (~~personnel~~) enterprise services, the commissioner of the employment
11 security department, and representatives of labor;

12 (2) Encourage and assist agencies in developing intern positions;

13 (3) Develop and coordinate a selection process for placing
14 individuals in intern positions. This selection process shall give due
15 regard to the responsibilities of the state to provide equal employment
16 opportunities;

17 (4) Develop and coordinate a training component of the internship
18 program which balances the need for training and exposure to new ideas
19 with the intern's and agency's need for on-the-job work experience;

20 (5) Work with institutions of higher education in developing the
21 program, soliciting qualified applicants, and selecting participants;
22 and

23 (6) Develop guidelines for compensation of the participants.

24 **Sec. 456.** RCW 43.06.425 and 2002 c 354 s 229 are each amended to
25 read as follows:

26 The director of (~~personnel~~) financial management or the
27 director's designee shall adopt rules to provide that:

28 (1) Successful completion of an internship under RCW 43.06.420
29 shall be considered as employment experience at the level at which the
30 intern was placed;

31 (2) Persons leaving classified or exempt positions in state
32 government in order to take an internship under RCW 43.06.420: (a)
33 Have the right of reversion to the previous position at any time during
34 the internship or upon completion of the internship; and (b) shall
35 continue to receive all fringe benefits as if they had never left their
36 classified or exempt positions;

1 (3) Participants in the undergraduate internship program who were
2 not public employees prior to accepting a position in the program
3 receive sick leave allowances commensurate with other state employees;

4 (4) Participants in the executive fellows program who were not
5 public employees prior to accepting a position in the program receive
6 sick and vacation leave allowances commensurate with other state
7 employees.

8 **Sec. 457.** RCW 43.33A.100 and 2008 c 236 s 1 are each amended to
9 read as follows:

10 The state investment board shall maintain appropriate offices and
11 employ such personnel as may be necessary to perform its duties.
12 Employment by the investment board shall include but not be limited to
13 an executive director, investment officers, and a confidential
14 secretary, which positions are exempt from classified service under
15 chapter 41.06 RCW. Employment of the executive director by the board
16 shall be for a term of three years, and such employment shall be
17 subject to confirmation of the state finance committee: PROVIDED, That
18 nothing shall prevent the board from dismissing the director for cause
19 before the expiration of the term nor shall anything prohibit the
20 board, with the confirmation of the state finance committee, from
21 employing the same individual as director in succeeding terms.
22 Compensation levels for the executive director, a confidential
23 secretary, and all investment officers, including the deputy director
24 for investment management, employed by the investment board shall be
25 established by the state investment board. The investment board is
26 authorized to maintain a retention pool within the state investment
27 board expense account under RCW 43.33A.160, from the earnings of the
28 funds managed by the board, pursuant to a performance management and
29 compensation program developed by the investment board, in order to
30 address recruitment and retention problems and to reward performance.
31 The compensation levels and incentive compensation for investment
32 officers shall be limited to the average of total compensation provided
33 by state or other public funds of similar size, based upon a biennial
34 survey conducted by the investment board, with review and comment by
35 the joint legislative audit and review committee. However, in any
36 fiscal year the incentive compensation granted by the investment board
37 from the retention pool to investment officers pursuant to this section

1 may not exceed thirty percent. Disbursements from the retention pool
2 shall be from legislative appropriations and shall be on authorization
3 of the board's executive director or the director's designee.

4 The investment board shall provide notice to (~~the director of the~~
5 ~~department of personnel,~~) the director of financial management((~~7~~))
6 and the chairs of the house of representatives and senate fiscal
7 committees of proposed changes to the compensation levels for the
8 positions. The notice shall be provided not less than sixty days prior
9 to the effective date of the proposed changes.

10 As of July 1, 1981, all employees classified under chapter 41.06
11 RCW and engaged in duties assumed by the state investment board on July
12 1, 1981, are assigned to the state investment board. The transfer
13 shall not diminish any rights granted these employees under chapter
14 41.06 RCW nor exempt the employees from any action which may occur
15 thereafter in accordance with chapter 41.06 RCW.

16 All existing contracts and obligations pertaining to the functions
17 transferred to the state investment board in chapter 3, Laws of 1981
18 shall remain in full force and effect, and shall be performed by the
19 board. None of the transfers directed by chapter 3, Laws of 1981 shall
20 affect the validity of any act performed by a state entity or by any
21 official or employee thereof prior to July 1, 1981.

22 **Sec. 458.** RCW 43.130.060 and 1973 2nd ex.s. c 37 s 6 are each
23 amended to read as follows:

24 In order to reimburse the public employees' retirement system for
25 any increased costs occasioned by the provisions of this chapter which
26 affect the retirement system, the (~~public employees' retirement~~
27 ~~board~~) director of retirement systems shall, within thirty days of the
28 date upon which any affected employee elects to take advantage of the
29 retirement provisions of this chapter, determine the increased present
30 and future cost to the retirement system of such employee's election.
31 Upon the determination of the amount necessary to offset (~~said~~) the
32 increased cost, the (~~retirement board~~) director of retirement systems
33 shall bill the department of (~~personnel~~) enterprise services for the
34 amount of the increased cost: PROVIDED, That such billing shall not
35 exceed eight hundred sixty-one thousand dollars. Such billing shall be
36 paid by the department as, and the same shall be, a proper charge

1 against any moneys available or appropriated to the department for this
2 purpose.

3 **Sec. 459.** RCW 43.131.090 and 2002 c 354 s 230 are each amended to
4 read as follows:

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

11 (1) All employees of terminated entities classified under chapter
12 41.06 RCW, the state civil service law, shall be transferred as
13 appropriate or as otherwise provided in the procedures adopted by the
14 human resources director (~~(of personnel)~~) pursuant to RCW 41.06.150;

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

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

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

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

34 **Sec. 460.** RCW 48.37.060 and 2008 c 100 s 2 are each amended to
35 read as follows:

36 (1) When the commissioner determines that other market conduct

1 actions identified in RCW 48.37.040(4)(a) have not sufficiently
2 addressed issues raised concerning company activities in Washington
3 state, the commissioner has the discretion to conduct market conduct
4 examinations in accordance with the NAIC market conduct uniform
5 examination procedures and the NAIC market regulation handbook.

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

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

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

19 (3) Before commencement of a market conduct examination, market
20 conduct oversight personnel shall prepare a work plan consisting of the
21 following:

22 (a) The name and address of the insurer being examined;

23 (b) The name and contact information of the examiner-in-charge;

24 (c) The name of all market conduct oversight personnel initially
25 assigned to the market conduct examination;

26 (d) The justification for the examination;

27 (e) The scope of the examination;

28 (f) The date the examination is scheduled to begin;

29 (g) Notice of any noninsurance department personnel who will assist
30 in the examination;

31 (h) A time estimate for the examination;

32 (i) A budget for the examination if the cost of the examination is
33 billed to the insurer; and

34 (j) An identification of factors that will be included in the
35 billing if the cost of the examination is billed to the insurer.

36 (4)(a) Within ten days of the receipt of the information contained
37 in subsection (3) of this section, insurers may request the
38 commissioner's discretionary review of any alleged conflict of

1 interest, pursuant to RCW 48.37.090(2), of market conduct oversight
2 personnel and noninsurance department personnel assigned to a market
3 conduct examination. The request for review shall specifically
4 describe the alleged conflict of interest in the proposed assignment of
5 any person to the examination.

6 (b) Within five business days of receiving a request for
7 discretionary review of any alleged conflict of interest in the
8 proposed assignment of any person to a market conduct examination, the
9 commissioner or designee shall notify the insurer of any action
10 regarding the assignment of personnel to a market conduct examination
11 based on the insurer's allegation of conflict of interest.

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

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

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

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

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

35 (10) The commissioner shall conduct a preexamination conference
36 with the insurer examination coordinator and key personnel to clarify
37 expectations at least thirty days before commencement of the

1 examination, unless otherwise agreed by the insurer and the
2 commissioner.

3 (11) Before the conclusion of the field work for market conduct
4 examination, the examiner-in-charge shall review examination findings
5 to date with insurer personnel and schedule an exit conference with the
6 insurer, in accordance with procedures in the NAIC market regulation
7 handbook.

8 (12)(a) No later than sixty days after completion of each market
9 conduct examination, the commissioner shall make a full written report
10 of each market conduct examination containing only facts ascertained
11 from the accounts, records, and documents examined and from the sworn
12 testimony of individuals, and such conclusions and recommendations as
13 may reasonably be warranted from such facts.

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

17 (c) The commissioner shall furnish a copy of the market conduct
18 examination report to the person examined not less than ten days and,
19 unless the time is extended by the commissioner, not more than thirty
20 days prior to the filing of the report for public inspection in the
21 commissioner's office. If the person so requests in writing within
22 such period, the commissioner shall hold a hearing to consider
23 objections of such person to the report as proposed, and shall not so
24 file the report until after such hearing and until after any
25 modifications in the report deemed necessary by the commissioner have
26 been made.

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

32 (i) Adopting the market conduct examination report as filed or with
33 modification or corrections. If the market conduct examination report
34 reveals that the company is operating in violation of any law, rule, or
35 order of the commissioner, the commissioner may order the company to
36 take any action the commissioner considers necessary and appropriate to
37 cure that violation;

1 (ii) Rejecting the market conduct examination report with
2 directions to the examiners to reopen the examination for purposes of
3 obtaining additional data, documentation, or information, and refiling
4 under this subsection; or

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

8 (e) All orders entered under (d) of this subsection must be
9 accompanied by findings and conclusions resulting from the
10 commissioner's consideration and review of the market conduct
11 examination report, relevant examiner work papers, and any written
12 submissions or rebuttals. The order is considered a final
13 administrative decision and may be appealed under the administrative
14 procedure act, chapter 34.05 RCW, and must be served upon the company
15 by certified mail or certifiable electronic means, together with a copy
16 of the adopted examination report. A copy of the adopted examination
17 report must be sent by certified mail or certifiable electronic means
18 to each director at the director's residential address or to a personal
19 e-mail account.

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

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

30 (iii) Nothing contained in this subsection requires the
31 commissioner to disclose any information or records that would indicate
32 or show the existence or content of any investigation or activity of a
33 criminal justice agency.

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

37 (13) The commissioner may withhold from public inspection any

1 examination or investigation report for so long as he or she deems it
2 advisable.

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

8 (b) Every other examination, whatsoever, or any part of the market
9 conduct examination of any person domiciled or having its home offices
10 in this state requiring travel and services outside this state, shall
11 be made by the commissioner or by examiners designated by the
12 commissioner and shall be at the expense of the person examined; but a
13 domestic insurer shall not be liable for the compensation of examiners
14 employed by the commissioner for such services outside this state.

15 (c) When making a market conduct examination under this chapter,
16 the commissioner may contract, in accordance with applicable state
17 contracting procedures, for qualified attorneys, appraisers,
18 independent certified public accountants, contract actuaries, and other
19 similar individuals who are independently practicing their professions,
20 even though those persons may from time to time be similarly employed
21 or retained by persons subject to examination under this chapter, as
22 examiners as the commissioner deems necessary for the efficient conduct
23 of a particular examination. The compensation and per diem allowances
24 paid to such contract persons shall be reasonable in the market and
25 time incurred, shall not exceed one hundred twenty-five percent of the
26 compensation and per diem allowances for examiners set forth in the
27 guidelines adopted by the national association of insurance
28 commissioners, unless the commissioner demonstrates that one hundred
29 twenty-five percent is inadequate under the circumstances of the
30 examination, and subject to the provisions of (a) of this subsection.

31 (d)(i) The person examined and liable shall reimburse the state
32 upon presentation of an itemized statement thereof, for the actual
33 travel expenses of the commissioner's examiners, their reasonable
34 living expenses allowance, and their per diem compensation, including
35 salary and the employer's cost of employee benefits, at a reasonable
36 rate approved by the commissioner, incurred on account of the
37 examination. Per diem, salary, and expenses for employees examining
38 insurers domiciled outside the state of Washington shall be established

1 by the commissioner on the basis of the national association of
2 insurance commissioner's recommended salary and expense schedule for
3 zone examiners, or the salary schedule established by the human
4 resources director (~~(of the Washington department of personnel)~~) and
5 the expense schedule established by the office of financial management,
6 whichever is higher. A domestic title insurer shall pay the
7 examination expense and costs to the commissioner as itemized and
8 billed by the commissioner.

9 (ii) The commissioner or the commissioner's examiners shall not
10 receive or accept any additional emolument on account of any
11 examination.

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

16 (e) Nothing contained in this chapter limits the commissioner's
17 authority to terminate or suspend any examination in order to pursue
18 other legal or regulatory action under the insurance laws of this
19 state. Findings of fact and conclusions made pursuant to any
20 examination are prima facie evidence in any legal or regulatory action.

21 (f) The commissioner shall maintain active management and oversight
22 of market conduct examination costs, including costs associated with
23 the commissioner's own examiners, and with retaining qualified contract
24 examiners necessary to perform an examination. Any agreement with a
25 contract examiner shall:

26 (i) Clearly identify the types of functions to be subject to
27 outsourcing;

28 (ii) Provide specific timelines for completion of the outsourced
29 review;

30 (iii) Require disclosure to the insurer of contract examiners'
31 recommendations;

32 (iv) Establish and use a dispute resolution or arbitration
33 mechanism to resolve conflicts with insurers regarding examination
34 fees; and

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

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

4 **Sec. 461.** RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040
5 are each reenacted and amended to read as follows:

6 As used in this chapter:

7 (1) "Director" means the director of labor and industries;

8 (2) "Wage" means compensation due to an employee by reason of
9 employment, payable in legal tender of the United States or checks on
10 banks convertible into cash on demand at full face value, subject to
11 such deductions, charges, or allowances as may be permitted by rules of
12 the director;

13 (3) "Employ" includes to permit to work;

14 (4) "Employer" includes any individual, partnership, association,
15 corporation, business trust, or any person or group of persons acting
16 directly or indirectly in the interest of an employer in relation to an
17 employee;

18 (5) "Employee" includes any individual employed by an employer but
19 shall not include:

20 (a) Any individual (i) employed as a hand harvest laborer and paid
21 on a piece rate basis in an operation which has been, and is generally
22 and customarily recognized as having been, paid on a piece rate basis
23 in the region of employment; (ii) who commutes daily from his or her
24 permanent residence to the farm on which he or she is employed; and
25 (iii) who has been employed in agriculture less than thirteen weeks
26 during the preceding calendar year;

27 (b) Any individual employed in casual labor in or about a private
28 home, unless performed in the course of the employer's trade, business,
29 or profession;

30 (c) Any individual employed in a bona fide executive,
31 administrative, or professional capacity or in the capacity of outside
32 salesperson as those terms are defined and delimited by rules of the
33 director. However, those terms shall be defined and delimited by the
34 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW
35 for employees employed under the director of personnel's jurisdiction;

36 (d) Any individual engaged in the activities of an educational,
37 charitable, religious, state or local governmental body or agency, or

1 nonprofit organization where the employer-employee relationship does
2 not in fact exist or where the services are rendered to such
3 organizations gratuitously. If the individual receives reimbursement
4 in lieu of compensation for normally incurred out-of-pocket expenses or
5 receives a nominal amount of compensation per unit of voluntary service
6 rendered, an employer-employee relationship is deemed not to exist for
7 the purpose of this section or for purposes of membership or
8 qualification in any state, local government, or publicly supported
9 retirement system other than that provided under chapter 41.24 RCW;

10 (e) Any individual employed full time by any state or local
11 governmental body or agency who provides voluntary services but only
12 with regard to the provision of the voluntary services. The voluntary
13 services and any compensation therefor shall not affect or add to
14 qualification, entitlement, or benefit rights under any state, local
15 government, or publicly supported retirement system other than that
16 provided under chapter 41.24 RCW;

17 (f) Any newspaper vendor or carrier;

18 (g) Any carrier subject to regulation by Part 1 of the Interstate
19 Commerce Act;

20 (h) Any individual engaged in forest protection and fire prevention
21 activities;

22 (i) Any individual employed by any charitable institution charged
23 with child care responsibilities engaged primarily in the development
24 of character or citizenship or promoting health or physical fitness or
25 providing or sponsoring recreational opportunities or facilities for
26 young people or members of the armed forces of the United States;

27 (j) Any individual whose duties require that he or she reside or
28 sleep at the place of his or her employment or who otherwise spends a
29 substantial portion of his or her work time subject to call, and not
30 engaged in the performance of active duties;

31 (k) Any resident, inmate, or patient of a state, county, or
32 municipal correctional, detention, treatment or rehabilitative
33 institution;

34 (l) Any individual who holds a public elective or appointive office
35 of the state, any county, city, town, municipal corporation or quasi
36 municipal corporation, political subdivision, or any instrumentality
37 thereof, or any employee of the state legislature;

1 (m) All vessel operating crews of the Washington state ferries
2 operated by the department of transportation;

3 (n) Any individual employed as a seaman on a vessel other than an
4 American vessel;

5 (o) Any farm intern providing his or her services to a small farm
6 which has a special certificate issued under RCW 49.12.465;

7 (6) "Occupation" means any occupation, service, trade, business,
8 industry, or branch or group of industries or employment or class of
9 employment in which employees are gainfully employed;

10 (7) "Retail or service establishment" means an establishment
11 seventy-five percent of whose annual dollar volume of sales of goods or
12 services, or both, is not for resale and is recognized as retail sales
13 or services in the particular industry.

14 **Sec. 462.** RCW 49.46.010 and 2010 c 8 s 12040 are each amended to
15 read as follows:

16 As used in this chapter:

17 (1) "Director" means the director of labor and industries;

18 (2) "Wage" means compensation due to an employee by reason of
19 employment, payable in legal tender of the United States or checks on
20 banks convertible into cash on demand at full face value, subject to
21 such deductions, charges, or allowances as may be permitted by rules of
22 the director;

23 (3) "Employ" includes to permit to work;

24 (4) "Employer" includes any individual, partnership, association,
25 corporation, business trust, or any person or group of persons acting
26 directly or indirectly in the interest of an employer in relation to an
27 employee;

28 (5) "Employee" includes any individual employed by an employer but
29 shall not include:

30 (a) Any individual (i) employed as a hand harvest laborer and paid
31 on a piece rate basis in an operation which has been, and is generally
32 and customarily recognized as having been, paid on a piece rate basis
33 in the region of employment; (ii) who commutes daily from his or her
34 permanent residence to the farm on which he or she is employed; and
35 (iii) who has been employed in agriculture less than thirteen weeks
36 during the preceding calendar year;

1 (b) Any individual employed in casual labor in or about a private
2 home, unless performed in the course of the employer's trade, business,
3 or profession;

4 (c) Any individual employed in a bona fide executive,
5 administrative, or professional capacity or in the capacity of outside
6 salesperson as those terms are defined and delimited by rules of the
7 director. However, those terms shall be defined and delimited by the
8 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW
9 for employees employed under the director of personnel's jurisdiction;

10 (d) Any individual engaged in the activities of an educational,
11 charitable, religious, state or local governmental body or agency, or
12 nonprofit organization where the employer-employee relationship does
13 not in fact exist or where the services are rendered to such
14 organizations gratuitously. If the individual receives reimbursement
15 in lieu of compensation for normally incurred out-of-pocket expenses or
16 receives a nominal amount of compensation per unit of voluntary service
17 rendered, an employer-employee relationship is deemed not to exist for
18 the purpose of this section or for purposes of membership or
19 qualification in any state, local government, or publicly supported
20 retirement system other than that provided under chapter 41.24 RCW;

21 (e) Any individual employed full time by any state or local
22 governmental body or agency who provides voluntary services but only
23 with regard to the provision of the voluntary services. The voluntary
24 services and any compensation therefor shall not affect or add to
25 qualification, entitlement, or benefit rights under any state, local
26 government, or publicly supported retirement system other than that
27 provided under chapter 41.24 RCW;

28 (f) Any newspaper vendor or carrier;

29 (g) Any carrier subject to regulation by Part 1 of the Interstate
30 Commerce Act;

31 (h) Any individual engaged in forest protection and fire prevention
32 activities;

33 (i) Any individual employed by any charitable institution charged
34 with child care responsibilities engaged primarily in the development
35 of character or citizenship or promoting health or physical fitness or
36 providing or sponsoring recreational opportunities or facilities for
37 young people or members of the armed forces of the United States;

1 (j) Any individual whose duties require that he or she reside or
2 sleep at the place of his or her employment or who otherwise spends a
3 substantial portion of his or her work time subject to call, and not
4 engaged in the performance of active duties;

5 (k) Any resident, inmate, or patient of a state, county, or
6 municipal correctional, detention, treatment or rehabilitative
7 institution;

8 (l) Any individual who holds a public elective or appointive office
9 of the state, any county, city, town, municipal corporation or quasi
10 municipal corporation, political subdivision, or any instrumentality
11 thereof, or any employee of the state legislature;

12 (m) All vessel operating crews of the Washington state ferries
13 operated by the department of transportation;

14 (n) Any individual employed as a seaman on a vessel other than an
15 American vessel;

16 (6) "Occupation" means any occupation, service, trade, business,
17 industry, or branch or group of industries or employment or class of
18 employment in which employees are gainfully employed;

19 (7) "Retail or service establishment" means an establishment
20 seventy-five percent of whose annual dollar volume of sales of goods or
21 services, or both, is not for resale and is recognized as retail sales
22 or services in the particular industry.

23 **Sec. 463.** RCW 49.74.020 and 1993 c 281 s 57 are each amended to
24 read as follows:

25 If the commission reasonably believes that a state agency, an
26 institution of higher education, or the state patrol has failed to
27 comply with an affirmative action rule adopted under RCW 41.06.150 or
28 43.43.340, the commission shall notify the director of the state
29 agency, president of the institution of higher education, or chief of
30 the Washington state patrol of the noncompliance, as well as the human
31 resources director (~~(of personnel)~~). The commission shall give the
32 director of the state agency, president of the institution of higher
33 education, or chief of the Washington state patrol an opportunity to be
34 heard on the failure to comply.

35 **Sec. 464.** RCW 49.74.030 and 2002 c 354 s 246 are each amended to
36 read as follows:

1 The commission in conjunction with the department of (~~personnel~~)
2 enterprise services, the office of financial management, or the state
3 patrol, whichever is appropriate, shall attempt to resolve the
4 noncompliance through conciliation. If an agreement is reached for the
5 elimination of noncompliance, the agreement shall be reduced to writing
6 and an order shall be issued by the commission setting forth the terms
7 of the agreement. The noncomplying state agency, institution of higher
8 education, or state patrol shall make a good faith effort to conciliate
9 and make a full commitment to correct the noncompliance with any action
10 that may be necessary to achieve compliance, provided such action is
11 not inconsistent with the rules adopted under RCW 41.06.150(~~(+6)~~)(5)
12 and 43.43.340(5), whichever is appropriate.

13 **Sec. 465.** RCW 49.90.010 and 2009 c 294 s 5 are each amended to
14 read as follows:

15 (1) Within this section, "sensory disability" means a sensory
16 condition that materially limits, contributes to limiting, or, if not
17 corrected or accommodated, will probably result in limiting an
18 individual's activities or functioning.

19 (2) The (~~department of personnel~~) office of financial management
20 shall adopt rules that authorize state agencies to provide allowances
21 to employees with sensory disabilities who must attend training
22 necessary to attain a new service animal. The employee's absence must
23 be treated in the same manner as that granted to employees who are
24 absent to attend training that supports or improves their job
25 performance, except that the employee shall not be eligible for
26 reimbursement under RCW 43.03.050 or 43.03.060. The (~~department of~~
27 ~~personnel~~) office of financial management shall adopt rules as
28 necessary to implement this chapter.

29 (3) If the necessity to attend training for a new service animal is
30 foreseeable and the training will cause the employee to miss work, the
31 employee shall provide the employer with not less than thirty days'
32 notice, before the date the absence is to begin, of the employee's
33 impending absence. If the date of the training requires the absence to
34 begin in less than thirty days, the employee shall provide notice as is
35 practicable.

36 (4) An agency may require that a request to attend service animal
37 training be supported by a certification issued by the relevant

1 training organization. The employee must provide, in a timely manner,
2 a copy of the certification to the agency. Certification provided
3 under this section is sufficient if it states: (a) The date on which
4 the service animal training session is scheduled to commence; and (b)
5 the session's duration.

6 **Sec. 466.** RCW 50.13.060 and 2008 c 120 s 6 are each amended to
7 read as follows:

8 (1) Governmental agencies, including law enforcement agencies,
9 prosecuting agencies, and the executive branch, whether state, local,
10 or federal shall have access to information or records deemed private
11 and confidential under this chapter if the information or records are
12 needed by the agency for official purposes and:

13 (a) The agency submits an application in writing to the employment
14 security department for the records or information containing a
15 statement of the official purposes for which the information or records
16 are needed and specific identification of the records or information
17 sought from the department; and

18 (b) The director, commissioner, chief executive, or other official
19 of the agency has verified the need for the specific information in
20 writing either on the application or on a separate document; and

21 (c) The agency requesting access has served a copy of the
22 application for records or information on the individual or employing
23 unit whose records or information are sought and has provided the
24 department with proof of service. Service shall be made in a manner
25 which conforms to the civil rules for superior court. The requesting
26 agency shall include with the copy of the application a statement to
27 the effect that the individual or employing unit may contact the public
28 records officer of the employment security department to state any
29 objections to the release of the records or information. The
30 employment security department shall not act upon the application of
31 the requesting agency until at least five days after service on the
32 concerned individual or employing unit. The employment security
33 department shall consider any objections raised by the concerned
34 individual or employing unit in deciding whether the requesting agency
35 needs the information or records for official purposes.

36 (2) The requirements of subsections (1) and (9) of this section
37 shall not apply to the state legislative branch. The state legislature

1 shall have access to information or records deemed private and
2 confidential under this chapter, if the legislature or a legislative
3 committee finds that the information or records are necessary and for
4 official purposes. If the employment security department does not make
5 information or records available as provided in this subsection, the
6 legislature may exercise its authority granted by chapter 44.16 RCW.

7 (3) In cases of emergency the governmental agency requesting access
8 shall not be required to formally comply with the provisions of
9 subsection (1) of this section at the time of the request if the
10 procedures required by subsection (1) of this section are complied with
11 by the requesting agency following the receipt of any records or
12 information deemed private and confidential under this chapter. An
13 emergency is defined as a situation in which irreparable harm or damage
14 could occur if records or information are not released immediately.

15 (4) The requirements of subsection (1)(c) of this section shall not
16 apply to governmental agencies where the procedures would frustrate the
17 investigation of possible violations of criminal laws or to the release
18 of employing unit names, addresses, number of employees, and aggregate
19 employer wage data for the purpose of state governmental agencies
20 preparing small business economic impact statements under chapter 19.85
21 RCW or preparing cost-benefit analyses under RCW 34.05.328(1) (c) and
22 (d). Information provided by the department and held to be private and
23 confidential under state or federal laws must not be misused or
24 released to unauthorized parties. A person who misuses such
25 information or releases such information to unauthorized parties is
26 subject to the sanctions in RCW 50.13.080.

27 (5) Governmental agencies shall have access to certain records or
28 information, limited to such items as names, addresses, social security
29 numbers, and general information about benefit entitlement or employer
30 information possessed by the department, for comparison purposes with
31 records or information possessed by the requesting agency to detect
32 improper or fraudulent claims, or to determine potential tax liability
33 or employer compliance with registration and licensing requirements.
34 In those cases the governmental agency shall not be required to comply
35 with subsection (1)(c) of this section, but the requirements of the
36 remainder of subsection (1) of this section must be satisfied.

37 (6) Governmental agencies may have access to certain records and
38 information, limited to employer information possessed by the

1 department for purposes authorized in chapter 50.38 RCW. Access to
2 these records and information is limited to only those individuals
3 conducting authorized statistical analysis, research, and evaluation
4 studies. Only in cases consistent with the purposes of chapter 50.38
5 RCW are government agencies not required to comply with subsection
6 (1)(c) of this section, but the requirements of the remainder of
7 subsection (1) of this section must be satisfied. Information provided
8 by the department and held to be private and confidential under state
9 or federal laws shall not be misused or released to unauthorized
10 parties subject to the sanctions in RCW 50.13.080.

11 (7) Disclosure to governmental agencies of information or records
12 obtained by the employment security department from the federal
13 government shall be governed by any applicable federal law or any
14 agreement between the federal government and the employment security
15 department where so required by federal law. When federal law does not
16 apply to the records or information state law shall control.

17 (8) The department may provide information for purposes of
18 statistical analysis and evaluation of the WorkFirst program or any
19 successor state welfare program to the department of social and health
20 services, the office of financial management, and other governmental
21 entities with oversight or evaluation responsibilities for the program
22 in accordance with RCW 43.20A.080. The confidential information
23 provided by the department shall remain the property of the department
24 and may be used by the authorized requesting agencies only for
25 statistical analysis, research, and evaluation purposes as provided in
26 RCW 74.08A.410 and 74.08A.420. The department of social and health
27 services, the office of financial management, or other governmental
28 entities with oversight or evaluation responsibilities for the program
29 are not required to comply with subsection (1)(c) of this section, but
30 the requirements of the remainder of subsection (1) of this section and
31 applicable federal laws and regulations must be satisfied. The
32 confidential information used for evaluation and analysis of welfare
33 reform supplied to the authorized requesting entities with regard to
34 the WorkFirst program or any successor state welfare program are exempt
35 from public inspection and copying under chapter 42.56 RCW.

36 (9) The disclosure of any records or information by a governmental
37 agency which has obtained the records or information under this section
38 is prohibited unless the disclosure is (a) directly connected to the

1 official purpose for which the records or information were obtained or
2 (b) to another governmental agency which would be permitted to obtain
3 the records or information under subsection (4) or (5) of this section.

4 (10) In conducting periodic salary or fringe benefit studies
5 pursuant to law, the (~~department of personnel~~) office of financial
6 management shall have access to records of the employment security
7 department as may be required for such studies. For such purposes, the
8 requirements of subsection (1)(c) of this section need not apply.

9 (11)(a) To promote the reemployment of job seekers, the
10 commissioner may enter into data-sharing contracts with partners of the
11 one-stop career development system. The contracts shall provide for
12 the transfer of data only to the extent that the transfer is necessary
13 for the efficient provisions of workforce programs, including but not
14 limited to public labor exchange, unemployment insurance, worker
15 training and retraining, vocational rehabilitation, vocational
16 education, adult education, transition from public assistance, and
17 support services. The transfer of information under contracts with
18 one-stop partners is exempt from subsection (1)(c) of this section.

19 (b) An individual who applies for services from the department and
20 whose information will be shared under (a) of this subsection (11) must
21 be notified that his or her private and confidential information in the
22 department's records will be shared among the one-stop partners to
23 facilitate the delivery of one-stop services to the individual. The
24 notice must advise the individual that he or she may request that
25 private and confidential information not be shared among the one-stop
26 partners and the department must honor the request. In addition, the
27 notice must:

28 (i) Advise the individual that if he or she requests that private
29 and confidential information not be shared among one-stop partners, the
30 request will in no way affect eligibility for services;

31 (ii) Describe the nature of the information to be shared, the
32 general use of the information by one-stop partner representatives, and
33 among whom the information will be shared;

34 (iii) Inform the individual that shared information will be used
35 only for the purpose of delivering one-stop services and that further
36 disclosure of the information is prohibited under contract and is not
37 subject to disclosure under chapter 42.56 RCW; and

1 (iv) Be provided in English and an alternative language selected by
2 the one-stop center or job service center as appropriate for the
3 community where the center is located.

4 If the notice is provided in-person, the individual who does not
5 want private and confidential information shared among the one-stop
6 partners must immediately advise the one-stop partner representative of
7 that decision. The notice must be provided to an individual who
8 applies for services telephonically, electronically, or by mail, in a
9 suitable format and within a reasonable time after applying for
10 services, which shall be no later than ten working days from the
11 department's receipt of the application for services. A one-stop
12 representative must be available to answer specific questions regarding
13 the nature, extent, and purpose for which the information may be
14 shared.

15 (12) To facilitate improved operation and evaluation of state
16 programs, the commissioner may enter into data-sharing contracts with
17 other state agencies only to the extent that such transfer is necessary
18 for the efficient operation or evaluation of outcomes for those
19 programs. The transfer of information by contract under this
20 subsection is exempt from subsection (1)(c) of this section.

21 (13) The misuse or unauthorized release of records or information
22 by any person or organization to which access is permitted by this
23 chapter subjects the person or organization to a civil penalty of five
24 thousand dollars and other applicable sanctions under state and federal
25 law. Suit to enforce this section shall be brought by the attorney
26 general and the amount of any penalties collected shall be paid into
27 the employment security department administrative contingency fund.
28 The attorney general may recover reasonable attorneys' fees for any
29 action brought to enforce this section.

30 **Sec. 467.** RCW 28A.345.060 and 1986 c 158 s 3 are each amended to
31 read as follows:

32 The association shall contract with the (~~department of personnel~~
33 ~~for the department of personnel~~) human resources director in the
34 office of financial management to audit in odd-numbered years the
35 association's staff classifications and employees' salaries. The
36 association shall give copies of the audit reports to the office of

1 financial management and the committees of each house of the
2 legislature dealing with common schools.

3 **Sec. 468.** RCW 28A.400.201 and 2010 c 236 s 7 are each amended to
4 read as follows:

5 (1) The legislature recognizes that providing students with the
6 opportunity to access a world-class educational system depends on our
7 continuing ability to provide students with access to world-class
8 educators. The legislature also understands that continuing to attract
9 and retain the highest quality educators will require increased
10 investments. The legislature intends to enhance the current salary
11 allocation model and recognizes that changes to the current model
12 cannot be imposed without great deliberation and input from teachers,
13 administrators, and classified employees. Therefore, it is the intent
14 of the legislature to begin the process of developing an enhanced
15 salary allocation model that is collaboratively designed to ensure the
16 rationality of any conclusions regarding what constitutes adequate
17 compensation.

18 (2) Beginning July 1, 2011, the office of the superintendent of
19 public instruction, in collaboration with the human resources director
20 in the office of financial management, shall convene a technical
21 working group to recommend the details of an enhanced salary allocation
22 model that aligns state expectations for educator development and
23 certification with the compensation system and establishes
24 recommendations for a concurrent implementation schedule. In addition
25 to any other details the technical working group deems necessary, the
26 technical working group shall make recommendations on the following:

27 (a) How to reduce the number of tiers within the existing salary
28 allocation model;

29 (b) How to account for labor market adjustments;

30 (c) How to account for different geographic regions of the state
31 where districts may encounter difficulty recruiting and retaining
32 teachers;

33 (d) The role of and types of bonuses available;

34 (e) Ways to accomplish salary equalization over a set number of
35 years; and

36 (f) Initial fiscal estimates for implementing the recommendations

1 including a recognition that staff on the existing salary allocation
2 model would have the option to grandfather in permanently to the
3 existing schedule.

4 (3) As part of its work, the technical working group shall conduct
5 or contract for a preliminary comparative labor market analysis of
6 salaries and other compensation for school district employees to be
7 conducted and shall include the results in any reports to the
8 legislature. For the purposes of this subsection, "salaries and other
9 compensation" includes average base salaries, average total salaries,
10 average employee basic benefits, and retirement benefits.

11 (4) The analysis required under subsection (1) of this section
12 must:

13 (a) Examine salaries and other compensation for teachers, other
14 certificated instructional staff, principals, and other building-level
15 certificated administrators, and the types of classified employees for
16 whom salaries are allocated;

17 (b) Be calculated at a statewide level that identifies labor
18 markets in Washington through the use of data from the United States
19 bureau of the census and the bureau of labor statistics; and

20 (c) Include a comparison of salaries and other compensation to the
21 appropriate labor market for at least the following subgroups of
22 educators: Beginning teachers and types of educational staff
23 associates.

24 (5) The working group shall include representatives of the
25 (~~department of personnel~~) office of financial management, the
26 professional educator standards board, the office of the superintendent
27 of public instruction, the Washington education association, the
28 Washington association of school administrators, the association of
29 Washington school principals, the Washington state school directors'
30 association, the public school employees of Washington, and other
31 interested stakeholders with appropriate expertise in compensation
32 related matters. The working group may convene advisory subgroups on
33 specific topics as necessary to assure participation and input from a
34 broad array of diverse stakeholders.

35 (6) The working group shall be monitored and overseen by the
36 legislature and the quality education council created in RCW
37 28A.290.010. The working group shall make an initial report to the

1 legislature by June 30, 2012, and shall include in its report
2 recommendations for whether additional further work of the group is
3 necessary.

4 **Sec. 469.** RCW 34.12.100 and 2010 1st sp.s. c 7 s 3 are each
5 amended to read as follows:

6 The chief administrative law judge shall be paid a salary fixed by
7 the governor after recommendation of the ((~~department of personnel~~))
8 human resources director in the office of financial management. The
9 salaries of administrative law judges appointed under the terms of this
10 chapter shall be determined by the chief administrative law judge after
11 recommendation of the department of personnel.

12 **Sec. 470.** RCW 36.21.011 and 1995 c 134 s 12 are each amended to
13 read as follows:

14 Any assessor who deems it necessary in order to complete the
15 listing and the valuation of the property of the county within the time
16 prescribed by law, (1) may appoint one or more well qualified persons
17 to act as assistants or deputies who shall not engage in the private
18 practice of appraising within the county in which he or she is employed
19 without the written permission of the assessor filed with the auditor;
20 and each such assistant or deputy so appointed shall, under the
21 direction of the assessor, after taking the required oath, perform all
22 the duties enjoined upon, vested in or imposed upon assessors, and (2)
23 may contract with any persons, firms or corporations, who are expert
24 appraisers, to assist in the valuation of property.

25 To assist each assessor in obtaining adequate and well qualified
26 assistants or deputies, the ((~~state department of personnel~~)) office of
27 financial management, after consultation with the Washington state
28 association of county assessors, the Washington state association of
29 counties, and the department of revenue, shall establish by July 1,
30 1967, and shall thereafter maintain, a classification and salary plan
31 for those employees of an assessor who act as appraisers. The plan
32 shall recommend the salary range and employment qualifications for each
33 position encompassed by it, and shall, to the fullest extent
34 practicable, conform to the classification plan, salary schedules and
35 employment qualifications for state employees performing similar
36 appraisal functions.

1 An assessor who intends to put such plan into effect shall inform
2 the department of revenue and the county legislative authority of this
3 intent in writing. The department of revenue and the county
4 legislative authority may thereupon each designate a representative,
5 and such representative or representatives as may be designated by the
6 department of revenue or the county legislative authority, or both,
7 shall form with the assessor a committee. The committee so formed may,
8 by unanimous vote only, determine the required number of certified
9 appraiser positions and their salaries necessary to enable the assessor
10 to carry out the requirements relating to revaluation of property in
11 chapter 84.41 RCW. The determination of the committee shall be
12 certified to the county legislative authority. The committee may be
13 formed only once in a period of four calendar years.

14 After such determination, the assessor may provide, in each of the
15 four next succeeding annual budget estimates, for as many positions as
16 are established in such determination. Each county legislative
17 authority to which such a budget estimate is submitted shall allow
18 sufficient funds for such positions. An employee may be appointed to
19 a position covered by the plan only if the employee meets the
20 employment qualifications established by the plan.

21 **Sec. 471.** RCW 41.04.020 and 1998 c 116 s 1 are each amended to
22 read as follows:

23 Any employee or group of employees of the state of Washington or
24 any of its political subdivisions, or of any institution supported, in
25 whole or in part, by the state or any of its political subdivisions,
26 may authorize the deduction from his or her salaries or wages and
27 payment to another, the amount or amounts of his or her subscription
28 payments or contributions to any person, firm, or corporation
29 administering, furnishing, or providing (1) medical, surgical, and
30 hospital care or either of them, or (2) life insurance or accident and
31 health disability insurance, or (3) any individual retirement account
32 selected by the employee or the employee's spouse established under
33 applicable state or federal law: PROVIDED, That such authorization by
34 said employee or group of employees, shall be first approved by the
35 head of the department, division office or institution of the state or
36 any political subdivision thereof, employing such person or group of
37 persons, and filed with the department of (~~personnel~~) enterprise

1 services; or in the case of political subdivisions of the state of
2 Washington, with the auditor of such political subdivision or the
3 person authorized by law to draw warrants against the funds of said
4 political subdivision.

5 **Sec. 472.** RCW 41.04.460 and 1992 c 234 s 10 are each amended to
6 read as follows:

7 The department of (~~personnel~~) enterprise services, through the
8 combined benefits communication project, shall prepare information
9 encouraging individual financial planning for retirement and describing
10 the potential consequences of early retirement, including members'
11 assumption of health insurance costs, members' receipt of reduced
12 retirement benefits, and the increased period of time before members
13 will become eligible for cost-of-living adjustments. The department of
14 retirement systems shall distribute the information to members who are
15 eligible to retire under the provisions of chapter 234, Laws of 1992.
16 Prior to retiring, such members who elect to retire shall sign a
17 statement acknowledging their receipt and understanding of the
18 information.

19 **Sec. 473.** RCW 41.60.050 and 1991 sp.s. c 16 s 918 are each amended
20 to read as follows:

21 The legislature shall appropriate from the (~~department of~~)
22 personnel service fund for the payment of administrative costs of the
23 productivity board. However, during the 1991-93 fiscal biennium, the
24 administrative costs of the productivity board shall be appropriated
25 from the savings recovery account.

26 **Sec. 474.** RCW 41.68.030 and 1983 1st ex.s. c 15 s 3 are each
27 amended to read as follows:

28 A claim under this chapter may be submitted to the department of
29 (~~personnel~~) enterprise services for the reparation of salary losses
30 suffered during the years 1942 through 1947. The claim shall be
31 supported by appropriate verification, such as the person's name at the
32 time of the dismissal, the name of the employing department, and a
33 social security number, or by evidence of official action of
34 termination. The claimant shall also provide an address to which the

1 department shall mail notification of its determination regarding the
2 claimant's eligibility.

3 **Sec. 475.** RCW 41.68.040 and 1983 1st ex.s. c 15 s 4 are each
4 amended to read as follows:

5 (1) The department of (~~personnel~~) enterprise services shall
6 determine the eligibility of a claimant to receive reparations
7 authorized by this chapter. The department shall then notify the
8 claimant by mail of its determination regarding the claimant's
9 eligibility.

10 (2) The department may adopt rules that will assist in the fair
11 determination of eligibility and the processing of claims. The
12 department, however, has no obligation to directly notify any person of
13 possible eligibility for reparation of salary losses under this
14 chapter.

15 **Sec. 476.** RCW 41.68.050 and 1983 1st ex.s. c 15 s 5 are each
16 amended to read as follows:

17 A claimant under this chapter who is determined eligible by the
18 department of (~~personnel~~) enterprise services shall receive two
19 thousand five hundred dollars each year for two years. All claims
20 which the department determines are eligible for reparation shall be
21 immediately forwarded to the state treasurer, who shall issue warrants
22 in the appropriate amounts upon demand and verification of identity.
23 If a claimant dies after filing a claim but before receiving full
24 payment, payments shall be made to the claimant's estate upon demand
25 and verification of identity.

26 **Sec. 477.** RCW 47.28.251 and 2003 c 363 s 103 are each amended to
27 read as follows:

28 (1) The department of transportation shall work with
29 representatives of transportation labor groups to develop a financial
30 incentive program to aid in retention and recruitment of employee
31 classifications where problems exist and program delivery is negatively
32 affected. The department's financial incentive program must be
33 reviewed and approved by the legislature before it can be implemented.
34 This program must support the goal of enhancing project delivery
35 timelines as outlined in section 101, chapter 363, Laws of 2003. Upon

1 receiving approval from the legislature, the (~~department of~~
2 ~~personnel~~) office of financial management shall implement, as
3 required, specific aspects of the financial incentive package, as
4 developed by the department of transportation.

5 (2) Notwithstanding chapter 41.06 RCW, the department of
6 transportation may acquire services from qualified private firms in
7 order to deliver the transportation construction program to the public.
8 Services may be acquired solely for augmenting the department's
9 workforce capacity and only when the department's transportation
10 construction program cannot be delivered through its existing or
11 readily available workforce. The department of transportation shall
12 work with representatives of transportation labor groups to develop and
13 implement a program identifying those projects requiring contracted
14 services while establishing a program as defined in subsection (1) of
15 this section to provide the classified personnel necessary to deliver
16 future construction programs. The procedures for acquiring
17 construction engineering services from private firms may not be used to
18 displace existing state employees nor diminish the number of existing
19 classified positions in the present construction program. The
20 acquisition procedures must be in accordance with chapter 39.80 RCW.

21 (3) Starting in December 2004, and biennially thereafter, the
22 secretary shall report to the transportation committees of the
23 legislature on the use of construction engineering services from
24 private firms authorized under this section. The information provided
25 to the committees must include an assessment of the benefits and costs
26 associated with using construction engineering services, or other
27 services, from private firms, and a comparison of public versus private
28 sector costs. The secretary may act on these findings to ensure the
29 most cost-effective means of service delivery.

30 NEW SECTION. **Sec. 478.** The following acts or parts of acts are
31 each repealed:

32 (1) RCW 41.06.030 (Department of personnel established) and 2002 c
33 354 s 201, 1993 c 281 s 20, & 1961 c 1 s 3;

34 (2) RCW 41.06.111 (Personnel appeals board abolished--Powers,
35 duties, and functions transferred to the Washington personnel resources
36 board) and 2002 c 354 s 233;

1 (3) RCW 41.06.130 (Director of personnel--Appointment--Rules--
2 Powers and duties--Delegation of authority) and 1993 c 281 s 26, 1982
3 1st ex.s. c 53 s 3, & 1961 c 1 s 13;

4 (4) RCW 41.06.139 (Classification system for classified service--
5 Director implements--Rules of the board--Appeals) and 2002 c 354 s 206;

6 (5) RCW 41.06.480 (Background check disqualification--Policy
7 recommendations) and 2001 c 296 s 7; and

8 (6) RCW 41.07.900 (Transfer of personnel, records, equipment, etc)
9 and 1975 1st ex.s. c 239 s 4.

10 NEW SECTION. **Sec. 479.** RCW 41.06.136, 43.31.086, 41.80.900,
11 41.80.901, 41.80.902, 41.80.903, and 41.80.904 are each decodified.

12 NEW SECTION. **Sec. 480.** Section 447 of this act expires January 1,
13 2012.

14 NEW SECTION. **Sec. 481.** Section 448 of this act takes effect
15 January 1, 2012.

16 NEW SECTION. **Sec. 482.** Section 459 of this act expires June 30,
17 2015.

18 NEW SECTION. **Sec. 483.** Section 461 of this act expires December
19 31, 2011.

20 NEW SECTION. **Sec. 484.** Section 462 of this act takes effect
21 December 31, 2011.

22 **PART V**

23 **POWERS AND DUTIES TRANSFERRED FROM THE**
24 **OFFICE OF FINANCIAL MANAGEMENT**

25 **Sec. 501.** RCW 43.41.290 and 1977 ex.s. c 270 s 3 are each amended
26 to read as follows:

27 As used in ((~~RCW 43.19.19361 and 43.19.19362~~)) this act:

28 (1) "State agency" includes any state office, agency, commission,
29 department, or institution, including colleges, universities, and

1 community colleges, financed in whole or part from funds appropriated
2 by the legislature; ~~((and))~~

3 (2) "Risk management" means the total effort and continuous step by
4 step process of risk identification, measurement, minimization,
5 assumption, transfer, and loss adjustment which is aimed at protecting
6 assets and revenues against accidental loss;

7 (3) "Department" means the department of enterprise services; and

8 (4) "Director" means the director of enterprise services.

9 **Sec. 502.** RCW 43.41.300 and 2002 c 332 s 7 are each amended to
10 read as follows:

11 There is hereby created ~~((a))~~ an office of risk management
12 ~~((division))~~ within the ~~((office of financial management))~~ department
13 of enterprise services. The director shall implement the risk
14 management policy in RCW 43.41.280 (as recodified by this act) through
15 the office of risk management ~~((division))~~. The director shall appoint
16 a risk manager to supervise the office of risk management ~~((division))~~.
17 The office of risk management ~~((division))~~ shall make recommendations
18 when appropriate to state agencies on the application of prudent
19 safety, security, loss prevention, and loss minimization methods so as
20 to reduce or avoid risk or loss.

21 **Sec. 503.** RCW 43.41.310 and 2002 c 332 s 5 are each amended to
22 read as follows:

23 As a means of providing for the procurement of insurance and bonds
24 on a volume rate basis, the director shall purchase or contract for the
25 needs of state agencies in relation to all such insurance and bonds:
26 PROVIDED, That authority to purchase insurance may be delegated to
27 state agencies. Insurance in force shall be reported to the office of
28 risk management ~~((division))~~ periodically under rules established by
29 the director. Nothing contained in this section shall prohibit the use
30 of licensed agents or brokers for the procurement and service of
31 insurance.

32 The amounts of insurance or bond coverage shall be as fixed by law,
33 or if not fixed by law, such amounts shall be as fixed by the director.

34 The premium cost for insurance acquired and bonds furnished shall
35 be paid from appropriations or other appropriate resources available to
36 the state agency or agencies for which procurement is made, and all

1 vouchers drawn in payment therefor shall bear the written approval of
2 the office of risk management (~~(division)~~) prior to the issuance of the
3 warrant in payment therefor. Where deemed advisable the premium cost
4 for insurance and bonds may be paid by the risk management
5 administration account which shall be reimbursed by the agency or
6 agencies for which procurement is made.

7 **Sec. 504.** RCW 43.41.320 and 2002 c 332 s 6 are each amended to
8 read as follows:

9 The director, through the office of risk management (~~(division)~~),
10 may purchase, or contract for the purchase of, property and liability
11 insurance for any municipality upon request of the municipality.

12 As used in this section, "municipality" means any city, town,
13 county, special purpose district, municipal corporation, or political
14 subdivision of the state of Washington.

15 **Sec. 505.** RCW 43.41.330 and 2002 c 332 s 8 are each amended to
16 read as follows:

17 The director, through the office of risk management (~~(division)~~),
18 shall receive and enforce bonds posted pursuant to RCW 39.59.010 (3)
19 and (4).

20 **Sec. 506.** RCW 43.41.340 and 2002 c 332 s 9 are each amended to
21 read as follows:

22 The (~~(office)~~) department shall conduct periodic actuarial studies
23 to determine the amount of money needed to adequately fund the
24 liability account.

25 **Sec. 507.** RCW 43.41.360 and 2009 c 549 s 5121 are each amended to
26 read as follows:

27 (~~(In addition to other powers and duties prescribed by this~~
28 ~~chapter,)~~) The director shall:

29 (1) Fix the amount of bond to be given by each appointive state
30 officer and each employee of the state in all cases where it is not
31 fixed by law;

32 (2) Require the giving of an additional bond, or a bond in a
33 greater amount than provided by law, in all cases where in his or her

1 judgment the statutory bond is not sufficient in amount to cover the
2 liabilities of the officer or employee;

3 (3) Exempt subordinate employees from giving bond when in his or
4 her judgment their powers and duties are such as not to require a bond.

5 **Sec. 508.** RCW 43.41.370 and 2002 c 333 s 2 are each amended to
6 read as follows:

7 (1) The director (~~(of financial management)~~) shall appoint a loss
8 prevention review team when the death of a person, serious injury to a
9 person, or other substantial loss is alleged or suspected to be caused
10 at least in part by the actions of a state agency, unless the director
11 in his or her discretion determines that the incident does not merit
12 review. A loss prevention review team may also be appointed when any
13 other substantial loss occurs as a result of agency policies,
14 litigation or defense practices, or other management practices. When
15 the director decides not to appoint a loss prevention review team he or
16 she shall issue a statement of the reasons for the director's decision.
17 The statement shall be made available on the department's web site (~~(of~~
18 ~~the office of financial management)~~). The director's decision pursuant
19 to this section to appoint or not appoint a loss prevention review team
20 shall not be admitted into evidence in a civil or administrative
21 proceeding.

22 (2) A loss prevention review team shall consist of at least three
23 but no more than five persons, and may include independent consultants,
24 contractors, or state employees, but it shall not include any person
25 employed by the agency involved in the loss or risk of loss giving rise
26 to the review, nor any person with testimonial knowledge of the
27 incident to be reviewed. At least one member of the review team shall
28 have expertise relevant to the matter under review.

29 (3) The loss prevention review team shall review the death, serious
30 injury, or other incident and the circumstances surrounding it,
31 evaluate its causes, and recommend steps to reduce the risk of such
32 incidents occurring in the future. The loss prevention review team
33 shall accomplish these tasks by reviewing relevant documents,
34 interviewing persons with relevant knowledge, and reporting its
35 recommendations in writing to the director (~~(of financial management)~~)
36 and the director of the agency involved in the loss or risk of loss

1 within the time requested by the director (~~(of financial management)~~).
2 The final report shall not disclose the contents of any documents
3 required by law to be kept confidential.

4 (4) Pursuant to guidelines established by the director, state
5 agencies must notify the (~~(office of financial management)~~) department
6 immediately upon becoming aware of a death, serious injury, or other
7 substantial loss that is alleged or suspected to be caused at least in
8 part by the actions of the state agency. State agencies shall provide
9 the loss prevention review team ready access to relevant documents in
10 their possession and ready access to their employees.

11 **Sec. 509.** RCW 43.41.380 and 2002 c 333 s 3 are each amended to
12 read as follows:

13 (1) The final report from a loss prevention review team to the
14 director (~~(of financial management)~~) shall be made public by the
15 director promptly upon receipt, and shall be subject to public
16 disclosure. The final report shall be subject to discovery in a civil
17 or administrative proceeding. However, the final report shall not be
18 admitted into evidence or otherwise used in a civil or administrative
19 proceeding except pursuant to subsection (2) of this section.

20 (2) The relevant excerpt or excerpts from the final report of a
21 loss prevention review team may be used to impeach a fact witness in a
22 civil or administrative proceeding only if the party wishing to use the
23 excerpt or excerpts from the report first shows the court by clear and
24 convincing evidence that the witness, in testimony provided in
25 deposition or at trial in the present proceeding, has contradicted his
26 or her previous statements to the loss prevention review team on an
27 issue of fact material to the present proceeding. In that case, the
28 party may use only the excerpt or excerpts necessary to demonstrate the
29 contradiction. This section shall not be interpreted as expanding the
30 scope of material that may be used to impeach a witness.

31 (3) No member of a loss prevention review team may be examined in
32 a civil or administrative proceeding as to (a) the work of the loss
33 prevention review team, (b) the incident under review, (c) his or her
34 statements, deliberations, thoughts, analyses, or impressions relating
35 to the work of the loss prevention review team or the incident under
36 review, or (d) the statements, deliberations, thoughts, analyses, or

1 impressions of any other member of the loss prevention review team, or
2 any person who provided information to it, relating to the work of the
3 loss prevention review team or the incident under review.

4 (4) Any document that exists prior to the appointment of a loss
5 prevention review team, or that is created independently of such a
6 team, does not become inadmissible merely because it is reviewed or
7 used by the loss prevention review team. A person does not become
8 unavailable as a witness merely because the person has been interviewed
9 by or has provided a statement to a loss prevention review team.
10 However, if called as a witness, the person may not be examined
11 regarding the person's interactions with the loss prevention review
12 team, including without limitation whether the loss prevention review
13 team interviewed the person, what questions the loss prevention review
14 team asked, and what answers the person provided to the loss prevention
15 review team. This section shall not be construed as restricting the
16 person from testifying fully in any proceeding regarding his or her
17 knowledge of the incident under review.

18 (5) Documents prepared by or for the loss prevention review team
19 are inadmissible and may not be used in a civil or administrative
20 proceeding, except that excerpts may be used to impeach the credibility
21 of a witness under the same circumstances that excerpts of the final
22 report may be used pursuant to subsection (2) of this section.

23 (6) The restrictions set forth in this section shall not apply in
24 a licensing or disciplinary proceeding arising from an agency's effort
25 to revoke or suspend the license of any licensed professional based in
26 whole or in part upon allegations of wrongdoing in connection with the
27 death, injury, or other incident reviewed by the loss prevention review
28 team.

29 (7) Within one hundred twenty days after completion of the final
30 report of a loss prevention review team, the agency under review shall
31 issue to the (~~office of financial management~~) department a response
32 to the report. The response will indicate (a) which of the report's
33 recommendations the agency hopes to implement, (b) whether
34 implementation of those recommendations will require additional funding
35 or legislation, and (c) whatever other information the director may
36 require. This response shall be considered part of the final report
37 and shall be subject to all provisions of this section that apply to

1 the final report, including without limitation the restrictions on
2 admissibility and use in civil or administrative proceedings and the
3 obligation of the director to make the final report public.

4 (8) Nothing in RCW 43.41.370 or this section is intended to limit
5 the scope of a legislative inquiry into or review of an incident that
6 is the subject of a loss prevention review.

7 (9) Nothing in RCW 43.41.370 or in this section affects chapter
8 70.41 RCW and application of that chapter to state-owned or managed
9 hospitals licensed under chapter 70.41 RCW.

10 **Sec. 510.** RCW 43.41.110 and 2002 c 332 s 23 are each amended to
11 read as follows:

12 The office of financial management shall:

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

16 (2) Perform the comprehensive planning functions and processes
17 necessary or advisable for state program planning and development,
18 preparation of the budget, inter-departmental and inter-governmental
19 coordination and cooperation, and determination of state capital
20 improvement requirements.

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

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

26 (5) Participate with other states or subdivisions thereof in
27 interstate planning.

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

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

32 ~~(8) ((Carry out the provisions of this chapter and chapter 4.92 RCW
33 relating to risk management.~~

34 (+9)) Be the official state participant in the federal-state
35 cooperative program for local population estimates and as such certify
36 all city and county special censuses to be considered in the allocation
37 of state and federal revenues.

1 ~~((+10))~~ (9) Be the official state center for processing and
2 dissemination of federal decennial or quinquennial census data in
3 cooperation with other state agencies.

4 ~~((+11))~~ (10) Be the official state agency certifying annexations,
5 incorporations, or disincorporations to the United States bureau of the
6 census.

7 ~~((+12))~~ (11) Review all United States bureau of the census
8 population estimates used for federal revenue sharing purposes and
9 provide a liaison for local governments with the United States bureau
10 of the census in adjusting or correcting revenue sharing population
11 estimates.

12 ~~((+13))~~ (12) Provide fiscal notes depicting the expected fiscal
13 impact of proposed legislation in accordance with chapter 43.88A RCW.

14 ~~((+14))~~ (13) Be the official state agency to estimate and manage
15 the cash flow of all public funds as provided in chapter 43.88 RCW. To
16 this end, the office shall adopt such rules as are necessary to manage
17 the cash flow of public funds.

18 **Sec. 511.** RCW 4.92.006 and 2002 c 332 s 10 are each amended to
19 read as follows:

20 As used in this chapter:

21 (1) ~~(("Office" means the office of financial management.))~~
22 "Department" means the department of enterprise services.

23 (2) "Director" means the director of ~~((financial management))~~
24 enterprise services.

25 (3) ~~(("Risk management division"))~~ "Office of risk management"
26 means the ~~((division of the office of financial management))~~ office
27 within the department of enterprise services that carries out the
28 powers and duties under this chapter relating to claim filing, claims
29 administration, and claims payment.

30 (4) "Risk manager" means the person supervising the office of risk
31 management ~~((division))~~.

32 **Sec. 512.** RCW 4.92.040 and 2002 c 332 s 11 are each amended to
33 read as follows:

34 (1) No execution shall issue against the state on any judgment.

35 (2) Whenever a final judgment against the state is obtained in an

1 action on a claim arising out of tortious conduct, the claim shall be
2 paid from the liability account.

3 (3) Whenever a final judgment against the state shall have been
4 obtained in any other action, the clerk of the court shall make and
5 furnish to the office of risk management (~~((division))~~) a duly certified
6 copy of such judgment; the office of risk management (~~((division))~~) shall
7 thereupon audit the amount of damages and costs therein awarded, and
8 the same shall be paid from appropriations specifically provided for
9 such purposes by law.

10 (4) Final judgments for which there are no provisions in state law
11 for payment shall be transmitted by the office of risk management
12 (~~((division))~~) to the senate and house of representatives committees on
13 ways and means as follows:

14 (a) On the first day of each session of the legislature, the office
15 of risk management (~~((division))~~) shall transmit judgments received and
16 audited since the adjournment of the previous session of the
17 legislature.

18 (b) During each session of legislature, the office of risk
19 management (~~((division))~~) shall transmit judgments immediately upon
20 completion of audit.

21 (5) All claims, other than judgments, made to the legislature
22 against the state of Washington for money or property, shall be
23 accompanied by a statement of the facts on which such claim is based
24 and such evidence as the claimant intends to offer in support of the
25 claim and shall be filed with the office of risk management
26 (~~((division))~~), which shall retain the same as a record. All claims of
27 two thousand dollars or less shall be approved or rejected by the
28 office of risk management (~~((division))~~), and if approved shall be paid
29 from appropriations specifically provided for such purpose by law.
30 Such decision, if adverse to the claimant in whole or part, shall not
31 preclude the claimant from seeking relief from the legislature. If the
32 claimant accepts any part of his or her claim which is approved for
33 payment by the office of risk management (~~((division))~~), such acceptance
34 shall constitute a waiver and release of the state from any further
35 claims relating to the damage or injury asserted in the claim so
36 accepted. The office of risk management (~~((division))~~) shall submit to
37 the house and senate committees on ways and means, at the beginning of
38 each regular session, a comprehensive list of all claims paid pursuant

1 to this subsection during the preceding year. For all claims not
2 approved by the office of risk management (~~(division)~~), the office of
3 risk management (~~(division)~~) shall recommend to the legislature whether
4 such claims should be approved or rejected. Recommendations shall be
5 submitted to the senate and house of representatives committees on ways
6 and means not later than the thirtieth day of each regular session of
7 the legislature. Claims which cannot be processed for timely
8 submission of recommendations shall be held for submission during the
9 following regular session of the legislature. The recommendations
10 shall include, but not be limited to:

11 (a) A summary of the facts alleged in the claim, and a statement as
12 to whether these facts can be verified by the office of risk management
13 (~~(division)~~);

14 (b) An estimate by the office of risk management (~~(division)~~) of
15 the value of the loss or damage which was alleged to have occurred;

16 (c) An analysis of the legal liability, if any, of the state for
17 the alleged loss or damage; and

18 (d) A summary of equitable or public policy arguments which might
19 be helpful in resolving the claim.

20 (6) The legislative committees to whom such claims are referred
21 shall make a transcript, recording, or statement of the substance of
22 the evidence given in support of such a claim. If the legislature
23 approves a claim the same shall be paid from appropriations
24 specifically provided for such purpose by law.

25 (7) Subsections (3) through (6) of this section do not apply to
26 judgments or claims against the state housing finance commission
27 created under chapter 43.180 RCW.

28 **Sec. 513.** RCW 4.92.130 and 2009 c 560 s 15 are each amended to
29 read as follows:

30 A liability account in the custody of the treasurer is hereby
31 created as a nonappropriated account to be used solely and exclusively
32 for the payment of liability settlements and judgments against the
33 state under 42 U.S.C. Sec. 1981 et seq. or for the tortious conduct of
34 its officers, employees, and volunteers and all related legal defense
35 costs.

36 (1) The purpose of the liability account is to: (a) Expeditiously
37 pay legal liabilities and defense costs of the state resulting from

1 tortious conduct; (b) promote risk control through a cost allocation
2 system which recognizes agency loss experience, levels of self-
3 retention, and levels of risk exposure; and (c) establish an
4 actuarially sound system to pay incurred losses, within defined limits.

5 (2) The liability account shall be used to pay claims for injury
6 and property damages and legal defense costs exclusive of agency-
7 retained expenses otherwise budgeted.

8 (3) No money shall be paid from the liability account, except for
9 defense costs, unless all proceeds available to the claimant from any
10 valid and collectible liability insurance shall have been exhausted and
11 unless:

12 (a) The claim shall have been reduced to final judgment in a court
13 of competent jurisdiction; or

14 (b) The claim has been approved for payment.

15 (4) The liability account shall be financed through annual premiums
16 assessed to state agencies, based on sound actuarial principles, and
17 shall be for liability coverage in excess of agency-budgeted self-
18 retention levels.

19 (5) Annual premium levels shall be determined by the risk manager.
20 An actuarial study shall be conducted to assist in determining the
21 appropriate level of funding.

22 (6) Disbursements for claims from the liability account shall be
23 made to the claimant, or to the clerk of the court for judgments, upon
24 written request to the state treasurer from the risk manager.

25 (7) The director may direct agencies to transfer moneys from other
26 funds and accounts to the liability account if premiums are delinquent.

27 (8) The liability account shall not exceed fifty percent of the
28 actuarial value of the outstanding liability as determined annually by
29 the office of risk management (~~(division)~~). If the account exceeds the
30 maximum amount specified in this section, premiums may be adjusted by
31 the office of risk management (~~(division)~~) in order to maintain the
32 account balance at the maximum limits. If, after adjustment of
33 premiums, the account balance remains above the limits specified, the
34 excess amount shall be prorated back to the appropriate funds.

35 **Sec. 514.** RCW 4.92.150 and 2002 c 332 s 15 are each amended to
36 read as follows:

37 After commencement of an action in a court of competent

1 jurisdiction upon a claim against the state, or any of its officers,
2 employees, or volunteers arising out of tortious conduct or pursuant to
3 42 U.S.C. Sec. 1981 et seq., or against a foster parent that the
4 attorney general is defending pursuant to RCW 4.92.070, or upon
5 petition by the state, the attorney general, with the prior approval of
6 the office of risk management (~~(division)~~) and with the approval of the
7 court, following such testimony as the court may require, may
8 compromise and settle the same and stipulate for judgment against the
9 state, the affected officer, employee, volunteer, or foster parent.

10 **Sec. 515.** RCW 4.92.160 and 2002 c 332 s 16 are each amended to
11 read as follows:

12 Payment of claims and judgments arising out of tortious conduct or
13 pursuant to 42 U.S.C. Sec. 1981 et seq. shall not be made by any agency
14 or department of state government with the exception of the office of
15 risk management (~~(division)~~), and that (~~(division)~~) office shall
16 authorize and direct the payment of moneys only from the liability
17 account whenever:

18 (1) The head or governing body of any agency or department of state
19 or the designee of any such agency certifies to the office of risk
20 management (~~(division)~~) that a claim has been settled; or

21 (2) The clerk of court has made and forwarded a certified copy of
22 a final judgment in a court of competent jurisdiction and the attorney
23 general certifies that the judgment is final and was entered in an
24 action on a claim arising out of tortious conduct or under and pursuant
25 to 42 U.S.C. Sec. 1981 et seq. Payment of a judgment shall be made to
26 the clerk of the court for the benefit of the judgment creditors. Upon
27 receipt of payment, the clerk shall satisfy the judgment against the
28 state.

29 **Sec. 516.** RCW 4.92.210 and 2002 c 332 s 17 are each amended to
30 read as follows:

31 (1) All liability claims arising out of tortious conduct or under
32 42 U.S.C. Sec. 1981 et seq. that the state of Washington or any of its
33 officers, employees, or volunteers would be liable for shall be filed
34 with the office of risk management (~~(division)~~).

35 (2) A centralized claim tracking system shall be maintained to

1 provide agencies with accurate and timely data on the status of
2 liability claims. Information in this claim file, other than the claim
3 itself, shall be privileged and confidential.

4 (3) Standardized procedures shall be established for filing,
5 reporting, processing, and adjusting claims, which includes the use of
6 qualified claims management personnel.

7 (4) All claims shall be reviewed by the office of risk management
8 (~~division~~) to determine an initial valuation, to delegate to the
9 appropriate office to investigate, negotiate, compromise, and settle
10 the claim, or to retain that responsibility on behalf of and with the
11 assistance of the affected state agency.

12 (5) All claims that result in a lawsuit shall be forwarded to the
13 attorney general's office. Thereafter the attorney general and the
14 office of risk management (~~division~~) shall collaborate in the
15 investigation, denial, or settlement of the claim.

16 (6) Reserves shall be established for recognizing financial
17 liability and monitoring effectiveness. The valuation of specific
18 claims against the state shall be privileged and confidential.

19 (7) All settlements shall be approved by the responsible agencies,
20 or their designees, prior to settlement.

21 **Sec. 517.** RCW 4.92.270 and 2002 c 332 s 21 are each amended to
22 read as follows:

23 The risk manager shall develop procedures for standard
24 indemnification agreements for state agencies to use whenever the
25 agency agrees to indemnify, or be indemnified by, any person or party.
26 The risk manager shall also develop guidelines for the use of
27 indemnification agreements by state agencies. On request of the risk
28 manager, an agency shall forward to the office of risk management
29 (~~division~~) for review and approval any contract or agreement
30 containing an indemnification agreement.

31 **Sec. 518.** RCW 4.92.280 and 1998 c 217 s 4 are each amended to read
32 as follows:

33 If chapter 217, Laws of 1998 mandates an increased level of service
34 by local governments, the local government may, under RCW 43.135.060
35 and chapter 4.92 RCW, submit claims for reimbursement by the

1 legislature. The claims shall be subject to verification by the
2 (~~office of financial management~~) department of enterprise services.

3 **Sec. 519.** RCW 10.92.020 and 2008 c 224 s 2 are each amended to
4 read as follows:

5 (1) Tribal police officers under subsection (2) of this section
6 shall be recognized and authorized to act as general authority
7 Washington peace officers. A tribal police officer recognized and
8 authorized to act as a general authority Washington peace officer under
9 this section has the same powers as any other general authority
10 Washington peace officer to enforce state laws in Washington, including
11 the power to make arrests for violations of state laws.

12 (2) A tribal police officer may exercise the powers of law
13 enforcement of a general authority Washington peace officer under this
14 section, subject to the following:

15 (a) The appropriate sovereign tribal nation shall submit to the
16 (~~office of financial management~~) department of enterprise services
17 proof of public liability and property damage insurance for vehicles
18 operated by the peace officers and police professional liability
19 insurance from a company licensed to sell insurance in the state. For
20 purposes of determining adequacy of insurance liability, the sovereign
21 tribal government must submit with the proof of liability insurance a
22 copy of the interlocal agreement between the sovereign tribal
23 government and the local governments that have shared jurisdiction
24 under this chapter where such an agreement has been reached pursuant to
25 subsection (10) of this section.

26 (i) Within the thirty days of receipt of the information from the
27 sovereign tribal nation, the (~~office of financial management~~)
28 department of enterprise services shall either approve or reject the
29 adequacy of insurance, giving consideration to the scope of the
30 interlocal agreement. The adequacy of insurance under this chapter
31 shall be subject to annual review by the (~~state office of financial~~
32 ~~management~~) department of enterprise services.

33 (ii) Each policy of insurance issued under this chapter must
34 include a provision that the insurance shall be available to satisfy
35 settlements or judgments arising from the tortious conduct of tribal
36 police officers when acting in the capacity of a general authority
37 Washington peace officer, and that to the extent of policy coverage

1 neither the sovereign tribal nation nor the insurance carrier will
2 raise a defense of sovereign immunity to preclude an action for damages
3 under state or federal law, the determination of fault in a civil
4 action, or the payment of a settlement or judgment arising from the
5 tortious conduct.

6 (b) The appropriate sovereign tribal nation shall submit to the
7 (~~office of financial management~~) department of enterprise services
8 proof of training requirements for each tribal police officer. To be
9 authorized as a general authority Washington peace officer, a tribal
10 police officer must successfully complete the requirements set forth
11 under RCW 43.101.157. Any applicant not meeting the requirements for
12 certification as a tribal police officer may not act as a general
13 authority Washington peace officer under this chapter. The criminal
14 justice training commission shall notify the (~~office of financial~~
15 ~~management~~) department of enterprise services if:

16 (i) A tribal police officer authorized under this chapter as a
17 general authority Washington state peace officer has been decertified
18 pursuant to RCW 43.101.157; or

19 (ii) An appropriate sovereign tribal government is otherwise in
20 noncompliance with RCW 43.101.157.

21 (3) A copy of any citation or notice of infraction issued, or any
22 incident report taken, by a tribal police officer acting in the
23 capacity of a general authority Washington peace officer as authorized
24 by this chapter must be submitted within three days to the police chief
25 or sheriff within whose jurisdiction the action was taken. Any
26 citation issued under this chapter shall be to a Washington court,
27 except that any citation issued to Indians within the exterior
28 boundaries of an Indian reservation may be cited to a tribal court.
29 Any arrest made or citation issued not in compliance with this chapter
30 is not enforceable.

31 (4) Any authorization granted under this chapter shall not in any
32 way expand the jurisdiction of any tribal court or other tribal
33 authority.

34 (5) The authority granted under this chapter shall be coextensive
35 with the exterior boundaries of the reservation, except that an officer
36 commissioned under this section may act as authorized under RCW
37 10.93.070 beyond the exterior boundaries of the reservation.

1 (6) For purposes of civil liability under this chapter, a tribal
2 police officer shall not be considered an employee of the state of
3 Washington or any local government except where a state or local
4 government has deputized a tribal police officer as a specially
5 commissioned officer. Neither the state of Washington and its
6 individual employees nor any local government and its individual
7 employees shall be liable for the authorization of tribal police
8 officers under this chapter, nor for the negligence or other misconduct
9 of tribal officers. The authorization of tribal police officers under
10 this chapter shall not be deemed to have been a nondelegable duty of
11 the state of Washington or any local government.

12 (7) Nothing in this chapter impairs or affects the existing status
13 and sovereignty of those sovereign tribal governments whose traditional
14 lands and territories lie within the borders of the state of Washington
15 as established under the laws of the United States.

16 (8) Nothing in this chapter limits, impairs, or nullifies the
17 authority of a county sheriff to appoint duly commissioned state or
18 federally certified tribal police officers as deputy sheriffs
19 authorized to enforce the criminal and traffic laws of the state of
20 Washington.

21 (9) Nothing in this chapter limits, impairs, or otherwise affects
22 the existing authority under state or federal law of state or local law
23 enforcement officers to enforce state law within the exterior
24 boundaries of an Indian reservation or to enter Indian country in fresh
25 pursuit, as defined in RCW 10.93.120, of a person suspected of
26 violating state law, where the officer would otherwise not have
27 jurisdiction.

28 (10) An interlocal agreement pursuant to chapter 39.34 RCW is
29 required between the sovereign tribal government and all local
30 government law enforcement agencies that will have shared jurisdiction
31 under this chapter prior to authorization taking effect under this
32 chapter. Nothing in this chapter shall limit, impair, or otherwise
33 affect the implementation of an interlocal agreement completed pursuant
34 to chapter 39.34 RCW by July 1, 2008, between a sovereign tribal
35 government and a local government law enforcement agency for
36 cooperative law enforcement.

37 (a) Sovereign tribal governments that meet all of the requirements
38 of subsection (2) of this section, but do not have an interlocal

1 agreement pursuant to chapter 39.34 RCW and seek authorization under
2 this chapter, may submit proof of liability insurance and training
3 certification to the (~~office of financial management~~) department of
4 enterprise services. Upon confirmation of receipt of the information
5 from the (~~office of financial management~~) department of enterprise
6 services, the sovereign tribal government and the local government law
7 enforcement agencies that will have shared jurisdiction under this
8 chapter have one year to enter into an interlocal agreement pursuant to
9 chapter 39.34 RCW. If the sovereign tribal government and the local
10 government law enforcement agencies that will have shared jurisdiction
11 under this chapter are not able to reach agreement after one year, the
12 sovereign tribal governments and the local government law enforcement
13 agencies shall submit to binding arbitration pursuant to chapter 7.04A
14 RCW with the American arbitration association or successor agency for
15 purposes of completing an agreement prior to authorization going into
16 effect.

17 (b) For the purposes of (a) of this subsection, those sovereign
18 tribal government and local government law enforcement agencies that
19 must enter into binding arbitration shall submit to last best offer
20 arbitration. For purposes of accepting a last best offer, the
21 arbitrator must consider other interlocal agreements between sovereign
22 tribal governments and local law enforcement agencies in Washington
23 state, any model policy developed by the Washington association of
24 sheriffs and police chiefs or successor agency, and national best
25 practices.

26 **Sec. 520.** RCW 48.62.021 and 2004 c 255 s 2 are each amended to
27 read as follows:

28 Unless the context clearly requires otherwise, the definitions in
29 this section apply throughout this chapter.

30 (1) "Local government entity" or "entity" means every unit of local
31 government, both general purpose and special purpose, and includes, but
32 is not limited to, counties, cities, towns, port districts, public
33 utility districts, water-sewer districts, school districts, fire
34 protection districts, irrigation districts, metropolitan municipal
35 corporations, conservation districts, and other political subdivisions,
36 governmental subdivisions, municipal corporations, and quasi-municipal
37 corporations.

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

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

7 (4) "Health and welfare benefits" means a plan or program
8 established by a local government entity or entities for the purpose of
9 providing its employees and their dependents, and in the case of school
10 districts, its district employees, students, directors, or any of their
11 dependents, with health care, accident, disability, death, and salary
12 protection benefits.

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

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

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

24 **Sec. 521.** RCW 48.64.010 and 2009 c 314 s 2 are each amended to
25 read as follows:

26 The definitions in this section apply throughout this chapter
27 unless the context clearly requires otherwise.

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

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

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

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

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

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

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

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

29 **Sec. 522.** RCW 39.29.011 and 2009 c 486 s 7 are each amended to
30 read as follows:

31 All personal service contracts shall be entered into pursuant to
32 competitive solicitation, except for:

33 (1) Emergency contracts;

34 (2) Sole source contracts;

35 (3) Contract amendments;

36 (4) Contracts between a consultant and an agency of less than
37 twenty thousand dollars. However, contracts of five thousand dollars

1 or greater but less than twenty thousand dollars shall have documented
2 evidence of competition, which must include agency posting of the
3 contract opportunity on the state's common vendor registration and bid
4 notification system. Agencies shall not structure contracts to evade
5 these requirements; and

6 (5) Other specific contracts or classes or groups of contracts
7 exempted from the competitive solicitation process by the director of
8 the (~~office of financial management~~) department of enterprise
9 services when it has been determined that a competitive solicitation
10 process is not appropriate or cost-effective.

11 **Sec. 523.** RCW 39.29.016 and 1998 c 101 s 4 are each amended to
12 read as follows:

13 Emergency contracts shall be filed with the (~~office of financial~~
14 ~~management~~) department of enterprise services and made available for
15 public inspection within three working days following the commencement
16 of work or execution of the contract, whichever occurs first.
17 Documented justification for emergency contracts shall be provided to
18 the (~~office of financial management~~) department of enterprise
19 services when the contract is filed.

20 **Sec. 524.** RCW 39.29.018 and 2009 c 486 s 8 are each amended to
21 read as follows:

22 (1) Sole source contracts shall be filed with the (~~office of~~
23 ~~financial management~~) department of enterprise services and made
24 available for public inspection at least ten working days prior to the
25 proposed starting date of the contract. Documented justification for
26 sole source contracts shall be provided to the (~~office of financial~~
27 ~~management~~) department of enterprise services when the contract is
28 filed, and must include evidence that the agency posted the contract
29 opportunity on the state's common vendor registration and bid
30 notification system. For sole source contracts of twenty thousand
31 dollars or more, documented justification shall also include evidence
32 that the agency attempted to identify potential consultants by
33 advertising through statewide or regional newspapers.

34 (2) The (~~office of financial management~~) department of enterprise
35 services shall approve sole source contracts of twenty thousand dollars
36 or more before any such contract becomes binding and before any

1 services may be performed under the contract. These requirements shall
2 also apply to sole source contracts of less than twenty thousand
3 dollars if the total amount of such contracts between an agency and the
4 same consultant is twenty thousand dollars or more within a fiscal
5 year. Agencies shall ensure that the costs, fees, or rates negotiated
6 in filed sole source contracts of twenty thousand dollars or more are
7 reasonable.

8 **Sec. 525.** RCW 39.29.025 and 1998 c 101 s 6 are each amended to
9 read as follows:

10 (1) Substantial changes in either the scope of work specified in
11 the contract or in the scope of work specified in the formal
12 solicitation document must generally be awarded as new contracts.
13 Substantial changes executed by contract amendments must be submitted
14 to the (~~office of financial management~~) department of enterprise
15 services, and are subject to approval by the (~~office of financial~~
16 ~~management~~) department of enterprise services.

17 (2) An amendment or amendments to personal service contracts, if
18 the value of the amendment or amendments, whether singly or
19 cumulatively, exceeds fifty percent of the value of the original
20 contract must be provided to the (~~office of financial management~~)
21 department of enterprise services.

22 (3) The (~~office of financial management~~) department of enterprise
23 services shall approve amendments provided to it under this section
24 before the amendments become binding and before services may be
25 performed under the amendments.

26 (4) The amendments must be filed with the (~~office of financial~~
27 ~~management~~) department of enterprise services and made available for
28 public inspection at least ten working days prior to the proposed
29 starting date of services under the amendments.

30 (5) The (~~office of financial management~~) department of enterprise
31 services shall approve amendments provided to it under this section
32 only if they meet the criteria for approval of the amendments
33 established by the director of the (~~office of financial management~~)
34 department of enterprise services.

35 **Sec. 526.** RCW 39.29.055 and 1998 c 101 s 8 are each amended to
36 read as follows:

1 (1) Personal service contracts subject to competitive solicitation
2 shall be (a) filed with the (~~office of financial management~~)
3 department of enterprise services and made available for public
4 inspection; and (b) reviewed and approved by the (~~office of financial~~
5 ~~management~~) department of enterprise services when those contracts
6 provide services relating to management consulting, organizational
7 development, marketing, communications, employee training, or employee
8 recruiting.

9 (2) Personal service contracts subject to competitive solicitation
10 that provide services relating to management consulting, organizational
11 development, marketing, communications, employee training, or employee
12 recruiting shall be made available for public inspection at least ten
13 working days before the proposed starting date of the contract. All
14 other contracts shall be effective no earlier than the date they are
15 filed with the (~~office of financial management~~) department of
16 enterprise services.

17 **Sec. 527.** RCW 39.29.065 and 2009 c 486 s 9 are each amended to
18 read as follows:

19 To implement this chapter, the director of the (~~office of~~
20 ~~financial management~~) department of enterprise services shall
21 establish procedures for the competitive solicitation and award of
22 personal service contracts, recordkeeping requirements, and procedures
23 for the reporting and filing of contracts. The director shall develop
24 procurement policies and procedures, such as unbundled contracting and
25 subcontracting, that encourage and facilitate the purchase of products
26 and services by state agencies and institutions from Washington small
27 businesses to the maximum extent practicable and consistent with
28 international trade agreement commitments. For reporting purposes, the
29 director may establish categories for grouping of contracts. The
30 procedures required under this section shall also include the criteria
31 for amending personal service contracts. At the beginning of each
32 biennium, the director may, by administrative policy, adjust the dollar
33 thresholds prescribed in RCW 39.29.011, 39.29.018, and 39.29.040 to
34 levels not to exceed the percentage increase in the implicit price
35 deflator. Adjusted dollar thresholds shall be rounded to the nearest
36 five hundred dollar increment.

1 **Sec. 528.** RCW 39.29.068 and 1998 c 245 s 33 and 1998 c 101 s 10
2 are each reenacted and amended to read as follows:

3 The (~~office of financial management~~) department of enterprise
4 services shall maintain a publicly available list of all personal
5 service contracts entered into by state agencies during each fiscal
6 year. The list shall identify the contracting agency, the contractor,
7 the purpose of the contract, effective dates and periods of
8 performance, the cost of the contract and funding source, any
9 modifications to the contract, and whether the contract was
10 competitively procured or awarded on a sole source basis. The (~~office~~
11 ~~of financial management~~) department of enterprise services shall also
12 ensure that state accounting definitions and procedures are consistent
13 with RCW 39.29.006 and permit the reporting of personal services
14 expenditures by agency and by type of service. Designations of type of
15 services shall include, but not be limited to, management and
16 organizational services, legal and expert witness services, financial
17 services, computer and information services, social or technical
18 research, marketing, communications, and employee training or
19 recruiting services. The (~~office of financial management~~) department
20 of enterprise services shall report annually to the fiscal committees
21 of the senate and house of representatives on sole source contracts
22 filed under this chapter. The report shall describe: (1) The number
23 and aggregate value of contracts for each category established in this
24 section; (2) the number and aggregate value of contracts of five
25 thousand dollars or greater but less than twenty thousand dollars; (3)
26 the number and aggregate value of contracts of twenty thousand dollars
27 or greater; (4) the justification provided by agencies for the use of
28 sole source contracts; and (5) any trends in the use of sole source
29 contracts.

30 **Sec. 529.** RCW 39.29.075 and 1987 c 414 s 9 are each amended to
31 read as follows:

32 As requested by the legislative auditor, the (~~office of financial~~
33 ~~management~~) department of enterprise services shall provide
34 information on contracts filed under this chapter for use in
35 preparation of summary reports on personal services contracts.

1 **Sec. 530.** RCW 39.29.090 and 1998 c 101 s 11 are each amended to
2 read as follows:

3 Personal service contracts awarded by institutions of higher
4 education from nonstate funds do not have to be filed in advance and
5 approved by the (~~office of financial management~~) department of
6 enterprise services. Any such contract is subject to all other
7 requirements of this chapter, including the requirements under RCW
8 39.29.068 for annual reporting of personal service contracts to the
9 (~~office of financial management~~) department of enterprise services.

10 **Sec. 531.** RCW 39.29.100 and 2002 c 260 s 7 are each amended to
11 read as follows:

12 (1) The (~~office of financial management~~) department of enterprise
13 services shall adopt uniform guidelines for the effective and efficient
14 management of personal service contracts and client service contracts
15 by all state agencies. The guidelines must, at a minimum, include:

16 (a) Accounting methods, systems, measures, and principles to be
17 used by agencies and contractors;

18 (b) Precontract procedures for selecting potential contractors
19 based on their qualifications and ability to perform;

20 (c) Incorporation of performance measures and measurable benchmarks
21 in contracts, and the use of performance audits;

22 (d) Uniform contract terms to ensure contract performance and
23 compliance with state and federal standards;

24 (e) Proper payment and reimbursement methods to ensure that the
25 state receives full value for taxpayer moneys, including cost
26 settlements and cost allowance;

27 (f) Postcontract procedures, including methods for recovering
28 improperly spent or overspent moneys for disallowance and adjustment;

29 (g) Adequate contract remedies and sanctions to ensure compliance;

30 (h) Monitoring, fund tracking, risk assessment, and auditing
31 procedures and requirements;

32 (i) Financial reporting, record retention, and record access
33 procedures and requirements;

34 (j) Procedures and criteria for terminating contracts for cause or
35 otherwise; and

36 (k) Any other subject related to effective and efficient contract
37 management.

1 (2) The (~~office of financial management~~) department of enterprise
2 services shall submit the guidelines required by subsection (1) of this
3 section to the governor and the appropriate standing committees of the
4 legislature no later than December 1, 2002.

5 (3) The (~~office of financial management~~) department of enterprise
6 services shall publish a guidebook for use by state agencies containing
7 the guidelines required by subsection (1) of this section.

8 **Sec. 532.** RCW 39.29.110 and 2002 c 260 s 8 are each amended to
9 read as follows:

10 (1) A state agency entering into or renewing personal service
11 contracts or client service contracts shall follow the guidelines
12 required by RCW 39.29.100.

13 (2) A state agency that has entered into or renewed personal
14 service contracts or client service contracts during a calendar year
15 shall, on or before January 1st of the following calendar year, provide
16 the (~~office of financial management~~) department of enterprise
17 services with a report detailing the procedures the agency employed in
18 entering into, renewing, and managing the contracts.

19 (3) The provisions of this section apply to state agencies entering
20 into or renewing contracts after January 1, 2003.

21 **Sec. 533.** RCW 39.29.120 and 2002 c 260 s 9 are each amended to
22 read as follows:

23 (1) The (~~office of financial management~~) department of enterprise
24 services shall provide a training course for agency personnel
25 responsible for executing and managing personal service contracts and
26 client service contracts. The course must contain training on
27 effective and efficient contract management under the guidelines
28 established under RCW 39.29.100. State agencies shall require agency
29 employees responsible for executing or managing personal service
30 contracts and client service contracts to complete the training course
31 to the satisfaction of the (~~office of financial management~~)
32 department of enterprise services. Beginning January 1, 2004, no
33 agency employee may execute or manage personal service contracts or
34 client service contracts unless the employee has completed the training
35 course. Any request for exception to this requirement shall be
36 submitted to the (~~office of financial management~~) department of

1 enterprise services in writing and shall be approved by the (~~office of~~
2 ~~financial management~~) department of enterprise services prior to the
3 employee executing or managing the contract.

4 (2)(a) The (~~office of financial management~~) department of
5 enterprise services shall conduct risk-based audits of the contracting
6 practices associated with individual personal service and client
7 service contracts from multiple state agencies to ensure compliance
8 with the guidelines established in RCW 39.29.110. The (~~office of~~
9 ~~financial management~~) department of enterprise services shall conduct
10 the number of audits deemed appropriate by the director of the (~~office~~
11 ~~of financial management~~) department of enterprise services based on
12 funding provided.

13 (b) The (~~office of financial management~~) department of enterprise
14 services shall forward the results of the audits conducted under this
15 section to the governor, the appropriate standing committees of the
16 legislature, and the joint legislative audit and review committee.

17 **Sec. 534.** RCW 43.88.580 and 2008 c 326 s 3 are each amended to
18 read as follows:

19 (1) The (~~office of financial management~~) department of enterprise
20 services shall make electronically available to the public a database
21 of state agency contracts for personal services required to be filed
22 with the (~~office of financial management~~) department of enterprise
23 services under chapter 39.29 RCW.

24 (2) The state expenditure information web site described in RCW
25 44.48.150 shall include a link to the (~~office of financial~~
26 ~~management~~) department of enterprise services database described in
27 subsection (1) of this section.

28 NEW SECTION. **Sec. 535.** RCW 43.41.280, 43.41.290, 43.41.300,
29 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.350, and 43.41.360
30 are each recodified as sections in chapter 43.19 RCW.

31 **PART VI**
32 **POWERS AND DUTIES TRANSFERRED FROM THE**
33 **DEPARTMENT OF INFORMATION SERVICES**

1 **Sec. 601.** RCW 43.105.080 and 2010 1st sp.s. c 37 s 931 are each
2 amended to read as follows:

3 There is created a revolving fund to be known as the data
4 processing revolving fund in the custody of the state treasurer. The
5 revolving fund shall be used for the acquisition of equipment,
6 software, supplies, and services and the payment of salaries, wages,
7 and other costs incidental to the acquisition, development, operation,
8 and administration of information services, telecommunications,
9 systems, software, supplies and equipment, including the payment of
10 principal and interest on bonds issued for capital projects, by the
11 department, Washington State University's computer services center, the
12 department of ~~((personnel's))~~ enterprise services' personnel
13 information systems ~~((division, the office of financial management's))~~
14 group and financial systems management group, and other users as
15 ~~((jointly))~~ determined by the ~~((department and the))~~ office of
16 financial management. The revolving fund is subject to the allotment
17 procedure provided under chapter 43.88 RCW. The chief information
18 officer or the chief information officer's designee, with the approval
19 of the technology services board, is authorized to expend up to one
20 million dollars per fiscal biennium for the technology services board
21 to conduct independent technical and financial analysis of proposed
22 information technology projects, and such an expenditure does not
23 require an appropriation. Disbursements from the revolving fund for
24 the services component of the department are not subject to
25 appropriation. Disbursements for the strategic planning and policy
26 component of the department are subject to appropriation. All
27 disbursements from the fund are subject to the allotment procedures
28 provided under chapter 43.88 RCW. The department shall establish and
29 implement a billing structure to assure all agencies pay an equitable
30 share of the costs.

31 During the 2009-2011 fiscal biennium, the legislature may transfer
32 from the data processing revolving account to the state general fund
33 such amounts as reflect the excess fund balance associated with the
34 information technology pool.

35 As used in this section, the word "supplies" shall not be
36 interpreted to delegate or abrogate the division of purchasing's
37 responsibilities and authority to purchase supplies as described in RCW
38 43.19.190 and 43.19.200.

1 **Sec. 602.** RCW 43.105.320 and 1999 c 287 s 18 are each amended to
2 read as follows:

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

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

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

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

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

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

30 **Sec. 603.** RCW 43.105.370 and 2009 c 509 s 2 are each amended to
31 read as follows:

32 (1) The broadband mapping account is established in the custody of
33 the state treasurer. The department shall deposit into the account
34 such funds received from legislative appropriation, federal (~~grants~~
35 ~~authorized under the federal broadband data improvement act, P.L. 110-~~
36 ~~385, Title I~~) funding, and donated funds from private and public
37 sources. Expenditures from the account may be used only for the

1 purposes of RCW 43.105.372 through 43.105.376 (as recodified by this
2 act). Only the director of the department or the director's designee
3 may authorize expenditures from the account. The account is subject to
4 the allotment procedures under chapter 43.88 RCW, but an appropriation
5 is not required for expenditures.

6 (2) The department (~~(of information services)~~) is the single
7 eligible entity in the state for purposes of the federal broadband
8 (~~(data improvement act, P.L. 110-385, Title I)~~) mapping activities.

9 (3) Federal funding received by the department (~~(under the federal~~
10 ~~broadband data improvement act, P.L. 110-385, Title I,~~) for broadband
11 mapping activities must be used in accordance with (~~(the)~~) any federal
12 requirements (~~(of that act)~~) and, subject to those requirements, may be
13 distributed by the department on a competitive basis to other entities
14 in the state (~~(to achieve the purposes of that act)~~).

15 (4) The department (~~(of information services)~~) shall consult with
16 (~~(the department of community, trade, and economic development or its~~
17 ~~successor agency,~~) the office of financial management(~~(7)~~) and the
18 utilities and transportation commission in coordinating broadband
19 mapping activities. In carrying out any broadband mapping activities,
20 the provisions of P.L. 110-385, Title I, regarding trade secrets,
21 commercial or financial information, and privileged or confidential
22 information submitted by the federal communications commission or a
23 broadband provider are deemed to encompass the consulted agencies.

24 **Sec. 604.** RCW 43.105.372 and 2009 c 509 s 3 are each amended to
25 read as follows:

26 (1) Subject to the availability of federal or state funding, the
27 department may:

28 (a) Develop an interactive web site to allow residents to self-
29 report whether high-speed internet is available at their home or
30 residence and at what speed; and

31 (b) Conduct a detailed survey of all high-speed internet
32 infrastructure owned or leased by state agencies and (~~(creating~~
33 ~~[create])~~) create a geographic information system map of all high-speed
34 internet infrastructure owned or leased by the state.

35 (2) State agencies responding to a survey request from the
36 department under subsection (1)(b) of this section shall respond in a

1 reasonable and timely manner, not to exceed one hundred twenty days.

2 The department shall request of state agencies, at a minimum:

3 (a) The total bandwidth of high-speed internet infrastructure owned
4 or leased;

5 (b) The cost of maintaining that high-speed internet
6 infrastructure, if owned, or the price paid for the high-speed internet
7 infrastructure, if leased; and

8 (c) The leasing entity, if applicable.

9 (3) The department may adopt rules as necessary to carry out the
10 provisions of this section.

11 (4) For purposes of this section, "state agency" includes every
12 state office, department, division, bureau, board, commission, or other
13 state agency.

14 **Sec. 605.** RCW 43.105.374 and 2009 c 509 s 4 are each amended to
15 read as follows:

16 (1) The department is authorized, through a competitive bidding
17 process, to procure on behalf of the state a geographic information
18 system map detailing high-speed internet infrastructure, service
19 availability, and adoption. This geographic information system map may
20 include adoption information, availability information, type of high-
21 speed internet deployment technology, and available speed tiers for
22 high-speed internet based on any publicly available data.

23 (2) The department may procure this map either by:

24 (a) Contracting for and purchasing a completed map or updates to a
25 map from a third party; or

26 (b) Working directly with the federal communications commission to
27 accept publicly available data.

28 (3) The department shall establish an accountability and oversight
29 structure to ensure that there is transparency in the bidding and
30 contracting process and full financial and technical accountability for
31 any information or actions taken by a third-party contractor creating
32 this map.

33 (4) In contracting for purchase of the map or updates to a map in
34 subsection (2)(a) of this section, the department may take no action,
35 nor impose any condition on the third party, that causes any record
36 submitted by a public or private broadband service provider to the
37 third party to meet the standard of a public record as defined in RCW

1 42.56.010. This prohibition does not apply to any records delivered to
2 the department by the third party as a component of the (~~completed~~)
3 map. For the purpose of RCW 42.56.010(~~(+2+)~~) (3), the purchase by the
4 department of a completed map or updates to a map may not be deemed use
5 or ownership by the department of the underlying information used by
6 the third party to complete the map.

7 (5) Data or information that is publicly available as of July 1,
8 2009, will not cease to be publicly available due to any provision of
9 chapter 509, Laws of 2009.

10 **Sec. 606.** RCW 43.105.376 and 2009 c 509 s 5 are each amended to
11 read as follows:

12 (1) The department, in coordination with (~~the department of~~
13 ~~community, trade, and economic development and~~) the utilities and
14 transportation commission, and such advisors as the department chooses,
15 may prepare regular reports that identify the following:

16 (a) The geographic areas of greatest priority for the deployment of
17 advanced telecommunications infrastructure in the state;

18 (b) A detailed explanation of how any amount of funding received
19 from the federal government for the purposes of broadband mapping,
20 deployment, and adoption will be or have been used; and

21 (c) A determination of how nonfederal sources may be utilized to
22 achieve the purposes of broadband mapping, deployment, and adoption
23 activities in the state.

24 (2) To the greatest extent possible, the initial report should be
25 based upon the information identified in the geographic system maps
26 developed under the requirements of this chapter.

27 (3) The initial report should be delivered to the appropriate
28 committees of the legislature as soon as feasible, but no later than
29 January 18, 2010.

30 (4) Any future reports prepared by the department based upon the
31 requirements of subsection (1) of this section should be delivered to
32 the appropriate committees of the legislature by January 15th of each
33 year.

34 **Sec. 607.** RCW 43.105.380 and 2009 c 509 s 6 are each amended to
35 read as follows:

36 The community technology opportunity program is created to support

1 the efforts of community technology programs throughout the state. The
2 community technology opportunity program must be administered by the
3 department (~~(of information services)~~). The department may contract
4 for services in order to carry out the department's obligations under
5 this section.

6 (1) In implementing the community technology opportunity program
7 the (~~(administrator)~~) director must, to the extent funds are
8 appropriated for this purpose:

9 (a) Provide organizational and capacity building support to
10 community technology programs throughout the state, and identify and
11 facilitate the availability of other public and private sources of
12 funds to enhance the purposes of the program and the work of community
13 technology programs. No more than fifteen percent of funds received by
14 the (~~(administrator)~~) director for the program may be expended on these
15 functions;

16 (b) Establish a competitive grant program and provide grants to
17 community technology programs to provide training and skill-building
18 opportunities; access to hardware and software; internet connectivity;
19 digital media literacy; assistance in the adoption of information and
20 communication technologies in low-income and underserved areas of the
21 state; and development of locally relevant content and delivery of
22 vital services through technology.

23 (2) Grant applicants must:

24 (a) Provide evidence that the applicant is a nonprofit entity or a
25 public entity that is working in partnership with a nonprofit entity;

26 (b) Define the geographic area or population to be served;

27 (c) Include in the application the results of a needs assessment
28 addressing, in the geographic area or among the population to be
29 served: The impact of inadequacies in technology access or knowledge,
30 barriers faced, and services needed;

31 (d) Explain in detail the strategy for addressing the needs
32 identified and an implementation plan including objectives, tasks, and
33 benchmarks for the applicant and the role that other organizations will
34 play in assisting the applicant's efforts;

35 (e) Provide evidence of matching funds and resources, which are
36 equivalent to at least one-quarter of the grant amount committed to the
37 applicant's strategy;

1 (f) Provide evidence that funds applied for, if received, will be
2 used to provide effective delivery of community technology services in
3 alignment with the goals of this program and to increase the
4 applicant's level of effort beyond the current level; and

5 (g) Comply with such other requirements as the ~~((administrator))~~
6 director establishes.

7 (3) The ~~((administrator))~~ director may use no more than ten percent
8 of funds received for the community technology opportunity program to
9 cover administrative expenses.

10 (4) The ~~((administrator))~~ director must establish expected program
11 outcomes for each grant recipient and must require grant recipients to
12 provide an annual accounting of program outcomes.

13 **Sec. 608.** RCW 43.105.382 and 2009 c 509 s 8 are each amended to
14 read as follows:

15 The Washington community technology opportunity account is
16 established in the state treasury. The governor or the governor's
17 designee and the director or the director's designee shall deposit into
18 the account federal grants to the state ~~((authorized under Division B,~~
19 ~~Title VI of the American recovery and reinvestment act of 2009))~~,
20 legislative appropriations, and donated funds from private and public
21 sources for purposes related to broadband deployment and adoption,
22 including matching funds required by the act. Donated funds from
23 private and public sources may be deposited into the account.
24 Expenditures from the account may be used only as matching funds for
25 federal and other grants to fund the operation of the community
26 technology opportunity program under this chapter, and to fund other
27 broadband-related activities authorized in chapter 509, Laws of 2009.
28 Only the director or the director's designee may authorize expenditures
29 from the account.

30 **Sec. 609.** RCW 43.105.390 and 2009 c 509 s 9 are each amended to
31 read as follows:

32 (1) The governor may take all appropriate steps to ~~((carry out the~~
33 ~~purposes of Division B, Title VI of the American recovery and~~
34 ~~reinvestment act of 2009, P.L. 111-5, and))~~ seek federal funding in
35 order to maximize investment in broadband deployment and adoption in
36 the state of Washington ~~((consistent with chapter 509, Laws of 2009))~~.

1 Such steps may include the designation of a broadband deployment and
2 adoption coordinator; review and prioritization of grant applications
3 by public and private entities as directed by the national
4 telecommunications and information administration, the rural utility
5 services, and the federal communications commission; disbursement of
6 block grant funding; and direction to state agencies to provide
7 staffing as necessary to carry out this section. The authority for
8 overseeing broadband adoption and deployment efforts on behalf of the
9 state is vested in the department.

10 (2) The department may apply for federal funds and other grants or
11 donations, may deposit such funds in the Washington community
12 technology opportunity account created in RCW 43.105.382 (as recodified
13 by this act), may oversee implementation of federally funded or
14 mandated broadband programs for the state and may adopt rules to
15 administer the programs. These programs may include but are not
16 limited to the following:

17 (a) Engaging in periodic statewide surveys of residents,
18 businesses, and nonprofit organizations concerning their use and
19 adoption of high-speed internet, computer, and related information
20 technology for the purpose of identifying barriers to adoption;

21 (b) Working with communities to identify barriers to the adoption
22 of broadband service and related information technology services by
23 individuals, nonprofit organizations, and businesses;

24 (c) Identifying broadband demand opportunities in communities by
25 working cooperatively with local organizations, government agencies,
26 and businesses;

27 (d) Creating, implementing, and administering programs to improve
28 computer ownership, technology literacy, digital media literacy, and
29 high-speed internet access for populations not currently served or
30 underserved in the state. This may include programs to provide low-
31 income families, community-based nonprofit organizations, nonprofit
32 entities, and public entities that work in partnership with nonprofit
33 entities to provide increased access to computers and broadband, with
34 reduced cost internet access;

35 (e) Administering the community technology opportunity program
36 under RCW 43.105.380 and 43.105.382 (as recodified by this act);

37 (f) Creating additional programs to spur the development of high-
38 speed internet resources in the state;

1 (g) Establishing technology literacy and digital inclusion programs
2 and establishing low-cost hardware, software, and internet purchasing
3 programs that may include allowing participation by community
4 technology programs in state purchasing programs; and

5 (h) Developing technology loan programs targeting small businesses
6 or businesses located in unserved and underserved areas.

7 **Sec. 610.** RCW 43.105.400 and 2009 c 509 s 10 are each amended to
8 read as follows:

9 ~~((1))~~ Subject to the availability of federal or state funding,
10 the department may ~~((reconvene the high-speed internet work group
11 previously established by chapter 262, Laws of 2008. The work group is
12 renamed the advisory council on digital inclusion, and is))~~ convene an
13 advisory group ~~((to the department))~~ on digital inclusion and
14 technology planning. The ~~((council must))~~ advisory group may include,
15 but is not limited to, volunteer representatives from community
16 technology organizations, telecommunications providers, higher
17 education institutions, K-12 education institutions, public health
18 institutions, public housing entities, and local government and other
19 governmental entities that are engaged in community technology
20 activities.

21 ~~((2) The council shall prepare a report by January 15th of each
22 year and submit it to the department, the governor, and the appropriate
23 committees of the legislature. The report must contain:~~

24 ~~(a) An analysis of how support from public and private sector
25 partnerships, the philanthropic community, and other not-for-profit
26 organizations in the community, along with strong relationships with
27 the state board for community and technical colleges, the higher
28 education coordinating board, and higher education institutions, could
29 establish a variety of high-speed internet access alternatives for
30 citizens;~~

31 ~~(b) Proposed strategies for continued broadband deployment and
32 adoption efforts, as well as further development of advanced
33 telecommunications applications;~~

34 ~~(c) Recommendations on methods for maximizing the state's research
35 and development capacity at universities and in the private sector for
36 developing advanced telecommunications applications and services, and~~

1 ~~recommendations on incentives to stimulate the demand for and~~
2 ~~development of these applications and services;~~

3 ~~(d) An identification of barriers that hinder the advancement of~~
4 ~~technology entrepreneurship in the state; and~~

5 ~~(e) An evaluation of programs designed to advance digital literacy~~
6 ~~and computer access that are made available by the federal government,~~
7 ~~local agencies, telecommunications providers, and business and~~
8 ~~charitable entities.))~~

9 **Sec. 611.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each
10 amended to read as follows:

11 The costs of administering, maintaining, and operating the central
12 personnel-payroll system shall be distributed to the using state
13 agencies. In order to insure proper and equitable distribution of
14 costs the department of personnel shall utilize cost accounting
15 procedures to identify all costs incurred in the administration,
16 maintenance, and operation of the central personnel-payroll system. In
17 order to facilitate proper and equitable distribution of costs to the
18 using state agencies the department of personnel is authorized to
19 utilize the data processing revolving fund created by RCW 43.105.080
20 (as recodified by this act) and the ~~((department of))~~ personnel service
21 fund created by RCW 41.06.280.

22 **Sec. 612.** RCW 43.99I.040 and 1997 c 456 s 39 are each amended to
23 read as follows:

24 (1) On each date on which any interest or principal and interest
25 payment is due on bonds issued for the purposes of RCW 43.99I.020(4),
26 the state treasurer shall transfer from property taxes in the state
27 general fund levied for this support of the common schools under RCW
28 84.52.065 to the general fund of the state treasury for unrestricted
29 use the amount computed in RCW 43.99I.030 for the bonds issued for the
30 purposes of RCW 43.99I.020(4).

31 (2) On each date on which any interest or principal and interest
32 payment is due on bonds issued for the purposes of RCW 43.99I.020(5),
33 the state treasurer shall transfer from higher education operating fees
34 deposited in the general fund to the general fund of the state treasury
35 for unrestricted use, or if chapter 231, Laws of 1992 (Senate Bill No.
36 6285) becomes law and changes the disposition of higher education

1 operating fees from the general fund to another account, the state
2 treasurer shall transfer the proportional share from the University of
3 Washington operating fees account, the Washington State University
4 operating fees account, and the Central Washington University operating
5 fees account the amount computed in RCW 43.99I.030 for the bonds issued
6 for the purposes of RCW 43.99I.020(6).

7 (3) On each date on which any interest or principal and interest
8 payment is due on bonds issued for the purposes of RCW 43.99I.020(6),
9 the state treasurer shall transfer from the data processing revolving
10 fund created in RCW 43.105.080 (as recodified by this act) to the
11 general fund of the state treasury the amount computed in RCW
12 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6).

13 (4) On each date on which any interest or principal and interest
14 payment is due on bonds issued for the purpose of RCW 43.99I.020(7),
15 the Washington state dairy products commission shall cause the amount
16 computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW
17 43.99I.020(7) to be paid out of the commission's general operating fund
18 to the state treasurer for deposit into the general fund of the state
19 treasury.

20 (5) The higher education operating fee accounts for the University
21 of Washington, Washington State University, and Central Washington
22 University established by chapter 231, Laws of 1992 and repealed by
23 chapter 18, Laws of 1993 1st sp. sess. are reestablished in the state
24 treasury for purposes of fulfilling debt service reimbursement
25 transfers to the general fund required by bond resolutions and
26 covenants for bonds issued for purposes of RCW 43.99I.020(5).

27 (6) For bonds issued for purposes of RCW 43.99I.020(5), on each
28 date on which any interest or principal and interest payment is due,
29 the board of regents or board of trustees of the University of
30 Washington, Washington State University, or Central Washington
31 University shall cause the amount as determined by the state treasurer
32 to be paid out of the local operating fee account for deposit by the
33 universities into the state treasury higher education operating fee
34 accounts. The state treasurer shall transfer the proportional share
35 from the University of Washington operating fees account, the
36 Washington State University operating fees account, and the Central
37 Washington University operating fees account the amount computed in RCW

1 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6)
2 to reimburse the general fund.

3 NEW SECTION. **Sec. 613.** The following acts or parts of acts are
4 each repealed:

5 (1) RCW 43.105.300 (Education in use of technology encouraged) and
6 1996 c 171 s 14; and

7 (2) RCW 43.105.360 (Web directory--Public community technology
8 programs) and 2008 c 262 s 5.

9 NEW SECTION. **Sec. 614.** RCW 43.105.080, 43.105.320, and 43.105.410
10 are each recodified as sections in chapter 43.19 RCW.

11 NEW SECTION. **Sec. 615.** RCW 43.105.370, 43.105.372, 43.105.374,
12 43.105.376, 43.105.380, 43.105.382, 43.105.390, and 43.105.400 are each
13 recodified as sections in chapter 43.330 RCW.

14 **PART VII**

15 **CREATING THE OFFICE OF CHIEF INFORMATION OFFICER**

16 NEW SECTION. **Sec. 701.** Information technology is a tool used by
17 state agencies to improve their ability to deliver public services
18 efficiently and effectively. Advances in information technology -
19 including advances in hardware, software, and business processes for
20 implementing and managing these resources - offer new opportunities to
21 improve the level of support provided to citizens and state agencies
22 and to reduce the per-transaction cost of these services. These
23 advances are one component in the process of reengineering how
24 government delivers services to citizens.

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

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

6 Establishing the office of chief information officer and partnering
7 it with the director of financial management will provide state
8 government with the cohesive structure necessary to develop improved
9 operating models with agency directors and reengineer business process
10 to enhance service delivery while capturing savings.

11 NEW SECTION. **Sec. 702.** (1) The office of the chief information
12 officer is created within the office of financial management.

13 (2) Powers, duties, and functions assigned to the department of
14 information services as specified in this chapter shall be transferred
15 to the office of chief information officer as provided in this chapter.

16 (3) The primary duties of the office are:

17 (a) To prepare and lead the implementation of a strategic direction
18 and enterprise architecture for information technology for state
19 government;

20 (b) To enable the standardization and consolidation of information
21 technology infrastructure across all state agencies to support
22 enterprise-based system development and improve and maintain service
23 delivery;

24 (c) To establish standards and policies for the consistent and
25 efficient operation of information technology services throughout state
26 government;

27 (d) To establish statewide enterprise architecture that will serve
28 as the organizing standard for information technology for state
29 agencies;

30 (e) Educate and inform state managers and policymakers on
31 technological developments, industry trends and best practices,
32 industry benchmarks that strengthen decision making and professional
33 development, and industry understanding for public managers and
34 decision makers.

35 (4) In the case of institutions of higher education, the powers of
36 the office and the provisions of this chapter apply to business and
37 administrative applications but do not apply to (a) academic and

1 research applications; and (b) medical, clinical, and health care
2 applications, including the business and administrative applications
3 for such operations. However, institutions of higher education must
4 disclose to the office any proposed academic applications that are
5 enterprise-wide in nature relative to the needs and interests of other
6 institutions of higher education.

7 (5) The legislature and the judiciary, which are constitutionally
8 recognized as separate branches of government, are strongly encouraged
9 to coordinate with the office and participate in shared services
10 initiatives and the development of enterprise-based strategies, where
11 appropriate.

12 NEW SECTION. **Sec. 703.** (1) The executive head and appointing
13 authority of the office is the chief information officer. The chief
14 information officer shall be appointed by the governor, subject to
15 confirmation by the senate. The chief information officer shall serve
16 at the pleasure of the governor. The chief information officer shall
17 be paid a salary fixed by the governor. If a vacancy occurs in the
18 position of chief information officer while the senate is not in
19 session, the governor shall make a temporary appointment until the next
20 meeting of the senate at which time he or she shall present to that
21 body his or her nomination for the position.

22 (2) The chief information officer may employ staff members, some of
23 whom may be exempt from chapter 41.06 RCW, and any additional staff
24 members as are necessary to administer this chapter, and such other
25 duties as may be authorized by law. The chief information officer may
26 delegate any power or duty vested in him or her by this chapter or
27 other law.

28 (3) The internal affairs of the office shall be under the control
29 of the chief information officer in order that the chief information
30 officer may manage the office in a flexible and intelligent manner as
31 dictated by changing contemporary circumstances. Unless specifically
32 limited by law, the chief information officer shall have complete
33 charge and supervisory powers over the office. The chief information
34 officer may create such administrative structures as the chief
35 information officer deems appropriate, except as otherwise specified by
36 law, and the chief information officer may employ staff members as may

1 be necessary in accordance with chapter 41.06 RCW, except as otherwise
2 provided by law.

3 NEW SECTION. **Sec. 704.** The chief information officer shall:

4 (1) Supervise and administer the activities of the office of chief
5 information officer;

6 (2) Exercise all the powers and perform all the duties prescribed
7 by law with respect to the administration of this chapter including:

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

11 (b) Report to the governor any matters relating to abuses and
12 evasions of this chapter.

13 (3) In addition to other powers and duties granted, the chief
14 information officer has the following powers and duties:

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

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

20 (c) Apply for grants from public and private entities, and receive
21 and administer any grant funding received for the purpose and intent of
22 this chapter;

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

26 (e) Delegate powers, duties, and functions as the chief information
27 officer deems necessary for efficient administration, but the chief
28 information officer shall be responsible for the official acts of the
29 officers and employees of the office; and

30 (f) Perform other duties as are necessary and consistent with law.

31 NEW SECTION. **Sec. 705.** The definitions in this section apply
32 throughout this chapter unless the context clearly requires otherwise.

33 (1) "Backbone network" means the shared high-density portions of
34 the state's telecommunications transmission facilities. It includes
35 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 (2) "Board" means the technology services board.

5 (3) "Committee" means the state interoperability executive
6 committee.

7 (4) "Educational sectors" means those institutions of higher
8 education, school districts, and educational service districts that use
9 the network for distance education, data transmission, and other uses
10 permitted by the board.

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

16 (6) "Equipment" means the machines, devices, and transmission
17 facilities used in information processing, including but not limited to
18 computers, terminals, telephones, wireless communications system
19 facilities, cables, and any physical facility necessary for the
20 operation of such equipment.

21 (7) "Information" includes, but is not limited to, data, text,
22 voice, and video.

23 (8) "Information technology" includes, but is not limited to, all
24 electronic technology systems and services, automated information
25 handling, system design and analysis, conversion of data, computer
26 programming, information storage and retrieval, telecommunications,
27 requisite system controls, simulation, electronic commerce, and all
28 related interactions between people and machines.

29 (9) "Information technology portfolio" or "portfolio" means a
30 strategic management process documenting relationships between agency
31 missions and information technology and telecommunications investments.

32 (10) "K-20 network" means the network established in section 718 of
33 this act.

34 (11) "Local governments" includes all municipal and quasi-municipal
35 corporations and political subdivisions, and all agencies of such
36 corporations and subdivisions authorized to contract separately.

37 (12) "Office" means the office of the chief information officer.

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

4 (14) "Proprietary software" means that software offered for sale or
5 license.

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

9 (16) "Telecommunications" includes, but is not limited to, wireless
10 or wired systems for transport of voice, video, and data
11 communications, network systems, requisite facilities, equipment,
12 system controls, simulation, electronic commerce, and all related
13 interactions between people and machines. "Telecommunications" does
14 not include public safety communications.

15 **STANDARDS AND POLICIES**

16 NEW SECTION. **Sec. 706.** (1) The chief information officer shall
17 establish standards and policies to govern information technology in
18 the state of Washington.

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

21 (a) To develop statewide standards and policies governing the
22 acquisition and disposition of equipment, software, and personal and
23 purchased services, licensing of the radio spectrum by or on behalf of
24 state agencies, and confidentiality of computerized data;

25 (b) To develop statewide or interagency technical policies,
26 standards, and procedures;

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

32 (d) To develop a detailed business plan for any service or activity
33 to be contracted under RCW 41.06.142(7)(b) by the consolidated
34 technology services agency;

35 (e) To provide direction concerning strategic planning goals and

1 objectives for the state. The office shall seek input from the
2 legislature and the judiciary; and

3 (f) To establish policies for the periodic review by the office of
4 agency performance which may include but are not limited to analysis
5 of:

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

7 (ii) Training and education; and

8 (iii) Project management.

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

13 (a) Establish technical standards to facilitate electronic access
14 to government information and interoperability of information systems,
15 including wireless communications systems; and

16 (b) Require agencies to include an evaluation of electronic public
17 access needs when planning new information systems or major upgrades of
18 systems.

19 In developing these standards, the office is encouraged to include
20 the state library, state archives, and appropriate representatives of
21 state and local government.

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

24 **STRATEGIC PLANNING**

25 NEW SECTION. **Sec. 707.** (1) The office shall prepare a state
26 strategic information technology plan which shall establish a statewide
27 mission, goals, and objectives for the use of information technology,
28 including goals for electronic access to government records,
29 information, and services. The plan shall be developed in accordance
30 with the standards and policies established by the office. The office
31 shall seek the advice of the board in the development of this plan.

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

34 (2) The office shall prepare a biennial state performance report on
35 information technology based on agency performance reports required

1 under section 710 of this act and other information deemed appropriate
2 by the office. The report shall include, but not be limited to:

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

6 (b) An evaluation of performance relating to information
7 technology;

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

12 (d) An analysis of the success or failure, feasibility, progress,
13 costs, and timeliness of implementation of major information technology
14 projects under section 712 of this act. At a minimum, the portion of
15 the report regarding major technology projects must include:

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

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

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

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

28 (v) Identification of benefits generated by major information
29 technology projects developed under section 712 of this act.

30 Copies of the report shall be distributed biennially to the
31 governor and the legislature. The major technology section of the
32 report must examine major information technology projects completed in
33 the previous biennium.

34 **PORTFOLIO MANAGEMENT**

35 NEW SECTION. **Sec. 708.** Management of information technology
36 across state government requires managing resources and business

1 processes across multiple agencies. It is no longer sufficient to
2 pursue efficiencies within agency or individual business process
3 boundaries. The state must manage the business process changes and
4 information technology in support of business processes as a statewide
5 portfolio. The chief information officer will use agency information
6 technology portfolio planning as input to develop a statewide portfolio
7 to guide resource allocation and prioritization decisions.

8 NEW SECTION. **Sec. 709.** An agency information technology portfolio
9 shall serve as the basis for making information technology decisions
10 and plans which may include, but are not limited to:

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

21 NEW SECTION. **Sec. 710.** (1) Each agency shall develop an
22 information technology portfolio consistent with RCW 43.105.172 (as
23 recodified by this act). The superintendent of public instruction
24 shall develop its portfolio in conjunction with educational service
25 districts and statewide or regional providers of K-12 education
26 information technology services.

27 (2) Agency portfolios shall include, but not be limited to, the
28 following:

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

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

35 (c) An explanation of how the agency's mission, goals, and

1 objectives for information technology support and conform to the state
2 strategic information technology plan developed under section 707 of
3 this act;

4 (d) An implementation strategy to provide electronic access to
5 public records and information. This implementation strategy must be
6 assembled to include:

7 (i) Compliance with Title 40 RCW;

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

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

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

14 (e) Projects and resources required to meet the objectives of the
15 portfolio; and

16 (f) Where feasible, estimated schedules and funding required to
17 implement identified projects.

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

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

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

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

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

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

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

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

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

11 **BUDGET REVIEW**

12 NEW SECTION. **Sec. 711.** (1) At the request of the director of
13 financial management, the office shall evaluate both state agency
14 information technology current spending and technology budget requests,
15 including those proposed by the superintendent of public instruction,
16 in conjunction with educational service districts, or statewide or
17 regional providers of K-12 education information technology services.
18 The office shall submit recommendations for funding all or part of such
19 requests to the director of financial management. The office shall
20 also submit recommendations regarding consolidation and coordination of
21 similar proposals or other efficiencies it finds in reviewing
22 proposals.

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

1 PROJECT MANAGEMENT OVERSIGHT

2 NEW SECTION. **Sec. 712.** (1) The office shall establish standards
3 and policies governing the planning, implementation, and evaluation of
4 major information technology projects, including those proposed by the
5 superintendent of public instruction, in conjunction with educational
6 service districts, or statewide or regional providers of K-12 education
7 information technology services. The standards and policies shall:

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

12 (b) Establish a model process and procedures which state agencies
13 shall follow in developing and implementing projects within their
14 information technology portfolios. This process may include project
15 oversight experts or panels, as appropriate. Agencies may propose, for
16 approval by the office, a process and procedures unique to the agency.
17 The office may accept or require modification of such agency proposals
18 or the office may reject such agency proposals and require use of the
19 model process and procedures established under this subsection. Any
20 process and procedures developed under this subsection shall require
21 (i) distinct and identifiable phases upon which funding may be based,
22 (ii) user validation of products through system demonstrations and
23 testing of prototypes and deliverables, and (iii) other elements
24 identified by the office.

25 The chief information officer may suspend or terminate a major
26 project, and direct that the project funds be placed into unallotted
27 reserve status, if the chief information officer determines that the
28 project is not meeting or is not expected to meet anticipated
29 performance standards.

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

34 (a) Funding of a project under terms and conditions mutually agreed
35 to by the chief information officer, the director of financial
36 management, and the head of the agency proposing the project. However,
37 the office of financial management may require incremental funding of
38 a project on a phase-by-phase basis whereby funds for a given phase of

1 a project may be released only when the office of financial management
2 determines, with the advice of the office, that the previous phase is
3 satisfactorily completed; and

4 (b) Other elements deemed necessary by the office of financial
5 management.

6 NEW SECTION. **Sec. 713.** (1) Prior to making a commitment to
7 purchase, acquire, or develop a major information technology project or
8 service, state agencies must provide a proposal to the office outlining
9 the business case of the proposed product or service, including the
10 upfront and ongoing cost of the proposal.

11 (2) Within sixty days of receipt of a proposal, the office shall
12 approve the proposal, reject it, or propose modifications.

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

15 (a) The standards and policies developed by the office pursuant to
16 section 706 of this act; and

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

18 (4) If a substantially similar product or service is offered by the
19 consolidated technology services agency established in RCW 43.105.047,
20 the office may require the agency to procure the product or service
21 through the consolidated technology services agency, if doing so would
22 benefit the state as an enterprise.

23 (5) The office shall provide guidance to agencies as to what
24 threshold of information technology spending constitutes a major
25 information technology product or service under this section.

26 **ENTERPRISE ARCHITECTURE**

27 NEW SECTION. **Sec. 714.** (1) The office shall develop an
28 enterprise-based strategy for information technology in state
29 government informed by portfolio management planning and information
30 technology expenditure information collected from state agencies
31 pursuant to RCW 43.88.092.

32 (2)(a) The office shall develop an ongoing enterprise architecture
33 program for translating business vision and strategy into effective
34 enterprise change. This program will create, communicate, and improve

1 the key principles and models that describe the enterprise's future
2 state and enable its evolution, in keeping with the priorities of
3 government and the information technology strategic plan.

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

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

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

14 (ii) Developing a roadmap of priorities for creating enterprise
15 services;

16 (iii) Developing decision criteria for determining implementation
17 criteria for centralized or decentralized enterprise services;

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

20 (v) Performing such other duties as may be assigned by the office
21 to promote effective enterprise change.

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

27 **ADVISORY BOARD--CREATION AND DUTIES**

28 NEW SECTION. **Sec. 715.** The technology services board is created
29 within the office of the chief information officer.

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

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

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

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

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

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

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

24 (4) Members of the board shall be reimbursed for travel expenses as
25 provided in RCW 43.03.050 and 43.03.060.

26 (5) The office shall provide staff support to the board.

27 NEW SECTION. **Sec. 716.** The board shall have the following powers
28 and duties related to information services:

29 (1) To review and approve standards and procedures, developed by
30 the office of the chief information officer, governing the acquisition
31 and disposition of equipment, proprietary software, and purchased
32 services, licensing of the radio spectrum by or on behalf of state
33 agencies, and confidentiality of computerized data;

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

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

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

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

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

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

23 (5) To develop a policy to determine whether a proposed project,
24 product, or service should undergo an independent technical and
25 financial analysis prior to submitting a request to the office of
26 financial management for the inclusion in any proposed operating,
27 capital, or transportation budget;

28 (6) To approve contracting for services and activities under RCW
29 41.06.142(7) for the consolidated technology service agency. To
30 approve any service or activity to be contracted under RCW
31 41.06.142(7)(b), the board must also review the proposed business plan
32 and recommendation submitted by the office;

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

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

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

3 **INTEROPERABILITY COMMITTEE--TRANSFER FROM DEPARTMENT OF**
4 **INFORMATION SERVICES**

5 NEW SECTION. **Sec. 717.** (1) The chief information officer shall
6 appoint a state interoperability executive committee, the membership of
7 which must include, but not be limited to, representatives of the
8 military department, the Washington state patrol, the department of
9 transportation, the office of the chief information officer, the
10 department of natural resources, city and county governments, state and
11 local fire chiefs, police chiefs, and sheriffs, and state and local
12 emergency management directors. The chair and legislative members of
13 the board will serve as nonvoting ex officio members of the committee.
14 Voting membership may not exceed fifteen members.

15 (2) The chief information officer shall appoint the chair of the
16 committee from among the voting members of the committee.

17 (3) The state interoperability executive committee has the
18 following responsibilities:

19 (a) Develop policies and make recommendations to the office for
20 technical standards for state wireless radio communications systems,
21 including emergency communications systems. The standards must
22 address, among other things, the interoperability of systems, taking
23 into account both existing and future systems and technologies;

24 (b) Coordinate and manage on behalf of the office the licensing and
25 use of state-designated and state-licensed radio frequencies, including
26 the spectrum used for public safety and emergency communications, and
27 serve as the point of contact with the federal communications
28 commission on matters relating to allocation, use, and licensing of
29 radio spectrum;

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

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

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

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

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

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

7 (f) Foster cooperation and coordination among public safety and
8 emergency response organizations;

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

12 (h) Perform such other duties as may be assigned by the office to
13 promote interoperability of wireless communications systems.

14 (4) The office shall provide administrative support to the
15 committee.

16 **K-20 GOVERNANCE AND OPERATIONS OVERSIGHT--TRANSFER FROM**
17 **DEPARTMENT OF INFORMATION SERVICES**

18 NEW SECTION. **Sec. 718.** (1) The office has the duty to govern and
19 oversee the technical design, implementation, and operation of the K-20
20 network including, but not limited to, the following duties:
21 Establishment and implementation of K-20 network technical policy,
22 including technical standards and conditions of use; review and
23 approval of network design; and resolving user/provider disputes.

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

25 (a) In cooperation with the educational sectors and other
26 interested parties, to establish goals and measurable objectives for
27 the network;

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

31 (c) To adopt, modify, and implement policies to facilitate network
32 development, operation, and expansion. Such policies may include but
33 need not be limited to the following issues: Quality of educational
34 services; access to the network by recognized organizations and
35 accredited institutions that deliver educational programming, including
36 public libraries; prioritization of programming within limited

1 resources; prioritization of access to the system and the sharing of
2 technological advances; network security; identification and evaluation
3 of emerging technologies for delivery of educational programs; future
4 expansion or redirection of the system; network fee structures; and
5 costs for the development and operation of the network;

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

15 (e) To adopt and monitor the implementation of a methodology to
16 evaluate the effectiveness of the network in achieving the educational
17 goals and measurable objectives;

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

27 NEW SECTION. **Sec. 719.** The office shall maintain, in consultation
28 with the K-20 network users, the K-20 operations cooperative, which
29 shall be responsible for day-to-day network management, technical
30 network status monitoring, technical problem response coordination, and
31 other duties as agreed to by the office and the educational sectors.
32 Funding for the K-20 operations cooperative shall be provided from the
33 education technology revolving fund under RCW 43.105.835 (as recodified
34 by this act).

35 NEW SECTION. **Sec. 720.** The chief information officer, in
36 conjunction with the K-20 network users, shall maintain a technical

1 plan of the K-20 telecommunications system and ongoing system
2 enhancements. The office shall ensure that the technical plan adheres
3 to the goals and objectives established under section 706 of this act.
4 The technical plan shall provide for:

5 (1) A telecommunications backbone connecting educational service
6 districts, the main campuses of public baccalaureate institutions, the
7 branch campuses of public research institutions, and the main campuses
8 of community colleges and technical colleges.

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

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

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

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

30 NEW SECTION. **Sec. 721.** (1) In overseeing the technical aspects of
31 the K-20 network, the office is not intended to duplicate the statutory
32 responsibilities of the higher education coordinating board, the
33 superintendent of public instruction, the state librarian, or the
34 governing boards of the institutions of higher education.

35 (2) The office may not interfere in any curriculum or legally
36 offered programming offered over the K-20 network.

1 (3) The responsibility to review and approve standards and common
2 specifications for the K-20 network remains the responsibility of the
3 office under section 706 of this act.

4 (4) The coordination of telecommunications planning for the common
5 schools remains the responsibility of the superintendent of public
6 instruction. Except as set forth in section 706(2)(f) of this act, the
7 office may recommend, but not require, revisions to the
8 superintendent's telecommunications plans.

9 **Sec. 722.** RCW 43.105.835 and 2004 c 276 s 910 are each amended to
10 read as follows:

11 (1) The education technology revolving fund is created in the
12 custody of the state treasurer. All receipts from billings under
13 subsection (2) of this section must be deposited in the revolving fund.
14 Only the (~~director of the department of information services or the~~
15 ~~director's designee~~) chief information officer or the chief
16 information officer's designee may authorize expenditures from the
17 fund. The revolving fund shall be used to pay for K-20 network
18 operations, transport, equipment, software, supplies, and services,
19 maintenance and depreciation of on-site data, and shared
20 infrastructure, and other costs incidental to the development,
21 operation, and administration of shared educational information
22 technology services, telecommunications, and systems. The revolving
23 fund shall not be used for the acquisition, maintenance, or operations
24 of local telecommunications infrastructure or the maintenance or
25 depreciation of on-premises video equipment specific to a particular
26 institution or group of institutions.

27 (2) The revolving fund and all disbursements from the revolving
28 fund are subject to the allotment procedure under chapter 43.88 RCW,
29 but an appropriation is not required for expenditures. The
30 (~~department of information services~~) office shall, (~~in consultation~~
31 ~~with entities connected to the network under RCW 43.105.820 and~~)
32 subject to the review and approval of the office of financial
33 management, establish and implement a billing structure for network
34 services identified in subsection (1) of this section.

35 (3) The (~~department~~) office shall charge those public entities
36 connected to the K-20 (~~telecommunications [telecommunication system]~~
37 ~~under RCW 43.105.820~~) telecommunications system under section 720 of

1 this act an annual copayment per unit of transport connection as
2 determined by the legislature after consideration of the ((K-20))
3 board's recommendations. This copayment shall be deposited into the
4 revolving fund to be used for the purposes in subsection (1) of this
5 section. It is the intent of the legislature to appropriate to the
6 revolving fund such moneys as necessary to cover the costs for
7 transport, maintenance, and depreciation of data equipment located at
8 the individual public institutions, maintenance and depreciation of the
9 K-20 network backbone, and services provided to the network under ((RCW
10 43.105.815-

11 ~~(4) During the 2003-05 biennium, the legislature may transfer~~
12 ~~moneys from the education technology revolving fund to the state~~
13 ~~general fund and the data processing revolving fund such amounts as~~
14 ~~reflect the excess fund balance of the account)) section 718 of this
15 act.~~

16 **GENERAL PROVISIONS RELATED TO OFFICE OF CHIEF INFORMATION OFFICER**

17 NEW SECTION. Sec. 723. A new section is added to chapter 41.06
18 RCW to read as follows:

19 In addition to the exemptions under RCW 41.06.070, the provisions
20 of this chapter do not apply in the office of the chief information
21 officer to the chief information officer, the chief information
22 officer's confidential secretary, assistant directors, and any other
23 exempt staff members provided for in section 703 of this act.

24 **Sec. 724.** RCW 43.105.290 and 1996 c 171 s 13 are each amended to
25 read as follows:

26 The state library, with the assistance of the ((~~department of~~
27 ~~information services~~)) office and the state archives, shall establish
28 a pilot project to design and test an electronic information locator
29 system, allowing members of the public to locate and access electronic
30 public records. In designing the system, the following factors shall
31 be considered: (1) Ease of operation by citizens; (2) access through
32 multiple technologies, such as direct dial and toll-free numbers,
33 kiosks, and the internet; (3) compatibility with private online
34 services; and (4) capability of expanding the electronic public records
35 included in the system. The pilot project may restrict the type and

1 quality of electronic public records that are included in the system to
2 test the feasibility of making electronic public records and
3 information widely available to the public.

4 **Sec. 725.** RCW 28A.650.015 and 2009 c 556 s 17 are each amended to
5 read as follows:

6 (1) The superintendent of public instruction, to the extent funds
7 are appropriated, shall develop and implement a Washington state K-12
8 education technology plan. The technology plan shall be updated on at
9 least a biennial basis, shall be developed to coordinate and expand the
10 use of education technology in the common schools of the state. The
11 plan shall be consistent with applicable provisions of chapter 43.105
12 RCW. The plan, at a minimum, shall address:

13 (a) The provision of technical assistance to schools and school
14 districts for the planning, implementation, and training of staff in
15 the use of technology in curricular and administrative functions;

16 (b) The continued development of a network to connect school
17 districts, institutions of higher learning, and other sources of online
18 information; and

19 (c) Methods to equitably increase the use of education technology
20 by students and school personnel throughout the state.

21 (2) The superintendent of public instruction shall appoint an
22 educational technology advisory committee to assist in the development
23 and implementation of the technology plan in subsection (1) of this
24 section. The committee shall include, but is not limited to, persons
25 representing: ~~The ((department of information services))~~ office of the
26 chief information officer, educational service districts, school
27 directors, school administrators, school principals, teachers,
28 classified staff, higher education faculty, parents, students,
29 business, labor, scientists and mathematicians, the higher education
30 coordinating board, the workforce training and education coordinating
31 board, and the state library.

32 (3) The plan adopted and implemented under this section may not
33 impose on school districts any requirements that are not specifically
34 required by federal law or regulation, including requirements to
35 maintain eligibility for the federal schools and libraries program of
36 the universal service fund.

1 **Sec. 726.** RCW 39.94.040 and 2010 1st sp.s. c 36 s 6015 and 2010
2 1st sp.s. c 35 s 406 are each reenacted and amended to read as follows:

3 (1) Except as provided in RCW 28B.10.022, the state may not enter
4 into any financing contract for itself if the aggregate principal
5 amount payable thereunder is greater than an amount to be established
6 from time to time by the state finance committee or participate in a
7 program providing for the issuance of certificates of participation,
8 including any contract for credit enhancement, without the prior
9 approval of the state finance committee. Except as provided in RCW
10 28B.10.022, the state finance committee shall approve the form of all
11 financing contracts or a standard format for all financing contracts.
12 The state finance committee also may:

13 (a) Consolidate existing or potential financing contracts into
14 master financing contracts with respect to property acquired by one or
15 more agencies, departments, instrumentalities of the state, the state
16 board for community and technical colleges, or a state institution of
17 higher learning; or to be acquired by another agency;

18 (b) Approve programs providing for the issuance of certificates of
19 participation in master financing contracts for the state or for other
20 agencies;

21 (c) Enter into agreements with trustees relating to master
22 financing contracts; and

23 (d) Make appropriate rules for the performance of its duties under
24 this chapter.

25 (2) In the performance of its duties under this chapter, the state
26 finance committee may consult with representatives from the department
27 of general administration, the office of financial management, and the
28 (~~department of information services~~) office of the chief information
29 officer.

30 (3) With the approval of the state finance committee, the state
31 also may enter into agreements with trustees relating to financing
32 contracts and the issuance of certificates of participation.

33 (4) Except for financing contracts for real property used for the
34 purposes described under chapter 28B.140 RCW, the state may not enter
35 into any financing contract for real property of the state without
36 prior approval of the legislature. For the purposes of this
37 requirement, a financing contract must be treated as used for real
38 property if it is being entered into by the state for the acquisition

1 of land; the acquisition of an existing building; the construction of
2 a new building; or a major remodeling, renovation, rehabilitation, or
3 rebuilding of an existing building. Prior approval of the legislature
4 is not required under this chapter for a financing contract entered
5 into by the state under this chapter for energy conservation
6 improvements to existing buildings where such improvements include:
7 (a) Fixtures and equipment that are not part of a major remodeling,
8 renovation, rehabilitation, or rebuilding of the building, or (b) other
9 improvements to the building that are being performed for the primary
10 purpose of energy conservation. Such energy conservation improvements
11 must be determined eligible for financing under this chapter by the
12 office of financial management in accordance with financing guidelines
13 established by the state treasurer, and are to be treated as personal
14 property for the purposes of this chapter.

15 (5) The state may not enter into any financing contract on behalf
16 of another agency without the approval of such a financing contract by
17 the governing body of the other agency.

18 **Sec. 727.** RCW 40.14.020 and 2002 c 358 s 4 are each amended to
19 read as follows:

20 All public records shall be and remain the property of the state of
21 Washington. They shall be delivered by outgoing officials and
22 employees to their successors and shall be preserved, stored,
23 transferred, destroyed or disposed of, and otherwise managed, only in
24 accordance with the provisions of this chapter. In order to insure the
25 proper management and safeguarding of public records, the division of
26 archives and records management is established in the office of the
27 secretary of state. The state archivist, who shall administer the
28 division and have reasonable access to all public records, wherever
29 kept, for purposes of information, surveying, or cataloguing, shall
30 undertake the following functions, duties, and responsibilities:

- 31 (1) To manage the archives of the state of Washington;
- 32 (2) To centralize the archives of the state of Washington, to make
33 them available for reference and scholarship, and to insure their
34 proper preservation;
- 35 (3) To inspect, inventory, catalog, and arrange retention and
36 transfer schedules on all record files of all state departments and
37 other agencies of state government;

1 (4) To insure the maintenance and security of all state public
2 records and to establish safeguards against unauthorized removal or
3 destruction;

4 (5) To establish and operate such state record centers as may from
5 time to time be authorized by appropriation, for the purpose of
6 preserving, servicing, screening and protecting all state public
7 records which must be preserved temporarily or permanently, but which
8 need not be retained in office space and equipment;

9 (6) To adopt rules under chapter 34.05 RCW:

10 (a) Setting standards for the durability and permanence of public
11 records maintained by state and local agencies;

12 (b) Governing procedures for the creation, maintenance,
13 transmission, cataloging, indexing, storage, or reproduction of
14 photographic, optical, electronic, or other images of public documents
15 or records in a manner consistent with current standards, policies, and
16 procedures of the (~~department of information services~~) office of the
17 chief information officer for the acquisition of information
18 technology;

19 (c) Governing the accuracy and durability of, and facilitating
20 access to, photographic, optical, electronic, or other images used as
21 public records; or

22 (d) To carry out any other provision of this chapter;

23 (7) To gather and disseminate to interested agencies information on
24 all phases of records management and current practices, methods,
25 procedures, techniques, and devices for efficient and economical
26 management and preservation of records;

27 (8) To operate a central microfilming bureau which will microfilm,
28 at cost, records approved for filming by the head of the office of
29 origin and the archivist; to approve microfilming projects undertaken
30 by state departments and all other agencies of state government; and to
31 maintain proper standards for this work;

32 (9) To maintain necessary facilities for the review of records
33 approved for destruction and for their economical disposition by sale
34 or burning; directly to supervise such destruction of public records as
35 shall be authorized by the terms of this chapter;

36 (10) To assist and train state and local agencies in the proper
37 methods of creating, maintaining, cataloging, indexing, transmitting,

1 storing, and reproducing photographic, optical, electronic, or other
2 images used as public records;

3 (11) To solicit, accept, and expend donations as provided in RCW
4 43.07.037 for the purpose of the archive program. These purposes
5 include, but are not limited to, acquisition, accession,
6 interpretation, and display of archival materials. Donations that do
7 not meet the criteria of the archive program may not be accepted.

8 **Sec. 728.** RCW 42.17.460 and 1999 c 401 s 1 are each amended to
9 read as follows:

10 It is the intent of the legislature to ensure that the commission
11 provide the general public timely access to all contribution and
12 expenditure reports submitted by candidates, continuing political
13 committees, bona fide political parties, lobbyists, and lobbyists'
14 employers. The legislature finds that failure to meet goals for full
15 and timely disclosure threatens to undermine our electoral process.

16 Furthermore, the legislature intends for the commission to consult
17 with the ((~~department of information services~~)) office of the chief
18 information officer as it seeks to implement chapter 401, Laws of 1999,
19 and that the commission follow the standards and procedures established
20 by the ((~~department of information services~~)) office of the chief
21 information officer in chapter 43.105 RCW as they relate to information
22 technology.

23 **Sec. 729.** RCW 42.17.467 and 1999 c 401 s 5 are each amended to
24 read as follows:

25 In preparing the information technology plan, the commission shall
26 consult with affected state agencies, the ((~~department of information~~
27 ~~services~~)) office of the chief information officer, and stakeholders in
28 the commission's work, including representatives of political
29 committees, bona fide political parties, news media, and the general
30 public.

31 **Sec. 730.** RCW 42.17.469 and 1999 c 401 s 6 are each amended to
32 read as follows:

33 The commission shall submit the information technology plan to the
34 senate and house of representatives fiscal committees, the governor,
35 the senate state and local government committee, the house of

1 representatives state government committee, and the (~~department of~~
2 ~~information services~~) office of the chief information officer by
3 February 1, 2000. It is the intent of the legislature that the
4 commission thereafter comply with the requirements of chapter 43.105
5 RCW with respect to preparation and submission of biennial performance
6 reports on the commission's information technology.

7 **Sec. 731.** RCW 42.17.471 and 1999 c 401 s 7 are each amended to
8 read as follows:

9 The commission shall prepare and submit to the (~~department of~~
10 ~~information services~~) office of the chief information officer a
11 biennial performance report (~~in accordance with chapter 43.105 RCW~~).

12 The report must include:

13 (1) An evaluation of the agency's performance relating to
14 information technology;

15 (2) An assessment of progress made toward implementing the agency
16 information technology plan;

17 (3) An analysis of the commission's performance measures, set forth
18 in RCW 42.17.463, that relate to the electronic filing of reports and
19 timely public access to those reports via the commission's web site;

20 (4) A comprehensive description of the methods by which citizens
21 may interact with the agency in order to obtain information and
22 services from the commission; and

23 (5) An inventory of agency information services, equipment, and
24 proprietary software.

25 **Sec. 732.** RCW 42.17A.060 and 1999 c 401 s 1 are each amended to
26 read as follows:

27 It is the intent of the legislature to ensure that the commission
28 provide the general public timely access to all contribution and
29 expenditure reports submitted by candidates, continuing political
30 committees, bona fide political parties, lobbyists, and lobbyists'
31 employers. The legislature finds that failure to meet goals for full
32 and timely disclosure threatens to undermine our electoral process.

33 Furthermore, the legislature intends for the commission to consult
34 with the (~~department of information services~~) office of the chief
35 information officer as it seeks to implement chapter 401, Laws of 1999,
36 and that the commission follow the standards and procedures established

1 by the (~~department of information services~~) office of the chief
2 information officer in chapter 43.105 RCW as they relate to information
3 technology.

4 **Sec. 733.** RCW 43.88.092 and 2010 c 282 s 3 are each amended to
5 read as follows:

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

13 (2) The office of financial management must collect, and present as
14 part of the biennial budget documentation, information for all existing
15 information technology projects as defined by information services
16 board policy. The office of financial management must work with the
17 (~~department of information services~~) office of the chief information
18 officer to maximize the ability to draw this information from the
19 information technology portfolio management data collected by the
20 department of information services pursuant to RCW 43.105.170.
21 Connecting project information collected through the portfolio
22 management process with financial data developed under subsection (1)
23 of this section provides transparency regarding expenditure data for
24 existing technology projects.

25 (3) The biennial budget documentation submitted by the office of
26 financial management pursuant to RCW 43.88.030 must include an
27 information technology plan and a technology budget for the state
28 identifying current baseline funding for information technology,
29 proposed (~~large~~) and ongoing major information technology projects,
30 and their associated costs. This plan and technology budget must be
31 presented using a method similar to the capital budget, identifying
32 project costs through stages of the project and across fiscal periods
33 and biennia from project initiation to implementation. This
34 information must be submitted electronically, in a format to be
35 determined by the office of financial management and the legislative
36 evaluation and accountability program committee.

1 (4) The office of financial management shall also institute a
2 method of accounting for information technology-related expenditures,
3 including creating common definitions for what constitutes an
4 information technology investment.

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

10 **Sec. 734.** RCW 43.105.410 and 2010 c 282 s 2 are each amended to
11 read as follows:

12 (1) State agencies that are purchasing wireless devices or services
13 must make such purchases through the state master contract, unless the
14 state agency provides to the office of (~~financial management~~) the
15 chief information officer evidence that the state agency is securing
16 its wireless devices or services from another source for a lower cost
17 than through participation in the state master contract.

18 (2) For the purposes of this section, "state agency" means any
19 office, department, board, commission, or other unit of state
20 government, but does not include a unit of state government headed by
21 a statewide elected official, an institution of higher education as
22 defined in RCW 28B.10.016, the higher education coordinating board, the
23 state board for community and technical colleges, or agencies of the
24 legislative or judicial branches of state government.

25 **STATE DATA CENTER**

26 NEW SECTION. **Sec. 735.** (1) Except as provided by subsection (2)
27 of this section, state agencies shall locate all existing and new
28 servers in the state data center.

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

34 (3) The office, in consultation with the office of financial

1 management, shall continue to develop the business plan and migration
2 schedule for moving all state agencies into the state data center.

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

7 (5) This section does not apply to institutions of higher
8 education.

9 **MIGRATION TO A CENTRAL SERVICE PROVIDER**

10 NEW SECTION. **Sec. 736.** (1) The office shall conduct a needs
11 assessment and develop a migration strategy to ensure that, over time,
12 all state agencies are moving towards using the consolidated technology
13 services agency established in RCW 43.105.047 as their central service
14 provider for all utility-based infrastructure services, including
15 centralized PC and infrastructure support. Agency specific application
16 services shall remain managed within individual agencies.

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

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

24 (4) This section does not apply to institutions of higher
25 education.

26 **PART VIII**
27 **CREATING THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

28 NEW SECTION. **Sec. 801.** A new section is added to chapter 43.105
29 RCW to read as follows:

30 To achieve maximum benefit from advances in information technology
31 the state establishes a centralized provider and procurer of certain
32 information technology services as an agency to support the needs of
33 state agencies. This agency shall be known as the consolidated
34 technology services agency. To ensure maximum benefit to the state,

1 state agencies shall rely on the consolidated technology services
2 agency for those services with a business case of broad use,
3 uniformity, scalability, and price sensitivity to aggregation and
4 volume.

5 To successfully meet agency needs and meet its obligation as the
6 primary service provider for these services, the consolidated
7 technology services agency must offer high quality services at the
8 lowest possible price. It must be able to attract an adaptable and
9 competitive workforce, be authorized to procure services where the
10 business case justifies it, and be accountable to its customers for the
11 efficient and effective delivery of critical business services.

12 The consolidated technology services agency is established as an
13 agency in state government. The agency is established with clear
14 accountability to the agencies it serves and to the public. This
15 accountability will come through enhanced transparency in the agency's
16 operation and performance. The agency is also established with broad
17 flexibility to adapt its operations and service catalog to address the
18 needs of customer agencies, and to do so in the most cost-effective
19 ways.

20 **Sec. 802.** RCW 43.105.020 and 2010 1st sp.s. c 7 s 64 are each
21 amended to read as follows:

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

24 (1) (~~"Administrator" means the community technology opportunity~~
25 ~~program administrator designated by the department.~~

26 (2) ~~"Backbone network" means the shared high density portions of~~
27 ~~the state's telecommunications transmission facilities. It includes~~
28 ~~specially conditioned high speed communications carrier lines,~~
29 ~~multiplexors, switches associated with such communications lines, and~~
30 ~~any equipment and software components necessary for management and~~
31 ~~control of the backbone network.~~

32 (3) ~~"Board" means the information services board.~~

33 (4) ~~"Broadband" means a high speed, high capacity transmission~~
34 ~~medium, using land based, satellite, wireless, or any other mechanism,~~
35 ~~that can carry either signals or transmit data, or both, over long~~
36 ~~distances by using a wide range of frequencies.~~

1 ~~(5) "Committee" means the state interoperability executive~~
2 ~~committee.~~

3 ~~(6) "Common vendor registration and bid notification system" has~~
4 ~~the definition in RCW 39.29.006.~~

5 ~~(7) "Community technology programs" means programs that are engaged~~
6 ~~in diffusing information and communications technology in local~~
7 ~~communities, particularly in unserved and underserved areas of the~~
8 ~~state. These programs may include, but are not limited to, programs~~
9 ~~that provide education and skill building opportunities, hardware and~~
10 ~~software, internet connectivity, digital media literacy, development of~~
11 ~~locally relevant content, and delivery of vital services through~~
12 ~~technology.~~

13 ~~(8) "Council" means the advisory council on digital inclusion~~
14 ~~created in RCW 43.105.400.~~

15 ~~(9) "Department" means the department of information services.~~

16 ~~(10))~~ "Agency" means the consolidated technology services agency.

17 (2) "Customer agencies" means all entities that purchase or use
18 information technology resources, telecommunications, or services from
19 the consolidated technology services agency.

20 (3) "Director" means the director of the ((department))
21 consolidated technology services agency.

22 ~~((11) "Educational sectors" means those institutions of higher~~
23 ~~education, school districts, and educational service districts that use~~
24 ~~the network for distance education, data transmission, and other uses~~
25 ~~permitted by the K-20 board.~~

26 ~~(12))~~ (4) "Equipment" means the machines, devices, and
27 transmission facilities used in information processing, ((such as))
28 including but not limited to computers, ((word processors,)) terminals,
29 telephones, wireless communications system facilities, cables, and any
30 physical facility necessary for the operation of such equipment.

31 ~~((13) "High speed internet" means broadband.~~

32 ~~(14) "Information" includes, but is not limited to, data, text,~~
33 ~~voice, and video.~~

34 ~~(15) "Information processing" means the electronic capture,~~
35 ~~collection, storage, manipulation, transmission, retrieval, and~~
36 ~~presentation of information in the form of data, text, voice, or image~~
37 ~~and includes telecommunications and office automation functions.~~

1 ~~(16) "Information services" means data processing,~~
2 ~~telecommunications, office automation, and computerized information~~
3 ~~systems.~~

4 ~~(17))~~ (5) "Enterprise architecture" means an ongoing program for
5 translating business vision and strategy into effective enterprise
6 change. It is a continuous activity. Enterprise architecture creates,
7 communicates, and improves the key principles and models that describe
8 the enterprise's future state and enable its evolution.

9 (6) "Information technology" includes, but is not limited to, all
10 electronic technology systems and services, automated information
11 handling, system design and analysis, conversion of data, computer
12 programming, information storage and retrieval, telecommunications,
13 requisite system controls, simulation, electronic commerce, and all
14 related interactions between people and machines.

15 (7) "Information technology portfolio" or "portfolio" means a
16 strategic management process documenting relationships between agency
17 missions and information technology and telecommunications investments.

18 ~~((18) "K-20 network" means the network established in RCW~~
19 ~~43.105.820.~~

20 ~~(19))~~ (8) "Local governments" includes all municipal and quasi
21 municipal corporations and political subdivisions, and all agencies of
22 such corporations and subdivisions authorized to contract separately.

23 ~~((20))~~ (9) "Oversight" means a process of comprehensive risk
24 analysis and management designed to ensure optimum use of information
25 technology resources and telecommunications.

26 ~~((21))~~ (10) "Proprietary software" means that software offered
27 for sale or license.

28 ~~((22) "Purchased services" means services provided by a vendor to~~
29 ~~accomplish routine, continuing, and necessary functions. This term~~
30 ~~includes, but is not limited to, services acquired for equipment~~
31 ~~maintenance and repair, operation of a physical plant, security,~~
32 ~~computer hardware and software installation and maintenance,~~
33 ~~telecommunications installation and maintenance, data entry, keypunch~~
34 ~~services, programming services, and computer time sharing.~~

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

36 ~~(24) "Telecommunications" means the transmission of information by~~
37 ~~wire, radio, optical cable, electromagnetic, or other means.~~

1 ~~(25) "Video telecommunications" means the electronic~~
2 ~~interconnection of two or more sites for the purpose of transmitting~~
3 ~~and/or receiving visual and associated audio information. Video~~
4 ~~telecommunications shall not include existing public television~~
5 ~~broadcast stations as currently designated by the department of~~
6 ~~commerce under chapter 43.330 RCW.)) (11) "Telecommunications"~~
7 includes, but is not limited to, wireless or wired systems for
8 transport of voice, video, and data communications, network systems,
9 requisite facilities, equipment, system controls, simulation,
10 electronic commerce, and all related interactions between people and
11 machines. "Telecommunications" does not include public safety
12 communications.

13 **Sec. 803.** RCW 43.105.047 and 1999 c 80 s 5 are each amended to
14 read as follows:

15 There is created the ~~((department of information services))~~
16 consolidated technology services agency, an agency of state government.
17 The ~~((department))~~ agency shall be headed by a director appointed by
18 the governor with the consent of the senate. The director shall serve
19 at the governor's pleasure and shall receive such salary as determined
20 by the governor. The director shall:

- 21 (1) Appoint a confidential secretary and such deputy and assistant
- 22 directors as needed to administer the ~~((department))~~ agency; and
- 23 ~~(2) ((Maintain and fund a strategic planning and policy component~~
- 24 ~~separate from the services component of the department;~~
- 25 ~~(3) Appoint, after consulting with the board, the assistant or~~
- 26 ~~deputy director for the planning component;~~
- 27 ~~(4))~~ Appoint such professional, technical, and clerical assistants
- 28 and employees as may be necessary to perform the duties imposed by this
- 29 chapter(~~(+~~
- 30 ~~(5) Report to the governor and the board any matters relating to~~
- 31 ~~abuses and evasions of this chapter; and~~
- 32 ~~(6) Recommend statutory changes to the governor and the board)).~~

33 **Sec. 804.** RCW 43.105.052 and 2010 1st sp.s. c 7 s 16 are each
34 amended to read as follows:

35 The ~~((department))~~ agency shall:

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

3 ~~(a) The review of agency information technology portfolios and~~
4 ~~related requests; and~~

5 ~~(b) Implementation of statewide and interagency policies,~~
6 ~~standards, and guidelines;~~

7 ~~(2)) Make available information services to ((state)) public~~
8 ~~agencies ((and local governments)) and public benefit nonprofit~~
9 ~~corporations ((on a full cost recovery basis)). For the purposes of~~
10 ~~this section "public agency" means any agency of this state or another~~
11 ~~state; any political subdivision, or unit of local government of this~~
12 ~~state or another state including, but not limited to, municipal~~
13 ~~corporations, quasi-municipal corporations, special purpose districts,~~
14 ~~and local service districts; any agency of the United States; and any~~
15 ~~Indian tribe recognized as such by the federal government and "public~~
16 ~~benefit nonprofit corporation" means a public benefit nonprofit~~
17 ~~corporation as defined in RCW 24.03.005 that is receiving local, state,~~
18 ~~or federal funds either directly or through a public agency other than~~
19 ~~an Indian tribe or political subdivision of another state((. These~~
20 ~~services may include, but are not limited to:~~

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

22 ~~(b) Mainframe computing services;~~

23 ~~(c) Support for departmental and microcomputer evaluation,~~
24 ~~installation, and use;~~

25 ~~(d) Equipment acquisition assistance, including leasing, brokering,~~
26 ~~and establishing master contracts;~~

27 ~~(e) Facilities management services for information technology~~
28 ~~equipment, equipment repair, and maintenance service;~~

29 ~~(f) Negotiation with local cable companies and local governments to~~
30 ~~provide for connection to local cable services to allow for access to~~
31 ~~these public and educational channels in the state;~~

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

33 ~~(h) System development services; and~~

34 ~~(i) Training.~~

35 ~~These services are for discretionary use by customers and customers~~
36 ~~may elect other alternatives for service if those alternatives are more~~
37 ~~cost effective or provide better service. Agencies may be required to~~

1 ~~use the backbone network portions of the telecommunications services~~
2 ~~during an initial start-up period not to exceed three years));~~
3 ~~((+3)) (2) Establish rates and fees for services provided by the~~
4 ~~((department to assure that the services component of the department is~~
5 ~~self-supporting)) agency. A billing rate plan shall be developed for~~
6 ~~a two-year period to coincide with the budgeting process. The rate~~
7 ~~plan shall be subject to review at least annually by the office of~~
8 ~~financial management. The rate plan shall show the proposed rates by~~
9 ~~each cost center and will show the components of the rate structure as~~
10 ~~mutually determined by the ((department)) agency and the office of~~
11 ~~financial management. ((The same rate structure will apply to all user~~
12 ~~agencies of each cost center.)) The rate plan and any adjustments to~~
13 ~~rates shall be approved by the office of financial management((. The~~
14 ~~services component shall not subsidize the operations of the strategic~~
15 ~~planning and policy component));~~
16 ~~((+4)) (3) With the advice of the ((information services)) board~~
17 ~~and customer agencies, develop a state strategic information technology~~
18 ~~plan and performance reports as required under ((RCW 43.105.160))~~
19 ~~section 707 of this act;~~
20 ~~((+5)) (4) Develop plans for the ((department's)) agency's~~
21 ~~achievement of statewide goals and objectives set forth in the state~~
22 ~~strategic information technology plan required under ((RCW 43.105.160.~~
23 ~~These plans shall address such services as telecommunications, central~~
24 ~~and distributed computing, local area networks, office automation, and~~
25 ~~end user computing. The department shall seek the advice of the board~~
26 ~~in the development of these plans;~~
27 ~~(6) Under direction of the information services board and in~~
28 ~~collaboration with the department of personnel, and other agencies as~~
29 ~~may be appropriate, develop training plans and coordinate training~~
30 ~~programs that are responsive to the needs of agencies;~~
31 ~~(7) Identify opportunities for the effective use of information~~
32 ~~services and coordinate appropriate responses to those opportunities;~~
33 ~~(8) Assess agencies' projects, acquisitions, plans, information~~
34 ~~technology portfolios, or overall information processing performance as~~
35 ~~requested by the board, agencies, the director of financial management,~~
36 ~~or the legislature. Agencies may be required to reimburse the~~
37 ~~department for agency requested reviews)) section 707 of this act;~~

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

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

6 ~~(11) Provide staff support from the strategic planning and policy~~
7 ~~component to the board for:~~

8 ~~(a) Meeting preparation, notices, and minutes;~~

9 ~~(b) Promulgation of policies, standards, and guidelines adopted by~~
10 ~~the board;~~

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

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

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

23 ~~((13))~~ (5) Perform all other matters and things necessary to
24 carry out the purposes and provisions of this chapter.

25 **Sec. 805.** RCW 43.19.190 and 2002 c 200 s 3 are each amended to
26 read as follows:

27 The director of general administration, through the state
28 purchasing and material control director, shall:

29 (1) Establish and staff such administrative organizational units
30 within the division of purchasing as may be necessary for effective
31 administration of the provisions of RCW 43.19.190 through 43.19.1939;

32 (2) Purchase all material, supplies, services, and equipment needed
33 for the support, maintenance, and use of all state institutions,
34 colleges, community colleges, technical colleges, college districts,
35 and universities, the offices of the elective state officers, the
36 supreme court, the court of appeals, the administrative and other
37 departments of state government, and the offices of all appointive

1 officers of the state: PROVIDED, That the provisions of RCW 43.19.190
2 through 43.19.1937 do not apply in any manner to the operation of the
3 state legislature except as requested by the legislature: PROVIDED,
4 That the provisions of this section and RCW 43.19.1901 through
5 43.19.1925 do not apply to the acquisition and disposition of
6 equipment, proprietary software, and information technology purchased
7 services by the consolidated technology services agency created in RCW
8 43.105.047: PROVIDED, That any agency may purchase material, supplies,
9 services, and equipment for which the agency has notified the
10 purchasing and material control director that it is more cost-effective
11 for the agency to make the purchase directly from the vendor:
12 PROVIDED, That primary authority for the purchase of specialized
13 equipment, instructional, and research material for their own use shall
14 rest with the colleges, community colleges, and universities: PROVIDED
15 FURTHER, That universities operating hospitals and the state purchasing
16 and material control director, as the agent for state hospitals as
17 defined in RCW 72.23.010, and for health care programs provided in
18 state correctional institutions as defined in RCW 72.65.010(3) and
19 veterans' institutions as defined in RCW 72.36.010 and 72.36.070, may
20 make purchases for hospital operation by participating in contracts for
21 materials, supplies, and equipment entered into by nonprofit
22 cooperative hospital group purchasing organizations: PROVIDED FURTHER,
23 That primary authority for the purchase of materials, supplies, and
24 equipment for resale to other than public agencies shall rest with the
25 state agency concerned: PROVIDED FURTHER, That authority to purchase
26 services as included herein does not apply to personal services as
27 defined in chapter 39.29 RCW, unless such organization specifically
28 requests assistance from the division of purchasing in obtaining
29 personal services and resources are available within the division to
30 provide such assistance: PROVIDED FURTHER, That the authority for the
31 purchase of insurance and bonds shall rest with the risk manager under
32 RCW ((~~43.19.1935~~)) 43.41.310: PROVIDED FURTHER, That, except for the
33 authority of the risk manager to purchase insurance and bonds, the
34 director is not required to provide purchasing services for
35 institutions of higher education that choose to exercise independent
36 purchasing authority under RCW 28B.10.029: PROVIDED FURTHER, That the
37 authority to purchase interpreter services and interpreter brokerage

1 services on behalf of limited-English speaking or sensory-impaired
2 applicants and recipients of public assistance shall rest with the
3 department of social and health services;

4 (3) Have authority to delegate to state agencies authorization to
5 purchase or sell, which authorization shall specify restrictions as to
6 dollar amount or to specific types of material, equipment, services,
7 and supplies. Acceptance of the purchasing authorization by a state
8 agency does not relieve such agency from conformance with other
9 sections of RCW 43.19.190 through 43.19.1939, or from policies
10 established by the director. Also, delegation of such authorization to
11 a state agency, including an educational institution to which this
12 section applies, to purchase or sell material, equipment, services, and
13 supplies shall not be granted, or otherwise continued under a previous
14 authorization, if such agency is not in substantial compliance with
15 overall state purchasing and material control policies as established
16 herein;

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

20 (5) Prescribe the manner of inspecting all deliveries of supplies,
21 materials, and equipment purchased through the division;

22 (6) Prescribe the manner in which supplies, materials, and
23 equipment purchased through the division shall be delivered, stored,
24 and distributed;

25 (7) Provide for the maintenance of a catalogue library,
26 manufacturers' and wholesalers' lists, and current market information;

27 (8) Provide for a commodity classification system and may, in
28 addition, provide for the adoption of standard specifications;

29 (9) Provide for the maintenance of inventory records of supplies,
30 materials, and other property;

31 (10) Prepare rules and regulations governing the relationship and
32 procedures between the division of purchasing and state agencies and
33 vendors;

34 (11) Publish procedures and guidelines for compliance by all state
35 agencies, including those educational institutions to which this
36 section applies, which implement overall state purchasing and material
37 control policies;

1 (12) Advise state agencies, including educational institutions,
2 regarding compliance with established purchasing and material control
3 policies under existing statutes.

4 NEW SECTION. **Sec. 806.** A new section is added to chapter 43.105
5 RCW to read as follows:

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

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

19 **Sec. 807.** RCW 43.105.057 and 1992 c 20 s 11 are each amended to
20 read as follows:

21 The (~~department of information services and the information~~
22 ~~services board, respectively,~~) agency shall adopt rules as necessary
23 under chapter 34.05 RCW to implement the provisions of this chapter.

24 **Sec. 808.** RCW 43.105.060 and 1987 c 504 s 10 are each amended to
25 read as follows:

26 State and local government agencies are authorized to enter into
27 any contracts with the (~~department or its successor~~) agency which may
28 be necessary or desirable to effectuate the purposes and policies of
29 this chapter or for maximum utilization of facilities and services
30 which are the subject of this chapter.

31 **Sec. 809.** RCW 19.34.231 and 1999 c 287 s 12 are each amended to
32 read as follows:

33 (1) If a signature of a unit of state or local government,
34 including its appropriate officers or employees, is required by

1 statute, administrative rule, court rule, or requirement of the office
2 of financial management, that unit of state or local government shall
3 become a subscriber to a certificate issued by a licensed certification
4 authority for purposes of conducting official public business with
5 electronic records.

6 (2) A city or county may become a licensed certification authority
7 under RCW 19.34.100 for purposes of providing services to local
8 government, if authorized by ordinance adopted by the city or county
9 legislative authority.

10 (3) A unit of state government, except the secretary (~~and the~~
11 ~~department of information services~~), may not act as a certification
12 authority.

13 **Sec. 810.** RCW 19.34.420 and 1998 c 33 s 2 are each amended to read
14 as follows:

15 (1) The following information, when in the possession of the
16 secretary(~~, the department of information services,~~) or the state
17 auditor for purposes of this chapter, shall not be made available for
18 public disclosure, inspection, or copying, unless the request is made
19 under an order of a court of competent jurisdiction based upon an
20 express written finding that the need for the information outweighs any
21 reason for maintaining the privacy and confidentiality of the
22 information or records:

- 23 (a) A trade secret, as defined by RCW 19.108.010; and
- 24 (b) Information regarding design, security, or programming of a
25 computer system used for purposes of licensing or operating a
26 certification authority or repository under this chapter.

27 (2) The state auditor, or an authorized agent, must be given access
28 to all information referred to in subsection (1) of this section for
29 the purpose of conducting audits under this chapter or under other law,
30 but shall not make that information available for public inspection or
31 copying except as provided in subsection (1) of this section.

32 **Sec. 811.** RCW 46.20.157 and 1999 c 6 s 21 are each amended to read
33 as follows:

34 (1) Except as provided in subsection (2) of this section, the
35 department shall annually provide to the (~~department of information~~

1 ~~services))~~ consolidated technology services agency an electronic data
2 file. The data file must:

3 (a) Contain information on all licensed drivers and identicard
4 holders who are eighteen years of age or older and whose records have
5 not expired for more than two years;

6 (b) Be provided at no charge; and

7 (c) Contain the following information on each such person: Full
8 name, date of birth, residence address including county, sex, and most
9 recent date of application, renewal, replacement, or change of driver's
10 license or identicard.

11 (2) Before complying with subsection (1) of this section, the
12 department shall remove from the file the names of any certified
13 participants in the Washington state address confidentiality program
14 under chapter 40.24 RCW that have been identified to the department by
15 the secretary of state.

16 **Sec. 812.** RCW 2.36.054 and 1993 c 408 s 3 are each amended to read
17 as follows:

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

21 (1) The superior court of each county, after consultation with the
22 county clerk and county auditor of that jurisdiction, shall annually
23 notify the ~~((department of information services))~~ consolidated
24 technology services agency not later than March 1 of each year of its
25 election to use either a jury source list that is merged by the county
26 or a jury source list that is merged by the ~~((department of information~~
27 ~~services))~~ consolidated technology services agency. The ~~((department~~
28 ~~of information services))~~ consolidated technology services agency shall
29 annually furnish at no charge to the superior court of each county a
30 separate list of the registered voters residing in that county as
31 supplied annually by the secretary of state and a separate list of
32 driver's license and identicard holders residing in that county as
33 supplied annually by the department of licensing, or a merged list of
34 all such persons residing in that county, in accordance with the annual
35 notification required by this subsection. The lists provided by the
36 ~~((department of information services))~~ consolidated technology services
37 agency shall be in an electronic format mutually agreed upon by the

1 superior court requesting it and the department of information
2 services. The annual merger of the list of registered voters residing
3 in each county with the list of licensed drivers and identicard holders
4 residing in each county to form a jury source list for each county
5 shall be in accordance with the standards and methodology established
6 in this chapter or by superseding court rule whether the merger is
7 accomplished by the (~~department of information services~~) consolidated
8 technology services agency or by a county.

9 (2) Persons on the lists of registered voters and driver's license
10 and identicard holders shall be identified by a minimum of last name,
11 first name, middle initial where available, date of birth, gender, and
12 county of residence. Identifying information shall be used when
13 merging the lists to ensure to the extent reasonably possible that
14 persons are only listed once on the merged list. Conflicts in
15 addresses are to be resolved by using the most recent record by date of
16 last vote in a general election, date of driver's license or identicard
17 address change or date of voter registration.

18 (3) The (~~department of information services~~) consolidated
19 technology services agency shall provide counties that elect to receive
20 a jury source list merged by (~~department of information services~~) the
21 consolidated technology services agency with a list of names which are
22 possible duplicates that cannot be resolved based on the identifying
23 information required under subsection (2) of this section. If a
24 possible duplication cannot subsequently be resolved satisfactorily
25 through reasonable efforts by the county receiving the merged list, the
26 possible duplicate name shall be stricken from the jury source list
27 until the next annual jury source list is prepared.

28 **Sec. 813.** RCW 29A.08.760 and 2009 c 369 s 35 are each amended to
29 read as follows:

30 The secretary of state shall provide a duplicate copy of the master
31 statewide computer file or electronic data file of registered voters to
32 the (~~department of information services~~) consolidated technology
33 services agency for purposes of creating the jury source list without
34 cost. Restrictions as to the commercial use of the information on the
35 statewide computer tape or data file of registered voters, and
36 penalties for its misuse, shall be the same as provided in RCW
37 29A.08.720 and 29A.08.740.

1 **Sec. 814.** RCW 43.63A.550 and 1998 c 245 s 71 are each amended to
2 read as follows:

3 (1) The department shall assist in the process of inventorying and
4 collecting data on public and private land for the acquisition of data
5 describing land uses, demographics, infrastructure, critical areas,
6 transportation corridors physical features, housing, and other
7 information useful in managing growth throughout the state. For this
8 purpose the department (~~(shall)~~) may contract with the (~~(department of~~
9 ~~information services)~~) consolidated technology services agency and
10 shall form an advisory group consisting of representatives from state,
11 local, and federal agencies, colleges and universities, and private
12 firms with expertise in land planning, and geographic information
13 systems.

14 (2) The department shall establish a sequence for acquiring data,
15 giving priority to rapidly growing areas. The data shall be retained
16 in a manner to facilitate its use in preparing maps, aggregating with
17 data from multiple jurisdictions, and comparing changes over time.
18 Data shall further be retained in a manner which permits its access via
19 computer.

20 (3) The department shall work with other state agencies, local
21 governments, and private organizations that are inventorying public and
22 private lands to ensure close coordination and to ensure that
23 duplication of efforts does not occur.

24 NEW SECTION. **Sec. 815.** (1) The state auditor shall complete a
25 two-part performance audit of the consolidated state data center. The
26 first part of the performance audit may include, but is not limited to:

27 (a) A review of the business case developed prior to the state
28 entering into financial agreements for the consolidated state data
29 center, including an assessment of:

30 (i) The methodology used to determine the requisite size and scale
31 of the project;

32 (ii) The cost assumptions developed as part of the business case
33 for building a data center in Thurston county as compared to building
34 a data center in other locations in the state;

35 (iii) To what extent private sector alternatives were considered;
36 and

1 (iv) An assessment of the decision-making process leading up to the
2 decision to enter into financial agreements for the consolidated state
3 data center, including who made the decision to pursue the consolidated
4 state data center over other alternatives; and

5 (b) A review of the timeline under which milestone decisions were
6 made regarding the consolidated state data center.

7 (2) The first part of the performance audit conducted under this
8 section will be used to inform the second part of the performance audit
9 conducted under section 816 of this act. The full two-part performance
10 audit must be completed and submitted to the governor and the
11 legislature by December 1, 2012.

12 NEW SECTION. **Sec. 816.** (1) Upon completion of the first part of
13 a two-part performance audit of the consolidated state data center as
14 outlined under section 815 of this act, the state auditor shall
15 complete the second part of the performance audit. The second part of
16 the performance audit may include, but is not limited to, a technical
17 and financial assessment of the current business plan developed for the
18 consolidated state data center, which may include:

19 (a) A detailed comparison of the consolidated state data center
20 business plan with business plans developed for state data centers in
21 other states;

22 (b) The costs associated with transitioning to, and operating, the
23 consolidated state data center, including analysis of the fixed lease
24 costs, the up-front transition costs, and the ongoing maintenance and
25 operation costs;

26 (c) The potential budgetary impacts on the general fund in the
27 short and long term;

28 (d) The predictability of the cost of occupying the consolidated
29 state data center for state agencies;

30 (e) The risks associated with transitioning to the consolidated
31 state data center, including the possibility of service interruptions,
32 cost overruns, and other unforeseen costs;

33 (f) The potential return on investment for state taxpayers,
34 including the future value of the consolidated state data center once
35 the state has paid the lease costs in full; and

36 (g) A review of the business and financial viability of the state

1 receiving revenue from leasing equipment or excess capacity, or both,
2 in data halls 3 and 4 of the consolidated state data center.

3 (2) The full performance audit must be completed and submitted to
4 the governor and the legislature by December 1, 2012.

5 **PART IX**

6 **EDUCATION RESEARCH AND DATA CENTER**

7 **Sec. 901.** RCW 43.41.400 and 2009 c 548 s 201 are each amended to
8 read as follows:

9 ~~((1) An education data center shall be established in the office
10 of financial management. The education data center shall jointly, with
11 the legislative evaluation and accountability program committee,
12 conduct collaborative analyses of early learning, K-12, and higher
13 education programs and education issues across the P-20 system, which
14 includes the department of early learning, the superintendent of public
15 instruction, the professional educator standards board, the state board
16 of education, the state board for community and technical colleges, the
17 workforce training and education coordinating board, the higher
18 education coordinating board, public and private nonprofit four-year
19 institutions of higher education, and the employment security
20 department. The education data center shall conduct collaborative
21 analyses under this section with the legislative evaluation and
22 accountability program committee and provide data electronically to the
23 legislative evaluation and accountability program committee, to the
24 extent permitted by state and federal confidentiality requirements.
25 The education data center shall be considered an authorized
26 representative of the state educational agencies in this section under
27 applicable federal and state statutes for purposes of accessing and
28 compiling student record data for research purposes.~~

29 ~~(2) The education data center shall:~~

30 ~~(a) In consultation with the legislative evaluation and
31 accountability program committee and the agencies and organizations
32 participating in the education data center, identify the critical
33 research and policy questions that are intended to be addressed by the
34 education data center and the data needed to address the questions;~~

35 ~~(b) Coordinate with other state education agencies to compile and~~

1 analyze education data, including data on student demographics that is
2 disaggregated by distinct ethnic categories within racial subgroups,
3 and complete P-20 research projects;

4 (c) Collaborate with the legislative evaluation and accountability
5 program committee and the education and fiscal committees of the
6 legislature in identifying the data to be compiled and analyzed to
7 ensure that legislative interests are served;

8 (d) Annually provide to the K-12 data governance group a list of
9 data elements and data quality improvements that are necessary to
10 answer the research and policy questions identified by the education
11 data center and have been identified by the legislative committees in
12 (c) of this subsection. Within three months of receiving the list, the
13 K-12 data governance group shall develop and transmit to the education
14 data center a feasibility analysis of obtaining or improving the data,
15 including the steps required, estimated time frame, and the financial
16 and other resources that would be required. Based on the analysis, the
17 education data center shall submit, if necessary, a recommendation to
18 the legislature regarding any statutory changes or resources that would
19 be needed to collect or improve the data;

20 (e) Monitor and evaluate the education data collection systems of
21 the organizations and agencies represented in the education data center
22 ensuring that data systems are flexible, able to adapt to evolving
23 needs for information, and to the extent feasible and necessary,
24 include data that are needed to conduct the analyses and provide
25 answers to the research and policy questions identified in (a) of this
26 subsection;

27 (f)) The office of financial management shall:

28 (1) Track enrollment and outcomes through the public centralized
29 higher education enrollment system;

30 ((g)) (2) Assist other state educational agencies' collaborative
31 efforts to develop a long-range enrollment plan for higher education
32 including estimates to meet demographic and workforce needs;

33 ((h) Provide research that focuses on student transitions within
34 and among the early learning, K-12, and higher education sectors in the
35 P-20 system; and

36 (i) Make recommendations to the legislature as necessary to help
37 ensure the goals and objectives of this section and RCW 28A.655.210 and
38 28A.300.507 are met.

1 ~~(3) The department of early learning, superintendent of public~~
2 ~~instruction, professional educator standards board, state board of~~
3 ~~education, state board for community and technical colleges, workforce~~
4 ~~training and education coordinating board, higher education~~
5 ~~coordinating board, public four-year institutions of higher education,~~
6 ~~and employment security department shall work with the education data~~
7 ~~center to develop data sharing and research agreements, consistent with~~
8 ~~applicable security and confidentiality requirements, to facilitate the~~
9 ~~work of the center. Private, nonprofit institutions of higher~~
10 ~~education that provide programs of education beyond the high school~~
11 ~~level leading at least to the baccalaureate degree and are accredited~~
12 ~~by the Northwest association of schools and colleges or their peer~~
13 ~~accreditation bodies may also develop data sharing and research~~
14 ~~agreements with the education data center, consistent with applicable~~
15 ~~security and confidentiality requirements. The education data center~~
16 ~~shall make data from collaborative analyses available to the education~~
17 ~~agencies and institutions that contribute data to the education data~~
18 ~~center to the extent allowed by federal and state security and~~
19 ~~confidentiality requirements applicable to the data of each~~
20 ~~contributing agency or institution))~~

21 (3) Develop data-sharing and research agreements with the
22 legislative evaluation and accountability program and public
23 institutions of higher education, consistent with applicable security
24 and confidentiality requirements, to facilitate the work of the
25 education research and data center under section 902 of this act; and

26 (4) Cooperate with the education research and data center to
27 compile and analyze education data.

28 NEW SECTION. Sec. 902. A new section is added to chapter 44.48
29 RCW to read as follows:

30 (1) An education research and data center is established under the
31 legislative evaluation and accountability program committee. The
32 purpose of the center is to:

33 (a) Serve as a data warehouse for education data across the P-20
34 education system, which includes the department of early learning, the
35 office of the superintendent of public instruction, the professional
36 educator standards board, the state board of education, the state board
37 for community and technical colleges, the workforce training and

1 education coordinating board, the office of financial management, the
2 higher education coordinating board, public and private nonprofit four-
3 year institutions of higher education, and the employment security
4 department;

5 (b) Coordinate with other state education agencies to compile and
6 analyze education data, including data on student demographics that is
7 disaggregated by distinct ethnic categories within racial subgroups,
8 and conduct collaborative analyses of early learning, K-12, and higher
9 education programs and education issues across the P-20 system;

10 (c) Disseminate education data and information, consistent with
11 applicable security and confidentiality requirements, to the education
12 agencies and institutions that contribute data to the center and to
13 school districts, policymakers, educators, researchers, and the public;
14 and

15 (d) Develop and maintain a searchable web site with education data
16 and information, including downloadable files and customizable reports.

17 (2) The education research and data center shall be considered an
18 authorized representative of the state educational agencies in this
19 section under applicable federal and state statutes for purposes of
20 accessing and compiling student record data for research purposes.

21 (3) The education research and data center shall:

22 (a) In consultation with the agencies and organizations
23 participating in the center, identify the critical research and policy
24 questions that are intended to be addressed by the center, the data
25 needed to address the questions, key clients for the data and their
26 needs, and the role these clients can play in addressing the questions;

27 (b) Collaborate with the office of financial management and the
28 education and fiscal committees of the legislature in identifying the
29 data to be compiled and analyzed;

30 (c) Annually provide to the K-12 data governance group under RCW
31 28A.300.507 a list of data elements and data quality improvements that
32 are necessary to answer critical research and policy questions. Within
33 three months of receiving the list, the K-12 data governance group
34 shall develop and transmit to the center a feasibility analysis of
35 obtaining or improving the data, including the steps required,
36 estimated time frame, and the financial and other resources that would
37 be required. Based on the analysis, the education research and data

1 center shall submit, if necessary, a recommendation to the legislature
2 regarding any statutory changes or resources that would be needed to
3 collect or improve the data;

4 (d) Monitor and evaluate the education data collection systems of
5 the state educational agencies to ensure that data systems are flexible
6 and able to adapt to evolving needs for information, and to the extent
7 feasible and necessary, include data needed to conduct the analyses and
8 provide answers to the research and policy questions identified in (a)
9 of this subsection;

10 (e) Facilitate use of the data to support academic research and
11 studies by the state educational agencies, independent academic
12 researchers, legislative research agencies, and others; and

13 (f) Make recommendations to the legislature as necessary so that
14 the goals and objectives of this section and RCW 28A.655.210 and
15 28A.300.507 are met.

16 (4) The department of early learning, office of the superintendent
17 of public instruction, professional educator standards board, state
18 board of education, state board for community and technical colleges,
19 workforce training and education coordinating board, higher education
20 coordinating board, office of financial management, public four-year
21 institutions of higher education, and employment security department
22 shall work with the education research and data center to develop data-
23 sharing and research agreements, consistent with applicable security
24 and confidentiality requirements, to facilitate the work of the center.
25 Private, nonprofit institutions of higher education that provide
26 programs of education beyond the high school level leading at least to
27 the baccalaureate degree and are accredited by the Northwest
28 association of schools and colleges or their peer accreditation bodies
29 may also develop data-sharing and research agreements with the
30 education research and data center, consistent with applicable security
31 and confidentiality requirements.

32 (5) The education research and data center and the superintendent
33 of public instruction shall take all actions necessary to secure
34 federal funds to implement this section, RCW 28A.655.210, and
35 28A.300.507.

36 **Sec. 903.** RCW 44.48.090 and 2001 c 259 s 14 are each amended to
37 read as follows:

1 The committee shall have the following powers:

2 (1) To have timely access, upon written request of the
3 administrator, to all machine readable, printed, and other data of
4 state agencies relative to expenditures, budgets, and related fiscal
5 matters;

6 (2) To suggest changes relative to state accounting and reporting
7 systems to the office of financial management or its successor and to
8 require timely written responses to such suggestions; (~~and~~)

9 (3) Subject to RCW 44.04.260, to enter into contracts; and when
10 entering into any contract for computer access, make necessary
11 provisions relative to the scheduling of computer time and usage in
12 recognition of the unique requirements and priorities of the
13 legislative process; and

14 (4) To manage and oversee the education research and data center as
15 provided in section 902 of this act.

16 NEW SECTION. Sec. 904. (1) The education data center in the
17 office of financial management is abolished.

18 (2)(a) All reports, documents, surveys, books, records, files,
19 papers, databases, or other written or electronic material in the
20 possession of the education data center shall be delivered to the
21 custody of the legislative evaluation and accountability program
22 committee for purposes of the education research and data center
23 established under section 902 of this act. Written or electronic
24 materials and data sets pertaining solely to the public centralized
25 higher education enrollment system shall be retained by the office of
26 financial management, but written or electronic materials and data sets
27 that are the result of the work of the education data center to link
28 data in the public centralized higher education enrollment system to
29 other educational databases shall be delivered to the legislative
30 evaluation and accountability program committee. All funds, credits,
31 or other monetary assets held by the education data center shall be
32 assigned to the legislative evaluation and accountability program
33 committee.

34 (b) Any appropriations made to the office of financial management
35 for purposes of the education data center shall, on the effective date
36 of this section, be transferred and credited to the legislative
37 evaluation and accountability program committee.

1 (c) If any questions arise as to the transfer of any funds, books,
2 documents, records, papers, files, databases, or other written or
3 electronic material previously used or held in the exercise of the
4 powers and performance of the education data center, 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 (d) The elimination of the education data center shall not affect
8 the validity of any act performed before the effective date of this
9 section.

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

16 (3) All data-sharing and research agreements developed between the
17 state educational agencies under section 902 of this act and the
18 education data center before the effective date of this section shall
19 be transferred to the education research and data center under the
20 legislative evaluation and accountability program committee and shall
21 be continued and acted upon by the education research and data center
22 as the successor agency and authorized representative of the state
23 educational agencies. All existing contracts and obligations shall
24 remain in full force and shall be performed by the education research
25 and data center.

26 (4) The education research and data center under the legislative
27 evaluation and accountability program committee shall assume the role
28 of program director for purposes of the federal evergreen state P-20
29 longitudinal education data system grant.

30 **Sec. 905.** RCW 28A.300.500 and 2007 c 401 s 2 are each amended to
31 read as follows:

32 (1) The office of the superintendent of public instruction is
33 authorized to establish a longitudinal student data system for and on
34 behalf of school districts in the state. The primary purpose of the
35 data system is to better aid research into programs and interventions
36 that are most effective in improving student performance, better

1 understand the state's public educator workforce, and provide
2 information on areas within the educational system that need
3 improvement.

4 (2) The confidentiality of personally identifiable student data
5 shall be safeguarded consistent with the requirements of the federal
6 family educational rights privacy act and applicable state laws.
7 Consistent with the provisions of these federal and state laws, data
8 may be disclosed for educational purposes and studies, including but
9 not limited to:

10 (a) Educational studies authorized or mandated by the state
11 legislature;

12 (b) Studies initiated by other state educational authorities and
13 authorized by the office of the superintendent of public instruction,
14 including analysis conducted by the education research and data center
15 established under (~~RCW 43.41.400~~) section 902 of this act; and

16 (c) Studies initiated by other public or private agencies and
17 organizations and authorized by the office of the superintendent of
18 public instruction.

19 (3) Any agency or organization that is authorized by the office of
20 the superintendent of public instruction to access student-level data
21 shall adhere to all federal and state laws protecting student data and
22 safeguarding the confidentiality and privacy of student records.

23 (4) Nothing in this section precludes the office of the
24 superintendent of public instruction from collecting and distributing
25 aggregate data about students or student-level data without personally
26 identifiable information.

27 **Sec. 906.** RCW 28A.300.507 and 2009 c 548 s 203 are each amended to
28 read as follows:

29 (1) A K-12 data governance group shall be established within the
30 office of the superintendent of public instruction to assist in the
31 design and implementation of a K-12 education data improvement system
32 for financial, student, and educator data. It is the intent that the
33 data system reporting specifically serve requirements for teachers,
34 parents, superintendents, school boards, the office of the
35 superintendent of public instruction, the legislature, and the public.

36 (2) The K-12 data governance group shall include representatives of
37 the education research and data center, the office of the

1 superintendent of public instruction, (~~the legislative evaluation and~~
2 ~~accountability program committee,~~) the professional educator standards
3 board, the state board of education, and school district staff,
4 including information technology staff. Additional entities with
5 expertise in education data may be included in the K-12 data governance
6 group.

7 (3) The K-12 data governance group shall:

8 (a) Identify the critical research and policy questions that need
9 to be addressed by the K-12 education data improvement system;

10 (b) Identify reports and other information that should be made
11 available on the internet in addition to the reports identified in
12 subsection (5) of this section;

13 (c) Create a comprehensive needs requirement document detailing the
14 specific information and technical capacity needed by school districts
15 and the state to meet the legislature's expectations for a
16 comprehensive K-12 education data improvement system as described under
17 RCW 28A.655.210;

18 (d) Conduct a gap analysis of current and planned information
19 compared to the needs requirement document, including an analysis of
20 the strengths and limitations of an education data system and programs
21 currently used by school districts and the state, and specifically the
22 gap analysis must look at the extent to which the existing data can be
23 transformed into canonical form and where existing software can be used
24 to meet the needs requirement document;

25 (e) Focus on financial and cost data necessary to support the new
26 K-12 financial models and funding formulas, including any necessary
27 changes to school district budgeting and accounting, and on assuring
28 the capacity to link data across financial, student, and educator
29 systems; and

30 (f) Define the operating rules and governance structure for K-12
31 data collections, ensuring that data systems are flexible and able to
32 adapt to evolving needs for information, within an objective and
33 orderly data governance process for determining when changes are needed
34 and how to implement them. Strong consideration must be made to the
35 current practice and cost of migration to new requirements. The
36 operating rules should delineate the coordination, delegation, and
37 escalation authority for data collection issues, business rules, and
38 performance goals for each K-12 data collection system, including:

1 (i) Defining and maintaining standards for privacy and
2 confidentiality;

3 (ii) Setting data collection priorities;

4 (iii) Defining and updating a standard data dictionary;

5 (iv) Ensuring data compliance with the data dictionary;

6 (v) Ensuring data accuracy; and

7 (vi) Establishing minimum standards for school, student, financial,
8 and teacher data systems. Data elements may be specified "to the
9 extent feasible" or "to the extent available" to collect more and
10 better data sets from districts with more flexible software. Nothing
11 in (~~RCW 43.41.400~~) section 902 of this act, this section, or RCW
12 28A.655.210 should be construed to require that a data dictionary or
13 reporting should be hobbled to the lowest common set. The work of the
14 K-12 data governance group must specify which data are desirable.
15 Districts that can meet these requirements shall report the desirable
16 data. Funding from the legislature must establish which subset data
17 are absolutely required.

18 (4)(a) The K-12 data governance group shall provide updates on its
19 work as requested by the education research and data center (~~and the~~
20 ~~legislative evaluation and accountability program committee~~)).

21 (b) The work of the K-12 data governance group shall be
22 periodically reviewed and monitored by the (~~educational~~) education
23 research and data center (~~and the legislative evaluation and~~
24 ~~accountability program committee~~)).

25 (5) To the extent data is available, the office of the
26 superintendent of public instruction shall make the following minimum
27 reports available on the internet. The reports must either be run on
28 demand against current data, or, if a static report, must have been run
29 against the most recent data:

30 (a) The percentage of data compliance and data accuracy by school
31 district;

32 (b) The magnitude of spending per student, by student estimated by
33 the following algorithm and reported as the detailed summation of the
34 following components:

35 (i) An approximate, prorated fraction of each teacher or human
36 resource element that directly serves the student. Each human resource
37 element must be listed or accessible through online tunneling in the
38 report;

1 (ii) An approximate, prorated fraction of classroom or building
2 costs used by the student;

3 (iii) An approximate, prorated fraction of transportation costs
4 used by the student; and

5 (iv) An approximate, prorated fraction of all other resources
6 within the district. District-wide components should be disaggregated
7 to the extent that it is sensible and economical;

8 (c) The cost of K-12 basic education, per student, by student, by
9 school district, estimated by the algorithm in (b) of this subsection,
10 and reported in the same manner as required in (b) of this subsection;

11 (d) The cost of K-12 special education services per student, by
12 student receiving those services, by school district, estimated by the
13 algorithm in (b) of this subsection, and reported in the same manner as
14 required in (b) of this subsection;

15 (e) Improvement on the statewide assessments computed as both a
16 percentage change and absolute change on a scale score metric by
17 district, by school, and by teacher that can also be filtered by a
18 student's length of full-time enrollment within the school district;

19 (f) Number of K-12 students per classroom teacher on a per teacher
20 basis;

21 (g) Number of K-12 classroom teachers per student on a per student
22 basis;

23 (h) Percentage of a classroom teacher per student on a per student
24 basis; and

25 (i) The cost of K-12 education per student by school district
26 sorted by federal, state, and local dollars.

27 (6) The superintendent of public instruction shall submit a
28 preliminary report to the legislature by November 15, 2009, including
29 the analyses by the K-12 data governance group under subsection (3) of
30 this section and preliminary options for addressing identified gaps.
31 A final report, including a proposed phase-in plan and preliminary cost
32 estimates for implementation of a comprehensive data improvement system
33 for financial, student, and educator data shall be submitted to the
34 legislature by September 1, 2010.

35 (7) All reports and data referenced in this section (~~and RCW~~
36 ~~43.41.400~~), section 902 of this act, and RCW 28A.655.210 shall be made
37 available in a manner consistent with the technical requirements of the
38 (~~legislative evaluation and accountability program committee and the~~)

1 education research and data center so that selected data can be
2 provided to the legislature, governor, school districts, and the
3 public.

4 (8) Reports shall contain data to the extent it is available. All
5 reports must include documentation of which data are not available or
6 are estimated. Reports must not be suppressed because of poor data
7 accuracy or completeness. Reports may be accompanied with
8 documentation to inform the reader of why some data are missing or
9 inaccurate or estimated.

10 **Sec. 907.** RCW 28A.655.210 and 2009 c 548 s 202 are each amended to
11 read as follows:

12 (1) It is the legislature's intent to establish a comprehensive K-
13 12 education data improvement system for financial, student, and
14 educator data. The objective of the system is to monitor student
15 progress, have information on the quality of the educator workforce,
16 monitor and analyze the costs of programs, provide for financial
17 integrity and accountability, and have the capability to link across
18 these various data components by student, by class, by teacher, by
19 school, by district, and statewide. Education data systems must be
20 flexible and able to adapt to evolving needs for information, but there
21 must be an objective and orderly data governance process for
22 determining when changes are needed and how to implement them. It is
23 the further intent of the legislature to provide independent review and
24 evaluation of a comprehensive K-12 education data improvement system by
25 assigning the review and monitoring responsibilities to the education
26 research and data center (~~(and the legislative evaluation and~~
27 ~~accountability program committee)~~)).

28 (2) It is the intent that the data system specifically service
29 reporting requirements for teachers, parents, superintendents, school
30 boards, the legislature, the office of the superintendent of public
31 instruction, and the public.

32 (3) It is the legislature's intent that the K-12 education data
33 improvement system used by school districts and the state include but
34 not be limited to the following information and functionality:

35 (a) Comprehensive educator information, including grade level and
36 courses taught, building or location, program, job assignment, years of
37 experience, the institution of higher education from which the educator

1 obtained his or her degree, compensation, class size, mobility of class
2 population, socioeconomic data of class, number of languages and which
3 languages are spoken by students, general resources available for
4 curriculum and other classroom needs, and number and type of
5 instructional support staff in the building;

6 (b) The capacity to link educator assignment information with
7 educator certification information such as certification number, type
8 of certification, route to certification, certification program, and
9 certification assessment or evaluation scores;

10 (c) Common coding of secondary courses and major areas of study at
11 the elementary level or standard coding of course content;

12 (d) Robust student information, including but not limited to
13 student characteristics, course and program enrollment, performance on
14 statewide and district summative and formative assessments to the
15 extent district assessments are used, and performance on college
16 readiness tests;

17 (e) A subset of student information elements to serve as a dropout
18 early warning system;

19 (f) The capacity to link educator information with student
20 information;

21 (g) A common, standardized structure for reporting the costs of
22 programs at the school and district level with a focus on the cost of
23 services delivered to students;

24 (h) Separate accounting of state, federal, and local revenues and
25 costs;

26 (i) Information linking state funding formulas to school district
27 budgeting and accounting, including procedures:

28 (i) To support the accuracy and auditing of financial data; and

29 (ii) Using the prototypical school model for school district
30 financial accounting reporting;

31 (j) The capacity to link program cost information with student
32 performance information to gauge the cost-effectiveness of programs;

33 (k) Information that is centrally accessible and updated regularly;
34 and

35 (l) An anonymous, nonidentifiable replicated copy of data that is
36 updated at least quarterly, and made available to the public by the
37 state.

1 (4) It is the legislature's goal that all school districts have the
2 capability to collect state-identified common data and export it in a
3 standard format to support a statewide K-12 education data improvement
4 system under this section.

5 (5) It is the legislature's intent that the K-12 education data
6 improvement system be developed to provide the capability to make
7 reports as required under RCW 28A.300.507 available.

8 (6) It is the legislature's intent that school districts collect
9 and report new data elements to satisfy the requirements of ((RCW
10 ~~43.41.400~~) section 902 of this act, this section, and RCW 28A.300.507,
11 only to the extent funds are available for this purpose.

12 **Sec. 908.** RCW 28A.657.110 and 2010 c 235 s 111 are each amended to
13 read as follows:

14 (1) The state board of education shall continue to refine the
15 development of an accountability framework that creates a unified
16 system of support for challenged schools, that aligns with basic
17 education, increases the level of support based upon the magnitude of
18 need, and uses data for decisions.

19 (2) The state board of education shall develop an accountability
20 index to identify schools and districts for recognition, for continuous
21 improvement, and for additional state support. The index shall be
22 based on criteria that are fair, consistent, and transparent.
23 Performance shall be measured using multiple outcomes and indicators
24 including, but not limited to, graduation rates and results from
25 statewide assessments. The index shall be developed in such a way as
26 to be easily understood by both employees within the schools and
27 districts, as well as parents and community members. It is the
28 legislature's intent that the index provide feedback to schools and
29 districts to self-assess their progress, and enable the identification
30 of schools with exemplary student performance and those that need
31 assistance to overcome challenges in order to achieve exemplary student
32 performance.

33 (3) The state board of education, in cooperation with the office of
34 the superintendent of public instruction, shall annually recognize
35 schools for exemplary performance as measured on the state board of
36 education accountability index. The state board of education shall
37 have ongoing collaboration with the achievement gap oversight and

1 accountability committee regarding the measures used to measure the
2 closing of the achievement gaps and the recognition provided to the
3 school districts for closing the achievement gaps.

4 (4) In coordination with the superintendent of public instruction,
5 the state board of education shall seek approval from the United States
6 department of education for use of the accountability index and the
7 state system of support, assistance, and intervention, to replace the
8 federal accountability system under P.L. 107-110, the no child left
9 behind act of 2001.

10 (5) The state board of education shall work with the education
11 research and data center (~~established within the office of financial~~
12 ~~management~~) and the technical working group established in (~~section~~
13 ~~112, chapter 548, Laws of 2009~~) RCW 28A.290.020 to determine the
14 feasibility of using the prototypical funding allocation model as not
15 only a tool for allocating resources to schools and districts but also
16 as a tool for schools and districts to report to the state legislature
17 and the state board of education on how the state resources received
18 are being used.

19 NEW SECTION. Sec. 909. RCW 43.41.405 (K-12 data--Securing federal
20 funds) and 2009 c 548 s 204 are each repealed.

21 PART X

22 ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

23 NEW SECTION. Sec. 1001. A new section is added to chapter 41.80
24 RCW to read as follows:

25 (1) By January 1, 2012, the public employment relations commission
26 may review the appropriateness of the collective bargaining units
27 transferred under sections 1002, 1003, 1004, 1008, and 1009 of this
28 act. The employer or the exclusive bargaining representative may
29 petition the public employment relations commission to review the
30 bargaining units in accordance with this section.

31 (2) If the commission determines that an existing collective
32 bargaining unit is appropriate pursuant to RCW 41.80.070, the exclusive
33 bargaining representative certified to represent the bargaining unit
34 prior to January 1, 2012, shall continue as the exclusive bargaining
35 representative without the necessity of an election.

1 (3) If the commission determines that existing collective
2 bargaining units are not appropriate, the commission may modify the
3 units and order an election pursuant to RCW 41.80.080. Certified
4 bargaining representatives will not be required to demonstrate a
5 showing of interest to be included on the ballot.

6 (4) The commission may require an election pursuant to RCW
7 41.80.080 if similarly situated employees are represented by more than
8 one employee organization. Certified bargaining representatives will
9 not be required to demonstrate a showing of interest to be included on
10 the ballot.

11 NEW SECTION. **Sec. 1002.** A new section is added to chapter 43.19
12 RCW to read as follows:

13 (1) The department of general administration is hereby abolished
14 and its powers, duties, and functions are transferred to the department
15 of enterprise services. All references to the director or department
16 of general administration in the Revised Code of Washington shall be
17 construed to mean the director or the department of enterprise
18 services.

19 (2)(a) All reports, documents, surveys, books, records, files,
20 papers, or written material in the possession of the department of
21 general administration shall be delivered to the custody of the
22 department of enterprise services. All cabinets, furniture, office
23 equipment, motor vehicles, and other tangible property employed by the
24 department of general administration shall be made available to the
25 department of enterprise services. All funds, credits, or other assets
26 held by the department of general administration shall be assigned to
27 the department of enterprise services.

28 (b) Any appropriations made to the department of general
29 administration shall, on the effective date of this section, be
30 transferred and credited to the department of enterprise services.

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

1 (3) All rules and all pending business before the department of
2 general administration shall be continued and acted upon by the
3 department of enterprise services. All existing contracts and
4 obligations shall remain in full force and shall be performed by the
5 department of enterprise services.

6 (4) The transfer of the powers, duties, functions, and personnel of
7 the department of general administration shall not affect the validity
8 of any act performed before the effective date of this section.

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

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

24 (7) Unless or until modified by the public employment relations
25 commission pursuant to section 1001 of this act:

26 (a) The bargaining units of employees at the department of general
27 administration existing on the effective date of this section shall be
28 considered appropriate units at the department of enterprise services
29 and will be so certified by the public employment relations commission.

30 (b) The exclusive bargaining representatives recognized as
31 representing the bargaining units of employees at the department of
32 general administration existing on the effective date of this section
33 shall continue as the exclusive bargaining representatives of the
34 transferred bargaining units without the necessity of an election.

35 NEW SECTION. **Sec. 1003.** A new section is added to chapter 43.19
36 RCW to read as follows:

37 (1) The public printer is hereby abolished and its powers, duties,

1 and functions, to the extent provided in this act, are transferred to
2 the department of enterprise services. All references to the public
3 printer in the Revised Code of Washington shall be construed to mean
4 the director or the department of enterprise services.

5 (2)(a) All reports, documents, surveys, books, records, files,
6 papers, or written material in the possession of the public printer
7 shall be delivered to the custody of the department of enterprise
8 services. All cabinets, furniture, office equipment, motor vehicles,
9 and other tangible property employed by the public printer shall be
10 made available to the department of enterprise services. All funds,
11 credits, or other assets held by the public printer shall be assigned
12 to the department of enterprise services.

13 (b) Any appropriations made to the public printer shall, on the
14 effective date of this section, be transferred and credited to the
15 department of enterprise services.

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

22 (3) All rules and all pending business before the public printer
23 shall be continued and acted upon by the department of enterprise
24 services. All existing contracts and obligations shall remain in full
25 force and shall be performed by the department of enterprise services.

26 (4) The transfer of the powers, duties, functions, and personnel of
27 the public printer shall not affect the validity of any act performed
28 before the effective date of this section.

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

35 (6) All employees of the public printer engaged in performing the
36 powers, functions, and duties transferred to the department of
37 enterprise services are transferred to the department of enterprise
38 services.

1 (a) The commercial agreement between the graphic communications
2 conference of the international brotherhood of teamsters, local 767M
3 and the department of printing-bindery that became effective July 1,
4 2007, shall remain in effect during its duration. Upon expiration, the
5 parties may extend the terms of the agreement; however, the agreement
6 may not be extended beyond September 30, 2011. Beginning October 1,
7 2011, chapter 41.80 RCW shall apply to the department of enterprise
8 services with respect to employees in positions formerly covered under
9 the expired commercial agreement.

10 (b) The commercial agreement between the graphic communications
11 conference of the international brotherhood of teamsters, local 767M
12 and the department of printing-litho that became effective July 1,
13 2007, shall remain in effect during its duration. Upon expiration, the
14 parties may extend the terms of the agreement; however, the agreement
15 may not be extended beyond September 30, 2011. Beginning October 1,
16 2011, chapter 41.80 RCW shall apply to the department of enterprise
17 services with respect to the employees in positions formerly covered
18 under the expired commercial agreement.

19 (c) The typographical contract between the communications workers
20 of America, the newspaper guild, local 37082, and the department of
21 printing-typographical that became effective July 1, 2007, shall remain
22 in effect during its duration. Upon expiration, the parties may extend
23 the terms of the agreement; however, the agreement may not be extended
24 beyond September 30, 2011. Beginning October 1, 2011, chapter 41.80
25 RCW shall apply to the department of enterprise services with respect
26 to the employees in positions formerly covered under the expired
27 typographical contract.

28 (d) All other employees of the public printer not covered by the
29 contracts and agreements specified in (a) through (c) of this
30 subsection shall be exempt from chapter 41.06 RCW until October 1,
31 2011, at which time these employees shall be subject to chapter 41.06
32 RCW, unless otherwise deemed exempt in accordance with that chapter.

33 (7) Unless or until modified by the public employment relations
34 commission pursuant to section 1001 of this act:

35 (a) The bargaining units of printing craft employees existing on
36 the effective date of this section shall be considered an appropriate
37 unit at the department of enterprise services and will be so certified
38 by the public employment relations commission; and

1 (b) The exclusive bargaining representatives recognized as
2 representing the bargaining units of printing craft employees existing
3 on the effective date of this section shall continue as the exclusive
4 bargaining representatives of the transferred bargaining units without
5 the necessity of an election.

6 NEW SECTION. **Sec. 1004.** A new section is added to chapter 43.19
7 RCW to read as follows:

8 (1) The powers, duties, and functions of the department of
9 information services as set forth in sections 601, 602, and 614 of this
10 act are hereby transferred to the department of enterprise services.

11 (2)(a) All reports, documents, surveys, books, records, files,
12 papers, or written material in the possession of the department of
13 information services pertaining to the powers, duties, and functions
14 transferred shall be delivered to the custody of the department of
15 enterprise services. All cabinets, furniture, office equipment, motor
16 vehicles, and other tangible property employed by the department of
17 information services in carrying out the powers, duties, and functions
18 transferred shall be made available to the department of enterprise
19 services. All funds, credits, or other assets held by the department
20 of information services in connection with the powers, duties, and
21 functions transferred shall be assigned to the department of enterprise
22 services.

23 (b) Any appropriations made to the department of information
24 services for carrying out the powers, functions, and duties transferred
25 shall, on the effective date of this section, be transferred and
26 credited to the department of enterprise services.

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

33 (3) All rules and all pending business before the department of
34 information services pertaining to the powers, duties, and functions
35 transferred shall be continued and acted upon by the department of
36 enterprise services. All existing contracts and obligations shall

1 remain in full force and shall be performed by the department of
2 enterprise services.

3 (4) The transfer of the powers, duties, functions, and personnel of
4 the department of information services shall not affect the validity of
5 any act 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 information services engaged
13 in 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 (7) Unless or until modified by the public employment relations
22 commission pursuant to section 1001 of this act:

23 (a) The portions of the bargaining units of employees at the
24 department of information services existing on the effective date of
25 this section shall be considered appropriate units at the department of
26 enterprise services and will be so certified by the public employment
27 relations commission.

28 (b) The exclusive bargaining representatives recognized as
29 representing the portions of the bargaining units of employees at the
30 department of information services existing on the effective date of
31 this section shall continue as the exclusive bargaining representative
32 of the transferred bargaining units without the necessity of an
33 election.

34 NEW SECTION. **Sec. 1005.** A new section is added to chapter 43.19
35 RCW to read as follows:

36 (1) Those powers, duties, and functions of the department of

1 personnel being transferred to the department of enterprise services as
2 set forth in Part IV of this act are hereby transferred to the
3 department of enterprise services.

4 (2)(a) All reports, documents, surveys, books, records, files,
5 papers, or written material in the possession of the department of
6 personnel pertaining to the powers, duties, and functions transferred
7 shall be delivered to the custody of the department of enterprise
8 services. All cabinets, furniture, office equipment, motor vehicles,
9 and other tangible property employed by the department of personnel in
10 carrying out the powers, duties, and functions transferred shall be
11 made available to the department of enterprise services. All funds,
12 credits, or other assets held by the department of personnel in
13 connection with the powers, duties, and functions transferred shall be
14 assigned to the department of enterprise services.

15 (b) Any appropriations made to the department of personnel for
16 carrying out the powers, functions, and duties transferred shall, on
17 the effective date of this section, be transferred and credited to the
18 department of enterprise services.

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

25 (3) All rules and all pending business before the department of
26 personnel pertaining to the powers, duties, and functions transferred
27 shall be continued and acted upon by the department of enterprise
28 services. All existing contracts and obligations shall remain in full
29 force and shall be performed by the department of enterprise services.

30 (4) The transfer of the powers, duties, functions, and personnel of
31 the department of personnel shall not affect the validity of any act
32 performed before the effective date of this section.

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

1 (6) All employees of the department of personnel engaged in
2 performing the powers, functions, and duties transferred to the
3 department of enterprise services, are transferred to the department of
4 enterprise services. All employees classified under chapter 41.06 RCW,
5 the state civil service law, are assigned to the department of
6 enterprise services to perform their usual duties upon the same terms
7 as formerly, without any loss of rights, subject to any action that may
8 be appropriate thereafter in accordance with the laws and rules
9 governing state civil service law.

10 NEW SECTION. **Sec. 1006.** A new section is added to chapter 43.41
11 RCW to read as follows:

12 (1) Those powers, duties, and functions of the department of
13 personnel being transferred to the office of financial management as
14 set forth in Part IV of this act are hereby transferred to the office
15 of financial management.

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

27 (b) Any appropriations made to the department of personnel for
28 carrying out the powers, functions, and duties transferred shall, on
29 the effective date of this section, be transferred and credited to the
30 office of financial management.

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

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

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

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

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

25 NEW SECTION. **Sec. 1007.** A new section is added to chapter 43.19
26 RCW to read as follows:

27 (1) The powers, duties, and functions of the office of financial
28 management as set forth in Part V of this act are hereby transferred to
29 the department of enterprise services.

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

1 services. All funds, credits, or other assets held by the office of
2 financial management in connection with the powers, duties, and
3 functions transferred shall be assigned to the department of enterprise
4 services.

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

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

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

21 (4) The transfer of the powers, duties, functions, and personnel of
22 the office of financial management shall not affect the validity of any
23 act performed before the effective date of this section.

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

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

1 NEW SECTION. **Sec. 1008.** A new section is added to chapter 43.330
2 RCW to read as follows:

3 (1) All powers, duties, and functions of the department of
4 information services pertaining to high-speed internet activities are
5 transferred to the department of commerce. All references to the
6 director or the department of information services in the Revised Code
7 of Washington shall be construed to mean the director or the department
8 of commerce when referring to the functions transferred in this
9 section.

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

20 (b) Any appropriations made to the department of information
21 services for carrying out the powers, functions, and duties transferred
22 shall, on the effective date of this section, be transferred and
23 credited to the department of commerce.

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

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

1 (4) All rules and all pending business before the department of
2 information services pertaining to the powers, functions, and duties
3 transferred shall be continued and acted upon by the department of
4 commerce. All existing contracts and obligations shall remain in full
5 force and shall be performed by the department of commerce.

6 (5) The transfer of the powers, duties, functions, and personnel of
7 the department of information services shall not affect the validity of
8 any act performed before the effective date of this section.

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

15 (7) All classified employees of the department of information
16 services assigned to the department of commerce under this section
17 whose positions are within an existing bargaining unit description at
18 the department of commerce shall become a part of the existing
19 bargaining unit at the department of commerce and shall be considered
20 an appropriate inclusion or modification of the existing bargaining
21 unit under the provisions of chapter 41.80 RCW.

22 NEW SECTION. **Sec. 1009.** A new section is added to chapter 43.330
23 RCW to read as follows:

24 (1) Those powers, duties, and functions of the department of
25 information services being transferred to the consolidated technology
26 services agency as set forth in sections 801 through 816 of this act
27 are hereby transferred to the consolidated technology services agency.

28 (2)(a) All reports, documents, surveys, books, records, files,
29 papers, or written material in the possession of the department of
30 information services shall be delivered to the custody of the
31 consolidated technology services agency. All cabinets, furniture,
32 office equipment, motor vehicles, and other tangible property employed
33 by the department of information services shall be made available to
34 the consolidated technology services agency. All funds, credits, or
35 other assets held by the department of information services shall be
36 assigned to the consolidated technology services agency.

1 (b) Any appropriations made to the department of information
2 services shall, on the effective date of this section, be transferred
3 and credited to the consolidated technology services agency.

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

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

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

19 (5) 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 equipment records in accordance with the certification.

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

34 (7) Unless or until modified by the public employment relations
35 commission pursuant to section 1001 of this act:

36 (a) The portions of the bargaining units of employees at the
37 department of information services existing on the effective date of

1 this section shall be considered appropriate units at the consolidated
2 technology services agency and will be so certified by the public
3 employment relations commission.

4 (b) The exclusive bargaining representatives recognized as
5 representing the portions of the bargaining units of employees at the
6 department of information services existing on the effective date of
7 this section shall continue as the exclusive bargaining representatives
8 of the transferred bargaining units without the necessity of an
9 election.

10 **Sec. 1010.** RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and
11 2010 c 1 s 1 are each reenacted and amended to read as follows:

12 (1) The provisions of this chapter do not apply to:

13 (a) The members of the legislature or to any employee of, or
14 position in, the legislative branch of the state government including
15 members, officers, and employees of the legislative council, joint
16 legislative audit and review committee, statute law committee, and any
17 interim committee of the legislature;

18 (b) The justices of the supreme court, judges of the court of
19 appeals, judges of the superior courts or of the inferior courts, or to
20 any employee of, or position in the judicial branch of state
21 government;

22 (c) Officers, academic personnel, and employees of technical
23 colleges;

24 (d) The officers of the Washington state patrol;

25 (e) Elective officers of the state;

26 (f) The chief executive officer of each agency;

27 (g) In the departments of employment security and social and health
28 services, the director and the director's confidential secretary; in
29 all other departments, the executive head of which is an individual
30 appointed by the governor, the director, his or her confidential
31 secretary, and his or her statutory assistant directors;

32 (h) In the case of a multimember board, commission, or committee,
33 whether the members thereof are elected, appointed by the governor or
34 other authority, serve ex officio, or are otherwise chosen:

35 (i) All members of such boards, commissions, or committees;

36 (ii) If the members of the board, commission, or committee serve on
37 a part-time basis and there is a statutory executive officer: The

1 secretary of the board, commission, or committee; the chief executive
2 officer of the board, commission, or committee; and the confidential
3 secretary of the chief executive officer of the board, commission, or
4 committee;

5 (iii) If the members of the board, commission, or committee serve
6 on a full-time basis: The chief executive officer or administrative
7 officer as designated by the board, commission, or committee; and a
8 confidential secretary to the chair of the board, commission, or
9 committee;

10 (iv) If all members of the board, commission, or committee serve ex
11 officio: The chief executive officer; and the confidential secretary
12 of such chief executive officer;

13 (i) The confidential secretaries and administrative assistants in
14 the immediate offices of the elective officers of the state;

15 (j) Assistant attorneys general;

16 (k) Commissioned and enlisted personnel in the military service of
17 the state;

18 (l) Inmate, student, part-time, or temporary employees, and part-
19 time professional consultants, as defined by the Washington personnel
20 resources board;

21 ~~((The public printer or to any employees of or positions in the
22 state printing plant;~~

23 ~~(n))~~ Officers and employees of the Washington state fruit
24 commission;

25 ~~((o))~~ (n) Officers and employees of the Washington apple
26 commission;

27 ~~((p))~~ (o) Officers and employees of the Washington state dairy
28 products commission;

29 ~~((q))~~ (p) Officers and employees of the Washington tree fruit
30 research commission;

31 ~~((r))~~ (q) Officers and employees of the Washington state beef
32 commission;

33 ~~((s))~~ (r) Officers and employees of the Washington grain
34 commission;

35 ~~((t))~~ (s) Officers and employees of any commission formed under
36 chapter 15.66 RCW;

37 ~~((u))~~ (t) Officers and employees of agricultural commissions
38 formed under chapter 15.65 RCW;

1 executive heads of major administrative or academic divisions employed
2 by institutions of higher education; principal assistants to executive
3 heads of major administrative or academic divisions; other managerial
4 or professional employees in an institution or related board having
5 substantial responsibility for directing or controlling program
6 operations and accountable for allocation of resources and program
7 results, or for the formulation of institutional policy, or for
8 carrying out personnel administration or labor relations functions,
9 legislative relations, public information, development, senior computer
10 systems and network programming, or internal audits and investigations;
11 and any employee of a community college district whose place of work is
12 one which is physically located outside the state of Washington and who
13 is employed pursuant to RCW 28B.50.092 and assigned to an educational
14 program operating outside of the state of Washington;

15 (b) The governing board of each institution, and related boards,
16 may also exempt from this chapter classifications involving research
17 activities, counseling of students, extension or continuing education
18 activities, graphic arts or publications activities requiring
19 prescribed academic preparation or special training as determined by
20 the board: PROVIDED, That no nonacademic employee engaged in office,
21 clerical, maintenance, or food and trade services may be exempted by
22 the board under this provision;

23 (c) Printing craft employees in the department of printing at the
24 University of Washington.

25 (3) In addition to the exemptions specifically provided by this
26 chapter, the director (~~(of personnel)~~) may provide for further
27 exemptions pursuant to the following procedures. The governor or other
28 appropriate elected official may submit requests for exemption to the
29 (~~(director of personnel)~~) office of financial management stating the
30 reasons for requesting such exemptions. The director (~~(of personnel)~~)
31 shall hold a public hearing, after proper notice, on requests submitted
32 pursuant to this subsection. If the director determines that the
33 position for which exemption is requested is one involving substantial
34 responsibility for the formulation of basic agency or executive policy
35 or one involving directing and controlling program operations of an
36 agency or a major administrative division thereof, or is a senior
37 expert in enterprise information technology infrastructure,
38 engineering, or systems, the director (~~(of personnel)~~) shall grant the

1 request (~~and such determination shall be final as to any decision made~~
2 ~~before July 1, 1993~~). The total number of additional exemptions
3 permitted under this subsection shall not exceed one percent of the
4 number of employees in the classified service not including employees
5 of institutions of higher education and related boards for those
6 agencies not directly under the authority of any elected public
7 official other than the governor, and shall not exceed a total of
8 twenty-five for all agencies under the authority of elected public
9 officials other than the governor.

10 The salary and fringe benefits of all positions presently or
11 hereafter exempted except for the chief executive officer of each
12 agency, full-time members of boards and commissions, administrative
13 assistants and confidential secretaries in the immediate office of an
14 elected state official, and the personnel listed in subsections (1)(j)
15 through ~~((v))~~ (u) and ~~((y))~~ (x) and (2) of this section, shall be
16 determined by the director ~~((of personnel))~~. Changes to the
17 classification plan affecting exempt salaries must meet the same
18 provisions for classified salary increases resulting from adjustments
19 to the classification plan as outlined in RCW 41.06.152.

20 From February 18, 2009, through June 30, 2011, a salary or wage
21 increase shall not be granted to any position exempt from
22 classification under this chapter, except that a salary or wage
23 increase may be granted to employees pursuant to collective bargaining
24 agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW,
25 or negotiated by the nonprofit corporation formed under chapter 67.40
26 RCW, and except that increases may be granted for positions for which
27 the employer has demonstrated difficulty retaining qualified employees
28 if the following conditions are met:

- 29 (a) The salary increase can be paid within existing resources; and
30 (b) The salary increase will not adversely impact the provision of
31 client services.

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

1 Any person holding a classified position subject to the provisions
2 of this chapter shall, when and if such position is subsequently
3 exempted from the application of this chapter, be afforded the
4 following rights: If such person previously held permanent status in
5 another classified position, such person shall have a right of
6 reversion to the highest class of position previously held, or to a
7 position of similar nature and salary.

8 Any classified employee having civil service status in a classified
9 position who accepts an appointment in an exempt position shall have
10 the right of reversion to the highest class of position previously
11 held, or to a position of similar nature and salary.

12 A person occupying an exempt position who is terminated from the
13 position for gross misconduct or malfeasance does not have the right of
14 reversion to a classified position as provided for in this section.

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

20 NEW SECTION. **Sec. 1011.** Sections 701 through 721 of this act
21 constitute a new chapter in Title 43 RCW to be codified as chapter
22 43.41A RCW.

23 NEW SECTION. **Sec. 1012.** RCW 43.105.052, 43.105.172, 43.105.250,
24 43.105.260, 43.105.270, 43.105.280, 43.105.290, 43.105.310, and
25 43.105.835 are each recodified as sections in chapter 43.--- RCW (the
26 new chapter created in section 1011 of this act).

27 NEW SECTION. **Sec. 1013.** The following acts or parts of acts are
28 each repealed:

- 29 (1) RCW 43.105.005 (Purpose) and 1990 c 208 s 1 & 1987 c 504 s 1;
30 (2) RCW 43.105.013 (Finding--Intent) and 2010 c 282 s 1;
31 (3) RCW 43.105.019 (Enterprise-based strategy--Coordination with
32 legislative and judicial branches) and 2010 c 282 s 10;
33 (4) RCW 43.105.032 (Information services board--Members--
34 Chairperson--Vacancies--Quorum--Compensation and travel expenses) and

1 2007 c 158 s 1, 1999 c 241 s 2, 1996 c 137 s 10, 1992 c 20 s 8, 1987 c
2 504 s 4, 1984 c 287 s 86, 1975-'76 2nd ex.s. c 34 s 128, & 1973 1st
3 ex.s. c 219 s 5;

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

6 (6) RCW 43.105.095 (Management and oversight structure) and 1999 c
7 80 s 3;

8 (7) RCW 43.105.105 (Information technology decisions and plans) and
9 1999 c 80 s 4;

10 (8) RCW 43.105.160 (Strategic information technology plan--Biennial
11 state performance report on information technology) and 2010 c 282 s 9,
12 2005 c 319 s 110, 1999 c 80 s 9, 1998 c 177 s 3, 1996 c 171 s 9, & 1992
13 c 20 s 1;

14 (9) RCW 43.105.170 (Information technology portfolios--Contents--
15 Performance reports) and 1999 c 80 s 10;

16 (10) RCW 43.105.180 (Evaluation of budget requests for information
17 technology projects) and 2010 c 282 s 6 & 1999 c 80 s 11;

18 (11) RCW 43.105.190 (Major information technology projects
19 standards and policies--Project evaluation and reporting) and 2005 c
20 319 s 111, 1999 c 80 s 12, 1998 c 177 s 4, 1996 c 137 s 15, & 1992 c 20
21 s 4;

22 (12) RCW 43.105.200 (Application to institutions of higher
23 education) and 1992 c 20 s 5;

24 (13) RCW 43.105.210 (Data processing expenditures--Authorization--
25 Penalties) and 1993 sp.s. c 1 s 903;

26 (14) RCW 43.105.330 (State interoperability executive committee)
27 and 2006 c 76 s 2 & 2003 c 18 s 4;

28 (15) RCW 43.105.805 (Information services board--Powers and duties)
29 and 2010 1st sp.s. c 9 s 1, 2010 1st sp.s. c 7 s 66, & 1999 c 285 s 3;

30 (16) RCW 43.105.815 (K-20 operations cooperative--Ongoing
31 management) and 1999 c 285 s 8; and

32 (17) RCW 43.105.820 (K-20 telecommunication system--Technical plan)
33 and 2010 1st sp.s. c 7 s 67, 1999 c 285 s 11, & 1996 c 137 s 8.

34 NEW SECTION. **Sec. 1014.** Sections 728 through 731 of this act
35 expire January 1, 2012.

1 NEW SECTION. **Sec. 1015.** Section 732 of this act takes effect
2 January 1, 2012.

3 NEW SECTION. **Sec. 1016.** The code reviser shall note wherever the
4 director or department of any agency or agency's duties transferred or
5 consolidated under this act is used or referred to in statute that the
6 name of the director or department has changed. The code reviser shall
7 prepare legislation for the 2012 regular session that (1) changes all
8 statutory references to the director or department of any agency
9 transferred or consolidated under this act, and (2) changes statutory
10 references to sections recodified by this act but not amended in this
11 act.

12 NEW SECTION. **Sec. 1017.** Except for sections 109, 448, 462, and
13 732 of this act, this act takes effect October 1, 2011.

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