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SENATE BILL 6046

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State of Washington

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By Senators Miloscia and Padden

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1 AN ACT Relating to oversight of information technology projects  
2 at the state board for community and technical colleges; amending RCW  
3 28B.15.031, 28B.50.515, and 43.79A.040; and reenacting and amending  
4 RCW 43.84.092.

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

6 **Sec. 1.** RCW 28B.15.031 and 2015 3rd sp.s. c 36 s 1 are each  
7 amended to read as follows:

8 (1) The term "operating fees" as used in this chapter shall  
9 include the fees, other than building fees, charged all students  
10 registering at the state's colleges and universities but shall not  
11 include fees for short courses, self-supporting degree credit  
12 programs and courses, marine station work, experimental station work,  
13 correspondence or extension courses, and individual instruction and  
14 student deposits or rentals, disciplinary and library fines, which  
15 colleges and universities shall have the right to impose, laboratory,  
16 gymnasium, health, technology and student activity fees, or fees,  
17 charges, rentals, and other income derived from any or all revenue  
18 producing lands, buildings and facilities of the colleges or  
19 universities heretofore or hereafter acquired, constructed or  
20 installed, including but not limited to income from rooms,  
21 dormitories, dining rooms, hospitals, infirmaries, housing or student

1 activity buildings, vehicular parking facilities, land, or the  
2 appurtenances thereon, or such other special fees as may be  
3 established by any college or university board of trustees or regents  
4 from time to time. All moneys received as operating fees at any  
5 institution of higher education shall be deposited in a local account  
6 containing only operating fees revenue and related interest:  
7 PROVIDED, That a minimum of four percent of operating fees shall be  
8 retained by four-year institutions of higher education and a minimum  
9 of three and one-half percent of operating fees shall be retained by  
10 the community and technical colleges for the purposes of RCW  
11 28B.15.820. At least thirty percent of operating fees required to be  
12 retained by the four-year institutions for purposes of RCW 28B.15.820  
13 shall be used only for the purposes of RCW 28B.15.820(10).

14 (2) In addition to the three and one-half percent of operating  
15 fees retained by the institutions under subsection (1) of this  
16 section, up to (~~three~~) one percent of operating fees charged to  
17 students at community and technical colleges shall be transferred to  
18 the community and technical college innovation account for the  
19 implementation of the college board's strategic technology plan in  
20 RCW 28B.50.515. The percentage to be transferred to the community and  
21 technical college innovation account shall be determined by the  
22 college board each year but shall not exceed (~~three~~) one percent of  
23 the operating fees collected each year and the amount for the payment  
24 of principal of and interest on financing contracts. The percentage  
25 to be transferred to the community and technical college innovation  
26 account may increase up to three percent, but shall not exceed three  
27 percent of the operating fees to be collected each year, when the  
28 pilot phase of the ctcLink project funded through the community and  
29 technical college innovation account created in RCW 28B.50.515 is  
30 completed.

31 (3) Local operating fee accounts shall not be subject to  
32 appropriation by the legislature but shall be subject to allotment  
33 procedures by budget program and fiscal year under chapter 43.88 RCW.

34 (4) For the purposes of this section, "ctcLink" means the  
35 enterprise resources planning information technology project to  
36 integrate financial, payroll, personnel, and student management  
37 systems and that received conditional approval for its investment  
38 plan from the office of the chief information officer on February 4,  
39 2014. "ctcLink" also means any successor information technology

1 project that uses hardware, software, equipment, services, and other  
2 components purchased for the ctcLink project.

3 **Sec. 2.** RCW 28B.50.515 and 2011 c 274 s 3 are each amended to  
4 read as follows:

5 (1) The community and technical college innovation account is  
6 created in ~~((the custody of))~~ the state ~~((treasurer))~~ treasury. All  
7 receipts from operating fees in RCW 28B.15.031(2) must be deposited  
8 into the account. Money from the account may only be used after  
9 appropriation. Expenditures from the account may be used only as  
10 provided in subsection (2) of this section. ~~((Only the director of~~  
11 ~~the college board or the director's designee may authorize~~  
12 ~~expenditures from the account. The account is subject to allotment~~  
13 ~~procedures under chapter 43.88 RCW, but an appropriation is not~~  
14 ~~required for expenditures.))~~

15 (2) Funds in the community and technical college innovation  
16 account may be used solely to:

17 (a) Pay and secure the payment of the principal of and interest  
18 on financing contracts, such as certificates of participation issued  
19 for the innovation account under chapter 39.94 RCW and authorized by  
20 the legislature; and

21 (b) Implement the college board's strategic technology plan to  
22 improve student achievement, student services, and increase  
23 systemwide administrative efficiencies. The college board must  
24 approve projects under the strategic technology plan to improve  
25 student achievement, student services, and increase systemwide  
26 administrative efficiencies before the director authorizes  
27 expenditures to be made. For large enterprise resource planning  
28 projects, the college board shall develop a technical and operational  
29 business plan and submit it to the legislature for approval before  
30 the project can be implemented.

31 (3) Consistent with the implementation of the strategic  
32 technology plan, the college board and the community and technical  
33 colleges shall engage in substantial business process reengineering  
34 and adopt systemwide approaches to admissions, financial aid, student  
35 identification numbers, student transcripts, and other systemwide  
36 processes.

37 (4) If the community and technical college system pursues an  
38 enterprise resource planning solution, ~~((they))~~ it shall consider  
39 adoption of existing solutions already deployed at institutions of

1 higher education in the state; short and long-term total costs of  
2 ownership; opportunities for partnerships, collaboration,  
3 coordination and consolidation with other entities in higher  
4 education; technical flexibility; and other requirements that support  
5 costs efficiencies. If the college board adopts a plan for an  
6 enterprise solution that is not coordinated with other institutions  
7 of higher education, authorization of expenditure of funds by the  
8 legislature must be approved by the office of financial management.

9 (5) The college board or the director may not expend funds in the  
10 community and technical college innovation account for any enterprise  
11 resource planning information technology project that exceeds two  
12 million dollars in total funds to complete until the following are  
13 met:

14 (a) The board must produce a technology budget for the  
15 information technology project using a method similar to the state  
16 capital budget, identifying project costs, funding sources, and  
17 anticipated deliverables through each stage of the project and across  
18 fiscal periods and biennia from project initiation to implementation.  
19 The technology budget must identify discrete phases of the project,  
20 which at minimum must include a planning stage, a procurement stage,  
21 and an implementation stage;

22 (b) The board must produce a technology implementation plan that  
23 includes:

24 (i) An organizational chart of the project management team that  
25 identifies team members and their roles and responsibilities;

26 (ii) The office of the chief information officer staff assigned  
27 to the project;

28 (iii) An implementation schedule covering activities, critical  
29 milestones, and deliverables at each stage of the project for the  
30 life of the project at each college affected by the project; and

31 (iv) Performance measures used to determine that the project is  
32 on time, within budget, and meeting expectations for quality of work  
33 product;

34 (c) The board must receive a letter from the office of the chief  
35 information officer certifying that:

36 (i) The project is consistent with the state's enterprise  
37 architecture and other policies developed by the office of the chief  
38 information officer;

39 (ii) The agency has the organizational capacity, preparedness,  
40 and leadership to implement the project successfully;

1 (iii) The agency has adequately assessed and minimized the risks  
2 inherent with the project;

3 (iv) The project has the management, staffing, and oversight  
4 resources needed for the cost, complexity, and risks associated with  
5 the project;

6 (v) The project has implementation schedules and performance  
7 measures for timeliness, deliverables, quality, and budget;

8 (vi) The agency has an adequate risk management plan that also  
9 enables the office of the chief information officer to assess,  
10 intervene, and take necessary action when performance measures are  
11 not being met; and

12 (vii) For any project that does not use a commercial off-the-  
13 shelf technology solution or software as a service technology  
14 solution, the proposed project represents the best business solution  
15 and should not be delayed;

16 (d) For any project that exceeds two million dollars in total  
17 funds to complete, requires more than one biennium to complete, or is  
18 financed through financial contracts, bonds, or other indebtedness:

19 (i) Quality assurance for the project must report independently  
20 to the office of the chief information officer;

21 (ii) The office of the chief information officer must review, and  
22 if necessary, revise the proposed project to ensure it is flexible  
23 and adaptable to advances in technology;

24 (iii) The technology budget must specifically identify the uses  
25 of any financing proceeds. No more than thirty percent of the  
26 financing proceeds may be used for payroll-related costs for state  
27 employees assigned to project management, installation, testing, or  
28 training;

29 (iv) The college board must consult with the office of the state  
30 treasurer during the competitive procurement process to evaluate  
31 early in the process whether products and services to be solicited  
32 and the responsive bids from a solicitation may be financed; and

33 (v) The college board must consult with the contracting division  
34 of the department of enterprise services for a review of all  
35 contracts and agreements related to the project's information  
36 technology procurements; and

37 (e) Each project must be allotted separately and by the discrete  
38 phases of the technology budget required in (a) of this subsection.

39 (6) The office of the chief information officer may suspend or  
40 terminate an information technology project at any time if the office

1 of the chief information officer determines that the project is not  
2 meeting or is not expected to meet anticipated performance measures.  
3 Once suspension or termination occurs, the director shall not make  
4 additional expenditures on the project without approval of the state  
5 chief information officer.

6 **Sec. 3.** RCW 43.79A.040 and 2017 3rd sp.s. c 5 s 89 are each  
7 amended to read as follows:

8 (1) Money in the treasurer's trust fund may be deposited,  
9 invested, and reinvested by the state treasurer in accordance with  
10 RCW 43.84.080 in the same manner and to the same extent as if the  
11 money were in the state treasury, and may be commingled with moneys  
12 in the state treasury for cash management and cash balance purposes.

13 (2) All income received from investment of the treasurer's trust  
14 fund must be set aside in an account in the treasury trust fund to be  
15 known as the investment income account.

16 (3) The investment income account may be utilized for the payment  
17 of purchased banking services on behalf of treasurer's trust funds  
18 including, but not limited to, depository, safekeeping, and  
19 disbursement functions for the state treasurer or affected state  
20 agencies. The investment income account is subject in all respects to  
21 chapter 43.88 RCW, but no appropriation is required for payments to  
22 financial institutions. Payments must occur prior to distribution of  
23 earnings set forth in subsection (4) of this section.

24 (4)(a) Monthly, the state treasurer must distribute the earnings  
25 credited to the investment income account to the state general fund  
26 except under (b), (c), and (d) of this subsection.

27 (b) The following accounts and funds must receive their  
28 proportionate share of earnings based upon each account's or fund's  
29 average daily balance for the period: The 24/7 sobriety account, the  
30 Washington promise scholarship account, the Gina Grant Bull memorial  
31 legislative page scholarship account, the Washington advanced college  
32 tuition payment program account, the Washington college savings  
33 program account, the accessible communities account, the Washington  
34 achieving a better life experience program account, (~~the community~~  
35 ~~and technical college innovation account,~~) the agricultural local  
36 fund, the American Indian scholarship endowment fund, the foster care  
37 scholarship endowment fund, the foster care endowed scholarship trust  
38 fund, the contract harvesting revolving account, the Washington state  
39 combined fund drive account, the commemorative works account, the

1 county enhanced 911 excise tax account, the toll collection account,  
2 the developmental disabilities endowment trust fund, the energy  
3 account, the fair fund, the family and medical leave insurance  
4 account, the food animal veterinarian conditional scholarship  
5 account, the forest health revolving account, the fruit and vegetable  
6 inspection account, the future teachers conditional scholarship  
7 account, the game farm alternative account, the GET ready for math  
8 and science scholarship account, the Washington global health  
9 technologies and product development account, the grain inspection  
10 revolving fund, the industrial insurance rainy day fund, the juvenile  
11 accountability incentive account, the law enforcement officers' and  
12 firefighters' plan 2 expense fund, the local tourism promotion  
13 account, the low-income home rehabilitation revolving loan program  
14 account, the multiagency permitting team account, the northeast  
15 Washington wolf-livestock management account, the pilotage account,  
16 the produce railcar pool account, the regional transportation  
17 investment district account, the rural rehabilitation account, the  
18 Washington sexual assault kit account, the stadium and exhibition  
19 center account, the youth athletic facility account, the self-  
20 insurance revolving fund, the children's trust fund, the Washington  
21 horse racing commission Washington bred owners' bonus fund and  
22 breeder awards account, the Washington horse racing commission class  
23 C purse fund account, the individual development account program  
24 account, the Washington horse racing commission operating account,  
25 the life sciences discovery fund, the Washington state heritage  
26 center account, the reduced cigarette ignition propensity account,  
27 the center for childhood deafness and hearing loss account, the  
28 school for the blind account, the Millersylvania park trust fund, the  
29 public employees' and retirees' insurance reserve fund, and the  
30 radiation perpetual maintenance fund.

31 (c) The following accounts and funds must receive eighty percent  
32 of their proportionate share of earnings based upon each account's or  
33 fund's average daily balance for the period: The advanced right-of-  
34 way revolving fund, the advanced environmental mitigation revolving  
35 account, the federal narcotics asset forfeitures account, the high  
36 occupancy vehicle account, the local rail service assistance account,  
37 and the miscellaneous transportation programs account.

38 (d) Any state agency that has independent authority over accounts  
39 or funds not statutorily required to be held in the custody of the  
40 state treasurer that deposits funds into a fund or account in the

1 custody of the state treasurer pursuant to an agreement with the  
2 office of the state treasurer shall receive its proportionate share  
3 of earnings based upon each account's or fund's average daily balance  
4 for the period.

5 (5) In conformance with Article II, section 37 of the state  
6 Constitution, no trust accounts or funds shall be allocated earnings  
7 without the specific affirmative directive of this section.

8 **Sec. 4.** RCW 43.84.092 and 2017 3rd sp.s. c 25 s 50, 2017 3rd  
9 sp.s. c 12 s 12, and 2017 c 290 s 8 are each reenacted and amended to  
10 read as follows:

11 (1) All earnings of investments of surplus balances in the state  
12 treasury shall be deposited to the treasury income account, which  
13 account is hereby established in the state treasury.

14 (2) The treasury income account shall be utilized to pay or  
15 receive funds associated with federal programs as required by the  
16 federal cash management improvement act of 1990. The treasury income  
17 account is subject in all respects to chapter 43.88 RCW, but no  
18 appropriation is required for refunds or allocations of interest  
19 earnings required by the cash management improvement act. Refunds of  
20 interest to the federal treasury required under the cash management  
21 improvement act fall under RCW 43.88.180 and shall not require  
22 appropriation. The office of financial management shall determine the  
23 amounts due to or from the federal government pursuant to the cash  
24 management improvement act. The office of financial management may  
25 direct transfers of funds between accounts as deemed necessary to  
26 implement the provisions of the cash management improvement act, and  
27 this subsection. Refunds or allocations shall occur prior to the  
28 distributions of earnings set forth in subsection (4) of this  
29 section.

30 (3) Except for the provisions of RCW 43.84.160, the treasury  
31 income account may be utilized for the payment of purchased banking  
32 services on behalf of treasury funds including, but not limited to,  
33 depository, safekeeping, and disbursement functions for the state  
34 treasury and affected state agencies. The treasury income account is  
35 subject in all respects to chapter 43.88 RCW, but no appropriation is  
36 required for payments to financial institutions. Payments shall occur  
37 prior to distribution of earnings set forth in subsection (4) of this  
38 section.



1 (4) Monthly, the state treasurer shall distribute the earnings  
2 credited to the treasury income account. The state treasurer shall  
3 credit the general fund with all the earnings credited to the  
4 treasury income account except:

5 (a) The following accounts and funds shall receive their  
6 proportionate share of earnings based upon each account's and fund's  
7 average daily balance for the period: The aeronautics account, the  
8 aircraft search and rescue account, the Alaskan Way viaduct  
9 replacement project account, the brownfield redevelopment trust fund  
10 account, the budget stabilization account, the capital vessel  
11 replacement account, the capitol building construction account, the  
12 Cedar River channel construction and operation account, the Central  
13 Washington University capital projects account, the charitable,  
14 educational, penal and reformatory institutions account, the Chehalis  
15 basin account, the cleanup settlement account, the Columbia river  
16 basin water supply development account, the Columbia river basin  
17 taxable bond water supply development account, the Columbia river  
18 basin water supply revenue recovery account, the common school  
19 construction fund, the community and technical college innovation  
20 account, the community forest trust account, the connecting  
21 Washington account, the county arterial preservation account, the  
22 county criminal justice assistance account, the deferred compensation  
23 administrative account, the deferred compensation principal account,  
24 the department of licensing services account, the department of  
25 retirement systems expense account, the developmental disabilities  
26 community trust account, the diesel idle reduction account, the  
27 drinking water assistance account, the drinking water assistance  
28 administrative account, the early learning facilities development  
29 account, the early learning facilities revolving account, the Eastern  
30 Washington University capital projects account, the Interstate 405  
31 express toll lanes operations account, the education construction  
32 fund, the education legacy trust account, the election account, the  
33 electric vehicle charging infrastructure account, the energy freedom  
34 account, the energy recovery act account, the essential rail  
35 assistance account, The Evergreen State College capital projects  
36 account, the federal forest revolving account, the ferry bond  
37 retirement fund, the freight mobility investment account, the freight  
38 mobility multimodal account, the grade crossing protective fund, the  
39 public health services account, the high capacity transportation  
40 account, the state higher education construction account, the higher

1 education construction account, the highway bond retirement fund, the  
2 highway infrastructure account, the highway safety fund, the high  
3 occupancy toll lanes operations account, the hospital safety net  
4 assessment fund, the industrial insurance premium refund account, the  
5 judges' retirement account, the judicial retirement administrative  
6 account, the judicial retirement principal account, the local  
7 leasehold excise tax account, the local real estate excise tax  
8 account, the local sales and use tax account, the marine resources  
9 stewardship trust account, the medical aid account, the mobile home  
10 park relocation fund, the money-purchase retirement savings  
11 administrative account, the money-purchase retirement savings  
12 principal account, the motor vehicle fund, the motorcycle safety  
13 education account, the multimodal transportation account, the  
14 multiuse roadway safety account, the municipal criminal justice  
15 assistance account, the natural resources deposit account, the oyster  
16 reserve land account, the pension funding stabilization account, the  
17 perpetual surveillance and maintenance account, the pollution  
18 liability insurance agency underground storage tank revolving  
19 account, the public employees' retirement system plan 1 account, the  
20 public employees' retirement system combined plan 2 and plan 3  
21 account, the public facilities construction loan revolving account  
22 beginning July 1, 2004, the public health supplemental account, the  
23 public works assistance account, the Puget Sound capital construction  
24 account, the Puget Sound ferry operations account, the Puget Sound  
25 taxpayer accountability account, the real estate appraiser commission  
26 account, the recreational vehicle account, the regional mobility  
27 grant program account, the resource management cost account, the  
28 rural arterial trust account, the rural mobility grant program  
29 account, the rural Washington loan fund, the sexual assault  
30 prevention and response account, the site closure account, the  
31 skilled nursing facility safety net trust fund, the small city  
32 pavement and sidewalk account, the special category C account, the  
33 special wildlife account, the state employees' insurance account, the  
34 state employees' insurance reserve account, the state investment  
35 board expense account, the state investment board commingled trust  
36 fund accounts, the state patrol highway account, the state route  
37 number 520 civil penalties account, the state route number 520  
38 corridor account, the state wildlife account, the supplemental  
39 pension account, the Tacoma Narrows toll bridge account, the  
40 teachers' retirement system plan 1 account, the teachers' retirement

1 system combined plan 2 and plan 3 account, the tobacco prevention and  
2 control account, the tobacco settlement account, the toll facility  
3 bond retirement account, the transportation 2003 account (nickel  
4 account), the transportation equipment fund, the transportation  
5 future funding program account, the transportation improvement  
6 account, the transportation improvement board bond retirement  
7 account, the transportation infrastructure account, the  
8 transportation partnership account, the traumatic brain injury  
9 account, the tuition recovery trust fund, the University of  
10 Washington bond retirement fund, the University of Washington  
11 building account, the volunteer firefighters' and reserve officers'  
12 relief and pension principal fund, the volunteer firefighters' and  
13 reserve officers' administrative fund, the Washington judicial  
14 retirement system account, the Washington law enforcement officers'  
15 and firefighters' system plan 1 retirement account, the Washington  
16 law enforcement officers' and firefighters' system plan 2 retirement  
17 account, the Washington public safety employees' plan 2 retirement  
18 account, the Washington school employees' retirement system combined  
19 plan 2 and 3 account, the Washington state health insurance pool  
20 account, the Washington state patrol retirement account, the  
21 Washington State University building account, the Washington State  
22 University bond retirement fund, the water pollution control  
23 revolving administration account, the water pollution control  
24 revolving fund, the Western Washington University capital projects  
25 account, the Yakima integrated plan implementation account, the  
26 Yakima integrated plan implementation revenue recovery account, and  
27 the Yakima integrated plan implementation taxable bond account.  
28 Earnings derived from investing balances of the agricultural  
29 permanent fund, the normal school permanent fund, the permanent  
30 common school fund, the scientific permanent fund, the state  
31 university permanent fund, and the state reclamation revolving  
32 account shall be allocated to their respective beneficiary accounts.

33 (b) Any state agency that has independent authority over accounts  
34 or funds not statutorily required to be held in the state treasury  
35 that deposits funds into a fund or account in the state treasury  
36 pursuant to an agreement with the office of the state treasurer shall  
37 receive its proportionate share of earnings based upon each account's  
38 or fund's average daily balance for the period.

1           (5) In conformance with Article II, section 37 of the state  
2 Constitution, no treasury accounts or funds shall be allocated  
3 earnings without the specific affirmative directive of this section.

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