
HOUSE BILL 2226

State of Washington

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By Representatives Reams, Mulliken, D. Sommers, Carrell, Campbell, Horn, L. Thomas, Sheahan, D. Schmidt, Elliot, Johnson, Thompson, Stevens, Goldsmith and Backlund

Read first time 01/08/96. Referred to Committee on Government Operations.

1 AN ACT Relating to state government reorganization; amending RCW
2 72.09.040 and 43.17.020; reenacting and amending RCW 43.17.010; adding
3 new sections to chapter 41.06 RCW; adding a new section to chapter
4 72.09 RCW; adding new chapters to Title 43 RCW; creating new sections;
5 providing effective dates; providing an expiration date; and declaring
6 an emergency.

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

8 NEW SECTION. **Sec. 1.** The legislature finds that the department of
9 social and health services is required to perform an overwhelming
10 number of responsibilities. Due to this, the department of social and
11 health services has grown to an unmanageable and unwieldy bureaucracy
12 that cannot function effectively and must be reorganized. The
13 legislature recognizes that pending changes in federal law may impact
14 organization and necessitate the amendment of any reorganization plan.
15 However, it is the intent of this legislature to abolish the department
16 of social and health services and to divide its functions among four
17 newly created and one existing state agencies. It is also the intent
18 of the legislature to eliminate the executive division of the

1 department of social and health services, including but not limited to
2 the office of the secretary.

3 **PART 1**

4 **DEPARTMENT OF MEDICAL ASSISTANCE**

5 NEW SECTION. **Sec. 101.** Unless the context clearly requires
6 otherwise, the definitions in this section apply throughout this
7 chapter.

8 (1) "Department" means the department of medical assistance.

9 (2) "Director" means the director of medical assistance.

10 NEW SECTION. **Sec. 102.** There is hereby created a department of
11 state government to be known as the department of medical assistance.
12 The department shall be vested with all powers and duties transferred
13 to it under this chapter and such other powers and duties as may be
14 authorized by law.

15 NEW SECTION. **Sec. 103.** (1) All powers, duties, and functions of
16 the department of social and health services pertaining to medical
17 assistance are transferred to the department of medical assistance.
18 This includes all functions performed by the medical assistance
19 administration as it existed on November 1, 1995. All references to
20 the secretary or the department of social and health services in the
21 Revised Code of Washington shall be construed to mean the director or
22 the department of medical assistance when referring to the functions
23 transferred in this section.

24 (2)(a) All reports, documents, surveys, books, records, files,
25 papers, or written material in the possession of the department of
26 social and health services pertaining to the powers, functions, and
27 duties transferred shall be delivered to the custody of the department
28 of medical assistance. All cabinets, furniture, office equipment,
29 motor vehicles, and other tangible property employed by the department
30 of social and health services in carrying out the powers, functions,
31 and duties transferred shall be made available to the department of
32 medical assistance. All funds, credits, or other assets held in
33 connection with the powers, functions, and duties transferred shall be
34 assigned to the department of medical assistance.

1 (b) Any appropriations made to the department of social and health
2 services for carrying out the powers, functions, and duties transferred
3 shall, on the effective date of this section, be transferred and
4 credited to the department of medical assistance.

5 (c) Whenever any question arises as to the transfer of any
6 personnel, funds, books, documents, records, papers, files, equipment,
7 or other tangible property used or held in the exercise of the powers
8 and the performance of the duties and functions transferred, the
9 director of financial management shall make a determination as to the
10 proper allocation and certify the same to the state agencies concerned.

11 (3) All employees of the department of social and health services
12 engaged in performing the powers, functions, and duties transferred are
13 transferred to the jurisdiction of the department of medical
14 assistance. All employees classified under chapter 41.06 RCW, the
15 state civil service law, are assigned to the department of medical
16 assistance to perform their usual duties upon the same terms as
17 formerly, without any loss of rights, subject to any action that may be
18 appropriate thereafter in accordance with the laws and rules governing
19 state civil service.

20 (4) All rules and all pending business before the department of
21 social and health services pertaining to the powers, functions, and
22 duties transferred shall be continued and acted upon by the department
23 of medical assistance. All existing contracts and obligations shall
24 remain in full force and shall be performed by the department of
25 medical assistance.

26 (5) The transfer of the powers, duties, functions, and personnel of
27 the department of social and health services shall not affect the
28 validity of any act performed before the effective date of this
29 section.

30 (6) If apportionments of budgeted funds are required because of the
31 transfers directed by this section, the director of financial
32 management shall certify the apportionments to the agencies affected,
33 the state auditor, and the state treasurer. Each of these shall make
34 the appropriate transfer and adjustments in funds and appropriation
35 accounts and equipment records in accordance with the certification.

36 (7) Nothing contained in this section may be construed to alter any
37 existing collective bargaining unit or the provisions of any existing
38 collective bargaining agreement until the agreement has expired or

1 until the bargaining unit has been modified by action of the personnel
2 board as provided by law.

3 NEW SECTION. **Sec. 104.** The executive head and appointing
4 authority of the department shall be the director. The director shall
5 be appointed by the governor, with the consent of the senate, and shall
6 serve at the pleasure of the governor. The director shall be paid a
7 salary to be fixed by the governor in accordance with RCW 43.03.040.
8 If a vacancy occurs in the position while the senate is not in session,
9 the governor shall make a temporary appointment until the next meeting
10 of the senate.

11 NEW SECTION. **Sec. 105.** (1) The director may create such
12 administrative structures as the director considers appropriate, except
13 as otherwise specified by law. In creating administrative structures,
14 the director shall endeavor to promote efficient public management, to
15 improve programs, and to take full advantage of the economies, both
16 fiscal and administrative, to be gained from the consolidation of
17 functions.

18 (2) The director may appoint assistant directors as may be needed
19 to administer the department. The director may employ such personnel
20 as may be necessary for the administration of the department. This
21 employment shall be in accordance with the state civil service law,
22 chapter 41.06 RCW, except as otherwise provided.

23 (3) Any power or duty vested in or transferred to the director by
24 law or executive order may be delegated by the director to any officer
25 or employee; but the director shall be responsible for the official
26 acts of the officers and employees of the department.

27 NEW SECTION. **Sec. 106.** The director may appoint such advisory
28 committees or councils as required by any federal legislation as a
29 condition to the receipt of federal funds by the department. The
30 director may also appoint state-wide committees or councils on such
31 subject matters as are or come within the department's
32 responsibilities. The state-wide committees and councils shall have
33 representation from both major political parties and shall have
34 substantial consumer representation. The committees or councils shall
35 be constituted as required by federal law or as the director may
36 determine. The members of the committees or councils shall hold office

1 as follows: One-third to serve one year; one-third to serve two years;
2 and one-third to serve three years. Upon expiration of the original
3 terms, subsequent appointments shall be for three years except in the
4 case of a vacancy, in which event appointment shall be only for the
5 remainder of the unexpired term for which the vacancy occurs. No
6 member may serve more than two consecutive terms.

7 Members of state advisory committees or councils created under this
8 section may be paid their travel expenses in accordance with RCW
9 43.03.050 and 43.03.060.

10 NEW SECTION. **Sec. 107.** In furtherance of the policy of the state
11 to cooperate with the federal government in all of the programs under
12 the jurisdiction of the department, such rules as may become necessary
13 to entitle the state to participate in federal funds may be adopted,
14 unless expressly prohibited by law. Any internal reorganization
15 carried out under the terms of this chapter shall meet federal
16 requirements that are a necessary condition to state receipt of federal
17 funds. Any section or provision of law dealing with the department
18 that may be susceptible to more than one construction shall be
19 interpreted in favor of the construction most likely to comply with
20 federal laws entitling this state to receive federal funds for the
21 various programs of the department. If any law dealing with the
22 department is ruled to be in conflict with federal requirements that
23 are a prescribed condition of the allocation of federal funds to the
24 state, or to any departments or agencies thereof, the conflicting part
25 is inoperative solely to the extent of the conflict.

26 NEW SECTION. **Sec. 108.** A new section is added to chapter 41.06
27 RCW to read as follows:

28 In addition to the exemptions under RCW 41.06.070, the provisions
29 of this chapter shall not apply in the department of medical assistance
30 to the director, the director's personal secretary, all assistant
31 directors, and one confidential secretary for each assistant director.

32 **PART 2**

33 **DEPARTMENT OF LONG-TERM CARE AND HEALTH**

1 NEW SECTION. **Sec. 201.** Unless the context clearly requires
2 otherwise, the definitions in this section apply throughout this
3 chapter.

4 (1) "Department" means the department of long-term care and health.

5 (2) "Director" means the director of long-term care and health.

6 NEW SECTION. **Sec. 202.** There is hereby created a department of
7 state government to be known as the department of long-term care and
8 health. The department shall be vested with all powers and duties
9 transferred to it under this chapter and such other powers and duties
10 as may be authorized by law.

11 NEW SECTION. **Sec. 203.** (1) All powers, duties, and functions of
12 the department of social and health services pertaining to long-term
13 care and health are transferred to the department of long-term care and
14 health. This includes all functions performed by the aging and adult
15 services administration and the health and rehabilitative services
16 administration except vocational rehabilitation and those functions
17 performed by the divisions of mental health, developmental
18 disabilities, and alcohol and substance abuse that pertain to children,
19 as they existed on November 1, 1995. All references to the secretary
20 or the department of social and health services in the Revised Code of
21 Washington shall be construed to mean the director or the department of
22 long-term care and health when referring to the functions transferred
23 in this section.

24 (2)(a) All reports, documents, surveys, books, records, files,
25 papers, or written material in the possession of the department of
26 social and health services pertaining to the powers, functions, and
27 duties transferred shall be delivered to the custody of the department
28 of long-term care and health. All cabinets, furniture, office
29 equipment, motor vehicles, and other tangible property employed by the
30 department of social and health services in carrying out the powers,
31 functions, and duties transferred shall be made available to the
32 department of long-term care and health. All funds, credits, or other
33 assets held in connection with the powers, functions, and duties
34 transferred shall be assigned to the department of long-term care and
35 health.

36 (b) Any appropriations made to the department of social and health
37 services for carrying out the powers, functions, and duties transferred

1 shall, on the effective date of this section, be transferred and
2 credited to the department of long-term care and health.

3 (c) Whenever any question arises as to the transfer of any
4 personnel, funds, books, documents, records, papers, files, equipment,
5 or other tangible property used or held in the exercise of the powers
6 and the performance of the duties and functions transferred, the
7 director of financial management shall make a determination as to the
8 proper allocation and certify the same to the state agencies concerned.

9 (3) All employees of the department of social and health services
10 engaged in performing the powers, functions, and duties transferred are
11 transferred to the jurisdiction of the department of long-term care and
12 health. All employees classified under chapter 41.06 RCW, the state
13 civil service law, are assigned to the department of long-term care and
14 health to perform their usual duties upon the same terms as formerly,
15 without any loss of rights, subject to any action that may be
16 appropriate thereafter in accordance with the laws and rules governing
17 state civil service.

18 (4) All rules and all pending business before the department of
19 social and health services pertaining to the powers, functions, and
20 duties transferred shall be continued and acted upon by the department
21 of long-term care and health. All existing contracts and obligations
22 shall remain in full force and shall be performed by the department of
23 long-term care and health.

24 (5) The transfer of the powers, duties, functions, and personnel of
25 the department of social and health services shall not affect the
26 validity of any act performed before the effective date of this
27 section.

28 (6) If apportionments of budgeted funds are required because of the
29 transfers directed by this section, the director of financial
30 management shall certify the apportionments to the agencies affected,
31 the state auditor, and the state treasurer. Each of these shall make
32 the appropriate transfer and adjustments in funds and appropriation
33 accounts and equipment records in accordance with the certification.

34 (7) Nothing contained in this section may be construed to alter any
35 existing collective bargaining unit or the provisions of any existing
36 collective bargaining agreement until the agreement has expired or
37 until the bargaining unit has been modified by action of the personnel
38 board as provided by law.

1 NEW SECTION. **Sec. 204.** The executive head and appointing
2 authority of the department shall be the director. The director shall
3 be appointed by the governor, with the consent of the senate, and shall
4 serve at the pleasure of the governor. The director shall be paid a
5 salary to be fixed by the governor in accordance with RCW 43.03.040.
6 If a vacancy occurs in the position while the senate is not in session,
7 the governor shall make a temporary appointment until the next meeting
8 of the senate.

9 NEW SECTION. **Sec. 205.** (1) The director may create such
10 administrative structures as the director considers appropriate, except
11 as otherwise specified by law. In creating administrative structures,
12 the director shall endeavor to promote efficient public management, to
13 improve programs, and to take full advantage of the economies, both
14 fiscal and administrative, to be gained from the consolidation of
15 functions.

16 (2) The director may appoint assistant directors as may be needed
17 to administer the department. The director may employ such personnel
18 as may be necessary for the administration of the department. This
19 employment shall be in accordance with the state civil service law,
20 chapter 41.06 RCW, except as otherwise provided.

21 (3) Any power or duty vested in or transferred to the director by
22 law or executive order may be delegated by the director to any officer
23 or employee; but the director shall be responsible for the official
24 acts of the officers and employees of the department.

25 NEW SECTION. **Sec. 206.** The director may appoint such advisory
26 committees or councils as required by any federal legislation as a
27 condition to the receipt of federal funds by the department. The
28 director may also appoint state-wide committees or councils on such
29 subject matters as are or come within the department's
30 responsibilities. The state-wide committees and councils shall have
31 representation from both major political parties and shall have
32 substantial consumer representation. The committees or councils shall
33 be constituted as required by federal law or as the director may
34 determine. The members of the committees or councils shall hold office
35 as follows: One-third to serve one year; one-third to serve two years;
36 and one-third to serve three years. Upon expiration of the original
37 terms, subsequent appointments shall be for three years except in the

1 case of a vacancy, in which event appointment shall be only for the
2 remainder of the unexpired term for which the vacancy occurs. No
3 member may serve more than two consecutive terms.

4 Members of state advisory committees or councils created under this
5 section may be paid their travel expenses in accordance with RCW
6 43.03.050 and 43.03.060.

7 NEW SECTION. **Sec. 207.** In furtherance of the policy of the state
8 to cooperate with the federal government in all of the programs under
9 the jurisdiction of the department, such rules as may become necessary
10 to entitle the state to participate in federal funds may be adopted,
11 unless expressly prohibited by law. Any internal reorganization
12 carried out under the terms of this chapter shall meet federal
13 requirements that are a necessary condition to state receipt of federal
14 funds. Any section or provision of law dealing with the department
15 that may be susceptible to more than one construction shall be
16 interpreted in favor of the construction most likely to comply with
17 federal laws entitling this state to receive federal funds for the
18 various programs of the department. If any law dealing with the
19 department is ruled to be in conflict with federal requirements that
20 are a prescribed condition of the allocation of federal funds to the
21 state, or to any departments or agencies thereof, the conflicting part
22 is inoperative solely to the extent of the conflict.

23 NEW SECTION. **Sec. 208.** A new section is added to chapter 41.06
24 RCW to read as follows:

25 In addition to the exemptions under RCW 41.06.070, the provisions
26 of this chapter shall not apply in the department of long-term care and
27 health to the director, the director's personal secretary, all
28 assistant directors, and one confidential secretary for each assistant
29 director.

30 **PART 3**

31 **DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

32 NEW SECTION. **Sec. 301.** Unless the context clearly requires
33 otherwise, the definitions in this section apply throughout this
34 chapter.

1 (1) "Department" means the department of children and family
2 services.

3 (2) "Director" means the director of children and family services.

4 NEW SECTION. **Sec. 302.** There is hereby created a department of
5 state government to be known as the department of children and family
6 services. The department shall be vested with all powers and duties
7 transferred to it under this chapter and such other powers and duties
8 as may be authorized by law.

9 NEW SECTION. **Sec. 303.** (1) All powers, duties, and functions of
10 the department of social and health services pertaining to children
11 and family services are transferred to the department of children and
12 family services. This includes all functions performed by the
13 children's administration, the division of child support in the
14 economic services administration, and all of the functions of the
15 divisions of mental health, developmental disabilities, and alcohol and
16 substance abuse of the health and rehabilitative services
17 administration that pertain to children, as they existed on November 1,
18 1995. All references to the secretary or the department of social and
19 health services in the Revised Code of Washington shall be construed to
20 mean the director or the department of children and family services
21 when referring to the functions transferred in this section.

22 (2)(a) All reports, documents, surveys, books, records, files,
23 papers, or written material in the possession of the department of
24 social and health services pertaining to the powers, functions, and
25 duties transferred shall be delivered to the custody of the department
26 of children and family services. All cabinets, furniture, office
27 equipment, motor vehicles, and other tangible property employed by the
28 department of social and health services in carrying out the powers,
29 functions, and duties transferred shall be made available to the
30 department of children and family services. All funds, credits, or
31 other assets held in connection with the powers, functions, and duties
32 transferred shall be assigned to the department of children and family
33 services.

34 (b) Any appropriations made to the department of social and health
35 services for carrying out the powers, functions, and duties transferred
36 shall, on the effective date of this section, be transferred and
37 credited to the department of children and family services.

1 (c) Whenever any question arises as to the transfer of any
2 personnel, funds, books, documents, records, papers, files, equipment,
3 or other tangible property used or held in the exercise of the powers
4 and the performance of the duties and functions transferred, the
5 director of financial management shall make a determination as to the
6 proper allocation and certify the same to the state agencies concerned.

7 (3) All employees of the department of social and health services
8 engaged in performing the powers, functions, and duties transferred are
9 transferred to the jurisdiction of the department of children and
10 family services. All employees classified under chapter 41.06 RCW, the
11 state civil service law, are assigned to the department of children and
12 family services to perform their usual duties upon the same terms as
13 formerly, without any loss of rights, subject to any action that may be
14 appropriate thereafter in accordance with the laws and rules governing
15 state civil service.

16 (4) All rules and all pending business before the department of
17 social and health services pertaining to the powers, functions, and
18 duties transferred shall be continued and acted upon by the department
19 of children and family services. All existing contracts and
20 obligations shall remain in full force and shall be performed by the
21 department of children and family services.

22 (5) The transfer of the powers, duties, functions, and personnel of
23 the department of social and health services shall not affect the
24 validity of any act performed before the effective date of this
25 section.

26 (6) If apportionments of budgeted funds are required because of the
27 transfers directed by this section, the director of financial
28 management shall certify the apportionments to the agencies affected,
29 the state auditor, and the state treasurer. Each of these shall make
30 the appropriate transfer and adjustments in funds and appropriation
31 accounts and equipment records in accordance with the certification.

32 (7) Nothing contained in this section may be construed to alter any
33 existing collective bargaining unit or the provisions of any existing
34 collective bargaining agreement until the agreement has expired or
35 until the bargaining unit has been modified by action of the personnel
36 board as provided by law.

37 NEW SECTION. **Sec. 304.** The executive head and appointing
38 authority of the department shall be the director. The director shall

1 be appointed by the governor, with the consent of the senate, and shall
2 serve at the pleasure of the governor. The director shall be paid a
3 salary to be fixed by the governor in accordance with RCW 43.03.040.
4 If a vacancy occurs in the position while the senate is not in session,
5 the governor shall make a temporary appointment until the next meeting
6 of the senate.

7 NEW SECTION. **Sec. 305.** (1) The director may create such
8 administrative structures as the director considers appropriate, except
9 as otherwise specified by law. In creating administrative structures,
10 the director shall endeavor to promote efficient public management, to
11 improve programs, and to take full advantage of the economies, both
12 fiscal and administrative, to be gained from the consolidation of
13 functions.

14 (2) The director may appoint assistant directors as may be needed
15 to administer the department. The director may employ such personnel
16 as may be necessary for the administration of the department. This
17 employment shall be in accordance with the state civil service law,
18 chapter 41.06 RCW, except as otherwise provided.

19 (3) Any power or duty vested in or transferred to the director by
20 law or executive order may be delegated by the director to any officer
21 or employee; but the director shall be responsible for the official
22 acts of the officers and employees of the department.

23 NEW SECTION. **Sec. 306.** The director may appoint such advisory
24 committees or councils as required by any federal legislation as a
25 condition to the receipt of federal funds by the department. The
26 director may also appoint state-wide committees or councils on such
27 subject matters as are or come within the department's
28 responsibilities. The state-wide committees and councils shall have
29 representation from both major political parties and shall have
30 substantial consumer representation. The committees or councils shall
31 be constituted as required by federal law or as the director may
32 determine. The members of the committees or councils shall hold office
33 as follows: One-third to serve one year; one-third to serve two years;
34 and one-third to serve three years. Upon expiration of the original
35 terms, subsequent appointments shall be for three years except in the
36 case of a vacancy, in which event appointment shall be only for the

1 remainder of the unexpired term for which the vacancy occurs. No
2 member may serve more than two consecutive terms.

3 Members of state advisory committees or councils created under this
4 section may be paid their travel expenses in accordance with RCW
5 43.03.050 and 43.03.060.

6 NEW SECTION. **Sec. 307.** In furtherance of the policy of the state
7 to cooperate with the federal government in all of the programs under
8 the jurisdiction of the department, such rules as may become necessary
9 to entitle the state to participate in federal funds may be adopted,
10 unless expressly prohibited by law. Any internal reorganization
11 carried out under the terms of this chapter shall meet federal
12 requirements that are a necessary condition to state receipt of federal
13 funds. Any section or provision of law dealing with the department
14 that may be susceptible to more than one construction shall be
15 interpreted in favor of the construction most likely to comply with
16 federal laws entitling this state to receive federal funds for the
17 various programs of the department. If any law dealing with the
18 department is ruled to be in conflict with federal requirements that
19 are a prescribed condition of the allocation of federal funds to the
20 state, or to any departments or agencies thereof, the conflicting part
21 is inoperative solely to the extent of the conflict.

22 NEW SECTION. **Sec. 308.** A new section is added to chapter 41.06
23 RCW to read as follows:

24 In addition to the exemptions under RCW 41.06.070, the provisions
25 of this chapter shall not apply in the department of children and
26 family services to the director, the director's personal secretary, all
27 assistant directors, and one confidential secretary for each assistant
28 director.

29 **PART 4**

30 **DEPARTMENT OF TRANSITIONAL SERVICES**

31 NEW SECTION. **Sec. 401.** Unless the context clearly requires
32 otherwise, the definitions in this section apply throughout this
33 chapter.

34 (1) "Department" means the department of transitional services.

35 (2) "Director" means the director of transitional services.

1 NEW SECTION. **Sec. 402.** There is hereby created a department of
2 state government to be known as the department of transitional
3 services. The department shall be vested with all powers and duties
4 transferred to it under this chapter and such other powers and duties
5 as may be authorized by law.

6 NEW SECTION. **Sec. 403.** (1)(a) All powers, duties, and functions
7 of the department of social and health services pertaining to economic
8 services are transferred to the department of transitional services.
9 This includes all functions performed by the economic services
10 administration except the division of child support as it existed on
11 November 1, 1995. All references to the secretary or the department of
12 social and health services in the Revised Code of Washington shall be
13 construed to mean the director or the department of transitional
14 services when referring to the functions transferred in this subsection
15 (1)(a).

16 (b) All powers, duties, and functions of the department of social
17 and health services pertaining to vocational rehabilitation services
18 are transferred to the department of transitional services. This
19 includes all functions performed by the division of vocational
20 rehabilitation as it existed on November 1, 1995. All references to
21 the secretary or the department of social and health services in the
22 Revised Code of Washington shall be construed to mean the director or
23 the department of transitional services when referring to the functions
24 transferred in this subsection (1)(b).

25 (c) All powers, duties, and functions of the department of labor
26 and industries relating to the provision of vocational rehabilitation
27 services to injured workers under Title 51 RCW are transferred to the
28 department of transitional services. All references to the director or
29 the department of labor and industries in the Revised Code of
30 Washington shall be construed to mean the director or the department of
31 transitional services when referring to the functions transferred in
32 this subsection (1)(c).

33 (d) All powers, duties, and functions of the employment security
34 department are transferred to the department of transitional services.
35 All references to the commissioner or the employment security
36 department in the Revised Code of Washington shall be construed to mean
37 the director or the department of transitional services when referring
38 to the functions transferred in this subsection (1)(d).

1 (e) All powers, duties, and functions of the department of social
2 and health services pertaining to the office of special investigations
3 are transferred to the department of transitional services. All
4 references to the secretary or the department of social and health
5 services in the Revised Code of Washington shall be construed to mean
6 the director or the department of transitional services when referring
7 to the functions transferred in this subsection (1)(e).

8 (2)(a) All reports, documents, surveys, books, records, files,
9 papers, or written material in the possession of the departments
10 identified in subsection (1) of this section pertaining to the powers,
11 functions, and duties transferred shall be delivered to the custody of
12 the department of transitional services. All cabinets, furniture,
13 office equipment, motor vehicles, and other tangible property employed
14 by the departments in carrying out the powers, functions, and duties
15 transferred shall be made available to the department of transitional
16 services. All funds, credits, or other assets held in connection with
17 the powers, functions, and duties transferred shall be assigned to the
18 department of transitional services.

19 (b) Any appropriations made to the departments identified in
20 subsection (1) of this section for carrying out the powers, functions,
21 and duties transferred shall, on the effective date of this section, be
22 transferred and credited to the department of transitional services.

23 (c) Whenever any question arises as to the transfer of any
24 personnel, funds, books, documents, records, papers, files, equipment,
25 or other tangible property used or held in the exercise of the powers
26 and the performance of the duties and functions transferred, the
27 director of financial management shall make a determination as to the
28 proper allocation and certify the same to the state agencies concerned.

29 (3) All employees of the departments identified in subsection (1)
30 of this section engaged in performing the powers, functions, and duties
31 transferred are transferred to the jurisdiction of the department of
32 transitional services. All employees classified under chapter 41.06
33 RCW, the state civil service law, are assigned to the department of
34 transitional services to perform their usual duties upon the same terms
35 as formerly, without any loss of rights, subject to any action that may
36 be appropriate thereafter in accordance with the laws and rules
37 governing state civil service.

38 (4) All rules and all pending business before the departments
39 identified in subsection (1) of this section pertaining to the powers,

1 functions, and duties transferred shall be continued and acted upon by
2 the department of transitional services. All existing contracts and
3 obligations shall remain in full force and shall be performed by the
4 department of transitional services.

5 (5) The transfer of the powers, duties, functions, and personnel of
6 the departments identified in subsection (1) of this section shall not
7 affect the validity of any act performed before the effective date of
8 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) Nothing contained in this section may be construed to alter any
16 existing collective bargaining unit or the provisions of any existing
17 collective bargaining agreement until the agreement has expired or
18 until the bargaining unit has been modified by action of the personnel
19 board as provided by law.

20 NEW SECTION. **Sec. 404.** The executive head and appointing
21 authority of the department shall be the director. The director shall
22 be appointed by the governor, with the consent of the senate, and shall
23 serve at the pleasure of the governor. The director shall be paid a
24 salary to be fixed by the governor in accordance with RCW 43.03.040.
25 If a vacancy occurs in the position while the senate is not in session,
26 the governor shall make a temporary appointment until the next meeting
27 of the senate.

28 NEW SECTION. **Sec. 405.** (1) The director may create such
29 administrative structures as the director considers appropriate, except
30 as otherwise specified by law. In creating administrative structures,
31 the director shall endeavor to promote efficient public management, to
32 improve programs, and to take full advantage of the economies, both
33 fiscal and administrative, to be gained from the consolidation of
34 functions.

35 (2) The director may appoint assistant directors as may be needed
36 to administer the department. The director may employ such personnel
37 as may be necessary for the administration of the department. This

1 employment shall be in accordance with the state civil service law,
2 chapter 41.06 RCW, except as otherwise provided.

3 (3) Any power or duty vested in or transferred to the director by
4 law or executive order may be delegated by the director to any officer
5 or employee; but the director shall be responsible for the official
6 acts of the officers and employees of the department.

7 NEW SECTION. **Sec. 406.** The director may appoint such advisory
8 committees or councils as required by any federal legislation as a
9 condition to the receipt of federal funds by the department. The
10 director may also appoint state-wide committees or councils on such
11 subject matters as are or come within the department's
12 responsibilities. The state-wide committees and councils shall have
13 representation from both major political parties and shall have
14 substantial consumer representation. The committees or councils shall
15 be constituted as required by federal law or as the director may
16 determine. The members of the committees or councils shall hold office
17 as follows: One-third to serve one year; one-third to serve two years;
18 and one-third to serve three years. Upon expiration of the original
19 terms, subsequent appointments shall be for three years except in the
20 case of a vacancy, in which event appointment shall be only for the
21 remainder of the unexpired term for which the vacancy occurs. No
22 member may serve more than two consecutive terms.

23 Members of state advisory committees or councils created under this
24 section may be paid their travel expenses in accordance with RCW
25 43.03.050 and 43.03.060.

26 NEW SECTION. **Sec. 407.** In furtherance of the policy of the state
27 to cooperate with the federal government in all of the programs under
28 the jurisdiction of the department, such rules as may become necessary
29 to entitle the state to participate in federal funds may be adopted,
30 unless expressly prohibited by law. Any internal reorganization
31 carried out under the terms of this chapter shall meet federal
32 requirements that are a necessary condition to state receipt of federal
33 funds. Any section or provision of law dealing with the department
34 that may be susceptible to more than one construction shall be
35 interpreted in favor of the construction most likely to comply with
36 federal laws entitling this state to receive federal funds for the
37 various programs of the department. If any law dealing with the

1 department is ruled to be in conflict with federal requirements that
2 are a prescribed condition of the allocation of federal funds to the
3 state, or to any departments or agencies thereof, the conflicting part
4 is inoperative solely to the extent of the conflict.

5 NEW SECTION. **Sec. 408.** A new section is added to chapter 41.06
6 RCW to read as follows:

7 In addition to the exemptions under RCW 41.06.070, the provisions
8 of this chapter shall not apply in the department of transitional
9 services to the director, the director's personal secretary, all
10 assistant directors, and one confidential secretary for each assistant
11 director.

12 **PART 5**

13 **TRANSFER OF JUVENILE REHABILITATION TO DEPARTMENT OF CORRECTIONS**

14 NEW SECTION. **Sec. 501.** A new section is added to chapter 72.09
15 RCW to read as follows:

16 (1) All powers, duties, and functions of the department of social
17 and health services pertaining to juvenile rehabilitation and the
18 juvenile justice system are transferred to the department of
19 corrections. This includes all functions performed by the juvenile
20 rehabilitation administration as it existed on November 1, 1995. All
21 references to the secretary or the department of social and health
22 services in the Revised Code of Washington shall be construed to mean
23 the secretary or the department of corrections when referring to the
24 functions transferred in this section.

25 (2)(a) All reports, documents, surveys, books, records, files,
26 papers, or written material in the possession of the department of
27 social and health services pertaining to the powers, functions, and
28 duties transferred shall be delivered to the custody of the department
29 of corrections. All cabinets, furniture, office equipment, motor
30 vehicles, and other tangible property employed by the department of
31 social and health services in carrying out the powers, functions, and
32 duties transferred shall be made available to the department of
33 corrections. All funds, credits, or other assets held in connection
34 with the powers, functions, and duties transferred shall be assigned to
35 the department of corrections.

1 (b) Any appropriations made to the department of social and health
2 services for carrying out the powers, functions, and duties transferred
3 shall, on the effective date of this section, be transferred and
4 credited to the department of corrections.

5 (c) Whenever any question arises as to the transfer of any
6 personnel, funds, books, documents, records, papers, files, equipment,
7 or other tangible property used or held in the exercise of the powers
8 and the performance of the duties and functions transferred, the
9 director of financial management shall make a determination as to the
10 proper allocation and certify the same to the state agencies concerned.

11 (3) All employees of the department of social and health services
12 engaged in performing the powers, functions, and duties transferred are
13 transferred to the jurisdiction of the department of corrections. All
14 employees classified under chapter 41.06 RCW, the state civil service
15 law, are assigned to the department of corrections to perform their
16 usual duties upon the same terms as formerly, without any loss of
17 rights, subject to any action that may be appropriate thereafter in
18 accordance with the laws and rules governing state civil service.

19 (4) All rules and all pending business before the department of
20 social and health services pertaining to the powers, functions, and
21 duties transferred shall be continued and acted upon by the department
22 of corrections. All existing contracts and obligations shall remain in
23 full force and shall be performed by the department of corrections.

24 (5) The transfer of the powers, duties, functions, and personnel of
25 the department of social and health services shall not affect the
26 validity of any act performed before the effective date of this
27 section.

28 (6) If apportionments of budgeted funds are required because of the
29 transfers directed by this section, the director of financial
30 management shall certify the apportionments to the agencies affected,
31 the state auditor, and the state treasurer. Each of these shall make
32 the appropriate transfer and adjustments in funds and appropriation
33 accounts and equipment records in accordance with the certification.

34 (7) Nothing contained in this section may be construed to alter any
35 existing collective bargaining unit or the provisions of any existing
36 collective bargaining agreement until the agreement has expired or
37 until the bargaining unit has been modified by action of the personnel
38 board as provided by law.

1 (18) the department of transitional services, which shall be charged
2 with the execution, enforcement, and administration of such laws, and
3 invested with such powers and required to perform such duties, as the
4 legislature may provide.

5 **Sec. 602.** RCW 43.17.020 and 1995 1st sp.s. c 2 s 2 are each
6 amended to read as follows:

7 There shall be a chief executive officer of each department to be
8 known as: (1) ~~((The secretary of social and health services, (2)))~~ The
9 director of ecology, ((+3)) (2) the director of labor and industries,
10 ((+4)) (3) the director of agriculture, ((+5)) (4) the director of
11 fish and wildlife, ((+6)) (5) the secretary of transportation, ((+7))
12 (6) the director of licensing, ((+8)) (7) the director of general
13 administration, ((+9)) (8) the director of community, trade, and
14 economic development, ((+10)) (9) the director of veterans affairs,
15 ((+11)) (10) the director of revenue, ((+12)) (11) the director of
16 retirement systems, ((+13)) (12) the secretary of corrections, ((and
17 +14)) (13) the secretary of health, ((and (15)) (14) the director of
18 financial institutions, (15) the director of medical assistance, (16)
19 the director of long-term care and health, (17) the director of
20 children and family services, and (18) the director of transitional
21 services.

22 Such officers, except the secretary of transportation and the
23 director of fish and wildlife, shall be appointed by the governor, with
24 the consent of the senate, and hold office at the pleasure of the
25 governor. The secretary of transportation shall be appointed by the
26 transportation commission as prescribed by RCW 47.01.041. The director
27 of fish and wildlife shall be appointed by the fish and wildlife
28 commission as prescribed by RCW 77.04.055.

29 NEW SECTION. **Sec. 603.** (1) The director of the office of
30 financial management, the secretary of the department of social and
31 health services, the secretary of the department of corrections, the
32 commissioner of the employment security department, and the director of
33 the department of labor and industries shall jointly develop
34 reorganization implementation plans that restructure the department of
35 social and health services in accordance with this act. The first plan
36 shall detail the implementation steps necessary to effectuate the
37 transfer of functions of the juvenile rehabilitation administration to

1 the department of corrections and begin the operation of the new
2 children and family services agency July 1, 1997. The second plan
3 shall detail the implementation steps necessary to effectuate the
4 transfer of functions of the economic services administration, the
5 division of vocational rehabilitation, and the office of special
6 investigations and begin the operation of the new medical assistance,
7 long-term care and health, and transitional services agencies July 1,
8 1999. The plans shall also address strategies for ensuring
9 collaboration among programs and among the new and existing
10 departments.

11 (2) The reorganization implementation plans shall include
12 recommendations for restructuring other functions performed by the
13 department of social and health services, including the functions of:

14 (a) The family policy council;

15 (b) Community and legislative relations; and

16 (c) The divisions of administrative services, information services,
17 finance, budget, employee services, and land and buildings.

18 (3) In developing the recommendations required under subsection
19 (2)(c) of this section, the directors, secretaries, and commissioner
20 shall consult with the directors of the departments of general
21 administration and personnel to ensure that no duplication of functions
22 will occur between the departments of general administration,
23 personnel, corrections, and labor and industries, the employment
24 security department, and the four new agencies created in this act.

25 (4) The first completed reorganization implementation plan shall be
26 submitted to the governor and the appropriate standing committees of
27 the legislature by November 15, 1996. The second reorganization
28 implementation plan shall be submitted to the governor and the
29 appropriate standing committees of the legislature by November 15,
30 1998.

31 (5) By December 15, 1996, the director of financial management, the
32 secretary of the department of social and health services, and the
33 secretary of the department of corrections shall jointly submit to the
34 governor and the appropriate standing committees of the legislature any
35 proposed legislation necessary to implement the first reorganization
36 implementation plan. By December 15, 1998, the director of financial
37 management, the secretary of the department of social and health
38 services, the commissioner of the employment security department, and
39 the director of the department of labor and industries shall jointly

1 submit to the governor and the appropriate standing committees of the
2 legislature any proposed legislation necessary to implement the second
3 reorganization implementation plan.

4 (6) This section expires January 1, 1999.

5 **PART 7**
6 **MISCELLANEOUS**

7 NEW SECTION. **Sec. 701.** Part headings used in this act do not
8 constitute any part of the law.

9 NEW SECTION. **Sec. 702.** Sections 101 through 107 of this act shall
10 constitute a new chapter in Title 43 RCW.

11 NEW SECTION. **Sec. 703.** Sections 201 through 207 of this act shall
12 constitute a new chapter in Title 43 RCW.

13 NEW SECTION. **Sec. 704.** Sections 301 through 307 of this act shall
14 constitute a new chapter in Title 43 RCW.

15 NEW SECTION. **Sec. 705.** Sections 401 through 407 of this act shall
16 constitute a new chapter in Title 43 RCW.

17 NEW SECTION. **Sec. 706.** Section 603 of this act is necessary for
18 the immediate preservation of the public peace, health, or safety, or
19 support of the state government and its existing public institutions,
20 and shall take effect immediately.

21 NEW SECTION. **Sec. 707.** Sections 301 through 308, 501, and 502 of
22 this act shall take effect July 1, 1997.

23 NEW SECTION. **Sec. 708.** Sections 1, 101 through 108, 201 through
24 208, 601, 602, and 701 of this act shall take effect July 1, 1999.

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