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**SENATE BILL 5503**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** Senator Pridemore; by request of Governor Gregoire

Read first time 01/27/11. Referred to Committee on Government Operations, Tribal Relations & Elections.

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, 43.19.035,  
4 43.19.125, 43.19.180, 43.19.185, 43.19.190, 43.19.1905, 43.19.1906,  
5 43.19.1908, 43.19.1911, 43.19.1913, 43.19.1915, 43.19.1917, 43.19.1919,  
6 43.19.19191, 43.19.1920, 43.19.19201, 43.19.1921, 43.19.200, 43.19.450,  
7 43.19.455, 43.19.500, 43.19.501, 43.19.534, 43.19.538, 43.19.539,  
8 43.19.560, 43.19.565, 43.19.585, 43.19.600, 43.19.620, 43.19.635,  
9 43.19.710, 19.27.070, 19.27A.140, 39.34.055, 39.35.030, 39.35C.010,  
10 39.35D.020, 43.19A.010, 43.19A.022, 39.32.035, 43.01.225, 43.19.025,  
11 43.82.120, 43.82.125, 43.99H.070, 43.78.030, 43.78.070, 43.78.090,  
12 43.78.100, 43.78.105, 1.08.039, 15.24.085, 15.62.190, 16.67.170,  
13 28A.300.040, 28B.10.029, 40.04.030, 40.06.030, 40.07.050, 43.08.061,  
14 41.06.020, 41.06.076, 41.06.080, 41.06.093, 41.06.110, 41.06.120,  
15 41.06.142, 41.06.152, 41.06.167, 41.06.169, 41.06.170, 41.06.220,  
16 41.06.260, 41.06.270, 41.06.280, 41.06.285, 41.06.350, 41.06.395,  
17 41.06.400, 41.06.410, 41.06.420, 41.06.476, 41.06.490, 41.06.510,  
18 41.06.530, 34.05.030, 41.04.340, 41.04.385, 41.04.395, 41.04.670,  
19 41.04.680, 41.04.685, 41.04.720, 41.04.770, 41.07.020, 41.07.030,  
20 41.60.015, 41.80.005, 41.80.020, 42.16.010, 42.17.370, 43.01.040,  
21 43.01.135, 43.03.028, 43.03.120, 43.03.130, 43.06.013, 43.06.410,

1 43.06.425, 43.33A.100, 43.105.052, 43.130.060, 43.131.090, 48.37.060,  
2 49.46.010, 49.74.020, 49.74.030, 49.90.010, 50.13.060, 43.41.290,  
3 43.41.300, 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.360,  
4 43.41.370, 43.41.380, 43.41.110, 4.92.006, 4.92.040, 4.92.130,  
5 4.92.150, 4.92.160, 4.92.210, 4.92.270, 4.92.280, 10.92.020, 48.62.021,  
6 48.64.010, 39.29.011, 39.29.016, 39.29.018, 39.29.025, 39.29.055,  
7 39.29.065, 39.29.075, 39.29.090, 39.29.100, 39.29.110, 39.29.120,  
8 43.88.580, 43.105.080, and 43.105.320; reenacting and amending RCW  
9 41.06.070, 41.06.133, 41.06.150, 41.04.665, 42.17A.110, 49.46.010, and  
10 39.29.068; adding new sections to chapter 43.19 RCW; adding new  
11 sections to chapter 41.06 RCW; adding a new section to chapter 43.41  
12 RCW; adding a new section to chapter 41.80 RCW; creating new sections;  
13 recodifying RCW 43.78.030, 43.78.070, 43.78.090, 43.78.100, 43.78.105,  
14 43.41.280, 43.41.290, 43.41.300, 43.41.310, 43.41.320, 43.41.330,  
15 43.41.340, 43.41.350, 43.41.360, 43.41.370, 43.41.380, 43.105.080,  
16 43.105.320, 43.105.374, and 43.105.410; decodifying RCW 43.19.123;  
17 repealing RCW 43.19.010, 43.19.1923, 43.19.1925, 43.19.590, 43.19.595,  
18 43.19.615, 43.19.675, 43.19.680, 43.78.010, 43.78.020, 43.78.040,  
19 43.78.050, 43.78.080, 41.06.030, 41.06.111, 41.06.130, 41.06.139,  
20 41.06.155, 41.06.160, 41.06.480, 41.07.900, 43.105.300, and 43.105.360;  
21 repealing 2010 c 271 s 301; providing effective dates; providing  
22 expiration dates; and declaring an emergency.

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

24 **PART I**  
25 **DEPARTMENT OF ENTERPRISE SERVICES CREATED**

26 NEW SECTION. **Sec. 101.** To maximize the benefits to the public,  
27 state government should be operated in an efficient and effective  
28 manner. The department of enterprise services is created to provide  
29 centralized leadership in efficiently and cost-effectively managing  
30 resources necessary to support the delivery of state government  
31 services. The mission of the department is to implement a world-class,  
32 customer-focused organization that provides valued products and  
33 services to government and state residents.

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

3        The definitions in this section apply throughout this chapter  
4    unless the context clearly requires otherwise.

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

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

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

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

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

15        (a) Provide products and services to support state agencies, and  
16    may enter into agreements with any other governmental entity or a  
17    nonprofit organization to furnish such products and services as deemed  
18    appropriate by both parties. The agreement shall provide for the  
19    reimbursement to the department of the reasonable cost of the products  
20    and services furnished. All governmental entities of this state may  
21    enter into such agreements, unless otherwise prohibited; and

22        (b) Make available to state, local, and federal agencies, local  
23    governments, and public benefit nonprofit corporations on a fullcost-  
24    recovery basis information services to include equipment acquisition  
25    assistance, including leasing, brokering, and establishing master  
26    contracts. For the purposes of this section "public benefit nonprofit  
27    corporation" means a public benefit nonprofit corporation as defined in  
28    RCW 24.03.005 that is receiving local, state, or federal funds either  
29    directly or through a public agency other than an Indian tribe or  
30    political subdivision of another state.

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

33        (1) The executive head and appointing authority of the department  
34    is the director. The director is appointed by the governor, subject to  
35    confirmation by the senate. The director serves at the pleasure of the  
36    governor. The director is paid a salary fixed by the governor in

1 accordance with RCW 43.03.040. If a vacancy occurs in the position of  
2 director while the senate is not in session, the governor shall make a  
3 temporary appointment until the next meeting of the senate at which  
4 time he or she shall present to that body his or her nomination for the  
5 position.

6 (2) The director may employ staff members, who are exempt from  
7 chapter 41.06 RCW, and any additional staff members as are necessary to  
8 administer this chapter, and such other duties as may be authorized by  
9 law. The director may delegate any power or duty vested in him or her  
10 by this act or other law, including authority to make final decisions  
11 and enter final orders in hearings conducted under chapter 34.05 RCW.

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

21 NEW SECTION. **Sec. 105.** A new section is added to chapter 43.19  
22 RCW to read as follows:

23 The director shall:

24 (1) Supervise and administer the activities of the department of  
25 enterprise services;

26 (2) In addition to other powers and duties granted to the director,  
27 have the following powers and duties:

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

30 (b) Accept and expend gifts and grants that are related to the  
31 purposes of this act, whether such grants be of federal or other funds;

32 (c) Apply for grants from public and private entities, and receive  
33 and administer any grant funding received for the purpose and intent of  
34 this act;

35 (d) Adopt rules in accordance with chapter 34.05 RCW and perform  
36 all other functions necessary and proper to carry out the purposes of  
37 this act;

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

5 (f) Perform other duties as are necessary and consistent with law.

6 NEW SECTION. **Sec. 106.** (1) The department of enterprise services  
7 has powers and duties related to state contracting as provided in  
8 chapters 43.19 and 39.29 RCW. The process and procedures in each  
9 chapter differ from each other in many respects. In addition, the  
10 process and procedures may not represent the best practices for the  
11 agency or the public.

12 (2) In order to effect reform and consolidation of procurement  
13 practices, the department shall review current state procurement  
14 practices, not including public works, and provide a report to the  
15 governor with procurement reform recommendations. The department  
16 should review national best practices and the procedures used in other  
17 states and by the federal government. The department may also review  
18 private sector procedures and model codes such as the American bar  
19 association model procurement code. The department shall seek input  
20 from stakeholders and interested parties. The department shall submit  
21 a report to the governor and the office of financial management by  
22 October 30, 2011. The report shall include any draft legislation  
23 needed to accomplish the report's recommendations.

24 NEW SECTION. **Sec. 107.** A new section is added to chapter 41.06  
25 RCW to read as follows:

26 In addition to the exemptions under RCW 41.06.070, this chapter  
27 does not apply in the department of enterprise services to the  
28 director, the director's confidential secretary, deputy and assistant  
29 directors, and any other exempt staff members provided for in section  
30 104 of this act.

31 **Sec. 108.** RCW 43.17.010 and 2009 c 565 s 25 are each amended to  
32 read as follows:

33 There shall be departments of the state government which shall be  
34 known as (1) the department of social and health services, (2) the  
35 department of ecology, (3) the department of labor and industries, (4)

1 the department of agriculture, (5) the department of fish and wildlife,  
2 (6) the department of transportation, (7) the department of licensing,  
3 (8) the department of (~~general administration~~) enterprise services,  
4 (9) the department of commerce, (10) the department of veterans  
5 affairs, (11) the department of revenue, (12) the department of  
6 retirement systems, (13) the department of corrections, (14) the  
7 department of health, (15) the department of financial institutions,  
8 (16) the department of archaeology and historic preservation, (17) the  
9 department of early learning, and (18) the Puget Sound partnership,  
10 which shall be charged with the execution, enforcement, and  
11 administration of such laws, and invested with such powers and required  
12 to perform such duties, as the legislature may provide.

13 **Sec. 109.** RCW 43.17.020 and 2009 c 565 s 26 are each amended to  
14 read as follows:

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

28 Such officers, except the director of fish and wildlife, shall be  
29 appointed by the governor, with the consent of the senate, and hold  
30 office at the pleasure of the governor. The director of fish and  
31 wildlife shall be appointed by the fish and wildlife commission as  
32 prescribed by RCW 77.04.055.

33 **Sec. 110.** RCW 42.17A.705 and 2010 c 204 s 902 are each amended to  
34 read as follows:

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

1           (1) The chief administrative law judge, the director of  
2 agriculture, the director of the department of services for the blind,  
3 the director of the state system of community and technical colleges,  
4 the director of commerce, the secretary of corrections, the director of  
5 early learning, the director of ecology, the commissioner of employment  
6 security, the chair of the energy facility site evaluation council, the  
7 director of enterprise services, the secretary of the state finance  
8 committee, the director of financial management, the director of fish  
9 and wildlife, the executive secretary of the forest practices appeals  
10 board, the director of the gambling commission, (~~the director of~~  
11 ~~general administration,~~) the secretary of health, the administrator of  
12 the Washington state health care authority, the executive secretary of  
13 the health care facilities authority, the executive secretary of the  
14 higher education facilities authority, the executive secretary of the  
15 horse racing commission, the human resources director, the executive  
16 secretary of the human rights commission, the executive secretary of  
17 the indeterminate sentence review board, the director of the department  
18 of information services, the executive director of the state investment  
19 board, the director of labor and industries, the director of licensing,  
20 the director of the lottery commission, the director of the office of  
21 minority and women's business enterprises, the director of parks and  
22 recreation, (~~the director of personnel,~~) the executive director of  
23 the public disclosure commission, the executive director of the Puget  
24 Sound partnership, the director of the recreation and conservation  
25 office, the director of retirement systems, the director of revenue,  
26 the secretary of social and health services, the chief of the  
27 Washington state patrol, the executive secretary of the board of tax  
28 appeals, the secretary of transportation, the secretary of the  
29 utilities and transportation commission, the director of veterans  
30 affairs, the president of each of the regional and state universities  
31 and the president of The Evergreen State College, and each district and  
32 each campus president of each state community college;

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

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

35           (4) Central Washington University board of trustees, the boards of  
36 trustees of each community college and each technical college, each  
37 member of the state board for community and technical colleges, state  
38 convention and trade center board of directors, Eastern Washington

1 University board of trustees, Washington economic development finance  
2 authority, Washington energy northwest executive board, The Evergreen  
3 State College board of trustees, executive ethics board, fish and  
4 wildlife commission, forest practices appeals board, forest practices  
5 board, gambling commission, Washington health care facilities  
6 authority, higher education coordinating board, higher education  
7 facilities authority, horse racing commission, state housing finance  
8 commission, human rights commission, indeterminate sentence review  
9 board, board of industrial insurance appeals, information services  
10 board, state investment board, commission on judicial conduct,  
11 legislative ethics board, life sciences discovery fund authority board  
12 of trustees, liquor control board, lottery commission, Pacific  
13 Northwest electric power and conservation planning council, parks and  
14 recreation commission, Washington personnel resources board, board of  
15 pilotage commissioners, pollution control hearings board, public  
16 disclosure commission, public employees' benefits board, recreation and  
17 conservation funding board, salmon recovery funding board, shorelines  
18 hearings board, board of tax appeals, transportation commission,  
19 University of Washington board of regents, utilities and transportation  
20 commission, Washington State University board of regents, and Western  
21 Washington University board of trustees.

22 **Sec. 111.** RCW 42.17.2401 and 2009 c 565 s 24 are each amended to  
23 read as follows:

24 For the purposes of RCW 42.17.240, the term "executive state  
25 officer" includes:

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



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

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

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

24 (4) Central Washington University board of trustees, the boards of  
25 trustees of each community college and each technical college, each  
26 member of the state board for community and technical colleges, state  
27 convention and trade center board of directors, committee for deferred  
28 compensation, Eastern Washington University board of trustees,  
29 Washington economic development finance authority, The Evergreen State  
30 College board of trustees, executive ethics board, forest practices  
31 appeals board, forest practices board, gambling commission, life  
32 sciences discovery fund authority board of trustees, Washington health  
33 care facilities authority, each member of the Washington health  
34 services commission, higher education coordinating board, higher  
35 education facilities authority, horse racing commission, state housing  
36 finance commission, human rights commission, indeterminate sentence  
37 review board, board of industrial insurance appeals, information  
38 services board, recreation and conservation funding board, state

1 investment board, commission on judicial conduct, legislative ethics  
2 board, liquor control board, lottery commission, marine oversight  
3 board, Pacific Northwest electric power and conservation planning  
4 council, parks and recreation commission, board of pilotage  
5 commissioners, pollution control hearings board, public disclosure  
6 commission, public pension commission, shorelines hearings board,  
7 public employees' benefits board, salmon recovery funding board, board  
8 of tax appeals, transportation commission, University of Washington  
9 board of regents, utilities and transportation commission, Washington  
10 state maritime commission, Washington personnel resources board,  
11 Washington public power supply system executive board, Washington State  
12 University board of regents, Western Washington University board of  
13 trustees, and fish and wildlife commission.

14 NEW SECTION. **Sec. 112.** Section 110 of this act takes effect  
15 January 1, 2012.

16 NEW SECTION. **Sec. 113.** Section 111 of this act expires January 1,  
17 2012.

18 **PART II**  
19 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT**  
20 **OF GENERAL ADMINISTRATION**

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

23 (1) The director of (~~general administration~~) enterprise services  
24 shall supervise and administer the activities of the department of  
25 (~~general administration~~) enterprise services and shall advise the  
26 governor and the legislature with respect to matters under the  
27 jurisdiction of the department.

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

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

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

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

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

8 (e) Delegate powers, duties, and functions as the director deems  
9 necessary for efficient administration, but the director shall be  
10 responsible for the official acts of the officers and employees of the  
11 department; and

12 (f) Perform other duties as are necessary and consistent with law.

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

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

25 **Sec. 202.** RCW 43.19.035 and 2005 c 16 s 1 are each amended to read  
26 as follows:

27 (1) The commemorative works account is created in the custody of  
28 the state treasurer and shall be used by the department of ~~((general  
29 administration))~~ enterprise services for the ongoing care, maintenance,  
30 and repair of commemorative works on the state capitol grounds. Only  
31 the director or the director's designee may authorize expenditures from  
32 the account. The account is subject to the allotment procedures under  
33 chapter 43.88 RCW, but an appropriation is not necessary for  
34 expenditures.

35 (2) For purposes of this section, "state capitol grounds" means  
36 buildings and land owned by the state and otherwise designated as state  
37 capitol grounds, including the west capitol campus, the east capitol

1 campus, the north capitol campus, the Tumwater campus, the Lacey  
2 campus, Sylvester Park, Centennial Park, the Old Capitol Building, and  
3 Capitol Lake.

4 **Sec. 203.** RCW 43.19.125 and 2007 c 520 s 6014 are each amended to  
5 read as follows:

6 (1) The director of (~~general administration, through the division~~  
7 ~~of capitol buildings,~~) enterprise services shall have custody and  
8 control of the capitol buildings and grounds, supervise and direct  
9 proper care, heating, lighting and repairing thereof, and designate  
10 rooms in the capitol buildings to be occupied by various state  
11 officials.

12 (2) During the 2007-2009 biennium, responsibility for development  
13 of the "Wheeler block" on the capitol campus as authorized in section  
14 6013, chapter 520, Laws of 2007 shall be transferred from the  
15 department of general administration to the department of information  
16 services. The department of general administration and the department  
17 of information services shall develop a joint operating agreement for  
18 the new facilities on the "Wheeler block" and provide copies of that  
19 agreement to the appropriate committees of the legislature by December  
20 30, 2008.

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

26 **Sec. 204.** RCW 43.19.180 and 2009 c 549 s 5063 are each amended to  
27 read as follows:

28 The director of (~~general administration shall appoint and deputize~~  
29 ~~an assistant director to be known as the state purchasing and material~~  
30 ~~control director, who shall have charge and supervision of the division~~  
31 ~~of purchasing. In this capacity he or she)) enterprise services shall  
32 ensure that overall state purchasing and material control policy is  
33 implemented by state agencies, including educational institutions,  
34 within established time limits.~~

35 (~~With the approval of the director of general administration, he~~

1 ~~or she may appoint and employ such assistants and personnel as may be~~  
2 ~~necessary to carry on the work of the division.)~~)

3 **Sec. 205.** RCW 43.19.185 and 1987 c 47 s 1 are each amended to read  
4 as follows:

5 (1) The director (~~(of general administration through the state~~  
6 ~~purchasing and material control director)~~) shall develop a system for  
7 state agencies and departments to use credit cards or similar devices  
8 to make purchases. The director may contract to administer the credit  
9 cards.

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

- 12 (a) The distribution of the credit cards;
- 13 (b) The authorization and control of the use of the credit cards;
- 14 (c) The credit limits available on the credit cards;
- 15 (d) Instructing users of gasoline credit cards to use self-service  
16 islands whenever possible;
- 17 (e) Payments of the bills; and
- 18 (f) Any other rule necessary to implement or administer the program  
19 under this section.

20 **Sec. 206.** RCW 43.19.190 and 2002 c 200 s 3 are each amended to  
21 read as follows:

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

24 (1) (~~(Establish and staff such administrative organizational units~~  
25 ~~within the division of purchasing as may be necessary for effective~~  
26 ~~administration of the provisions of RCW 43.19.190 through 43.19.1939)~~)  
27 Develop rules and standards governing the acquisition and disposition  
28 of goods and services;

29 (2) (~~(Purchase all material, supplies, services, and equipment~~  
30 ~~needed for the support, maintenance, and use of all state institutions,~~  
31 ~~colleges, community colleges, technical colleges, college districts,~~  
32 ~~and universities, the offices of the elective state officers, the~~  
33 ~~supreme court, the court of appeals, the administrative and other~~  
34 ~~departments of state government, and the offices of all appointive~~  
35 ~~officers of the state)~~) Enter into contracts on behalf of the state to  
36 carry out the following: To purchase, lease, rent or otherwise

1 acquire, dispose of, and maintain assets, licenses, purchased goods and  
2 services, client services, and personal services, or to delegate to  
3 other agencies and institutions of state government, under appropriate  
4 standards, the authority to purchase, lease, rent or otherwise acquire,  
5 dispose of, and maintain assets, licenses, purchased goods and  
6 services, client services, and personal services. Agencies and  
7 institutions of state government are expressly prohibited from  
8 acquiring or disposing of such assets, licenses, purchased services,  
9 and personal services without such delegation of authority: PROVIDED,  
10 That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in  
11 any manner to the operation of the state legislature except as  
12 requested by the legislature: (~~PROVIDED, That any agency may purchase~~  
13 ~~material, supplies, services, and equipment for which the agency has~~  
14 ~~notified the purchasing and material control director that it is more~~  
15 ~~cost-effective for the agency to make the purchase directly from the~~  
16 ~~vendor~~;) PROVIDED, That primary authority for the purchase of  
17 specialized equipment, instructional, and research material for their  
18 own use shall rest with the colleges, community colleges, and  
19 universities: PROVIDED FURTHER, That universities operating hospitals  
20 and the (~~state purchasing and material control~~) director, as the  
21 agent for state hospitals as defined in RCW 72.23.010, and for health  
22 care programs provided in state correctional institutions as defined in  
23 RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010  
24 and 72.36.070, may make purchases for hospital operation by  
25 participating in contracts for materials, supplies, and equipment  
26 entered into by nonprofit cooperative hospital group purchasing  
27 organizations: PROVIDED FURTHER, That primary authority for the  
28 purchase of materials, supplies, and equipment for resale to other than  
29 public agencies shall rest with the state agency concerned: PROVIDED  
30 FURTHER, That authority to purchase services as included herein does  
31 not apply to personal services as defined in chapter 39.29 RCW, unless  
32 such organization specifically requests assistance from the (~~division~~  
33 ~~of purchasing~~) department of enterprise services in obtaining personal  
34 services and resources are available within the (~~division~~) department  
35 to provide such assistance: (~~PROVIDED FURTHER, That the authority for~~  
36 ~~the purchase of insurance and bonds shall rest with the risk manager~~  
37 ~~under RCW 43.19.1935~~;) PROVIDED FURTHER, That, except for the  
38 authority of the risk manager to purchase insurance and bonds, the

1 director is not required to provide purchasing services for  
2 institutions of higher education that choose to exercise independent  
3 purchasing authority under RCW 28B.10.029: PROVIDED FURTHER, That the  
4 authority to purchase interpreter services and interpreter brokerage  
5 services on behalf of limited-English speaking or sensory-impaired  
6 applicants and recipients of public assistance shall rest with the  
7 department of social and health services in consultation with the  
8 department;

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

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

25 ~~((Prescribe the manner of inspecting all deliveries of~~  
26 ~~supplies, materials, and equipment purchased through the division))~~  
27 Develop statewide or interagency procurement policies, standards, and  
28 procedures;

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

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

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

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

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

6        (a) Planning, management, purchasing control, and use of purchased  
7 services and personal services;

8        (b) Training and education; and

9        (c) Project management;

10        ~~((+8))~~ (9) Provide for a commodity classification system and may,  
11 in addition, provide for the adoption of standard specifications;

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

14        (10) Prepare rules and regulations governing the relationship and  
15 procedures between the ~~((division of purchasing))~~ department and state  
16 agencies and vendors;

17        (11) Publish procedures and guidelines for compliance by all state  
18 agencies, including those educational institutions to which this  
19 section applies, which implement overall state purchasing and material  
20 control policies;

21        (12) Advise state agencies, including educational institutions,  
22 regarding compliance with established purchasing and material control  
23 policies under existing statutes.

24        **Sec. 207.** RCW 43.19.1905 and 2009 c 486 s 10 are each amended to  
25 read as follows:

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

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

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

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



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

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

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

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

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

18       ~~((+h))~~ (c) Screening of supplies, material, and equipment excess  
19       to the requirements of one agency for overall state need before sale as  
20       surplus;

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

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

25       ~~(+k) Formulation of criteria for))~~

26       (d) Determining when centralized rather than decentralized  
27       purchasing shall be used to obtain maximum benefit of volume buying of  
28       identical or similar items, including procurement from federal supply  
29       sources;

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

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

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

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

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

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

11       ~~((r))~~ (j) Development of procedures for mutual and voluntary  
12 cooperation between state agencies, including educational institutions,  
13 and political subdivisions for exchange of purchasing and material  
14 control services;

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

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

28       ~~((u))~~ (m) Development of goals for state use of recycled or  
29 environmentally preferable products through specifications for products  
30 and services, processes for requests for proposals and requests for  
31 qualifications, contractor selection, and contract negotiations;

32       ~~((v))~~ (n) Development of procurement policies and procedures,  
33 such as unbundled contracting and subcontracting, that encourage and  
34 facilitate the purchase of products and services by state agencies and  
35 institutions from Washington small businesses to the maximum extent  
36 practicable and consistent with international trade agreement  
37 commitments;

1 ((+w)) (o) Development of food procurement procedures and  
2 materials that encourage and facilitate the purchase of Washington  
3 grown food by state agencies and institutions to the maximum extent  
4 practicable and consistent with international trade agreement  
5 commitments; and

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

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

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

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

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

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

27 **Sec. 208.** RCW 43.19.1906 and 2008 c 215 s 5 are each amended to  
28 read as follows:

29 Insofar as practicable, all purchases and sales shall be based on  
30 competitive bids, and a formal sealed, electronic, or web-based bid  
31 procedure, subject to RCW 43.19.1911, shall be used as standard  
32 procedure for all purchases and contracts for purchases and sales  
33 executed by the state purchasing and material control director and  
34 under the powers granted by RCW 43.19.190 through 43.19.1939. This  
35 requirement also applies to purchases and contracts for purchases and  
36 sales executed by agencies, including educational institutions, under

1 delegated authority granted in accordance with provisions of RCW  
2 43.19.190 or under RCW 28B.10.029. However, formal sealed, electronic,  
3 or web-based competitive bidding is not necessary for:

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

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

37 (3) Purchases which are clearly and legitimately limited to a

1 single source of supply and purchases involving special facilities,  
2 services, or market conditions, in which instances the purchase price  
3 may be best established by direct negotiation;

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

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

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

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

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

1 such work. A record of competition for all such purchases made from  
2 three thousand to thirty-five thousand dollars shall be documented for  
3 audit purposes; and

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

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

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

29 As used in this section, "Washington grown" has the definition in  
30 RCW 15.64.060.

31 **Sec. 209.** RCW 43.19.1908 and 2009 c 486 s 11 are each amended to  
32 read as follows:

33 Competitive bidding required by RCW 43.19.190 through 43.19.1939  
34 shall be solicited by public notice, by posting of the contract  
35 opportunity on the state's common vendor registration and bid  
36 notification system, and through the sending of notices by mail,  
37 electronic transmission, or other means to bidders on the appropriate

1 list of bidders who shall have qualified by application to the  
2 ((~~division of purchasing~~)) department. Bids may be solicited by the  
3 ((~~purchasing division~~)) department from any source thought to be of  
4 advantage to the state. All bids shall be in written or electronic  
5 form and conform to rules of the ((~~division of purchasing~~)) department.

6 **Sec. 210.** RCW 43.19.1911 and 2006 c 363 s 3 are each amended to  
7 read as follows:

8 (1) Preservation of the integrity of the competitive bid system  
9 dictates that after competitive bids have been opened, award must be  
10 made to that responsible bidder who submitted the lowest responsive bid  
11 pursuant to subsections (7) and (9) of this section, unless there is a  
12 compelling reason to reject all bids and cancel the solicitation.

13 (2) Every effort shall be made to anticipate changes in a  
14 requirement before the date of opening and to provide reasonable notice  
15 to all prospective bidders of any resulting modification or  
16 cancellation. If, in the opinion of the purchasing agency, division,  
17 or department head, it is not possible to provide reasonable notice,  
18 the published date for receipt of bids may be postponed and all known  
19 bidders notified. This will permit bidders to change their bids and  
20 prevent unnecessary exposure of bid prices. In addition, every effort  
21 shall be made to include realistic, achievable requirements in a  
22 solicitation.

23 (3) After the opening of bids, a solicitation may not be canceled  
24 and resolicited solely because of an increase in requirements for the  
25 items being acquired. Award may be made on the initial solicitation  
26 and an increase in requirements may be treated as a new acquisition.

27 (4) A solicitation may be canceled and all bids rejected before  
28 award but after bid opening only when, consistent with subsection (1)  
29 of this section, the purchasing agency, division, or department head  
30 determines in writing that:

31 (a) Unavailable, inadequate, ambiguous specifications, terms,  
32 conditions, or requirements were cited in the solicitation;

33 (b) Specifications, terms, conditions, or requirements have been  
34 revised;

35 (c) The supplies or services being contracted for are no longer  
36 required;

1 (d) The solicitation did not provide for consideration of all  
2 factors of cost to the agency;

3 (e) Bids received indicate that the needs of the agency can be  
4 satisfied by a less expensive article differing from that for which the  
5 bids were invited;

6 (f) All otherwise acceptable bids received are at unreasonable  
7 prices or only one bid is received and the agency cannot determine the  
8 reasonableness of the bid price;

9 (g) No responsive bid has been received from a responsible bidder;  
10 or

11 (h) The bid process was not fair or equitable.

12 (5) The agency, division, or department head may not delegate his  
13 or her authority under this section.

14 (6) After the opening of bids, an agency may not reject all bids  
15 and enter into direct negotiations to complete the planned acquisition.  
16 However, the agency can enter into negotiations exclusively with the  
17 lowest responsible bidder in order to determine if the lowest  
18 responsible bid may be improved. Until December 31, 2009, for  
19 purchases requiring a formal bid process the agency shall also enter  
20 into negotiations with and may consider for award the lowest  
21 responsible bidder that is a vendor in good standing, as defined in RCW  
22 43.19.525. An agency shall not use this negotiation opportunity to  
23 permit a bidder to change a nonresponsive bid into a responsive bid.

24 (7) In determining the lowest responsible bidder, the agency shall  
25 consider any preferences provided by law to Washington products and  
26 vendors and to RCW 43.19.704, and further, may take into consideration  
27 the quality of the articles proposed to be supplied, their conformity  
28 with specifications, the purposes for which required, and the times of  
29 delivery.

30 (8) Each bid with the name of the bidder shall be entered of record  
31 and each record, with the successful bid indicated, shall, after  
32 letting of the contract, be open to public inspection. Bid prices  
33 shall not be disclosed during electronic or web-based bidding before  
34 the letting of the contract.

35 (9) In determining "lowest responsible bidder", in addition to  
36 price, the following elements shall be given consideration:

37 (a) The ability, capacity, and skill of the bidder to perform the  
38 contract or provide the service required;



1 (b) The character, integrity, reputation, judgment, experience, and  
2 efficiency of the bidder;

3 (c) Whether the bidder can perform the contract within the time  
4 specified;

5 (d) The quality of performance of previous contracts or services;

6 (e) The previous and existing compliance by the bidder with laws  
7 relating to the contract or services;

8 (f) Such other information as may be secured having a bearing on  
9 the decision to award the contract: PROVIDED, That in considering bids  
10 for purchase, manufacture, or lease, and in determining the "lowest  
11 responsible bidder," whenever there is reason to believe that applying  
12 the "life cycle costing" technique to bid evaluation would result in  
13 lowest total cost to the state, first consideration shall be given by  
14 state purchasing activities to the bid with the lowest life cycle cost  
15 which complies with specifications. "Life cycle cost" means the total  
16 cost of an item to the state over its estimated useful life, including  
17 costs of selection, acquisition, operation, maintenance, and where  
18 applicable, disposal, as far as these costs can reasonably be  
19 determined, minus the salvage value at the end of its estimated useful  
20 life. The "estimated useful life" of an item means the estimated time  
21 from the date of acquisition to the date of replacement or disposal,  
22 determined in any reasonable manner. Nothing in this section shall  
23 prohibit any state agency, department, board, commission, committee, or  
24 other state-level entity from allowing for preferential purchase of  
25 products made from recycled materials or products that may be recycled  
26 or reused.

27 **Sec. 211.** RCW 43.19.1913 and 1965 c 8 s 43.19.1913 are each  
28 amended to read as follows:

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

32 **Sec. 212.** RCW 43.19.1915 and 2009 c 549 s 5064 are each amended to  
33 read as follows:

34 When any bid has been accepted, the (~~division of purchasing~~)  
35 department may require of the successful bidder a bond payable to the  
36 state in such amount with such surety or sureties as determined by the

1 ((~~division of purchasing~~)) department, conditioned that he or she will  
2 fully, faithfully and accurately execute the terms of the contract into  
3 which he or she has entered. The bond shall be filed in the ((~~office~~  
4 ~~of the division of purchasing~~)) department. Bidders who regularly do  
5 business with the state shall be permitted to file with the ((~~division~~  
6 ~~of purchasing~~)) department an annual bid bond in an amount established  
7 by the ((~~division~~)) department and such annual bid bond shall be  
8 acceptable as surety in lieu of furnishing surety with individual bids.

9 **Sec. 213.** RCW 43.19.1917 and 1979 c 88 s 3 are each amended to  
10 read as follows:

11 All state agencies, including educational institutions, shall  
12 maintain a perpetual record of ownership of state owned equipment,  
13 which shall be available for the inspection and check of those officers  
14 who are charged by law with the responsibility for auditing the records  
15 and accounts of the state organizations owning the equipment, or to  
16 such other special investigators and others as the governor may direct.  
17 In addition, these records shall be made available to members of the  
18 legislature, the legislative committees, and legislative staff on  
19 request.

20 All state agencies, including educational institutions, shall  
21 account to the office of financial management upon request for state  
22 equipment owned by, assigned to, or otherwise possessed by them and  
23 maintain such records as the office of financial management deems  
24 necessary for proper accountability therefor. The office of financial  
25 management shall publish a procedural directive for compliance by all  
26 state agencies, including educational institutions, which establishes  
27 a standard method of maintaining records for state owned equipment,  
28 including the use of standard state forms. This published directive  
29 also shall include instructions for reporting to the ((~~division of~~  
30 ~~purchasing~~)) department all state equipment which is excess to the  
31 needs of state organizations owning such equipment. The term "state  
32 equipment" means all items of machines, tools, furniture, or  
33 furnishings other than expendable supplies and materials as defined by  
34 the office of financial management.

35 **Sec. 214.** RCW 43.19.1919 and 2000 c 183 s 1 are each amended to  
36 read as follows:

1       The (~~division of purchasing~~) department shall sell or exchange  
2 personal property belonging to the state for which the agency, office,  
3 department, or educational institution having custody thereof has no  
4 further use, at public or private sale, and cause the moneys realized  
5 from the sale of any such property to be paid into the fund from which  
6 such property was purchased or, if such fund no longer exists, into the  
7 state general fund. This requirement is subject to the following  
8 exceptions and limitations:

9       (1) This section does not apply to property under RCW 27.53.045,  
10 28A.335.180, or 43.19.1920;

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

15       (3) Personal property, excess to a state agency, including  
16 educational institutions, shall not be sold or disposed of prior to  
17 reasonable efforts by the (~~division of purchasing~~) department to  
18 determine if other state agencies have a requirement for such personal  
19 property. Such determination shall follow sufficient notice to all  
20 state agencies to allow adequate time for them to make their needs  
21 known. Surplus items may be disposed of without prior notification to  
22 state agencies if it is determined by the director (~~of general~~  
23 ~~administration~~) to be in the best interest of the state. The  
24 (~~division of purchasing~~) department shall maintain a record of  
25 disposed surplus property, including date and method of disposal,  
26 identity of any recipient, and approximate value of the property;

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

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

35       **Sec. 215.** RCW 43.19.19191 and 1999 c 186 s 1 are each amended to  
36 read as follows:

37       (1) In addition to disposing of property under RCW 28A.335.180,

1 39.33.010, 43.19.1919, and 43.19.1920, state-owned, surplus computers  
2 and computer-related equipment may be donated to any school district or  
3 educational service district under the guidelines and distribution  
4 standards established pursuant to subsection (2) of this section.

5 (2) (~~By September 1, 1999,~~) The department and office of the  
6 superintendent of public instruction shall jointly develop guidelines  
7 and distribution standards for the donation of state-owned, surplus  
8 computers and computer-related equipment to school districts and  
9 educational service districts. The guidelines and distribution  
10 standards shall include considerations for quality, school-district  
11 needs, and accountability, and shall give priority to meeting the  
12 computer-related needs of children with disabilities, including those  
13 disabilities necessitating the portability of laptop computers. The  
14 guidelines must be updated as needed.

15 **Sec. 216.** RCW 43.19.1920 and 1995 c 399 s 63 are each amended to  
16 read as follows:

17 The (~~division of purchasing~~) department may donate state-owned,  
18 surplus, tangible personal property to shelters that are: Participants  
19 in the department of (~~community, trade, and economic development's~~)  
20 commerce's emergency shelter assistance program; and operated by  
21 nonprofit organizations or units of local government providing  
22 emergency or transitional housing for homeless persons. A donation may  
23 be made only if all of the following conditions have been met:

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

29 (2) The agency owning the property has authorized the (~~division of~~  
30 ~~purchasing~~) department to donate the property in accordance with this  
31 section;

32 (3) The nature and quantity of the property in question is directly  
33 germane to the needs of the homeless persons served by the shelter and  
34 the purpose for which the shelter exists and the shelter agrees to use  
35 the property for such needs and purposes; and

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

1           **Sec. 217.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to  
2 read as follows:

3           (1) The department (~~((of general administration))~~) shall identify and  
4 catalog real property that is no longer required for department  
5 purposes and is suitable for the development of affordable housing for  
6 very low-income, low-income, and moderate-income households as defined  
7 in RCW 43.63A.510. The inventory shall include the location,  
8 approximate size, and current zoning classification of the property.  
9 The department (~~((of general administration))~~) shall provide a copy of  
10 the inventory to the department of (~~((community, trade, and economic  
11 development))~~) commerce by November 1, 1993, and every November 1  
12 thereafter.

13           (2) By November 1 of each year, beginning in 1994, the department  
14 (~~((of general administration))~~) shall purge the inventory of real  
15 property of sites that are no longer available for the development of  
16 affordable housing. The department shall include an updated listing of  
17 real property that has become available since the last update. As used  
18 in this section, "real property" means buildings, land, or buildings  
19 and land.

20           **Sec. 218.** RCW 43.19.1921 and 1979 c 151 s 100 are each amended to  
21 read as follows:

22           The director (~~((of general administration, through the division of  
23 purchasing,))~~) shall:

24           (1) Establish and maintain warehouses (~~((hereinafter referred to as  
25 "central stores"))~~) for the centralized storage and distribution of such  
26 supplies, equipment, and other items of common use in order to effect  
27 economies in the purchase of supplies and equipment for state agencies.  
28 To provide (~~((central stores))~~) warehouse facilities the (~~((division of  
29 purchasing))~~) department may, by arrangement with the state agencies,  
30 utilize any surplus available state owned space, and may acquire other  
31 needed warehouse facilities by lease or purchase of the necessary  
32 premises;

33           (2) Provide for the central salvage(~~((, maintenance, repair, and  
34 servicing))~~) of equipment, furniture, or furnishings used by state  
35 agencies, and also by means of such a service provide an equipment pool  
36 for effecting sales and exchanges of surplus and unused property by and  
37 between state agencies. Funds derived from the sale and exchange of

1 property shall be placed to the account of the appropriate state agency  
2 on the central stores accounts but such funds may not be expended  
3 through central stores without prior approval of the office of  
4 financial management.

5 **Sec. 219.** RCW 43.19.200 and 2009 c 549 s 5066 are each amended to  
6 read as follows:

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

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

31 (3) Purchases made for the state's educational institutions, the  
32 offices of the elective state officers, the supreme court, the court of  
33 appeals, the administrative and other departments of the state  
34 government, and the offices of all appointive officers of the state,  
35 shall be paid for out of the moneys appropriated for supplies,  
36 material, and service of the respective institutions, offices, and  
37 departments.

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

4 **Sec. 220.** RCW 43.19.450 and 1994 c 264 s 15 are each amended to  
5 read as follows:

6 The director (~~(of general administration)~~) shall appoint (~~(and~~  
7 ~~deputize an assistant director to be known as the)~~) a supervisor of  
8 engineering and architecture (~~(who shall have charge and supervision of~~  
9 ~~the division of engineering and architecture. With the approval of the~~  
10 ~~director, the supervisor may appoint and employ such assistants and~~  
11 ~~personnel as may be necessary to carry out the work of the division)~~).

12 (~~No~~) A person (~~(shall be)~~) is not eligible for appointment as  
13 supervisor of engineering and architecture unless he or she is licensed  
14 to practice the profession of engineering or the profession of  
15 architecture in the state of Washington and for the last five years  
16 prior to his or her appointment has been licensed to practice the  
17 profession of engineering or the profession of architecture.

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

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

29 (1) Prepare cost estimates and technical information to accompany  
30 the capital budget and prepare or contract for plans and specifications  
31 for new construction and major repairs and alterations to state  
32 facilities.

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

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

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

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

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

10 **Sec. 221.** RCW 43.19.455 and 2005 c 36 s 6 are each amended to read  
11 as follows:

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

22 **Sec. 222.** RCW 43.19.500 and 2005 c 330 s 6 are each amended to  
23 read as follows:

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



1 of services in acquiring real estate and the operation and maintenance  
2 of state capitol public and historic facilities as separate operating  
3 entities within the account for financial accounting and control.

4 The schedule of services, facilities, equipment, supplies,  
5 materials, maintenance, rehabilitation, furnishings, operations, and  
6 administration to be so financed and recovered shall be determined  
7 jointly by the director (~~((of general administration))~~) and the director  
8 of financial management, in equitable amounts which, together with any  
9 other income or appropriation, will provide the department (~~((of general  
10 administration))~~) with funds to meet its anticipated expenditures during  
11 any allotment period.

12 The director (~~((of general administration))~~) may adopt rules  
13 governing the provisions of RCW 43.01.090 and this section and the  
14 relationships and procedures between the department (~~((of general  
15 administration))~~) and such other entities.

16 **Sec. 223.** RCW 43.19.501 and 2009 c 564 s 932 are each amended to  
17 read as follows:

18 The Thurston county capital facilities account is created in the  
19 state treasury. The account is subject to the appropriation and  
20 allotment procedures under chapter 43.88 RCW. Moneys in the account  
21 may be expended for capital projects in facilities owned and managed by  
22 the department (~~((of general administration))~~) in Thurston county. For  
23 the 2007-2009 biennium, moneys in the account may be used for predesign  
24 identified in section 1037, chapter 328, Laws of 2008.

25 During the 2009-2011 fiscal biennium, the legislature may transfer  
26 from the Thurston county capital facilities account to the state  
27 general fund such amounts as reflect the excess fund balance of the  
28 account.

29 **Sec. 224.** RCW 43.19.534 and 2009 c 470 s 717 are each amended to  
30 read as follows:

31 (1) State agencies, the legislature, and departments shall purchase  
32 for their use all goods and services required by the legislature,  
33 agencies, or departments that are produced or provided in whole or in  
34 part from class II inmate work programs operated by the department of  
35 corrections through state contract. These goods and services shall not  
36 be purchased from any other source unless, upon application by the

1 department or agency: (a) The department (~~(of general administration)~~)  
2 finds that the articles or products do not meet the reasonable  
3 requirements of the agency or department, (b) are not of equal or  
4 better quality, or (c) the price of the product or service is higher  
5 than that produced by the private sector. However, the criteria  
6 contained in (a), (b), and (c) of this (~~section~~) subsection for  
7 purchasing goods and services from sources other than correctional  
8 industries do not apply to goods and services produced by correctional  
9 industries that primarily replace goods manufactured or services  
10 obtained from outside the state. The department of corrections and  
11 department (~~(of general administration)~~) shall adopt administrative  
12 rules that implement this section.

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

16 **Sec. 225.** RCW 43.19.538 and 1991 c 297 s 5 are each amended to  
17 read as follows:

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

22 (a) The use of a weighting factor determined by the amount of  
23 recycled material in a product, where appropriate and known in advance  
24 to potential bidders, to determine the lowest responsible bidder. The  
25 actual dollars bid shall be the contracted amount. If the department  
26 determines, according to criteria established by rule that the use of  
27 this weighting factor does not encourage the use of more recycled  
28 material, the department shall consider and award bids without regard  
29 to the weighting factor. In making this determination, the department  
30 shall consider but not be limited to such factors as adequate  
31 competition, economics or environmental constraints, quality, and  
32 availability.

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

36 (2) The director shall develop a directory of businesses that  
37 supply products containing significant quantities of recycled

1 materials. This directory may be combined with and made accessible  
2 through the database of recycled content products to be developed under  
3 RCW 43.19A.060.

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

6 (4) The rules, specifications, and bid evaluation shall be  
7 consistent with recycled content standards adopted under RCW  
8 43.19A.020.

9 **Sec. 226.** RCW 43.19.539 and 2006 c 183 s 36 are each amended to  
10 read as follows:

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

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

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

25 **Sec. 227.** RCW 43.19.560 and 1983 c 187 s 3 are each amended to  
26 read as follows:

27 As used in RCW 43.19.565 through 43.19.635, 43.41.130 and  
28 43.41.140, the following definitions shall apply:

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

32 (2) "State agency" shall include any state office, agency,  
33 commission, department, or institution financed in whole or in part  
34 from funds appropriated by the legislature. It shall also include the  
35 Washington state school director's association (~~(and the state~~  
36 ~~printer)~~), but it shall not include (a) the state supreme court or any

1 agency of the judicial branch or (b) the legislature or any of its  
2 statutory, standing, special, or interim committees, other than at the  
3 option of the judicial or legislative agency or committee concerned;

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

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

12 **Sec. 228.** RCW 43.19.565 and 2005 c 214 s 1 are each amended to  
13 read as follows:

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

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

20 (2) Provide motor pools for the use of state agencies located in  
21 the Olympia area and such additional motor pools at other locations in  
22 the state as may be necessary to provide economic, efficient, and  
23 effective motor vehicle transportation services to state agencies.  
24 Such additional motor pools may be under either the direct control of  
25 the department or under the supervision of another state agency by  
26 agreement with the department;

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

34 (4) Establish guidelines, procedures, and standards for fleet  
35 operations that other state agencies and institutions of higher  
36 education may adopt. The guidelines, procedures, and standards shall

1 be consistent with and carry out the objectives of any general policies  
2 adopted by the office of financial management under RCW 43.41.130.

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

8 **Sec. 229.** RCW 43.19.585 and 1975 1st ex.s. c 167 s 7 are each  
9 amended to read as follows:

10 The director (~~(of general administration shall appoint a supervisor~~  
11 ~~of motor transport, who)) or the director's designee shall have general  
12 charge and supervision of state motor pools and motor vehicle  
13 transportation services under departmental administration and control.  
14 (~~The appointment of all personnel, except the supervisor, shall be~~  
15 ~~made pursuant to chapter 41.06 RCW, the state civil service law, as now~~  
16 ~~or hereafter amended.~~~~

17 ~~With the approval of)) The director(~~(, the supervisor shall (1)~~  
18 ~~appoint and employ such assistants and personnel as may be necessary,~~  
19 ~~(2))~~ or the director's designee shall (1) acquire by purchase or  
20 otherwise a sufficient number of motor vehicles to fulfill state agency  
21 needs for motor vehicle transportation service, (~~(+3))~~ (2) provide for  
22 necessary storage, upkeep, and repair, and (~~(+4))~~ (3) provide for  
23 servicing motor pool vehicles with fuel, lubricants, and other  
24 operating requirements.~~

25 **Sec. 230.** RCW 43.19.600 and 2009 c 549 s 5068 are each amended to  
26 read as follows:

27 (1) (~~On or after July 1, 1975,~~) Any passenger motor vehicles  
28 currently owned or hereafter acquired by any state agency(~~(, except~~  
29 ~~vehicles acquired from federal granted funds and over which the federal~~  
30 ~~government retains jurisdiction and control, may)) shall be purchased  
31 by or transferred to the department (~~(of general administration))~~ with  
32 the consent of the state agency concerned. The director (~~(of general~~  
33 ~~administration)) may accept vehicles subject to the provisions of RCW  
34 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 prior to July 1,  
35 1975, if he or she deems it expedient to accomplish an orderly  
36 transition.~~~~

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

6 (3) The department shall direct the transfer of passenger motor  
7 vehicles from a state agency to a state motor pool or other disposition  
8 as appropriate, based on a study under subsection (2) of this section,  
9 ~~((or after a public hearing held by the department,))~~ if a finding is  
10 made based on testimony and data therein submitted that the economy,  
11 efficiency, or effectiveness of state government would be improved by  
12 such a transfer or other disposition of passenger motor vehicles. Any  
13 dispute over the accuracy of ~~((testimony and))~~ data submitted as to the  
14 benefits in state governmental economy, efficiency, and effectiveness  
15 to be gained by such transfer shall be resolved by the ~~((governor or~~  
16 ~~the governor's designee))~~ director and the director of financial  
17 management.

18 **Sec. 231.** RCW 43.19.620 and 2009 c 549 s 5069 are each amended to  
19 read as follows:

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

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

1       **Sec. 232.** RCW 43.19.635 and 2009 c 549 s 5071 are each amended to  
2 read as follows:

3       (1) The governor, acting through the department (~~(of general~~  
4 ~~administration))~~) and any other appropriate agency or agencies as he or  
5 she may direct, is empowered to utilize all reasonable means for  
6 detecting the unauthorized use of state owned motor vehicles, including  
7 the execution of agreements with the state patrol for compliance  
8 enforcement. Whenever such illegal use is discovered which involves a  
9 state employee, the employing agency shall proceed as provided by law  
10 to establish the amount, extent, and dollar value of any such use,  
11 including an opportunity for notice and hearing for the employee  
12 involved. When such illegal use is so established, the agency shall  
13 assess its full cost of any mileage illegally used and shall recover  
14 such amounts by deductions from salary or allowances due to be paid to  
15 the offending official or employee by other means. Recovery of costs  
16 by the state under this subsection shall not preclude disciplinary or  
17 other action by the appropriate appointing authority or employing  
18 agency under subsection (2) of this section.

19       (2) Any (~~wilful~~) willful and knowing violation of any provision  
20 of RCW 43.19.560 through 43.19.620, 43.41.130 and 43.41.140 shall  
21 subject the state official or employee committing such violation to  
22 disciplinary action by the appropriate appointing or employing agency.  
23 Such disciplinary action may include, but shall not be limited to,  
24 suspension without pay, or termination of employment in the case of  
25 repeated violations.

26       (3) Any casual or inadvertent violation of RCW 43.19.560 through  
27 43.19.620, 43.41.130 and 43.41.140 may subject the state official or  
28 employee committing such violation to disciplinary action by the  
29 appropriate appointing authority or employing agency. Such  
30 disciplinary action may include, but need not be limited to, suspension  
31 without pay.

32       **Sec. 233.** RCW 43.19.710 and 1993 c 219 s 2 are each amended to  
33 read as follows:

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

36       (1) "Consolidated mail service" means incoming, outgoing, and  
37 internal mail processing.

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

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

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

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

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

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

18 ~~((6))~~ (5) "Outgoing mail" means mail, packages, or similar items  
19 processed for agencies to be sent through the United States postal  
20 service, private carrier services, or other courier services.

21 ~~((7))~~ (6) "Internal mail" means interagency mail, packages, or  
22 similar items that are delivered or to be delivered to a state agency,  
23 the legislature, the supreme court, or the court of appeals, and their  
24 officers and employees.

25 **Sec. 234.** RCW 19.27.070 and 2010 c 275 s 1 are each amended to  
26 read as follows:

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

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

31 (a) Two members must be county elected legislative body members or  
32 elected executives;

33 (b) Two members must be city elected legislative body members or  
34 mayors;

35 (c) One member must be a local government building code enforcement  
36 official;

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



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

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

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

6 (h) One member shall represent the structural engineering  
7 profession;

8 (i) One member shall represent the mechanical engineering  
9 profession;

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

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

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

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

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

18 (3) The council shall include: Two members of the house of  
19 representatives appointed by the speaker of the house, one from each  
20 caucus; two members of the senate appointed by the president of the  
21 senate, one from each caucus; and an employee of the electrical  
22 division of the department of labor and industries, as ex officio,  
23 nonvoting members with all other privileges and rights of membership.

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

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

28 (c) Any member who is appointed by virtue of being an elected  
29 official or holding public employment shall be removed from the council  
30 if he or she ceases being such an elected official or holding such  
31 public employment.

32 (d) Any member who is appointed to represent a specific private  
33 sector industry must maintain sufficiently similar employment or  
34 circumstances throughout the term of office to remain qualified to  
35 represent the specified industry. Retirement or unemployment is not  
36 cause for termination. However, if a councilmember enters into  
37 employment outside of the industry he or she has been appointed to  
38 represent, then he or she shall be removed from the council.

1 (e) Any member who no longer qualifies for appointment under this  
2 section may not vote on council actions, but may participate as an ex  
3 officio, nonvoting member until a replacement member is appointed. A  
4 member must notify the council staff and the governor's office within  
5 thirty days of the date the member no longer qualifies for appointment  
6 under this section. The governor shall appoint a qualified replacement  
7 for the member within sixty days of notice.

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

11 (6) Members shall not be compensated but shall receive  
12 reimbursement for travel expenses in accordance with RCW 43.03.050 and  
13 43.03.060.

14 (7) The department of (~~commerce~~) enterprise services shall  
15 provide administrative and clerical assistance to the building code  
16 council.

17 **Sec. 235.** RCW 19.27A.140 and 2010 c 271 s 305 are each amended to  
18 read as follows:

19 The definitions in this section apply to RCW 19.27A.130 through  
20 19.27A.190 and 19.27A.020 unless the context clearly requires  
21 otherwise.

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

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

27 (3) "Consumer-owned utility" includes a municipal electric utility  
28 formed under Title 35 RCW, a public utility district formed under Title  
29 54 RCW, an irrigation district formed under chapter 87.03 RCW, a  
30 cooperative formed under chapter 23.86 RCW, a mutual corporation or  
31 association formed under chapter 24.06 RCW, a port district formed  
32 under Title 53 RCW, or a water-sewer district formed under Title 57  
33 RCW, that is engaged in the business of distributing electricity to one  
34 or more retail electric customers in the state.

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

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

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

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

6 (6) "Embodied energy" means the total amount of fossil fuel energy  
7 consumed to extract raw materials and to manufacture, assemble,  
8 transport, and install the materials in a building and the life-cycle  
9 cost benefits including the recyclability and energy efficiencies with  
10 respect to building materials, taking into account the total sum of  
11 current values for the costs of investment, capital, installation,  
12 operating, maintenance, and replacement as estimated for the lifetime  
13 of the product or project.

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

17 (8) "Energy service company" has the same meaning as in RCW  
18 43.19.670.

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

21 (10) "Greenhouse gas" and "greenhouse gases" includes carbon  
22 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,  
23 and sulfur hexafluoride.

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

27 (12) "Investor-owned utility" means a corporation owned by  
28 investors that meets the definition of "corporation" as defined in RCW  
29 80.04.010 and is engaged in distributing either electricity or natural  
30 gas, or both, to more than one retail electric customer in the state.

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

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

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

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

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

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

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

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

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

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

22 (c) A wastewater treatment facility owned by a qualifying public  
23 agency; or

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

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

28 **Sec. 236.** RCW 39.34.055 and 1994 c 98 s 1 are each amended to read  
29 as follows:

30 The (~~office of state procurement within the~~) department of  
31 (~~general administration~~) enterprise services may enter into an  
32 agreement with a public benefit nonprofit corporation to allow the  
33 public benefit nonprofit corporation to participate in state contracts  
34 for purchases administered by the (~~office of state procurement~~)  
35 department. Such agreement must comply with the requirements of RCW  
36 39.34.030 through 39.34.050. For the purposes of this section "public  
37 benefit nonprofit corporation" means a public benefit nonprofit

1 corporation as defined in RCW 24.03.005 that is receiving local, state,  
2 or federal funds either directly or through a public agency other than  
3 an Indian tribe or a political subdivision of another state.

4 **Sec. 237.** RCW 39.35.030 and 2001 c 214 s 16 are each amended to  
5 read as follows:

6 For the purposes of this chapter the following words and phrases  
7 shall have the following meanings unless the context clearly requires  
8 otherwise:

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

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

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

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

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

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

23 (7) "Energy management system" means a program, energy efficiency  
24 equipment, technology, device, or other measure including, but not  
25 limited to, a management, educational, or promotional program, smart  
26 appliance, meter reading system that provides energy information  
27 capability, computer software or hardware, communications equipment or  
28 hardware, thermostat or other control equipment, together with related  
29 administrative or operational programs, that allows identification and  
30 management of opportunities for improvement in the efficiency of energy  
31 use, including but not limited to a measure that allows:

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

34 (b) Interactive communication between energy consumers and their  
35 energy suppliers;

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

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

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

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

12 (a) The coordination and positioning of a major facility on its  
13 physical site;

14 (b) The amount and type of fenestration employed in a major  
15 facility;

16 (c) The amount of insulation incorporated into the design of a  
17 major facility;

18 (d) The variable occupancy and operating conditions of a major  
19 facility; and

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

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

24 (11) "Energy-consumption analysis" means the evaluation of all  
25 energy systems and components by demand and type of energy including  
26 the internal energy load imposed on a major facility by its occupants,  
27 equipment, and components, and the external energy load imposed on a  
28 major facility by the climatic conditions of its location. An energy-  
29 consumption analysis of the operation of energy systems of a major  
30 facility shall include, but not be limited to, the following elements:

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

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

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

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

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

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

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

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

26 **Sec. 238.** RCW 39.35C.010 and 2007 c 39 s 4 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) "Cogeneration" means the sequential generation of two or more  
31 forms of energy from a common fuel or energy source. If these forms  
32 are electricity and thermal energy, then the operating and efficiency  
33 standards established by 18 C.F.R. Sec. 292.205 and the definitions  
34 established by 18 C.F.R. Sec. 292.202 (c) through (m) apply.

35 (2) "Conservation" means reduced energy consumption or energy cost,  
36 or increased efficiency in the use of energy, and activities, measures,  
37 or equipment designed to achieve such results, but does not include

1 thermal or electric energy production from cogeneration.  
2 "Conservation" also means reductions in the use or cost of water,  
3 wastewater, or solid waste.

4 (3) "Cost-effective" means that the present value to a state agency  
5 or school district of the energy reasonably expected to be saved or  
6 produced by a facility, activity, measure, or piece of equipment over  
7 its useful life, including any compensation received from a utility or  
8 the Bonneville power administration, is greater than the net present  
9 value of the costs of implementing, maintaining, and operating such  
10 facility, activity, measure, or piece of equipment over its useful  
11 life, when discounted at the cost of public borrowing.

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

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

16 (6) "Energy efficiency project" means a conservation or  
17 cogeneration project.

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

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

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

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

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

32 (12) "State agency" means every state office or department, whether  
33 elective or appointive, state institutions of higher education, and all  
34 boards, commissions, or divisions of state government, however  
35 designated.

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



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

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

6 **Sec. 239.** RCW 39.35D.020 and 2006 c 263 s 330 are each amended to  
7 read as follows:

8 The definitions in this section apply throughout this chapter  
9 unless the context clearly requires otherwise.

10 (1) "Department" means the department of (~~general administration~~)  
11 enterprise services.

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

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

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

21 (5)(a) "Major facility project" means: (i) A construction project  
22 larger than five thousand gross square feet of occupied or conditioned  
23 space as defined in the Washington state energy code; or (ii) a  
24 building renovation project when the cost is greater than fifty percent  
25 of the assessed value and the project is larger than five thousand  
26 gross square feet of occupied or conditioned space as defined in the  
27 Washington state energy code.

28 (b) "Major facility project" does not include: (i) Projects for  
29 which the department, public school district, or other applicable  
30 agency and the design team determine the LEED silver standard or the  
31 Washington sustainable school design protocol to be not practicable; or  
32 (ii) transmitter buildings, pumping stations, hospitals, research  
33 facilities primarily used for sponsored laboratory experimentation,  
34 laboratory research, or laboratory training in research methods, or  
35 other similar building types as determined by the department. When the  
36 LEED silver standard is determined to be not practicable for a project,  
37 then it must be determined if any LEED standard is practicable for the

1 project. If LEED standards or the Washington sustainable school design  
2 protocol are not followed for the project, the public school district  
3 or public agency shall report these reasons to the department.

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

7 (7) "Public school district" means a school district eligible to  
8 receive state basic education moneys pursuant to RCW 28A.150.250 and  
9 28A.150.260.

10 (8) "Washington sustainable school design protocol" means the  
11 school design protocol and related information developed by the office  
12 of the superintendent of public instruction, in conjunction with school  
13 districts and the school facilities advisory board.

14 **Sec. 240.** RCW 43.19A.010 and 1992 c 174 s 12 are each amended to  
15 read as follows:

16 Unless the context clearly requires otherwise, the definitions in  
17 this section apply throughout this chapter.

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

21 (2) "Department" means the department of (~~general administration~~)  
22 enterprise services.

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

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

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

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

32 (7) "Municipal sewage sludge" means a semisolid substance  
33 consisting of settled sewage solids combined with varying amounts of  
34 water and dissolved materials generated from a publicly owned  
35 wastewater treatment plant.

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

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

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

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

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

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

14 (14) "Recycled materials" means waste materials and by-products  
15 that have been recovered or diverted from solid waste and that can be  
16 utilized in place of a raw or virgin material in manufacturing a  
17 product and consists of materials derived from postconsumer waste,  
18 manufacturing waste, industrial scrap, agricultural wastes, and other  
19 items, all of which can be used in the manufacture of new or recycled  
20 products.

21 (15) "Re-refined oils" means used lubricating oils from which the  
22 physical and chemical contaminants acquired through previous use have  
23 been removed through a refining process. Re-refining may include  
24 distillation, hydrotreating, or treatments employing acid, caustic,  
25 solvent, clay, or other chemicals, or other physical treatments other  
26 than those used in reclaiming.

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

30 **Sec. 241.** RCW 43.19A.022 and 2009 c 356 s 2 are each amended to  
31 read as follows:

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

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

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

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

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

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

24 **Sec. 242.** RCW 39.32.035 and 1998 c 105 s 3 are each amended to  
25 read as follows:

26 The (~~general administration~~) enterprise services account shall be  
27 administered by the director of (~~general administration~~) enterprise  
28 services and be used for the purchase, lease or other acquisition from  
29 time to time of surplus property from any federal, state, or local  
30 government surplus property disposal agency. The director may  
31 purchase, lease or acquire such surplus property on the requisition of  
32 an eligible donee and without such requisition at such time or times as  
33 he or she deems it advantageous to do so; and in either case he or she  
34 shall be responsible for the care and custody of the property purchased  
35 so long as it remains in his or her possession.

1       **Sec. 243.** RCW 43.01.225 and 1995 c 215 s 2 are each amended to  
2 read as follows:

3       There is hereby established an account in the state treasury to be  
4 known as the "state vehicle parking account." All parking rental  
5 income resulting from parking fees established by the department of  
6 (~~general administration~~) enterprise services under RCW 46.08.172 at  
7 state-owned or leased property shall be deposited in the "state vehicle  
8 parking account." Revenue deposited in the "state vehicle parking  
9 account" shall be first applied to pledged purposes. Unpledged parking  
10 revenues deposited in the "state vehicle parking account" may be used  
11 to:

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

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

16       (3) Support agency commute trip reduction programs under RCW  
17 70.94.521 through 70.94.551.

18       **Sec. 244.** RCW 43.19.025 and 2002 c 332 s 3 are each amended to  
19 read as follows:

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

31       **Sec. 245.** RCW 43.82.120 and 1998 c 105 s 14 are each amended to  
32 read as follows:

33       All rental income collected by the department of (~~general~~  
34 ~~administration~~) enterprise services from rental of state buildings  
35 shall be deposited in the (~~general administration~~) enterprise  
36 services account.

1       **Sec. 246.** 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. 247.** 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 NEW SECTION. **Sec. 248.** The following acts or parts of acts are  
16 each repealed:

17 (1) RCW 43.19.010 (Director--Authority, appointment, salary) and  
18 1999 c 229 s 1, 1993 c 472 s 19, 1988 c 25 s 10, 1975 1st ex.s. c 167  
19 s 1, & 1965 c 8 s 43.19.010;

20 (2) RCW 43.19.1923 (General administration services account--Use)  
21 and 2001 c 292 s 3, 1998 c 105 s 6, 1991 sp.s. c 16 s 921, 1987 c 504  
22 s 17, 1975-'76 2nd ex.s. c 21 s 12, 1967 ex.s. c 104 s 5, & 1965 c 8 s  
23 43.19.1923;

24 (3) RCW 43.19.1925 (Combined purchases of commonly used items--  
25 Advance payments by state agencies--Costs of operating central stores)  
26 and 1998 c 105 s 7, 1975 c 40 s 8, 1973 c 104 s 2, & 1965 c 8 s  
27 43.19.1925;

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

31 (5) RCW 43.19.595 (Motor vehicle transportation service--Transfer  
32 of motor vehicles, property, etc., from motor pool to department) and  
33 2009 c 549 s 5067 & 1975 1st ex.s. c 167 s 9;

34 (6) RCW 43.19.615 (Motor vehicle transportation service--Deposits--  
35 Disbursements) and 2005 c 214 s 2, 1998 c 105 s 13, & 1975 1st ex.s. c  
36 167 s 13;

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

4 (8) RCW 43.19.680 (Implementation of energy conservation and  
5 maintenance procedures after walk-through survey--Investment grade  
6 audit--Reports--Contracts with energy service companies, staffing) and  
7 2001 c 214 s 27, 1996 c 186 s 506, 1986 c 325 s 2, 1983 c 313 s 1, 1982  
8 c 48 s 3, & 1980 c 172 s 5; and

9 (9) 2010 c 271 s 301.

10 NEW SECTION. **Sec. 249.** RCW 43.19.123 is decodified.

11 **PART III**

12 **POWERS AND DUTIES TRANSFERRED FROM THE PUBLIC PRINTER**

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

15 The ((~~public printer~~)) department shall print and bind the session  
16 laws, the journals of the two houses of the legislature, all bills,  
17 resolutions, documents, and other printing and binding of either the  
18 senate or house, as the same may be ordered by the legislature; and  
19 such forms, blanks, record books, and printing and binding of every  
20 description as may be ordered by all state officers, boards,  
21 commissions, and institutions, and the supreme court, and the court of  
22 appeals and officers thereof, as the same may be ordered on  
23 requisition, from time to time, by the proper authorities. This  
24 section shall not apply to the printing of the supreme court and the  
25 court of appeals reports, to the printing of bond certificates or bond  
26 offering disclosure documents, to the printing of educational  
27 publications of the state historical societies, or to any printing done  
28 or contracted for by institutions of higher education: PROVIDED, That  
29 institutions of higher education, in consultation with the ((~~public  
30 printer~~)) department, develop vendor selection procedures comparable to  
31 those used by the ((~~public printer~~)) department for contracted printing  
32 jobs. Where any institution or institution of higher learning of the  
33 state is or may become equipped with facilities for doing such work, it  
34 may do any printing: (1) For itself, or (2) for any other state  
35 institution when such printing is done as part of a course of study



1 relative to the profession of printer. Any printing and binding of  
2 whatever description as may be needed by any institution or agency of  
3 the state department of social and health services not at Olympia, or  
4 the supreme court or the court of appeals or any officer thereof, the  
5 estimated cost of which shall not exceed one thousand dollars, may be  
6 done by any private printing company in the general vicinity within the  
7 state of Washington so ordering, if in the judgment of the officer of  
8 the agency so ordering, the saving in time and processing justifies the  
9 award to such local private printing concern.

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

17 During the 2009-2011 fiscal biennium, this section does not apply  
18 to pilot printing projects authorized by the office of financial  
19 management to allow state agencies and institutions to directly acquire  
20 printing services.

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

23 The ~~((public printer))~~ department shall use the state printing  
24 plant upon the following conditions, to wit:

25 (1) ~~((He or she))~~ The department shall do the public printing, and  
26 charge ~~((therefor))~~ the fees as provided by law. ~~((He or she))~~ The  
27 department may print the Washington reports for the publishers thereof  
28 under a contract ~~((approved in writing by the governor))~~.

29 (2) The ~~((gross income of the public printer shall be deposited in~~  
30 ~~an account designated))~~ director shall transfer any residual funds  
31 remaining in the "state printing plant revolving fund" ~~((in~~  
32 ~~depositories approved by the state treasurer, and shall be disbursed by~~  
33 ~~the public printer by check and only as follows:~~

34 ~~First, in payment of the actual cost of labor, material, supplies,~~  
35 ~~replacements, repairs, water, light, heat, telephone, rent, and all~~  
36 ~~other expenses necessary in the operation of the plant: PROVIDED, That~~

1 ~~no machinery shall be purchased except on written approval of the~~  
2 ~~governor;~~

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

6 ~~Third, in payment to the public printer of a salary which shall be~~  
7 ~~fixed by the governor in accordance with the provisions of RCW~~  
8 ~~43.03.040;~~

9 ~~Fourth, in remitting the balance to the state treasurer for the~~  
10 ~~general fund: PROVIDED, That a reasonable sum to be determined by the~~  
11 ~~governor, the public printer, and the director of financial management~~  
12 ~~shall be retained in the fund for working capital for the public~~  
13 ~~printer)) to the public printing revolving account established in~~  
14 ~~section 303 of this act.~~

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

17 The public printing revolving account is created in the custody of  
18 the state treasurer. All receipts from public printing must be  
19 deposited in the account. Expenditures from the account may be used  
20 only for administrative and operating purposes related to public  
21 printing. Only the director or 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 **Sec. 304.** RCW 43.78.090 and 1965 c 8 s 43.78.090 are each amended  
26 to read as follows:

27 Whenever required by law or by the legislature or by any state  
28 officer, board, commission, or institution the ((~~public printer~~))  
29 department shall keep the type used in printing any matter forming a  
30 part of the first, second, third, and fourth classes standing for a  
31 period not exceeding sixty days for use in reprinting such matter.

32 **Sec. 305.** RCW 43.78.100 and 1993 c 379 s 106 are each amended to  
33 read as follows:

34 The ((~~public printer~~)) department shall furnish all paper, stock,  
35 and binding materials required in all public work, and shall charge the

1 same to the state, as it is actually used, at the actual price at which  
2 it was purchased plus five percent for waste, insurance, storage, and  
3 handling. This section does not apply to institutions of higher  
4 education.

5 **Sec. 306.** RCW 43.78.105 and 1993 c 379 s 105 are each amended to  
6 read as follows:

7 The (~~public printer~~) department may use the state printing plant  
8 for the purposes of printing or furnishing materials under RCW  
9 43.78.100 (as recodified by this act) if an interlocal agreement under  
10 chapter 39.34 RCW has been executed between an institution of higher  
11 education and the (~~public printer~~) department.

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

14 (1) The department shall broker print management contracts for  
15 state agencies that are required to utilize print management contracts  
16 under this section.

17 (2) The department is authorized to broker print management  
18 contracts for other state agencies that choose to utilize these  
19 services.

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

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

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

28 (ii) Enter a print management contract;

29 (b) Any agency with a copier and multifunctional device contract  
30 that is set to expire on or after January 1, 2011, shall begin planning  
31 for the transition to a print management contract six months prior to  
32 the expiration date of the contract. Upon expiration of the copier and  
33 multifunctional device contract, the agency shall utilize a print  
34 management contract; and

35 (c) Any agency with a copier and multifunctional device contract

1 that is terminated on or after January 1, 2012, shall enter a print  
2 management contract.

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

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

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

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

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

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

29 (3) State agencies with one thousand total annual average full-time  
30 equivalent staff or less, as determined by the office of financial  
31 management, are encouraged to cooperate with the department to  
32 standardize envelopes under this section.

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

35 For every printing job and binding job ordered by a state agency,

1 the department shall advise the agency on how to choose more economic  
2 and efficient options to reduce costs.

3 **Sec. 310.** RCW 1.08.039 and 1955 c 235 s 8 are each amended to read  
4 as follows:

5 The committee may enter into contracts or otherwise arrange for the  
6 publication and/or distribution, provided for in RCW 1.08.038, with or  
7 without calling for bids, by the ((~~public printer~~)) department of  
8 enterprise services or by private printer, upon specifications  
9 formulated under the authority of RCW 1.08.037, and upon such basis as  
10 the committee deems to be most expeditious and economical. Any such  
11 contract may be upon such terms as the committee deems to be most  
12 advantageous to the state and to potential purchasers of such  
13 publications. The committee shall fix terms and prices for such  
14 publications.

15 **Sec. 311.** RCW 15.24.085 and 2002 c 313 s 121 are each amended to  
16 read as follows:

17 The restrictive provisions of chapter ((~~43.78~~)) 43.19 RCW relating  
18 to public printing shall not apply to promotional printing and  
19 literature for the Washington apple commission, the Washington state  
20 fruit commission, or the Washington state dairy products commission.

21 **Sec. 312.** RCW 15.62.190 and 1989 c 5 s 19 are each amended to read  
22 as follows:

23 The restrictive provisions of chapter ((~~43.78~~)) 43.19 RCW relating  
24 to public printing shall not apply to promotional printing and  
25 literature for the Washington state honey bee commission.

26 **Sec. 313.** RCW 16.67.170 and 1969 c 133 s 16 are each amended to  
27 read as follows:

28 The restrictive provisions of chapter ((~~43.78~~)) 43.19 RCW((~~, as now~~  
29 ~~or hereafter amended,~~)) relating to public printing shall not apply to  
30 promotional printing and literature for the commission.

31 **Sec. 314.** RCW 28A.300.040 and 2009 c 556 s 10 are each amended to  
32 read as follows:

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

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

5 (2) To report to the governor and the legislature such information  
6 and data as may be required for the management and improvement of the  
7 schools;

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

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

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

31 (6) To file all papers, reports and public documents transmitted to  
32 the superintendent by the school officials of the several counties or  
33 districts of the state, each year separately. Copies of all papers  
34 filed in the superintendent's office, and the superintendent's official  
35 acts, may, or upon request, shall be certified by the superintendent  
36 and attested by the superintendent's official seal, and when so  
37 certified shall be evidence of the papers or acts so certified to;

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

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

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

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

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

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

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

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

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

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

1       **Sec. 315.** RCW 28B.10.029 and 2010 c 61 s 1 are each amended to  
2 read as follows:

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

9       (b) Property disposition policies followed by institutions of  
10 higher education shall be consistent with policies followed by the  
11 department of general administration.

12       (c) Purchasing policies and procedures followed by institutions of  
13 higher education shall be in compliance with chapters 39.19, 39.29, and  
14 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917,  
15 43.19.1937, 43.19.534, 43.19.685, 43.19.700 through 43.19.704, and  
16 43.19.560 through 43.19.637.

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

21       (e) The community and technical colleges shall comply with RCW  
22 43.19.450.

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

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

31       (h) Any institution of higher education that chooses to exercise  
32 independent purchasing authority for a commodity or group of  
33 commodities shall notify the director of general administration.  
34 Thereafter the director of general administration shall not be required  
35 to provide those services for that institution for the duration of the  
36 general administration contract term for that commodity or group of  
37 commodities.



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

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

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

10 (c) Develop recommendations on ways to continue to build  
11 correctional industries' business with institutions of higher  
12 education.

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

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

34 (5) An institution of higher education may exercise independently  
35 those powers otherwise granted to the (~~public printer in chapter 43.78~~  
36 department of enterprise services REW)) in connection with the  
37 production or purchase of any printing and binding needed by the  
38 respective institution of higher education. Purchasing policies and

1 procedures followed by institutions of higher education shall be in  
2 compliance with chapter 39.19 RCW. Any institution of higher education  
3 that chooses to exercise independent printing production or purchasing  
4 authority shall notify the ((~~public printer~~)) department of enterprise  
5 services. Thereafter the ((~~public printer~~)) department of enterprise  
6 services shall not be required to provide those services for that  
7 institution.

8 **Sec. 316.** RCW 40.04.030 and 1995 c 24 s 1 are each amended to read  
9 as follows:

10 The ((~~public printer~~)) department of enterprise services shall  
11 deliver to the statute law committee all bound volumes of the session  
12 laws. The ((~~public printer~~)) department of enterprise services shall  
13 deliver the house and senate journals as they are published to the  
14 chief clerk of the house of representatives and the secretary of the  
15 senate, as appropriate. The publisher of the supreme court reports and  
16 the court of appeals reports of the state of Washington shall deliver  
17 the copies that are purchased by the supreme court for the use of the  
18 state to the state law librarian.

19 **Sec. 317.** RCW 40.06.030 and 2006 c 199 s 5 are each amended to  
20 read as follows:

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

23 (a) For state publications available only in print format, each  
24 state agency shall deposit, at a minimum, two copies of each of its  
25 publications with the state library. For the purposes of broad public  
26 access, state agencies may deposit additional copies with the state  
27 library for distribution to additional depository libraries.

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

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

34 (2) Annually, each state agency shall provide the state library  
35 with a listing of all its publications made available to state  
36 government and the public during the preceding year, including those

1 published in electronic form. The secretary of state shall, by rule,  
2 establish the annual date by which state agencies must provide the list  
3 of its publications to the state library.

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

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

11 **Sec. 318.** RCW 40.07.050 and 1986 c 158 s 5 are each amended to  
12 read as follows:

13 Neither the (~~public printer~~) department of enterprise services  
14 nor any state agency shall print or authorize for printing any state  
15 publication that has been determined by the director to be inconsistent  
16 with RCW 40.07.030 except to the extent this requirement may conflict  
17 with the laws of the United States or any rules or regulations lawfully  
18 promulgated under those laws. A copy of any state publication printed  
19 without the approval of the director under the exceptions authorized in  
20 this section shall be filed with the director with a letter of  
21 transmittal citing the federal statute, rule, or regulation requiring  
22 the publication.

23 **Sec. 319.** RCW 43.08.061 and 1993 c 38 s 1 are each amended to read  
24 as follows:

25 The (~~public printer~~) department of enterprise services shall  
26 print all state treasury warrants for distribution as directed by the  
27 state treasurer. All warrants redeemed by the state treasurer shall be  
28 retained for a period of one year, following their redemption, after  
29 which they may be destroyed without regard to the requirements imposed  
30 for their destruction by chapter 40.14 RCW.

31 NEW SECTION. **Sec. 320.** The following acts or parts of acts are  
32 each repealed:

33 (1) RCW 43.78.010 (Appointment of public printer) and 2009 c 549 s  
34 5146, 1981 c 338 s 6, & 1965 c 8 s 43.78.010;

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

3 (3) RCW 43.78.040 (Requisitions) and 1965 c 8 s 43.78.040;

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

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

8 NEW SECTION. **Sec. 321.** RCW 43.78.030, 43.78.070, 43.78.090,  
9 43.78.100, and 43.78.105 are each recodified as sections in chapter  
10 43.19 RCW.

11 **PART IV**

12 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT OF PERSONNEL**

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

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

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

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

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

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

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

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

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

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

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

15 (10) "Director" means the human resources director (~~(of personnel~~  
16 ~~appointed under the provisions of RCW 41.06.130)) within the office of~~

17 financial management and appointed under section 431 of this act.  
18 (11) "Affirmative action" means a procedure by which racial  
19 minorities, women, persons in the protected age category, persons with  
20 disabilities, Vietnam-era veterans, and disabled veterans are provided  
21 with increased employment opportunities. It shall not mean any sort of  
22 quota system.

23 (12) "Institutions of higher education" means the University of  
24 Washington, Washington State University, Central Washington University,  
25 Eastern Washington University, Western Washington University, The  
26 Evergreen State College, and the various state community colleges.

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

30 **Sec. 402.** RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and  
31 2010 c 1 s 1 are each reenacted and amended to read as follows:

32 (1) The provisions of this chapter do not apply to:

33 (a) The members of the legislature or to any employee of, or  
34 position in, the legislative branch of the state government including  
35 members, officers, and employees of the legislative council, joint  
36 legislative audit and review committee, statute law committee, and any  
37 interim committee of the legislature;

1 (b) The justices of the supreme court, judges of the court of  
2 appeals, judges of the superior courts or of the inferior courts, or to  
3 any employee of, or position in the judicial branch of state  
4 government;

5 (c) Officers, academic personnel, and employees of technical  
6 colleges;

7 (d) The officers of the Washington state patrol;

8 (e) Elective officers of the state;

9 (f) The chief executive officer of each agency;

10 (g) In the departments of employment security and social and health  
11 services, the director and the director's confidential secretary; in  
12 all other departments, the executive head of which is an individual  
13 appointed by the governor, the director, his or her confidential  
14 secretary, and his or her statutory assistant directors;

15 (h) In the case of a multimember board, commission, or committee,  
16 whether the members thereof are elected, appointed by the governor or  
17 other authority, serve ex officio, or are otherwise chosen:

18 (i) All members of such boards, commissions, or committees;

19 (ii) If the members of the board, commission, or committee serve on  
20 a part-time basis and there is a statutory executive officer: The  
21 secretary of the board, commission, or committee; the chief executive  
22 officer of the board, commission, or committee; and the confidential  
23 secretary of the chief executive officer of the board, commission, or  
24 committee;

25 (iii) If the members of the board, commission, or committee serve  
26 on a full-time basis: The chief executive officer or administrative  
27 officer as designated by the board, commission, or committee; and a  
28 confidential secretary to the chair of the board, commission, or  
29 committee;

30 (iv) If all members of the board, commission, or committee serve ex  
31 officio: The chief executive officer; and the confidential secretary  
32 of such chief executive officer;

33 (i) The confidential secretaries and administrative assistants in  
34 the immediate offices of the elective officers of the state;

35 (j) Assistant attorneys general;

36 (k) Commissioned and enlisted personnel in the military service of  
37 the state;

1 (l) Inmate, student, part-time, or temporary employees, and part-  
2 time professional consultants, as defined by the Washington personnel  
3 resources board;

4 ~~((m)) ((The public printer or to any employees of or positions in the  
5 state printing plant;~~

6 ~~((n))~~) Officers and employees of the Washington state fruit  
7 commission;

8 ~~((o))~~) (n) Officers and employees of the Washington apple  
9 commission;

10 ~~((p))~~) (o) Officers and employees of the Washington state dairy  
11 products commission;

12 ~~((q))~~) (p) Officers and employees of the Washington tree fruit  
13 research commission;

14 ~~((r))~~) (q) Officers and employees of the Washington state beef  
15 commission;

16 ~~((s))~~) (r) Officers and employees of the Washington grain  
17 commission;

18 ~~((t))~~) (s) Officers and employees of any commission formed under  
19 chapter 15.66 RCW;

20 ~~((u))~~) (t) Officers and employees of agricultural commissions  
21 formed under chapter 15.65 RCW;

22 ~~((v))~~) (u) Officers and employees of the nonprofit corporation  
23 formed under chapter 67.40 RCW;

24 ~~((w))~~) (v) Executive assistants for personnel administration and  
25 labor relations in all state agencies employing such executive  
26 assistants including but not limited to all departments, offices,  
27 commissions, committees, boards, or other bodies subject to the  
28 provisions of this chapter and this subsection shall prevail over any  
29 provision of law inconsistent herewith unless specific exception is  
30 made in such law;

31 ~~((x))~~) (w) In each agency with fifty or more employees: Deputy  
32 agency heads, assistant directors or division directors, and not more  
33 than three principal policy assistants who report directly to the  
34 agency head or deputy agency heads;

35 ~~((y))~~) (x) All employees of the marine employees' commission;

36 ~~((z))~~) (y) Staff employed by the department of commerce to  
37 administer energy policy functions;

1        ~~((aa))~~ (z) The manager of the energy facility site evaluation  
2 council;

3        ~~((bb))~~ (aa) A maximum of ten staff employed by the department of  
4 commerce to administer innovation and policy functions, including the  
5 three principal policy assistants exempted under ~~((x))~~ (w) of this  
6 subsection;

7        ~~((cc))~~ (bb) Staff employed by Washington State University to  
8 administer energy education, applied research, and technology transfer  
9 programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5).

10        (2) The following classifications, positions, and employees of  
11 institutions of higher education and related boards are hereby exempted  
12 from coverage of this chapter:

13        (a) Members of the governing board of each institution of higher  
14 education and related boards, all presidents, vice presidents, and  
15 their confidential secretaries, administrative, and personal  
16 assistants; deans, directors, and chairs; academic personnel; and  
17 executive heads of major administrative or academic divisions employed  
18 by institutions of higher education; principal assistants to executive  
19 heads of major administrative or academic divisions; other managerial  
20 or professional employees in an institution or related board having  
21 substantial responsibility for directing or controlling program  
22 operations and accountable for allocation of resources and program  
23 results, or for the formulation of institutional policy, or for  
24 carrying out personnel administration or labor relations functions,  
25 legislative relations, public information, development, senior computer  
26 systems and network programming, or internal audits and investigations;  
27 and any employee of a community college district whose place of work is  
28 one which is physically located outside the state of Washington and who  
29 is employed pursuant to RCW 28B.50.092 and assigned to an educational  
30 program operating outside of the state of Washington;

31        (b) The governing board of each institution, and related boards,  
32 may also exempt from this chapter classifications involving research  
33 activities, counseling of students, extension or continuing education  
34 activities, graphic arts or publications activities requiring  
35 prescribed academic preparation or special training as determined by  
36 the board: PROVIDED, That no nonacademic employee engaged in office,  
37 clerical, maintenance, or food and trade services may be exempted by  
38 the board under this provision;



1 (c) Printing craft employees in the department of printing at the  
2 University of Washington.

3 (3) In addition to the exemptions specifically provided by this  
4 chapter, the director (~~(of personnel)~~) may provide for further  
5 exemptions pursuant to the following procedures. The governor or other  
6 appropriate elected official may submit requests for exemption to the  
7 (~~(director of personnel)~~) office of financial management stating the  
8 reasons for requesting such exemptions. The director (~~(of personnel)~~)  
9 shall hold a public hearing, after proper notice, on requests submitted  
10 pursuant to this subsection. If the director determines that the  
11 position for which exemption is requested is one involving substantial  
12 responsibility for the formulation of basic agency or executive policy  
13 or one involving directing and controlling program operations of an  
14 agency or a major administrative division thereof, the director (~~(of~~  
15 ~~personnel)~~) shall grant the request (~~(and such determination shall be~~  
16 ~~final as to any decision made before July 1, 1993)~~). The total number  
17 of additional exemptions permitted under this subsection shall not  
18 exceed one percent of the number of employees in the classified service  
19 not including employees of institutions of higher education and related  
20 boards for those agencies not directly under the authority of any  
21 elected public official other than the governor, and shall not exceed  
22 a total of twenty-five for all agencies under the authority of elected  
23 public officials other than the governor.

24 The salary and fringe benefits of all positions presently or  
25 hereafter exempted except for the chief executive officer of each  
26 agency, full-time members of boards and commissions, administrative  
27 assistants and confidential secretaries in the immediate office of an  
28 elected state official, and the personnel listed in subsections (1)(j)  
29 through (~~(v)~~) (u) and (~~(y)~~) (x) and (2) of this section, shall be  
30 determined by the director (~~(of personnel)~~). Changes to the  
31 classification plan affecting exempt salaries must meet the same  
32 provisions for classified salary increases resulting from adjustments  
33 to the classification plan as outlined in RCW 41.06.152.

34 From February 18, 2009, through June 30, 2011, a salary or wage  
35 increase shall not be granted to any position exempt from  
36 classification under this chapter, except that a salary or wage  
37 increase may be granted to employees pursuant to collective bargaining  
38 agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW,

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

- 5 (a) The salary increase can be paid within existing resources; and
- 6 (b) The salary increase will not adversely impact the provision of  
7 client services.

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

14 Any person holding a classified position subject to the provisions  
15 of this chapter shall, when and if such position is subsequently  
16 exempted from the application of this chapter, be afforded the  
17 following rights: If such person previously held permanent status in  
18 another classified position, such person shall have a right of  
19 reversion to the highest class of position previously held, or to a  
20 position of similar nature and salary.

21 Any classified employee having civil service status in a classified  
22 position who accepts an appointment in an exempt position shall have  
23 the right of reversion to the highest class of position previously  
24 held, or to a position of similar nature and salary.

25 A person occupying an exempt position who is terminated from the  
26 position for gross misconduct or malfeasance does not have the right of  
27 reversion to a classified position as provided for in this section.

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

33 **Sec. 403.** RCW 41.06.076 and 1997 c 386 s 1 are each amended to  
34 read as follows:

35 In addition to the exemptions set forth in RCW 41.06.070, the  
36 provisions of this chapter shall not apply in the department of social  
37 and health services to the secretary; the secretary's executive

1 assistant, if any; not to exceed six assistant secretaries, thirteen  
2 division directors, six regional directors; one confidential secretary  
3 for each of the above-named officers; not to exceed six bureau chiefs;  
4 (~~(all social worker V positions)~~) and all superintendents of  
5 institutions of which the average daily population equals or exceeds  
6 one hundred residents(~~(: PROVIDED, That each such confidential~~  
7 ~~secretary must meet the minimum qualifications for the class of~~  
8 ~~secretary II as determined by the Washington personnel resources board.~~  
9 ~~This section expires June 30, 2005)~~).

10 **Sec. 404.** RCW 41.06.080 and 1970 ex.s. c 12 s 2 are each amended  
11 to read as follows:

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

- 16 (1) Either the legislative or the judicial branch of the state  
17 government;
- 18 (2) Any county, city, town, or other municipal subdivision of the  
19 state;
- 20 (3) The institutions of higher learning;
- 21 (4) Any agency, class, or position set forth in RCW 41.06.070.

22 **Sec. 405.** RCW 41.06.093 and 1993 c 281 s 24 are each amended to  
23 read as follows:

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

31 **Sec. 406.** RCW 41.06.110 and 2002 c 354 s 210 are each amended to  
32 read as follows:

- 33 (1) There is hereby created a Washington personnel resources board  
34 composed of three members appointed by the governor, subject to  
35 confirmation by the senate. The members of the personnel board serving

1 June 30, 1993, shall be the members of the Washington personnel  
2 resources board, and they shall complete their terms as under the  
3 personnel board. Each odd-numbered year thereafter the governor shall  
4 appoint a member for a six-year term. Each member shall continue to  
5 hold office after the expiration of the member's term until a successor  
6 has been appointed. Persons so appointed shall have clearly  
7 demonstrated an interest and belief in the merit principle, shall not  
8 hold any other employment with the state, shall not have been an  
9 officer of a political party for a period of one year immediately prior  
10 to such appointment, and shall not be or become a candidate for  
11 partisan elective public office during the term to which they are  
12 appointed;

13 (2) Each member of the board shall be compensated in accordance  
14 with RCW 43.03.250. The members of the board may receive any number of  
15 daily payments for official meetings of the board actually attended.  
16 Members of the board shall also be reimbursed for travel expenses  
17 incurred in the discharge of their official duties in accordance with  
18 RCW 43.03.050 and 43.03.060.

19 (3) At its first meeting following the appointment of all of its  
20 members, and annually thereafter, the board shall elect a chair and  
21 vice chair from among its members to serve one year. The presence of  
22 at least two members of the board shall constitute a quorum to transact  
23 business. A written public record shall be kept by the board of all  
24 actions of the board. The director (~~(of personnel)~~) shall serve as  
25 secretary.

26 (4) The board may appoint and compensate hearing officers to hear  
27 and conduct appeals. Such compensation shall be paid on a contractual  
28 basis for each hearing, in accordance with the provisions of chapter  
29 43.88 RCW and rules adopted pursuant thereto, as they relate to  
30 personal service contracts.

31 **Sec. 407.** RCW 41.06.120 and 1981 c 311 s 17 are each amended to  
32 read as follows:

33 (1) In the necessary conduct of its work, the board shall meet  
34 monthly unless there is no pending business requiring board action and  
35 may hold hearings, such hearings to be called by (a) the chairman of  
36 the board, or (b) a majority of the members of the board. An official

1 notice of the calling of the hearing shall be filed with the secretary,  
2 and all members shall be notified of the hearing within a reasonable  
3 period of time prior to its convening.

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

6 (3) In the conduct of hearings or investigations, a member of the  
7 board or the director (~~(of personnel)~~), or the hearing officer, may  
8 administer oaths.

9 **Sec. 408.** RCW 41.06.133 and 2010 c 2 s 3 and 2010 c 1 s 2 are each  
10 reenacted and amended to read as follows:

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

14 (a) The reduction, dismissal, suspension, or demotion of an  
15 employee;

16 (b) Training and career development;

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

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

22 (ii) The probationary period of campus police officer appointees  
23 who are required to attend the Washington state criminal justice  
24 training commission basic law enforcement academy shall extend from the  
25 date of appointment until twelve months from the date of successful  
26 completion of the basic law enforcement academy, or twelve months from  
27 the date of appointment if academy training is not required. The  
28 director shall adopt rules to ensure that employees promoting to campus  
29 police officer who are required to attend the Washington state criminal  
30 justice training commission basic law enforcement academy shall have  
31 the trial service period extend from the date of appointment until  
32 twelve months from the date of successful completion of the basic law  
33 enforcement academy, or twelve months from the date of appointment if  
34 academy training is not required;

35 (d) Transfers;

36 (e) Promotional preferences;

37 (f) Sick leaves and vacations;

1 (g) Hours of work;

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

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

5 ~~(j) ((Adoption and revision of a state salary schedule to reflect  
6 the prevailing rates in Washington state private industries and other  
7 governmental units. The rates in the salary schedules or plans shall  
8 be increased if necessary to attain comparable worth under an  
9 implementation plan under RCW 41.06.155 and, for institutions of higher  
10 education and related boards, shall be competitive for positions of a  
11 similar nature in the state or the locality in which an institution of  
12 higher education or related board is located. Such adoption and  
13 revision is subject to approval by the director of financial management  
14 in accordance with chapter 43.88 RCW;~~

15 ~~(k))~~ Increment increases within the series of steps for each pay  
16 grade based on length of service for all employees whose standards of  
17 performance are such as to permit them to retain job status in the  
18 classified service. From February 18, 2009, through June 30, 2011, a  
19 salary or wage increase shall not be granted to any exempt position  
20 under this chapter, except that a salary or wage increase may be  
21 granted to employees pursuant to collective bargaining agreements  
22 negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or  
23 negotiated by the nonprofit corporation formed under chapter 67.40 RCW,  
24 and except that increases may be granted for positions for which the  
25 employer has demonstrated difficulty retaining qualified employees if  
26 the following conditions are met:

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

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

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

36 ~~((l))~~ (k) Optional lump sum relocation compensation approved by  
37 the agency director, whenever it is reasonably necessary that a person  
38 make a domiciliary move in accepting a transfer or other employment

1 with the state. An agency must provide lump sum compensation within  
2 existing resources. If the person receiving the relocation payment  
3 terminates or causes termination with the state, for reasons other than  
4 layoff, disability separation, or other good cause as determined by an  
5 agency director, within one year of the date of the employment, the  
6 state is entitled to reimbursement of the lump sum compensation from  
7 the person;

8 ~~((m))~~ (1) Providing for veteran's preference as required by  
9 existing statutes, with recognition of preference in regard to layoffs  
10 and subsequent reemployment for veterans and their surviving spouses by  
11 giving such eligible veterans and their surviving spouses additional  
12 credit in computing their seniority by adding to their unbroken state  
13 service, as defined by the director, the veteran's service in the  
14 military not to exceed five years. For the purposes of this section,  
15 "veteran" means any person who has one or more years of active military  
16 service in any branch of the armed forces of the United States or who  
17 has less than one year's service and is discharged with a disability  
18 incurred in the line of duty or is discharged at the convenience of the  
19 government and who, upon termination of such service, has received an  
20 honorable discharge, a discharge for physical reasons with an honorable  
21 record, or a release from active military service with evidence of  
22 service other than that for which an undesirable, bad conduct, or  
23 dishonorable discharge shall be given. However, the surviving spouse  
24 of a veteran is entitled to the benefits of this section regardless of  
25 the veteran's length of active military service. For the purposes of  
26 this section, "veteran" does not include any person who has voluntarily  
27 retired with twenty or more years of active military service and whose  
28 military retirement pay is in excess of five hundred dollars per month.

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

33 (3) Rules adopted by the director under this section may be  
34 superseded by the provisions of a collective bargaining agreement  
35 negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The  
36 supersession of such rules shall only affect employees in the  
37 respective collective bargaining units.

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

3 (i) The number of classified, Washington management service, and  
4 exempt employees in the agency and the change compared to the previous  
5 report;

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

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

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

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

19 **Sec. 409.** RCW 41.06.142 and 2008 c 267 s 9 are each amended to  
20 read as follows:

21 (1) Any department, agency, or institution of higher education may  
22 purchase services, including services that have been customarily and  
23 historically provided by employees in the classified service under this  
24 chapter, by contracting with individuals, nonprofit organizations,  
25 businesses, employee business units, or other entities if the following  
26 criteria are met:

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

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

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



1 (d) The department, agency, or institution of higher education has  
2 established a contract monitoring process to measure contract  
3 performance, costs, service delivery quality, and other contract  
4 standards, and to cancel contracts that do not meet those standards;  
5 and

6 (e) The department, agency, or institution of higher education has  
7 determined that the contract results in savings or efficiency  
8 improvements. The contracting agency must consider the consequences  
9 and potential mitigation of improper or failed performance by the  
10 contractor.

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

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

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

20 (a) At least ninety days prior to the date the contracting agency  
21 requests bids from private entities for a contract for services  
22 provided by classified employees, the contracting agency shall notify  
23 the classified employees whose positions or work would be displaced by  
24 the contract. The employees shall have sixty days from the date of  
25 notification to offer alternatives to purchasing services by contract,  
26 and the agency shall consider the alternatives before requesting bids.

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

31 (c) The ((~~director of personnel~~)) department of enterprise  
32 services, with the advice and assistance of the ((~~department of general~~  
33 ~~administration~~)) office of financial management, shall develop and make  
34 available to employee business units training in the bidding process  
35 and general bid preparation.

36 (d) The director of ((~~general administration~~)) enterprise services,  
37 with the advice and assistance of the ((~~department of personnel~~))  
38 office of financial management, shall, by rule, establish procedures to

1 ensure that bids are submitted and evaluated in a fair and objective  
2 manner and that there exists a competitive market for the service.  
3 Such rules shall include, but not be limited to: (i) Prohibitions  
4 against participation in the bid evaluation process by employees who  
5 prepared the business unit's bid or who perform any of the services to  
6 be contracted; (ii) provisions to ensure no bidder receives an  
7 advantage over other bidders and that bid requirements are applied  
8 equitably to all parties; and (iii) procedures that require the  
9 contracting agency to receive complaints regarding the bidding process  
10 and to consider them before awarding the contract. Appeal of an  
11 agency's actions under this subsection is an adjudicative proceeding  
12 and subject to the applicable provisions of chapter 34.05 RCW, the  
13 administrative procedure act, with the final decision to be rendered by  
14 an administrative law judge assigned under chapter 34.12 RCW.

15 (e) An employee business unit's bid must include the fully  
16 allocated costs of the service, including the cost of the employees'  
17 salaries and benefits, space, equipment, materials, and other costs  
18 necessary to perform the function. An employee business unit's cost  
19 shall not include the state's indirect overhead costs unless those  
20 costs can be attributed directly to the function in question and would  
21 not exist if that function were not performed in state service.

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

25 (5) As used in this section:

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

29 (b) "Indirect overhead costs" means the pro rata share of existing  
30 agency administrative salaries and benefits, and rent, equipment costs,  
31 utilities, and materials associated with those administrative  
32 functions.

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

37 (6) The requirements of this section do not apply to RCW  
38 74.13.031(5).

1       **Sec. 410.** RCW 41.06.150 and 2002 c 371 s 906, 2002 c 354 s 203,  
2 2002 c 354 s 202, and 2002 c 110 s 1 are each reenacted and amended to  
3 read as follows:

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

7       (1) Certification of names for vacancies;

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

10       (3) Appointments;

11       (4) ~~((Adoption and revision of a comprehensive classification plan,~~  
12 ~~in accordance with rules adopted by the board under RCW 41.06.136, for~~  
13 ~~all positions in the classified service, based on investigation and~~  
14 ~~analysis of the duties and responsibilities of each such position and~~  
15 ~~allocation and reallocation of positions within the classification~~  
16 ~~plan.~~

17       ~~(a) The director shall not adopt job classification revisions or~~  
18 ~~class studies unless implementation of the proposed revision or study~~  
19 ~~will result in net cost savings, increased efficiencies, or improved~~  
20 ~~management of personnel or services, and the proposed revision or study~~  
21 ~~has been approved by the director of financial management in accordance~~  
22 ~~with chapter 43.88 RCW.~~

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

25       ~~(5))~~ Permitting agency heads to delegate the authority to appoint,  
26 reduce, dismiss, suspend, or demote employees within their agencies if  
27 such agency heads do not have specific statutory authority to so  
28 delegate: PROVIDED, That the director may not authorize such  
29 delegation to any position lower than the head of a major subdivision  
30 of the agency;

31       ~~((6))~~ (5) Assuring persons who are or have been employed in  
32 classified positions before July 1, 1993, will be eligible for  
33 employment, reemployment, transfer, and promotion in respect to  
34 classified positions covered by this chapter;

35       ~~((7))~~ (6) Affirmative action in appointment, promotion, transfer,  
36 recruitment, training, and career development; development and  
37 implementation of affirmative action goals and timetables; and  
38 monitoring of progress against those goals and timetables.

1 The director shall consult with the human rights commission in the  
2 development of rules pertaining to affirmative action. ((The  
3 department of personnel shall transmit a report annually to the human  
4 rights commission which states the progress each state agency has made  
5 in meeting affirmative action goals and timetables.))

6 Rules adopted under this section by the director shall provide for  
7 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 **Sec. 411.** RCW 41.06.152 and 2007 c 489 s 1 are each amended to  
11 read as follows:

12 (1) The director shall adopt only those job classification  
13 revisions, class studies, and salary adjustments under ((RCW  
14 ~~41.06.150(4)~~)) section 412 of this act that:

15 (a) As defined by the director, are due to documented recruitment  
16 or retention difficulties, salary compression or inversion,  
17 classification plan maintenance, higher level duties and  
18 responsibilities, or inequities; and

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

25 (2) This section does not apply to the higher education hospital  
26 special pay plan or to any adjustments to the classification plan under  
27 ((RCW ~~41.06.150(4)~~)) section 412 of this act that are due to emergent  
28 conditions. Emergent conditions are defined as emergency conditions  
29 requiring the establishment of positions necessary for the preservation  
30 of the public health, safety, or general welfare.

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

33 (1) To promote the most effective use of the state's workforce and  
34 improve the effectiveness and efficiency of the delivery of services to  
35 the citizens of the state, the director shall adopt and maintain a

1 comprehensive classification plan and compensation system for all  
2 positions in the classified service. The classification plan and  
3 compensation system must:

4 (a) Be simple and streamlined;

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

7 (c) Ensure that positions requiring or imposing similar  
8 responsibilities, judgment, knowledge, skills, and working conditions  
9 have internal salary alignment;

10 (d) Value workplace diversity;

11 (e) Facilitate the reorganization and decentralization of  
12 governmental services;

13 (f) Enhance mobility and career advancement opportunities; and

14 (g) Consider rates in other public employment and private  
15 employment in the state.

16 (2) An appointing authority and an employee organization  
17 representing classified employees of the appointing authority for  
18 collective bargaining purposes may jointly request the human resources  
19 director to initiate a classification study.

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

24 (4) The director may undertake salary surveys of positions in other  
25 public and private employment to establish market rates. Any salary  
26 survey information collected from private employers which identifies a  
27 specific employer with salary rates which the employer pays to its  
28 employees shall not be subject to public disclosure under chapter 42.56  
29 RCW.

30 NEW SECTION. **Sec. 413.** A new section is added to chapter 41.06  
31 RCW to read as follows:

32 The director shall adopt and maintain a state salary schedule.  
33 Such adoption and revision is subject to approval by the director in  
34 accordance with chapter 43.88 RCW.

35 **Sec. 414.** RCW 41.06.167 and 2005 c 274 s 279 are each amended to  
36 read as follows:

1       The (~~department of personnel~~) office of financial management  
2 shall undertake comprehensive compensation surveys for officers and  
3 entry-level officer candidates of the Washington state patrol, with  
4 such surveys to be conducted in the year prior to the convening of  
5 every other one hundred five day regular session of the state  
6 legislature. Salary and fringe benefit survey information collected  
7 from private employers which identifies a specific employer with the  
8 salary and fringe benefit rates which that employer pays to its  
9 employees shall not be subject to public disclosure under chapter 42.56  
10 RCW.

11       **Sec. 415.** RCW 41.06.169 and 1985 c 461 s 3 are each amended to  
12 read as follows:

13       After consultation with state agency heads, employee organizations,  
14 and other interested parties, the (~~state personnel~~) director shall  
15 develop standardized employee performance evaluation procedures and  
16 forms which shall be used by state agencies for the appraisal of  
17 employee job performance at least annually. These procedures shall  
18 include means whereby individual agencies may supplement the  
19 standardized evaluation process with special performance factors  
20 peculiar to specific organizational needs. Performance evaluation  
21 procedures shall place primary emphasis on recording how well the  
22 employee has contributed to efficiency, effectiveness, and economy in  
23 fulfilling state agency and job objectives.

24       **Sec. 416.** RCW 41.06.170 and 2009 c 534 s 3 are each amended to  
25 read as follows:

26       (1) The director, in the adoption of rules governing suspensions  
27 for cause, shall not authorize an appointing authority to suspend an  
28 employee for more than fifteen calendar days as a single penalty or  
29 more than thirty calendar days in any one calendar year as an  
30 accumulation of several penalties. The director shall require that the  
31 appointing authority give written notice to the employee not later than  
32 one day after the suspension takes effect, stating the reasons for and  
33 the duration thereof.

34       (2) Any employee who is reduced, dismissed, suspended, or demoted,  
35 after completing his or her probationary period of service as provided  
36 by the rules of the director, or any employee who is adversely affected

1 by a violation of the state civil service law, chapter 41.06 RCW, or  
2 rules adopted under it, shall have the right to appeal, either  
3 individually or through his or her authorized representative, not later  
4 than thirty days after the effective date of such action (~~to the~~  
5 ~~personnel appeals board through June 30, 2005, and~~) to the Washington  
6 personnel resources board (~~after June 30, 2005~~). The employee shall  
7 be furnished with specified charges in writing when a reduction,  
8 dismissal, suspension, or demotion action is taken. Such appeal shall  
9 be in writing. Decisions of the Washington personnel resources board  
10 on appeals filed after June 30, 2005, shall be final and not subject to  
11 further appeal.

12 (3) Any employee whose position has been exempted after July 1,  
13 1993, shall have the right to appeal, either individually or through  
14 his or her authorized representative, not later than thirty days after  
15 the effective date of such action to the (~~personnel appeals board~~  
16 ~~through June 30, 2005, and to the~~) Washington personnel resources  
17 board (~~after June 30, 2005~~). If the position being exempted is  
18 vacant, the exclusive bargaining unit representative may act in lieu of  
19 an employee for the purposes of appeal.

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

26 (5) Subsections (1) and (2) of this section do not apply to any  
27 employee who is subject to the provisions of a collective bargaining  
28 agreement negotiated under RCW 41.80.001 and 41.80.010 through  
29 41.80.130.

30 **Sec. 417.** RCW 41.06.220 and 1961 c 1 s 22 are each amended to read  
31 as follows:

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

36 ~~(2))~~ Any employee, when fully reinstated after appeal, shall be

1 guaranteed all employee rights and benefits, including back pay, sick  
2 leave, vacation accrual, retirement and OASDI credits.

3 **Sec. 418.** RCW 41.06.260 and 1961 c 1 s 26 are each amended to read  
4 as follows:

5 If any part of this chapter shall be found to be in conflict with  
6 federal requirements which are a condition precedent to the allocation  
7 of federal funds to the state, such conflicting part of this chapter is  
8 hereby declared to be inoperative solely to the extent of such conflict  
9 and with respect to the agencies directly affected, and such findings  
10 or determination shall not affect the operation of the remainder of  
11 this chapter in its application to the agencies concerned. The  
12 ~~((board))~~ office of financial management and the department of  
13 enterprise services, as appropriate, shall make such rules and  
14 regulations as may be necessary to meet federal requirements which are  
15 a condition precedent to the receipt of federal funds by the state.

16 **Sec. 419.** RCW 41.06.270 and 2002 c 354 s 217 are each amended to  
17 read as follows:

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

24 **Sec. 420.** RCW 41.06.280 and 1993 c 379 s 309 are each amended to  
25 read as follows:

26 There is hereby created a fund within the state treasury,  
27 designated as the "~~((department of))~~ personnel service fund," to be  
28 used by the ~~((board))~~ office of financial management and the department  
29 of enterprise services as a revolving fund for the payment of salaries,  
30 wages, and operations required for the administration of the provisions  
31 of this chapter, applicable provisions of chapter 41.04 RCW, and  
32 chapter 41.60 RCW. An amount not to exceed one and one-half percent of  
33 the ~~((approved allotments of))~~ salaries and wages for all positions in  
34 the classified service in each of the agencies subject to this chapter,  
35 except the institutions of higher education, shall be charged to the



1 operations appropriations of each agency and credited to the  
2 (~~department of~~) personnel service fund as the allotments are approved  
3 pursuant to chapter 43.88 RCW. Subject to the above limitations, the  
4 amount shall be charged against the allotments pro rata, at a rate to  
5 be fixed by the director from time to time which, together with income  
6 derived from services rendered under RCW 41.06.080, will provide the  
7 (~~department~~) office of financial management and the department of  
8 enterprise services with funds to meet its anticipated expenditures  
9 during the allotment period, including the training requirements in RCW  
10 41.06.500 and 41.06.530.

11 The director (~~of personnel~~) shall fix the terms and charges for  
12 services rendered by the department of (~~personnel~~) enterprise  
13 services and the office of financial management pursuant to RCW  
14 41.06.080, which amounts shall be credited to the (~~department of~~)  
15 personnel service fund and charged against the proper fund or  
16 appropriation of the recipient of such services on a (~~quarterly~~)  
17 monthly basis. Payment for services so rendered under RCW 41.06.080  
18 shall be made on a (~~quarterly~~) monthly basis to the state treasurer  
19 and deposited (~~by him~~) in the (~~department of~~) personnel service  
20 fund.

21 Moneys from the (~~department of~~) personnel service fund shall be  
22 disbursed by the state treasurer by warrants on vouchers duly  
23 authorized by the board.

24 **Sec. 421.** RCW 41.06.285 and 1998 c 245 s 41 are each amended to  
25 read as follows:

26 (1) There is hereby created a fund within the state treasury,  
27 designated as the "higher education personnel service fund," to be used  
28 by the (~~board~~) office of financial management as a revolving fund for  
29 the payment of salaries, wages, and operations required for the  
30 administration of (~~institutions of higher education and related~~  
31 ~~boards, the budget for which shall be subject to review and approval~~  
32 ~~and appropriation by the legislature~~) the provisions of chapter 41.06  
33 RCW and applicable provisions of chapters 41.04 and 41.60 RCW. Subject  
34 to the requirements of subsection (2) of this section, an amount not to  
35 exceed one-half of one percent of the salaries and wages for all  
36 positions in the classified service shall be contributed from the  
37 operations appropriations of each institution and the state board for

1 community and technical colleges and credited to the higher education  
2 personnel service fund as such allotments are approved pursuant to  
3 chapter 43.88 RCW. Subject to the above limitations, such amount shall  
4 be charged against the allotments pro rata, at a rate to be fixed by  
5 the director of financial management from time to time, which will  
6 provide the (~~board~~) office of financial management with funds to meet  
7 its anticipated expenditures during the allotment period.

8 (2) If employees of institutions of higher education cease to be  
9 classified under this chapter pursuant to an agreement authorized by  
10 RCW 41.56.201, each institution of higher education and the state board  
11 for community and technical colleges shall continue, for six months  
12 after the effective date of the agreement, to make contributions to the  
13 higher education personnel service fund based on employee salaries and  
14 wages that includes the employees under the agreement. At the  
15 expiration of the six-month period, the director of financial  
16 management shall make across-the-board reductions in allotments of the  
17 higher education personnel service fund for the remainder of the  
18 biennium so that the charge to the institutions of higher education and  
19 state board for community and technical colleges based on the salaries  
20 and wages of the remaining employees of institutions of higher  
21 education and related boards classified under this chapter does not  
22 increase during the biennium, unless an increase is authorized by the  
23 legislature.

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

27 **Sec. 422.** RCW 41.06.350 and 2002 c 354 s 218 are each amended to  
28 read as follows:

29 The director is authorized to receive federal funds now available  
30 or hereafter made available for the assistance and improvement of  
31 public personnel administration, which may be expended in addition to  
32 the (~~department of~~) personnel service fund established by RCW  
33 41.06.280.

34 **Sec. 423.** RCW 41.06.395 and 2007 c 76 s 1 are each amended to read  
35 as follows:

36 The director shall adopt rules establishing guidelines for

1 policies, procedures, and mandatory training programs on sexual  
2 harassment for state employees to be adopted by state agencies (~~and~~  
3 ~~establishing~~). The department of enterprise services shall establish  
4 reporting requirements for state agencies on compliance with RCW  
5 43.01.135.

6 **Sec. 424.** RCW 41.06.400 and 2002 c 354 s 219 are each amended to  
7 read as follows:

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

11 (a) By rule, prescribe the purpose and minimum standards for  
12 training and career development programs and, in so doing, regularly  
13 consult with and consider the needs of individual agencies and  
14 employees(~~(7)~~

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

17 ~~(a) Provide for the evaluation of training and career development~~  
18 ~~programs and plans of agencies. The director shall report the results~~  
19 ~~of such evaluations to the agency which is the subject of the~~  
20 ~~evaluation;~~)

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

23 (c) Promote interagency sharing of resources for training and  
24 career development;

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

28 (~~(3)~~) (2) At an agency's request, the (~~director~~) department of  
29 enterprise services may provide training and career development  
30 programs for an agency's internal use which may be conducted more  
31 efficiently and economically by the department of (~~personnel~~)  
32 enterprise services.

33 **Sec. 425.** RCW 41.06.410 and 2002 c 354 s 220 are each amended to  
34 read as follows:

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

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

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

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

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

13 **Sec. 426.** RCW 41.06.420 and 1980 c 118 s 6 are each amended to  
14 read as follows:

15 (1) The ((~~board~~)) office of financial management, by rule, shall  
16 prescribe the conditions under which an employee appointed to a  
17 supervisory or management position after June 12, 1980, shall be  
18 required to successfully complete an entry-level management training  
19 course as approved by the director. Such training shall not be  
20 required of any employee who has completed a management training course  
21 prior to the employee's appointment which is, in the judgment of the  
22 director, at least equivalent to the entry-level course required by  
23 this section.

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

30 (3) Agencies subject to the provisions of this chapter, in  
31 accordance with rules prescribed by the ((~~board~~)) office of financial  
32 management, shall designate individual positions, or groups of  
33 positions, as being "supervisory" or "management" positions. Such  
34 designations shall be subject to review by the director ((~~as part of~~  
35 ~~the director's evaluation of training and career development programs~~  
36 ~~prescribed by RCW 41.06.400(2))~~).

1       **Sec. 427.** RCW 41.06.476 and 2001 c 296 s 6 are each amended to  
2 read as follows:

3       (1) The (~~board~~) office of financial management shall amend any  
4 existing rules established under RCW 41.06.475 and adopt rules  
5 developed in cooperation and agreement with the department of social  
6 and health services to implement the provisions of chapter 296, Laws of  
7 2001.

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

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

12       (b) The administration of circumstances and behaviors foreseeable  
13 at the time of enactment.

14       **Sec. 428.** RCW 41.06.490 and 2002 c 354 s 223 are each amended to  
15 read as follows:

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

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

22       (~~(b)~~) (2) Provide for eligibility in the return-to-work program,  
23 for a minimum of two years from the date the temporary disability  
24 commenced, for any permanent employee who is receiving compensation  
25 under RCW 51.32.090 and who is, by reason of his or her temporary  
26 disability, unable to return to his or her previous work, but who is  
27 physically capable of carrying out work of a lighter or modified  
28 nature;

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

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

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

36       (~~(f)~~) (5) Require training of supervisors on implementation of

1 the return-to-work policy, including but not limited to assessment of  
2 the appropriateness of the return-to-work job for the employee; and  
3 ~~((+g))~~ (6) Coordinate participation of applicable employee  
4 assistance programs, as appropriate.

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

9 **Sec. 429.** RCW 41.06.510 and 1993 c 281 s 10 are each amended to  
10 read as follows:

11 Each institution of higher education and each related board shall  
12 designate an officer who shall perform duties as personnel officer.  
13 The personnel officer at each institution or related board shall  
14 direct, supervise, and manage administrative and technical personnel  
15 activities for the classified service at the institution or related  
16 board consistent with policies established by the institution or  
17 related board and in accordance with the provisions of this chapter and  
18 the rules adopted under this chapter. Institutions may undertake  
19 jointly with one or more other institutions to appoint a person  
20 qualified to perform the duties of personnel officer, provide staff and  
21 financial support and may engage consultants to assist in the  
22 performance of specific projects. The services of the department of  
23 ~~((personnel))~~ enterprise services and the office of financial  
24 management may also be used by the institutions or related boards  
25 pursuant to RCW 41.06.080.

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

29 **Sec. 430.** RCW 41.06.530 and 1993 c 281 s 12 are each amended to  
30 read as follows:

31 (1) The legislature recognizes that:

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

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

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

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

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

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

12 (~~(In consultation with agencies, employee organizations, and~~  
13 ~~employees, institutions of higher education, and related boards,~~  
14 ~~develop model policies, procedures, and technical information to be~~  
15 ~~made available to such entities for the support of workplace diversity~~  
16 ~~programs, including, but not limited to:~~

17 ~~(i) Voluntary mentorship programs;~~

18 ~~(ii) Alternative testing practices for persons of disability where~~  
19 ~~deemed appropriate;~~

20 ~~(iii) Career counseling;~~

21 ~~(iv) Training opportunities, including management and employee~~  
22 ~~awareness and skills training, English as a second language, and~~  
23 ~~individual tutoring;~~

24 ~~(v) Recruitment strategies;~~

25 ~~(vi) Management performance appraisal techniques that focus on~~  
26 ~~valuing and managing diversity in the workplace; and~~

27 ~~(vii) Alternative work arrangements;~~

28 (~~e~~)) The department of enterprise services, in consultation with  
29 agencies, employee organizations, and employees, institutions of higher  
30 education, and related boards, develop training programs for all  
31 managers to enhance their ability to implement diversity policies and  
32 to provide a thorough grounding in all aspects of the state civil  
33 service law and merit system rules, and how the proper implementation  
34 and application thereof can facilitate and further the mission of the  
35 agency.

36 (3) The department of enterprise services and the office of  
37 financial management shall coordinate implementation of this section

1 with the (~~office of financial management and~~) institutions of higher  
2 education and related boards to reduce duplication of effort.

3 NEW SECTION. **Sec. 431.** A new section is added to chapter 43.41  
4 RCW to read as follows:

5 (1) The office of financial management shall direct and supervise  
6 the personnel policy and application of the civil service laws, chapter  
7 41.06 RCW.

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

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

15 (4) The human resources director may delegate to any agency the  
16 authority to perform administrative and technical personnel activities  
17 if the agency requests such authority and the human resources director  
18 is satisfied that the agency has the personnel management capabilities  
19 to effectively perform the delegated activities. The human resources  
20 director shall prescribe standards and guidelines for the performance  
21 of delegated activities. If the human resources director determines  
22 that an agency is not performing delegated activities within the  
23 prescribed standards and guidelines, the director shall withdraw the  
24 authority from the agency to perform such activities.

25 **Sec. 432.** RCW 34.05.030 and 2006 c 300 s 4 are each amended to  
26 read as follows:

27 (1) This chapter shall not apply to:

28 (a) The state militia, or

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

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

33 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not  
34 apply:

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



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

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

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

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

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

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

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

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

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

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

29 **Sec. 433.** RCW 41.04.340 and 2002 c 354 s 227 are each amended to  
30 read as follows:

31 (1) An attendance incentive program is established for all eligible  
32 employees. As used in this section the term "eligible employee" means  
33 any employee of the state, other than eligible employees of the  
34 community and technical colleges and the state board for community and  
35 technical colleges identified in RCW 28B.50.553, and teaching and  
36 research faculty at the state and regional universities and The  
37 Evergreen State College, entitled to accumulate sick leave and for whom

1 accurate sick leave records have been maintained. No employee may  
2 receive compensation under this section for any portion of sick leave  
3 accumulated at a rate in excess of one day per month. The state and  
4 regional universities and The Evergreen State College shall maintain  
5 complete and accurate sick leave records for all teaching and research  
6 faculty.

7 (2) In January of the year following any year in which a minimum of  
8 sixty days of sick leave is accrued, and each January thereafter, any  
9 eligible employee may receive remuneration for unused sick leave  
10 accumulated in the previous year at a rate equal to one day's monetary  
11 compensation of the employee for each four full days of accrued sick  
12 leave in excess of sixty days. Sick leave for which compensation has  
13 been received shall be deducted from accrued sick leave at the rate of  
14 four days for every one day's monetary compensation.

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

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

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

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

33 (7) In lieu of remuneration for unused sick leave at retirement as  
34 provided in subsection (3) of this section, an agency head or designee  
35 may with equivalent funds, provide eligible employees with a benefit  
36 plan that provides for reimbursement for medical expenses. This plan  
37 shall be implemented only after consultation with affected groups of  
38 employees. For eligible employees covered by chapter 41.06 RCW,

1 procedures for the implementation of these plans shall be adopted by  
2 the human resources director (~~(of personnel)~~). For eligible employees  
3 exempt from chapter 41.06 RCW, and classified employees who have opted  
4 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,  
5 implementation procedures shall be adopted by an agency head having  
6 jurisdiction over the employees.

7 (8) Implementing procedures adopted by the human resources director  
8 (~~(of personnel)~~) or agency heads shall require that each medical  
9 expense plan authorized by subsection (7) of this section apply to all  
10 eligible employees in any one of the following groups: (a) Employees  
11 in an agency; (b) employees in a major organizational subdivision of an  
12 agency; (c) employees at a major operating location of an agency; (d)  
13 exempt employees under the jurisdiction of an elected or appointed  
14 Washington state executive; (e) employees of the Washington state  
15 senate; (f) employees of the Washington state house of representatives;  
16 (g) classified employees in a bargaining unit established by the  
17 director of personnel; or (h) other group of employees defined by an  
18 agency head that is not designed to provide an individual-employee  
19 choice regarding participation in a medical expense plan. However,  
20 medical expense plans for eligible employees in any of the groups under  
21 (a) through (h) of this subsection who are covered by a collective  
22 bargaining agreement shall be implemented only by written agreement  
23 with the bargaining unit's exclusive representative and a separate  
24 medical expense plan may be provided for unrepresented employees.

25 (9) Medical expense plans authorized by subsection (7) of this  
26 section must require as a condition of participation in the plan that  
27 employees in the group affected by the plan sign an agreement with the  
28 employer. The agreement must include a provision to hold the employer  
29 harmless should the United States government find that the employer or  
30 the employee is in debt to the United States as a result of the  
31 employee not paying income taxes due on the equivalent funds placed  
32 into the plan, or as a result of the employer not withholding or  
33 deducting a tax, assessment, or other payment on the funds as required  
34 by federal law. The agreement must also include a provision that  
35 requires an eligible employee to forfeit remuneration under subsection  
36 (3) of this section if the employee belongs to a group that has been  
37 designated to participate in the medical expense plan permitted under

1 this section and the employee refuses to execute the required  
2 agreement.

3 **Sec. 434.** RCW 41.04.385 and 2006 c 265 s 201 are each amended to  
4 read as follows:

5 The legislature finds that (1) demographic, economic, and social  
6 trends underlie a critical and increasing demand for child care in the  
7 state of Washington; (2) working parents and their children benefit  
8 when the employees' child care needs have been resolved; (3) the state  
9 of Washington should serve as a model employer by creating a supportive  
10 atmosphere, to the extent feasible, in which its employees may meet  
11 their child care needs; and (4) the state of Washington should  
12 encourage the development of partnerships between state agencies, state  
13 employees, state employee labor organizations, and private employers to  
14 expand the availability of affordable quality child care. The  
15 legislature finds further that resolving employee child care concerns  
16 not only benefits the employees and their children, but may benefit the  
17 employer by reducing absenteeism, increasing employee productivity,  
18 improving morale, and enhancing the employer's position in recruiting  
19 and retaining employees. Therefore, the legislature declares that it  
20 is the policy of the state of Washington to assist state employees by  
21 creating a supportive atmosphere in which they may meet their child  
22 care needs. Policies and procedures for state agencies to address  
23 employee child care needs will be the responsibility of the director of  
24 ((~~personnel~~)) enterprise services in consultation with the director of  
25 the department of early learning and state employee representatives.

26 **Sec. 435.** RCW 41.04.395 and 1994 sp.s. c 9 s 801 are each amended  
27 to read as follows:

28 (1) The disability accommodation revolving fund is created in the  
29 custody of the state treasurer. Disbursements from the fund shall be  
30 on authorization of the director of ((~~the department of personnel~~))  
31 financial management or the director's designee. The fund is subject  
32 to the allotment procedure provided under chapter 43.88 RCW, but no  
33 appropriation is required for disbursements. The fund shall be used  
34 exclusively by state agencies to accommodate the unanticipated job site  
35 or equipment needs of persons of disability in state employ.

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

7           (3) Agencies that receive moneys from the disability accommodation  
8 revolving fund shall return to the fund the amount received from the  
9 fund by no later than the end of the first month of the following  
10 fiscal biennium.

11           **Sec. 436.** RCW 41.04.665 and 2010 1st sp.s. c 32 s 10 and 2010 c  
12 168 s 1 are each reenacted and amended to read as follows:

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

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

18           (ii) The employee has been called to service in the uniformed  
19 services;

20           (iii) A state of emergency has been declared anywhere within the  
21 United States by the federal or any state government and the employee  
22 has needed skills to assist in responding to the emergency or its  
23 aftermath and volunteers his or her services to either a governmental  
24 agency or to a nonprofit organization engaged in humanitarian relief in  
25 the devastated area, and the governmental agency or nonprofit  
26 organization accepts the employee's offer of volunteer services;

27           (iv) The employee is a victim of domestic violence, sexual assault,  
28 or stalking; or

29           (v) During the 2009-2011 fiscal biennium only, the employee is  
30 eligible to use leave in lieu of temporary layoff under section 3(5),  
31 chapter 32, Laws of 2010 1st sp. sess.;

32           (b) The illness, injury, impairment, condition, call to service,  
33 emergency volunteer service, or consequence of domestic violence,  
34 sexual assault, temporary layoff under section 3(5), chapter 32, Laws  
35 of 2010 1st sp. sess., or stalking has caused, or is likely to cause,  
36 the employee to:

37           (i) Go on leave without pay status; or

1 (ii) Terminate state employment;

2 (c) The employee's absence and the use of shared leave are  
3 justified;

4 (d) The employee has depleted or will shortly deplete his or her:

5 (i) Annual leave and sick leave reserves if he or she qualifies  
6 under (a)(i) of this subsection;

7 (ii) Annual leave and paid military leave allowed under RCW  
8 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or  
9 (iii) Annual leave if he or she qualifies under (a)(iii), (iv), or  
10 (v) of this subsection;

11 (e) The employee has abided by agency rules regarding:

12 (i) Sick leave use if he or she qualifies under (a)(i) or (iv) of  
13 this subsection; or  
14 (ii) Military leave if he or she qualifies under (a)(ii) of this  
15 subsection; and

16 (f) The employee has diligently pursued and been found to be  
17 ineligible for benefits under chapter 51.32 RCW if he or she qualifies  
18 under (a)(i) of this subsection.

19 (2) The agency head shall determine the amount of leave, if any,  
20 which an employee may receive under this section. However, an employee  
21 shall not receive a total of more than five hundred twenty-two days of  
22 leave, except that, a supervisor may authorize leave in excess of five  
23 hundred twenty-two days in extraordinary circumstances for an employee  
24 qualifying for the shared leave program because he or she is suffering  
25 from an illness, injury, impairment, or physical or mental condition  
26 which is of an extraordinary or severe nature. Shared leave received  
27 under the uniformed service shared leave pool in RCW 41.04.685 is not  
28 included in this total.

29 (3) An employee may transfer annual leave, sick leave, and his or  
30 her personal holiday, as follows:

31 (a) An employee who has an accrued annual leave balance of more  
32 than ten days may request that the head of the agency for which the  
33 employee works transfer a specified amount of annual leave to another  
34 employee authorized to receive leave under subsection (1) of this  
35 section. In no event may the employee request a transfer of an amount  
36 of leave that would result in his or her annual leave account going  
37 below ten days. For purposes of this subsection (3)(a), annual leave

1 does not accrue if the employee receives compensation in lieu of  
2 accumulating a balance of annual leave.

3 (b) An employee may transfer a specified amount of sick leave to an  
4 employee requesting shared leave only when the donating employee  
5 retains a minimum of one hundred seventy-six hours of sick leave after  
6 the transfer.

7 (c) An employee may transfer, under the provisions of this section  
8 relating to the transfer of leave, all or part of his or her personal  
9 holiday, as that term is defined under RCW 1.16.050, or as such  
10 holidays are provided to employees by agreement with a school  
11 district's board of directors if the leave transferred under this  
12 subsection does not exceed the amount of time provided for personal  
13 holidays under RCW 1.16.050.

14 (4) An employee of an institution of higher education under RCW  
15 28B.10.016, school district, or educational service district who does  
16 not accrue annual leave but does accrue sick leave and who has an  
17 accrued sick leave balance of more than twenty-two days may request  
18 that the head of the agency for which the employee works transfer a  
19 specified amount of sick leave to another employee authorized to  
20 receive leave under subsection (1) of this section. In no event may  
21 such an employee request a transfer that would result in his or her  
22 sick leave account going below twenty-two days. Transfers of sick  
23 leave under this subsection are limited to transfers from employees who  
24 do not accrue annual leave. Under this subsection, "sick leave" also  
25 includes leave accrued pursuant to RCW 28A.400.300(2) or 28A.310.240(1)  
26 with compensation for illness, injury, and emergencies.

27 (5) Transfers of leave made by an agency head under subsections (3)  
28 and (4) of this section shall not exceed the requested amount.

29 (6) Leave transferred under this section may be transferred from  
30 employees of one agency to an employee of the same agency or, with the  
31 approval of the heads of both agencies, to an employee of another state  
32 agency.

33 (7) While an employee is on leave transferred under this section,  
34 he or she shall continue to be classified as a state employee and shall  
35 receive the same treatment in respect to salary, wages, and employee  
36 benefits as the employee would normally receive if using accrued annual  
37 leave or sick leave.

1 (a) All salary and wage payments made to employees while on leave  
2 transferred under this section shall be made by the agency employing  
3 the person receiving the leave. The value of leave transferred shall  
4 be based upon the leave value of the person receiving the leave.

5 (b) In the case of leave transferred by an employee of one agency  
6 to an employee of another agency, the agencies involved shall arrange  
7 for the transfer of funds and credit for the appropriate value of  
8 leave.

9 (i) Pursuant to rules adopted by the office of financial  
10 management, funds shall not be transferred under this section if the  
11 transfer would violate any constitutional or statutory restrictions on  
12 the funds being transferred.

13 (ii) The office of financial management may adjust the  
14 appropriation authority of an agency receiving funds under this section  
15 only if and to the extent that the agency's existing appropriation  
16 authority would prevent it from expending the funds received.

17 (iii) Where any questions arise in the transfer of funds or the  
18 adjustment of appropriation authority, the director of financial  
19 management shall determine the appropriate transfer or adjustment.

20 (8) Leave transferred under this section shall not be used in any  
21 calculation to determine an agency's allocation of full time equivalent  
22 staff positions.

23 (9) The value of any leave transferred under this section which  
24 remains unused shall be returned at its original value to the employee  
25 or employees who transferred the leave when the agency head finds that  
26 the leave is no longer needed or will not be needed at a future time in  
27 connection with the illness or injury for which the leave was  
28 transferred or for any other qualifying condition. Before the agency  
29 head makes a determination to return unused leave in connection with an  
30 illness or injury, or any other qualifying condition, he or she must  
31 receive from the affected employee a statement from the employee's  
32 doctor verifying that the illness or injury is resolved. To the extent  
33 administratively feasible, the value of unused leave which was  
34 transferred by more than one employee shall be returned on a pro rata  
35 basis.

36 (10) An employee who uses leave that is transferred to him or her  
37 under this section may not be required to repay the value of the leave  
38 that he or she used.



1           (11) The human resources director (~~(of personnel)~~) may adopt rules  
2 as necessary to implement subsection (2)(~~(a) through (c)~~) of this  
3 section.

4           **Sec. 437.** RCW 41.04.670 and 1993 c 281 s 18 are each amended to  
5 read as follows:

6           The (~~Washington personnel resources board~~) office of financial  
7 management and other personnel authorities shall each adopt rules  
8 applicable to employees under their respective jurisdictions: (1)  
9 Establishing appropriate parameters for the program which are  
10 consistent with the provisions of RCW 41.04.650 through 41.04.665; (2)  
11 providing for equivalent treatment of employees between their  
12 respective jurisdictions and allowing transfers of leave in accordance  
13 with RCW 41.04.665(5); (3) establishing procedures to ensure that the  
14 program does not significantly increase the cost of providing leave;  
15 and (4) providing for the administration of the program and providing  
16 for maintenance and collection of sufficient information on the program  
17 to allow a thorough legislative review.

18           **Sec. 438.** RCW 41.04.680 and 2006 c 356 s 1 are each amended to  
19 read as follows:

20           The (~~department of personnel~~) office of financial management and  
21 other personnel authorities shall adopt rules or policies governing the  
22 accumulation and use of sick leave for state agency and department  
23 employees, expressly for the establishment of a plan allowing  
24 participating employees to pool sick leave and allowing any sick leave  
25 thus pooled to be used by any participating employee who has used all  
26 of the sick leave, annual leave, and compensatory leave that has been  
27 personally accrued by him or her. Each department or agency of the  
28 state may allow employees to participate in a sick leave pool  
29 established by the (~~department of personnel~~) office of financial  
30 management and other personnel authorities.

31           (1) For purposes of calculating maximum sick leave that may be  
32 donated or received by any one employee, pooled sick leave:

33           (a) Is counted and converted in the same manner as sick leave under  
34 the Washington state leave sharing program as provided in this chapter;  
35 and

1 (b) Does not create a right to sick leave in addition to the amount  
2 that may be donated or received under the Washington state leave  
3 sharing program as provided in this chapter.

4 (2) The (~~department~~) office of financial management and other  
5 personnel authorities, except the personnel authorities for higher  
6 education institutions, shall adopt rules which provide:

7 (a) That employees are eligible to participate in the sick leave  
8 pool after one year of employment with the state or agency of the state  
9 if the employee has accrued a minimum amount of unused sick leave, to  
10 be established by rule;

11 (b) That participation in the sick leave pool shall, at all times,  
12 be voluntary on the part of the employees;

13 (c) That any sick leave pooled shall be removed from the personally  
14 accumulated sick leave balance of the employee contributing the leave;

15 (d) That any sick leave in the pool that is used by a participating  
16 employee may be used only for the employee's personal illness,  
17 accident, or injury;

18 (e) That a participating employee is not eligible to use sick leave  
19 accumulated in the pool until all of his or her personally accrued  
20 sick, annual, and compensatory leave has been used;

21 (f) A maximum number of days of sick leave in the pool that any one  
22 employee may use;

23 (g) That a participating employee who uses sick leave from the pool  
24 is not required to recontribute such sick leave to the pool, except as  
25 otherwise provided in this section;

26 (h) That an employee who cancels his or her membership in the sick  
27 leave pool is not eligible to withdraw the days of sick leave  
28 contributed by that employee to the pool;

29 (i) That an employee who transfers from one position in state  
30 government to another position in state government may transfer from  
31 one pool to another if the eligibility criteria of the pools are  
32 comparable and the administrators of the pools have agreed on a formula  
33 for transfer of credits;

34 (j) That alleged abuse of the use of the sick leave pool shall be  
35 investigated, and, on a finding of wrongdoing, the employee shall repay  
36 all of the sick leave credits drawn from the sick leave pool and shall  
37 be subject to such other disciplinary action as is determined by the  
38 agency head;

1 (k) That sick leave credits may be drawn from the sick leave pool  
2 by a part-time employee on a pro rata basis; and

3 (1) That each department or agency shall maintain accurate and  
4 reliable records showing the amount of sick leave which has been  
5 accumulated and is unused by employees, in accordance with guidelines  
6 established by the department of personnel.

7 (3) Personnel authorities for higher education institutions shall  
8 adopt policies consistent with the needs of the employees under their  
9 respective jurisdictions.

10 **Sec. 439.** RCW 41.04.685 and 2007 c 25 s 1 are each amended to read  
11 as follows:

12 (1) The uniformed service shared leave pool is created to allow  
13 employees to donate leave to be used as shared leave for any employee  
14 who has been called to service in the uniformed services and who meets  
15 the requirements of RCW 41.04.665. Participation in the pool shall, at  
16 all times, be voluntary on the part of the employee. The military  
17 department, in consultation with the (~~department of personnel and~~  
18 ~~the~~) office of financial management, shall administer the uniformed  
19 service shared leave pool.

20 (2) Employees as defined in subsection (10) of this section who are  
21 eligible to donate leave under RCW 41.04.665 may donate leave to the  
22 uniformed service shared leave pool.

23 (3) An employee as defined in subsection (10) of this section who  
24 has been called to service in the uniformed services and is eligible  
25 for shared leave under RCW 41.04.665 may request shared leave from the  
26 uniformed service shared leave pool.

27 (4) It shall be the responsibility of the employee who has been  
28 called to service to provide an earnings statement verifying military  
29 salary, orders of service, and notification of a change in orders of  
30 service or military salary.

31 (5) Shared leave under this section may not be granted unless the  
32 pool has a sufficient balance to fund the requested shared leave for  
33 the expected term of service.

34 (6) Shared leave paid under this section, in combination with  
35 military salary, shall not exceed the level of the employee's state  
36 monthly salary.

1 (7) Any leave donated shall be removed from the personally  
2 accumulated leave balance of the employee donating the leave.

3 (8) An employee who receives shared leave from the pool is not  
4 required to recontribute such leave to the pool, except as otherwise  
5 provided in this section.

6 (9) Leave that may be donated or received by any one employee shall  
7 be calculated as in RCW 41.04.665.

8 (10) As used in this section:

9 (a) "Employee" has the meaning provided in RCW 41.04.655, except  
10 that "employee" as used in this section does not include employees of  
11 school districts and educational service districts.

12 (b) "Service in the uniformed services" has the meaning provided in  
13 RCW 41.04.655.

14 (c) "Military salary" includes base, specialty, and other pay, but  
15 does not include allowances such as the basic allowance for housing.

16 (d) "Monthly salary" includes monthly salary and special pay and  
17 shift differential, or the monthly equivalent for hourly employees.  
18 "Monthly salary" does not include:

19 (i) Overtime pay;

20 (ii) Call back pay;

21 (iii) Standby pay; or

22 (iv) Performance bonuses.

23 (11) The (~~department of personnel~~) office of financial  
24 management, in consultation with the military department (~~and the~~  
25 ~~office of financial management~~), shall adopt rules and policies  
26 governing the donation and use of shared leave from the uniformed  
27 service shared leave pool, including definitions of pay and allowances  
28 and guidelines for agencies to use in recordkeeping concerning shared  
29 leave.

30 (12) Agencies shall investigate any alleged abuse of the uniformed  
31 service shared leave pool and on a finding of wrongdoing, the employee  
32 may be required to repay all of the shared leave received from the  
33 uniformed service shared leave pool.

34 (13) Higher education institutions shall adopt policies consistent  
35 with the needs of the employees under their respective jurisdictions.

36 **Sec. 440.** RCW 41.04.720 and 1990 c 60 s 303 are each amended to  
37 read as follows:

1 The director of (~~human resources~~) enterprise services shall:

2 (1) Administer the state employee assistance program to assist  
3 employees who have personal problems that adversely affect their job  
4 performance or have the potential of doing so;

5 (2) Develop policies, procedures, and activities for the program;

6 (3) Encourage and promote the voluntary use of the employee  
7 assistance program by increasing employee awareness and disseminating  
8 educational materials;

9 (4) Provide technical assistance and training to agencies on how to  
10 use the employee assistance program;

11 (5) Assist and encourage supervisors to identify and refer  
12 employees with problems that impair their performance by incorporating  
13 proper use of the program in management training, management  
14 performance criteria, ongoing communication with agencies, and other  
15 appropriate means;

16 (6) Offer substance abuse prevention and awareness activities to be  
17 provided through the employee assistance program and the state employee  
18 wellness program;

19 (7) Monitor and evaluate the effectiveness of the program,  
20 including the collection, analysis, and publication of relevant  
21 statistical information; and

22 (8) Consult with state agencies, institutions of higher education,  
23 and employee organizations in carrying out the purposes of RCW  
24 41.04.700 through 41.04.730.

25 **Sec. 441.** RCW 41.04.770 and 1997 c 287 s 4 are each amended to  
26 read as follows:

27 The department of social and health services and the department of  
28 (~~personnel~~) enterprise services shall, after consultation with  
29 supported employment provider associations and other interested  
30 parties, encourage, educate, and assist state agencies in implementing  
31 supported employment programs. The department of (~~personnel~~)  
32 enterprise services shall provide human resources technical assistance  
33 to agencies implementing supported employment programs. (~~The~~  
34 ~~department of personnel shall make available, upon request of the~~  
35 ~~legislature, an annual report that evaluates the overall progress of~~  
36 ~~supported employment in state government.~~)

1           **Sec. 442.** RCW 41.07.020 and 1979 c 151 s 62 are each amended to  
2 read as follows:

3           The department of ((~~personnel~~)) enterprise services is authorized  
4 to administer, maintain, and operate the central personnel-payroll  
5 system and to provide its services for any state agency designated  
6 jointly by the director of the department of ((~~personnel~~)) enterprise  
7 services and the director of financial management.

8           The system shall be operated through state data processing centers.  
9 State agencies shall convert personnel and payroll processing to the  
10 central personnel-payroll system as soon as administratively and  
11 technically feasible as determined by the office of financial  
12 management and the department of ((~~personnel~~)) enterprise services. It  
13 is the intent of the legislature to provide, through the central  
14 personnel-payroll system, for uniform reporting to the office of  
15 financial management and to the legislature regarding salaries and  
16 related costs, and to reduce present costs of manual procedures in  
17 personnel and payroll record keeping and reporting.

18           **Sec. 443.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each  
19 amended to read as follows:

20           The costs of administering, maintaining, and operating the central  
21 personnel-payroll system shall be distributed to the using state  
22 agencies. In order to insure proper and equitable distribution of  
23 costs the department of ((~~personnel~~)) enterprise services shall utilize  
24 cost accounting procedures to identify all costs incurred in the  
25 administration, maintenance, and operation of the central personnel-  
26 payroll system. In order to facilitate proper and equitable  
27 distribution of costs to the using state agencies the department of  
28 ((~~personnel~~)) enterprise services is authorized to utilize the data  
29 processing revolving fund created by RCW 43.105.080 (as recodified by  
30 this act) and the ((~~department of~~)) personnel service fund created by  
31 RCW 41.06.280.

32           **Sec. 444.** RCW 41.60.015 and 2000 c 139 s 1 are each amended to  
33 read as follows:

34           (1) There is hereby created the productivity board, which may also  
35 be known as the employee involvement and recognition board. The board

1 shall administer the employee suggestion program and the teamwork  
2 incentive program under this chapter.

3 (2) The board shall be composed of:

4 (a) The secretary of state who shall act as chairperson;

5 (b) ~~((The director of personnel appointed under the provisions of  
6 RCW 41.06.130 or the director's designee;~~

7 ~~(+e+))~~ The director of financial management or the director's  
8 designee;

9 ~~((+d+))~~ (c) The director of ~~((general administration))~~ enterprise  
10 services or the director's designee;

11 ~~((+e+))~~ (d) Three persons with experience in administering  
12 incentives such as those used by industry, with the governor,  
13 lieutenant governor, and speaker of the house of representatives each  
14 appointing one person. The governor's appointee shall be a  
15 representative of an employee organization certified as an exclusive  
16 representative of at least one bargaining unit of classified employees;

17 ~~((+f+))~~ (e) Two persons representing state agencies and  
18 institutions with employees subject to chapter 41.06 RCW, and one  
19 person representing those subject to chapter 28B.16 RCW, both appointed  
20 by the governor; and

21 ~~((+g+))~~ (f) In addition, the governor and board chairperson may  
22 jointly appoint persons to the board on an ad hoc basis. Ad hoc  
23 members shall serve in an advisory capacity and shall not have the  
24 right to vote.

25 Members under subsection (2)~~((+e+))~~(d) and ~~((+f+))~~ (e) of this  
26 section shall be appointed to serve three-year terms.

27 Members of the board appointed pursuant to subsection (2)~~((+e+))~~(d)  
28 of this section may be compensated in accordance with RCW 43.03.240.  
29 Any board member who is not a state employee may be reimbursed for  
30 travel expenses under RCW 43.03.050 and 43.03.060.

31 **Sec. 445.** RCW 41.80.005 and 2002 c 354 s 321 are each amended to  
32 read as follows:

33 Unless the context clearly requires otherwise, the definitions in  
34 this section apply throughout this chapter.

35 (1) "Agency" means any agency as defined in RCW 41.06.020 and  
36 covered by chapter 41.06 RCW.

1 (2) "Collective bargaining" means the performance of the mutual  
2 obligation of the representatives of the employer and the exclusive  
3 bargaining representative to meet at reasonable times and to bargain in  
4 good faith in an effort to reach agreement with respect to the subjects  
5 of bargaining specified under RCW 41.80.020. The obligation to bargain  
6 does not compel either party to agree to a proposal or to make a  
7 concession, except as otherwise provided in this chapter.

8 (3) "Commission" means the public employment relations commission.

9 (4) "Confidential employee" means an employee who, in the regular  
10 course of his or her duties, assists in a confidential capacity persons  
11 who formulate, determine, and effectuate management policies with  
12 regard to labor relations or who, in the regular course of his or her  
13 duties, has authorized access to information relating to the  
14 effectuation or review of the employer's collective bargaining  
15 policies, or who assists or aids a manager. "Confidential employee"  
16 also includes employees who assist assistant attorneys general who  
17 advise and represent managers or confidential employees in personnel or  
18 labor relations matters, or who advise or represent the state in tort  
19 actions.

20 (5) "Director" means the director of the public employment  
21 relations commission.

22 (6) "Employee" means any employee, including employees whose work  
23 has ceased in connection with the pursuit of lawful activities  
24 protected by this chapter, covered by chapter 41.06 RCW, except:

25 (a) Employees covered for collective bargaining by chapter 41.56  
26 RCW;

27 (b) Confidential employees;

28 (c) Members of the Washington management service;

29 (d) Internal auditors in any agency; or

30 (e) Any employee of the commission, the office of financial  
31 management, (~~or the department of personnel~~) or the office of risk  
32 management within the department of enterprise services.

33 (7) "Employee organization" means any organization, union, or  
34 association in which employees participate and that exists for the  
35 purpose, in whole or in part, of collective bargaining with employers.

36 (8) "Employer" means the state of Washington.

37 (9) "Exclusive bargaining representative" means any employee



1 organization that has been certified under this chapter as the  
2 representative of the employees in an appropriate bargaining unit.

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

7 (11) "Labor dispute" means any controversy concerning terms,  
8 tenure, or conditions of employment, or concerning the association or  
9 representation of persons in negotiating, fixing, maintaining,  
10 changing, or seeking to arrange terms or conditions of employment with  
11 respect to the subjects of bargaining provided in this chapter,  
12 regardless of whether the disputants stand in the proximate relation of  
13 employer and employee.

14 (12) "Manager" means "manager" as defined in RCW 41.06.022.

15 (13) "Supervisor" means an employee who has authority, in the  
16 interest of the employer, to hire, transfer, suspend, lay off, recall,  
17 promote, discharge, direct, reward, or discipline employees, or to  
18 adjust employee grievances, or effectively to recommend such action, if  
19 the exercise of the authority is not of a merely routine nature but  
20 requires the consistent exercise of individual judgment. However, no  
21 employee who is a member of the Washington management service may be  
22 included in a collective bargaining unit established under this  
23 section.

24 (14) "Unfair labor practice" means any unfair labor practice listed  
25 in RCW 41.80.110.

26 **Sec. 446.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to  
27 read as follows:

28 (1) Except as otherwise provided in this chapter, the matters  
29 subject to bargaining include wages, hours, and other terms and  
30 conditions of employment, and the negotiation of any question arising  
31 under a collective bargaining agreement.

32 (2) The employer is not required to bargain over matters pertaining  
33 to:

34 (a) Health care benefits or other employee insurance benefits,  
35 except as required in subsection (3) of this section;

36 (b) Any retirement system or retirement benefit; or

1 (c) Rules of the human resources director (~~(of personnel)~~), the  
2 director of enterprise services, or the Washington personnel resources  
3 board adopted under (~~(section 203, chapter 354, Laws of 2002)~~) section  
4 412 of this act.

5 (3) Matters subject to bargaining include the number of names to be  
6 certified for vacancies, promotional preferences, and the dollar amount  
7 expended on behalf of each employee for health care benefits. However,  
8 except as provided otherwise in this subsection for institutions of  
9 higher education, negotiations regarding the number of names to be  
10 certified for vacancies, promotional preferences, and the dollar amount  
11 expended on behalf of each employee for health care benefits shall be  
12 conducted between the employer and one coalition of all the exclusive  
13 bargaining representatives subject to this chapter. The exclusive  
14 bargaining representatives for employees that are subject to chapter  
15 47.64 RCW shall bargain the dollar amount expended on behalf of each  
16 employee for health care benefits with the employer as part of the  
17 coalition under this subsection. Any such provision agreed to by the  
18 employer and the coalition shall be included in all master collective  
19 bargaining agreements negotiated by the parties. For institutions of  
20 higher education, promotional preferences and the number of names to be  
21 certified for vacancies shall be bargained under the provisions of RCW  
22 41.80.010(4).

23 (4) The employer and the exclusive bargaining representative shall  
24 not agree to any proposal that would prevent the implementation of  
25 approved affirmative action plans or that would be inconsistent with  
26 the comparable worth agreement that provided the basis for the salary  
27 changes implemented beginning with the 1983-1985 biennium to achieve  
28 comparable worth.

29 (5) The employer and the exclusive bargaining representative shall  
30 not bargain over matters pertaining to management rights established in  
31 RCW 41.80.040.

32 (6) Except as otherwise provided in this chapter, if a conflict  
33 exists between an executive order, administrative rule, or agency  
34 policy relating to wages, hours, and terms and conditions of employment  
35 and a collective bargaining agreement negotiated under this chapter,  
36 the collective bargaining agreement shall prevail. A provision of a  
37 collective bargaining agreement that conflicts with the terms of a  
38 statute is invalid and unenforceable.

1 (7) This section does not prohibit bargaining that affects  
2 contracts authorized by RCW 41.06.142.

3 **Sec. 447.** RCW 42.16.010 and 2008 c 186 s 1 are each amended to  
4 read as follows:

5 (1) Except as provided otherwise in subsections (2) and (3) of this  
6 section, all state officers and employees shall be paid for services  
7 rendered from the first day of the month through the fifteenth day of  
8 the month and for services rendered from the sixteenth day of the month  
9 through the last calendar day of the month. Paydates for these two pay  
10 periods shall be established by the director of financial management  
11 through the administrative hearing process and the official paydates  
12 shall be established six months prior to the beginning of each  
13 subsequent calendar year. Under no circumstance shall the paydate be  
14 established more than ten days after the pay period in which the wages  
15 are earned except when the designated paydate falls on Sunday, in which  
16 case the paydate shall not be later than the following Monday. Payment  
17 shall be deemed to have been made by the established paydates if: (a)  
18 The salary warrant is available at the geographic work location at  
19 which the warrant is normally available to the employee; or (b) the  
20 salary has been electronically transferred into the employee's account  
21 at the employee's designated financial institution; or (c) the salary  
22 warrants are mailed at least two days before the established paydate  
23 for those employees engaged in work in remote or varying locations from  
24 the geographic location at which the payroll is prepared, provided that  
25 the employee has requested payment by mail.

26 The office of financial management shall develop the necessary  
27 policies and operating procedures to assure that all remuneration for  
28 services rendered including basic salary, shift differential, standby  
29 pay, overtime, penalty pay, salary due based on contractual agreements,  
30 and special pay provisions, as provided for by law, (~~Washington~~  
31 ~~personnel resources board rules,~~) agency policy or rule, or contract,  
32 shall be available to the employee on the designated paydate.  
33 Overtime, penalty pay, and special pay provisions may be paid by the  
34 next following paydate if the postponement of payment is attributable  
35 to: The employee's not making a timely or accurate report of the facts  
36 which are the basis for the payment, or the employer's lack of  
37 reasonable opportunity to verify the claim.

1           Compensable benefits payable because of separation from state  
2 service shall be paid with the earnings for the final period worked  
3 unless the employee separating has not provided the agency with the  
4 proper notification of intent to terminate.

5           One-half of the employee's basic monthly salary shall be paid in  
6 each pay period. Employees paid on an hourly basis or employees who  
7 work less than a full pay period shall be paid for actual salary  
8 earned.

9           (2) Subsection (1) of this section shall not apply in instances  
10 where it would conflict with contractual rights or, with the approval  
11 of the office of financial management, to short-term, intermittent,  
12 noncareer state employees, to student employees of institutions of  
13 higher education, to national or state guard members participating in  
14 state active duty, and to liquor control agency managers who are paid  
15 a percentage of monthly liquor sales.

16           (3) When a national or state guard member is called to participate  
17 in state active duty, the paydate shall be no more than seven days  
18 following completion of duty or the end of the pay period, whichever is  
19 first. When the seventh day falls on Sunday, the paydate shall not be  
20 later than the following Monday. This subsection shall apply only to  
21 the pay a national or state guard member receives from the military  
22 department for state active duty.

23           (4) Notwithstanding subsections (1) and (2) of this section, a  
24 bargained contract at an institution of higher education may include a  
25 provision for paying part-time academic employees on a pay schedule  
26 that coincides with all the paydays used for full-time academic  
27 employees.

28           **Sec. 448.** RCW 42.17.370 and 2010 1st sp.s. c 7 s 4 are each  
29 amended to read as follows:

30           The commission is empowered to:

31           (1) Adopt, promulgate, amend, and rescind suitable administrative  
32 rules to carry out the policies and purposes of this chapter, which  
33 rules shall be adopted under chapter 34.05 RCW. Any rule relating to  
34 campaign finance, political advertising, or related forms that would  
35 otherwise take effect after June 30th of a general election year shall  
36 take effect no earlier than the day following the general election in  
37 that year;

1 (2) Appoint and set, within the limits established by the  
2 (~~department of personnel~~) office of financial management under RCW  
3 43.03.028, the compensation of an executive director who shall perform  
4 such duties and have such powers as the commission may prescribe and  
5 delegate to implement and enforce this chapter efficiently and  
6 effectively. The commission shall not delegate its authority to adopt,  
7 amend, or rescind rules nor shall it delegate authority to determine  
8 whether an actual violation of this chapter has occurred or to assess  
9 penalties for such violations;

10 (3) Prepare and publish such reports and technical studies as in  
11 its judgment will tend to promote the purposes of this chapter,  
12 including reports and statistics concerning campaign financing,  
13 lobbying, financial interests of elected officials, and enforcement of  
14 this chapter;

15 (4) Make from time to time, on its own motion, audits and field  
16 investigations;

17 (5) Make public the time and date of any formal hearing set to  
18 determine whether a violation has occurred, the question or questions  
19 to be considered, and the results thereof;

20 (6) Administer oaths and affirmations, issue subpoenas, and compel  
21 attendance, take evidence and require the production of any books,  
22 papers, correspondence, memorandums, or other records relevant or  
23 material for the purpose of any investigation authorized under this  
24 chapter, or any other proceeding under this chapter;

25 (7) Adopt and promulgate a code of fair campaign practices;

26 (8) Relieve, by rule, candidates or political committees of  
27 obligations to comply with the provisions of this chapter relating to  
28 election campaigns, if they have not received contributions nor made  
29 expenditures in connection with any election campaign of more than one  
30 thousand dollars;

31 (9) Adopt rules prescribing reasonable requirements for keeping  
32 accounts of and reporting on a quarterly basis costs incurred by state  
33 agencies, counties, cities, and other municipalities and political  
34 subdivisions in preparing, publishing, and distributing legislative  
35 information. The term "legislative information," for the purposes of  
36 this subsection, means books, pamphlets, reports, and other materials  
37 prepared, published, or distributed at substantial cost, a substantial  
38 purpose of which is to influence the passage or defeat of any

1 legislation. The state auditor in his or her regular examination of  
2 each agency under chapter 43.09 RCW shall review the rules, accounts,  
3 and reports and make appropriate findings, comments, and  
4 recommendations in his or her examination reports concerning those  
5 agencies;

6 (10) After hearing, by order approved and ratified by a majority of  
7 the membership of the commission, suspend or modify any of the  
8 reporting requirements of this chapter in a particular case if it finds  
9 that literal application of this chapter works a manifestly  
10 unreasonable hardship and if it also finds that the suspension or  
11 modification will not frustrate the purposes of the chapter. The  
12 commission shall find that a manifestly unreasonable hardship exists if  
13 reporting the name of an entity required to be reported under RCW  
14 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive  
15 position of any entity in which the person filing the report or any  
16 member of his or her immediate family holds any office, directorship,  
17 general partnership interest, or an ownership interest of ten percent  
18 or more. Any suspension or modification shall be only to the extent  
19 necessary to substantially relieve the hardship. The commission shall  
20 act to suspend or modify any reporting requirements only if it  
21 determines that facts exist that are clear and convincing proof of the  
22 findings required under this section. Requests for renewals of  
23 reporting modifications may be heard in a brief adjudicative proceeding  
24 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with  
25 the standards established in this section. No initial request may be  
26 heard in a brief adjudicative proceeding and no request for renewal may  
27 be heard in a brief adjudicative proceeding if the initial request was  
28 granted more than three years previously or if the applicant is holding  
29 an office or position of employment different from the office or  
30 position held when the initial request was granted. The commission  
31 shall adopt administrative rules governing the proceedings. Any  
32 citizen has standing to bring an action in Thurston county superior  
33 court to contest the propriety of any order entered under this section  
34 within one year from the date of the entry of the order; (~~and~~)

35 (11) Revise, at least once every five years but no more often than  
36 every two years, the monetary reporting thresholds and reporting code  
37 values of this chapter. The revisions shall be only for the purpose of  
38 recognizing economic changes as reflected by an inflationary index

1 recommended by the office of financial management. The revisions shall  
2 be guided by the change in the index for the period commencing with the  
3 month of December preceding the last revision and concluding with the  
4 month of December preceding the month the revision is adopted. As to  
5 each of the three general categories of this chapter (reports of  
6 campaign finance, reports of lobbyist activity, and reports of the  
7 financial affairs of elected and appointed officials), the revisions  
8 shall equally affect all thresholds within each category. Revisions  
9 shall be adopted as rules under chapter 34.05 RCW. The first revision  
10 authorized by this subsection shall reflect economic changes from the  
11 time of the last legislative enactment affecting the respective code or  
12 threshold through December 1985; and

13 (12) Develop and provide to filers a system for certification of  
14 reports required under this chapter which are transmitted by facsimile  
15 or electronically to the commission. Implementation of the program is  
16 contingent on the availability of funds.

17 **Sec. 449.** RCW 42.17A.110 and 2010 1st sp.s. c 7 s 4 and 2010 c 204  
18 s 303 are each reenacted and amended to read as follows:

19 The commission is empowered to:

20 (1) Adopt, promulgate, amend, and rescind suitable administrative  
21 rules to carry out the policies and purposes of this chapter, which  
22 rules shall be adopted under chapter 34.05 RCW. Any rule relating to  
23 campaign finance, political advertising, or related forms that would  
24 otherwise take effect after June 30th of a general election year shall  
25 take effect no earlier than the day following the general election in  
26 that year;

27 (2) Appoint and set, within the limits established by the  
28 (~~committee on agency officials' salaries~~) office of financial  
29 management under RCW 43.03.028, the compensation of an executive  
30 director who shall perform such duties and have such powers as the  
31 commission may prescribe and delegate to implement and enforce this  
32 chapter efficiently and effectively. The commission shall not delegate  
33 its authority to adopt, amend, or rescind rules nor shall it delegate  
34 authority to determine whether an actual violation of this chapter has  
35 occurred or to assess penalties for such violations;

36 (3) Prepare and publish such reports and technical studies as in  
37 its judgment will tend to promote the purposes of this chapter,

1 including reports and statistics concerning campaign financing,  
2 lobbying, financial interests of elected officials, and enforcement of  
3 this chapter;

4 (4) Make from time to time, on its own motion, audits and field  
5 investigations;

6 (5) Make public the time and date of any formal hearing set to  
7 determine whether a violation has occurred, the question or questions  
8 to be considered, and the results thereof;

9 (6) Administer oaths and affirmations, issue subpoenas, and compel  
10 attendance, take evidence and require the production of any books,  
11 papers, correspondence, memorandums, or other records relevant or  
12 material for the purpose of any investigation authorized under this  
13 chapter, or any other proceeding under this chapter;

14 (7) Adopt and promulgate a code of fair campaign practices;

15 (8) Relieve, by rule, candidates or political committees of  
16 obligations to comply with the provisions of this chapter relating to  
17 election campaigns, if they have not received contributions nor made  
18 expenditures in connection with any election campaign of more than one  
19 thousand dollars;

20 (9) Adopt rules prescribing reasonable requirements for keeping  
21 accounts of and reporting on a quarterly basis costs incurred by state  
22 agencies, counties, cities, and other municipalities and political  
23 subdivisions in preparing, publishing, and distributing legislative  
24 information. The term "legislative information," for the purposes of  
25 this subsection, means books, pamphlets, reports, and other materials  
26 prepared, published, or distributed at substantial cost, a substantial  
27 purpose of which is to influence the passage or defeat of any  
28 legislation. The state auditor in his or her regular examination of  
29 each agency under chapter 43.09 RCW shall review the rules, accounts,  
30 and reports and make appropriate findings, comments, and  
31 recommendations in his or her examination reports concerning those  
32 agencies;

33 (10) After hearing, by order approved and ratified by a majority of  
34 the membership of the commission, suspend or modify any of the  
35 reporting requirements of this chapter in a particular case if it finds  
36 that literal application of this chapter works a manifestly  
37 unreasonable hardship and if it also finds that the suspension or  
38 modification will not frustrate the purposes of the chapter. The



1 commission shall find that a manifestly unreasonable hardship exists if  
2 reporting the name of an entity required to be reported under RCW  
3 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive  
4 position of any entity in which the person filing the report or any  
5 member of his or her immediate family holds any office, directorship,  
6 general partnership interest, or an ownership interest of ten percent  
7 or more. Any suspension or modification shall be only to the extent  
8 necessary to substantially relieve the hardship. The commission shall  
9 act to suspend or modify any reporting requirements only if it  
10 determines that facts exist that are clear and convincing proof of the  
11 findings required under this section. Requests for renewals of  
12 reporting modifications may be heard in a brief adjudicative proceeding  
13 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with  
14 the standards established in this section. No initial request may be  
15 heard in a brief adjudicative proceeding and no request for renewal may  
16 be heard in a brief adjudicative proceeding if the initial request was  
17 granted more than three years previously or if the applicant is holding  
18 an office or position of employment different from the office or  
19 position held when the initial request was granted. The commission  
20 shall adopt administrative rules governing the proceedings. Any  
21 citizen has standing to bring an action in Thurston county superior  
22 court to contest the propriety of any order entered under this section  
23 within one year from the date of the entry of the order; and

24 (11) Revise, at least once every five years but no more often than  
25 every two years, the monetary reporting thresholds and reporting code  
26 values of this chapter. The revisions shall be only for the purpose of  
27 recognizing economic changes as reflected by an inflationary index  
28 recommended by the office of financial management. The revisions shall  
29 be guided by the change in the index for the period commencing with the  
30 month of December preceding the last revision and concluding with the  
31 month of December preceding the month the revision is adopted. As to  
32 each of the three general categories of this chapter (reports of  
33 campaign finance, reports of lobbyist activity, and reports of the  
34 financial affairs of elected and appointed officials), the revisions  
35 shall equally affect all thresholds within each category. Revisions  
36 shall be adopted as rules under chapter 34.05 RCW. The first revision  
37 authorized by this subsection shall reflect economic changes from the

1 time of the last legislative enactment affecting the respective code or  
2 threshold through December 1985;

3 (12) Develop and provide to filers a system for certification of  
4 reports required under this chapter which are transmitted by facsimile  
5 or electronically to the commission. Implementation of the program is  
6 contingent on the availability of funds.

7 **Sec. 450.** RCW 43.01.040 and 2009 c 549 s 5001 are each amended to  
8 read as follows:

9 Each subordinate officer and employee of the several offices,  
10 departments, and institutions of the state government shall be entitled  
11 under their contract of employment with the state government to not  
12 less than one working day of vacation leave with full pay for each  
13 month of employment if said employment is continuous for six months.

14 Each such subordinate officer and employee shall be entitled under  
15 such contract of employment to not less than one additional working day  
16 of vacation with full pay each year for satisfactorily completing the  
17 first two, three and five continuous years of employment respectively.

18 Such part time officers or employees of the state government who  
19 are employed on a regular schedule of duration of not less than one  
20 year shall be entitled under their contract of employment to that  
21 fractional part of the vacation leave that the total number of hours of  
22 such employment bears to the total number of hours of full time  
23 employment.

24 Each subordinate officer and employee of the several offices,  
25 departments and institutions of the state government shall be entitled  
26 under his or her contract of employment with the state government to  
27 accrue unused vacation leave not to exceed thirty working days.  
28 Officers and employees transferring within the several offices,  
29 departments and institutions of the state government shall be entitled  
30 to transfer such accrued vacation leave to each succeeding state  
31 office, department or institution. All vacation leave shall be taken  
32 at the time convenient to the employing office, department or  
33 institution: PROVIDED, That if a subordinate officer's or employee's  
34 request for vacation leave is deferred by reason of the convenience of  
35 the employing office, department or institution, and a statement of the  
36 necessity therefor is (~~filed by such employing office, department or~~  
37 ~~institution with the appropriate personnel board or other state agency~~

1 ~~or officer~~) retained by the agency, then the aforesaid maximum thirty  
2 working days of accrued unused vacation leave shall be extended for  
3 each month said leave is so deferred.

4 **Sec. 451.** RCW 43.01.135 and 2007 c 76 s 2 are each amended to read  
5 as follows:

6 Agencies as defined in RCW 41.06.020, except for institutions of  
7 higher education, shall:

8 (1) Update or develop and disseminate among all agency employees  
9 and contractors a policy that:

10 (a) Defines and prohibits sexual harassment in the workplace;

11 (b) Includes procedures that describe how the agency will address  
12 concerns of employees who are affected by sexual harassment in the  
13 workplace;

14 (c) Identifies appropriate sanctions and disciplinary actions; and

15 (d) Complies with guidelines adopted by the director of personnel  
16 under RCW 41.06.395;

17 (2) Respond promptly and effectively to sexual harassment concerns;

18 (3) Conduct training and education for all employees in order to  
19 prevent and eliminate sexual harassment in the organization;

20 (4) Inform employees of their right to file a complaint with the  
21 Washington state human rights commission under chapter 49.60 RCW, or  
22 with the federal equal employment opportunity commission under Title  
23 VII of the civil rights act of 1964; and

24 (5) Report to the department of (~~personnel~~) enterprise services  
25 on compliance with this section.

26 The cost of the training programs shall be borne by state agencies  
27 within existing resources.

28 **Sec. 452.** RCW 43.03.028 and 2010 1st sp.s. c 7 s 2 are each  
29 amended to read as follows:

30 (1) The (~~department of personnel~~) office of financial management  
31 shall study the duties and salaries of the directors of the several  
32 departments and the members of the several boards and commissions of  
33 state government, who are subject to appointment by the governor or  
34 whose salaries are fixed by the governor, and of the chief executive  
35 officers of the following agencies of state government:

1 The arts commission; the human rights commission; the board of  
2 accountancy; (~~the board of pharmacy~~) the eastern Washington  
3 historical society; the Washington state historical society; the  
4 recreation and conservation office; the criminal justice training  
5 commission; (~~the department of personnel; the state library~~) the  
6 traffic safety commission; the horse racing commission; (~~the advisory  
7 council on vocational education~~) the public disclosure commission;  
8 the state conservation commission; the commission on Hispanic affairs;  
9 the commission on Asian Pacific American affairs; the state board for  
10 volunteer firefighters and reserve officers; the transportation  
11 improvement board; the public employment relations commission; (~~the  
12 forest practices appeals board~~) and the energy facilities site  
13 evaluation council.

14 (2) The (~~department of personnel~~) office of financial management  
15 shall report to the governor or the chairperson of the appropriate  
16 salary fixing authority at least once in each fiscal biennium on such  
17 date as the governor may designate, but not later than seventy-five  
18 days prior to the convening of each regular session of the legislature  
19 during an odd-numbered year, its recommendations for the salaries to be  
20 fixed for each position.

21 **Sec. 453.** RCW 43.03.120 and 2009 c 549 s 5009 are each amended to  
22 read as follows:

23 Any state office, commission, department or institution may also  
24 pay the moving expenses of a new employee, necessitated by his or her  
25 acceptance of state employment, pursuant to mutual agreement with such  
26 employee in advance of his or her employment(~~PROVIDED, That if such  
27 employee is in the classified service as defined in chapter 41.06 RCW,  
28 that said employee has been duly certified from an eligible register.  
29 No such offer or agreement for such payment shall be made to a  
30 prospective member of the classified service, prior to such  
31 certification, except through appropriate public announcement by the  
32 department of personnel, or other corresponding personnel agency as  
33 provided by chapter 41.06 RCW~~). Payment for all expenses authorized  
34 by RCW 43.03.060, 43.03.110 through 43.03.210 including moving expenses  
35 of new employees, exempt or classified, and others, shall be subject to  
36 reasonable (~~regulations promulgated~~) rules adopted by the director of  
37 financial management, including regulations defining allowable moving

1 costs: PROVIDED, That, if the new employee terminates or causes  
2 termination of his or her employment with the state within one year of  
3 the date of employment, the state shall be entitled to reimbursement  
4 for the moving costs which have been paid and may withhold such sum as  
5 necessary therefor from any amounts due the employee.

6 **Sec. 454.** RCW 43.03.130 and 2000 c 153 s 1 are each amended to  
7 read as follows:

8 Any state office, commission, department or institution may agree  
9 to pay the travel expenses of a prospective employee as an inducement  
10 for such applicant to travel to a designated place to be interviewed by  
11 and for the convenience of such agency(~~(:—PROVIDED, That if such~~  
12 ~~employment is to be in the classified service, such offer may be made~~  
13 ~~only on the express authorization of the state department of personnel,~~  
14 ~~or other corresponding personnel agency as provided by chapter 41.06~~  
15 ~~RCW, to applicants reporting for a merit system examination or to~~  
16 ~~applicants from an eligible register reporting for a pre-employment~~  
17 ~~interview)). Travel expenses authorized for prospective employees~~  
18 called for interviews shall be payable at rates in accordance with RCW  
19 43.03.050 and 43.03.060 as now existing or hereafter amended. When an  
20 applicant is called to be interviewed by or on behalf of more than one  
21 agency, the authorized travel expenses may be paid directly by the  
22 authorizing personnel department or agency, subject to reimbursement  
23 from the interviewing agencies on a pro rata basis.

24 In the case of both classified and exempt positions, such travel  
25 expenses will be paid only for applicants being considered for the  
26 positions of director, deputy director, assistant director, or  
27 supervisor of state departments, boards or commissions; or equivalent  
28 or higher positions; or engineers, or other personnel having both  
29 executive and professional status. In the case of the state investment  
30 board, such travel expenses may also be paid for applicants being  
31 considered for investment officer positions. In the case of four-year  
32 institutions of higher education, such travel expenses will be paid  
33 only for applicants being considered for academic positions above the  
34 rank of instructor or professional or administrative employees in  
35 supervisory positions. In the case of community and technical  
36 colleges, such travel expenses may be paid for applicants being

1 considered for full-time faculty positions or administrative employees  
2 in supervisory positions.

3 **Sec. 455.** RCW 43.06.013 and 2006 c 45 s 1 are each amended to read  
4 as follows:

5 When requested by the governor or the director of the department of  
6 (~~personnel~~) enterprise services, nonconviction criminal history  
7 fingerprint record checks shall be conducted through the Washington  
8 state patrol identification and criminal history section and the  
9 federal bureau of investigation on applicants for agency head positions  
10 appointed by the governor. Information received pursuant to this  
11 section shall be confidential and made available only to the governor  
12 or director of the department of personnel or their employees directly  
13 involved in the selection, hiring, or background investigation of the  
14 subject of the record check. When necessary, applicants may be  
15 employed on a conditional basis pending completion of the criminal  
16 history record check. "Agency head" as used in this section has the  
17 same definition as provided in RCW 34.05.010.

18 **Sec. 456.** RCW 43.06.410 and 1993 c 281 s 47 are each amended to  
19 read as follows:

20 There is established within the office of the governor the  
21 Washington state internship program to assist students and state  
22 employees in gaining valuable experience and knowledge in various areas  
23 of state government. In administering the program, the governor shall:

24 (1) Consult with the secretary of state, the director of  
25 (~~personnel~~) enterprise services, the commissioner of the employment  
26 security department, and representatives of labor;

27 (2) Encourage and assist agencies in developing intern positions;

28 (3) Develop and coordinate a selection process for placing  
29 individuals in intern positions. This selection process shall give due  
30 regard to the responsibilities of the state to provide equal employment  
31 opportunities;

32 (4) Develop and coordinate a training component of the internship  
33 program which balances the need for training and exposure to new ideas  
34 with the intern's and agency's need for on-the-job work experience;

35 (5) Work with institutions of higher education in developing the

1 program, soliciting qualified applicants, and selecting participants;  
2 and

3 (6) Develop guidelines for compensation of the participants.

4 **Sec. 457.** RCW 43.06.425 and 2002 c 354 s 229 are each amended to  
5 read as follows:

6 The director of (~~personnel~~) financial management or the  
7 director's designee shall adopt rules to provide that:

8 (1) Successful completion of an internship under RCW 43.06.420  
9 shall be considered as employment experience at the level at which the  
10 intern was placed;

11 (2) Persons leaving classified or exempt positions in state  
12 government in order to take an internship under RCW 43.06.420: (a)  
13 Have the right of reversion to the previous position at any time during  
14 the internship or upon completion of the internship; and (b) shall  
15 continue to receive all fringe benefits as if they had never left their  
16 classified or exempt positions;

17 (3) Participants in the undergraduate internship program who were  
18 not public employees prior to accepting a position in the program  
19 receive sick leave allowances commensurate with other state employees;

20 (4) Participants in the executive fellows program who were not  
21 public employees prior to accepting a position in the program receive  
22 sick and vacation leave allowances commensurate with other state  
23 employees.

24 **Sec. 458.** RCW 43.33A.100 and 2008 c 236 s 1 are each amended to  
25 read as follows:

26 The state investment board shall maintain appropriate offices and  
27 employ such personnel as may be necessary to perform its duties.  
28 Employment by the investment board shall include but not be limited to  
29 an executive director, investment officers, and a confidential  
30 secretary, which positions are exempt from classified service under  
31 chapter 41.06 RCW. Employment of the executive director by the board  
32 shall be for a term of three years, and such employment shall be  
33 subject to confirmation of the state finance committee: PROVIDED, That  
34 nothing shall prevent the board from dismissing the director for cause  
35 before the expiration of the term nor shall anything prohibit the  
36 board, with the confirmation of the state finance committee, from

1 employing the same individual as director in succeeding terms.  
2 Compensation levels for the executive director, a confidential  
3 secretary, and all investment officers, including the deputy director  
4 for investment management, employed by the investment board shall be  
5 established by the state investment board. The investment board is  
6 authorized to maintain a retention pool within the state investment  
7 board expense account under RCW 43.33A.160, from the earnings of the  
8 funds managed by the board, pursuant to a performance management and  
9 compensation program developed by the investment board, in order to  
10 address recruitment and retention problems and to reward performance.  
11 The compensation levels and incentive compensation for investment  
12 officers shall be limited to the average of total compensation provided  
13 by state or other public funds of similar size, based upon a biennial  
14 survey conducted by the investment board, with review and comment by  
15 the joint legislative audit and review committee. However, in any  
16 fiscal year the incentive compensation granted by the investment board  
17 from the retention pool to investment officers pursuant to this section  
18 may not exceed thirty percent. Disbursements from the retention pool  
19 shall be from legislative appropriations and shall be on authorization  
20 of the board's executive director or the director's designee.

21 The investment board shall provide notice to (~~the director of the~~  
22 ~~department of personnel,~~) the director of financial management((7))  
23 and the chairs of the house of representatives and senate fiscal  
24 committees of proposed changes to the compensation levels for the  
25 positions. The notice shall be provided not less than sixty days prior  
26 to the effective date of the proposed changes.

27 As of July 1, 1981, all employees classified under chapter 41.06  
28 RCW and engaged in duties assumed by the state investment board on July  
29 1, 1981, are assigned to the state investment board. The transfer  
30 shall not diminish any rights granted these employees under chapter  
31 41.06 RCW nor exempt the employees from any action which may occur  
32 thereafter in accordance with chapter 41.06 RCW.

33 All existing contracts and obligations pertaining to the functions  
34 transferred to the state investment board in chapter 3, Laws of 1981  
35 shall remain in full force and effect, and shall be performed by the  
36 board. None of the transfers directed by chapter 3, Laws of 1981 shall  
37 affect the validity of any act performed by a state entity or by any  
38 official or employee thereof prior to July 1, 1981.



1       **Sec. 459.** RCW 43.105.052 and 2010 1st sp.s. c 7 s 16 are each  
2 amended to read as follows:

3       The department shall:

4       (1) Perform all duties and responsibilities the board delegates to  
5 the department, including but not limited to:

6       (a) The review of agency information technology portfolios and  
7 related requests; and

8       (b) Implementation of statewide and interagency policies,  
9 standards, and guidelines;

10       (2) Make available information services to state agencies and local  
11 governments and public benefit nonprofit corporations on a full cost-  
12 recovery basis. For the purposes of this section "public benefit  
13 nonprofit corporation" means a public benefit nonprofit corporation as  
14 defined in RCW 24.03.005 that is receiving local, state, or federal  
15 funds either directly or through a public agency other than an Indian  
16 tribe or political subdivision of another state. These services may  
17 include, but are not limited to:

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

19       (b) Mainframe computing services;

20       (c) Support for departmental and microcomputer evaluation,  
21 installation, and use;

22       (d) Equipment acquisition assistance, including leasing, brokering,  
23 and establishing master contracts;

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

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

29       (g) Office automation services;

30       (h) System development services; and

31       (i) Training.

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

37       (3) Establish rates and fees for services provided by the  
38 department to assure that the services component of the department is

1 self-supporting. A billing rate plan shall be developed for a two-year  
2 period to coincide with the budgeting process. The rate plan shall be  
3 subject to review at least annually by the office of financial  
4 management. The rate plan shall show the proposed rates by each cost  
5 center and will show the components of the rate structure as mutually  
6 determined by the department and the office of financial management.  
7 The same rate structure will apply to all user agencies of each cost  
8 center. The rate plan and any adjustments to rates shall be approved  
9 by the office of financial management. The services component shall  
10 not subsidize the operations of the strategic planning and policy  
11 component;

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

15 (5) Develop plans for the department's achievement of statewide  
16 goals and objectives set forth in the state strategic information  
17 technology plan required under RCW 43.105.160. These plans shall  
18 address such services as telecommunications, central and distributed  
19 computing, local area networks, office automation, and end user  
20 computing. The department shall seek the advice of the board in the  
21 development of these plans;

22 (6) Under direction of the information services board and in  
23 collaboration with the department of (~~personnel~~) enterprise services,  
24 and other agencies as may be appropriate, develop training plans and  
25 coordinate training programs that are responsive to the needs of  
26 agencies;

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

29 (8) Assess agencies' projects, acquisitions, plans, information  
30 technology portfolios, or overall information processing performance as  
31 requested by the board, agencies, the director of financial management,  
32 or the legislature. Agencies may be required to reimburse the  
33 department for agency-requested reviews;

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

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

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

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

4 (b) Promulgation of policies, standards, and guidelines adopted by  
5 the board;

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

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

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

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

20 **Sec. 460.** RCW 43.130.060 and 1973 2nd ex.s. c 37 s 6 are each  
21 amended to read as follows:

22 In order to reimburse the public employees' retirement system for  
23 any increased costs occasioned by the provisions of this chapter which  
24 affect the retirement system, the ((~~public employees' retirement~~  
25 ~~board~~)) director of retirement systems shall, within thirty days of the  
26 date upon which any affected employee elects to take advantage of the  
27 retirement provisions of this chapter, determine the increased present  
28 and future cost to the retirement system of such employee's election.  
29 Upon the determination of the amount necessary to offset ((~~said~~)) the  
30 increased cost, the ((~~retirement board~~)) director of retirement systems  
31 shall bill the department of ((~~personnel~~)) enterprise services for the  
32 amount of the increased cost: PROVIDED, That such billing shall not  
33 exceed eight hundred sixty-one thousand dollars. Such billing shall be  
34 paid by the department as, and the same shall be, a proper charge  
35 against any moneys available or appropriated to the department for this  
36 purpose.

1           **Sec. 461.** RCW 43.131.090 and 2002 c 354 s 230 are each amended to  
2 read as follows:

3           Unless the legislature specifies a shorter period of time, a  
4 terminated entity shall continue in existence until June 30th of the  
5 next succeeding year for the purpose of concluding its affairs:  
6 PROVIDED, That the powers and authority of the entity shall not be  
7 reduced or otherwise limited during this period. Unless otherwise  
8 provided:

9           (1) All employees of terminated entities classified under chapter  
10 41.06 RCW, the state civil service law, shall be transferred as  
11 appropriate or as otherwise provided in the procedures adopted by the  
12 human resources director (~~(of personnel)~~) pursuant to RCW 41.06.150;

13           (2) All documents and papers, equipment, or other tangible property  
14 in the possession of the terminated entity shall be delivered to the  
15 custody of the entity assuming the responsibilities of the terminated  
16 entity or if such responsibilities have been eliminated, documents and  
17 papers shall be delivered to the state archivist and equipment or other  
18 tangible property to the department of general administration;

19           (3) All funds held by, or other moneys due to, the terminated  
20 entity shall revert to the fund from which they were appropriated, or  
21 if that fund is abolished to the general fund;

22           (4) Notwithstanding the provisions of RCW 34.05.020, all rules made  
23 by a terminated entity shall be repealed, without further action by the  
24 entity, at the end of the period provided in this section, unless  
25 assumed and reaffirmed by the entity assuming the related legal  
26 responsibilities of the terminated entity;

27           (5) All contractual rights and duties of an entity shall be  
28 assigned or delegated to the entity assuming the responsibilities of  
29 the terminated entity, or if there is none to such entity as the  
30 governor shall direct.

31           **Sec. 462.** RCW 48.37.060 and 2008 c 100 s 2 are each amended to  
32 read as follows:

33           (1) When the commissioner determines that other market conduct  
34 actions identified in RCW 48.37.040(4)(a) have not sufficiently  
35 addressed issues raised concerning company activities in Washington  
36 state, the commissioner has the discretion to conduct market conduct

1 examinations in accordance with the NAIC market conduct uniform  
2 examination procedures and the NAIC market regulation handbook.

3 (2)(a) In lieu of an examination of an insurer licensed in this  
4 state, the commissioner shall accept an examination report of another  
5 state, unless the commissioner determines that the other state does not  
6 have laws substantially similar to those of this state, or does not  
7 have a market oversight system that is comparable to the market conduct  
8 oversight system set forth in this law.

9 (b) The commissioner's determination under (a) of this subsection  
10 is discretionary with the commissioner and is not subject to appeal.

11 (c) If the insurer to be examined is part of an insurance holding  
12 company system, the commissioner may also seek to simultaneously  
13 examine any affiliates of the insurer under common control and  
14 management which are licensed to write the same lines of business in  
15 this state.

16 (3) Before commencement of a market conduct examination, market  
17 conduct oversight personnel shall prepare a work plan consisting of the  
18 following:

- 19 (a) The name and address of the insurer being examined;
- 20 (b) The name and contact information of the examiner-in-charge;
- 21 (c) The name of all market conduct oversight personnel initially  
22 assigned to the market conduct examination;
- 23 (d) The justification for the examination;
- 24 (e) The scope of the examination;
- 25 (f) The date the examination is scheduled to begin;
- 26 (g) Notice of any noninsurance department personnel who will assist  
27 in the examination;
- 28 (h) A time estimate for the examination;
- 29 (i) A budget for the examination if the cost of the examination is  
30 billed to the insurer; and
- 31 (j) An identification of factors that will be included in the  
32 billing if the cost of the examination is billed to the insurer.

33 (4)(a) Within ten days of the receipt of the information contained  
34 in subsection (3) of this section, insurers may request the  
35 commissioner's discretionary review of any alleged conflict of  
36 interest, pursuant to RCW 48.37.090(2), of market conduct oversight  
37 personnel and noninsurance department personnel assigned to a market

1 conduct examination. The request for review shall specifically  
2 describe the alleged conflict of interest in the proposed assignment of  
3 any person to the examination.

4 (b) Within five business days of receiving a request for  
5 discretionary review of any alleged conflict of interest in the  
6 proposed assignment of any person to a market conduct examination, the  
7 commissioner or designee shall notify the insurer of any action  
8 regarding the assignment of personnel to a market conduct examination  
9 based on the insurer's allegation of conflict of interest.

10 (5) Market conduct examinations shall, to the extent feasible, use  
11 desk examinations and data requests before an on-site examination.

12 (6) Market conduct examinations shall be conducted in accordance  
13 with the provisions set forth in the NAIC market regulation handbook  
14 and the NAIC market conduct uniform examinations procedures, subject to  
15 the precedence of the provisions of chapter 82, Laws of 2007.

16 (7) The commissioner shall use the NAIC standard data request.

17 (8) Announcement of the examination shall be sent to the insurer  
18 and posted on the NAIC's examination tracking system as soon as  
19 possible but in no case later than sixty days before the estimated  
20 commencement of the examination, except where the examination is  
21 conducted in response to extraordinary circumstances as described in  
22 RCW 48.37.050(2)(a). The announcement sent to the insurer shall  
23 contain the examination work plan and a request for the insurer to name  
24 its examination coordinator.

25 (9) If an examination is expanded significantly beyond the original  
26 reasons provided to the insurer in the notice of the examination  
27 required by subsection (3) of this section, the commissioner shall  
28 provide written notice to the insurer, explaining the expansion and  
29 reasons for the expansion. The commissioner shall provide a revised  
30 work plan if the expansion results in significant changes to the items  
31 presented in the original work plan required by subsection (3) of this  
32 section.

33 (10) The commissioner shall conduct a preexamination conference  
34 with the insurer examination coordinator and key personnel to clarify  
35 expectations at least thirty days before commencement of the  
36 examination, unless otherwise agreed by the insurer and the  
37 commissioner.

1 (11) Before the conclusion of the field work for market conduct  
2 examination, the examiner-in-charge shall review examination findings  
3 to date with insurer personnel and schedule an exit conference with the  
4 insurer, in accordance with procedures in the NAIC market regulation  
5 handbook.

6 (12)(a) No later than sixty days after completion of each market  
7 conduct examination, the commissioner shall make a full written report  
8 of each market conduct examination containing only facts ascertained  
9 from the accounts, records, and documents examined and from the sworn  
10 testimony of individuals, and such conclusions and recommendations as  
11 may reasonably be warranted from such facts.

12 (b) The report shall be certified by the commissioner or by the  
13 examiner-in-charge of the examination, and shall be filed in the  
14 commissioner's office subject to (c) of this subsection.

15 (c) The commissioner shall furnish a copy of the market conduct  
16 examination report to the person examined not less than ten days and,  
17 unless the time is extended by the commissioner, not more than thirty  
18 days prior to the filing of the report for public inspection in the  
19 commissioner's office. If the person so requests in writing within  
20 such period, the commissioner shall hold a hearing to consider  
21 objections of such person to the report as proposed, and shall not so  
22 file the report until after such hearing and until after any  
23 modifications in the report deemed necessary by the commissioner have  
24 been made.

25 (d) Within thirty days of the end of the period described in (c) of  
26 this subsection, unless extended by order of the commissioner, the  
27 commissioner shall consider the report, together with any written  
28 submissions or rebuttals and any relevant portions of the examiner's  
29 work papers and enter an order:

30 (i) Adopting the market conduct examination report as filed or with  
31 modification or corrections. If the market conduct examination report  
32 reveals that the company is operating in violation of any law, rule, or  
33 order of the commissioner, the commissioner may order the company to  
34 take any action the commissioner considers necessary and appropriate to  
35 cure that violation;

36 (ii) Rejecting the market conduct examination report with  
37 directions to the examiners to reopen the examination for purposes of

1 obtaining additional data, documentation, or information, and refiling  
2 under this subsection; or

3 (iii) Calling for an investigatory hearing with no less than twenty  
4 days' notice to the company for purposes of obtaining additional  
5 documentation, data, information, and testimony.

6 (e) All orders entered under (d) of this subsection must be  
7 accompanied by findings and conclusions resulting from the  
8 commissioner's consideration and review of the market conduct  
9 examination report, relevant examiner work papers, and any written  
10 submissions or rebuttals. The order is considered a final  
11 administrative decision and may be appealed under the administrative  
12 procedure act, chapter 34.05 RCW, and must be served upon the company  
13 by certified mail or certifiable electronic means, together with a copy  
14 of the adopted examination report. A copy of the adopted examination  
15 report must be sent by certified mail or certifiable electronic means  
16 to each director at the director's residential address or to a personal  
17 e-mail account.

18 (f)(i) Upon the adoption of the market conduct examination report  
19 under (d) of this subsection, the commissioner shall continue to hold  
20 the content of the examination report as private and confidential  
21 information for a period of five days except that the order may be  
22 disclosed to the person examined. Thereafter, the commissioner may  
23 open the report for public inspection so long as no court of competent  
24 jurisdiction has stayed its publication.

25 (ii) If the commissioner determines that regulatory action is  
26 appropriate as a result of any market conduct examination, he or she  
27 may initiate any proceedings or actions as provided by law.

28 (iii) Nothing contained in this subsection requires the  
29 commissioner to disclose any information or records that would indicate  
30 or show the existence or content of any investigation or activity of a  
31 criminal justice agency.

32 (g) The insurer's response shall be included in the commissioner's  
33 order adopting the final report as an exhibit to the order. The  
34 insurer is not obligated to submit a response.

35 (13) The commissioner may withhold from public inspection any  
36 examination or investigation report for so long as he or she deems it  
37 advisable.



1 (14)(a) Market conduct examinations within this state of any  
2 insurer domiciled or having its home offices in this state, other than  
3 a title insurer, made by the commissioner or the commissioner's  
4 examiners and employees shall, except as to fees, mileage, and expense  
5 incurred as to witnesses, be at the expense of the state.

6 (b) Every other examination, whatsoever, or any part of the market  
7 conduct examination of any person domiciled or having its home offices  
8 in this state requiring travel and services outside this state, shall  
9 be made by the commissioner or by examiners designated by the  
10 commissioner and shall be at the expense of the person examined; but a  
11 domestic insurer shall not be liable for the compensation of examiners  
12 employed by the commissioner for such services outside this state.

13 (c) When making a market conduct examination under this chapter,  
14 the commissioner may contract, in accordance with applicable state  
15 contracting procedures, for qualified attorneys, appraisers,  
16 independent certified public accountants, contract actuaries, and other  
17 similar individuals who are independently practicing their professions,  
18 even though those persons may from time to time be similarly employed  
19 or retained by persons subject to examination under this chapter, as  
20 examiners as the commissioner deems necessary for the efficient conduct  
21 of a particular examination. The compensation and per diem allowances  
22 paid to such contract persons shall be reasonable in the market and  
23 time incurred, shall not exceed one hundred twenty-five percent of the  
24 compensation and per diem allowances for examiners set forth in the  
25 guidelines adopted by the national association of insurance  
26 commissioners, unless the commissioner demonstrates that one hundred  
27 twenty-five percent is inadequate under the circumstances of the  
28 examination, and subject to the provisions of (a) of this subsection.

29 (d)(i) The person examined and liable shall reimburse the state  
30 upon presentation of an itemized statement thereof, for the actual  
31 travel expenses of the commissioner's examiners, their reasonable  
32 living expenses allowance, and their per diem compensation, including  
33 salary and the employer's cost of employee benefits, at a reasonable  
34 rate approved by the commissioner, incurred on account of the  
35 examination. Per diem, salary, and expenses for employees examining  
36 insurers domiciled outside the state of Washington shall be established  
37 by the commissioner on the basis of the national association of  
38 insurance commissioner's recommended salary and expense schedule for

1 zone examiners, or the salary schedule established by the human  
2 resources director (~~(of the Washington department of personnel)~~) and  
3 the expense schedule established by the office of financial management,  
4 whichever is higher. A domestic title insurer shall pay the  
5 examination expense and costs to the commissioner as itemized and  
6 billed by the commissioner.

7 (ii) The commissioner or the commissioner's examiners shall not  
8 receive or accept any additional emolument on account of any  
9 examination.

10 (iii) Market conduct examination fees subject to being reimbursed  
11 by an insurer shall be itemized and bills shall be provided to the  
12 insurer on a monthly basis for review prior to submission for payment,  
13 or as otherwise provided by state law.

14 (e) Nothing contained in this chapter limits the commissioner's  
15 authority to terminate or suspend any examination in order to pursue  
16 other legal or regulatory action under the insurance laws of this  
17 state. Findings of fact and conclusions made pursuant to any  
18 examination are prima facie evidence in any legal or regulatory action.

19 (f) The commissioner shall maintain active management and oversight  
20 of market conduct examination costs, including costs associated with  
21 the commissioner's own examiners, and with retaining qualified contract  
22 examiners necessary to perform an examination. Any agreement with a  
23 contract examiner shall:

24 (i) Clearly identify the types of functions to be subject to  
25 outsourcing;

26 (ii) Provide specific timelines for completion of the outsourced  
27 review;

28 (iii) Require disclosure to the insurer of contract examiners'  
29 recommendations;

30 (iv) Establish and use a dispute resolution or arbitration  
31 mechanism to resolve conflicts with insurers regarding examination  
32 fees; and

33 (v) Require disclosure of the terms of the contracts with the  
34 outside consultants that will be used, specifically the fees and/or  
35 hourly rates that can be charged.

36 (g) The commissioner, or the commissioner's designee, shall review  
37 and affirmatively endorse detailed billings from the qualified contract  
38 examiner before the detailed billings are sent to the insurer.

1       **Sec. 463.** RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040  
2 are each reenacted and amended to read as follows:

3       As used in this chapter:

4       (1) "Director" means the director of labor and industries;

5       (2) "Wage" means compensation due to an employee by reason of  
6 employment, payable in legal tender of the United States or checks on  
7 banks convertible into cash on demand at full face value, subject to  
8 such deductions, charges, or allowances as may be permitted by rules of  
9 the director;

10       (3) "Employ" includes to permit to work;

11       (4) "Employer" includes any individual, partnership, association,  
12 corporation, business trust, or any person or group of persons acting  
13 directly or indirectly in the interest of an employer in relation to an  
14 employee;

15       (5) "Employee" includes any individual employed by an employer but  
16 shall not include:

17       (a) Any individual (i) employed as a hand harvest laborer and paid  
18 on a piece rate basis in an operation which has been, and is generally  
19 and customarily recognized as having been, paid on a piece rate basis  
20 in the region of employment; (ii) who commutes daily from his or her  
21 permanent residence to the farm on which he or she is employed; and  
22 (iii) who has been employed in agriculture less than thirteen weeks  
23 during the preceding calendar year;

24       (b) Any individual employed in casual labor in or about a private  
25 home, unless performed in the course of the employer's trade, business,  
26 or profession;

27       (c) Any individual employed in a bona fide executive,  
28 administrative, or professional capacity or in the capacity of outside  
29 salesperson as those terms are defined and delimited by rules of the  
30 director. However, those terms shall be defined and delimited by the  
31 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW  
32 for employees employed under the director of personnel's jurisdiction;

33       (d) Any individual engaged in the activities of an educational,  
34 charitable, religious, state or local governmental body or agency, or  
35 nonprofit organization where the employer-employee relationship does  
36 not in fact exist or where the services are rendered to such  
37 organizations gratuitously. If the individual receives reimbursement  
38 in lieu of compensation for normally incurred out-of-pocket expenses or

1 receives a nominal amount of compensation per unit of voluntary service  
2 rendered, an employer-employee relationship is deemed not to exist for  
3 the purpose of this section or for purposes of membership or  
4 qualification in any state, local government, or publicly supported  
5 retirement system other than that provided under chapter 41.24 RCW;

6 (e) Any individual employed full time by any state or local  
7 governmental body or agency who provides voluntary services but only  
8 with regard to the provision of the voluntary services. The voluntary  
9 services and any compensation therefor shall not affect or add to  
10 qualification, entitlement, or benefit rights under any state, local  
11 government, or publicly supported retirement system other than that  
12 provided under chapter 41.24 RCW;

13 (f) Any newspaper vendor or carrier;

14 (g) Any carrier subject to regulation by Part 1 of the Interstate  
15 Commerce Act;

16 (h) Any individual engaged in forest protection and fire prevention  
17 activities;

18 (i) Any individual employed by any charitable institution charged  
19 with child care responsibilities engaged primarily in the development  
20 of character or citizenship or promoting health or physical fitness or  
21 providing or sponsoring recreational opportunities or facilities for  
22 young people or members of the armed forces of the United States;

23 (j) Any individual whose duties require that he or she reside or  
24 sleep at the place of his or her employment or who otherwise spends a  
25 substantial portion of his or her work time subject to call, and not  
26 engaged in the performance of active duties;

27 (k) Any resident, inmate, or patient of a state, county, or  
28 municipal correctional, detention, treatment or rehabilitative  
29 institution;

30 (l) Any individual who holds a public elective or appointive office  
31 of the state, any county, city, town, municipal corporation or quasi  
32 municipal corporation, political subdivision, or any instrumentality  
33 thereof, or any employee of the state legislature;

34 (m) All vessel operating crews of the Washington state ferries  
35 operated by the department of transportation;

36 (n) Any individual employed as a seaman on a vessel other than an  
37 American vessel;

1 (o) Any farm intern providing his or her services to a small farm  
2 which has a special certificate issued under RCW 49.12.465;

3 (6) "Occupation" means any occupation, service, trade, business,  
4 industry, or branch or group of industries or employment or class of  
5 employment in which employees are gainfully employed;

6 (7) "Retail or service establishment" means an establishment  
7 seventy-five percent of whose annual dollar volume of sales of goods or  
8 services, or both, is not for resale and is recognized as retail sales  
9 or services in the particular industry.

10 **Sec. 464.** RCW 49.46.010 and 2010 c 8 s 12040 are each amended to  
11 read as follows:

12 As used in this chapter:

13 (1) "Director" means the director of labor and industries;

14 (2) "Wage" means compensation due to an employee by reason of  
15 employment, payable in legal tender of the United States or checks on  
16 banks convertible into cash on demand at full face value, subject to  
17 such deductions, charges, or allowances as may be permitted by rules of  
18 the director;

19 (3) "Employ" includes to permit to work;

20 (4) "Employer" includes any individual, partnership, association,  
21 corporation, business trust, or any person or group of persons acting  
22 directly or indirectly in the interest of an employer in relation to an  
23 employee;

24 (5) "Employee" includes any individual employed by an employer but  
25 shall not include:

26 (a) Any individual (i) employed as a hand harvest laborer and paid  
27 on a piece rate basis in an operation which has been, and is generally  
28 and customarily recognized as having been, paid on a piece rate basis  
29 in the region of employment; (ii) who commutes daily from his or her  
30 permanent residence to the farm on which he or she is employed; and  
31 (iii) who has been employed in agriculture less than thirteen weeks  
32 during the preceding calendar year;

33 (b) Any individual employed in casual labor in or about a private  
34 home, unless performed in the course of the employer's trade, business,  
35 or profession;

36 (c) Any individual employed in a bona fide executive,  
37 administrative, or professional capacity or in the capacity of outside

1 salesperson as those terms are defined and delimited by rules of the  
2 director. However, those terms shall be defined and delimited by the  
3 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW  
4 for employees employed under the director of personnel's jurisdiction;

5 (d) Any individual engaged in the activities of an educational,  
6 charitable, religious, state or local governmental body or agency, or  
7 nonprofit organization where the employer-employee relationship does  
8 not in fact exist or where the services are rendered to such  
9 organizations gratuitously. If the individual receives reimbursement  
10 in lieu of compensation for normally incurred out-of-pocket expenses or  
11 receives a nominal amount of compensation per unit of voluntary service  
12 rendered, an employer-employee relationship is deemed not to exist for  
13 the purpose of this section or for purposes of membership or  
14 qualification in any state, local government, or publicly supported  
15 retirement system other than that provided under chapter 41.24 RCW;

16 (e) Any individual employed full time by any state or local  
17 governmental body or agency who provides voluntary services but only  
18 with regard to the provision of the voluntary services. The voluntary  
19 services and any compensation therefor shall not affect or add to  
20 qualification, entitlement, or benefit rights under any state, local  
21 government, or publicly supported retirement system other than that  
22 provided under chapter 41.24 RCW;

23 (f) Any newspaper vendor or carrier;

24 (g) Any carrier subject to regulation by Part 1 of the Interstate  
25 Commerce Act;

26 (h) Any individual engaged in forest protection and fire prevention  
27 activities;

28 (i) Any individual employed by any charitable institution charged  
29 with child care responsibilities engaged primarily in the development  
30 of character or citizenship or promoting health or physical fitness or  
31 providing or sponsoring recreational opportunities or facilities for  
32 young people or members of the armed forces of the United States;

33 (j) Any individual whose duties require that he or she reside or  
34 sleep at the place of his or her employment or who otherwise spends a  
35 substantial portion of his or her work time subject to call, and not  
36 engaged in the performance of active duties;

37 (k) Any resident, inmate, or patient of a state, county, or

1 municipal correctional, detention, treatment or rehabilitative  
2 institution;

3 (l) Any individual who holds a public elective or appointive office  
4 of the state, any county, city, town, municipal corporation or quasi  
5 municipal corporation, political subdivision, or any instrumentality  
6 thereof, or any employee of the state legislature;

7 (m) All vessel operating crews of the Washington state ferries  
8 operated by the department of transportation;

9 (n) Any individual employed as a seaman on a vessel other than an  
10 American vessel;

11 (6) "Occupation" means any occupation, service, trade, business,  
12 industry, or branch or group of industries or employment or class of  
13 employment in which employees are gainfully employed;

14 (7) "Retail or service establishment" means an establishment  
15 seventy-five percent of whose annual dollar volume of sales of goods or  
16 services, or both, is not for resale and is recognized as retail sales  
17 or services in the particular industry.

18 **Sec. 465.** RCW 49.74.020 and 1993 c 281 s 57 are each amended to  
19 read as follows:

20 If the commission reasonably believes that a state agency, an  
21 institution of higher education, or the state patrol has failed to  
22 comply with an affirmative action rule adopted under RCW 41.06.150 or  
23 43.43.340, the commission shall notify the director of the state  
24 agency, president of the institution of higher education, or chief of  
25 the Washington state patrol of the noncompliance, as well as the human  
26 resources director (~~(of personnel)~~). The commission shall give the  
27 director of the state agency, president of the institution of higher  
28 education, or chief of the Washington state patrol an opportunity to be  
29 heard on the failure to comply.

30 **Sec. 466.** RCW 49.74.030 and 2002 c 354 s 246 are each amended to  
31 read as follows:

32 The commission in conjunction with the department of (~~personnel~~)  
33 enterprise services, the office of financial management, or the state  
34 patrol, whichever is appropriate, shall attempt to resolve the  
35 noncompliance through conciliation. If an agreement is reached for the  
36 elimination of noncompliance, the agreement shall be reduced to writing

1 and an order shall be issued by the commission setting forth the terms  
2 of the agreement. The noncomplying state agency, institution of higher  
3 education, or state patrol shall make a good faith effort to conciliate  
4 and make a full commitment to correct the noncompliance with any action  
5 that may be necessary to achieve compliance, provided such action is  
6 not inconsistent with the rules adopted under RCW 41.06.150(~~(+6)~~)(5)  
7 and 43.43.340(5), whichever is appropriate.

8 **Sec. 467.** RCW 49.90.010 and 2009 c 294 s 5 are each amended to  
9 read as follows:

10 (1) Within this section, "sensory disability" means a sensory  
11 condition that materially limits, contributes to limiting, or, if not  
12 corrected or accommodated, will probably result in limiting an  
13 individual's activities or functioning.

14 (2) The (~~department of personnel~~) office of financial management  
15 shall adopt rules that authorize state agencies to provide allowances  
16 to employees with sensory disabilities who must attend training  
17 necessary to attain a new service animal. The employee's absence must  
18 be treated in the same manner as that granted to employees who are  
19 absent to attend training that supports or improves their job  
20 performance, except that the employee shall not be eligible for  
21 reimbursement under RCW 43.03.050 or 43.03.060. The (~~department of~~  
22 ~~personnel~~) office of financial management shall adopt rules as  
23 necessary to implement this chapter.

24 (3) If the necessity to attend training for a new service animal is  
25 foreseeable and the training will cause the employee to miss work, the  
26 employee shall provide the employer with not less than thirty days'  
27 notice, before the date the absence is to begin, of the employee's  
28 impending absence. If the date of the training requires the absence to  
29 begin in less than thirty days, the employee shall provide notice as is  
30 practicable.

31 (4) An agency may require that a request to attend service animal  
32 training be supported by a certification issued by the relevant  
33 training organization. The employee must provide, in a timely manner,  
34 a copy of the certification to the agency. Certification provided  
35 under this section is sufficient if it states: (a) The date on which  
36 the service animal training session is scheduled to commence; and (b)  
37 the session's duration.



1           **Sec. 468.** RCW 50.13.060 and 2008 c 120 s 6 are each amended to  
2 read as follows:

3           (1) Governmental agencies, including law enforcement agencies,  
4 prosecuting agencies, and the executive branch, whether state, local,  
5 or federal shall have access to information or records deemed private  
6 and confidential under this chapter if the information or records are  
7 needed by the agency for official purposes and:

8           (a) The agency submits an application in writing to the employment  
9 security department for the records or information containing a  
10 statement of the official purposes for which the information or records  
11 are needed and specific identification of the records or information  
12 sought from the department; and

13           (b) The director, commissioner, chief executive, or other official  
14 of the agency has verified the need for the specific information in  
15 writing either on the application or on a separate document; and

16           (c) The agency requesting access has served a copy of the  
17 application for records or information on the individual or employing  
18 unit whose records or information are sought and has provided the  
19 department with proof of service. Service shall be made in a manner  
20 which conforms to the civil rules for superior court. The requesting  
21 agency shall include with the copy of the application a statement to  
22 the effect that the individual or employing unit may contact the public  
23 records officer of the employment security department to state any  
24 objections to the release of the records or information. The  
25 employment security department shall not act upon the application of  
26 the requesting agency until at least five days after service on the  
27 concerned individual or employing unit. The employment security  
28 department shall consider any objections raised by the concerned  
29 individual or employing unit in deciding whether the requesting agency  
30 needs the information or records for official purposes.

31           (2) The requirements of subsections (1) and (9) of this section  
32 shall not apply to the state legislative branch. The state legislature  
33 shall have access to information or records deemed private and  
34 confidential under this chapter, if the legislature or a legislative  
35 committee finds that the information or records are necessary and for  
36 official purposes. If the employment security department does not make  
37 information or records available as provided in this subsection, the  
38 legislature may exercise its authority granted by chapter 44.16 RCW.

1 (3) In cases of emergency the governmental agency requesting access  
2 shall not be required to formally comply with the provisions of  
3 subsection (1) of this section at the time of the request if the  
4 procedures required by subsection (1) of this section are complied with  
5 by the requesting agency following the receipt of any records or  
6 information deemed private and confidential under this chapter. An  
7 emergency is defined as a situation in which irreparable harm or damage  
8 could occur if records or information are not released immediately.

9 (4) The requirements of subsection (1)(c) of this section shall not  
10 apply to governmental agencies where the procedures would frustrate the  
11 investigation of possible violations of criminal laws or to the release  
12 of employing unit names, addresses, number of employees, and aggregate  
13 employer wage data for the purpose of state governmental agencies  
14 preparing small business economic impact statements under chapter 19.85  
15 RCW or preparing cost-benefit analyses under RCW 34.05.328(1) (c) and  
16 (d). Information provided by the department and held to be private and  
17 confidential under state or federal laws must not be misused or  
18 released to unauthorized parties. A person who misuses such  
19 information or releases such information to unauthorized parties is  
20 subject to the sanctions in RCW 50.13.080.

21 (5) Governmental agencies shall have access to certain records or  
22 information, limited to such items as names, addresses, social security  
23 numbers, and general information about benefit entitlement or employer  
24 information possessed by the department, for comparison purposes with  
25 records or information possessed by the requesting agency to detect  
26 improper or fraudulent claims, or to determine potential tax liability  
27 or employer compliance with registration and licensing requirements.  
28 In those cases the governmental agency shall not be required to comply  
29 with subsection (1)(c) of this section, but the requirements of the  
30 remainder of subsection (1) of this section must be satisfied.

31 (6) Governmental agencies may have access to certain records and  
32 information, limited to employer information possessed by the  
33 department for purposes authorized in chapter 50.38 RCW. Access to  
34 these records and information is limited to only those individuals  
35 conducting authorized statistical analysis, research, and evaluation  
36 studies. Only in cases consistent with the purposes of chapter 50.38  
37 RCW are government agencies not required to comply with subsection  
38 (1)(c) of this section, but the requirements of the remainder of

1 subsection (1) of this section must be satisfied. Information provided  
2 by the department and held to be private and confidential under state  
3 or federal laws shall not be misused or released to unauthorized  
4 parties subject to the sanctions in RCW 50.13.080.

5 (7) Disclosure to governmental agencies of information or records  
6 obtained by the employment security department from the federal  
7 government shall be governed by any applicable federal law or any  
8 agreement between the federal government and the employment security  
9 department where so required by federal law. When federal law does not  
10 apply to the records or information state law shall control.

11 (8) The department may provide information for purposes of  
12 statistical analysis and evaluation of the WorkFirst program or any  
13 successor state welfare program to the department of social and health  
14 services, the office of financial management, and other governmental  
15 entities with oversight or evaluation responsibilities for the program  
16 in accordance with RCW 43.20A.080. The confidential information  
17 provided by the department shall remain the property of the department  
18 and may be used by the authorized requesting agencies only for  
19 statistical analysis, research, and evaluation purposes as provided in  
20 RCW 74.08A.410 and 74.08A.420. The department of social and health  
21 services, the office of financial management, or other governmental  
22 entities with oversight or evaluation responsibilities for the program  
23 are not required to comply with subsection (1)(c) of this section, but  
24 the requirements of the remainder of subsection (1) of this section and  
25 applicable federal laws and regulations must be satisfied. The  
26 confidential information used for evaluation and analysis of welfare  
27 reform supplied to the authorized requesting entities with regard to  
28 the WorkFirst program or any successor state welfare program are exempt  
29 from public inspection and copying under chapter 42.56 RCW.

30 (9) The disclosure of any records or information by a governmental  
31 agency which has obtained the records or information under this section  
32 is prohibited unless the disclosure is (a) directly connected to the  
33 official purpose for which the records or information were obtained or  
34 (b) to another governmental agency which would be permitted to obtain  
35 the records or information under subsection (4) or (5) of this section.

36 (10) In conducting periodic salary or fringe benefit studies  
37 pursuant to law, the (~~department of personnel~~) office of financial

1 management shall have access to records of the employment security  
2 department as may be required for such studies. For such purposes, the  
3 requirements of subsection (1)(c) of this section need not apply.

4 (11)(a) To promote the reemployment of job seekers, the  
5 commissioner may enter into data-sharing contracts with partners of the  
6 one-stop career development system. The contracts shall provide for  
7 the transfer of data only to the extent that the transfer is necessary  
8 for the efficient provisions of workforce programs, including but not  
9 limited to public labor exchange, unemployment insurance, worker  
10 training and retraining, vocational rehabilitation, vocational  
11 education, adult education, transition from public assistance, and  
12 support services. The transfer of information under contracts with  
13 one-stop partners is exempt from subsection (1)(c) of this section.

14 (b) An individual who applies for services from the department and  
15 whose information will be shared under (a) of this subsection (11) must  
16 be notified that his or her private and confidential information in the  
17 department's records will be shared among the one-stop partners to  
18 facilitate the delivery of one-stop services to the individual. The  
19 notice must advise the individual that he or she may request that  
20 private and confidential information not be shared among the one-stop  
21 partners and the department must honor the request. In addition, the  
22 notice must:

23 (i) Advise the individual that if he or she requests that private  
24 and confidential information not be shared among one-stop partners, the  
25 request will in no way affect eligibility for services;

26 (ii) Describe the nature of the information to be shared, the  
27 general use of the information by one-stop partner representatives, and  
28 among whom the information will be shared;

29 (iii) Inform the individual that shared information will be used  
30 only for the purpose of delivering one-stop services and that further  
31 disclosure of the information is prohibited under contract and is not  
32 subject to disclosure under chapter 42.56 RCW; and

33 (iv) Be provided in English and an alternative language selected by  
34 the one-stop center or job service center as appropriate for the  
35 community where the center is located.

36 If the notice is provided in-person, the individual who does not  
37 want private and confidential information shared among the one-stop  
38 partners must immediately advise the one-stop partner representative of

1 that decision. The notice must be provided to an individual who  
2 applies for services telephonically, electronically, or by mail, in a  
3 suitable format and within a reasonable time after applying for  
4 services, which shall be no later than ten working days from the  
5 department's receipt of the application for services. A one-stop  
6 representative must be available to answer specific questions regarding  
7 the nature, extent, and purpose for which the information may be  
8 shared.

9 (12) To facilitate improved operation and evaluation of state  
10 programs, the commissioner may enter into data-sharing contracts with  
11 other state agencies only to the extent that such transfer is necessary  
12 for the efficient operation or evaluation of outcomes for those  
13 programs. The transfer of information by contract under this  
14 subsection is exempt from subsection (1)(c) of this section.

15 (13) The misuse or unauthorized release of records or information  
16 by any person or organization to which access is permitted by this  
17 chapter subjects the person or organization to a civil penalty of five  
18 thousand dollars and other applicable sanctions under state and federal  
19 law. Suit to enforce this section shall be brought by the attorney  
20 general and the amount of any penalties collected shall be paid into  
21 the employment security department administrative contingency fund.  
22 The attorney general may recover reasonable attorneys' fees for any  
23 action brought to enforce this section.

24 NEW SECTION. **Sec. 469.** The following acts or parts of acts are  
25 each repealed:

26 (1) RCW 41.06.030 (Department of personnel established) and 2002 c  
27 354 s 201, 1993 c 281 s 20, & 1961 c 1 s 3;

28 (2) RCW 41.06.111 (Personnel appeals board abolished--Powers,  
29 duties, and functions transferred to the Washington personnel resources  
30 board) and 2002 c 354 s 233;

31 (3) RCW 41.06.130 (Director of personnel--Appointment--Rules--  
32 Powers and duties--Delegation of authority) and 1993 c 281 s 26, 1982  
33 1st ex.s. c 53 s 3, & 1961 c 1 s 13;

34 (4) RCW 41.06.139 (Classification system for classified service--  
35 Director implements--Rules of the board--Appeals) and 2002 c 354 s 206;

36 (5) RCW 41.06.155 (Salaries--Implementation of changes to achieve  
37 comparable worth) and 1993 c 281 s 28 & 1983 1st ex.s. c 75 s 6;

1 (6) RCW 41.06.160 (Classification and salary schedules to consider  
2 rates in other public and private employment--Wage and fringe benefits  
3 surveys--Limited public disclosure exemption) and 2005 c 274 s 278,  
4 2002 c 354 s 211, 1993 c 281 s 29, 1985 c 94 s 2, 1980 c 11 s 1, 1979  
5 c 151 s 58, 1977 ex.s. c 152 s 2, & 1961 c 1 s 16;

6 (7) RCW 41.06.480 (Background check disqualification--Policy  
7 recommendations) and 2001 c 296 s 7; and

8 (8) RCW 41.07.900 (Transfer of personnel, records, equipment, etc)  
9 and 1975 1st ex.s. c 239 s 4 are each repealed.

10 NEW SECTION. **Sec. 470.** Section 448 of this act expires January 1,  
11 2012.

12 NEW SECTION. **Sec. 471.** Section 449 of this act takes effect  
13 January 1, 2012.

14 NEW SECTION. **Sec. 472.** Section 461 of this act expires June 30,  
15 2015.

16 NEW SECTION. **Sec. 473.** Section 463 of this act expires December  
17 31, 2011.

18 NEW SECTION. **Sec. 474.** Section 464 of this act takes effect  
19 December 31, 2011.

20 **PART V**

21 **POWERS AND DUTIES TRANSFERRED FROM THE**  
22 **OFFICE OF FINANCIAL MANAGEMENT**

23 **Sec. 501.** RCW 43.41.290 and 1977 ex.s. c 270 s 3 are each amended  
24 to read as follows:

25 As used in ((RCW ~~43.19.19361~~ and ~~43.19.19362~~)) this act:

26 (1) "State agency" includes any state office, agency, commission,  
27 department, or institution, including colleges, universities, and  
28 community colleges, financed in whole or part from funds appropriated  
29 by the legislature; ((and))

30 (2) "Risk management" means the total effort and continuous step by

1 step process of risk identification, measurement, minimization,  
2 assumption, transfer, and loss adjustment which is aimed at protecting  
3 assets and revenues against accidental loss;

4 (3) "Department" means the department of enterprise services; and

5 (4) "Director" means the director of enterprise services.

6 **Sec. 502.** RCW 43.41.300 and 2002 c 332 s 7 are each amended to  
7 read as follows:

8 There is hereby created ((a)) an office of risk management  
9 ((~~division~~)) within the ((~~office of financial management~~)) department  
10 of enterprise services. The director shall implement the risk  
11 management policy in RCW 43.41.280 (as recodified by this act) through  
12 the office of risk management ((~~division~~)). The director shall appoint  
13 a risk manager to supervise the office of risk management ((~~division~~)).  
14 The office of risk management ((~~division~~)) shall make recommendations  
15 when appropriate to state agencies on the application of prudent  
16 safety, security, loss prevention, and loss minimization methods so as  
17 to reduce or avoid risk or loss.

18 **Sec. 503.** RCW 43.41.310 and 2002 c 332 s 5 are each amended to  
19 read as follows:

20 As a means of providing for the procurement of insurance and bonds  
21 on a volume rate basis, the director shall purchase or contract for the  
22 needs of state agencies in relation to all such insurance and bonds:  
23 PROVIDED, That authority to purchase insurance may be delegated to  
24 state agencies. Insurance in force shall be reported to the office of  
25 risk management ((~~division~~)) periodically under rules established by  
26 the director. Nothing contained in this section shall prohibit the use  
27 of licensed agents or brokers for the procurement and service of  
28 insurance.

29 The amounts of insurance or bond coverage shall be as fixed by law,  
30 or if not fixed by law, such amounts shall be as fixed by the director.

31 The premium cost for insurance acquired and bonds furnished shall  
32 be paid from appropriations or other appropriate resources available to  
33 the state agency or agencies for which procurement is made, and all  
34 vouchers drawn in payment therefor shall bear the written approval of  
35 the office of risk management ((~~division~~)) prior to the issuance of the  
36 warrant in payment therefor. Where deemed advisable the premium cost

1 for insurance and bonds may be paid by the risk management  
2 administration account which shall be reimbursed by the agency or  
3 agencies for which procurement is made.

4 **Sec. 504.** RCW 43.41.320 and 2002 c 332 s 6 are each amended to  
5 read as follows:

6 The director, through the office of risk management (~~(division)~~),  
7 may purchase, or contract for the purchase of, property and liability  
8 insurance for any municipality upon request of the municipality.

9 As used in this section, "municipality" means any city, town,  
10 county, special purpose district, municipal corporation, or political  
11 subdivision of the state of Washington.

12 **Sec. 505.** RCW 43.41.330 and 2002 c 332 s 8 are each amended to  
13 read as follows:

14 The director, through the office of risk management (~~(division)~~),  
15 shall receive and enforce bonds posted pursuant to RCW 39.59.010 (3)  
16 and (4).

17 **Sec. 506.** RCW 43.41.340 and 2002 c 332 s 9 are each amended to  
18 read as follows:

19 The (~~(office)~~) department shall conduct periodic actuarial studies  
20 to determine the amount of money needed to adequately fund the  
21 liability account.

22 **Sec. 507.** RCW 43.41.360 and 2009 c 549 s 5121 are each amended to  
23 read as follows:

24 (~~(In addition to other powers and duties prescribed by this~~  
25 ~~chapter,)~~) The director shall:

26 (1) Fix the amount of bond to be given by each appointive state  
27 officer and each employee of the state in all cases where it is not  
28 fixed by law;

29 (2) Require the giving of an additional bond, or a bond in a  
30 greater amount than provided by law, in all cases where in his or her  
31 judgment the statutory bond is not sufficient in amount to cover the  
32 liabilities of the officer or employee;

33 (3) Exempt subordinate employees from giving bond when in his or  
34 her judgment their powers and duties are such as not to require a bond.



1       **Sec. 508.** RCW 43.41.370 and 2002 c 333 s 2 are each amended to  
2 read as follows:

3       (1) The director (~~(of financial management)~~) shall appoint a loss  
4 prevention review team when the death of a person, serious injury to a  
5 person, or other substantial loss is alleged or suspected to be caused  
6 at least in part by the actions of a state agency, unless the director  
7 in his or her discretion determines that the incident does not merit  
8 review. A loss prevention review team may also be appointed when any  
9 other substantial loss occurs as a result of agency policies,  
10 litigation or defense practices, or other management practices. When  
11 the director decides not to appoint a loss prevention review team he or  
12 she shall issue a statement of the reasons for the director's decision.  
13 The statement shall be made available on the department's web site (~~(of~~  
14 ~~the office of financial management)~~). The director's decision pursuant  
15 to this section to appoint or not appoint a loss prevention review team  
16 shall not be admitted into evidence in a civil or administrative  
17 proceeding.

18       (2) A loss prevention review team shall consist of at least three  
19 but no more than five persons, and may include independent consultants,  
20 contractors, or state employees, but it shall not include any person  
21 employed by the agency involved in the loss or risk of loss giving rise  
22 to the review, nor any person with testimonial knowledge of the  
23 incident to be reviewed. At least one member of the review team shall  
24 have expertise relevant to the matter under review.

25       (3) The loss prevention review team shall review the death, serious  
26 injury, or other incident and the circumstances surrounding it,  
27 evaluate its causes, and recommend steps to reduce the risk of such  
28 incidents occurring in the future. The loss prevention review team  
29 shall accomplish these tasks by reviewing relevant documents,  
30 interviewing persons with relevant knowledge, and reporting its  
31 recommendations in writing to the director (~~(of financial management)~~)  
32 and the director of the agency involved in the loss or risk of loss  
33 within the time requested by the director (~~(of financial management)~~).  
34 The final report shall not disclose the contents of any documents  
35 required by law to be kept confidential.

36       (4) Pursuant to guidelines established by the director, state  
37 agencies must notify the (~~office of financial management~~) department  
38 immediately upon becoming aware of a death, serious injury, or other

1 substantial loss that is alleged or suspected to be caused at least in  
2 part by the actions of the state agency. State agencies shall provide  
3 the loss prevention review team ready access to relevant documents in  
4 their possession and ready access to their employees.

5 **Sec. 509.** RCW 43.41.380 and 2002 c 333 s 3 are each amended to  
6 read as follows:

7 (1) The final report from a loss prevention review team to the  
8 director (~~(of financial management)~~) shall be made public by the  
9 director promptly upon receipt, and shall be subject to public  
10 disclosure. The final report shall be subject to discovery in a civil  
11 or administrative proceeding. However, the final report shall not be  
12 admitted into evidence or otherwise used in a civil or administrative  
13 proceeding except pursuant to subsection (2) of this section.

14 (2) The relevant excerpt or excerpts from the final report of a  
15 loss prevention review team may be used to impeach a fact witness in a  
16 civil or administrative proceeding only if the party wishing to use the  
17 excerpt or excerpts from the report first shows the court by clear and  
18 convincing evidence that the witness, in testimony provided in  
19 deposition or at trial in the present proceeding, has contradicted his  
20 or her previous statements to the loss prevention review team on an  
21 issue of fact material to the present proceeding. In that case, the  
22 party may use only the excerpt or excerpts necessary to demonstrate the  
23 contradiction. This section shall not be interpreted as expanding the  
24 scope of material that may be used to impeach a witness.

25 (3) No member of a loss prevention review team may be examined in  
26 a civil or administrative proceeding as to (a) the work of the loss  
27 prevention review team, (b) the incident under review, (c) his or her  
28 statements, deliberations, thoughts, analyses, or impressions relating  
29 to the work of the loss prevention review team or the incident under  
30 review, or (d) the statements, deliberations, thoughts, analyses, or  
31 impressions of any other member of the loss prevention review team, or  
32 any person who provided information to it, relating to the work of the  
33 loss prevention review team or the incident under review.

34 (4) Any document that exists prior to the appointment of a loss  
35 prevention review team, or that is created independently of such a  
36 team, does not become inadmissible merely because it is reviewed or  
37 used by the loss prevention review team. A person does not become

1 unavailable as a witness merely because the person has been interviewed  
2 by or has provided a statement to a loss prevention review team.  
3 However, if called as a witness, the person may not be examined  
4 regarding the person's interactions with the loss prevention review  
5 team, including without limitation whether the loss prevention review  
6 team interviewed the person, what questions the loss prevention review  
7 team asked, and what answers the person provided to the loss prevention  
8 review team. This section shall not be construed as restricting the  
9 person from testifying fully in any proceeding regarding his or her  
10 knowledge of the incident under review.

11 (5) Documents prepared by or for the loss prevention review team  
12 are inadmissible and may not be used in a civil or administrative  
13 proceeding, except that excerpts may be used to impeach the credibility  
14 of a witness under the same circumstances that excerpts of the final  
15 report may be used pursuant to subsection (2) of this section.

16 (6) The restrictions set forth in this section shall not apply in  
17 a licensing or disciplinary proceeding arising from an agency's effort  
18 to revoke or suspend the license of any licensed professional based in  
19 whole or in part upon allegations of wrongdoing in connection with the  
20 death, injury, or other incident reviewed by the loss prevention review  
21 team.

22 (7) Within one hundred twenty days after completion of the final  
23 report of a loss prevention review team, the agency under review shall  
24 issue to the (~~office of financial management~~) department a response  
25 to the report. The response will indicate (a) which of the report's  
26 recommendations the agency hopes to implement, (b) whether  
27 implementation of those recommendations will require additional funding  
28 or legislation, and (c) whatever other information the director may  
29 require. This response shall be considered part of the final report  
30 and shall be subject to all provisions of this section that apply to  
31 the final report, including without limitation the restrictions on  
32 admissibility and use in civil or administrative proceedings and the  
33 obligation of the director to make the final report public.

34 (8) Nothing in RCW 43.41.370 (as recodified by this act) or this  
35 section is intended to limit the scope of a legislative inquiry into or  
36 review of an incident that is the subject of a loss prevention review.

37 (9) Nothing in RCW 43.41.370 (as recodified by this act) or in this

1 section affects chapter 70.41 RCW and application of that chapter to  
2 state-owned or managed hospitals licensed under chapter 70.41 RCW.

3 **Sec. 510.** RCW 43.41.110 and 2002 c 332 s 23 are each amended to  
4 read as follows:

5 The office of financial management shall:

6 (1) Provide technical assistance to the governor and the  
7 legislature in identifying needs and in planning to meet those needs  
8 through state programs and a plan for expenditures.

9 (2) Perform the comprehensive planning functions and processes  
10 necessary or advisable for state program planning and development,  
11 preparation of the budget, inter-departmental and inter-governmental  
12 coordination and cooperation, and determination of state capital  
13 improvement requirements.

14 (3) Provide assistance and coordination to state agencies and  
15 departments in their preparation of plans and programs.

16 (4) Provide general coordination and review of plans in functional  
17 areas of state government as may be necessary for receipt of federal or  
18 state funds.

19 (5) Participate with other states or subdivisions thereof in  
20 interstate planning.

21 (6) Encourage educational and research programs that further  
22 planning and provide administrative and technical services therefor.

23 (7) Carry out the provisions of RCW 43.62.010 through 43.62.050  
24 relating to the state census.

25 ~~(8) ((Carry out the provisions of this chapter and chapter 4.92 RCW  
26 relating to risk management.~~

27 ~~(9))~~ Be the official state participant in the federal-state  
28 cooperative program for local population estimates and as such certify  
29 all city and county special censuses to be considered in the allocation  
30 of state and federal revenues.

31 ~~((10))~~ (9) Be the official state center for processing and  
32 dissemination of federal decennial or quinquennial census data in  
33 cooperation with other state agencies.

34 ~~((11))~~ (10) Be the official state agency certifying annexations,  
35 incorporations, or disincorporations to the United States bureau of the  
36 census.

1        ~~((12))~~ (11) Review all United States bureau of the census  
2 population estimates used for federal revenue sharing purposes and  
3 provide a liaison for local governments with the United States bureau  
4 of the census in adjusting or correcting revenue sharing population  
5 estimates.

6        ~~((13))~~ (12) Provide fiscal notes depicting the expected fiscal  
7 impact of proposed legislation in accordance with chapter 43.88A RCW.

8        ~~((14))~~ (13) Be the official state agency to estimate and manage  
9 the cash flow of all public funds as provided in chapter 43.88 RCW. To  
10 this end, the office shall adopt such rules as are necessary to manage  
11 the cash flow of public funds.

12        **Sec. 511.** RCW 4.92.006 and 2002 c 332 s 10 are each amended to  
13 read as follows:

14        As used in this chapter:

15        (1) ~~(("Office" means the office of financial management.))~~  
16 "Department" means the department of enterprise services.

17        (2) "Director" means the director of ~~((financial management))~~  
18 enterprise services.

19        (3) ~~(("Risk management division"))~~ "Office of risk management"  
20 means the ~~((division of the office of financial management))~~ office  
21 within the department of enterprise services that carries out the  
22 powers and duties under this chapter relating to claim filing, claims  
23 administration, and claims payment.

24        (4) "Risk manager" means the person supervising the office of risk  
25 management ~~((division))~~.

26        **Sec. 512.** RCW 4.92.040 and 2002 c 332 s 11 are each amended to  
27 read as follows:

28        (1) No execution shall issue against the state on any judgment.

29        (2) Whenever a final judgment against the state is obtained in an  
30 action on a claim arising out of tortious conduct, the claim shall be  
31 paid from the liability account.

32        (3) Whenever a final judgment against the state shall have been  
33 obtained in any other action, the clerk of the court shall make and  
34 furnish to the office of risk management ~~((division))~~ a duly certified  
35 copy of such judgment; the office of risk management ~~((division))~~ shall

1 thereupon audit the amount of damages and costs therein awarded, and  
2 the same shall be paid from appropriations specifically provided for  
3 such purposes by law.

4 (4) Final judgments for which there are no provisions in state law  
5 for payment shall be transmitted by the office of risk management  
6 (~~(division)~~) to the senate and house of representatives committees on  
7 ways and means as follows:

8 (a) On the first day of each session of the legislature, the office  
9 of risk management (~~(division)~~) shall transmit judgments received and  
10 audited since the adjournment of the previous session of the  
11 legislature.

12 (b) During each session of legislature, the office of risk  
13 management (~~(division)~~) shall transmit judgments immediately upon  
14 completion of audit.

15 (5) All claims, other than judgments, made to the legislature  
16 against the state of Washington for money or property, shall be  
17 accompanied by a statement of the facts on which such claim is based  
18 and such evidence as the claimant intends to offer in support of the  
19 claim and shall be filed with the office of risk management  
20 (~~(division)~~), which shall retain the same as a record. All claims of  
21 two thousand dollars or less shall be approved or rejected by the  
22 office of risk management (~~(division)~~), and if approved shall be paid  
23 from appropriations specifically provided for such purpose by law.  
24 Such decision, if adverse to the claimant in whole or part, shall not  
25 preclude the claimant from seeking relief from the legislature. If the  
26 claimant accepts any part of his or her claim which is approved for  
27 payment by the office of risk management (~~(division)~~), such acceptance  
28 shall constitute a waiver and release of the state from any further  
29 claims relating to the damage or injury asserted in the claim so  
30 accepted. The office of risk management (~~(division)~~) shall submit to  
31 the house and senate committees on ways and means, at the beginning of  
32 each regular session, a comprehensive list of all claims paid pursuant  
33 to this subsection during the preceding year. For all claims not  
34 approved by the office of risk management (~~(division)~~), the office of  
35 risk management (~~(division)~~) shall recommend to the legislature whether  
36 such claims should be approved or rejected. Recommendations shall be  
37 submitted to the senate and house of representatives committees on ways  
38 and means not later than the thirtieth day of each regular session of

1 the legislature. Claims which cannot be processed for timely  
2 submission of recommendations shall be held for submission during the  
3 following regular session of the legislature. The recommendations  
4 shall include, but not be limited to:

5 (a) A summary of the facts alleged in the claim, and a statement as  
6 to whether these facts can be verified by the office of risk management  
7 (~~division~~);

8 (b) An estimate by the office of risk management (~~division~~) of  
9 the value of the loss or damage which was alleged to have occurred;

10 (c) An analysis of the legal liability, if any, of the state for  
11 the alleged loss or damage; and

12 (d) A summary of equitable or public policy arguments which might  
13 be helpful in resolving the claim.

14 (6) The legislative committees to whom such claims are referred  
15 shall make a transcript, recording, or statement of the substance of  
16 the evidence given in support of such a claim. If the legislature  
17 approves a claim the same shall be paid from appropriations  
18 specifically provided for such purpose by law.

19 (7) Subsections (3) through (6) of this section do not apply to  
20 judgments or claims against the state housing finance commission  
21 created under chapter 43.180 RCW.

22 **Sec. 513.** RCW 4.92.130 and 2009 c 560 s 15 are each amended to  
23 read as follows:

24 A liability account in the custody of the treasurer is hereby  
25 created as a nonappropriated account to be used solely and exclusively  
26 for the payment of liability settlements and judgments against the  
27 state under 42 U.S.C. Sec. 1981 et seq. or for the tortious conduct of  
28 its officers, employees, and volunteers and all related legal defense  
29 costs.

30 (1) The purpose of the liability account is to: (a) Expeditiously  
31 pay legal liabilities and defense costs of the state resulting from  
32 tortious conduct; (b) promote risk control through a cost allocation  
33 system which recognizes agency loss experience, levels of self-  
34 retention, and levels of risk exposure; and (c) establish an  
35 actuarially sound system to pay incurred losses, within defined limits.

36 (2) The liability account shall be used to pay claims for injury

1 and property damages and legal defense costs exclusive of agency-  
2 retained expenses otherwise budgeted.

3 (3) No money shall be paid from the liability account, except for  
4 defense costs, unless all proceeds available to the claimant from any  
5 valid and collectible liability insurance shall have been exhausted and  
6 unless:

7 (a) The claim shall have been reduced to final judgment in a court  
8 of competent jurisdiction; or

9 (b) The claim has been approved for payment.

10 (4) The liability account shall be financed through annual premiums  
11 assessed to state agencies, based on sound actuarial principles, and  
12 shall be for liability coverage in excess of agency-budgeted self-  
13 retention levels.

14 (5) Annual premium levels shall be determined by the risk manager.  
15 An actuarial study shall be conducted to assist in determining the  
16 appropriate level of funding.

17 (6) Disbursements for claims from the liability account shall be  
18 made to the claimant, or to the clerk of the court for judgments, upon  
19 written request to the state treasurer from the risk manager.

20 (7) The director may direct agencies to transfer moneys from other  
21 funds and accounts to the liability account if premiums are delinquent.

22 (8) The liability account shall not exceed fifty percent of the  
23 actuarial value of the outstanding liability as determined annually by  
24 the office of risk management (~~(division)~~). If the account exceeds the  
25 maximum amount specified in this section, premiums may be adjusted by  
26 the office of risk management (~~(division)~~) in order to maintain the  
27 account balance at the maximum limits. If, after adjustment of  
28 premiums, the account balance remains above the limits specified, the  
29 excess amount shall be prorated back to the appropriate funds.

30 **Sec. 514.** RCW 4.92.150 and 2002 c 332 s 15 are each amended to  
31 read as follows:

32 After commencement of an action in a court of competent  
33 jurisdiction upon a claim against the state, or any of its officers,  
34 employees, or volunteers arising out of tortious conduct or pursuant to  
35 42 U.S.C. Sec. 1981 et seq., or against a foster parent that the  
36 attorney general is defending pursuant to RCW 4.92.070, or upon  
37 petition by the state, the attorney general, with the prior approval of



1 the office of risk management (~~(division)~~) and with the approval of the  
2 court, following such testimony as the court may require, may  
3 compromise and settle the same and stipulate for judgment against the  
4 state, the affected officer, employee, volunteer, or foster parent.

5 **Sec. 515.** RCW 4.92.160 and 2002 c 332 s 16 are each amended to  
6 read as follows:

7 Payment of claims and judgments arising out of tortious conduct or  
8 pursuant to 42 U.S.C. Sec. 1981 et seq. shall not be made by any agency  
9 or department of state government with the exception of the office of  
10 risk management (~~(division)~~), and that (~~(division)~~) office shall  
11 authorize and direct the payment of moneys only from the liability  
12 account whenever:

13 (1) The head or governing body of any agency or department of state  
14 or the designee of any such agency certifies to the office of risk  
15 management (~~(division)~~) that a claim has been settled; or

16 (2) The clerk of court has made and forwarded a certified copy of  
17 a final judgment in a court of competent jurisdiction and the attorney  
18 general certifies that the judgment is final and was entered in an  
19 action on a claim arising out of tortious conduct or under and pursuant  
20 to 42 U.S.C. Sec. 1981 et seq. Payment of a judgment shall be made to  
21 the clerk of the court for the benefit of the judgment creditors. Upon  
22 receipt of payment, the clerk shall satisfy the judgment against the  
23 state.

24 **Sec. 516.** RCW 4.92.210 and 2002 c 332 s 17 are each amended to  
25 read as follows:

26 (1) All liability claims arising out of tortious conduct or under  
27 42 U.S.C. Sec. 1981 et seq. that the state of Washington or any of its  
28 officers, employees, or volunteers would be liable for shall be filed  
29 with the office of risk management (~~(division)~~).

30 (2) A centralized claim tracking system shall be maintained to  
31 provide agencies with accurate and timely data on the status of  
32 liability claims. Information in this claim file, other than the claim  
33 itself, shall be privileged and confidential.

34 (3) Standardized procedures shall be established for filing,  
35 reporting, processing, and adjusting claims, which includes the use of  
36 qualified claims management personnel.

1 (4) All claims shall be reviewed by the office of risk management  
2 (~~division~~) to determine an initial valuation, to delegate to the  
3 appropriate office to investigate, negotiate, compromise, and settle  
4 the claim, or to retain that responsibility on behalf of and with the  
5 assistance of the affected state agency.

6 (5) All claims that result in a lawsuit shall be forwarded to the  
7 attorney general's office. Thereafter the attorney general and the  
8 office of risk management (~~division~~) shall collaborate in the  
9 investigation, denial, or settlement of the claim.

10 (6) Reserves shall be established for recognizing financial  
11 liability and monitoring effectiveness. The valuation of specific  
12 claims against the state shall be privileged and confidential.

13 (7) All settlements shall be approved by the responsible agencies,  
14 or their designees, prior to settlement.

15 **Sec. 517.** RCW 4.92.270 and 2002 c 332 s 21 are each amended to  
16 read as follows:

17 The risk manager shall develop procedures for standard  
18 indemnification agreements for state agencies to use whenever the  
19 agency agrees to indemnify, or be indemnified by, any person or party.  
20 The risk manager shall also develop guidelines for the use of  
21 indemnification agreements by state agencies. On request of the risk  
22 manager, an agency shall forward to the office of risk management  
23 (~~division~~) for review and approval any contract or agreement  
24 containing an indemnification agreement.

25 **Sec. 518.** RCW 4.92.280 and 1998 c 217 s 4 are each amended to read  
26 as follows:

27 If chapter 217, Laws of 1998 mandates an increased level of service  
28 by local governments, the local government may, under RCW 43.135.060  
29 and chapter 4.92 RCW, submit claims for reimbursement by the  
30 legislature. The claims shall be subject to verification by the  
31 (~~office of financial management~~) department of enterprise services.

32 **Sec. 519.** RCW 10.92.020 and 2008 c 224 s 2 are each amended to  
33 read as follows:

34 (1) Tribal police officers under subsection (2) of this section  
35 shall be recognized and authorized to act as general authority

1 Washington peace officers. A tribal police officer recognized and  
2 authorized to act as a general authority Washington peace officer under  
3 this section has the same powers as any other general authority  
4 Washington peace officer to enforce state laws in Washington, including  
5 the power to make arrests for violations of state laws.

6 (2) A tribal police officer may exercise the powers of law  
7 enforcement of a general authority Washington peace officer under this  
8 section, subject to the following:

9 (a) The appropriate sovereign tribal nation shall submit to the  
10 (~~office of financial management~~) department of enterprise services  
11 proof of public liability and property damage insurance for vehicles  
12 operated by the peace officers and police professional liability  
13 insurance from a company licensed to sell insurance in the state. For  
14 purposes of determining adequacy of insurance liability, the sovereign  
15 tribal government must submit with the proof of liability insurance a  
16 copy of the interlocal agreement between the sovereign tribal  
17 government and the local governments that have shared jurisdiction  
18 under this chapter where such an agreement has been reached pursuant to  
19 subsection (10) of this section.

20 (i) Within the thirty days of receipt of the information from the  
21 sovereign tribal nation, the (~~office of financial management~~)  
22 department of enterprise services shall either approve or reject the  
23 adequacy of insurance, giving consideration to the scope of the  
24 interlocal agreement. The adequacy of insurance under this chapter  
25 shall be subject to annual review by the (~~state office of financial~~  
26 ~~management~~) department of enterprise services.

27 (ii) Each policy of insurance issued under this chapter must  
28 include a provision that the insurance shall be available to satisfy  
29 settlements or judgments arising from the tortious conduct of tribal  
30 police officers when acting in the capacity of a general authority  
31 Washington peace officer, and that to the extent of policy coverage  
32 neither the sovereign tribal nation nor the insurance carrier will  
33 raise a defense of sovereign immunity to preclude an action for damages  
34 under state or federal law, the determination of fault in a civil  
35 action, or the payment of a settlement or judgment arising from the  
36 tortious conduct.

37 (b) The appropriate sovereign tribal nation shall submit to the  
38 (~~office of financial management~~) department of enterprise services

1 proof of training requirements for each tribal police officer. To be  
2 authorized as a general authority Washington peace officer, a tribal  
3 police officer must successfully complete the requirements set forth  
4 under RCW 43.101.157. Any applicant not meeting the requirements for  
5 certification as a tribal police officer may not act as a general  
6 authority Washington peace officer under this chapter. The criminal  
7 justice training commission shall notify the (~~office of financial~~  
8 ~~management~~) department of enterprise services if:

9 (i) A tribal police officer authorized under this chapter as a  
10 general authority Washington state peace officer has been decertified  
11 pursuant to RCW 43.101.157; or

12 (ii) An appropriate sovereign tribal government is otherwise in  
13 noncompliance with RCW 43.101.157.

14 (3) A copy of any citation or notice of infraction issued, or any  
15 incident report taken, by a tribal police officer acting in the  
16 capacity of a general authority Washington peace officer as authorized  
17 by this chapter must be submitted within three days to the police chief  
18 or sheriff within whose jurisdiction the action was taken. Any  
19 citation issued under this chapter shall be to a Washington court,  
20 except that any citation issued to Indians within the exterior  
21 boundaries of an Indian reservation may be cited to a tribal court.  
22 Any arrest made or citation issued not in compliance with this chapter  
23 is not enforceable.

24 (4) Any authorization granted under this chapter shall not in any  
25 way expand the jurisdiction of any tribal court or other tribal  
26 authority.

27 (5) The authority granted under this chapter shall be coextensive  
28 with the exterior boundaries of the reservation, except that an officer  
29 commissioned under this section may act as authorized under RCW  
30 10.93.070 beyond the exterior boundaries of the reservation.

31 (6) For purposes of civil liability under this chapter, a tribal  
32 police officer shall not be considered an employee of the state of  
33 Washington or any local government except where a state or local  
34 government has deputized a tribal police officer as a specially  
35 commissioned officer. Neither the state of Washington and its  
36 individual employees nor any local government and its individual  
37 employees shall be liable for the authorization of tribal police  
38 officers under this chapter, nor for the negligence or other misconduct

1 of tribal officers. The authorization of tribal police officers under  
2 this chapter shall not be deemed to have been a nondelegable duty of  
3 the state of Washington or any local government.

4 (7) Nothing in this chapter impairs or affects the existing status  
5 and sovereignty of those sovereign tribal governments whose traditional  
6 lands and territories lie within the borders of the state of Washington  
7 as established under the laws of the United States.

8 (8) Nothing in this chapter limits, impairs, or nullifies the  
9 authority of a county sheriff to appoint duly commissioned state or  
10 federally certified tribal police officers as deputy sheriffs  
11 authorized to enforce the criminal and traffic laws of the state of  
12 Washington.

13 (9) Nothing in this chapter limits, impairs, or otherwise affects  
14 the existing authority under state or federal law of state or local law  
15 enforcement officers to enforce state law within the exterior  
16 boundaries of an Indian reservation or to enter Indian country in fresh  
17 pursuit, as defined in RCW 10.93.120, of a person suspected of  
18 violating state law, where the officer would otherwise not have  
19 jurisdiction.

20 (10) An interlocal agreement pursuant to chapter 39.34 RCW is  
21 required between the sovereign tribal government and all local  
22 government law enforcement agencies that will have shared jurisdiction  
23 under this chapter prior to authorization taking effect under this  
24 chapter. Nothing in this chapter shall limit, impair, or otherwise  
25 affect the implementation of an interlocal agreement completed pursuant  
26 to chapter 39.34 RCW by July 1, 2008, between a sovereign tribal  
27 government and a local government law enforcement agency for  
28 cooperative law enforcement.

29 (a) Sovereign tribal governments that meet all of the requirements  
30 of subsection (2) of this section, but do not have an interlocal  
31 agreement pursuant to chapter 39.34 RCW and seek authorization under  
32 this chapter, may submit proof of liability insurance and training  
33 certification to the (~~office of financial management~~) department of  
34 enterprise services. Upon confirmation of receipt of the information  
35 from the (~~office of financial management~~) department of enterprise  
36 services, the sovereign tribal government and the local government law  
37 enforcement agencies that will have shared jurisdiction under this  
38 chapter have one year to enter into an interlocal agreement pursuant to

1 chapter 39.34 RCW. If the sovereign tribal government and the local  
2 government law enforcement agencies that will have shared jurisdiction  
3 under this chapter are not able to reach agreement after one year, the  
4 sovereign tribal governments and the local government law enforcement  
5 agencies shall submit to binding arbitration pursuant to chapter 7.04A  
6 RCW with the American arbitration association or successor agency for  
7 purposes of completing an agreement prior to authorization going into  
8 effect.

9 (b) For the purposes of (a) of this subsection, those sovereign  
10 tribal government and local government law enforcement agencies that  
11 must enter into binding arbitration shall submit to last best offer  
12 arbitration. For purposes of accepting a last best offer, the  
13 arbitrator must consider other interlocal agreements between sovereign  
14 tribal governments and local law enforcement agencies in Washington  
15 state, any model policy developed by the Washington association of  
16 sheriffs and police chiefs or successor agency, and national best  
17 practices.

18 **Sec. 520.** RCW 48.62.021 and 2004 c 255 s 2 are each amended to  
19 read as follows:

20 Unless the context clearly requires otherwise, the definitions in  
21 this section apply throughout this chapter.

22 (1) "Local government entity" or "entity" means every unit of local  
23 government, both general purpose and special purpose, and includes, but  
24 is not limited to, counties, cities, towns, port districts, public  
25 utility districts, water-sewer districts, school districts, fire  
26 protection districts, irrigation districts, metropolitan municipal  
27 corporations, conservation districts, and other political subdivisions,  
28 governmental subdivisions, municipal corporations, and quasi-municipal  
29 corporations.

30 (2) "Risk assumption" means a decision to absorb the entity's  
31 financial exposure to a risk of loss without the creation of a formal  
32 program of advance funding of anticipated losses.

33 (3) "Self-insurance" means a formal program of advance funding and  
34 management of entity financial exposure to a risk of loss that is not  
35 transferred through the purchase of an insurance policy or contract.

36 (4) "Health and welfare benefits" means a plan or program  
37 established by a local government entity or entities for the purpose of

1 providing its employees and their dependents, and in the case of school  
2 districts, its district employees, students, directors, or any of their  
3 dependents, with health care, accident, disability, death, and salary  
4 protection benefits.

5 (5) "Property and liability risks" includes the risk of property  
6 damage or loss sustained by a local government entity and the risk of  
7 claims arising from the tortious or negligent conduct or any error or  
8 omission of the local government entity, its officers, employees,  
9 agents, or volunteers as a result of which a claim may be made against  
10 the local government entity.

11 (6) "State risk manager" means the risk manager of the office of  
12 risk management (~~(division)~~) within the (~~(office of financial~~  
13 ~~management)~~) department of enterprise services.

14 (7) "Nonprofit corporation" or "corporation" has the same meaning  
15 as defined in RCW 24.03.005(3).

16 **Sec. 521.** RCW 48.64.010 and 2009 c 314 s 2 are each amended to  
17 read as follows:

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

20 (1) "Affordable housing" means housing projects in which some of  
21 the dwelling units may be purchased or rented on a basis that is  
22 affordable to households with an income of eighty percent or less of  
23 the county median family income, adjusted for family size.

24 (2) "Affordable housing entity" means any of the following:

25 (a) A housing authority created under the laws of this state or  
26 another state and any agency or instrumentality of a housing authority  
27 including, but not limited to, a legal entity created to conduct a  
28 joint self-insurance program for housing authorities that is operating  
29 in accordance with chapter 48.62 RCW;

30 (b) A nonprofit corporation, whether organized under the laws of  
31 this state or another state, that is engaged in providing affordable  
32 housing and is necessary for the completion, management, or operation  
33 of a project because of its access to funding sources that are not  
34 available to a housing authority, as described in this section; or

35 (c) A general or limited partnership or limited liability company,  
36 whether organized under the laws of this state or another state, that  
37 is engaged in providing affordable housing as defined in this section.

1 A partnership or limited liability company may only be considered an  
2 affordable housing entity if a housing authority or nonprofit  
3 corporation, as described in this subsection, satisfies any of the  
4 following conditions: (i) It has, or has the right to acquire, a  
5 financial or ownership interest in the partnership or limited liability  
6 company; (ii) it possesses the power to direct management or policies  
7 of the partnership or limited liability company; or (iii) it has  
8 entered into a contract to lease, manage, or operate the affordable  
9 housing owned by the partnership or limited liability company.

10 (3) "Property and liability risks" includes the risk of property  
11 damage or loss sustained by an affordable housing entity and the risk  
12 of claims arising from the tortious or negligent conduct or any error  
13 or omission of the entity, its officers, employees, agents, or  
14 volunteers as a result of which a claim may be made against the entity.

15 (4) "Self-insurance" means a formal program of advance funding and  
16 management of entity financial exposure to a risk of loss that is not  
17 transferred through the purchase of an insurance policy or contract.

18 (5) "State risk manager" means the risk manager of the office of  
19 risk management (~~(division)~~) within the (~~(office of financial~~  
20 ~~management)~~) department of enterprise services.

21 **Sec. 522.** RCW 39.29.011 and 2009 c 486 s 7 are each amended to  
22 read as follows:

23 All personal service contracts shall be entered into pursuant to  
24 competitive solicitation, except for:

- 25 (1) Emergency contracts;
- 26 (2) Sole source contracts;
- 27 (3) Contract amendments;
- 28 (4) Contracts between a consultant and an agency of less than  
29 twenty thousand dollars. However, contracts of five thousand dollars  
30 or greater but less than twenty thousand dollars shall have documented  
31 evidence of competition, which must include agency posting of the  
32 contract opportunity on the state's common vendor registration and bid  
33 notification system. Agencies shall not structure contracts to evade  
34 these requirements; and

35 (5) Other specific contracts or classes or groups of contracts  
36 exempted from the competitive solicitation process by the director of



1 the (~~office of financial management~~) department of enterprise  
2 services when it has been determined that a competitive solicitation  
3 process is not appropriate or cost-effective.

4 **Sec. 523.** RCW 39.29.016 and 1998 c 101 s 4 are each amended to  
5 read as follows:

6 Emergency contracts shall be filed with the (~~office of financial~~  
7 ~~management~~) department of enterprise services and made available for  
8 public inspection within three working days following the commencement  
9 of work or execution of the contract, whichever occurs first.  
10 Documented justification for emergency contracts shall be provided to  
11 the (~~office of financial management~~) department of enterprise  
12 services when the contract is filed.

13 **Sec. 524.** RCW 39.29.018 and 2009 c 486 s 8 are each amended to  
14 read as follows:

15 (1) Sole source contracts shall be filed with the (~~office of~~  
16 ~~financial management~~) department of enterprise services and made  
17 available for public inspection at least ten working days prior to the  
18 proposed starting date of the contract. Documented justification for  
19 sole source contracts shall be provided to the (~~office of financial~~  
20 ~~management~~) department of enterprise services when the contract is  
21 filed, and must include evidence that the agency posted the contract  
22 opportunity on the state's common vendor registration and bid  
23 notification system. For sole source contracts of twenty thousand  
24 dollars or more, documented justification shall also include evidence  
25 that the agency attempted to identify potential consultants by  
26 advertising through statewide or regional newspapers.

27 (2) The (~~office of financial management~~) department of enterprise  
28 services shall approve sole source contracts of twenty thousand dollars  
29 or more before any such contract becomes binding and before any  
30 services may be performed under the contract. These requirements shall  
31 also apply to sole source contracts of less than twenty thousand  
32 dollars if the total amount of such contracts between an agency and the  
33 same consultant is twenty thousand dollars or more within a fiscal  
34 year. Agencies shall ensure that the costs, fees, or rates negotiated  
35 in filed sole source contracts of twenty thousand dollars or more are  
36 reasonable.

1           **Sec. 525.** RCW 39.29.025 and 1998 c 101 s 6 are each amended to  
2 read as follows:

3           (1) Substantial changes in either the scope of work specified in  
4 the contract or in the scope of work specified in the formal  
5 solicitation document must generally be awarded as new contracts.  
6 Substantial changes executed by contract amendments must be submitted  
7 to the (~~office of financial management~~) department of enterprise  
8 services, and are subject to approval by the (~~office of financial~~  
9 ~~management~~) department of enterprise services.

10           (2) An amendment or amendments to personal service contracts, if  
11 the value of the amendment or amendments, whether singly or  
12 cumulatively, exceeds fifty percent of the value of the original  
13 contract must be provided to the (~~office of financial management~~)  
14 department of enterprise services.

15           (3) The (~~office of financial management~~) department of enterprise  
16 services shall approve amendments provided to it under this section  
17 before the amendments become binding and before services may be  
18 performed under the amendments.

19           (4) The amendments must be filed with the (~~office of financial~~  
20 ~~management~~) department of enterprise services and made available for  
21 public inspection at least ten working days prior to the proposed  
22 starting date of services under the amendments.

23           (5) The (~~office of financial management~~) department of enterprise  
24 services shall approve amendments provided to it under this section  
25 only if they meet the criteria for approval of the amendments  
26 established by the director of the (~~office of financial management~~)  
27 department of enterprise services.

28           **Sec. 526.** RCW 39.29.055 and 1998 c 101 s 8 are each amended to  
29 read as follows:

30           (1) Personal service contracts subject to competitive solicitation  
31 shall be (a) filed with the (~~office of financial management~~)  
32 department of enterprise services and made available for public  
33 inspection; and (b) reviewed and approved by the (~~office of financial~~  
34 ~~management~~) department of enterprise services when those contracts  
35 provide services relating to management consulting, organizational  
36 development, marketing, communications, employee training, or employee  
37 recruiting.

1 (2) Personal service contracts subject to competitive solicitation  
2 that provide services relating to management consulting, organizational  
3 development, marketing, communications, employee training, or employee  
4 recruiting shall be made available for public inspection at least ten  
5 working days before the proposed starting date of the contract. All  
6 other contracts shall be effective no earlier than the date they are  
7 filed with the (~~office of financial management~~) department of  
8 enterprise services.

9 **Sec. 527.** RCW 39.29.065 and 2009 c 486 s 9 are each amended to  
10 read as follows:

11 To implement this chapter, the director of the (~~office of~~  
12 ~~financial management~~) department of enterprise services shall  
13 establish procedures for the competitive solicitation and award of  
14 personal service contracts, recordkeeping requirements, and procedures  
15 for the reporting and filing of contracts. The director shall develop  
16 procurement policies and procedures, such as unbundled contracting and  
17 subcontracting, that encourage and facilitate the purchase of products  
18 and services by state agencies and institutions from Washington small  
19 businesses to the maximum extent practicable and consistent with  
20 international trade agreement commitments. For reporting purposes, the  
21 director may establish categories for grouping of contracts. The  
22 procedures required under this section shall also include the criteria  
23 for amending personal service contracts. At the beginning of each  
24 biennium, the director may, by administrative policy, adjust the dollar  
25 thresholds prescribed in RCW 39.29.011, 39.29.018, and 39.29.040 to  
26 levels not to exceed the percentage increase in the implicit price  
27 deflator. Adjusted dollar thresholds shall be rounded to the nearest  
28 five hundred dollar increment.

29 **Sec. 528.** RCW 39.29.068 and 1998 c 245 s 33 and 1998 c 101 s 10  
30 are each reenacted and amended to read as follows:

31 The (~~office of financial management~~) department of enterprise  
32 services shall maintain a publicly available list of all personal  
33 service contracts entered into by state agencies during each fiscal  
34 year. The list shall identify the contracting agency, the contractor,  
35 the purpose of the contract, effective dates and periods of  
36 performance, the cost of the contract and funding source, any

1 modifications to the contract, and whether the contract was  
2 competitively procured or awarded on a sole source basis. The (~~office~~  
3 ~~of financial management~~) department of enterprise services shall also  
4 ensure that state accounting definitions and procedures are consistent  
5 with RCW 39.29.006 and permit the reporting of personal services  
6 expenditures by agency and by type of service. Designations of type of  
7 services shall include, but not be limited to, management and  
8 organizational services, legal and expert witness services, financial  
9 services, computer and information services, social or technical  
10 research, marketing, communications, and employee training or  
11 recruiting services. The (~~office of financial management~~) department  
12 of enterprise services shall report annually to the fiscal committees  
13 of the senate and house of representatives on sole source contracts  
14 filed under this chapter. The report shall describe: (1) The number  
15 and aggregate value of contracts for each category established in this  
16 section; (2) the number and aggregate value of contracts of five  
17 thousand dollars or greater but less than twenty thousand dollars; (3)  
18 the number and aggregate value of contracts of twenty thousand dollars  
19 or greater; (4) the justification provided by agencies for the use of  
20 sole source contracts; and (5) any trends in the use of sole source  
21 contracts.

22 **Sec. 529.** RCW 39.29.075 and 1987 c 414 s 9 are each amended to  
23 read as follows:

24 As requested by the legislative auditor, the (~~office of financial~~  
25 ~~management~~) department of enterprise services shall provide  
26 information on contracts filed under this chapter for use in  
27 preparation of summary reports on personal services contracts.

28 **Sec. 530.** RCW 39.29.090 and 1998 c 101 s 11 are each amended to  
29 read as follows:

30 Personal service contracts awarded by institutions of higher  
31 education from nonstate funds do not have to be filed in advance and  
32 approved by the (~~office of financial management~~) department of  
33 enterprise services. Any such contract is subject to all other  
34 requirements of this chapter, including the requirements under RCW  
35 39.29.068 for annual reporting of personal service contracts to the  
36 (~~office of financial management~~) department of enterprise services.

1       **Sec. 531.** RCW 39.29.100 and 2002 c 260 s 7 are each amended to  
2 read as follows:

3       (1) The (~~office of financial management~~) department of enterprise  
4 services shall adopt uniform guidelines for the effective and efficient  
5 management of personal service contracts and client service contracts  
6 by all state agencies. The guidelines must, at a minimum, include:

7       (a) Accounting methods, systems, measures, and principles to be  
8 used by agencies and contractors;

9       (b) Precontract procedures for selecting potential contractors  
10 based on their qualifications and ability to perform;

11       (c) Incorporation of performance measures and measurable benchmarks  
12 in contracts, and the use of performance audits;

13       (d) Uniform contract terms to ensure contract performance and  
14 compliance with state and federal standards;

15       (e) Proper payment and reimbursement methods to ensure that the  
16 state receives full value for taxpayer moneys, including cost  
17 settlements and cost allowance;

18       (f) Postcontract procedures, including methods for recovering  
19 improperly spent or overspent moneys for disallowance and adjustment;

20       (g) Adequate contract remedies and sanctions to ensure compliance;

21       (h) Monitoring, fund tracking, risk assessment, and auditing  
22 procedures and requirements;

23       (i) Financial reporting, record retention, and record access  
24 procedures and requirements;

25       (j) Procedures and criteria for terminating contracts for cause or  
26 otherwise; and

27       (k) Any other subject related to effective and efficient contract  
28 management.

29       (2) The (~~office of financial management~~) department of enterprise  
30 services shall submit the guidelines required by subsection (1) of this  
31 section to the governor and the appropriate standing committees of the  
32 legislature no later than December 1, 2002.

33       (3) The (~~office of financial management~~) department of enterprise  
34 services shall publish a guidebook for use by state agencies containing  
35 the guidelines required by subsection (1) of this section.

36       **Sec. 532.** RCW 39.29.110 and 2002 c 260 s 8 are each amended to  
37 read as follows:

1 (1) A state agency entering into or renewing personal service  
2 contracts or client service contracts shall follow the guidelines  
3 required by RCW 39.29.100.

4 (2) A state agency that has entered into or renewed personal  
5 service contracts or client service contracts during a calendar year  
6 shall, on or before January 1st of the following calendar year, provide  
7 the (~~office of financial management~~) department of enterprise  
8 services with a report detailing the procedures the agency employed in  
9 entering into, renewing, and managing the contracts.

10 (3) The provisions of this section apply to state agencies entering  
11 into or renewing contracts after January 1, 2003.

12 **Sec. 533.** RCW 39.29.120 and 2002 c 260 s 9 are each amended to  
13 read as follows:

14 (1) The (~~office of financial management~~) department of enterprise  
15 services shall provide a training course for agency personnel  
16 responsible for executing and managing personal service contracts and  
17 client service contracts. The course must contain training on  
18 effective and efficient contract management under the guidelines  
19 established under RCW 39.29.100. State agencies shall require agency  
20 employees responsible for executing or managing personal service  
21 contracts and client service contracts to complete the training course  
22 to the satisfaction of the (~~office of financial management~~)  
23 department of enterprise services. Beginning January 1, 2004, no  
24 agency employee may execute or manage personal service contracts or  
25 client service contracts unless the employee has completed the training  
26 course. Any request for exception to this requirement shall be  
27 submitted to the (~~office of financial management~~) department of  
28 enterprise services in writing and shall be approved by the (~~office of~~  
29 ~~financial management~~) department of enterprise services prior to the  
30 employee executing or managing the contract.

31 (2)(a) The (~~office of financial management~~) department of  
32 enterprise services shall conduct risk-based audits of the contracting  
33 practices associated with individual personal service and client  
34 service contracts from multiple state agencies to ensure compliance  
35 with the guidelines established in RCW 39.29.110. The (~~office of~~  
36 ~~financial management~~) department of enterprise services shall conduct

1 the number of audits deemed appropriate by the director of the (~~office~~  
2 ~~of financial management~~) department of enterprise services based on  
3 funding provided.

4 (b) The (~~office of financial management~~) department of enterprise  
5 services shall forward the results of the audits conducted under this  
6 section to the governor, the appropriate standing committees of the  
7 legislature, and the joint legislative audit and review committee.

8 **Sec. 534.** RCW 43.88.580 and 2008 c 326 s 3 are each amended to  
9 read as follows:

10 (1) The (~~office of financial management~~) department of enterprise  
11 services shall make electronically available to the public a database  
12 of state agency contracts for personal services required to be filed  
13 with the (~~office of financial management~~) department of enterprise  
14 services under chapter 39.29 RCW.

15 (2) The state expenditure information web site described in RCW  
16 44.48.150 shall include a link to the (~~office of financial~~  
17 ~~management~~) department of enterprise services database described in  
18 subsection (1) of this section.

19 NEW SECTION. **Sec. 535.** RCW 43.41.280, 43.41.290, 43.41.300,  
20 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.350, 43.41.360,  
21 43.41.370, and 43.41.380 are each recodified as sections in chapter  
22 43.19 RCW.

23 **PART VI**  
24 **POWERS AND DUTIES TRANSFERRED FROM THE**  
25 **DEPARTMENT OF INFORMATION SERVICES**

26 **Sec. 601.** RCW 43.105.080 and 2010 1st sp.s. c 37 s 931 are each  
27 amended to read as follows:

28 There is created a revolving fund to be known as the data  
29 processing revolving fund in the custody of the state treasurer. The  
30 revolving fund shall be used for the acquisition of equipment,  
31 software, supplies, and services and the payment of salaries, wages,  
32 and other costs incidental to the acquisition, development, operation,  
33 and administration of information services, telecommunications,  
34 systems, software, supplies and equipment, including the payment of

1 principal and interest on bonds issued for capital projects, by the  
2 department, Washington State University's computer services center, the  
3 department of ~~((personnel's))~~ enterprise services' personnel  
4 information systems ~~((division, the office of financial management's))~~  
5 group and financial systems management group, and other users as  
6 ~~((jointly))~~ determined by the ~~((department and the))~~ office of  
7 financial management. The revolving fund is subject to the allotment  
8 procedure provided under chapter 43.88 RCW. Disbursements from the  
9 revolving fund for the services component of the department are not  
10 subject to appropriation. Disbursements for the strategic planning and  
11 policy component of the department are subject to appropriation. All  
12 disbursements from the fund are subject to the allotment procedures  
13 provided under chapter 43.88 RCW. The department shall establish and  
14 implement a billing structure to assure all agencies pay an equitable  
15 share of the costs.

16 During the 2009-2011 fiscal biennium, the legislature may transfer  
17 from the data processing revolving account to the state general fund  
18 such amounts as reflect the excess fund balance associated with the  
19 information technology pool.

20 As used in this section, the word "supplies" shall not be  
21 interpreted to delegate or abrogate the division of purchasing's  
22 responsibilities and authority to purchase supplies as described in RCW  
23 43.19.190 and 43.19.200.

24 **Sec. 602.** RCW 43.105.320 and 1999 c 287 s 18 are each amended to  
25 read as follows:

26 The department of ~~((information))~~ enterprise services may become a  
27 licensed certification authority, under chapter 19.34 RCW, for the  
28 purpose of providing services to agencies, local governments, and other  
29 entities and persons for purposes of official state business. The  
30 department is not subject to RCW 19.34.100(1)(a). The department shall  
31 only issue certificates, as defined in RCW 19.34.020, in which the  
32 subscriber is:

33 (1) The state of Washington or a department, office, or agency of  
34 the state;

35 (2) A city, county, district, or other municipal corporation, or a  
36 department, office, or agency of the city, county, district, or  
37 municipal corporation;



1 (3) An agent or employee of an entity described by subsection (1)  
2 or (2) of this section, for purposes of official public business;

3 (4) Any other person or entity engaged in matters of official  
4 public business, however, such certificates shall be limited only to  
5 matters of official public business. The department may issue  
6 certificates to such persons or entities only if after issuing a  
7 request for proposals from certification authorities licensed under  
8 chapter 19.34 RCW and review of the submitted proposals, makes a  
9 determination that such private services are not sufficient to meet the  
10 department's published requirements. The department must set forth in  
11 writing the basis of any such determination and provide procedures for  
12 challenge of the determination as provided by the state procurement  
13 requirements; or

14 (5) An applicant for a license as a certification authority for the  
15 purpose of compliance with RCW 19.34.100(1)(a).

16 NEW SECTION. **Sec. 603.** The following acts or parts of acts are  
17 each repealed:

18 (1) RCW 43.105.300 (Education in use of technology encouraged) and  
19 1996 c 171 s 14; and

20 (2) RCW 43.105.360 (Web directory--Public community technology  
21 programs) and 2008 c 262 s 5.

22 NEW SECTION. **Sec. 604.** RCW 43.105.080, 43.105.320, 43.105.374,  
23 and 43.105.410 are each recodified as sections in chapter 43.19 RCW.

24 **PART VII**

25 **ADMINISTRATIVE PROVISIONS**

26 NEW SECTION. **Sec. 701.** A new section is added to chapter 41.80  
27 RCW to read as follows:

28 (1) By January 1, 2012, the public employment relations commission  
29 shall review the appropriateness of the collective bargaining units  
30 transferred under sections 702, 703, and 704 of this act.

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

1 prior to January 1, 2012, shall continue as the exclusive bargaining  
2 representative without the necessity of an election.

3 (3) If the commission determines that existing collective  
4 bargaining units are not appropriate, the commission may modify the  
5 units and order an election pursuant to RCW 41.80.080. Certified  
6 bargaining representatives will not be required to demonstrate a  
7 showing of interest to be included on the ballot.

8 (4) The commission may require an election pursuant to RCW  
9 41.80.080 if similarly situated employees are represented by more than  
10 one employee organization. Certified bargaining representatives will  
11 not be required to demonstrate a showing of interest to be included on  
12 the ballot.

13 NEW SECTION. **Sec. 702.** (1) The department of general  
14 administration is hereby abolished and its powers, duties, and  
15 functions are transferred to the department of enterprise services.  
16 All references to the director or department of general administration  
17 in the Revised Code of Washington shall be construed to mean the  
18 director or the department of enterprise 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 701 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. 703.** (1) The public printer is hereby abolished  
36 and its powers, duties, and functions are transferred to the department

1 of enterprise services. All references to the public printer in the  
2 Revised Code of Washington shall be construed to mean the director or  
3 the department of enterprise services.

4 (2)(a) All reports, documents, surveys, books, records, files,  
5 papers, or written material in the possession of the public printer  
6 shall be delivered to the custody of the department of enterprise  
7 services. All cabinets, furniture, office equipment, motor vehicles,  
8 and other tangible property employed by the public printer shall be  
9 made available to the department of enterprise services. All funds,  
10 credits, or other assets held by the public printer shall be assigned  
11 to the department of enterprise services.

12 (b) Any appropriations made to the public printer shall, on the  
13 effective date of this section, be transferred and credited to the  
14 department of enterprise services.

15 (c) If any question arises as to the transfer of any personnel,  
16 funds, books, documents, records, papers, files, equipment, or other  
17 tangible property used or held in the exercise of the powers and the  
18 performance of the duties and functions transferred, the director of  
19 financial management shall make a determination as to the proper  
20 allocation and certify the same to the state agencies concerned.

21 (3) All rules and all pending business before the public printer  
22 shall be continued and acted upon by the department of enterprise  
23 services. All existing contracts and obligations shall remain in full  
24 force and shall be performed by the department of enterprise services.

25 (4) The transfer of the powers, duties, functions, and personnel of  
26 the public printer shall not affect the validity of any act performed  
27 before the effective date of this section.

28 (5) 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 (6) All employees of the public printer engaged in performing the  
35 powers, functions, and duties transferred to the department of  
36 enterprise services, are transferred to the department of enterprise  
37 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 but may not be renewed  
5 or extended beyond June 30, 2011. Upon expiration of the commercial  
6 agreement, chapter 41.80 RCW shall apply to the department of  
7 enterprise services with respect to employees in positions formerly  
8 covered under the expired commercial agreement.

9 (b) The commercial agreement between the graphic communications  
10 conference of the international brotherhood of teamsters, local 767M  
11 and the department of printing-litho that became effective July 1,  
12 2007, shall remain in effect during its duration but may not be renewed  
13 or extended beyond July 30, 2011. Upon expiration of the commercial  
14 agreement, chapter 41.80 RCW shall apply to the department of  
15 enterprise services with respect to the employees in positions formerly  
16 covered under the expired commercial agreement.

17 (c) The typographical contract between the communications workers  
18 of America, the newspaper guild, local 37082, and the department of  
19 printing-typographical that became effective July 1, 2007, shall remain  
20 in effect during its duration but may not be renewed or extended beyond  
21 August 30, 2011. Upon expiration of the typographical contract,  
22 chapter 41.80 RCW shall apply to the department of enterprise services  
23 with respect to the employees in positions formerly covered under the  
24 expired typographical contract.

25 (d) All other employees of the public printer not covered by the  
26 contracts and agreements specified in (a) through (c) of this  
27 subsection shall be exempt from chapter 41.06 RCW until July 1, 2011,  
28 at which time these employees shall be subject to chapter 41.06 RCW,  
29 unless otherwise deemed exempt in accordance with that chapter.

30 (7) Unless or until modified by the public employment relations  
31 commission pursuant to section 701 of this act:

32 (a) The bargaining units of printing craft employees existing on  
33 the effective date of this section shall be considered an appropriate  
34 unit at the department of enterprise services and will be so certified  
35 by the public employment relations commission.

36 (b) The exclusive bargaining representatives recognized as  
37 representing the bargaining units of printing craft employees existing

1 on the effective date of this section shall continue as the exclusive  
2 bargaining representatives of the transferred bargaining units without  
3 the necessity of an election.

4 NEW SECTION. **Sec. 704.** (1) The powers, duties, and functions of  
5 the department of information services as set forth in sections 601  
6 through 604 of this act are hereby transferred to the department of  
7 enterprise services.

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

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 enterprise services.

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

30 (3) All rules and all pending business before the department of  
31 information services pertaining to the powers, duties, and functions  
32 transferred shall be continued and acted upon by the department of  
33 enterprise services. All existing contracts and obligations shall  
34 remain in full force and shall be performed by the department of  
35 enterprise services.

36 (4) The transfer of the powers, duties, functions, and personnel of

1 the department of information services shall not affect the validity of  
2 any act performed before the effective date of this section.

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

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

18 (7) Unless or until modified by the public employment relations  
19 commission pursuant to section 701 of this act:

20 (a) The portions of the bargaining units of employees at the  
21 department of information services existing on the effective date of  
22 this section shall be considered appropriate units at the department of  
23 enterprise services and will be so certified by the public employment  
24 relations commission.

25 (b) The exclusive bargaining representatives recognized as  
26 representing the portions of the bargaining units of employees at the  
27 department of information services existing on the effective date of  
28 this section shall continue as the exclusive bargaining representative  
29 of the transferred bargaining units without the necessity of an  
30 election.

31 NEW SECTION. **Sec. 705.** (1) Those powers, duties, and functions of  
32 the department of personnel being transferred to the department of  
33 enterprise services as set forth in Part IV of this act are hereby  
34 transferred to the department of enterprise services.

35 (2)(a) All reports, documents, surveys, books, records, files,  
36 papers, or written material in the possession of the department of  
37 personnel pertaining to the powers, duties, and functions transferred

1 shall be delivered to the custody of the department of enterprise  
2 services. All cabinets, furniture, office equipment, motor vehicles,  
3 and other tangible property employed by the department of personnel in  
4 carrying out the powers, duties, and functions transferred shall be  
5 made available to the department of enterprise services. All funds,  
6 credits, or other assets held by the department of personnel in  
7 connection with the powers, duties, and functions transferred shall be  
8 assigned to the department of enterprise services.

9 (b) Any appropriations made to the department of personnel for  
10 carrying out the powers, functions, and duties transferred shall, on  
11 the effective date of this section, be transferred and credited to the  
12 department of enterprise services.

13 (c) If any question arises as to the transfer of any personnel,  
14 funds, books, documents, records, papers, files, equipment, or other  
15 tangible property used or held in the exercise of the powers and the  
16 performance of the duties and functions transferred, the director of  
17 financial management shall make a determination as to the proper  
18 allocation and certify the same to the state agencies concerned.

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

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

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

33 (6) All employees of the department of personnel engaged in  
34 performing the powers, functions, and duties transferred to the  
35 department of enterprise services, are transferred to the department of  
36 enterprise services. All employees classified under chapter 41.06 RCW,  
37 the state civil service law, are assigned to the department of  
38 enterprise services to perform their usual duties upon the same terms



1 as formerly, without any loss of rights, subject to any action that may  
2 be appropriate thereafter in accordance with the laws and rules  
3 governing state civil service law.

4 NEW SECTION. **Sec. 706.** (1) Those powers, duties, and functions of  
5 the department of personnel being transferred to the office of  
6 financial management as set forth in Part IV of this act are hereby  
7 transferred to the office of financial management.

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

19 (b) Any appropriations made to the department of personnel for  
20 carrying out the powers, functions, and duties transferred shall, on  
21 the effective date of this section, be transferred and credited to the  
22 office of financial management.

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

29 (3) All rules and all pending business before the department of  
30 personnel pertaining to the powers, duties, and functions transferred  
31 shall be continued and acted upon by the office of financial  
32 management. All existing contracts and obligations shall remain in  
33 full force and shall be performed by the office of financial  
34 management.

35 (4) The transfer of the powers, duties, functions, and personnel of  
36 the department of personnel shall not affect the validity of any act  
37 performed before the effective date of this section.

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

7 (6) All employees of the department of personnel engaged in  
8 performing the powers, functions, and duties transferred to the office  
9 of financial management, are transferred to the office of financial  
10 management. All employees classified under chapter 41.06 RCW, the  
11 state civil service law, are assigned to the office of financial  
12 management 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 law.

16 NEW SECTION. **Sec. 707.** (1) The powers, duties, and functions of  
17 the office of financial management as set forth in Part V of this act  
18 are hereby transferred to the department of enterprise services.

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

31 (b) Any appropriations made to the office of financial management  
32 for carrying out the powers, functions, and duties transferred shall,  
33 on the effective date of this section, be transferred and credited to  
34 the department of enterprise services.

35 (c) If any question arises as to the transfer of any personnel,  
36 funds, books, documents, records, papers, files, equipment, or other  
37 tangible property used or held in the exercise of the powers and the

1 performance of the duties and functions transferred, the director of  
2 financial management shall make a determination as to the proper  
3 allocation and certify the same to the state agencies concerned.

4 (3) All rules and all pending business before the office of  
5 financial management pertaining to the powers, duties, and functions  
6 transferred shall be continued and acted upon by the department of  
7 enterprise services. All existing contracts and obligations shall  
8 remain in full force and shall be performed by the department of  
9 enterprise services.

10 (4) The transfer of the powers, duties, functions, and personnel of  
11 the office of financial management shall not affect the validity of any  
12 act performed before the effective date of this section.

13 (5) If apportionments of budgeted funds are required because of the  
14 transfers directed by this section, the director of financial  
15 management shall certify the apportionments to the agencies affected,  
16 the state auditor, and the state treasurer. Each of these shall make  
17 the appropriate transfer and adjustments in funds and appropriation  
18 accounts and equipment records in accordance with the certification.

19 (6) All employees of the office of financial management engaged in  
20 performing the powers, functions, and duties transferred to the  
21 department of enterprise services, are transferred to the department of  
22 enterprise services. All employees classified under chapter 41.06 RCW,  
23 the state civil service law, are assigned to department of enterprise  
24 services to perform their usual duties upon the same terms as formerly,  
25 without any loss of rights, subject to any action that may be  
26 appropriate thereafter in accordance with the laws and rules governing  
27 state civil service law.

28 NEW SECTION. **Sec. 708.** The code reviser shall note wherever the  
29 director or department of general administration is used or referred to  
30 in statute that the name of the department has changed. The code  
31 reviser shall prepare legislation for the 2012 regular session that  
32 changes all statutory references to the director or department of  
33 general administration to department of enterprise services.

34 NEW SECTION. **Sec. 709.** Except for sections 110, 449, and 464 of  
35 this act, this act is necessary for the immediate preservation of the

1 public peace, health, or safety, or support of the state government and  
2 its existing public institutions, and takes effect July 1, 2011.

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