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ENGROSSED SUBSTITUTE SENATE BILL 5931

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State of Washington                      62nd Legislature                      2011 1st Special Session

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

READ FIRST TIME 05/17/11.

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

1 43.06.013, 43.06.410, 43.06.425, 43.33A.100, 43.130.060, 43.131.090,  
2 48.37.060, 49.46.010, 49.74.020, 49.74.030, 49.90.010, 50.13.060,  
3 28A.345.060, 28A.400.201, 34.12.100, 36.21.011, 41.04.020, 41.04.460,  
4 41.60.050, 41.68.030, 41.68.040, 41.68.050, 47.28.251, 43.41.290,  
5 43.41.300, 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.360,  
6 43.41.370, 43.41.380, 43.41.110, 4.92.006, 4.92.040, 4.92.130,  
7 4.92.150, 4.92.160, 4.92.210, 4.92.270, 4.92.280, 10.92.020, 48.62.021,  
8 48.64.010, 39.29.011, 39.29.016, 39.29.018, 39.29.025, 39.29.055,  
9 39.29.065, 39.29.075, 39.29.090, 39.29.100, 39.29.110, 39.29.120,  
10 43.88.580, 43.105.080, 43.105.320, 43.105.370, 43.105.372, 43.105.374,  
11 43.105.376, 43.105.380, 43.105.382, 43.105.390, 43.105.400, 41.07.030,  
12 43.99I.040, 43.105.835, 43.105.290, 28A.650.015, 40.14.020, 42.17.460,  
13 42.17.467, 42.17.469, 42.17.471, 42.17A.060, 43.88.092, 43.105.410,  
14 43.105.020, 43.105.047, 43.105.052, 43.19.190, 43.105.057, 43.105.060,  
15 19.34.231, 19.34.420, 46.20.157, 2.36.054, 29A.08.760, 43.63A.550, and  
16 41.80.020; reenacting and amending RCW 41.06.133, 41.06.150, 41.04.665,  
17 42.17A.110, 49.46.010, 39.29.068, 39.94.040, 39.29.040, and 41.06.070;  
18 adding new sections to chapter 43.19 RCW; adding new sections to  
19 chapter 41.06 RCW; adding new sections to chapter 43.41 RCW; adding new  
20 sections to chapter 43.330 RCW; adding new sections to chapter 43.105  
21 RCW; adding a new section to chapter 41.80 RCW; adding a new chapter to  
22 Title 43 RCW; adding a new chapter to Title 41 RCW; creating new  
23 sections; recodifying RCW 43.41.280, 43.41.290, 43.41.300, 43.41.310,  
24 43.41.320, 43.41.330, 43.41.340, 43.41.350, 43.41.360, 43.105.080,  
25 43.105.320, 43.105.410, 43.105.370, 43.105.372, 43.105.374, 43.105.376,  
26 43.105.380, 43.105.382, 43.105.390, 43.105.400, 43.105.052, 43.105.172,  
27 43.105.250, 43.105.260, 43.105.270, 43.105.280, 43.105.290, 43.105.310,  
28 and 43.105.835; decodifying RCW 43.19.123, 41.06.136, 43.31.086,  
29 41.80.900, 41.80.901, 41.80.902, 41.80.903, and 41.80.904; repealing  
30 RCW 43.19.010, 43.19.1923, 43.19.1925, 43.19.590, 43.19.595, 43.19.615,  
31 43.19.675, 43.19.680, 43.78.010, 43.78.020, 43.78.030, 43.78.040,  
32 43.78.050, 43.78.070, 43.78.080, 43.78.090, 43.78.100, 43.78.105,  
33 43.78.110, 43.78.170, 15.24.085, 15.62.190, 16.67.170, 40.04.030,  
34 40.07.050, 41.06.030, 41.06.111, 41.06.130, 41.06.139, 41.06.480,  
35 41.07.900, 43.105.300, 43.105.360, 43.105.005, 43.105.013, 43.105.019,  
36 43.105.032, 43.105.041, 43.105.095, 43.105.105, 43.105.160, 43.105.170,  
37 43.105.180, 43.105.190, 43.105.200, 43.105.210, 43.105.330, 43.105.805,  
38 43.105.815, and 43.105.820; repealing 2010 c 271 s 301; providing

1 effective dates; and providing expiration dates.

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

3 **PART I**

4 **DEPARTMENT OF ENTERPRISE SERVICES CREATED**

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

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

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

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

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

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

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

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

27 (a) Provide products and services to support state agencies, and  
28 may enter into agreements with any other governmental entity or a  
29 nonprofit organization to furnish such products and services as deemed  
30 appropriate by both parties. The agreement shall provide for the  
31 reimbursement to the department of the reasonable cost of the products  
32 and services furnished. All governmental entities of this state may  
33 enter into such agreements, unless otherwise prohibited; and

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

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

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

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

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

29 (4) The internal affairs of the department are under the control of  
30 the director in order that the director may manage the department in a  
31 flexible and intelligent manner as dictated by changing contemporary  
32 circumstances. Unless specifically limited by law, the director has  
33 complete charge and supervisory powers over the department. The  
34 director may create the administrative structures as the director deems  
35 appropriate, except as otherwise specified by law, and the director may  
36 employ personnel as may be necessary in accordance with chapter 41.06  
37 RCW, except as otherwise provided by law.

1 (5) At the beginning of each fiscal biennium, the office of  
2 financial management shall conduct a review of the programs and  
3 services that are performed by the department to determine whether the  
4 program or service may be performed by the private sector in a more  
5 cost-efficient and effective manner than being performed by the  
6 department. In conducting this review, the office of financial  
7 management shall:

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

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

16 (6) The office of financial management shall select at least six  
17 activities or services that have been determined as an activity that  
18 may be provided by the private sector at an effective and cost-  
19 efficient manner, including for the 2011-2013 fiscal biennium the bulk  
20 printing services. Priority for selection shall be given to agency  
21 activities or services that are significant, ongoing functions. For  
22 each of the selected activities, the department of enterprise services  
23 shall use a request for information, request for proposal, or other  
24 procurement process to determine if a contract for the activity would  
25 result in the activity being provided at a reduced cost and with  
26 greater efficiency. The department of enterprise services may contract  
27 with one or more vendors to provide the service as a result of the  
28 procurement process.

29 (7) If the office of financial management determines via the  
30 procurement process that the activity cannot be provided by the private  
31 sector at a reduced cost and greater efficiency, the department of  
32 enterprise services may cancel the procurement without entering into a  
33 contract and shall promptly notify the legislative fiscal committees of  
34 such a decision.

35 (8) The office of financial management shall prepare a biennial  
36 report summarizing the results of the examination of the agency's  
37 programs and services. In addition to the programs and services  
38 examined and the result of the examination, the report shall provide

1 information on any procurement process that does not result in a  
2 contract for the services. During each regular legislative session  
3 held in odd-numbered years, the legislative fiscal committees shall  
4 hold a public hearing on the report and the department's activities  
5 under subsections (5) through (7) of this section.

6 (9) The joint legislative audit and review committee shall conduct  
7 an audit of the implementation of subsections (5) through (7) of this  
8 section, and report to the legislature by January 1, 2018, on the  
9 results of the audit.

10

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

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

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

31 In addition to the exemptions under RCW 41.06.070, this chapter  
32 does not apply in the department of enterprise services to the  
33 director, the director's confidential secretary, deputy and assistant  
34 directors, and any other exempt staff members provided for in section  
35 104 of this act.

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

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

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

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

33       Such officers, except the director of fish and wildlife, shall be  
34 appointed by the governor, with the consent of the senate, and hold  
35 office at the pleasure of the governor. The director of fish and  
36 wildlife shall be appointed by the fish and wildlife commission as  
37 prescribed by RCW 77.04.055.

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

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

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



1 State College, and each district and each campus president of each  
2 state community college;

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

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

5 (4) Central Washington University board of trustees, the boards of  
6 trustees of each community college and each technical college, each  
7 member of the state board for community and technical colleges, state  
8 convention and trade center board of directors, Eastern Washington  
9 University board of trustees, Washington economic development finance  
10 authority, Washington energy northwest executive board, The Evergreen  
11 State College board of trustees, executive ethics board, fish and  
12 wildlife commission, forest practices appeals board, forest practices  
13 board, gambling commission, Washington health care facilities  
14 authority, higher education coordinating board, higher education  
15 facilities authority, horse racing commission, state housing finance  
16 commission, human rights commission, indeterminate sentence review  
17 board, board of industrial insurance appeals, (~~information services~~  
18 ~~board,~~) state investment board, commission on judicial conduct,  
19 legislative ethics board, life sciences discovery fund authority board  
20 of trustees, liquor control board, lottery commission, Pacific  
21 Northwest electric power and conservation planning council, parks and  
22 recreation commission, Washington personnel resources board, board of  
23 pilotage commissioners, pollution control hearings board, public  
24 disclosure commission, public employees' benefits board, recreation and  
25 conservation funding board, salmon recovery funding board, shorelines  
26 hearings board, board of tax appeals, transportation commission,  
27 University of Washington board of regents, utilities and transportation  
28 commission, Washington State University board of regents, and Western  
29 Washington University board of trustees.

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

32 For the purposes of RCW 42.17.240, the term "executive state  
33 officer" includes:

34 (1) The chief administrative law judge, the director of  
35 agriculture, the administrator of the Washington basic health plan, the  
36 director of the department of services for the blind, the chief  
37 information officer of the office of chief information officer, the

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

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

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

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

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

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

26 NEW SECTION. **Sec. 112.** Section 110 of this act expires January 1,  
27 2012.

28 **PART II**  
29 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT**  
30 **OF GENERAL ADMINISTRATION**

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

33 (1) The director of (~~general administration~~) enterprise services  
34 shall supervise and administer the activities of the department of

1 (~~general administration~~) enterprise services and shall advise the  
2 governor and the legislature with respect to matters under the  
3 jurisdiction of the department.

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

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

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

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

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

18 (e) Delegate powers, duties, and functions as the director deems  
19 necessary for efficient administration, but the director shall be  
20 responsible for the official acts of the officers and employees of the  
21 department; ~~((and))~~

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

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

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

28 ~~((4) The internal affairs of the department shall be under the~~  
29 ~~control of the director in order that the director may manage the~~  
30 ~~department in a flexible and intelligent manner as dictated by changing~~  
31 ~~contemporary circumstances. Unless specifically limited by law, the~~  
32 ~~director shall have complete charge and supervisory powers over the~~  
33 ~~department. The director may create such administrative structures as~~  
34 ~~the director deems appropriate, except as otherwise specified by law,~~  
35 ~~and the director may employ such personnel as may be necessary in~~  
36 ~~accordance with chapter 41.06 RCW, except as otherwise provided by~~  
37 ~~law.))~~

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

3       The (~~general administration~~) enterprise services account is  
4 created in the custody of the state treasurer and shall be used for all  
5 activities previously budgeted and accounted for in the following  
6 internal service funds: The motor transport account, the (~~general  
7 administration~~) enterprise services management fund, the (~~general  
8 administration~~) enterprise services facilities and services revolving  
9 fund, the central stores revolving fund, the surplus property purchase  
10 revolving fund, and the energy efficiency services account. Only the  
11 director or the director's designee may authorize expenditures from the  
12 account. The account is subject to the allotment procedures under  
13 chapter 43.88 RCW.

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

16       (1) The commemorative works account is created in the custody of  
17 the state treasurer and shall be used by the department of (~~general  
18 administration~~) enterprise services for the ongoing care, maintenance,  
19 and repair of commemorative works on the state capitol grounds. Only  
20 the director or the director's designee may authorize expenditures from  
21 the account. The account is subject to the allotment procedures under  
22 chapter 43.88 RCW, but an appropriation is not necessary for  
23 expenditures.

24       (2) For purposes of this section, "state capitol grounds" means  
25 buildings and land owned by the state and otherwise designated as state  
26 capitol grounds, including the west capitol campus, the east capitol  
27 campus, the north capitol campus, the Tumwater campus, the Lacey  
28 campus, Sylvester Park, Centennial Park, the Old Capitol Building, and  
29 Capitol Lake.

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

32       (1) The director of (~~general administration, through the division  
33 of capitol buildings,~~) enterprise services shall have custody and  
34 control of the capitol buildings and grounds, supervise and direct  
35 proper care, heating, lighting and repairing thereof, and designate

1 rooms in the capitol buildings to be occupied by various state  
2 officials.

3 (2) During the 2007-2009 biennium, responsibility for development  
4 of the "Wheeler block" on the capitol campus as authorized in section  
5 6013, chapter 520, Laws of 2007 shall be transferred from the  
6 department of general administration to the department of information  
7 services. ~~((The department of general administration and the  
8 department of information services shall develop a joint operating  
9 agreement for the new facilities on the "Wheeler block" and provide  
10 copies of that agreement to the appropriate committees of the  
11 legislature by December 30, 2008.~~

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

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

19 The director of ~~((general administration shall appoint and deputize  
20 an assistant director to be known as the state purchasing and material  
21 control director, who shall have charge and supervision of the division  
22 of purchasing. In this capacity he or she)) enterprise services shall  
23 ensure that overall state purchasing and material control policy is  
24 implemented by state agencies, including educational institutions,  
25 within established time limits.~~

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

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

31 (1) The director ~~((of general administration through the state  
32 purchasing and material control director)) shall develop a system for  
33 state agencies and departments to use credit cards or similar devices  
34 to make purchases. The director may contract to administer the credit  
35 cards.~~

1           (2) The director (~~(of general administration through the state~~  
2 ~~purchasing and material control director)~~) shall adopt rules for:  
3           (a) The distribution of the credit cards;  
4           (b) The authorization and control of the use of the credit cards;  
5           (c) The credit limits available on the credit cards;  
6           (d) Instructing users of gasoline credit cards to use self-service  
7 islands whenever possible;  
8           (e) Payments of the bills; and  
9           (f) Any other rule necessary to implement or administer the program  
10 under this section.

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

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

15           (1) (~~(Establish and staff such administrative organizational units~~  
16 ~~within the division of purchasing as may be necessary for effective~~  
17 ~~administration of the provisions of RCW 43.19.190 through 43.19.1939)~~)  
18 Develop rules and standards governing the acquisition and disposition  
19 of goods and services;

20           (2) (~~(Purchase all material, supplies, services, and equipment~~  
21 ~~needed for the support, maintenance, and use of all state institutions,~~  
22 ~~colleges, community colleges, technical colleges, college districts,~~  
23 ~~and universities, the offices of the elective state officers, the~~  
24 ~~supreme court, the court of appeals, the administrative and other~~  
25 ~~departments of state government, and the offices of all appointive~~  
26 ~~officers of the state)~~) Enter into contracts on behalf of the state to  
27 carry out the following: To purchase, lease, rent or otherwise  
28 acquire, dispose of, and maintain assets, licenses, purchased goods and  
29 services, client services, and personal services, or to delegate to  
30 other agencies and institutions of state government, under appropriate  
31 standards, the authority to purchase, lease, rent or otherwise acquire,  
32 dispose of, and maintain assets, licenses, purchased goods and  
33 services, client services, and personal services. Agencies and  
34 institutions of state government are expressly prohibited from  
35 acquiring or disposing of such assets, licenses, purchased services,  
36 and personal services without such delegation of authority: PROVIDED,  
37 That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in

1 any manner to the operation of the state legislature except as  
2 requested by the legislature: PROVIDED, That any agency may purchase  
3 material, supplies, services, and equipment for which the agency has  
4 notified the purchasing and material control director that it is more  
5 cost-effective for the agency to make the purchase directly from the  
6 vendor: PROVIDED, That primary authority for the purchase of  
7 specialized equipment, instructional, and research material for their  
8 own use shall rest with the colleges, community colleges, and  
9 universities: PROVIDED FURTHER, That universities operating hospitals  
10 and the (~~state purchasing and material control~~) director, as the  
11 agent for state hospitals as defined in RCW 72.23.010, and for health  
12 care programs provided in state correctional institutions as defined in  
13 RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010  
14 and 72.36.070, may make purchases for hospital operation by  
15 participating in contracts for materials, supplies, and equipment  
16 entered into by nonprofit cooperative hospital group purchasing  
17 organizations: PROVIDED FURTHER, That primary authority for the  
18 purchase of materials, supplies, and equipment for resale to other than  
19 public agencies shall rest with the state agency concerned: PROVIDED  
20 FURTHER, That authority to purchase services as included herein does  
21 not apply to personal services as defined in chapter 39.29 RCW, unless  
22 such organization specifically requests assistance from the (~~division~~  
23 ~~of purchasing~~) department of enterprise services in obtaining personal  
24 services and resources are available within the (~~division~~) department  
25 to provide such assistance: (~~PROVIDED FURTHER, That the authority for~~  
26 ~~the purchase of insurance and bonds shall rest with the risk manager~~  
27 ~~under RCW 43.19.1935~~;) PROVIDED FURTHER, That, except for the  
28 authority of the risk manager to purchase insurance and bonds, the  
29 director is not required to provide purchasing services for  
30 institutions of higher education that choose to exercise independent  
31 purchasing authority under RCW 28B.10.029: PROVIDED FURTHER, That the  
32 authority to purchase interpreter services and interpreter brokerage  
33 services on behalf of limited-English speaking or sensory-impaired  
34 applicants and recipients of public assistance shall rest with the  
35 department of social and health services in consultation with the  
36 department;

37 (3) Have authority to delegate to state agencies authorization to  
38 purchase or sell, which authorization shall specify restrictions as to



1 dollar amount or to specific types of material, equipment, services,  
2 and supplies. Acceptance of the purchasing authorization by a state  
3 agency does not relieve such agency from conformance with other  
4 sections of RCW 43.19.190 through 43.19.1939, or from policies  
5 established by the director. Also, delegation of such authorization to  
6 a state agency, including an educational institution to which this  
7 section applies, to purchase or sell material, equipment, services, and  
8 supplies shall not be granted, or otherwise continued under a previous  
9 authorization, if such agency is not in substantial compliance with  
10 overall state purchasing and material control policies as established  
11 herein;

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

15 (~~Prescribe the manner of inspecting all deliveries of~~  
16 ~~supplies, materials, and equipment purchased through the division~~)  
17 Develop statewide or interagency procurement policies, standards, and  
18 procedures;

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

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

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

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

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

34 (a) Planning, management, purchasing control, and use of purchased  
35 services and personal services;

36 (b) Training and education; and

37 (c) Project management;

1        ~~((8))~~ (9) Provide for a commodity classification system and may,  
2 in addition, provide for the adoption of standard specifications;

3        ~~((9) Provide for the maintenance of inventory records of supplies,  
4 materials, and other property;)~~

5        (10) Prepare rules and regulations governing the relationship and  
6 procedures between the ~~((division of purchasing))~~ department and state  
7 agencies and vendors;

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

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

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

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

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

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

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

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

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

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

36        ~~(g) Standardization of records and forms used statewide for supply~~

1 ~~system activities involving purchasing, receiving, inspecting, storing,~~  
2 ~~requisitioning, and issuing functions, including a)):~~

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

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

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

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

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

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

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

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

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

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

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

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

1        ~~((r))~~ (j) Development of procedures for mutual and voluntary  
2 cooperation between state agencies, including educational institutions,  
3 and political subdivisions for exchange of purchasing and material  
4 control services;

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

8        ~~((t))~~ (l) Development of guidelines and criteria for the purchase  
9 of vehicles, high gas mileage vehicles, alternate vehicle fuels and  
10 systems, equipment, and materials that reduce overall energy-related  
11 costs and energy use by the state, including investigations into all  
12 opportunities to aggregate the purchasing of clean technologies by  
13 state and local governments, and including the requirement that new  
14 passenger vehicles purchased by the state meet the minimum standards  
15 for passenger automobile fuel economy established by the United States  
16 secretary of transportation pursuant to the energy policy and  
17 conservation act (15 U.S.C. Sec. 2002);

18        ~~((u))~~ (m) Development of goals for state use of recycled or  
19 environmentally preferable products through specifications for products  
20 and services, processes for requests for proposals and requests for  
21 qualifications, contractor selection, and contract negotiations;

22        ~~((v))~~ (n) Development of procurement policies and procedures,  
23 such as unbundled contracting and subcontracting, that encourage and  
24 facilitate the purchase of products and services by state agencies and  
25 institutions from Washington small businesses to the maximum extent  
26 practicable and consistent with international trade agreement  
27 commitments;

28        ~~((w))~~ (o) Development of food procurement procedures and  
29 materials that encourage and facilitate the purchase of Washington  
30 grown food by state agencies and institutions to the maximum extent  
31 practicable and consistent with international trade agreement  
32 commitments; and

33        ~~((x))~~ (p) Development of policies requiring all food contracts to  
34 include a plan to maximize to the extent practicable and consistent  
35 with international trade agreement commitments the availability of  
36 Washington grown food purchased through the contract.

37        (2) ~~((The department of general administration shall convene a  
38 working group including representatives of the office of financial~~

1 management, ~~the department of information services, and the state~~  
2 ~~printer. The purpose of the working group is to work collaboratively~~  
3 ~~to develop common policies and procedures that encourage and facilitate~~  
4 ~~state government purchases from Washington small businesses, as~~  
5 ~~required in subsection (1)(v) of this section, and in RCW 39.29.065,~~  
6 ~~43.78.110, and 43.105.041(1)(j). By December 1, 2009, these central~~  
7 ~~services agencies shall jointly provide a written progress report to~~  
8 ~~the governor and legislature on actions taken and planned, barriers~~  
9 ~~identified, and solutions recommended to reach this goal.~~

10 (3)) The definitions in this subsection apply throughout this  
11 section and RCW 43.19.1908.

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

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

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

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

18 Initial policy determinations for the functions described in RCW  
19 43.19.1905 shall be developed and published within the 1975-77 biennium  
20 by the director for guidance and compliance by all state agencies,  
21 including educational institutions, involved in purchasing and material  
22 control. Modifications to these initial supply management policies  
23 established during the 1975-77 biennium shall be instituted by the  
24 director in future biennia as required to maintain an efficient and up-  
25 to-date state supply management system.

26 It is the intention of the legislature that measurable improvements  
27 in the effectiveness and economy of supply management in state  
28 government shall be achieved during the 1975-77 biennium, and each  
29 biennium thereafter. All agencies, departments, offices, divisions,  
30 boards, and commissions and educational, correctional, and other types  
31 of institutions are required to cooperate with and support the  
32 development and implementation of improved efficiency and economy in  
33 purchasing and material control. To effectuate this legislative  
34 intention, the director(~~(, through the state purchasing and material~~  
35 ~~control director, shall have)) has the authority to direct and require  
36 the submittal of data from all state organizations concerning  
37 purchasing and material control matters.~~

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

3           Insofar as practicable, all purchases and sales shall be based on  
4 competitive bids, and a formal sealed, electronic, or web-based bid  
5 procedure, subject to RCW 43.19.1911, shall be used as standard  
6 procedure for all purchases and contracts for purchases and sales  
7 executed by the (~~state purchasing and material control~~) director and  
8 under the powers granted by RCW 43.19.190 through 43.19.1939. This  
9 requirement also applies to purchases and contracts for purchases and  
10 sales executed by agencies, including educational institutions, under  
11 delegated authority granted in accordance with provisions of RCW  
12 43.19.190 or under RCW 28B.10.029. However, formal sealed, electronic,  
13 or web-based competitive bidding is not necessary for:

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

17           (2) (~~Purchases not exceeding thirty five thousand dollars, or~~  
18 ~~subsequent limits as calculated by the office of financial management:~~  
19 ~~PROVIDED, That the state director of general administration shall~~  
20 ~~establish procedures to assure that purchases made by or on behalf of~~  
21 ~~the various state agencies shall not be made so as to avoid the thirty~~  
22 ~~five thousand dollar bid limitation, or subsequent bid limitations as~~  
23 ~~calculated by the office of financial management: PROVIDED FURTHER,~~  
24 ~~That the state purchasing and material control director is authorized~~  
25 ~~to reduce the formal sealed bid limits of thirty five thousand dollars,~~  
26 ~~or subsequent limits as calculated by the office of financial~~  
27 ~~management, to a lower dollar amount for purchases by individual state~~  
28 ~~agencies if considered necessary to maintain full disclosure of~~  
29 ~~competitive procurement or otherwise to achieve overall state~~  
30 ~~efficiency and economy in purchasing and material control. Quotations~~  
31 ~~from three thousand dollars to thirty five thousand dollars, or~~  
32 ~~subsequent limits as calculated by the office of financial management,~~  
33 ~~shall be secured from at least three vendors to assure establishment of~~  
34 ~~a competitive price and may be obtained by telephone or written~~  
35 ~~quotations, or both. The agency shall invite at least one quotation~~  
36 ~~each from a certified minority and a certified women owned vendor who~~  
37 ~~shall otherwise qualify to perform such work. Immediately after the~~  
38 ~~award is made, the bid quotations obtained shall be recorded and open~~

1 to public inspection and shall be available by telephone inquiry. A  
2 record of competition for all such purchases from three thousand  
3 dollars to thirty five thousand dollars, or subsequent limits as  
4 calculated by the office of financial management, shall be documented  
5 for audit purposes. Purchases up to three thousand dollars may be made  
6 without competitive bids based on buyer experience and knowledge of the  
7 market in achieving maximum quality at minimum cost)) Direct buy  
8 purchases and informal competitive bidding, as designated by the  
9 director of enterprise services. The director of enterprise services  
10 shall establish policies annually to define criteria and dollar  
11 thresholds for direct buy purchases and informal competitive bidding  
12 limits. These criteria may be adjusted to accommodate special market  
13 conditions and to promote market diversity for the benefit of the  
14 citizens of the state of Washington;

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

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

21 (5) Purchases and contracts for vocational rehabilitation clients  
22 of the department of social and health services: PROVIDED, That this  
23 exemption is effective only when the ((state purchasing and material  
24 control)) director of enterprise services, after consultation with the  
25 director of the division of vocational rehabilitation and appropriate  
26 department of social and health services procurement personnel,  
27 declares that such purchases may be best executed through direct  
28 negotiation with one or more suppliers in order to expeditiously meet  
29 the special needs of the state's vocational rehabilitation clients;

30 (6) Purchases by universities for hospital operation or biomedical  
31 teaching or research purposes and by the ((state purchasing and  
32 material control)) director of enterprise services, as the agent for  
33 state hospitals as defined in RCW 72.23.010, and for health care  
34 programs provided in state correctional institutions as defined in RCW  
35 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and  
36 72.36.070, made by participating in contracts for materials, supplies,  
37 and equipment entered into by nonprofit cooperative hospital group  
38 purchasing organizations;

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

6 (8) Purchases by institutions of higher education (~~(not exceeding~~  
7 ~~thirty five thousand dollars:—~~PROVIDED,~~—That for purchases between~~  
8 ~~three thousand dollars and thirty five thousand dollars quotations~~  
9 ~~shall be secured from at least three vendors to assure establishment of~~  
10 ~~a competitive price and may be obtained by telephone or written~~  
11 ~~quotations, or both. For purchases between three thousand dollars and~~  
12 ~~thirty five thousand dollars, each institution of higher education~~  
13 ~~shall invite at least one quotation each from a certified minority and~~  
14 ~~a certified women owned vendor who shall otherwise qualify to perform~~  
15 ~~such work. A record of competition for all such purchases made from~~  
16 ~~three thousand to thirty five thousand dollars shall be documented for~~  
17 ~~audit purposes)) under RCW 43.19.190(2), direct buy purchases, and  
18 informal competitive bidding, as designated by the director of  
19 enterprise services; and~~

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

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

36 Beginning on July 1, 1995, and on July 1st of each succeeding odd-  
37 numbered year, the dollar limits specified in this section shall be  
38 adjusted as follows: The office of financial management shall



1 calculate such limits by adjusting the previous biennium's limits by  
2 the appropriate federal inflationary index reflecting the rate of  
3 inflation for the previous biennium. Such amounts shall be rounded to  
4 the nearest one hundred dollars. (~~However, the three thousand dollar~~  
5 ~~figure in subsections (2) and (8) of this section may not be adjusted~~  
6 ~~to exceed five thousand dollars.~~)

7 As used in this section, "Washington grown" has the definition in  
8 RCW 15.64.060.

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

11 Competitive bidding required by RCW 43.19.190 through 43.19.1939  
12 shall be solicited by public notice, by posting of the contract  
13 opportunity on the state's common vendor registration and bid  
14 notification system, and through the sending of notices by mail,  
15 electronic transmission, or other means to bidders on the appropriate  
16 list of bidders who shall have qualified by application to the  
17 (~~division of purchasing~~) department. Bids may be solicited by the  
18 (~~purchasing division~~) department from any source thought to be of  
19 advantage to the state. All bids shall be in written or electronic  
20 form and conform to rules of the (~~division of purchasing~~) department.

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

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

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

28 When any bid has been accepted, the (~~division of purchasing~~)  
29 department may require of the successful bidder a bond payable to the  
30 state in such amount with such surety or sureties as determined by the  
31 (~~division of purchasing~~) department, conditioned that he or she will  
32 fully, faithfully and accurately execute the terms of the contract into  
33 which he or she has entered. The bond shall be filed in the (~~office~~  
34 ~~of the division of purchasing~~) department. Bidders who regularly do  
35 business with the state shall be permitted to file with the (~~division~~

1 ~~of purchasing~~) department an annual bid bond in an amount established  
2 by the (~~division~~) department and such annual bid bond shall be  
3 acceptable as surety in lieu of furnishing surety with individual bids.

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

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

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

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

32 The (~~division of purchasing~~) department shall sell or exchange  
33 personal property belonging to the state for which the agency, office,  
34 department, or educational institution having custody thereof has no  
35 further use, at public or private sale, and cause the moneys realized  
36 from the sale of any such property to be paid into the fund from which

1 such property was purchased or, if such fund no longer exists, into the  
2 state general fund. This requirement is subject to the following  
3 exceptions and limitations:

4 (1) This section does not apply to property under RCW 27.53.045,  
5 28A.335.180, or 43.19.1920;

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

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

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

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

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

32 (1) In addition to disposing of property under RCW 28A.335.180,  
33 39.33.010, 43.19.1919, and 43.19.1920, state-owned, surplus computers  
34 and computer-related equipment may be donated to any school district or  
35 educational service district under the guidelines and distribution  
36 standards established pursuant to subsection (2) of this section.

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

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

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

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

25           (2) The agency owning the property has authorized the (~~division of~~  
26 ~~purchasing~~) department to donate the property in accordance with this  
27 section;

28           (3) The nature and quantity of the property in question is directly  
29 germane to the needs of the homeless persons served by the shelter and  
30 the purpose for which the shelter exists and the shelter agrees to use  
31 the property for such needs and purposes; and

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

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

36           (1) The department (~~of general administration~~) shall identify and

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

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

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

19 The director (~~(of general administration, through the division of~~  
20 ~~purchasing,~~) shall:

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

30 (2) Provide for the central salvage(~~(, maintenance, repair, and~~  
31 ~~servicing)~~) of equipment, furniture, or furnishings used by state  
32 agencies, and also by means of such a service provide an equipment pool  
33 for effecting sales and exchanges of surplus and unused property by and  
34 between state agencies. (~~(Funds derived from the sale and exchange of~~  
35 ~~property shall be placed to the account of the appropriate state agency~~  
36 ~~on the central stores accounts but such funds may not be expended~~

1 through central stores without prior approval of the office of  
2 financial management.))

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

5 The department of corrections shall be exempt from the following  
6 provisions of this chapter in respect to goods or services purchased or  
7 sold pursuant to the operation of correctional industries: RCW  
8 43.19.180, 43.19.190, 43.19.1901, 43.19.1905, 43.19.1906, 43.19.1908,  
9 43.19.1911, 43.19.1913, 43.19.1915, 43.19.1917, 43.19.1919, 43.19.1921,  
10 ((43.19.1925,)) and 43.19.200.

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

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

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

1 (3) Purchases made for the state's educational institutions, the  
2 offices of the elective state officers, the supreme court, the court of  
3 appeals, the administrative and other departments of the state  
4 government, and the offices of all appointive officers of the state,  
5 shall be paid for out of the moneys appropriated for supplies,  
6 material, and service of the respective institutions, offices, and  
7 departments.

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

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

13 The director (~~(of general administration)~~) shall appoint (~~(and~~  
14 ~~deputize an assistant director to be known as the)~~) a supervisor of  
15 engineering and architecture (~~(who shall have charge and supervision of~~  
16 ~~the division of engineering and architecture. With the approval of the~~  
17 ~~director, the supervisor may appoint and employ such assistants and~~  
18 ~~personnel as may be necessary to carry out the work of the division)~~).

19 (~~No~~) A person (~~(shall be)~~) is not eligible for appointment as  
20 supervisor of engineering and architecture unless he or she is licensed  
21 to practice the profession of engineering or the profession of  
22 architecture in the state of Washington and for the last five years  
23 prior to his or her appointment has been licensed to practice the  
24 profession of engineering or the profession of architecture.

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

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

36 (1) Prepare cost estimates and technical information to accompany

1 the capital budget and prepare or contract for plans and specifications  
2 for new construction and major repairs and alterations to state  
3 facilities.

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

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

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

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

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

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

20 Except as provided under RCW 43.17.210, the Washington state arts  
21 commission shall determine the amount to be made available for the  
22 purchase of art under RCW 43.17.200 in consultation with the director  
23 ~~((of general administration))~~, and payments therefor shall be made in  
24 accordance with law. The designation of projects and sites, selection,  
25 contracting, purchase, commissioning, reviewing of design, execution  
26 and placement, acceptance, maintenance, and sale, exchange, or  
27 disposition of works of art shall be the responsibility of the  
28 Washington state arts commission in consultation with the director ~~((of  
29 general administration))~~.

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

32 The ~~((general administration))~~ enterprise services account shall be  
33 used by the department ~~((of general administration))~~ for the payment of  
34 certain costs, expenses, and charges, as specified in this section,  
35 incurred by it in the operation and administration of the department in  
36 the rendering of services, the furnishing or supplying of equipment,



1 supplies and materials, and for providing or allocating facilities,  
2 including the operation, maintenance, rehabilitation, or furnishings  
3 thereof to other agencies, offices, departments, activities, and other  
4 entities enumerated in RCW 43.01.090 and including the rendering of  
5 services in acquiring real estate under RCW 43.82.010 and the operation  
6 and maintenance of public and historic facilities at the state capitol,  
7 as defined in RCW 79.24.710. The department shall treat the rendering  
8 of services in acquiring real estate and the operation and maintenance  
9 of state capitol public and historic facilities as separate operating  
10 entities within the account for financial accounting and control.

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

19 The director (~~((of general administration))~~) may adopt rules  
20 governing the provisions of RCW 43.01.090 and this section and the  
21 relationships and procedures between the department (~~((of general  
22 administration))~~) and such other entities.

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

25 The Thurston county capital facilities account is created in the  
26 state treasury. The account is subject to the appropriation and  
27 allotment procedures under chapter 43.88 RCW. Moneys in the account  
28 may be expended for capital projects in facilities owned and managed by  
29 the department (~~((of general administration))~~) in Thurston county. For  
30 the 2007-2009 biennium, moneys in the account may be used for predesign  
31 identified in section 1037, chapter 328, Laws of 2008.

32 During the 2009-2011 fiscal biennium, the legislature may transfer  
33 from the Thurston county capital facilities account to the state  
34 general fund such amounts as reflect the excess fund balance of the  
35 account.

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

3       The state agencies and departments are hereby authorized to  
4 purchase products and/or services manufactured or provided by(~~(+~~  
5       ~~(1))~~) community rehabilitation programs of the department of social  
6 and health services(~~(; and~~  
7       ~~(2)–Until–December–31,–2009,–businesses–owned–and–operated–by~~  
8 ~~persons with disabilities)~~)).

9       Such purchases shall be at the fair market price of such products  
10 and services as determined by the (~~(division of purchasing of the)~~)  
11 department of (~~(general administration)~~) enterprise services. To  
12 determine the fair market price the (~~(division)~~) department shall use  
13 the last comparable bid on the products and/or services or in the  
14 alternative the last price paid for the products and/or services. The  
15 increased cost of labor, materials, and other documented costs since  
16 the last comparable bid or the last price paid are additional cost  
17 factors which shall be considered in determining fair market price.  
18 Upon the establishment of the fair market price as provided for in this  
19 section the (~~(division)~~) department is hereby empowered to negotiate  
20 directly for the purchase of products or services with officials in  
21 charge of the community rehabilitation programs of the department of  
22 social and health services (~~(and, until December 31, 2007, businesses~~  
23 ~~owned and operated by persons with disabilities)~~)).

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

26       (1) State agencies, the legislature, and departments shall purchase  
27 for their use all goods and services required by the legislature,  
28 agencies, or departments that are produced or provided in whole or in  
29 part from class II inmate work programs operated by the department of  
30 corrections through state contract. These goods and services shall not  
31 be purchased from any other source unless, upon application by the  
32 department or agency: (a) The department (~~(of general administration)~~)  
33 finds that the articles or products do not meet the reasonable  
34 requirements of the agency or department, (b) are not of equal or  
35 better quality, or (c) the price of the product or service is higher  
36 than that produced by the private sector. However, the criteria  
37 contained in (a), (b), and (c) of this (~~(section)~~) subsection for

1 purchasing goods and services from sources other than correctional  
2 industries do not apply to goods and services produced by correctional  
3 industries that primarily replace goods manufactured or services  
4 obtained from outside the state. The department of corrections and  
5 department (~~of general administration~~) shall adopt administrative  
6 rules that implement this section.

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

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

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

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

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

30 (2) The director shall develop a directory of businesses that  
31 supply products containing significant quantities of recycled  
32 materials. This directory may be combined with and made accessible  
33 through the database of recycled content products to be developed under  
34 RCW 43.19A.060.

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

1 (4) The rules, specifications, and bid evaluation shall be  
2 consistent with recycled content standards adopted under RCW  
3 43.19A.020.

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

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

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

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

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

22 As used in RCW 43.19.565 through 43.19.635, 43.41.130 and  
23 43.41.140, the following definitions shall apply:

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

27 (2) "State agency" shall include any state office, agency,  
28 commission, department, or institution financed in whole or in part  
29 from funds appropriated by the legislature. It shall also include the  
30 Washington state school director's association (~~(and the state~~  
31 ~~printer)~~), but it shall not include (a) the state supreme court or any  
32 agency of the judicial branch or (b) the legislature or any of its  
33 statutory, standing, special, or interim committees, other than at the  
34 option of the judicial or legislative agency or committee concerned;

35 (3) "Employee commuting" shall mean travel by a state officer or

1 employee to or from his or her official residence or other domicile to  
2 or from his or her official duty station or other place of work;

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

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

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

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

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

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

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

35 Unless otherwise determined by the director after consultation with  
36 the office of financial management, vehicles owned and managed by the

1 department of transportation, the department of natural resources, and  
2 the Washington state patrol are exempt from the requirements of  
3 subsections (1), (2), and (4) of this section.

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

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

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

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

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

33 (2) The department, in cooperation with the office of financial  
34 management, shall study and ascertain current and prospective needs of  
35 state agencies for passenger motor vehicles and shall (~~(recommend))~~

1 direct the transfer to a state motor pool or other appropriate  
2 disposition of any vehicle found not to be required by a state agency.

3 (3) The department shall direct the transfer of passenger motor  
4 vehicles from a state agency to a state motor pool or other disposition  
5 as appropriate, based on a study under subsection (2) of this section,  
6 ~~((or after a public hearing held by the department,))~~ if a finding is  
7 made based on ~~((testimony and))~~ data therein submitted that the  
8 economy, efficiency, or effectiveness of state government would be  
9 improved by such a transfer or other disposition of passenger motor  
10 vehicles. Any dispute over the accuracy of ~~((testimony and))~~ data  
11 submitted as to the benefits in state governmental economy, efficiency,  
12 and effectiveness to be gained by such transfer shall be resolved by  
13 the ~~((governor or the governor's designee))~~ director and the director  
14 of financial management. Unless otherwise determined by the director  
15 after consultation with the office of financial management, vehicles  
16 owned and managed by the department of transportation, the department  
17 of natural resources, and the Washington state patrol are exempt from  
18 the requirements of subsections (1) through (3) of this section.

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

21 All moneys, funds, proceeds, and receipts as ~~((provided in RCW~~  
22 ~~43.19.615 and as may otherwise be))~~ provided by law shall be paid into  
23 the ~~((general — administration))~~ enterprise services account.  
24 Disbursements therefrom shall be made in accordance with the provisions  
25 of RCW 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 as  
26 authorized by the director or a duly authorized representative and as  
27 may be provided by law.

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

30 The director ~~((of general administration, through the supervisor of~~  
31 ~~motor transport,))~~ shall adopt~~((, promulgate,))~~ and enforce ~~((such~~  
32 ~~regulations))~~ rules as may be deemed necessary to accomplish the  
33 purpose of RCW 43.19.560 through 43.19.630, 43.41.130, and 43.41.140.  
34 ~~((Such regulations))~~ The rules, in addition to other matters, shall  
35 provide authority for any agency director or his or her delegate to  
36 approve the use on official state business of personally owned or

1 commercially owned rental passenger motor vehicles. Before such an  
2 authorization is made, it must first be reasonably determined that  
3 state owned passenger vehicles or other suitable transportation is not  
4 available at the time or location required or that the use of such  
5 other transportation would not be conducive to the economical,  
6 efficient, and effective conduct of business.

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

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

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

28 (2) Any ((wilful)) willful and knowing violation of any provision  
29 of RCW 43.19.560 through 43.19.620, 43.41.130 and 43.41.140 shall  
30 subject the state official or employee committing such violation to  
31 disciplinary action by the appropriate appointing or employing agency.  
32 Such disciplinary action may include, but shall not be limited to,  
33 suspension without pay, or termination of employment in the case of  
34 repeated violations.

35 (3) Any casual or inadvertent violation of RCW 43.19.560 through  
36 43.19.620, 43.41.130 and 43.41.140 may subject the state official or  
37 employee committing such violation to disciplinary action by the



1 appropriate appointing authority or employing agency. Such  
2 disciplinary action may include, but need not be limited to, suspension  
3 without pay.

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

6 (1) The department (~~(of general administration)~~) must assist state  
7 agencies seeking to meet the biodiesel fuel requirements in RCW  
8 43.19.642 by coordinating the purchase and delivery of biodiesel if  
9 requested by any state agency. The department may use long-term  
10 contracts of up to ten years, when purchasing from in-state suppliers  
11 who use predominantly in-state feedstock, to secure a sufficient and  
12 stable supply of biodiesel for use by state agencies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

34 The director (~~(of general administration)~~) shall compile a list of  
35 the statutes and regulations, relating to state purchasing, of each  
36 state, which statutes and regulations the director believes grant a

1 preference to vendors located within the state or goods manufactured  
2 within the state. At least once every twelve months the director shall  
3 update the list.

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

6 The director (~~(of general administration)~~) shall adopt and apply  
7 rules designed to provide for some reciprocity in bidding between  
8 Washington and those states having statutes or regulations on the list  
9 under RCW 43.19.702. The director (~~(of general administration)~~) shall  
10 have broad discretionary power in developing these rules and the rules  
11 shall provide for reciprocity only to the extent and in those instances  
12 where the director considers it appropriate. For the purpose of  
13 determining the lowest responsible bidder pursuant to RCW 43.19.1911,  
14 such rules shall (1) require the director to impose a reciprocity  
15 increase on bids when appropriate under the rules and (2) establish  
16 methods for determining the amount of the increase. In no instance  
17 shall such increase, if any, be paid to a vendor whose bid is accepted.

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

20 The department (~~(of general administration)~~) shall identify in the  
21 department's vendor registry all vendors that are veteran-owned  
22 businesses as certified by the department of veterans affairs under RCW  
23 43.60A.195.

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

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

28 (1) "Consolidated mail service" means incoming, outgoing, and  
29 internal mail processing.

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

31 ~~(3) "Director" means the director of the department of general~~  
32 ~~administration.~~

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

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

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

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

12       ((6)) (3) "Outgoing mail" means mail, packages, or similar items  
13 processed for agencies to be sent through the United States postal  
14 service, private carrier services, or other courier services.

15       ((7)) (4) "Internal mail" means interagency mail, packages, or  
16 similar items that are delivered or to be delivered to a state agency,  
17 the legislature, the supreme court, or the court of appeals, and their  
18 officers and employees.

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

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

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

25       (a) Two members must be county elected legislative body members or  
26 elected executives;

27       (b) Two members must be city elected legislative body members or  
28 mayors;

29       (c) One member must be a local government building code enforcement  
30 official;

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

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

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

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

1 (h) One member shall represent the structural engineering  
2 profession;

3 (i) One member shall represent the mechanical engineering  
4 profession;

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

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

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

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

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

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

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

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

23 (c) Any member who is appointed by virtue of being an elected  
24 official or holding public employment shall be removed from the council  
25 if he or she ceases being such an elected official or holding such  
26 public employment.

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

34 (e) Any member who no longer qualifies for appointment under this  
35 section may not vote on council actions, but may participate as an ex  
36 officio, nonvoting member until a replacement member is appointed. A  
37 member must notify the council staff and the governor's office within

1 thirty days of the date the member no longer qualifies for appointment  
2 under this section. The governor shall appoint a qualified replacement  
3 for the member within sixty days of notice.

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

7 (6) Members shall not be compensated but shall receive  
8 reimbursement for travel expenses in accordance with RCW 43.03.050 and  
9 43.03.060.

10 (7) The department of (~~commerce~~) enterprise services shall  
11 provide administrative and clerical assistance to the building code  
12 council.

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

15 The definitions in this section apply to RCW 19.27A.130 through  
16 19.27A.190 and 19.27A.020 unless the context clearly requires  
17 otherwise.

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

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

23 (3) "Consumer-owned utility" includes a municipal electric utility  
24 formed under Title 35 RCW, a public utility district formed under Title  
25 54 RCW, an irrigation district formed under chapter 87.03 RCW, a  
26 cooperative formed under chapter 23.86 RCW, a mutual corporation or  
27 association formed under chapter 24.06 RCW, a port district formed  
28 under Title 53 RCW, or a water-sewer district formed under Title 57  
29 RCW, that is engaged in the business of distributing electricity to one  
30 or more retail electric customers in the state.

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

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

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

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

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

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

13 (8) "Energy service company" has the same meaning as in RCW  
14 43.19.670.

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

17 (10) "Greenhouse gas" and "greenhouse gases" includes carbon  
18 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,  
19 and sulfur hexafluoride.

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

23 (12) "Investor-owned utility" means a corporation owned by  
24 investors that meets the definition of "corporation" as defined in RCW  
25 80.04.010 and is engaged in distributing either electricity or natural  
26 gas, or both, to more than one retail electric customer in the state.

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

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

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

37 (16) "Portfolio manager" means the United States environmental

1 protection agency's energy star portfolio manager or an equivalent tool  
2 adopted by the department of (~~general-administration~~) enterprise  
3 services.

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

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

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

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

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

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

19 (c) A wastewater treatment facility owned by a qualifying public  
20 agency; or

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

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

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

27 The (~~office-of-state-procurement-within-the~~) department of  
28 (~~general-administration~~) enterprise\_services may enter into an  
29 agreement with a public benefit nonprofit corporation to allow the  
30 public benefit nonprofit corporation to participate in state contracts  
31 for purchases administered by the (~~office-of-state-procurement~~)  
32 department. Such agreement must comply with the requirements of RCW  
33 39.34.030 through 39.34.050. For the purposes of this section "public  
34 benefit nonprofit corporation" means a public benefit nonprofit  
35 corporation as defined in RCW 24.03.005 that is receiving local, state,  
36 or federal funds either directly or through a public agency other than  
37 an Indian tribe or a political subdivision of another state.



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

3       For the purposes of this chapter the following words and phrases  
4 shall have the following meanings unless the context clearly requires  
5 otherwise:

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

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

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

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

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

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

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

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

31       (b) Interactive communication between energy consumers and their  
32 energy suppliers;

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

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

36       (8) "Life-cycle cost" means the initial cost and cost of operation  
37 of a major facility over its economic life. This shall be calculated  
38 as the initial cost plus the operation, maintenance, and energy costs

1 over its economic life, reflecting anticipated increases in these costs  
2 discounted to present value at the current rate for borrowing public  
3 funds, as determined by the office of financial management. The energy  
4 cost projections used shall be those provided by the department. The  
5 department shall update these projections at least every two years.

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

8 (a) The coordination and positioning of a major facility on its  
9 physical site;

10 (b) The amount and type of fenestration employed in a major  
11 facility;

12 (c) The amount of insulation incorporated into the design of a  
13 major facility;

14 (d) The variable occupancy and operating conditions of a major  
15 facility; and

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

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

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

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

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

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

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

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

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

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

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

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

25 Unless the context clearly requires otherwise, the definitions in  
26 this section apply throughout this chapter.

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

32 (2) "Conservation" means reduced energy consumption or energy cost,  
33 or increased efficiency in the use of energy, and activities, measures,  
34 or equipment designed to achieve such results, but does not include  
35 thermal or electric energy production from cogeneration.  
36 "Conservation" also means reductions in the use or cost of water,  
37 wastewater, or solid waste.

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

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

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

13 (6) "Energy efficiency project" means a conservation or  
14 cogeneration project.

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

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

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

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

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

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

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

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

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

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

5 The definitions in this section apply throughout this chapter  
6 unless the context clearly requires otherwise.

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

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

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

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

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

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

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

4 (7) "Public school district" means a school district eligible to  
5 receive state basic education moneys pursuant to RCW 28A.150.250 and  
6 28A.150.260.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (2) State agencies that utilize office printers and copiers that,  
36 after reasonable attempts, cannot be calibrated to utilize such paper

1 referenced in subsection (1) of this section, must for those models of  
2 equipment:

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

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

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

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

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

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

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

36 There is hereby established an account in the state treasury to be



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

- 9 (1) Pay costs incurred in the operation, maintenance, regulation,  
10 and enforcement of vehicle parking and parking facilities;
- 11 (2) Support the lease costs and/or capital investment costs of  
12 vehicle parking and parking facilities; and
- 13 (3) Support agency commute trip reduction programs under RCW  
14 70.94.521 through 70.94.551.

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

17 All rental income collected by the department of (~~general~~  
18 ~~administration~~) enterprise services from rental of state buildings  
19 shall be deposited in the (~~general administration~~) enterprise  
20 services account.

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

23 The (~~general administration~~) enterprise services account shall be  
24 used to pay all costs incurred by the department in the operation of  
25 real estate managed under the terms of this chapter. Moneys received  
26 into the (~~general administration~~) enterprise services account shall  
27 be used to pay rent to the owner of the space for occupancy of which  
28 the charges have been made and to pay utility and operational costs of  
29 the space utilized by the occupying agency: PROVIDED, That moneys  
30 received into the account for occupancy of space owned by the state  
31 where utilities and other operational costs are covered by  
32 appropriation to the department of (~~general administration~~)  
33 enterprise services shall be immediately transmitted to the general  
34 fund.

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

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

7       (1) The director of (~~general administration~~) enterprise services  
8 may assess a charge against each state board, commission, agency,  
9 office, department, activity, or other occupant of the facility or  
10 building constructed with bonds issued for the purposes of RCW  
11 43.99H.020(15) for payment of a proportion of costs for each square  
12 foot of floor space assigned to or occupied by the entity. Payment of  
13 the amount billed to the entity for such occupancy shall be made  
14 quarterly during each fiscal year. The director of (~~general  
15 administration~~) enterprise services shall deposit the payment in the  
16 capitol campus reserve account.

17       (2) The director of (~~general administration~~) enterprise services  
18 may pledge a portion of the parking rental income collected by the  
19 department of (~~general administration~~) enterprise services from  
20 parking space developed as a part of the facility constructed with  
21 bonds issued for the purposes of RCW 43.99H.020(15). The pledged  
22 portion of this income shall be deposited in the capitol campus reserve  
23 account. The unpledged portion of this income shall continue to be  
24 deposited in the state vehicle parking account.

25       (3) The state treasurer shall transfer four million dollars from  
26 the capitol building construction account to the capitol campus reserve  
27 account each fiscal year from 1990 to 1995. Beginning in fiscal year  
28 1996, the director of (~~general administration~~) enterprise services,  
29 in consultation with the state finance committee, shall determine the  
30 necessary amount for the state treasurer to transfer from the capitol  
31 building construction account to the capitol campus reserve account for  
32 the purpose of repayment of the general fund of the costs of the bonds  
33 issued for the purposes of RCW 43.99H.020(15).

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

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

3       The director of the department of (~~finance, budget and business~~)  
4 enterprise services is hereby authorized and directed to contract with  
5 Olympia Lodge No. 1, F.& A.M., a corporation for the improvement and  
6 perpetual care of the state veterans' plot in the Masonic cemetery at  
7 Olympia; such care to include the providing of proper curbs and walks,  
8 cultivating, reseeding and fertilizing grounds, repairing and resetting  
9 the bases and monuments in place on the ground, leveling grounds, and  
10 transporting and setting headstones for graves of persons hereafter  
11 buried on the plot.

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

14       (1) RCW 43.19.010 (Director--Authority, appointment, salary) and  
15 1999 c 229 s 1, 1993 c 472 s 19, 1988 c 25 s 10, 1975 1st ex.s. c 167  
16 s 1, & 1965 c 8 s 43.19.010;

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

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

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

28       (5) RCW 43.19.595 (Motor vehicle transportation service--Transfer  
29 of motor vehicles, property, etc., from motor pool to department) and  
30 2009 c 549 s 5067 & 1975 1st ex.s. c 167 s 9;

31       (6) RCW 43.19.615 (Motor vehicle transportation service--Deposits--  
32 Disbursements) and 2005 c 214 s 2, 1998 c 105 s 13, & 1975 1st ex.s. c  
33 167 s 13;

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

1 (8) RCW 43.19.680 (Implementation of energy conservation and  
2 maintenance procedures after walk-through survey--Investment grade  
3 audit--Reports--Contracts with energy service companies, staffing) and  
4 2001 c 214 s 27, 1996 c 186 s 506, 1986 c 325 s 2, 1983 c 313 s 1, 1982  
5 c 48 s 3, & 1980 c 172 s 5; and  
6 (9) 2010 c 271 s 301.

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

8 **PART III**  
9 **POWERS AND DUTIES TRANSFERRED FROM THE PUBLIC PRINTER**

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

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

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

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

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

28 (2) To report to the governor and the legislature such information  
29 and data as may be required for the management and improvement of the  
30 schools;

31 (3) To prepare and have printed such forms, registers, courses of  
32 study, rules for the government of the common schools, and such other  
33 material and books as may be necessary for the discharge of the duties

1 of teachers and officials charged with the administration of the laws  
2 relating to the common schools, and to distribute the same to  
3 educational service district superintendents;

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

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

19 (6) To file all papers, reports and public documents transmitted to  
20 the superintendent by the school officials of the several counties or  
21 districts of the state, each year separately. Copies of all papers  
22 filed in the superintendent's office, and the superintendent's official  
23 acts, may, or upon request, shall be certified by the superintendent  
24 and attested by the superintendent's official seal, and when so  
25 certified shall be evidence of the papers or acts so certified to;

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

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

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

35 (10) To keep in the superintendent's office at the capital of the  
36 state, all books and papers pertaining to the business of the  
37 superintendent's office, and to keep and preserve in the

1 superintendent's office a complete record of statistics, as well as a  
2 record of the meetings of the state board of education;

3 (11) With the assistance of the office of the attorney general, to  
4 decide all points of law which may be submitted to the superintendent  
5 in writing by any educational service district superintendent, or that  
6 may be submitted to the superintendent by any other person, upon appeal  
7 from the decision of any educational service district superintendent;  
8 and the superintendent shall publish his or her rulings and decisions  
9 from time to time for the information of school officials and teachers;  
10 and the superintendent's decision shall be final unless set aside by a  
11 court of competent jurisdiction;

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

14 (13) To deliver to his or her successor, at the expiration of the  
15 superintendent's term of office, all records, books, maps, documents  
16 and papers of whatever kind belonging to the superintendent's office or  
17 which may have been received by the superintendent's for the use of the  
18 superintendent's office;

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

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

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

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

28 (1)(a) An institution of higher education may exercise  
29 independently those powers otherwise granted to the director of  
30 (~~(general administration)~~) enterprise services in chapter 43.19 RCW in  
31 connection with the purchase and disposition of all material, supplies,  
32 services, and equipment needed for the support, maintenance, and use of  
33 the respective institution of higher education.

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

1 (c) Purchasing policies and procedures followed by institutions of  
2 higher education shall be in compliance with chapters 39.19, 39.29, and  
3 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917,  
4 43.19.1937, 43.19.534, 43.19.685, 43.19.700 through 43.19.704, and  
5 43.19.560 through 43.19.637.

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

10 (e) The community and technical colleges shall comply with RCW  
11 43.19.450.

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

15 (g) If an institution of higher education can satisfactorily  
16 demonstrate to the director of the office of financial management that  
17 the cost of compliance is greater than the value of benefits from any  
18 of the following statutes, then it shall be exempt from them: RCW  
19 43.19.685, 43.19.534, and 43.19.637.

20 (h) Any institution of higher education that chooses to exercise  
21 independent purchasing authority for a commodity or group of  
22 commodities shall notify the director of (~~general administration~~)  
23 enterprise \_\_ services. Thereafter the director of (~~general~~  
24 ~~administration~~) enterprise services shall not be required to provide  
25 those services for that institution for the duration of the (~~general~~  
26 ~~administration~~) enterprise services contract term for that commodity  
27 or group of commodities.

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

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

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

37 (c) Develop recommendations on ways to continue to build

1 correctional industries' business with institutions of higher  
2 education.

3 (3) Higher education and correctional industries shall develop a  
4 plan to build higher education business with correctional industries to  
5 increase higher education purchases of correctional industries  
6 products, based upon the criteria established in subsection (2) of this  
7 section. The plan shall include the correctional industries'  
8 production and sales goals for higher education and an approved list of  
9 products from which higher education institutions shall purchase, based  
10 on the criteria established in subsection (2) of this section. Higher  
11 education and correctional industries shall report to the legislature  
12 regarding the plan and its implementation no later than January 30,  
13 2005.

14 (4) Institutions of higher education shall set as a target to  
15 contract, beginning not later than June 30, 2006, to purchase one  
16 percent of the total goods and services required by the institutions  
17 each year produced or provided in whole or in part from class II inmate  
18 work programs operated by the department of corrections. Institutions  
19 of higher education shall set as a target to contract, beginning not  
20 later than June 30, 2008, to purchase two percent of the total goods  
21 and services required by the institutions each year produced or  
22 provided in whole or in part from class II inmate work programs  
23 operated by the department of corrections.

24 ~~((5) An institution of higher education may exercise independently  
25 those powers otherwise granted to the public printer in chapter 43.78  
26 RCW in connection with the production or purchase of any printing and  
27 binding needed by the respective institution of higher education.  
28 Purchasing policies and procedures followed by institutions of higher  
29 education shall be in compliance with chapter 39.19 RCW. Any  
30 institution of higher education that chooses to exercise independent  
31 printing production or purchasing authority shall notify the public  
32 printer. Thereafter the public printer shall not be required to  
33 provide those services for that institution.))~~

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

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



1 (a) For state publications available only in print format, each  
2 state agency shall deposit, at a minimum, two copies of each of its  
3 publications with the state library. For the purposes of broad public  
4 access, state agencies may deposit additional copies with the state  
5 library for distribution to additional depository libraries.

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

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

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

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

22 ~~((4) Upon consent of the issuing state agency, such state  
23 publications as are printed by the public printer shall be delivered  
24 directly to the center.))~~

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

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

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

1 (1) RCW 43.78.010 (Appointment of public printer) and 2009 c 549 s  
2 5146, 1981 c 338 s 6, & 1965 c 8 s 43.78.010;

3 (2) RCW 43.78.020 (Bond) and 2009 c 549 s 5147 & 1965 c 8 s  
4 43.78.020;

5 (3) RCW 43.78.030 (Duties--Exceptions) and 2010 1st sp.s. c 37 s  
6 927, 1994 c 82 s 1, 1993 c 379 s 104, 1988 c 102 s 1, 1987 c 72 s 1,  
7 1982 c 164 s 2, 1971 c 81 s 114, & 1965 c 8 s 43.78.030;

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

9 (5) RCW 43.78.050 (Itemized statement of charges) and 1965 c 8 s  
10 43.78.050;

11 (6) RCW 43.78.070 (Use of state plant--Conditions--Public printer's  
12 salary) and 2009 c 549 s 5148, 1979 c 151 s 134, & 1965 c 8 s  
13 43.78.070;

14 (7) RCW 43.78.080 (Printing specifications) and 1972 ex.s. c 1 s 1,  
15 1969 c 6 s 7, & 1965 c 8 s 43.78.080;

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

17 (9) RCW 43.78.100 (Stock to be furnished) and 1993 c 379 s 106 &  
18 1965 c 8 s 43.78.100;

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

21 (11) RCW 43.78.110 (Securing printing from private sources--  
22 Definitions) and 2009 c 486 s 12, 1993 c 379 s 107, 1982 c 164 s 3,  
23 1969 c 79 s 1, & 1965 c 8 s 43.78.110;

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

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

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

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

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

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

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

3        (1) The public printing revolving account is created in the custody  
4    of the state treasurer. All receipts from public printing must be  
5    deposited in the account. Expenditures from the account may be used  
6    only for administrative and operating purposes related to public  
7    printing. Only the director or the director's designee may authorize  
8    expenditures from the account. The account is subject to allotment  
9    procedures under chapter 43.88 RCW, but an appropriation is not  
10   required for expenditures.

11       (2) On the effective date of this section, the state treasurer  
12   shall transfer any residual funds remaining in the state printing plant  
13   revolving fund to the public printing revolving account established in  
14   this section.

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

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

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

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

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

- 30       (i) Renew the copier and multifunctional device contract; or  
31       (ii) Enter a print management contract;

32       (b) Any agency with a copier and multifunctional device contract  
33   that is set to expire on or after January 1, 2012, shall begin planning  
34   for the transition to a print management contract six months prior to  
35   the expiration date of the contract. Upon expiration of the copier and  
36   multifunctional device contract, the agency shall utilize a print  
37   management contract; and

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

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

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

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

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

19 State agencies, boards, commissions, and institutions of higher  
20 education requiring the services of a print shop may use public  
21 printing services provided by the department. If a print job is put  
22 out for bid, the department must be included in the bid solicitation.  
23 All solicitations must be posted on the state's common vendor  
24 registration and bid notification system and results provided to the  
25 department.

26 NEW SECTION. **Sec. 310.** A new section is added to chapter 43.19  
27 RCW to read as follows:

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

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

33 To improve the efficiency and minimize the costs of agency-based  
34 printing, the department shall establish rules and guidelines for all  
35 agencies to use in managing their printing operations, including both

1 agency-based printing and those jobs that require the services of a  
2 print shop, as based on the successes of implementation of existing  
3 print management programs in state agencies. At a minimum, the rules  
4 and guidelines must implement managed print strategies to track,  
5 manage, and reduce agency-based printing.

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

8 The department must determine which agencies have print shops and  
9 prepare a recommendation, including proposed legislation by November  
10 15, 2011, to transfer print shop personnel, equipment, and activities  
11 of state agencies and institutions of higher education, as defined in  
12 RCW 28B.10.016, to the department. A transfer under this section does  
13 not imply that any print shop operations will close at the affected  
14 agencies and institutions of higher education.

15 **PART IV**

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

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

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

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

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

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

34 (4) "Competitive service" means all positions in the classified

1 service for which a competitive examination is required as a condition  
2 precedent to appointment.

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

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

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

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

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

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

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

28 (12) "Institutions of higher education" means the University of  
29 Washington, Washington State University, Central Washington University,  
30 Eastern Washington University, Western Washington University, The  
31 Evergreen State College, and the various state community colleges.

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

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

37 In addition to the exemptions set forth in RCW 41.06.070, the

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

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

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

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

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

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

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

- 35 (1) There is hereby created a Washington personnel resources board

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

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

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

28 (4) The board may appoint and compensate hearing officers to hear  
29 and conduct appeals. Such compensation shall be paid on a contractual  
30 basis for each hearing, in accordance with the provisions of chapter  
31 43.88 RCW and rules adopted pursuant thereto, as they relate to  
32 personal service contracts.

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

35 (1) In the necessary conduct of its work, the board shall meet  
36 monthly unless there is no pending business requiring board action and  
37 may hold hearings, such hearings to be called by (a) the chairman of



1 the board, or (b) a majority of the members of the board. An official  
2 notice of the calling of the hearing shall be filed with the secretary,  
3 and all members shall be notified of the hearing within a reasonable  
4 period of time prior to its convening.

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

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

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

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

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

17 (b) Training and career development;

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

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

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

36 (d) Transfers;

37 (e) Promotional preferences;

1 (f) Sick leaves and vacations;

2 (g) Hours of work;

3 (h) Layoffs when necessary and subsequent reemployment, except for

4 the financial basis for layoffs;

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

6 (j) Adoption and revision of a state salary schedule to reflect the

7 prevailing rates in Washington state private industries and other

8 governmental units. The rates in the salary schedules or plans shall

9 be increased if necessary to attain comparable worth under an

10 implementation plan under RCW 41.06.155 and, for institutions of higher

11 education and related boards, shall be competitive for positions of a

12 similar nature in the state or the locality in which an institution of

13 higher education or related board is located. Such adoption and

14 revision is subject to approval by the director of financial management

15 in accordance with chapter 43.88 RCW;

16 (k) Increment increases within the series of steps for each pay

17 grade based on length of service for all employees whose standards of

18 performance are such as to permit them to retain job status in the

19 classified service. From February 18, 2009, through June 30, 2011, a

20 salary or wage increase shall not be granted to any exempt position

21 under this chapter, except that a salary or wage increase may be

22 granted to employees pursuant to collective bargaining agreements

23 negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or

24 negotiated by the nonprofit corporation formed under chapter 67.40 RCW,

25 and except that increases may be granted for positions for which the

26 employer has demonstrated difficulty retaining qualified employees if

27 the following conditions are met:

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

29 (ii) The salary increase will not adversely impact the provision of

30 client services;

31 Any agency granting a salary increase from February 15, 2010,

32 through June 30, 2011, to a position exempt under this chapter shall

33 submit a report to the fiscal committees of the legislature no later

34 than July 31, 2011, detailing the positions for which salary increases

35 were granted, the size of the increases, and the reasons for giving the

36 increases;

37 (l) Optional lump sum relocation compensation approved by the

38 agency director, whenever it is reasonably necessary that a person make

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

8 (m) Providing for veteran's preference as required by existing  
9 statutes, with recognition of preference in regard to layoffs and  
10 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. 408.** 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~~) processes set forth in subsections (1),  
38 (4), and (5) of this section do not apply to:

- 1        (a) RCW 74.13.031(5);  
2        (b) The acquisition of printing services by a state agency;  
3        (c) The department of enterprise services; and  
4        (d) The consolidated technology services agency.

5        **Sec. 409.** RCW 41.06.150 and 2002 c 371 s 906, 2002 c 354 s 203,  
6        2002 c 354 s 202, and 2002 c 110 s 1 are each reenacted and amended to  
7        read as follows:

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

- 11        (1) Certification of names for vacancies;  
12        (2) Examinations for all positions in the competitive and  
13        noncompetitive service;  
14        (3) Appointments;  
15        (4) ~~((Adoption and revision of a comprehensive classification plan,~~  
16        ~~in accordance with rules adopted by the board under RCW 41.06.136, for~~  
17        ~~all positions in the classified service, based on investigation and~~  
18        ~~analysis of the duties and responsibilities of each such position and~~  
19        ~~allocation and reallocation of positions within the classification~~  
20        ~~plan.~~

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

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

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

35        ~~((6))~~ (5) Assuring persons who are or have been employed in  
36        classified positions before July 1, 1993, will be eligible for

1 employment, reemployment, transfer, and promotion in respect to  
2 classified positions covered by this chapter;

3 ~~((7))~~ (6) Affirmative action in appointment, promotion, transfer,  
4 recruitment, training, and career development; development and  
5 implementation of affirmative action goals and timetables; and  
6 monitoring of progress against those goals and timetables.

7 The director shall consult with the human rights commission in the  
8 development of rules pertaining to affirmative action. ~~((The  
9 department of personnel shall transmit a report annually to the human  
10 rights commission which states the progress each state agency has made  
11 in meeting affirmative action goals and timetables.))~~

12 Rules adopted under this section by the director shall provide for  
13 local administration and management by the institutions of higher  
14 education and related boards, subject to periodic audit and review by  
15 the director.

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

18 (1) The director shall adopt only those job classification  
19 revisions, class studies, and salary adjustments under ~~((RCW  
20 41.06.150(4))~~) section 411 of this act that:

21 (a) As defined by the director, are due to documented recruitment  
22 or retention difficulties, salary compression or inversion,  
23 classification plan maintenance, higher level duties and  
24 responsibilities, or inequities; and

25 (b) Are such that the office of financial management has reviewed  
26 the affected agency's fiscal impact statement and has concurred that  
27 the affected agency can absorb the biennialized cost of the  
28 reclassification, class study, or salary adjustment within the agency's  
29 current authorized level of funding for the current fiscal biennium and  
30 subsequent fiscal biennia.

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



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

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

8        (a) Be simple and streamlined;

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

11       (c) Value workplace diversity;

12       (d) Facilitate the reorganization and decentralization of  
13    governmental services;

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

15       (f) Consider rates in other public employment and private  
16    employment in the state.

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

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

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

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

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

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

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

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

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

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

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

35           (2) Any employee who is reduced, dismissed, suspended, or demoted,  
36 after completing his or her probationary period of service as provided

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

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

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

27 (5) Subsections (1) and (2) of this section do not apply to any  
28 employee who is subject to the provisions of a collective bargaining  
29 agreement negotiated under RCW 41.80.001 and 41.80.010 through  
30 41.80.130.

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

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

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

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

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

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

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

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

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

1 except the institutions of higher education, shall be charged to the  
2 operations appropriations of each agency and credited to the  
3 ~~((department-of))~~ personnel service fund as the allotments are approved  
4 pursuant to chapter 43.88 RCW. Subject to the above limitations, the  
5 amount shall be charged against the allotments pro rata, at a rate to  
6 be fixed by the director from time to time which, together with income  
7 derived from services rendered under RCW 41.06.080, will provide the  
8 ~~((department))~~ office of financial management and the department of  
9 enterprise services with funds to meet its anticipated expenditures  
10 during the allotment period, including the training requirements in RCW  
11 41.06.500 and 41.06.530.

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

22 Moneys from the ~~((department-of))~~ personnel service fund shall be  
23 disbursed by the state treasurer by warrants on vouchers duly  
24 authorized by the ~~((board))~~ office of financial management and the  
25 department of enterprise services.

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

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

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

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

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

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

31 The director is authorized to receive federal funds now available  
32 or hereafter made available for the assistance and improvement of  
33 public personnel administration, which may be expended in addition to  
34 the (~~department of~~) personnel service fund established by RCW  
35 41.06.280.



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

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

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

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

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

14           (4)) Budget for training and career development in accordance with  
15 procedures of the office of financial management.

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

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

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

33           (3) Agencies subject to the provisions of this chapter, in  
34 accordance with rules prescribed by the ((~~board~~)) office of financial  
35 management, shall designate individual positions, or groups of  
36 positions, as being "supervisory" or "management" positions. Such



1 designations shall be subject to review by the director (~~as part of~~  
2 ~~the director's evaluation of training and career development programs~~  
3 ~~prescribed by RCW 41.06.400(2)~~).

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

6 (1) The (~~board~~) office of financial management shall amend any  
7 existing rules established under RCW 41.06.475 and adopt rules  
8 developed in cooperation and agreement with the department of social  
9 and health services to implement the provisions of chapter 296, Laws of  
10 2001.

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

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

15 (b) The administration of circumstances and behaviors foreseeable  
16 at the time of enactment.

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

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

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

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

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

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

1        ~~((e))~~ (4) Provide that applicants receiving appointments for  
2 classified service receive an explanation of the return-to-work policy;  
3        ~~((f))~~ (5) Require training of supervisors on implementation of  
4 the return-to-work policy, including but not limited to assessment of  
5 the appropriateness of the return-to-work job for the employee; and  
6        ~~((g))~~ (6) Coordinate participation of applicable employee  
7 assistance programs, as appropriate.

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

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

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

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

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

- 34        (1) The legislature recognizes that:  
35        (a) The labor market and the state government workforce are diverse

1 in terms of gender, race, ethnicity, age, and the presence of  
2 disabilities.

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

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

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

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

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

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

- 21 ~~(i) Voluntary mentorship programs;~~
- 22 ~~(ii) Alternative testing practices for persons of disability where~~  
23 ~~deemed appropriate;~~
- 24 ~~(iii) Career counseling;~~
- 25 ~~(iv) Training opportunities, including management and employee~~  
26 ~~awareness and skills training, English as a second language, and~~  
27 ~~individual tutoring;~~
- 28 ~~(v) Recruitment strategies;~~
- 29 ~~(vi) Management performance appraisal techniques that focus on~~  
30 ~~valuing and managing diversity in the workplace; and~~
- 31 ~~(vii) Alternative work arrangements;~~

32 ~~(e))~~ The department of enterprise services, in consultation with  
33 agencies, employee organizations, and employees, institutions of higher  
34 education, and related boards, develop training programs for all  
35 managers to enhance their ability to implement diversity policies and  
36 to provide a thorough grounding in all aspects of the state civil  
37 service law and merit system rules, and how the proper implementation

1 and application thereof can facilitate and further the mission of the  
2 agency.

3 (3) The department of enterprise services and the office of  
4 financial management shall coordinate implementation of this section  
5 with the (~~office of financial management and~~) institutions of higher  
6 education and related boards to reduce duplication of effort.

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

9 (1) The office of financial management shall direct and supervise  
10 the personnel policy and application of the civil service laws, chapter  
11 41.06 RCW.

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

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

19 (4) The human resources director may delegate to any agency the  
20 authority to perform administrative and technical personnel activities  
21 if the agency requests such authority and the human resources director  
22 is satisfied that the agency has the personnel management capabilities  
23 to effectively perform the delegated activities. The human resources  
24 director shall prescribe standards and guidelines for the performance  
25 of delegated activities. If the human resources director determines  
26 that an agency is not performing delegated activities within the  
27 prescribed standards and guidelines, the director shall withdraw the  
28 authority from the agency to perform such activities.

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

31 (1) This chapter shall not apply to:

32 (a) The state militia, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

35 (1) An attendance incentive program is established for all eligible  
36 employees. As used in this section the term "eligible employee" means  
37 any employee of the state, other than eligible employees of the

1 community and technical colleges and the state board for community and  
2 technical colleges identified in RCW 28B.50.553, and teaching and  
3 research faculty at the state and regional universities and The  
4 Evergreen State College, entitled to accumulate sick leave and for whom  
5 accurate sick leave records have been maintained. No employee may  
6 receive compensation under this section for any portion of sick leave  
7 accumulated at a rate in excess of one day per month. The state and  
8 regional universities and The Evergreen State College shall maintain  
9 complete and accurate sick leave records for all teaching and research  
10 faculty.

11 (2) In January of the year following any year in which a minimum of  
12 sixty days of sick leave is accrued, and each January thereafter, any  
13 eligible employee may receive remuneration for unused sick leave  
14 accumulated in the previous year at a rate equal to one day's monetary  
15 compensation of the employee for each four full days of accrued sick  
16 leave in excess of sixty days. Sick leave for which compensation has  
17 been received shall be deducted from accrued sick leave at the rate of  
18 four days for every one day's monetary compensation.

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

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

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

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

37 (7) In lieu of remuneration for unused sick leave at retirement as  
38 provided in subsection (3) of this section, an agency head or designee

1 may with equivalent funds, provide eligible employees with a benefit  
2 plan that provides for reimbursement for medical expenses. This plan  
3 shall be implemented only after consultation with affected groups of  
4 employees. For eligible employees covered by chapter 41.06 RCW,  
5 procedures for the implementation of these plans shall be adopted by  
6 the human resources director (~~(of personnel)~~). For eligible employees  
7 exempt from chapter 41.06 RCW, and classified employees who have opted  
8 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,  
9 implementation procedures shall be adopted by an agency head having  
10 jurisdiction over the employees.

11 (8) Implementing procedures adopted by the human resources director  
12 (~~(of personnel)~~) or agency heads shall require that each medical  
13 expense plan authorized by subsection (7) of this section apply to all  
14 eligible employees in any one of the following groups: (a) Employees  
15 in an agency; (b) employees in a major organizational subdivision of an  
16 agency; (c) employees at a major operating location of an agency; (d)  
17 exempt employees under the jurisdiction of an elected or appointed  
18 Washington state executive; (e) employees of the Washington state  
19 senate; (f) employees of the Washington state house of representatives;  
20 (g) classified employees in a bargaining unit established by the  
21 director of personnel; or (h) other group of employees defined by an  
22 agency head that is not designed to provide an individual-employee  
23 choice regarding participation in a medical expense plan. However,  
24 medical expense plans for eligible employees in any of the groups under  
25 (a) through (h) of this subsection who are covered by a collective  
26 bargaining agreement shall be implemented only by written agreement  
27 with the bargaining unit's exclusive representative and a separate  
28 medical expense plan may be provided for unrepresented employees.

29 (9) Medical expense plans authorized by subsection (7) of this  
30 section must require as a condition of participation in the plan that  
31 employees in the group affected by the plan sign an agreement with the  
32 employer. The agreement must include a provision to hold the employer  
33 harmless should the United States government find that the employer or  
34 the employee is in debt to the United States as a result of the  
35 employee not paying income taxes due on the equivalent funds placed  
36 into the plan, or as a result of the employer not withholding or  
37 deducting a tax, assessment, or other payment on the funds as required  
38 by federal law. The agreement must also include a provision that

1 requires an eligible employee to forfeit remuneration under subsection  
2 (3) of this section if the employee belongs to a group that has been  
3 designated to participate in the medical expense plan permitted under  
4 this section and the employee refuses to execute the required  
5 agreement.

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

8 The legislature finds that (1) demographic, economic, and social  
9 trends underlie a critical and increasing demand for child care in the  
10 state of Washington; (2) working parents and their children benefit  
11 when the employees' child care needs have been resolved; (3) the state  
12 of Washington should serve as a model employer by creating a supportive  
13 atmosphere, to the extent feasible, in which its employees may meet  
14 their child care needs; and (4) the state of Washington should  
15 encourage the development of partnerships between state agencies, state  
16 employees, state employee labor organizations, and private employers to  
17 expand the availability of affordable quality child care. The  
18 legislature finds further that resolving employee child care concerns  
19 not only benefits the employees and their children, but may benefit the  
20 employer by reducing absenteeism, increasing employee productivity,  
21 improving morale, and enhancing the employer's position in recruiting  
22 and retaining employees. Therefore, the legislature declares that it  
23 is the policy of the state of Washington to assist state employees by  
24 creating a supportive atmosphere in which they may meet their child  
25 care needs. Policies and procedures for state agencies to address  
26 employee child care needs will be the responsibility of the director of  
27 (~~personnel~~) enterprise services in consultation with the director of  
28 the department of early learning and state employee representatives.

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

31 (1) The disability accommodation revolving fund is created in the  
32 custody of the state treasurer. Disbursements from the fund shall be  
33 on authorization of the director of (~~the department of personnel~~)  
34 financial management or the director's designee. The fund is subject  
35 to the allotment procedure provided under chapter 43.88 RCW, but no



1 appropriation is required for disbursements. The fund shall be used  
2 exclusively by state agencies to accommodate the unanticipated job site  
3 or equipment needs of persons of disability in state employ.

4 (2) The director of (~~the department of personnel~~) financial  
5 management or the director's designee shall consult with the governor's  
6 committee on disability issues and employment regarding requests for  
7 disbursements from the disability accommodation revolving fund. The  
8 department shall establish application procedures, adopt criteria, and  
9 provide technical assistance to users of the fund.

10 (3) Agencies that receive moneys from the disability accommodation  
11 revolving fund shall return to the fund the amount received from the  
12 fund by no later than the end of the first month of the following  
13 fiscal biennium.

14 **Sec. 435.** RCW 41.04.665 and 2010 1st sp.s. c 32 s 10 and 2010 c  
15 168 s 1 are each reenacted and amended to read as follows:

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

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

21 (ii) The employee has been called to service in the uniformed  
22 services;

23 (iii) A state of emergency has been declared anywhere within the  
24 United States by the federal or any state government and the employee  
25 has needed skills to assist in responding to the emergency or its  
26 aftermath and volunteers his or her services to either a governmental  
27 agency or to a nonprofit organization engaged in humanitarian relief in  
28 the devastated area, and the governmental agency or nonprofit  
29 organization accepts the employee's offer of volunteer services;

30 (iv) The employee is a victim of domestic violence, sexual assault,  
31 or stalking; or

32 (v) During the 2009-2011 fiscal biennium only, the employee is  
33 eligible to use leave in lieu of temporary layoff under section 3(5),  
34 chapter 32, Laws of 2010 1st sp. sess.;

35 (b) The illness, injury, impairment, condition, call to service,  
36 emergency volunteer service, or consequence of domestic violence,

1 sexual assault, temporary layoff under section 3(5), chapter 32, Laws  
2 of 2010 1st sp. sess., or stalking has caused, or is likely to cause,  
3 the employee to:

4 (i) Go on leave without pay status; or

5 (ii) Terminate state employment;

6 (c) The employee's absence and the use of shared leave are  
7 justified;

8 (d) The employee has depleted or will shortly deplete his or her:

9 (i) Annual leave and sick leave reserves if he or she qualifies  
10 under (a)(i) of this subsection;

11 (ii) Annual leave and paid military leave allowed under RCW  
12 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or

13 (iii) Annual leave if he or she qualifies under (a)(iii), (iv), or  
14 (v) of this subsection;

15 (e) The employee has abided by agency rules regarding:

16 (i) Sick leave use if he or she qualifies under (a)(i) or (iv) of  
17 this subsection; or

18 (ii) Military leave if he or she qualifies under (a)(ii) of this  
19 subsection; and

20 (f) The employee has diligently pursued and been found to be  
21 ineligible for benefits under chapter 51.32 RCW if he or she qualifies  
22 under (a)(i) of this subsection.

23 (2) The agency head shall determine the amount of leave, if any,  
24 which an employee may receive under this section. However, an employee  
25 shall not receive a total of more than five hundred twenty-two days of  
26 leave, except that, a supervisor may authorize leave in excess of five  
27 hundred twenty-two days in extraordinary circumstances for an employee  
28 qualifying for the shared leave program because he or she is suffering  
29 from an illness, injury, impairment, or physical or mental condition  
30 which is of an extraordinary or severe nature. Shared leave received  
31 under the uniformed service shared leave pool in RCW 41.04.685 is not  
32 included in this total.

33 (3) An employee may transfer annual leave, sick leave, and his or  
34 her personal holiday, as follows:

35 (a) An employee who has an accrued annual leave balance of more  
36 than ten days may request that the head of the agency for which the  
37 employee works transfer a specified amount of annual leave to another  
38 employee authorized to receive leave under subsection (1) of this

1 section. In no event may the employee request a transfer of an amount  
2 of leave that would result in his or her annual leave account going  
3 below ten days. For purposes of this subsection (3)(a), annual leave  
4 does not accrue if the employee receives compensation in lieu of  
5 accumulating a balance of annual leave.

6 (b) An employee may transfer a specified amount of sick leave to an  
7 employee requesting shared leave only when the donating employee  
8 retains a minimum of one hundred seventy-six hours of sick leave after  
9 the transfer.

10 (c) An employee may transfer, under the provisions of this section  
11 relating to the transfer of leave, all or part of his or her personal  
12 holiday, as that term is defined under RCW 1.16.050, or as such  
13 holidays are provided to employees by agreement with a school  
14 district's board of directors if the leave transferred under this  
15 subsection does not exceed the amount of time provided for personal  
16 holidays under RCW 1.16.050.

17 (4) An employee of an institution of higher education under RCW  
18 28B.10.016, school district, or educational service district who does  
19 not accrue annual leave but does accrue sick leave and who has an  
20 accrued sick leave balance of more than twenty-two days may request  
21 that the head of the agency for which the employee works transfer a  
22 specified amount of sick leave to another employee authorized to  
23 receive leave under subsection (1) of this section. In no event may  
24 such an employee request a transfer that would result in his or her  
25 sick leave account going below twenty-two days. Transfers of sick  
26 leave under this subsection are limited to transfers from employees who  
27 do not accrue annual leave. Under this subsection, "sick leave" also  
28 includes leave accrued pursuant to RCW 28A.400.300(2) or 28A.310.240(1)  
29 with compensation for illness, injury, and emergencies.

30 (5) Transfers of leave made by an agency head under subsections (3)  
31 and (4) of this section shall not exceed the requested amount.

32 (6) Leave transferred under this section may be transferred from  
33 employees of one agency to an employee of the same agency or, with the  
34 approval of the heads of both agencies, to an employee of another state  
35 agency.

36 (7) While an employee is on leave transferred under this section,  
37 he or she shall continue to be classified as a state employee and shall

1 receive the same treatment in respect to salary, wages, and employee  
2 benefits as the employee would normally receive if using accrued annual  
3 leave or sick leave.

4 (a) All salary and wage payments made to employees while on leave  
5 transferred under this section shall be made by the agency employing  
6 the person receiving the leave. The value of leave transferred shall  
7 be based upon the leave value of the person receiving the leave.

8 (b) In the case of leave transferred by an employee of one agency  
9 to an employee of another agency, the agencies involved shall arrange  
10 for the transfer of funds and credit for the appropriate value of  
11 leave.

12 (i) Pursuant to rules adopted by the office of financial  
13 management, funds shall not be transferred under this section if the  
14 transfer would violate any constitutional or statutory restrictions on  
15 the funds being transferred.

16 (ii) The office of financial management may adjust the  
17 appropriation authority of an agency receiving funds under this section  
18 only if and to the extent that the agency's existing appropriation  
19 authority would prevent it from expending the funds received.

20 (iii) Where any questions arise in the transfer of funds or the  
21 adjustment of appropriation authority, the director of financial  
22 management shall determine the appropriate transfer or adjustment.

23 (8) Leave transferred under this section shall not be used in any  
24 calculation to determine an agency's allocation of full time equivalent  
25 staff positions.

26 (9) The value of any leave transferred under this section which  
27 remains unused shall be returned at its original value to the employee  
28 or employees who transferred the leave when the agency head finds that  
29 the leave is no longer needed or will not be needed at a future time in  
30 connection with the illness or injury for which the leave was  
31 transferred or for any other qualifying condition. Before the agency  
32 head makes a determination to return unused leave in connection with an  
33 illness or injury, or any other qualifying condition, he or she must  
34 receive from the affected employee a statement from the employee's  
35 doctor verifying that the illness or injury is resolved. To the extent  
36 administratively feasible, the value of unused leave which was  
37 transferred by more than one employee shall be returned on a pro rata  
38 basis.

1 (10) An employee who uses leave that is transferred to him or her  
2 under this section may not be required to repay the value of the leave  
3 that he or she used.

4 (11) The human resources director (~~(of personnel)~~) may adopt rules  
5 as necessary to implement subsection (2)(~~(a) through (e)~~) of this  
6 section.

7 **Sec. 436.** RCW 41.04.670 and 1993 c 281 s 18 are each amended to  
8 read as follows:

9 The (~~Washington personnel resources board~~) office of financial  
10 management and other personnel authorities shall each adopt rules  
11 applicable to employees under their respective jurisdictions: (1)  
12 Establishing appropriate parameters for the program which are  
13 consistent with the provisions of RCW 41.04.650 through 41.04.665; (2)  
14 providing for equivalent treatment of employees between their  
15 respective jurisdictions and allowing transfers of leave in accordance  
16 with RCW 41.04.665(5); (3) establishing procedures to ensure that the  
17 program does not significantly increase the cost of providing leave;  
18 and (4) providing for the administration of the program and providing  
19 for maintenance and collection of sufficient information on the program  
20 to allow a thorough legislative review.

21 **Sec. 437.** RCW 41.04.680 and 2006 c 356 s 1 are each amended to  
22 read as follows:

23 The (~~department of personnel~~) office of financial management and  
24 other personnel authorities shall adopt rules or policies governing the  
25 accumulation and use of sick leave for state agency and department  
26 employees, expressly for the establishment of a plan allowing  
27 participating employees to pool sick leave and allowing any sick leave  
28 thus pooled to be used by any participating employee who has used all  
29 of the sick leave, annual leave, and compensatory leave that has been  
30 personally accrued by him or her. Each department or agency of the  
31 state may allow employees to participate in a sick leave pool  
32 established by the (~~department of personnel~~) office of financial  
33 management and other personnel authorities.

34 (1) For purposes of calculating maximum sick leave that may be  
35 donated or received by any one employee, pooled sick leave:

1 (a) Is counted and converted in the same manner as sick leave under  
2 the Washington state leave sharing program as provided in this chapter;  
3 and

4 (b) Does not create a right to sick leave in addition to the amount  
5 that may be donated or received under the Washington state leave  
6 sharing program as provided in this chapter.

7 (2) The (~~department~~) office of financial management and other  
8 personnel authorities, except the personnel authorities for higher  
9 education institutions, shall adopt rules which provide:

10 (a) That employees are eligible to participate in the sick leave  
11 pool after one year of employment with the state or agency of the state  
12 if the employee has accrued a minimum amount of unused sick leave, to  
13 be established by rule;

14 (b) That participation in the sick leave pool shall, at all times,  
15 be voluntary on the part of the employees;

16 (c) That any sick leave pooled shall be removed from the personally  
17 accumulated sick leave balance of the employee contributing the leave;

18 (d) That any sick leave in the pool that is used by a participating  
19 employee may be used only for the employee's personal illness,  
20 accident, or injury;

21 (e) That a participating employee is not eligible to use sick leave  
22 accumulated in the pool until all of his or her personally accrued  
23 sick, annual, and compensatory leave has been used;

24 (f) A maximum number of days of sick leave in the pool that any one  
25 employee may use;

26 (g) That a participating employee who uses sick leave from the pool  
27 is not required to retribute such sick leave to the pool, except as  
28 otherwise provided in this section;

29 (h) That an employee who cancels his or her membership in the sick  
30 leave pool is not eligible to withdraw the days of sick leave  
31 contributed by that employee to the pool;

32 (i) That an employee who transfers from one position in state  
33 government to another position in state government may transfer from  
34 one pool to another if the eligibility criteria of the pools are  
35 comparable and the administrators of the pools have agreed on a formula  
36 for transfer of credits;

37 (j) That alleged abuse of the use of the sick leave pool shall be  
38 investigated, and, on a finding of wrongdoing, the employee shall repay

1 all of the sick leave credits drawn from the sick leave pool and shall  
2 be subject to such other disciplinary action as is determined by the  
3 agency head;

4 (k) That sick leave credits may be drawn from the sick leave pool  
5 by a part-time employee on a pro rata basis; and

6 (l) That each department or agency shall maintain accurate and  
7 reliable records showing the amount of sick leave which has been  
8 accumulated and is unused by employees, in accordance with guidelines  
9 established by the department of personnel.

10 (3) Personnel authorities for higher education institutions shall  
11 adopt policies consistent with the needs of the employees under their  
12 respective jurisdictions.

13 **Sec. 438.** RCW 41.04.685 and 2007 c 25 s 1 are each amended to read  
14 as follows:

15 (1) The uniformed service shared leave pool is created to allow  
16 employees to donate leave to be used as shared leave for any employee  
17 who has been called to service in the uniformed services and who meets  
18 the requirements of RCW 41.04.665. Participation in the pool shall, at  
19 all times, be voluntary on the part of the employee. The military  
20 department, in consultation with the (~~department of personnel and~~  
21 ~~the~~) office of financial management, shall administer the uniformed  
22 service shared leave pool.

23 (2) Employees as defined in subsection (10) of this section who are  
24 eligible to donate leave under RCW 41.04.665 may donate leave to the  
25 uniformed service shared leave pool.

26 (3) An employee as defined in subsection (10) of this section who  
27 has been called to service in the uniformed services and is eligible  
28 for shared leave under RCW 41.04.665 may request shared leave from the  
29 uniformed service shared leave pool.

30 (4) It shall be the responsibility of the employee who has been  
31 called to service to provide an earnings statement verifying military  
32 salary, orders of service, and notification of a change in orders of  
33 service or military salary.

34 (5) Shared leave under this section may not be granted unless the  
35 pool has a sufficient balance to fund the requested shared leave for  
36 the expected term of service.

1 (6) Shared leave paid under this section, in combination with  
2 military salary, shall not exceed the level of the employee's state  
3 monthly salary.

4 (7) Any leave donated shall be removed from the personally  
5 accumulated leave balance of the employee donating the leave.

6 (8) An employee who receives shared leave from the pool is not  
7 required to recontribute such leave to the pool, except as otherwise  
8 provided in this section.

9 (9) Leave that may be donated or received by any one employee shall  
10 be calculated as in RCW 41.04.665.

11 (10) As used in this section:

12 (a) "Employee" has the meaning provided in RCW 41.04.655, except  
13 that "employee" as used in this section does not include employees of  
14 school districts and educational service districts.

15 (b) "Service in the uniformed services" has the meaning provided in  
16 RCW 41.04.655.

17 (c) "Military salary" includes base, specialty, and other pay, but  
18 does not include allowances such as the basic allowance for housing.

19 (d) "Monthly salary" includes monthly salary and special pay and  
20 shift differential, or the monthly equivalent for hourly employees.  
21 "Monthly salary" does not include:

22 (i) Overtime pay;

23 (ii) Call back pay;

24 (iii) Standby pay; or

25 (iv) Performance bonuses.

26 (11) The (~~department of personnel~~) office of financial  
27 management, in consultation with the military department (~~and the~~  
28 ~~office of financial management~~), shall adopt rules and policies  
29 governing the donation and use of shared leave from the uniformed  
30 service shared leave pool, including definitions of pay and allowances  
31 and guidelines for agencies to use in recordkeeping concerning shared  
32 leave.

33 (12) Agencies shall investigate any alleged abuse of the uniformed  
34 service shared leave pool and on a finding of wrongdoing, the employee  
35 may be required to repay all of the shared leave received from the  
36 uniformed service shared leave pool.

37 (13) Higher education institutions shall adopt policies consistent  
38 with the needs of the employees under their respective jurisdictions.



1       **Sec. 439.** RCW 41.04.720 and 1990 c 60 s 303 are each amended to  
2 read as follows:

3       The director of (~~human resources~~) enterprise services shall:

4       (1) Administer the state employee assistance program to assist  
5 employees who have personal problems that adversely affect their job  
6 performance or have the potential of doing so;

7       (2) Develop policies, procedures, and activities for the program;

8       (3) Encourage and promote the voluntary use of the employee  
9 assistance program by increasing employee awareness and disseminating  
10 educational materials;

11       (4) Provide technical assistance and training to agencies on how to  
12 use the employee assistance program;

13       (5) Assist and encourage supervisors to identify and refer  
14 employees with problems that impair their performance by incorporating  
15 proper use of the program in management training, management  
16 performance criteria, ongoing communication with agencies, and other  
17 appropriate means;

18       (6) Offer substance abuse prevention and awareness activities to be  
19 provided through the employee assistance program and the state employee  
20 wellness program;

21       (7) Monitor and evaluate the effectiveness of the program,  
22 including the collection, analysis, and publication of relevant  
23 statistical information; and

24       (8) Consult with state agencies, institutions of higher education,  
25 and employee organizations in carrying out the purposes of RCW  
26 41.04.700 through 41.04.730.

27       **Sec. 440.** RCW 41.04.770 and 1997 c 287 s 4 are each amended to  
28 read as follows:

29       The department of social and health services and the department of  
30 (~~personnel~~) enterprise services shall, after consultation with  
31 supported employment provider associations and other interested  
32 parties, encourage, educate, and assist state agencies in implementing  
33 supported employment programs. The department of (~~personnel~~)  
34 enterprise services shall provide human resources technical assistance  
35 to agencies implementing supported employment programs. (~~The~~  
36 ~~department of personnel shall make available, upon request of the~~

1 legislature, an annual report that evaluates the overall progress of  
2 supported employment in state government.))

3 **Sec. 441.** RCW 41.07.020 and 1979 c 151 s 62 are each amended to  
4 read as follows:

5 The department of ((~~personnel~~)) enterprise services is authorized  
6 to administer, maintain, and operate the central personnel-payroll  
7 system and to provide its services for any state agency designated  
8 jointly by the director of the department of ((~~personnel~~)) enterprise  
9 services and the director of financial management.

10 The system shall be operated through state data processing centers.  
11 State agencies shall convert personnel and payroll processing to the  
12 central personnel-payroll system as soon as administratively and  
13 technically feasible as determined by the office of financial  
14 management and the department of ((~~personnel~~)) enterprise services. It  
15 is the intent of the legislature to provide, through the central  
16 personnel-payroll system, for uniform reporting to the office of  
17 financial management and to the legislature regarding salaries and  
18 related costs, and to reduce present costs of manual procedures in  
19 personnel and payroll record keeping and reporting.

20 **Sec. 442.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each  
21 amended to read as follows:

22 The costs of administering, maintaining, and operating the central  
23 personnel-payroll system shall be distributed to the using state  
24 agencies. In order to insure proper and equitable distribution of  
25 costs the department of ((~~personnel~~)) enterprise services shall utilize  
26 cost accounting procedures to identify all costs incurred in the  
27 administration, maintenance, and operation of the central personnel-  
28 payroll system. In order to facilitate proper and equitable  
29 distribution of costs to the using state agencies the department of  
30 ((~~personnel~~)) enterprise services is authorized to utilize the data  
31 processing revolving fund created by RCW 43.105.080 (as recodified by  
32 this act) and the ((~~department of~~)) personnel service fund created by  
33 RCW 41.06.280.

34 **Sec. 443.** RCW 41.60.015 and 2000 c 139 s 1 are each amended to  
35 read as follows:

1 (1) There is hereby created the productivity board, which may also  
2 be known as the employee involvement and recognition board. The board  
3 shall administer the employee suggestion program and the teamwork  
4 incentive program under this chapter.

5 (2) The board shall be composed of:

6 (a) The secretary of state who shall act as chairperson;

7 ~~((The director of personnel appointed under the provisions of  
8 RCW 41.06.130 or the director's designee;~~

9 ~~(e))~~ The director of financial management or the director's  
10 designee;

11 ~~((d))~~ (c) The director of ~~((general administration))~~ enterprise  
12 services or the director's designee;

13 ~~((e))~~ (d) Three persons with experience in administering  
14 incentives such as those used by industry, with the governor,  
15 lieutenant governor, and speaker of the house of representatives each  
16 appointing one person. The governor's appointee shall be a  
17 representative of an employee organization certified as an exclusive  
18 representative of at least one bargaining unit of classified employees;

19 ~~((f))~~ (e) Two persons representing state agencies and  
20 institutions with employees subject to chapter 41.06 RCW, and one  
21 person representing those subject to chapter 28B.16 RCW, both appointed  
22 by the governor; and

23 ~~((g))~~ (f) In addition, the governor and board chairperson may  
24 jointly appoint persons to the board on an ad hoc basis. Ad hoc  
25 members shall serve in an advisory capacity and shall not have the  
26 right to vote.

27 Members under subsection (2)~~((e))~~(d) and ~~((f))~~ (e) of this  
28 section shall be appointed to serve three-year terms.

29 Members of the board appointed pursuant to subsection (2)~~((e))~~(d)  
30 of this section may be compensated in accordance with RCW 43.03.240.  
31 Any board member who is not a state employee may be reimbursed for  
32 travel expenses under RCW 43.03.050 and 43.03.060.

33 **Sec. 444.** RCW 41.80.005 and 2002 c 354 s 321 are each amended to  
34 read as follows:

35 Unless the context clearly requires otherwise, the definitions in  
36 this section apply throughout this chapter.

1 (1) "Agency" means any agency as defined in RCW 41.06.020 and  
2 covered by chapter 41.06 RCW.

3 (2) "Collective bargaining" means the performance of the mutual  
4 obligation of the representatives of the employer and the exclusive  
5 bargaining representative to meet at reasonable times and to bargain in  
6 good faith in an effort to reach agreement with respect to the subjects  
7 of bargaining specified under RCW 41.80.020. The obligation to bargain  
8 does not compel either party to agree to a proposal or to make a  
9 concession, except as otherwise provided in this chapter.

10 (3) "Commission" means the public employment relations commission.

11 (4) "Confidential employee" means an employee who, in the regular  
12 course of his or her duties, assists in a confidential capacity persons  
13 who formulate, determine, and effectuate management policies with  
14 regard to labor relations or who, in the regular course of his or her  
15 duties, has authorized access to information relating to the  
16 effectuation or review of the employer's collective bargaining  
17 policies, or who assists or aids a manager. "Confidential employee"  
18 also includes employees who assist assistant attorneys general who  
19 advise and represent managers or confidential employees in personnel or  
20 labor relations matters, or who advise or represent the state in tort  
21 actions.

22 (5) "Director" means the director of the public employment  
23 relations commission.

24 (6) "Employee" means any employee, including employees whose work  
25 has ceased in connection with the pursuit of lawful activities  
26 protected by this chapter, covered by chapter 41.06 RCW, except:

27 (a) Employees covered for collective bargaining by chapter 41.56  
28 RCW;

29 (b) Confidential employees;

30 (c) Members of the Washington management service;

31 (d) Internal auditors in any agency; or

32 (e) Any employee of the commission, the office of financial  
33 management, (~~or the department of personnel~~) or the office of risk  
34 management within the department of enterprise services.

35 (7) "Employee organization" means any organization, union, or  
36 association in which employees participate and that exists for the  
37 purpose, in whole or in part, of collective bargaining with employers.

38 (8) "Employer" means the state of Washington.

1 (9) "Exclusive bargaining representative" means any employee  
2 organization that has been certified under this chapter as the  
3 representative of the employees in an appropriate bargaining unit.

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

8 (11) "Labor dispute" means any controversy concerning terms,  
9 tenure, or conditions of employment, or concerning the association or  
10 representation of persons in negotiating, fixing, maintaining,  
11 changing, or seeking to arrange terms or conditions of employment with  
12 respect to the subjects of bargaining provided in this chapter,  
13 regardless of whether the disputants stand in the proximate relation of  
14 employer and employee.

15 (12) "Manager" means "manager" as defined in RCW 41.06.022.

16 (13) "Supervisor" means an employee who has authority, in the  
17 interest of the employer, to hire, transfer, suspend, lay off, recall,  
18 promote, discharge, direct, reward, or discipline employees, or to  
19 adjust employee grievances, or effectively to recommend such action, if  
20 the exercise of the authority is not of a merely routine nature but  
21 requires the consistent exercise of individual judgment. However, no  
22 employee who is a member of the Washington management service may be  
23 included in a collective bargaining unit established under this  
24 section.

25 (14) "Unfair labor practice" means any unfair labor practice listed  
26 in RCW 41.80.110.

27 **Sec. 445.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to  
28 read as follows:

29 (1) Except as otherwise provided in this chapter, the matters  
30 subject to bargaining include wages, hours, and other terms and  
31 conditions of employment, and the negotiation of any question arising  
32 under a collective bargaining agreement.

33 (2) The employer is not required to bargain over matters pertaining  
34 to:

35 (a) Health care benefits or other employee insurance benefits,  
36 except as required in subsection (3) of this section;

37 (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  
4 411 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. 446.** 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. 447.** 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. 448.** 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. 449.** 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. 450.** 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. 451.** 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. 452.** 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. 453.** 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. 454.** 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. 455.** 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. 456.** 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. 457.** 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. 458.** RCW 43.130.060 and 1973 2nd ex.s. c 37 s 6 are each  
2 amended to read as follows:

3       In order to reimburse the public employees' retirement system for  
4 any increased costs occasioned by the provisions of this chapter which  
5 affect the retirement system, the (~~public-employees'-retirement~~  
6 ~~board~~) director of retirement systems shall, within thirty days of the  
7 date upon which any affected employee elects to take advantage of the  
8 retirement provisions of this chapter, determine the increased present  
9 and future cost to the retirement system of such employee's election.  
10 Upon the determination of the amount necessary to offset (~~said~~) the  
11 increased cost, the (~~retirement board~~) director of retirement systems  
12 shall bill the department of (~~personnel~~) enterprise services for the  
13 amount of the increased cost: PROVIDED, That such billing shall not  
14 exceed eight hundred sixty-one thousand dollars. Such billing shall be  
15 paid by the department as, and the same shall be, a proper charge  
16 against any moneys available or appropriated to the department for this  
17 purpose.

18       **Sec. 459.** RCW 43.131.090 and 2002 c 354 s 230 are each amended to  
19 read as follows:

20       Unless the legislature specifies a shorter period of time, a  
21 terminated entity shall continue in existence until June 30th of the  
22 next succeeding year for the purpose of concluding its affairs:  
23 PROVIDED, That the powers and authority of the entity shall not be  
24 reduced or otherwise limited during this period. Unless otherwise  
25 provided:

26       (1) All employees of terminated entities classified under chapter  
27 41.06 RCW, the state civil service law, shall be transferred as  
28 appropriate or as otherwise provided in the procedures adopted by the  
29 human resources director (~~of personnel~~) pursuant to RCW 41.06.150;

30       (2) All documents and papers, equipment, or other tangible property  
31 in the possession of the terminated entity shall be delivered to the  
32 custody of the entity assuming the responsibilities of the terminated  
33 entity or if such responsibilities have been eliminated, documents and  
34 papers shall be delivered to the state archivist and equipment or other  
35 tangible property to the department of (~~general-administration~~)  
36 enterprise services;

1 (3) All funds held by, or other moneys due to, the terminated  
2 entity shall revert to the fund from which they were appropriated, or  
3 if that fund is abolished to the general fund;

4 (4) Notwithstanding the provisions of RCW 34.05.020, all rules made  
5 by a terminated entity shall be repealed, without further action by the  
6 entity, at the end of the period provided in this section, unless  
7 assumed and reaffirmed by the entity assuming the related legal  
8 responsibilities of the terminated entity;

9 (5) All contractual rights and duties of an entity shall be  
10 assigned or delegated to the entity assuming the responsibilities of  
11 the terminated entity, or if there is none to such entity as the  
12 governor shall direct.

13 **Sec. 460.** RCW 48.37.060 and 2008 c 100 s 2 are each amended to  
14 read as follows:

15 (1) When the commissioner determines that other market conduct  
16 actions identified in RCW 48.37.040(4)(a) have not sufficiently  
17 addressed issues raised concerning company activities in Washington  
18 state, the commissioner has the discretion to conduct market conduct  
19 examinations in accordance with the NAIC market conduct uniform  
20 examination procedures and the NAIC market regulation handbook.

21 (2)(a) In lieu of an examination of an insurer licensed in this  
22 state, the commissioner shall accept an examination report of another  
23 state, unless the commissioner determines that the other state does not  
24 have laws substantially similar to those of this state, or does not  
25 have a market oversight system that is comparable to the market conduct  
26 oversight system set forth in this law.

27 (b) The commissioner's determination under (a) of this subsection  
28 is discretionary with the commissioner and is not subject to appeal.

29 (c) If the insurer to be examined is part of an insurance holding  
30 company system, the commissioner may also seek to simultaneously  
31 examine any affiliates of the insurer under common control and  
32 management which are licensed to write the same lines of business in  
33 this state.

34 (3) Before commencement of a market conduct examination, market  
35 conduct oversight personnel shall prepare a work plan consisting of the  
36 following:

37 (a) The name and address of the insurer being examined;

1 (b) The name and contact information of the examiner-in-charge;  
2 (c) The name of all market conduct oversight personnel initially  
3 assigned to the market conduct examination;  
4 (d) The justification for the examination;  
5 (e) The scope of the examination;  
6 (f) The date the examination is scheduled to begin;  
7 (g) Notice of any noninsurance department personnel who will assist  
8 in the examination;  
9 (h) A time estimate for the examination;  
10 (i) A budget for the examination if the cost of the examination is  
11 billed to the insurer; and  
12 (j) An identification of factors that will be included in the  
13 billing if the cost of the examination is billed to the insurer.

14 (4)(a) Within ten days of the receipt of the information contained  
15 in subsection (3) of this section, insurers may request the  
16 commissioner's discretionary review of any alleged conflict of  
17 interest, pursuant to RCW 48.37.090(2), of market conduct oversight  
18 personnel and noninsurance department personnel assigned to a market  
19 conduct examination. The request for review shall specifically  
20 describe the alleged conflict of interest in the proposed assignment of  
21 any person to the examination.

22 (b) Within five business days of receiving a request for  
23 discretionary review of any alleged conflict of interest in the  
24 proposed assignment of any person to a market conduct examination, the  
25 commissioner or designee shall notify the insurer of any action  
26 regarding the assignment of personnel to a market conduct examination  
27 based on the insurer's allegation of conflict of interest.

28 (5) Market conduct examinations shall, to the extent feasible, use  
29 desk examinations and data requests before an on-site examination.

30 (6) Market conduct examinations shall be conducted in accordance  
31 with the provisions set forth in the NAIC market regulation handbook  
32 and the NAIC market conduct uniform examinations procedures, subject to  
33 the precedence of the provisions of chapter 82, Laws of 2007.

34 (7) The commissioner shall use the NAIC standard data request.

35 (8) Announcement of the examination shall be sent to the insurer  
36 and posted on the NAIC's examination tracking system as soon as  
37 possible but in no case later than sixty days before the estimated  
38 commencement of the examination, except where the examination is

1 conducted in response to extraordinary circumstances as described in  
2 RCW 48.37.050(2)(a). The announcement sent to the insurer shall  
3 contain the examination work plan and a request for the insurer to name  
4 its examination coordinator.

5 (9) If an examination is expanded significantly beyond the original  
6 reasons provided to the insurer in the notice of the examination  
7 required by subsection (3) of this section, the commissioner shall  
8 provide written notice to the insurer, explaining the expansion and  
9 reasons for the expansion. The commissioner shall provide a revised  
10 work plan if the expansion results in significant changes to the items  
11 presented in the original work plan required by subsection (3) of this  
12 section.

13 (10) The commissioner shall conduct a preexamination conference  
14 with the insurer examination coordinator and key personnel to clarify  
15 expectations at least thirty days before commencement of the  
16 examination, unless otherwise agreed by the insurer and the  
17 commissioner.

18 (11) Before the conclusion of the field work for market conduct  
19 examination, the examiner-in-charge shall review examination findings  
20 to date with insurer personnel and schedule an exit conference with the  
21 insurer, in accordance with procedures in the NAIC market regulation  
22 handbook.

23 (12)(a) No later than sixty days after completion of each market  
24 conduct examination, the commissioner shall make a full written report  
25 of each market conduct examination containing only facts ascertained  
26 from the accounts, records, and documents examined and from the sworn  
27 testimony of individuals, and such conclusions and recommendations as  
28 may reasonably be warranted from such facts.

29 (b) The report shall be certified by the commissioner or by the  
30 examiner-in-charge of the examination, and shall be filed in the  
31 commissioner's office subject to (c) of this subsection.

32 (c) The commissioner shall furnish a copy of the market conduct  
33 examination report to the person examined not less than ten days and,  
34 unless the time is extended by the commissioner, not more than thirty  
35 days prior to the filing of the report for public inspection in the  
36 commissioner's office. If the person so requests in writing within  
37 such period, the commissioner shall hold a hearing to consider  
38 objections of such person to the report as proposed, and shall not so



1 file the report until after such hearing and until after any  
2 modifications in the report deemed necessary by the commissioner have  
3 been made.

4 (d) Within thirty days of the end of the period described in (c) of  
5 this subsection, unless extended by order of the commissioner, the  
6 commissioner shall consider the report, together with any written  
7 submissions or rebuttals and any relevant portions of the examiner's  
8 work papers and enter an order:

9 (i) Adopting the market conduct examination report as filed or with  
10 modification or corrections. If the market conduct examination report  
11 reveals that the company is operating in violation of any law, rule, or  
12 order of the commissioner, the commissioner may order the company to  
13 take any action the commissioner considers necessary and appropriate to  
14 cure that violation;

15 (ii) Rejecting the market conduct examination report with  
16 directions to the examiners to reopen the examination for purposes of  
17 obtaining additional data, documentation, or information, and refiling  
18 under this subsection; or

19 (iii) Calling for an investigatory hearing with no less than twenty  
20 days' notice to the company for purposes of obtaining additional  
21 documentation, data, information, and testimony.

22 (e) All orders entered under (d) of this subsection must be  
23 accompanied by findings and conclusions resulting from the  
24 commissioner's consideration and review of the market conduct  
25 examination report, relevant examiner work papers, and any written  
26 submissions or rebuttals. The order is considered a final  
27 administrative decision and may be appealed under the administrative  
28 procedure act, chapter 34.05 RCW, and must be served upon the company  
29 by certified mail or certifiable electronic means, together with a copy  
30 of the adopted examination report. A copy of the adopted examination  
31 report must be sent by certified mail or certifiable electronic means  
32 to each director at the director's residential address or to a personal  
33 e-mail account.

34 (f)(i) Upon the adoption of the market conduct examination report  
35 under (d) of this subsection, the commissioner shall continue to hold  
36 the content of the examination report as private and confidential  
37 information for a period of five days except that the order may be

1 disclosed to the person examined. Thereafter, the commissioner may  
2 open the report for public inspection so long as no court of competent  
3 jurisdiction has stayed its publication.

4 (ii) If the commissioner determines that regulatory action is  
5 appropriate as a result of any market conduct examination, he or she  
6 may initiate any proceedings or actions as provided by law.

7 (iii) Nothing contained in this subsection requires the  
8 commissioner to disclose any information or records that would indicate  
9 or show the existence or content of any investigation or activity of a  
10 criminal justice agency.

11 (g) The insurer's response shall be included in the commissioner's  
12 order adopting the final report as an exhibit to the order. The  
13 insurer is not obligated to submit a response.

14 (13) The commissioner may withhold from public inspection any  
15 examination or investigation report for so long as he or she deems it  
16 advisable.

17 (14)(a) Market conduct examinations within this state of any  
18 insurer domiciled or having its home offices in this state, other than  
19 a title insurer, made by the commissioner or the commissioner's  
20 examiners and employees shall, except as to fees, mileage, and expense  
21 incurred as to witnesses, be at the expense of the state.

22 (b) Every other examination, whatsoever, or any part of the market  
23 conduct examination of any person domiciled or having its home offices  
24 in this state requiring travel and services outside this state, shall  
25 be made by the commissioner or by examiners designated by the  
26 commissioner and shall be at the expense of the person examined; but a  
27 domestic insurer shall not be liable for the compensation of examiners  
28 employed by the commissioner for such services outside this state.

29 (c) When making a market conduct examination under this chapter,  
30 the commissioner may contract, in accordance with applicable state  
31 contracting procedures, for qualified attorneys, appraisers,  
32 independent certified public accountants, contract actuaries, and other  
33 similar individuals who are independently practicing their professions,  
34 even though those persons may from time to time be similarly employed  
35 or retained by persons subject to examination under this chapter, as  
36 examiners as the commissioner deems necessary for the efficient conduct  
37 of a particular examination. The compensation and per diem allowances  
38 paid to such contract persons shall be reasonable in the market and

1 time incurred, shall not exceed one hundred twenty-five percent of the  
2 compensation and per diem allowances for examiners set forth in the  
3 guidelines adopted by the national association of insurance  
4 commissioners, unless the commissioner demonstrates that one hundred  
5 twenty-five percent is inadequate under the circumstances of the  
6 examination, and subject to the provisions of (a) of this subsection.

7 (d)(i) The person examined and liable shall reimburse the state  
8 upon presentation of an itemized statement thereof, for the actual  
9 travel expenses of the commissioner's examiners, their reasonable  
10 living expenses allowance, and their per diem compensation, including  
11 salary and the employer's cost of employee benefits, at a reasonable  
12 rate approved by the commissioner, incurred on account of the  
13 examination. Per diem, salary, and expenses for employees examining  
14 insurers domiciled outside the state of Washington shall be established  
15 by the commissioner on the basis of the national association of  
16 insurance commissioner's recommended salary and expense schedule for  
17 zone examiners, or the salary schedule established by the human  
18 resources director (~~(of the Washington department of personnel)~~) and  
19 the expense schedule established by the office of financial management,  
20 whichever is higher. A domestic title insurer shall pay the  
21 examination expense and costs to the commissioner as itemized and  
22 billed by the commissioner.

23 (ii) The commissioner or the commissioner's examiners shall not  
24 receive or accept any additional emolument on account of any  
25 examination.

26 (iii) Market conduct examination fees subject to being reimbursed  
27 by an insurer shall be itemized and bills shall be provided to the  
28 insurer on a monthly basis for review prior to submission for payment,  
29 or as otherwise provided by state law.

30 (e) Nothing contained in this chapter limits the commissioner's  
31 authority to terminate or suspend any examination in order to pursue  
32 other legal or regulatory action under the insurance laws of this  
33 state. Findings of fact and conclusions made pursuant to any  
34 examination are prima facie evidence in any legal or regulatory action.

35 (f) The commissioner shall maintain active management and oversight  
36 of market conduct examination costs, including costs associated with  
37 the commissioner's own examiners, and with retaining qualified contract

1 examiners necessary to perform an examination. Any agreement with a  
2 contract examiner shall:

3 (i) Clearly identify the types of functions to be subject to  
4 outsourcing;

5 (ii) Provide specific timelines for completion of the outsourced  
6 review;

7 (iii) Require disclosure to the insurer of contract examiners'  
8 recommendations;

9 (iv) Establish and use a dispute resolution or arbitration  
10 mechanism to resolve conflicts with insurers regarding examination  
11 fees; and

12 (v) Require disclosure of the terms of the contracts with the  
13 outside consultants that will be used, specifically the fees and/or  
14 hourly rates that can be charged.

15 (g) The commissioner, or the commissioner's designee, shall review  
16 and affirmatively endorse detailed billings from the qualified contract  
17 examiner before the detailed billings are sent to the insurer.

18 **Sec. 461.** RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040  
19 are each reenacted and amended to read as follows:

20 As used in this chapter:

21 (1) "Director" means the director of labor and industries;

22 (2) "Wage" means compensation due to an employee by reason of  
23 employment, payable in legal tender of the United States or checks on  
24 banks convertible into cash on demand at full face value, subject to  
25 such deductions, charges, or allowances as may be permitted by rules of  
26 the director;

27 (3) "Employ" includes to permit to work;

28 (4) "Employer" includes any individual, partnership, association,  
29 corporation, business trust, or any person or group of persons acting  
30 directly or indirectly in the interest of an employer in relation to an  
31 employee;

32 (5) "Employee" includes any individual employed by an employer but  
33 shall not include:

34 (a) Any individual (i) employed as a hand harvest laborer and paid  
35 on a piece rate basis in an operation which has been, and is generally  
36 and customarily recognized as having been, paid on a piece rate basis  
37 in the region of employment; (ii) who commutes daily from his or her

1 permanent residence to the farm on which he or she is employed; and  
2 (iii) who has been employed in agriculture less than thirteen weeks  
3 during the preceding calendar year;

4 (b) Any individual employed in casual labor in or about a private  
5 home, unless performed in the course of the employer's trade, business,  
6 or profession;

7 (c) Any individual employed in a bona fide executive,  
8 administrative, or professional capacity or in the capacity of outside  
9 salesperson as those terms are defined and delimited by rules of the  
10 director. However, those terms shall be defined and delimited by the  
11 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW  
12 for employees employed under the director of personnel's jurisdiction;

13 (d) Any individual engaged in the activities of an educational,  
14 charitable, religious, state or local governmental body or agency, or  
15 nonprofit organization where the employer-employee relationship does  
16 not in fact exist or where the services are rendered to such  
17 organizations gratuitously. If the individual receives reimbursement  
18 in lieu of compensation for normally incurred out-of-pocket expenses or  
19 receives a nominal amount of compensation per unit of voluntary service  
20 rendered, an employer-employee relationship is deemed not to exist for  
21 the purpose of this section or for purposes of membership or  
22 qualification in any state, local government, or publicly supported  
23 retirement system other than that provided under chapter 41.24 RCW;

24 (e) Any individual employed full time by any state or local  
25 governmental body or agency who provides voluntary services but only  
26 with regard to the provision of the voluntary services. The voluntary  
27 services and any compensation therefor shall not affect or add to  
28 qualification, entitlement, or benefit rights under any state, local  
29 government, or publicly supported retirement system other than that  
30 provided under chapter 41.24 RCW;

31 (f) Any newspaper vendor or carrier;

32 (g) Any carrier subject to regulation by Part 1 of the Interstate  
33 Commerce Act;

34 (h) Any individual engaged in forest protection and fire prevention  
35 activities;

36 (i) Any individual employed by any charitable institution charged  
37 with child care responsibilities engaged primarily in the development

1 of character or citizenship or promoting health or physical fitness or  
2 providing or sponsoring recreational opportunities or facilities for  
3 young people or members of the armed forces of the United States;

4 (j) Any individual whose duties require that he or she reside or  
5 sleep at the place of his or her employment or who otherwise spends a  
6 substantial portion of his or her work time subject to call, and not  
7 engaged in the performance of active duties;

8 (k) Any resident, inmate, or patient of a state, county, or  
9 municipal correctional, detention, treatment or rehabilitative  
10 institution;

11 (l) Any individual who holds a public elective or appointive office  
12 of the state, any county, city, town, municipal corporation or quasi  
13 municipal corporation, political subdivision, or any instrumentality  
14 thereof, or any employee of the state legislature;

15 (m) All vessel operating crews of the Washington state ferries  
16 operated by the department of transportation;

17 (n) Any individual employed as a seaman on a vessel other than an  
18 American vessel;

19 (o) Any farm intern providing his or her services to a small farm  
20 which has a special certificate issued under RCW 49.12.465;

21 (6) "Occupation" means any occupation, service, trade, business,  
22 industry, or branch or group of industries or employment or class of  
23 employment in which employees are gainfully employed;

24 (7) "Retail or service establishment" means an establishment  
25 seventy-five percent of whose annual dollar volume of sales of goods or  
26 services, or both, is not for resale and is recognized as retail sales  
27 or services in the particular industry.

28 **Sec. 462.** RCW 49.46.010 and 2010 c 8 s 12040 are each amended to  
29 read as follows:

30 As used in this chapter:

31 (1) "Director" means the director of labor and industries;

32 (2) "Wage" means compensation due to an employee by reason of  
33 employment, payable in legal tender of the United States or checks on  
34 banks convertible into cash on demand at full face value, subject to  
35 such deductions, charges, or allowances as may be permitted by rules of  
36 the director;

37 (3) "Employ" includes to permit to work;

1 (4) "Employer" includes any individual, partnership, association,  
2 corporation, business trust, or any person or group of persons acting  
3 directly or indirectly in the interest of an employer in relation to an  
4 employee;

5 (5) "Employee" includes any individual employed by an employer but  
6 shall not include:

7 (a) Any individual (i) employed as a hand harvest laborer and paid  
8 on a piece rate basis in an operation which has been, and is generally  
9 and customarily recognized as having been, paid on a piece rate basis  
10 in the region of employment; (ii) who commutes daily from his or her  
11 permanent residence to the farm on which he or she is employed; and  
12 (iii) who has been employed in agriculture less than thirteen weeks  
13 during the preceding calendar year;

14 (b) Any individual employed in casual labor in or about a private  
15 home, unless performed in the course of the employer's trade, business,  
16 or profession;

17 (c) Any individual employed in a bona fide executive,  
18 administrative, or professional capacity or in the capacity of outside  
19 salesperson as those terms are defined and delimited by rules of the  
20 director. However, those terms shall be defined and delimited by the  
21 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW  
22 for employees employed under the director of personnel's jurisdiction;

23 (d) Any individual engaged in the activities of an educational,  
24 charitable, religious, state or local governmental body or agency, or  
25 nonprofit organization where the employer-employee relationship does  
26 not in fact exist or where the services are rendered to such  
27 organizations gratuitously. If the individual receives reimbursement  
28 in lieu of compensation for normally incurred out-of-pocket expenses or  
29 receives a nominal amount of compensation per unit of voluntary service  
30 rendered, an employer-employee relationship is deemed not to exist for  
31 the purpose of this section or for purposes of membership or  
32 qualification in any state, local government, or publicly supported  
33 retirement system other than that provided under chapter 41.24 RCW;

34 (e) Any individual employed full time by any state or local  
35 governmental body or agency who provides voluntary services but only  
36 with regard to the provision of the voluntary services. The voluntary  
37 services and any compensation therefor shall not affect or add to

1 qualification, entitlement, or benefit rights under any state, local  
2 government, or publicly supported retirement system other than that  
3 provided under chapter 41.24 RCW;

4 (f) Any newspaper vendor or carrier;

5 (g) Any carrier subject to regulation by Part 1 of the Interstate  
6 Commerce Act;

7 (h) Any individual engaged in forest protection and fire prevention  
8 activities;

9 (i) Any individual employed by any charitable institution charged  
10 with child care responsibilities engaged primarily in the development  
11 of character or citizenship or promoting health or physical fitness or  
12 providing or sponsoring recreational opportunities or facilities for  
13 young people or members of the armed forces of the United States;

14 (j) Any individual whose duties require that he or she reside or  
15 sleep at the place of his or her employment or who otherwise spends a  
16 substantial portion of his or her work time subject to call, and not  
17 engaged in the performance of active duties;

18 (k) Any resident, inmate, or patient of a state, county, or  
19 municipal correctional, detention, treatment or rehabilitative  
20 institution;

21 (l) Any individual who holds a public elective or appointive office  
22 of the state, any county, city, town, municipal corporation or quasi  
23 municipal corporation, political subdivision, or any instrumentality  
24 thereof, or any employee of the state legislature;

25 (m) All vessel operating crews of the Washington state ferries  
26 operated by the department of transportation;

27 (n) Any individual employed as a seaman on a vessel other than an  
28 American vessel;

29 (6) "Occupation" means any occupation, service, trade, business,  
30 industry, or branch or group of industries or employment or class of  
31 employment in which employees are gainfully employed;

32 (7) "Retail or service establishment" means an establishment  
33 seventy-five percent of whose annual dollar volume of sales of goods or  
34 services, or both, is not for resale and is recognized as retail sales  
35 or services in the particular industry.

36 **Sec. 463.** RCW 49.74.020 and 1993 c 281 s 57 are each amended to  
37 read as follows:



1        If the commission reasonably believes that a state agency, an  
2 institution of higher education, or the state patrol has failed to  
3 comply with an affirmative action rule adopted under RCW 41.06.150 or  
4 43.43.340, the commission shall notify the director of the state  
5 agency, president of the institution of higher education, or chief of  
6 the Washington state patrol of the noncompliance, as well as the human  
7 resources director (~~(of personnel)~~). The commission shall give the  
8 director of the state agency, president of the institution of higher  
9 education, or chief of the Washington state patrol an opportunity to be  
10 heard on the failure to comply.

11        **Sec. 464.** RCW 49.74.030 and 2002 c 354 s 246 are each amended to  
12 read as follows:

13        The commission in conjunction with the department of (~~personnel~~)  
14 enterprise services, the office of financial management, or the state  
15 patrol, whichever is appropriate, shall attempt to resolve the  
16 noncompliance through conciliation. If an agreement is reached for the  
17 elimination of noncompliance, the agreement shall be reduced to writing  
18 and an order shall be issued by the commission setting forth the terms  
19 of the agreement. The noncomplying state agency, institution of higher  
20 education, or state patrol shall make a good faith effort to conciliate  
21 and make a full commitment to correct the noncompliance with any action  
22 that may be necessary to achieve compliance, provided such action is  
23 not inconsistent with the rules adopted under RCW 41.06.150(~~(+6)~~)(5)  
24 and 43.43.340(5), whichever is appropriate.

25        **Sec. 465.** RCW 49.90.010 and 2009 c 294 s 5 are each amended to  
26 read as follows:

27        (1) Within this section, "sensory disability" means a sensory  
28 condition that materially limits, contributes to limiting, or, if not  
29 corrected or accommodated, will probably result in limiting an  
30 individual's activities or functioning.

31        (2) The (~~department of personnel~~) office of financial management  
32 shall adopt rules that authorize state agencies to provide allowances  
33 to employees with sensory disabilities who must attend training  
34 necessary to attain a new service animal. The employee's absence must  
35 be treated in the same manner as that granted to employees who are  
36 absent to attend training that supports or improves their job

1 performance, except that the employee shall not be eligible for  
2 reimbursement under RCW 43.03.050 or 43.03.060. The (~~department of~~  
3 ~~personnel~~) office of financial management shall adopt rules as  
4 necessary to implement this chapter.

5 (3) If the necessity to attend training for a new service animal is  
6 foreseeable and the training will cause the employee to miss work, the  
7 employee shall provide the employer with not less than thirty days'  
8 notice, before the date the absence is to begin, of the employee's  
9 impending absence. If the date of the training requires the absence to  
10 begin in less than thirty days, the employee shall provide notice as is  
11 practicable.

12 (4) An agency may require that a request to attend service animal  
13 training be supported by a certification issued by the relevant  
14 training organization. The employee must provide, in a timely manner,  
15 a copy of the certification to the agency. Certification provided  
16 under this section is sufficient if it states: (a) The date on which  
17 the service animal training session is scheduled to commence; and (b)  
18 the session's duration.

19 **Sec. 466.** RCW 50.13.060 and 2008 c 120 s 6 are each amended to  
20 read as follows:

21 (1) Governmental agencies, including law enforcement agencies,  
22 prosecuting agencies, and the executive branch, whether state, local,  
23 or federal shall have access to information or records deemed private  
24 and confidential under this chapter if the information or records are  
25 needed by the agency for official purposes and:

26 (a) The agency submits an application in writing to the employment  
27 security department for the records or information containing a  
28 statement of the official purposes for which the information or records  
29 are needed and specific identification of the records or information  
30 sought from the department; and

31 (b) The director, commissioner, chief executive, or other official  
32 of the agency has verified the need for the specific information in  
33 writing either on the application or on a separate document; and

34 (c) The agency requesting access has served a copy of the  
35 application for records or information on the individual or employing  
36 unit whose records or information are sought and has provided the  
37 department with proof of service. Service shall be made in a manner

1 which conforms to the civil rules for superior court. The requesting  
2 agency shall include with the copy of the application a statement to  
3 the effect that the individual or employing unit may contact the public  
4 records officer of the employment security department to state any  
5 objections to the release of the records or information. The  
6 employment security department shall not act upon the application of  
7 the requesting agency until at least five days after service on the  
8 concerned individual or employing unit. The employment security  
9 department shall consider any objections raised by the concerned  
10 individual or employing unit in deciding whether the requesting agency  
11 needs the information or records for official purposes.

12 (2) The requirements of subsections (1) and (9) of this section  
13 shall not apply to the state legislative branch. The state legislature  
14 shall have access to information or records deemed private and  
15 confidential under this chapter, if the legislature or a legislative  
16 committee finds that the information or records are necessary and for  
17 official purposes. If the employment security department does not make  
18 information or records available as provided in this subsection, the  
19 legislature may exercise its authority granted by chapter 44.16 RCW.

20 (3) In cases of emergency the governmental agency requesting access  
21 shall not be required to formally comply with the provisions of  
22 subsection (1) of this section at the time of the request if the  
23 procedures required by subsection (1) of this section are complied with  
24 by the requesting agency following the receipt of any records or  
25 information deemed private and confidential under this chapter. An  
26 emergency is defined as a situation in which irreparable harm or damage  
27 could occur if records or information are not released immediately.

28 (4) The requirements of subsection (1)(c) of this section shall not  
29 apply to governmental agencies where the procedures would frustrate the  
30 investigation of possible violations of criminal laws or to the release  
31 of employing unit names, addresses, number of employees, and aggregate  
32 employer wage data for the purpose of state governmental agencies  
33 preparing small business economic impact statements under chapter 19.85  
34 RCW or preparing cost-benefit analyses under RCW 34.05.328(1) (c) and  
35 (d). Information provided by the department and held to be private and  
36 confidential under state or federal laws must not be misused or  
37 released to unauthorized parties. A person who misuses such

1 information or releases such information to unauthorized parties is  
2 subject to the sanctions in RCW 50.13.080.

3 (5) Governmental agencies shall have access to certain records or  
4 information, limited to such items as names, addresses, social security  
5 numbers, and general information about benefit entitlement or employer  
6 information possessed by the department, for comparison purposes with  
7 records or information possessed by the requesting agency to detect  
8 improper or fraudulent claims, or to determine potential tax liability  
9 or employer compliance with registration and licensing requirements.  
10 In those cases the governmental agency shall not be required to comply  
11 with subsection (1)(c) of this section, but the requirements of the  
12 remainder of subsection (1) of this section must be satisfied.

13 (6) Governmental agencies may have access to certain records and  
14 information, limited to employer information possessed by the  
15 department for purposes authorized in chapter 50.38 RCW. Access to  
16 these records and information is limited to only those individuals  
17 conducting authorized statistical analysis, research, and evaluation  
18 studies. Only in cases consistent with the purposes of chapter 50.38  
19 RCW are government agencies not required to comply with subsection  
20 (1)(c) of this section, but the requirements of the remainder of  
21 subsection (1) of this section must be satisfied. Information provided  
22 by the department and held to be private and confidential under state  
23 or federal laws shall not be misused or released to unauthorized  
24 parties subject to the sanctions in RCW 50.13.080.

25 (7) Disclosure to governmental agencies of information or records  
26 obtained by the employment security department from the federal  
27 government shall be governed by any applicable federal law or any  
28 agreement between the federal government and the employment security  
29 department where so required by federal law. When federal law does not  
30 apply to the records or information state law shall control.

31 (8) The department may provide information for purposes of  
32 statistical analysis and evaluation of the WorkFirst program or any  
33 successor state welfare program to the department of social and health  
34 services, the office of financial management, and other governmental  
35 entities with oversight or evaluation responsibilities for the program  
36 in accordance with RCW 43.20A.080. The confidential information  
37 provided by the department shall remain the property of the department  
38 and may be used by the authorized requesting agencies only for

1 statistical analysis, research, and evaluation purposes as provided in  
2 RCW 74.08A.410 and 74.08A.420. The department of social and health  
3 services, the office of financial management, or other governmental  
4 entities with oversight or evaluation responsibilities for the program  
5 are not required to comply with subsection (1)(c) of this section, but  
6 the requirements of the remainder of subsection (1) of this section and  
7 applicable federal laws and regulations must be satisfied. The  
8 confidential information used for evaluation and analysis of welfare  
9 reform supplied to the authorized requesting entities with regard to  
10 the WorkFirst program or any successor state welfare program are exempt  
11 from public inspection and copying under chapter 42.56 RCW.

12 (9) The disclosure of any records or information by a governmental  
13 agency which has obtained the records or information under this section  
14 is prohibited unless the disclosure is (a) directly connected to the  
15 official purpose for which the records or information were obtained or  
16 (b) to another governmental agency which would be permitted to obtain  
17 the records or information under subsection (4) or (5) of this section.

18 (10) In conducting periodic salary or fringe benefit studies  
19 pursuant to law, the (~~department of personnel~~) office of financial  
20 management shall have access to records of the employment security  
21 department as may be required for such studies. For such purposes, the  
22 requirements of subsection (1)(c) of this section need not apply.

23 (11)(a) To promote the reemployment of job seekers, the  
24 commissioner may enter into data-sharing contracts with partners of the  
25 one-stop career development system. The contracts shall provide for  
26 the transfer of data only to the extent that the transfer is necessary  
27 for the efficient provisions of workforce programs, including but not  
28 limited to public labor exchange, unemployment insurance, worker  
29 training and retraining, vocational rehabilitation, vocational  
30 education, adult education, transition from public assistance, and  
31 support services. The transfer of information under contracts with  
32 one-stop partners is exempt from subsection (1)(c) of this section.

33 (b) An individual who applies for services from the department and  
34 whose information will be shared under (a) of this subsection (11) must  
35 be notified that his or her private and confidential information in the  
36 department's records will be shared among the one-stop partners to  
37 facilitate the delivery of one-stop services to the individual. The  
38 notice must advise the individual that he or she may request that

1 private and confidential information not be shared among the one-stop  
2 partners and the department must honor the request. In addition, the  
3 notice must:

4 (i) Advise the individual that if he or she requests that private  
5 and confidential information not be shared among one-stop partners, the  
6 request will in no way affect eligibility for services;

7 (ii) Describe the nature of the information to be shared, the  
8 general use of the information by one-stop partner representatives, and  
9 among whom the information will be shared;

10 (iii) Inform the individual that shared information will be used  
11 only for the purpose of delivering one-stop services and that further  
12 disclosure of the information is prohibited under contract and is not  
13 subject to disclosure under chapter 42.56 RCW; and

14 (iv) Be provided in English and an alternative language selected by  
15 the one-stop center or job service center as appropriate for the  
16 community where the center is located.

17 If the notice is provided in-person, the individual who does not  
18 want private and confidential information shared among the one-stop  
19 partners must immediately advise the one-stop partner representative of  
20 that decision. The notice must be provided to an individual who  
21 applies for services telephonically, electronically, or by mail, in a  
22 suitable format and within a reasonable time after applying for  
23 services, which shall be no later than ten working days from the  
24 department's receipt of the application for services. A one-stop  
25 representative must be available to answer specific questions regarding  
26 the nature, extent, and purpose for which the information may be  
27 shared.

28 (12) To facilitate improved operation and evaluation of state  
29 programs, the commissioner may enter into data-sharing contracts with  
30 other state agencies only to the extent that such transfer is necessary  
31 for the efficient operation or evaluation of outcomes for those  
32 programs. The transfer of information by contract under this  
33 subsection is exempt from subsection (1)(c) of this section.

34 (13) The misuse or unauthorized release of records or information  
35 by any person or organization to which access is permitted by this  
36 chapter subjects the person or organization to a civil penalty of five  
37 thousand dollars and other applicable sanctions under state and federal  
38 law. Suit to enforce this section shall be brought by the attorney

1 general and the amount of any penalties collected shall be paid into  
2 the employment security department administrative contingency fund.  
3 The attorney general may recover reasonable attorneys' fees for any  
4 action brought to enforce this section.

5 **Sec. 467.** RCW 28A.345.060 and 1986 c 158 s 3 are each amended to  
6 read as follows:

7 The association shall contract with the (~~department of personnel~~  
8 ~~for the department of personnel~~) human resources director in the  
9 office of financial management to audit in odd-numbered years the  
10 association's staff classifications and employees' salaries. The  
11 association shall give copies of the audit reports to the office of  
12 financial management and the committees of each house of the  
13 legislature dealing with common schools.

14 **Sec. 468.** RCW 28A.400.201 and 2010 c 236 s 7 are each amended to  
15 read as follows:

16 (1) The legislature recognizes that providing students with the  
17 opportunity to access a world-class educational system depends on our  
18 continuing ability to provide students with access to world-class  
19 educators. The legislature also understands that continuing to attract  
20 and retain the highest quality educators will require increased  
21 investments. The legislature intends to enhance the current salary  
22 allocation model and recognizes that changes to the current model  
23 cannot be imposed without great deliberation and input from teachers,  
24 administrators, and classified employees. Therefore, it is the intent  
25 of the legislature to begin the process of developing an enhanced  
26 salary allocation model that is collaboratively designed to ensure the  
27 rationality of any conclusions regarding what constitutes adequate  
28 compensation.

29 (2) Beginning July 1, 2011, the office of the superintendent of  
30 public instruction, in collaboration with the human resources director  
31 in the office of financial management, shall convene a technical  
32 working group to recommend the details of an enhanced salary allocation  
33 model that aligns state expectations for educator development and  
34 certification with the compensation system and establishes  
35 recommendations for a concurrent implementation schedule. In addition

1 to any other details the technical working group deems necessary, the  
2 technical working group shall make recommendations on the following:

3 (a) How to reduce the number of tiers within the existing salary  
4 allocation model;

5 (b) How to account for labor market adjustments;

6 (c) How to account for different geographic regions of the state  
7 where districts may encounter difficulty recruiting and retaining  
8 teachers;

9 (d) The role of and types of bonuses available;

10 (e) Ways to accomplish salary equalization over a set number of  
11 years; and

12 (f) Initial fiscal estimates for implementing the recommendations  
13 including a recognition that staff on the existing salary allocation  
14 model would have the option to grandfather in permanently to the  
15 existing schedule.

16 (3) As part of its work, the technical working group shall conduct  
17 or contract for a preliminary comparative labor market analysis of  
18 salaries and other compensation for school district employees to be  
19 conducted and shall include the results in any reports to the  
20 legislature. For the purposes of this subsection, "salaries and other  
21 compensation" includes average base salaries, average total salaries,  
22 average employee basic benefits, and retirement benefits.

23 (4) The analysis required under subsection (1) of this section  
24 must:

25 (a) Examine salaries and other compensation for teachers, other  
26 certificated instructional staff, principals, and other building-level  
27 certificated administrators, and the types of classified employees for  
28 whom salaries are allocated;

29 (b) Be calculated at a statewide level that identifies labor  
30 markets in Washington through the use of data from the United States  
31 bureau of the census and the bureau of labor statistics; and

32 (c) Include a comparison of salaries and other compensation to the  
33 appropriate labor market for at least the following subgroups of  
34 educators: Beginning teachers and types of educational staff  
35 associates.

36 (5) The working group shall include representatives of the  
37 (~~department of personnel~~) office of financial management, the  
38 professional educator standards board, the office of the superintendent



1 of public instruction, the Washington education association, the  
2 Washington association of school administrators, the association of  
3 Washington school principals, the Washington state school directors'  
4 association, the public school employees of Washington, and other  
5 interested stakeholders with appropriate expertise in compensation  
6 related matters. The working group may convene advisory subgroups on  
7 specific topics as necessary to assure participation and input from a  
8 broad array of diverse stakeholders.

9 (6) The working group shall be monitored and overseen by the  
10 legislature and the quality education council created in RCW  
11 28A.290.010. The working group shall make an initial report to the  
12 legislature by June 30, 2012, and shall include in its report  
13 recommendations for whether additional further work of the group is  
14 necessary.

15 **Sec. 469.** RCW 34.12.100 and 2010 1st sp.s. c 7 s 3 are each  
16 amended to read as follows:

17 The chief administrative law judge shall be paid a salary fixed by  
18 the governor after recommendation of the (~~department of personnel~~)  
19 human resources director in the office of financial management. The  
20 salaries of administrative law judges appointed under the terms of this  
21 chapter shall be determined by the chief administrative law judge after  
22 recommendation of the department of personnel.

23 **Sec. 470.** RCW 36.21.011 and 1995 c 134 s 12 are each amended to  
24 read as follows:

25 Any assessor who deems it necessary in order to complete the  
26 listing and the valuation of the property of the county within the time  
27 prescribed by law, (1) may appoint one or more well qualified persons  
28 to act as assistants or deputies who shall not engage in the private  
29 practice of appraising within the county in which he or she is employed  
30 without the written permission of the assessor filed with the auditor;  
31 and each such assistant or deputy so appointed shall, under the  
32 direction of the assessor, after taking the required oath, perform all  
33 the duties enjoined upon, vested in or imposed upon assessors, and (2)  
34 may contract with any persons, firms or corporations, who are expert  
35 appraisers, to assist in the valuation of property.

1 To assist each assessor in obtaining adequate and well qualified  
2 assistants or deputies, the (~~state department of personnel~~) office of  
3 financial management, after consultation with the Washington state  
4 association of county assessors, the Washington state association of  
5 counties, and the department of revenue, shall establish by July 1,  
6 1967, and shall thereafter maintain, a classification and salary plan  
7 for those employees of an assessor who act as appraisers. The plan  
8 shall recommend the salary range and employment qualifications for each  
9 position encompassed by it, and shall, to the fullest extent  
10 practicable, conform to the classification plan, salary schedules and  
11 employment qualifications for state employees performing similar  
12 appraisal functions.

13 An assessor who intends to put such plan into effect shall inform  
14 the department of revenue and the county legislative authority of this  
15 intent in writing. The department of revenue and the county  
16 legislative authority may thereupon each designate a representative,  
17 and such representative or representatives as may be designated by the  
18 department of revenue or the county legislative authority, or both,  
19 shall form with the assessor a committee. The committee so formed may,  
20 by unanimous vote only, determine the required number of certified  
21 appraiser positions and their salaries necessary to enable the assessor  
22 to carry out the requirements relating to revaluation of property in  
23 chapter 84.41 RCW. The determination of the committee shall be  
24 certified to the county legislative authority. The committee may be  
25 formed only once in a period of four calendar years.

26 After such determination, the assessor may provide, in each of the  
27 four next succeeding annual budget estimates, for as many positions as  
28 are established in such determination. Each county legislative  
29 authority to which such a budget estimate is submitted shall allow  
30 sufficient funds for such positions. An employee may be appointed to  
31 a position covered by the plan only if the employee meets the  
32 employment qualifications established by the plan.

33 **Sec. 471.** RCW 41.04.020 and 1998 c 116 s 1 are each amended to  
34 read as follows:

35 Any employee or group of employees of the state of Washington or  
36 any of its political subdivisions, or of any institution supported, in  
37 whole or in part, by the state or any of its political subdivisions,

1 may authorize the deduction from his or her salaries or wages and  
2 payment to another, the amount or amounts of his or her subscription  
3 payments or contributions to any person, firm, or corporation  
4 administering, furnishing, or providing (1) medical, surgical, and  
5 hospital care or either of them, or (2) life insurance or accident and  
6 health disability insurance, or (3) any individual retirement account  
7 selected by the employee or the employee's spouse established under  
8 applicable state or federal law: PROVIDED, That such authorization by  
9 said employee or group of employees, shall be first approved by the  
10 head of the department, division office or institution of the state or  
11 any political subdivision thereof, employing such person or group of  
12 persons, and filed with the department of (~~personnel~~) enterprise  
13 services; or in the case of political subdivisions of the state of  
14 Washington, with the auditor of such political subdivision or the  
15 person authorized by law to draw warrants against the funds of said  
16 political subdivision.

17 **Sec. 472.** RCW 41.04.460 and 1992 c 234 s 10 are each amended to  
18 read as follows:

19 The department of (~~personnel~~) enterprise services, through the  
20 combined benefits communication project, shall prepare information  
21 encouraging individual financial planning for retirement and describing  
22 the potential consequences of early retirement, including members'  
23 assumption of health insurance costs, members' receipt of reduced  
24 retirement benefits, and the increased period of time before members  
25 will become eligible for cost-of-living adjustments. The department of  
26 retirement systems shall distribute the information to members who are  
27 eligible to retire under the provisions of chapter 234, Laws of 1992.  
28 Prior to retiring, such members who elect to retire shall sign a  
29 statement acknowledging their receipt and understanding of the  
30 information.

31 **Sec. 473.** RCW 41.60.050 and 1991 sp.s. c 16 s 918 are each amended  
32 to read as follows:

33 The legislature shall appropriate from the (~~department of~~)  
34 personnel service fund for the payment of administrative costs of the  
35 productivity board. However, during the 1991-93 fiscal biennium, the

1 administrative costs of the productivity board shall be appropriated  
2 from the savings recovery account.

3 **Sec. 474.** RCW 41.68.030 and 1983 1st ex.s. c 15 s 3 are each  
4 amended to read as follows:

5 A claim under this chapter may be submitted to the department of  
6 (~~personnel~~) enterprise services for the reparation of salary losses  
7 suffered during the years 1942 through 1947. The claim shall be  
8 supported by appropriate verification, such as the person's name at the  
9 time of the dismissal, the name of the employing department, and a  
10 social security number, or by evidence of official action of  
11 termination. The claimant shall also provide an address to which the  
12 department shall mail notification of its determination regarding the  
13 claimant's eligibility.

14 **Sec. 475.** RCW 41.68.040 and 1983 1st ex.s. c 15 s 4 are each  
15 amended to read as follows:

16 (1) The department of (~~personnel~~) enterprise services shall  
17 determine the eligibility of a claimant to receive reparations  
18 authorized by this chapter. The department shall then notify the  
19 claimant by mail of its determination regarding the claimant's  
20 eligibility.

21 (2) The department may adopt rules that will assist in the fair  
22 determination of eligibility and the processing of claims. The  
23 department, however, has no obligation to directly notify any person of  
24 possible eligibility for reparation of salary losses under this  
25 chapter.

26 **Sec. 476.** RCW 41.68.050 and 1983 1st ex.s. c 15 s 5 are each  
27 amended to read as follows:

28 A claimant under this chapter who is determined eligible by the  
29 department of (~~personnel~~) enterprise services shall receive two  
30 thousand five hundred dollars each year for two years. All claims  
31 which the department determines are eligible for reparation shall be  
32 immediately forwarded to the state treasurer, who shall issue warrants  
33 in the appropriate amounts upon demand and verification of identity.  
34 If a claimant dies after filing a claim but before receiving full

1 payment, payments shall be made to the claimant's estate upon demand  
2 and verification of identity.

3 **Sec. 477.** RCW 47.28.251 and 2003 c 363 s 103 are each amended to  
4 read as follows:

5 (1) The department of transportation shall work with  
6 representatives of transportation labor groups to develop a financial  
7 incentive program to aid in retention and recruitment of employee  
8 classifications where problems exist and program delivery is negatively  
9 affected. The department's financial incentive program must be  
10 reviewed and approved by the legislature before it can be implemented.  
11 This program must support the goal of enhancing project delivery  
12 timelines as outlined in section 101, chapter 363, Laws of 2003. Upon  
13 receiving approval from the legislature, the (~~department — of~~  
14 ~~personnel~~) office of financial management shall implement, as  
15 required, specific aspects of the financial incentive package, as  
16 developed by the department of transportation.

17 (2) Notwithstanding chapter 41.06 RCW, the department of  
18 transportation may acquire services from qualified private firms in  
19 order to deliver the transportation construction program to the public.  
20 Services may be acquired solely for augmenting the department's  
21 workforce capacity and only when the department's transportation  
22 construction program cannot be delivered through its existing or  
23 readily available workforce. The department of transportation shall  
24 work with representatives of transportation labor groups to develop and  
25 implement a program identifying those projects requiring contracted  
26 services while establishing a program as defined in subsection (1) of  
27 this section to provide the classified personnel necessary to deliver  
28 future construction programs. The procedures for acquiring  
29 construction engineering services from private firms may not be used to  
30 displace existing state employees nor diminish the number of existing  
31 classified positions in the present construction program. The  
32 acquisition procedures must be in accordance with chapter 39.80 RCW.

33 (3) Starting in December 2004, and biennially thereafter, the  
34 secretary shall report to the transportation committees of the  
35 legislature on the use of construction engineering services from  
36 private firms authorized under this section. The information provided  
37 to the committees must include an assessment of the benefits and costs

1 associated with using construction engineering services, or other  
2 services, from private firms, and a comparison of public versus private  
3 sector costs. The secretary may act on these findings to ensure the  
4 most cost-effective means of service delivery.

5 NEW SECTION. **Sec. 478.** The following acts or parts of acts are  
6 each repealed:

7 (1) RCW 41.06.030 (Department of personnel established) and 2002 c  
8 354 s 201, 1993 c 281 s 20, & 1961 c 1 s 3;

9 (2) RCW 41.06.111 (Personnel appeals board abolished--Powers,  
10 duties, and functions transferred to the Washington personnel resources  
11 board) and 2002 c 354 s 233;

12 (3) RCW 41.06.130 (Director of personnel--Appointment--Rules--  
13 Powers and duties--Delegation of authority) and 1993 c 281 s 26, 1982  
14 1st ex.s. c 53 s 3, & 1961 c 1 s 13;

15 (4) RCW 41.06.139 (Classification system for classified service--  
16 Director implements--Rules of the board--Appeals) and 2002 c 354 s 206;

17 (5) RCW 41.06.480 (Background check disqualification--Policy  
18 recommendations) and 2001 c 296 s 7; and

19 (6) RCW 41.07.900 (Transfer of personnel, records, equipment, etc)  
20 and 1975 1st ex.s. c 239 s 4.

21 NEW SECTION. **Sec. 479.** RCW 41.06.136, 43.31.086, 41.80.900,  
22 41.80.901, 41.80.902, 41.80.903, and 41.80.904 are each decodified.

23 NEW SECTION. **Sec. 480.** Section 447 of this act expires January 1,  
24 2012.

25 NEW SECTION. **Sec. 481.** Section 448 of this act takes effect  
26 January 1, 2012.

27 NEW SECTION. **Sec. 482.** Section 459 of this act expires June 30,  
28 2015.

29 NEW SECTION. **Sec. 483.** Section 461 of this act expires December  
30 31, 2011.



1 needs of state agencies in relation to all such insurance and bonds:  
2 PROVIDED, That authority to purchase insurance may be delegated to  
3 state agencies. Insurance in force shall be reported to the office of  
4 risk management (~~(division)~~) periodically under rules established by  
5 the director. Nothing contained in this section shall prohibit the use  
6 of licensed agents or brokers for the procurement and service of  
7 insurance.

8 The amounts of insurance or bond coverage shall be as fixed by law,  
9 or if not fixed by law, such amounts shall be as fixed by the director.

10 The premium cost for insurance acquired and bonds furnished shall  
11 be paid from appropriations or other appropriate resources available to  
12 the state agency or agencies for which procurement is made, and all  
13 vouchers drawn in payment therefor shall bear the written approval of  
14 the office of risk management (~~(division)~~) prior to the issuance of the  
15 warrant in payment therefor. Where deemed advisable the premium cost  
16 for insurance and bonds may be paid by the risk management  
17 administration account which shall be reimbursed by the agency or  
18 agencies for which procurement is made.

19 **Sec. 504.** RCW 43.41.320 and 2002 c 332 s 6 are each amended to  
20 read as follows:

21 The director, through the office of risk management (~~(division)~~),  
22 may purchase, or contract for the purchase of, property and liability  
23 insurance for any municipality upon request of the municipality.

24 As used in this section, "municipality" means any city, town,  
25 county, special purpose district, municipal corporation, or political  
26 subdivision of the state of Washington.

27 **Sec. 505.** RCW 43.41.330 and 2002 c 332 s 8 are each amended to  
28 read as follows:

29 The director, through the office of risk management (~~(division)~~),  
30 shall receive and enforce bonds posted pursuant to RCW 39.59.010 (3)  
31 and (4).

32 **Sec. 506.** RCW 43.41.340 and 2002 c 332 s 9 are each amended to  
33 read as follows:

34 The (~~(office)~~) department shall conduct periodic actuarial studies



1 to determine the amount of money needed to adequately fund the  
2 liability account.

3 **Sec. 507.** RCW 43.41.360 and 2009 c 549 s 5121 are each amended to  
4 read as follows:

5 ~~((In addition to other powers and duties prescribed by this~~  
6 ~~chapter,)) The director shall:~~

7 (1) Fix the amount of bond to be given by each appointive state  
8 officer and each employee of the state in all cases where it is not  
9 fixed by law;

10 (2) Require the giving of an additional bond, or a bond in a  
11 greater amount than provided by law, in all cases where in his or her  
12 judgment the statutory bond is not sufficient in amount to cover the  
13 liabilities of the officer or employee;

14 (3) Exempt subordinate employees from giving bond when in his or  
15 her judgment their powers and duties are such as not to require a bond.

16 **Sec. 508.** RCW 43.41.370 and 2002 c 333 s 2 are each amended to  
17 read as follows:

18 (1) The director ~~((of financial management))~~ shall appoint a loss  
19 prevention review team when the death of a person, serious injury to a  
20 person, or other substantial loss is alleged or suspected to be caused  
21 at least in part by the actions of a state agency, unless the director  
22 in his or her discretion determines that the incident does not merit  
23 review. A loss prevention review team may also be appointed when any  
24 other substantial loss occurs as a result of agency policies,  
25 litigation or defense practices, or other management practices. When  
26 the director decides not to appoint a loss prevention review team he or  
27 she shall issue a statement of the reasons for the director's decision.  
28 The statement shall be made available on the department's web site ~~((of~~  
29 ~~the office of financial management))~~. The director's decision pursuant  
30 to this section to appoint or not appoint a loss prevention review team  
31 shall not be admitted into evidence in a civil or administrative  
32 proceeding.

33 (2) A loss prevention review team shall consist of at least three  
34 but no more than five persons, and may include independent consultants,  
35 contractors, or state employees, but it shall not include any person  
36 employed by the agency involved in the loss or risk of loss giving rise

1 to the review, nor any person with testimonial knowledge of the  
2 incident to be reviewed. At least one member of the review team shall  
3 have expertise relevant to the matter under review.

4 (3) The loss prevention review team shall review the death, serious  
5 injury, or other incident and the circumstances surrounding it,  
6 evaluate its causes, and recommend steps to reduce the risk of such  
7 incidents occurring in the future. The loss prevention review team  
8 shall accomplish these tasks by reviewing relevant documents,  
9 interviewing persons with relevant knowledge, and reporting its  
10 recommendations in writing to the director (~~(of financial management)~~)  
11 and the director of the agency involved in the loss or risk of loss  
12 within the time requested by the director (~~(of financial management)~~).  
13 The final report shall not disclose the contents of any documents  
14 required by law to be kept confidential.

15 (4) Pursuant to guidelines established by the director, state  
16 agencies must notify the (~~(office of financial management)~~) department  
17 immediately upon becoming aware of a death, serious injury, or other  
18 substantial loss that is alleged or suspected to be caused at least in  
19 part by the actions of the state agency. State agencies shall provide  
20 the loss prevention review team ready access to relevant documents in  
21 their possession and ready access to their employees.

22 **Sec. 509.** RCW 43.41.380 and 2002 c 333 s 3 are each amended to  
23 read as follows:

24 (1) The final report from a loss prevention review team to the  
25 director (~~(of financial management)~~) shall be made public by the  
26 director promptly upon receipt, and shall be subject to public  
27 disclosure. The final report shall be subject to discovery in a civil  
28 or administrative proceeding. However, the final report shall not be  
29 admitted into evidence or otherwise used in a civil or administrative  
30 proceeding except pursuant to subsection (2) of this section.

31 (2) The relevant excerpt or excerpts from the final report of a  
32 loss prevention review team may be used to impeach a fact witness in a  
33 civil or administrative proceeding only if the party wishing to use the  
34 excerpt or excerpts from the report first shows the court by clear and  
35 convincing evidence that the witness, in testimony provided in  
36 deposition or at trial in the present proceeding, has contradicted his  
37 or her previous statements to the loss prevention review team on an

1 issue of fact material to the present proceeding. In that case, the  
2 party may use only the excerpt or excerpts necessary to demonstrate the  
3 contradiction. This section shall not be interpreted as expanding the  
4 scope of material that may be used to impeach a witness.

5 (3) No member of a loss prevention review team may be examined in  
6 a civil or administrative proceeding as to (a) the work of the loss  
7 prevention review team, (b) the incident under review, (c) his or her  
8 statements, deliberations, thoughts, analyses, or impressions relating  
9 to the work of the loss prevention review team or the incident under  
10 review, or (d) the statements, deliberations, thoughts, analyses, or  
11 impressions of any other member of the loss prevention review team, or  
12 any person who provided information to it, relating to the work of the  
13 loss prevention review team or the incident under review.

14 (4) Any document that exists prior to the appointment of a loss  
15 prevention review team, or that is created independently of such a  
16 team, does not become inadmissible merely because it is reviewed or  
17 used by the loss prevention review team. A person does not become  
18 unavailable as a witness merely because the person has been interviewed  
19 by or has provided a statement to a loss prevention review team.  
20 However, if called as a witness, the person may not be examined  
21 regarding the person's interactions with the loss prevention review  
22 team, including without limitation whether the loss prevention review  
23 team interviewed the person, what questions the loss prevention review  
24 team asked, and what answers the person provided to the loss prevention  
25 review team. This section shall not be construed as restricting the  
26 person from testifying fully in any proceeding regarding his or her  
27 knowledge of the incident under review.

28 (5) Documents prepared by or for the loss prevention review team  
29 are inadmissible and may not be used in a civil or administrative  
30 proceeding, except that excerpts may be used to impeach the credibility  
31 of a witness under the same circumstances that excerpts of the final  
32 report may be used pursuant to subsection (2) of this section.

33 (6) The restrictions set forth in this section shall not apply in  
34 a licensing or disciplinary proceeding arising from an agency's effort  
35 to revoke or suspend the license of any licensed professional based in  
36 whole or in part upon allegations of wrongdoing in connection with the  
37 death, injury, or other incident reviewed by the loss prevention review  
38 team.

1 (7) Within one hundred twenty days after completion of the final  
2 report of a loss prevention review team, the agency under review shall  
3 issue to the ((~~office of financial management~~)) department a response  
4 to the report. The response will indicate (a) which of the report's  
5 recommendations the agency hopes to implement, (b) whether  
6 implementation of those recommendations will require additional funding  
7 or legislation, and (c) whatever other information the director may  
8 require. This response shall be considered part of the final report  
9 and shall be subject to all provisions of this section that apply to  
10 the final report, including without limitation the restrictions on  
11 admissibility and use in civil or administrative proceedings and the  
12 obligation of the director to make the final report public.

13 (8) Nothing in RCW 43.41.370 or this section is intended to limit  
14 the scope of a legislative inquiry into or review of an incident that  
15 is the subject of a loss prevention review.

16 (9) Nothing in RCW 43.41.370 or in this section affects chapter  
17 70.41 RCW and application of that chapter to state-owned or managed  
18 hospitals licensed under chapter 70.41 RCW.

19 **Sec. 510.** RCW 43.41.110 and 2002 c 332 s 23 are each amended to  
20 read as follows:

21 The office of financial management shall:

22 (1) Provide technical assistance to the governor and the  
23 legislature in identifying needs and in planning to meet those needs  
24 through state programs and a plan for expenditures.

25 (2) Perform the comprehensive planning functions and processes  
26 necessary or advisable for state program planning and development,  
27 preparation of the budget, inter-departmental and inter-governmental  
28 coordination and cooperation, and determination of state capital  
29 improvement requirements.

30 (3) Provide assistance and coordination to state agencies and  
31 departments in their preparation of plans and programs.

32 (4) Provide general coordination and review of plans in functional  
33 areas of state government as may be necessary for receipt of federal or  
34 state funds.

35 (5) Participate with other states or subdivisions thereof in  
36 interstate planning.

1 (6) Encourage educational and research programs that further  
2 planning and provide administrative and technical services therefor.

3 (7) Carry out the provisions of RCW 43.62.010 through 43.62.050  
4 relating to the state census.

5 ~~((Carry out the provisions of this chapter and chapter 4.92 RCW  
6 relating to risk management.~~

7 ~~(9))~~ Be the official state participant in the federal-state  
8 cooperative program for local population estimates and as such certify  
9 all city and county special censuses to be considered in the allocation  
10 of state and federal revenues.

11 ~~((10))~~ (9) Be the official state center for processing and  
12 dissemination of federal decennial or quinquennial census data in  
13 cooperation with other state agencies.

14 ~~((11))~~ (10) Be the official state agency certifying annexations,  
15 incorporations, or disincorporations to the United States bureau of the  
16 census.

17 ~~((12))~~ (11) Review all United States bureau of the census  
18 population estimates used for federal revenue sharing purposes and  
19 provide a liaison for local governments with the United States bureau  
20 of the census in adjusting or correcting revenue sharing population  
21 estimates.

22 ~~((13))~~ (12) Provide fiscal notes depicting the expected fiscal  
23 impact of proposed legislation in accordance with chapter 43.88A RCW.

24 ~~((14))~~ (13) Be the official state agency to estimate and manage  
25 the cash flow of all public funds as provided in chapter 43.88 RCW. To  
26 this end, the office shall adopt such rules as are necessary to manage  
27 the cash flow of public funds.

28 **Sec. 511.** RCW 4.92.006 and 2002 c 332 s 10 are each amended to  
29 read as follows:

30 As used in this chapter:

31 (1) ~~(("Office" — means — the — office — of — financial — management.)~~)  
32 "Department" means the department of enterprise services.

33 (2) "Director" means the director of ~~((financial—management))~~  
34 enterprise services.

35 (3) ~~(("Risk—management—division")~~) "Office of risk management"  
36 means the ~~((division—of—the—office—of—financial—management))~~ office

1 within the department of enterprise services that carries out the  
2 powers and duties under this chapter relating to claim filing, claims  
3 administration, and claims payment.

4 (4) "Risk manager" means the person supervising the office of risk  
5 management (~~(division)~~).

6 **Sec. 512.** RCW 4.92.040 and 2002 c 332 s 11 are each amended to  
7 read as follows:

8 (1) No execution shall issue against the state on any judgment.

9 (2) Whenever a final judgment against the state is obtained in an  
10 action on a claim arising out of tortious conduct, the claim shall be  
11 paid from the liability account.

12 (3) Whenever a final judgment against the state shall have been  
13 obtained in any other action, the clerk of the court shall make and  
14 furnish to the office of risk management (~~(division)~~) a duly certified  
15 copy of such judgment; the office of risk management (~~(division)~~) shall  
16 thereupon audit the amount of damages and costs therein awarded, and  
17 the same shall be paid from appropriations specifically provided for  
18 such purposes by law.

19 (4) Final judgments for which there are no provisions in state law  
20 for payment shall be transmitted by the office of risk management  
21 (~~(division)~~) to the senate and house of representatives committees on  
22 ways and means as follows:

23 (a) On the first day of each session of the legislature, the office  
24 of risk management (~~(division)~~) shall transmit judgments received and  
25 audited since the adjournment of the previous session of the  
26 legislature.

27 (b) During each session of legislature, the office of risk  
28 management (~~(division)~~) shall transmit judgments immediately upon  
29 completion of audit.

30 (5) All claims, other than judgments, made to the legislature  
31 against the state of Washington for money or property, shall be  
32 accompanied by a statement of the facts on which such claim is based  
33 and such evidence as the claimant intends to offer in support of the  
34 claim and shall be filed with the office of risk management  
35 (~~(division)~~), which shall retain the same as a record. All claims of  
36 two thousand dollars or less shall be approved or rejected by the  
37 office of risk management (~~(division)~~), and if approved shall be paid

1 from appropriations specifically provided for such purpose by law.  
2 Such decision, if adverse to the claimant in whole or part, shall not  
3 preclude the claimant from seeking relief from the legislature. If the  
4 claimant accepts any part of his or her claim which is approved for  
5 payment by the office of risk management (~~((division))~~), such acceptance  
6 shall constitute a waiver and release of the state from any further  
7 claims relating to the damage or injury asserted in the claim so  
8 accepted. The office of risk management (~~((division))~~) shall submit to  
9 the house and senate committees on ways and means, at the beginning of  
10 each regular session, a comprehensive list of all claims paid pursuant  
11 to this subsection during the preceding year. For all claims not  
12 approved by the office of risk management (~~((division))~~), the office of  
13 risk management (~~((division))~~) shall recommend to the legislature whether  
14 such claims should be approved or rejected. Recommendations shall be  
15 submitted to the senate and house of representatives committees on ways  
16 and means not later than the thirtieth day of each regular session of  
17 the legislature. Claims which cannot be processed for timely  
18 submission of recommendations shall be held for submission during the  
19 following regular session of the legislature. The recommendations  
20 shall include, but not be limited to:

21 (a) A summary of the facts alleged in the claim, and a statement as  
22 to whether these facts can be verified by the office of risk management  
23 (~~((division))~~);

24 (b) An estimate by the office of risk management (~~((division))~~) of  
25 the value of the loss or damage which was alleged to have occurred;

26 (c) An analysis of the legal liability, if any, of the state for  
27 the alleged loss or damage; and

28 (d) A summary of equitable or public policy arguments which might  
29 be helpful in resolving the claim.

30 (6) The legislative committees to whom such claims are referred  
31 shall make a transcript, recording, or statement of the substance of  
32 the evidence given in support of such a claim. If the legislature  
33 approves a claim the same shall be paid from appropriations  
34 specifically provided for such purpose by law.

35 (7) Subsections (3) through (6) of this section do not apply to  
36 judgments or claims against the state housing finance commission  
37 created under chapter 43.180 RCW.

1       **Sec. 513.** RCW 4.92.130 and 2009 c 560 s 15 are each amended to  
2 read as follows:

3       A liability account in the custody of the treasurer is hereby  
4 created as a nonappropriated account to be used solely and exclusively  
5 for the payment of liability settlements and judgments against the  
6 state under 42 U.S.C. Sec. 1981 et seq. or for the tortious conduct of  
7 its officers, employees, and volunteers and all related legal defense  
8 costs.

9       (1) The purpose of the liability account is to: (a) Expeditiously  
10 pay legal liabilities and defense costs of the state resulting from  
11 tortious conduct; (b) promote risk control through a cost allocation  
12 system which recognizes agency loss experience, levels of self-  
13 retention, and levels of risk exposure; and (c) establish an  
14 actuarially sound system to pay incurred losses, within defined limits.

15       (2) The liability account shall be used to pay claims for injury  
16 and property damages and legal defense costs exclusive of agency-  
17 retained expenses otherwise budgeted.

18       (3) No money shall be paid from the liability account, except for  
19 defense costs, unless all proceeds available to the claimant from any  
20 valid and collectible liability insurance shall have been exhausted and  
21 unless:

22       (a) The claim shall have been reduced to final judgment in a court  
23 of competent jurisdiction; or

24       (b) The claim has been approved for payment.

25       (4) The liability account shall be financed through annual premiums  
26 assessed to state agencies, based on sound actuarial principles, and  
27 shall be for liability coverage in excess of agency-budgeted self-  
28 retention levels.

29       (5) Annual premium levels shall be determined by the risk manager.  
30 An actuarial study shall be conducted to assist in determining the  
31 appropriate level of funding.

32       (6) Disbursements for claims from the liability account shall be  
33 made to the claimant, or to the clerk of the court for judgments, upon  
34 written request to the state treasurer from the risk manager.

35       (7) The director may direct agencies to transfer moneys from other  
36 funds and accounts to the liability account if premiums are delinquent.

37       (8) The liability account shall not exceed fifty percent of the  
38 actuarial value of the outstanding liability as determined annually by



1 the office of risk management (~~(division)~~). If the account exceeds the  
2 maximum amount specified in this section, premiums may be adjusted by  
3 the office of risk management (~~(division)~~) in order to maintain the  
4 account balance at the maximum limits. If, after adjustment of  
5 premiums, the account balance remains above the limits specified, the  
6 excess amount shall be prorated back to the appropriate funds.

7 **Sec. 514.** RCW 4.92.150 and 2002 c 332 s 15 are each amended to  
8 read as follows:

9 After commencement of an action in a court of competent  
10 jurisdiction upon a claim against the state, or any of its officers,  
11 employees, or volunteers arising out of tortious conduct or pursuant to  
12 42 U.S.C. Sec. 1981 et seq., or against a foster parent that the  
13 attorney general is defending pursuant to RCW 4.92.070, or upon  
14 petition by the state, the attorney general, with the prior approval of  
15 the office of risk management (~~(division)~~) and with the approval of the  
16 court, following such testimony as the court may require, may  
17 compromise and settle the same and stipulate for judgment against the  
18 state, the affected officer, employee, volunteer, or foster parent.

19 **Sec. 515.** RCW 4.92.160 and 2002 c 332 s 16 are each amended to  
20 read as follows:

21 Payment of claims and judgments arising out of tortious conduct or  
22 pursuant to 42 U.S.C. Sec. 1981 et seq. shall not be made by any agency  
23 or department of state government with the exception of the office of  
24 risk management (~~(division)~~), and that (~~(division)~~) office shall  
25 authorize and direct the payment of moneys only from the liability  
26 account whenever:

27 (1) The head or governing body of any agency or department of state  
28 or the designee of any such agency certifies to the office of risk  
29 management (~~(division)~~) that a claim has been settled; or

30 (2) The clerk of court has made and forwarded a certified copy of  
31 a final judgment in a court of competent jurisdiction and the attorney  
32 general certifies that the judgment is final and was entered in an  
33 action on a claim arising out of tortious conduct or under and pursuant  
34 to 42 U.S.C. Sec. 1981 et seq. Payment of a judgment shall be made to  
35 the clerk of the court for the benefit of the judgment creditors. Upon

1 receipt of payment, the clerk shall satisfy the judgment against the  
2 state.

3 **Sec. 516.** RCW 4.92.210 and 2002 c 332 s 17 are each amended to  
4 read as follows:

5 (1) All liability claims arising out of tortious conduct or under  
6 42 U.S.C. Sec. 1981 et seq. that the state of Washington or any of its  
7 officers, employees, or volunteers would be liable for shall be filed  
8 with the office of risk management (~~(division)~~).

9 (2) A centralized claim tracking system shall be maintained to  
10 provide agencies with accurate and timely data on the status of  
11 liability claims. Information in this claim file, other than the claim  
12 itself, shall be privileged and confidential.

13 (3) Standardized procedures shall be established for filing,  
14 reporting, processing, and adjusting claims, which includes the use of  
15 qualified claims management personnel.

16 (4) All claims shall be reviewed by the office of risk management  
17 (~~(division)~~) to determine an initial valuation, to delegate to the  
18 appropriate office to investigate, negotiate, compromise, and settle  
19 the claim, or to retain that responsibility on behalf of and with the  
20 assistance of the affected state agency.

21 (5) All claims that result in a lawsuit shall be forwarded to the  
22 attorney general's office. Thereafter the attorney general and the  
23 office of risk management (~~(division)~~) shall collaborate in the  
24 investigation, denial, or settlement of the claim.

25 (6) Reserves shall be established for recognizing financial  
26 liability and monitoring effectiveness. The valuation of specific  
27 claims against the state shall be privileged and confidential.

28 (7) All settlements shall be approved by the responsible agencies,  
29 or their designees, prior to settlement.

30 **Sec. 517.** RCW 4.92.270 and 2002 c 332 s 21 are each amended to  
31 read as follows:

32 The risk manager shall develop procedures for standard  
33 indemnification agreements for state agencies to use whenever the  
34 agency agrees to indemnify, or be indemnified by, any person or party.  
35 The risk manager shall also develop guidelines for the use of  
36 indemnification agreements by state agencies. On request of the risk

1 manager, an agency shall forward to the office of risk management  
2 (~~division~~) for review and approval any contract or agreement  
3 containing an indemnification agreement.

4 **Sec. 518.** RCW 4.92.280 and 1998 c 217 s 4 are each amended to read  
5 as follows:

6 If chapter 217, Laws of 1998 mandates an increased level of service  
7 by local governments, the local government may, under RCW 43.135.060  
8 and chapter 4.92 RCW, submit claims for reimbursement by the  
9 legislature. The claims shall be subject to verification by the  
10 (~~office of financial management~~) department of enterprise services.

11 **Sec. 519.** RCW 10.92.020 and 2008 c 224 s 2 are each amended to  
12 read as follows:

13 (1) Tribal police officers under subsection (2) of this section  
14 shall be recognized and authorized to act as general authority  
15 Washington peace officers. A tribal police officer recognized and  
16 authorized to act as a general authority Washington peace officer under  
17 this section has the same powers as any other general authority  
18 Washington peace officer to enforce state laws in Washington, including  
19 the power to make arrests for violations of state laws.

20 (2) A tribal police officer may exercise the powers of law  
21 enforcement of a general authority Washington peace officer under this  
22 section, subject to the following:

23 (a) The appropriate sovereign tribal nation shall submit to the  
24 (~~office of financial management~~) department of enterprise services  
25 proof of public liability and property damage insurance for vehicles  
26 operated by the peace officers and police professional liability  
27 insurance from a company licensed to sell insurance in the state. For  
28 purposes of determining adequacy of insurance liability, the sovereign  
29 tribal government must submit with the proof of liability insurance a  
30 copy of the interlocal agreement between the sovereign tribal  
31 government and the local governments that have shared jurisdiction  
32 under this chapter where such an agreement has been reached pursuant to  
33 subsection (10) of this section.

34 (i) Within the thirty days of receipt of the information from the  
35 sovereign tribal nation, the (~~office of financial management~~)  
36 department of enterprise services shall either approve or reject the

1 adequacy of insurance, giving consideration to the scope of the  
2 interlocal agreement. The adequacy of insurance under this chapter  
3 shall be subject to annual review by the (~~state office of financial~~  
4 ~~management~~) department of enterprise services.

5 (ii) Each policy of insurance issued under this chapter must  
6 include a provision that the insurance shall be available to satisfy  
7 settlements or judgments arising from the tortious conduct of tribal  
8 police officers when acting in the capacity of a general authority  
9 Washington peace officer, and that to the extent of policy coverage  
10 neither the sovereign tribal nation nor the insurance carrier will  
11 raise a defense of sovereign immunity to preclude an action for damages  
12 under state or federal law, the determination of fault in a civil  
13 action, or the payment of a settlement or judgment arising from the  
14 tortious conduct.

15 (b) The appropriate sovereign tribal nation shall submit to the  
16 (~~office of financial management~~) department of enterprise services  
17 proof of training requirements for each tribal police officer. To be  
18 authorized as a general authority Washington peace officer, a tribal  
19 police officer must successfully complete the requirements set forth  
20 under RCW 43.101.157. Any applicant not meeting the requirements for  
21 certification as a tribal police officer may not act as a general  
22 authority Washington peace officer under this chapter. The criminal  
23 justice training commission shall notify the (~~office of financial~~  
24 ~~management~~) department of enterprise services if:

25 (i) A tribal police officer authorized under this chapter as a  
26 general authority Washington state peace officer has been decertified  
27 pursuant to RCW 43.101.157; or

28 (ii) An appropriate sovereign tribal government is otherwise in  
29 noncompliance with RCW 43.101.157.

30 (3) A copy of any citation or notice of infraction issued, or any  
31 incident report taken, by a tribal police officer acting in the  
32 capacity of a general authority Washington peace officer as authorized  
33 by this chapter must be submitted within three days to the police chief  
34 or sheriff within whose jurisdiction the action was taken. Any  
35 citation issued under this chapter shall be to a Washington court,  
36 except that any citation issued to Indians within the exterior  
37 boundaries of an Indian reservation may be cited to a tribal court.

1 Any arrest made or citation issued not in compliance with this chapter  
2 is not enforceable.

3 (4) Any authorization granted under this chapter shall not in any  
4 way expand the jurisdiction of any tribal court or other tribal  
5 authority.

6 (5) The authority granted under this chapter shall be coextensive  
7 with the exterior boundaries of the reservation, except that an officer  
8 commissioned under this section may act as authorized under RCW  
9 10.93.070 beyond the exterior boundaries of the reservation.

10 (6) For purposes of civil liability under this chapter, a tribal  
11 police officer shall not be considered an employee of the state of  
12 Washington or any local government except where a state or local  
13 government has deputized a tribal police officer as a specially  
14 commissioned officer. Neither the state of Washington and its  
15 individual employees nor any local government and its individual  
16 employees shall be liable for the authorization of tribal police  
17 officers under this chapter, nor for the negligence or other misconduct  
18 of tribal officers. The authorization of tribal police officers under  
19 this chapter shall not be deemed to have been a nondelegable duty of  
20 the state of Washington or any local government.

21 (7) Nothing in this chapter impairs or affects the existing status  
22 and sovereignty of those sovereign tribal governments whose traditional  
23 lands and territories lie within the borders of the state of Washington  
24 as established under the laws of the United States.

25 (8) Nothing in this chapter limits, impairs, or nullifies the  
26 authority of a county sheriff to appoint duly commissioned state or  
27 federally certified tribal police officers as deputy sheriffs  
28 authorized to enforce the criminal and traffic laws of the state of  
29 Washington.

30 (9) Nothing in this chapter limits, impairs, or otherwise affects  
31 the existing authority under state or federal law of state or local law  
32 enforcement officers to enforce state law within the exterior  
33 boundaries of an Indian reservation or to enter Indian country in fresh  
34 pursuit, as defined in RCW 10.93.120, of a person suspected of  
35 violating state law, where the officer would otherwise not have  
36 jurisdiction.

37 (10) An interlocal agreement pursuant to chapter 39.34 RCW is  
38 required between the sovereign tribal government and all local

1 government law enforcement agencies that will have shared jurisdiction  
2 under this chapter prior to authorization taking effect under this  
3 chapter. Nothing in this chapter shall limit, impair, or otherwise  
4 affect the implementation of an interlocal agreement completed pursuant  
5 to chapter 39.34 RCW by July 1, 2008, between a sovereign tribal  
6 government and a local government law enforcement agency for  
7 cooperative law enforcement.

8 (a) Sovereign tribal governments that meet all of the requirements  
9 of subsection (2) of this section, but do not have an interlocal  
10 agreement pursuant to chapter 39.34 RCW and seek authorization under  
11 this chapter, may submit proof of liability insurance and training  
12 certification to the (~~office of financial management~~) department of  
13 enterprise services. Upon confirmation of receipt of the information  
14 from the (~~office of financial management~~) department of enterprise  
15 services, the sovereign tribal government and the local government law  
16 enforcement agencies that will have shared jurisdiction under this  
17 chapter have one year to enter into an interlocal agreement pursuant to  
18 chapter 39.34 RCW. If the sovereign tribal government and the local  
19 government law enforcement agencies that will have shared jurisdiction  
20 under this chapter are not able to reach agreement after one year, the  
21 sovereign tribal governments and the local government law enforcement  
22 agencies shall submit to binding arbitration pursuant to chapter 7.04A  
23 RCW with the American arbitration association or successor agency for  
24 purposes of completing an agreement prior to authorization going into  
25 effect.

26 (b) For the purposes of (a) of this subsection, those sovereign  
27 tribal government and local government law enforcement agencies that  
28 must enter into binding arbitration shall submit to last best offer  
29 arbitration. For purposes of accepting a last best offer, the  
30 arbitrator must consider other interlocal agreements between sovereign  
31 tribal governments and local law enforcement agencies in Washington  
32 state, any model policy developed by the Washington association of  
33 sheriffs and police chiefs or successor agency, and national best  
34 practices.

35 **Sec. 520.** RCW 48.62.021 and 2004 c 255 s 2 are each amended to  
36 read as follows:

1 Unless the context clearly requires otherwise, the definitions in  
2 this section apply throughout this chapter.

3 (1) "Local government entity" or "entity" means every unit of local  
4 government, both general purpose and special purpose, and includes, but  
5 is not limited to, counties, cities, towns, port districts, public  
6 utility districts, water-sewer districts, school districts, fire  
7 protection districts, irrigation districts, metropolitan municipal  
8 corporations, conservation districts, and other political subdivisions,  
9 governmental subdivisions, municipal corporations, and quasi-municipal  
10 corporations.

11 (2) "Risk assumption" means a decision to absorb the entity's  
12 financial exposure to a risk of loss without the creation of a formal  
13 program of advance funding of anticipated losses.

14 (3) "Self-insurance" means a formal program of advance funding and  
15 management of entity financial exposure to a risk of loss that is not  
16 transferred through the purchase of an insurance policy or contract.

17 (4) "Health and welfare benefits" means a plan or program  
18 established by a local government entity or entities for the purpose of  
19 providing its employees and their dependents, and in the case of school  
20 districts, its district employees, students, directors, or any of their  
21 dependents, with health care, accident, disability, death, and salary  
22 protection benefits.

23 (5) "Property and liability risks" includes the risk of property  
24 damage or loss sustained by a local government entity and the risk of  
25 claims arising from the tortious or negligent conduct or any error or  
26 omission of the local government entity, its officers, employees,  
27 agents, or volunteers as a result of which a claim may be made against  
28 the local government entity.

29 (6) "State risk manager" means the risk manager of the office of  
30 risk management (~~(division)~~) within the (~~(office — of — financial~~  
31 ~~management)~~) department of enterprise services.

32 (7) "Nonprofit corporation" or "corporation" has the same meaning  
33 as defined in RCW 24.03.005(3).

34 **Sec. 521.** RCW 48.64.010 and 2009 c 314 s 2 are each amended to  
35 read as follows:

36 The definitions in this section apply throughout this chapter  
37 unless the context clearly requires otherwise.

1 (1) "Affordable housing" means housing projects in which some of  
2 the dwelling units may be purchased or rented on a basis that is  
3 affordable to households with an income of eighty percent or less of  
4 the county median family income, adjusted for family size.

5 (2) "Affordable housing entity" means any of the following:

6 (a) A housing authority created under the laws of this state or  
7 another state and any agency or instrumentality of a housing authority  
8 including, but not limited to, a legal entity created to conduct a  
9 joint self-insurance program for housing authorities that is operating  
10 in accordance with chapter 48.62 RCW;

11 (b) A nonprofit corporation, whether organized under the laws of  
12 this state or another state, that is engaged in providing affordable  
13 housing and is necessary for the completion, management, or operation  
14 of a project because of its access to funding sources that are not  
15 available to a housing authority, as described in this section; or

16 (c) A general or limited partnership or limited liability company,  
17 whether organized under the laws of this state or another state, that  
18 is engaged in providing affordable housing as defined in this section.  
19 A partnership or limited liability company may only be considered an  
20 affordable housing entity if a housing authority or nonprofit  
21 corporation, as described in this subsection, satisfies any of the  
22 following conditions: (i) It has, or has the right to acquire, a  
23 financial or ownership interest in the partnership or limited liability  
24 company; (ii) it possesses the power to direct management or policies  
25 of the partnership or limited liability company; or (iii) it has  
26 entered into a contract to lease, manage, or operate the affordable  
27 housing owned by the partnership or limited liability company.

28 (3) "Property and liability risks" includes the risk of property  
29 damage or loss sustained by an affordable housing entity and the risk  
30 of claims arising from the tortious or negligent conduct or any error  
31 or omission of the entity, its officers, employees, agents, or  
32 volunteers as a result of which a claim may be made against the entity.

33 (4) "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 (5) "State risk manager" means the risk manager of the office of  
37 risk management (~~((division))~~) within the (~~((office — of — financial~~  
38 ~~management))~~) department of enterprise services.





1 filed, and must include evidence that the agency posted the contract  
2 opportunity on the state's common vendor registration and bid  
3 notification system. For sole source contracts of twenty thousand  
4 dollars or more, documented justification shall also include evidence  
5 that the agency attempted to identify potential consultants by  
6 advertising through statewide or regional newspapers.

7 (2) The (~~office of financial management~~) department of enterprise  
8 services shall approve sole source contracts of twenty thousand dollars  
9 or more before any such contract becomes binding and before any  
10 services may be performed under the contract. These requirements shall  
11 also apply to sole source contracts of less than twenty thousand  
12 dollars if the total amount of such contracts between an agency and the  
13 same consultant is twenty thousand dollars or more within a fiscal  
14 year. Agencies shall ensure that the costs, fees, or rates negotiated  
15 in filed sole source contracts of twenty thousand dollars or more are  
16 reasonable.

17 **Sec. 525.** RCW 39.29.025 and 1998 c 101 s 6 are each amended to  
18 read as follows:

19 (1) Substantial changes in either the scope of work specified in  
20 the contract or in the scope of work specified in the formal  
21 solicitation document must generally be awarded as new contracts.  
22 Substantial changes executed by contract amendments must be submitted  
23 to the (~~office of financial management~~) department of enterprise  
24 services, and are subject to approval by the (~~office of financial~~  
25 ~~management~~) department of enterprise services.

26 (2) An amendment or amendments to personal service contracts, if  
27 the value of the amendment or amendments, whether singly or  
28 cumulatively, exceeds fifty percent of the value of the original  
29 contract must be provided to the (~~office of financial management~~)  
30 department of enterprise services.

31 (3) The (~~office of financial management~~) department of enterprise  
32 services shall approve amendments provided to it under this section  
33 before the amendments become binding and before services may be  
34 performed under the amendments.

35 (4) The amendments must be filed with the (~~office of financial~~  
36 ~~management~~) department of enterprise services and made available for

1 public inspection at least ten working days prior to the proposed  
2 starting date of services under the amendments.

3 (5) The (~~office of financial management~~) department of enterprise  
4 services shall approve amendments provided to it under this section  
5 only if they meet the criteria for approval of the amendments  
6 established by the director of the (~~office of financial management~~)  
7 department of enterprise services.

8 **Sec. 526.** RCW 39.29.055 and 1998 c 101 s 8 are each amended to  
9 read as follows:

10 (1) Personal service contracts subject to competitive solicitation  
11 shall be (a) filed with the (~~office of financial management~~)  
12 department of enterprise services and made available for public  
13 inspection; and (b) reviewed and approved by the (~~office of financial~~  
14 ~~management~~) department of enterprise services when those contracts  
15 provide services relating to management consulting, organizational  
16 development, marketing, communications, employee training, or employee  
17 recruiting.

18 (2) Personal service contracts subject to competitive solicitation  
19 that provide services relating to management consulting, organizational  
20 development, marketing, communications, employee training, or employee  
21 recruiting shall be made available for public inspection at least ten  
22 working days before the proposed starting date of the contract. All  
23 other contracts shall be effective no earlier than the date they are  
24 filed with the (~~office of financial management~~) department of  
25 enterprise services.

26 **Sec. 527.** RCW 39.29.065 and 2009 c 486 s 9 are each amended to  
27 read as follows:

28 To implement this chapter, the director of the (~~office of~~  
29 ~~financial management~~) department of enterprise services shall  
30 establish procedures for the competitive solicitation and award of  
31 personal service contracts, recordkeeping requirements, and procedures  
32 for the reporting and filing of contracts. The director shall develop  
33 procurement policies and procedures, such as unbundled contracting and  
34 subcontracting, that encourage and facilitate the purchase of products  
35 and services by state agencies and institutions from Washington small  
36 businesses to the maximum extent practicable and consistent with

1 international trade agreement commitments. For reporting purposes, the  
2 director may establish categories for grouping of contracts. The  
3 procedures required under this section shall also include the criteria  
4 for amending personal service contracts. At the beginning of each  
5 biennium, the director may, by administrative policy, adjust the dollar  
6 thresholds prescribed in RCW 39.29.011, 39.29.018, and 39.29.040 to  
7 levels not to exceed the percentage increase in the implicit price  
8 deflator. Adjusted dollar thresholds shall be rounded to the nearest  
9 five hundred dollar increment.

10 **Sec. 528.** RCW 39.29.068 and 1998 c 245 s 33 and 1998 c 101 s 10  
11 are each reenacted and amended to read as follows:

12 The (~~office of financial management~~) department of enterprise  
13 services shall maintain a publicly available list of all personal  
14 service contracts entered into by state agencies during each fiscal  
15 year. The list shall identify the contracting agency, the contractor,  
16 the purpose of the contract, effective dates and periods of  
17 performance, the cost of the contract and funding source, any  
18 modifications to the contract, and whether the contract was  
19 competitively procured or awarded on a sole source basis. The (~~office~~  
20 ~~of financial management~~) department of enterprise services shall also  
21 ensure that state accounting definitions and procedures are consistent  
22 with RCW 39.29.006 and permit the reporting of personal services  
23 expenditures by agency and by type of service. Designations of type of  
24 services shall include, but not be limited to, management and  
25 organizational services, legal and expert witness services, financial  
26 services, computer and information services, social or technical  
27 research, marketing, communications, and employee training or  
28 recruiting services. The (~~office of financial management~~) department  
29 of enterprise services shall report annually to the fiscal committees  
30 of the senate and house of representatives on sole source contracts  
31 filed under this chapter. The report shall describe: (1) The number  
32 and aggregate value of contracts for each category established in this  
33 section; (2) the number and aggregate value of contracts of five  
34 thousand dollars or greater but less than twenty thousand dollars; (3)  
35 the number and aggregate value of contracts of twenty thousand dollars  
36 or greater; (4) the justification provided by agencies for the use of

1 sole source contracts; and (5) any trends in the use of sole source  
2 contracts.

3 **Sec. 529.** RCW 39.29.075 and 1987 c 414 s 9 are each amended to  
4 read as follows:

5 As requested by the legislative auditor, the (~~office of financial~~  
6 ~~management~~) department of enterprise services shall provide  
7 information on contracts filed under this chapter for use in  
8 preparation of summary reports on personal services contracts.

9 **Sec. 530.** RCW 39.29.090 and 1998 c 101 s 11 are each amended to  
10 read as follows:

11 Personal service contracts awarded by institutions of higher  
12 education from nonstate funds do not have to be filed in advance and  
13 approved by the (~~office of financial management~~) department of  
14 enterprise services. Any such contract is subject to all other  
15 requirements of this chapter, including the requirements under RCW  
16 39.29.068 for annual reporting of personal service contracts to the  
17 (~~office of financial management~~) department of enterprise services.

18 **Sec. 531.** RCW 39.29.100 and 2002 c 260 s 7 are each amended to  
19 read as follows:

20 (1) The (~~office of financial management~~) department of enterprise  
21 services shall adopt uniform guidelines for the effective and efficient  
22 management of personal service contracts and client service contracts  
23 by all state agencies. The guidelines must, at a minimum, include:

24 (a) Accounting methods, systems, measures, and principles to be  
25 used by agencies and contractors;

26 (b) Precontract procedures for selecting potential contractors  
27 based on their qualifications and ability to perform;

28 (c) Incorporation of performance measures and measurable benchmarks  
29 in contracts, and the use of performance audits;

30 (d) Uniform contract terms to ensure contract performance and  
31 compliance with state and federal standards;

32 (e) Proper payment and reimbursement methods to ensure that the  
33 state receives full value for taxpayer moneys, including cost  
34 settlements and cost allowance;

1 (f) Postcontract procedures, including methods for recovering  
2 improperly spent or overspent moneys for disallowance and adjustment;

3 (g) Adequate contract remedies and sanctions to ensure compliance;

4 (h) Monitoring, fund tracking, risk assessment, and auditing  
5 procedures and requirements;

6 (i) Financial reporting, record retention, and record access  
7 procedures and requirements;

8 (j) Procedures and criteria for terminating contracts for cause or  
9 otherwise; and

10 (k) Any other subject related to effective and efficient contract  
11 management.

12 (2) The (~~office of financial management~~) department of enterprise  
13 services shall submit the guidelines required by subsection (1) of this  
14 section to the governor and the appropriate standing committees of the  
15 legislature no later than December 1, 2002.

16 (3) The (~~office of financial management~~) department of enterprise  
17 services shall publish a guidebook for use by state agencies containing  
18 the guidelines required by subsection (1) of this section.

19 **Sec. 532.** RCW 39.29.110 and 2002 c 260 s 8 are each amended to  
20 read as follows:

21 (1) A state agency entering into or renewing personal service  
22 contracts or client service contracts shall follow the guidelines  
23 required by RCW 39.29.100.

24 (2) A state agency that has entered into or renewed personal  
25 service contracts or client service contracts during a calendar year  
26 shall, on or before January 1st of the following calendar year, provide  
27 the (~~office of financial management~~) department of enterprise  
28 services with a report detailing the procedures the agency employed in  
29 entering into, renewing, and managing the contracts.

30 (3) The provisions of this section apply to state agencies entering  
31 into or renewing contracts after January 1, 2003.

32 **Sec. 533.** RCW 39.29.120 and 2002 c 260 s 9 are each amended to  
33 read as follows:

34 (1) The (~~office of financial management~~) department of enterprise  
35 services shall provide a training course for agency personnel  
36 responsible for executing and managing personal service contracts and

1 client service contracts. The course must contain training on  
2 effective and efficient contract management under the guidelines  
3 established under RCW 39.29.100. State agencies shall require agency  
4 employees responsible for executing or managing personal service  
5 contracts and client service contracts to complete the training course  
6 to the satisfaction of the (~~office of financial management~~)  
7 department of enterprise services. Beginning January 1, 2004, no  
8 agency employee may execute or manage personal service contracts or  
9 client service contracts unless the employee has completed the training  
10 course. Any request for exception to this requirement shall be  
11 submitted to the (~~office of financial management~~) department of  
12 enterprise services in writing and shall be approved by the (~~office of~~  
13 ~~financial management~~) department of enterprise services prior to the  
14 employee executing or managing the contract.

15 (2)(a) The (~~office of financial management~~) department of  
16 enterprise services shall conduct risk-based audits of the contracting  
17 practices associated with individual personal service and client  
18 service contracts from multiple state agencies to ensure compliance  
19 with the guidelines established in RCW 39.29.110. The (~~office of~~  
20 ~~financial management~~) department of enterprise services shall conduct  
21 the number of audits deemed appropriate by the director of the (~~office~~  
22 ~~of financial management~~) department of enterprise services based on  
23 funding provided.

24 (b) The (~~office of financial management~~) department of enterprise  
25 services shall forward the results of the audits conducted under this  
26 section to the governor, the appropriate standing committees of the  
27 legislature, and the joint legislative audit and review committee.

28 **Sec. 534.** RCW 43.88.580 and 2008 c 326 s 3 are each amended to  
29 read as follows:

30 (1) The (~~office of financial management~~) department of enterprise  
31 services shall make electronically available to the public a database  
32 of state agency contracts for personal services required to be filed  
33 with the (~~office of financial management~~) department of enterprise  
34 services under chapter 39.29 RCW.

35 (2) The state expenditure information web site described in RCW  
36 44.48.150 shall include a link to the (~~office of financial~~

1 management)) department of enterprise services database described in  
2 subsection (1) of this section.

3 NEW SECTION. **Sec. 535.** RCW 43.41.280, 43.41.290, 43.41.300,  
4 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.350, and 43.41.360  
5 are each recodified as sections in chapter 43.19 RCW.

6 **PART VI**  
7 **POWERS AND DUTIES TRANSFERRED FROM THE**  
8 **DEPARTMENT OF INFORMATION SERVICES**

9 **Sec. 601.** RCW 43.105.080 and 2010 1st sp.s. c 37 s 931 are each  
10 amended to read as follows:

11 There is created a revolving fund to be known as the data  
12 processing revolving fund in the custody of the state treasurer. The  
13 revolving fund shall be used for the acquisition of equipment,  
14 software, supplies, and services and the payment of salaries, wages,  
15 and other costs incidental to the acquisition, development, operation,  
16 and administration of information services, telecommunications,  
17 systems, software, supplies and equipment, including the payment of  
18 principal and interest on bonds issued for capital projects, by the  
19 department, Washington State University's computer services center, the  
20 department of ~~((personnel's))~~ enterprise services' personnel  
21 information systems ~~((division, the office of financial management's))~~  
22 group and financial systems management group, and other users as  
23 ~~((jointly))~~ determined by the ~~((department and the))~~ office of  
24 financial management. The revolving fund is subject to the allotment  
25 procedure provided under chapter 43.88 RCW. Disbursements from the  
26 revolving fund for the services component of the department are not  
27 subject to appropriation. Disbursements for the strategic planning and  
28 policy component of the department are subject to appropriation. All  
29 disbursements from the fund are subject to the allotment procedures  
30 provided under chapter 43.88 RCW. The department shall establish and  
31 implement a billing structure to assure all agencies pay an equitable  
32 share of the costs.

33 During the 2009-2011 fiscal biennium, the legislature may transfer  
34 from the data processing revolving account to the state general fund



1 such amounts as reflect the excess fund balance associated with the  
2 information technology pool.

3 As used in this section, the word "supplies" shall not be  
4 interpreted to delegate or abrogate the division of purchasing's  
5 responsibilities and authority to purchase supplies as described in RCW  
6 43.19.190 and 43.19.200.

7 **Sec. 602.** RCW 43.105.320 and 1999 c 287 s 18 are each amended to  
8 read as follows:

9 The department of (~~information~~) enterprise services may become a  
10 licensed certification authority, under chapter 19.34 RCW, for the  
11 purpose of providing services to agencies, local governments, and other  
12 entities and persons for purposes of official state business. The  
13 department is not subject to RCW 19.34.100(1)(a). The department shall  
14 only issue certificates, as defined in RCW 19.34.020, in which the  
15 subscriber is:

16 (1) The state of Washington or a department, office, or agency of  
17 the state;

18 (2) A city, county, district, or other municipal corporation, or a  
19 department, office, or agency of the city, county, district, or  
20 municipal corporation;

21 (3) An agent or employee of an entity described by subsection (1)  
22 or (2) of this section, for purposes of official public business;

23 (4) Any other person or entity engaged in matters of official  
24 public business, however, such certificates shall be limited only to  
25 matters of official public business. The department may issue  
26 certificates to such persons or entities only if after issuing a  
27 request for proposals from certification authorities licensed under  
28 chapter 19.34 RCW and review of the submitted proposals, makes a  
29 determination that such private services are not sufficient to meet the  
30 department's published requirements. The department must set forth in  
31 writing the basis of any such determination and provide procedures for  
32 challenge of the determination as provided by the state procurement  
33 requirements; or

34 (5) An applicant for a license as a certification authority for the  
35 purpose of compliance with RCW 19.34.100(1)(a).

1       **Sec. 603.** RCW 43.105.370 and 2009 c 509 s 2 are each amended to  
2 read as follows:

3       (1) The broadband mapping account is established in the custody of  
4 the state treasurer. The department shall deposit into the account  
5 such funds received from legislative appropriation, federal (~~grants~~  
6 ~~authorized under the federal broadband data improvement act, P.L. 110-~~  
7 ~~385, Title I~~) funding, and donated funds from private and public  
8 sources. Expenditures from the account may be used only for the  
9 purposes of RCW 43.105.372 through 43.105.376 (as recodified by this  
10 act). Only the director of the department or the director's designee  
11 may authorize expenditures from the account. The account is subject to  
12 the allotment procedures under chapter 43.88 RCW, but an appropriation  
13 is not required for expenditures.

14       (2) The department (~~of information services~~) is the single  
15 eligible entity in the state for purposes of the federal broadband  
16 (~~data improvement act, P.L. 110-385, Title I~~) mapping activities.

17       (3) Federal funding received by the department (~~under the federal~~  
18 ~~broadband data improvement act, P.L. 110-385, Title I,~~) for broadband  
19 mapping activities must be used in accordance with (~~the~~) any federal  
20 requirements (~~of that act~~) and, subject to those requirements, may be  
21 distributed by the department on a competitive basis to other entities  
22 in the state (~~to achieve the purposes of that act~~).

23       (4) The department (~~of information services~~) shall consult with  
24 (~~the department of community, trade, and economic development or its~~  
25 ~~successor agency,~~) the office of financial management(~~(  )~~) and the  
26 utilities and transportation commission in coordinating broadband  
27 mapping activities. In carrying out any broadband mapping activities,  
28 the provisions of P.L. 110-385, Title I, regarding trade secrets,  
29 commercial or financial information, and privileged or confidential  
30 information submitted by the federal communications commission or a  
31 broadband provider are deemed to encompass the consulted agencies.

32       **Sec. 604.** RCW 43.105.372 and 2009 c 509 s 3 are each amended to  
33 read as follows:

34       (1) Subject to the availability of federal or state funding, the  
35 department may:

36       (a) Develop an interactive web site to allow residents to self-

1 report whether high-speed internet is available at their home or  
2 residence and at what speed; and

3 (b) Conduct a detailed survey of all high-speed internet  
4 infrastructure owned or leased by state agencies and (~~creating~~  
5 ~~{create}~~) create a geographic information system map of all high-speed  
6 internet infrastructure owned or leased by the state.

7 (2) State agencies responding to a survey request from the  
8 department under subsection (1)(b) of this section shall respond in a  
9 reasonable and timely manner, not to exceed one hundred twenty days.  
10 The department shall request of state agencies, at a minimum:

11 (a) The total bandwidth of high-speed internet infrastructure owned  
12 or leased;

13 (b) The cost of maintaining that high-speed internet  
14 infrastructure, if owned, or the price paid for the high-speed internet  
15 infrastructure, if leased; and

16 (c) The leasing entity, if applicable.

17 (3) The department may adopt rules as necessary to carry out the  
18 provisions of this section.

19 (4) For purposes of this section, "state agency" includes every  
20 state office, department, division, bureau, board, commission, or other  
21 state agency.

22 **Sec. 605.** RCW 43.105.374 and 2009 c 509 s 4 are each amended to  
23 read as follows:

24 (1) The department is authorized, through a competitive bidding  
25 process, to procure on behalf of the state a geographic information  
26 system map detailing high-speed internet infrastructure, service  
27 availability, and adoption. This geographic information system map may  
28 include adoption information, availability information, type of high-  
29 speed internet deployment technology, and available speed tiers for  
30 high-speed internet based on any publicly available data.

31 (2) The department may procure this map either by:

32 (a) Contracting for and purchasing a completed map or updates to a  
33 map from a third party; or

34 (b) Working directly with the federal communications commission to  
35 accept publicly available data.

36 (3) The department shall establish an accountability and oversight  
37 structure to ensure that there is transparency in the bidding and

1 contracting process and full financial and technical accountability for  
2 any information or actions taken by a third-party contractor creating  
3 this map.

4 (4) In contracting for purchase of the map or updates to a map in  
5 subsection (2)(a) of this section, the department may take no action,  
6 nor impose any condition on the third party, that causes any record  
7 submitted by a public or private broadband service provider to the  
8 third party to meet the standard of a public record as defined in RCW  
9 42.56.010. This prohibition does not apply to any records delivered to  
10 the department by the third party as a component of the (~~completed~~)  
11 map. For the purpose of RCW 42.56.010(~~(+2)~~) (3), the purchase by the  
12 department of a completed map or updates to a map may not be deemed use  
13 or ownership by the department of the underlying information used by  
14 the third party to complete the map.

15 (5) Data or information that is publicly available as of July 1,  
16 2009, will not cease to be publicly available due to any provision of  
17 chapter 509, Laws of 2009.

18 **Sec. 606.** RCW 43.105.376 and 2009 c 509 s 5 are each amended to  
19 read as follows:

20 (1) The department, in coordination with (~~(the department of~~  
21 ~~community, trade, and economic development and)~~) the utilities and  
22 transportation commission, and such advisors as the department chooses,  
23 may prepare regular reports that identify the following:

24 (a) The geographic areas of greatest priority for the deployment of  
25 advanced telecommunications infrastructure in the state;

26 (b) A detailed explanation of how any amount of funding received  
27 from the federal government for the purposes of broadband mapping,  
28 deployment, and adoption will be or have been used; and

29 (c) A determination of how nonfederal sources may be utilized to  
30 achieve the purposes of broadband mapping, deployment, and adoption  
31 activities in the state.

32 (2) To the greatest extent possible, the initial report should be  
33 based upon the information identified in the geographic system maps  
34 developed under the requirements of this chapter.

35 (3) The initial report should be delivered to the appropriate  
36 committees of the legislature as soon as feasible, but no later than  
37 January 18, 2010.

1 (4) Any future reports prepared by the department based upon the  
2 requirements of subsection (1) of this section should be delivered to  
3 the appropriate committees of the legislature by January 15th of each  
4 year.

5 **Sec. 607.** RCW 43.105.380 and 2009 c 509 s 6 are each amended to  
6 read as follows:

7 The community technology opportunity program is created to support  
8 the efforts of community technology programs throughout the state. The  
9 community technology opportunity program must be administered by the  
10 department (~~(of information services)~~). The department may contract  
11 for services in order to carry out the department's obligations under  
12 this section.

13 (1) In implementing the community technology opportunity program  
14 the (~~administrator~~) director must, to the extent funds are  
15 appropriated for this purpose:

16 (a) Provide organizational and capacity building support to  
17 community technology programs throughout the state, and identify and  
18 facilitate the availability of other public and private sources of  
19 funds to enhance the purposes of the program and the work of community  
20 technology programs. No more than fifteen percent of funds received by  
21 the (~~administrator~~) director for the program may be expended on these  
22 functions;

23 (b) Establish a competitive grant program and provide grants to  
24 community technology programs to provide training and skill-building  
25 opportunities; access to hardware and software; internet connectivity;  
26 digital media literacy; assistance in the adoption of information and  
27 communication technologies in low-income and underserved areas of the  
28 state; and development of locally relevant content and delivery of  
29 vital services through technology.

30 (2) Grant applicants must:  
31 (a) Provide evidence that the applicant is a nonprofit entity or a  
32 public entity that is working in partnership with a nonprofit entity;  
33 (b) Define the geographic area or population to be served;  
34 (c) Include in the application the results of a needs assessment  
35 addressing, in the geographic area or among the population to be  
36 served: The impact of inadequacies in technology access or knowledge,  
37 barriers faced, and services needed;

1 (d) Explain in detail the strategy for addressing the needs  
2 identified and an implementation plan including objectives, tasks, and  
3 benchmarks for the applicant and the role that other organizations will  
4 play in assisting the applicant's efforts;

5 (e) Provide evidence of matching funds and resources, which are  
6 equivalent to at least one-quarter of the grant amount committed to the  
7 applicant's strategy;

8 (f) Provide evidence that funds applied for, if received, will be  
9 used to provide effective delivery of community technology services in  
10 alignment with the goals of this program and to increase the  
11 applicant's level of effort beyond the current level; and

12 (g) Comply with such other requirements as the ((~~administrator~~))  
13 director establishes.

14 (3) The ((~~administrator~~)) director may use no more than ten percent  
15 of funds received for the community technology opportunity program to  
16 cover administrative expenses.

17 (4) The ((~~administrator~~)) director must establish expected program  
18 outcomes for each grant recipient and must require grant recipients to  
19 provide an annual accounting of program outcomes.

20 **Sec. 608.** RCW 43.105.382 and 2009 c 509 s 8 are each amended to  
21 read as follows:

22 The Washington community technology opportunity account is  
23 established in the state treasury. The governor or the governor's  
24 designee and the director or the director's designee shall deposit into  
25 the account federal grants to the state ((~~authorized under Division B,~~  
26 ~~Title VI of the American recovery and reinvestment act of 2009~~)),  
27 legislative appropriations, and donated funds from private and public  
28 sources for purposes related to broadband deployment and adoption,  
29 including matching funds required by the act. Donated funds from  
30 private and public sources may be deposited into the account.  
31 Expenditures from the account may be used only as matching funds for  
32 federal and other grants to fund the operation of the community  
33 technology opportunity program under this chapter, and to fund other  
34 broadband-related activities authorized in chapter 509, Laws of 2009.  
35 Only the director or the director's designee may authorize expenditures  
36 from the account.

1       **Sec. 609.** RCW 43.105.390 and 2009 c 509 s 9 are each amended to  
2 read as follows:

3       (1) The governor may take all appropriate steps to (~~carry out the~~  
4 ~~purposes of Division B, Title VI of the American recovery and~~  
5 ~~reinvestment act of 2009, P.L. 111-5, and~~) seek federal funding in  
6 order to maximize investment in broadband deployment and adoption in  
7 the state of Washington (~~consistent with chapter 509, Laws of 2009~~).  
8 Such steps may include the designation of a broadband deployment and  
9 adoption coordinator; review and prioritization of grant applications  
10 by public and private entities as directed by the national  
11 telecommunications and information administration, the rural utility  
12 services, and the federal communications commission; disbursement of  
13 block grant funding; and direction to state agencies to provide  
14 staffing as necessary to carry out this section. The authority for  
15 overseeing broadband adoption and deployment efforts on behalf of the  
16 state is vested in the department.

17       (2) The department may apply for federal funds and other grants or  
18 donations, may deposit such funds in the Washington community  
19 technology opportunity account created in RCW 43.105.382 (as recodified  
20 by this act), may oversee implementation of federally funded or  
21 mandated broadband programs for the state and may adopt rules to  
22 administer the programs. These programs may include but are not  
23 limited to the following:

24       (a) Engaging in periodic statewide surveys of residents,  
25 businesses, and nonprofit organizations concerning their use and  
26 adoption of high-speed internet, computer, and related information  
27 technology for the purpose of identifying barriers to adoption;

28       (b) Working with communities to identify barriers to the adoption  
29 of broadband service and related information technology services by  
30 individuals, nonprofit organizations, and businesses;

31       (c) Identifying broadband demand opportunities in communities by  
32 working cooperatively with local organizations, government agencies,  
33 and businesses;

34       (d) Creating, implementing, and administering programs to improve  
35 computer ownership, technology literacy, digital media literacy, and  
36 high-speed internet access for populations not currently served or  
37 underserved in the state. This may include programs to provide low-  
38 income families, community-based nonprofit organizations, nonprofit

1 entities, and public entities that work in partnership with nonprofit  
2 entities to provide increased access to computers and broadband, with  
3 reduced cost internet access;

4 (e) Administering the community technology opportunity program  
5 under RCW 43.105.380 and 43.105.382 (as recodified by this act);

6 (f) Creating additional programs to spur the development of high-  
7 speed internet resources in the state;

8 (g) Establishing technology literacy and digital inclusion programs  
9 and establishing low-cost hardware, software, and internet purchasing  
10 programs that may include allowing participation by community  
11 technology programs in state purchasing programs; and

12 (h) Developing technology loan programs targeting small businesses  
13 or businesses located in unserved and underserved areas.

14 **Sec. 610.** RCW 43.105.400 and 2009 c 509 s 10 are each amended to  
15 read as follows:

16 ~~((1))~~ Subject to the availability of federal or state funding,  
17 the department may ~~((reconvene the high speed internet work group  
18 previously established by chapter 262, Laws of 2008. The work group is  
19 renamed the advisory council on digital inclusion, and is))~~ convene an  
20 advisory group ~~((to the department))~~ on digital inclusion and  
21 technology planning. The ~~((council must))~~ advisory group may include,  
22 but is not limited to, volunteer representatives from community  
23 technology organizations, telecommunications providers, higher  
24 education institutions, K-12 education institutions, public health  
25 institutions, public housing entities, and local government and other  
26 governmental entities that are engaged in community technology  
27 activities.

28 ~~((2) The council shall prepare a report by January 15th of each  
29 year and submit it to the department, the governor, and the appropriate  
30 committees of the legislature. The report must contain:—~~

31 ~~(a) An analysis of how support from public and private sector  
32 partnerships, the philanthropic community, and other not for profit  
33 organizations in the community, along with strong relationships with  
34 the state board for community and technical colleges, the higher  
35 education coordinating board, and higher education institutions, could  
36 establish a variety of high speed internet access alternatives for  
37 citizens;~~



1       ~~(b) Proposed strategies for continued broadband deployment and~~  
2 ~~adoption efforts, as well as further development of advanced~~  
3 ~~telecommunications applications;~~

4       ~~(c) Recommendations on methods for maximizing the state's research~~  
5 ~~and development capacity at universities and in the private sector for~~  
6 ~~developing advanced telecommunications applications and services, and~~  
7 ~~recommendations on incentives to stimulate the demand for and~~  
8 ~~development of these applications and services;~~

9       ~~(d) An identification of barriers that hinder the advancement of~~  
10 ~~technology entrepreneurship in the state; and~~

11       ~~(e) An evaluation of programs designed to advance digital literacy~~  
12 ~~and computer access that are made available by the federal government,~~  
13 ~~local agencies, telecommunications providers, and business and~~  
14 ~~charitable entities.))~~

15       **Sec. 611.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each  
16 amended to read as follows:

17       The costs of administering, maintaining, and operating the central  
18 personnel-payroll system shall be distributed to the using state  
19 agencies. In order to insure proper and equitable distribution of  
20 costs the department of personnel shall utilize cost accounting  
21 procedures to identify all costs incurred in the administration,  
22 maintenance, and operation of the central personnel-payroll system. In  
23 order to facilitate proper and equitable distribution of costs to the  
24 using state agencies the department of personnel is authorized to  
25 utilize the data processing revolving fund created by RCW 43.105.080  
26 (as recodified by this act) and the ~~((department of))~~ personnel service  
27 fund created by RCW 41.06.280.

28       **Sec. 612.** RCW 43.99I.040 and 1997 c 456 s 39 are each amended to  
29 read as follows:

30       (1) On each date on which any interest or principal and interest  
31 payment is due on bonds issued for the purposes of RCW 43.99I.020(4),  
32 the state treasurer shall transfer from property taxes in the state  
33 general fund levied for this support of the common schools under RCW  
34 84.52.065 to the general fund of the state treasury for unrestricted  
35 use the amount computed in RCW 43.99I.030 for the bonds issued for the  
36 purposes of RCW 43.99I.020(4).

1 (2) On each date on which any interest or principal and interest  
2 payment is due on bonds issued for the purposes of RCW 43.99I.020(5),  
3 the state treasurer shall transfer from higher education operating fees  
4 deposited in the general fund to the general fund of the state treasury  
5 for unrestricted use, or if chapter 231, Laws of 1992 (Senate Bill No.  
6 6285) becomes law and changes the disposition of higher education  
7 operating fees from the general fund to another account, the state  
8 treasurer shall transfer the proportional share from the University of  
9 Washington operating fees account, the Washington State University  
10 operating fees account, and the Central Washington University operating  
11 fees account the amount computed in RCW 43.99I.030 for the bonds issued  
12 for the purposes of RCW 43.99I.020(6).

13 (3) On each date on which any interest or principal and interest  
14 payment is due on bonds issued for the purposes of RCW 43.99I.020(6),  
15 the state treasurer shall transfer from the data processing revolving  
16 fund created in RCW 43.105.080 (as recodified by this act) to the  
17 general fund of the state treasury the amount computed in RCW  
18 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6).

19 (4) On each date on which any interest or principal and interest  
20 payment is due on bonds issued for the purpose of RCW 43.99I.020(7),  
21 the Washington state dairy products commission shall cause the amount  
22 computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW  
23 43.99I.020(7) to be paid out of the commission's general operating fund  
24 to the state treasurer for deposit into the general fund of the state  
25 treasury.

26 (5) The higher education operating fee accounts for the University  
27 of Washington, Washington State University, and Central Washington  
28 University established by chapter 231, Laws of 1992 and repealed by  
29 chapter 18, Laws of 1993 1st sp. sess. are reestablished in the state  
30 treasury for purposes of fulfilling debt service reimbursement  
31 transfers to the general fund required by bond resolutions and  
32 covenants for bonds issued for purposes of RCW 43.99I.020(5).

33 (6) For bonds issued for purposes of RCW 43.99I.020(5), on each  
34 date on which any interest or principal and interest payment is due,  
35 the board of regents or board of trustees of the University of  
36 Washington, Washington State University, or Central Washington  
37 University shall cause the amount as determined by the state treasurer  
38 to be paid out of the local operating fee account for deposit by the

1 universities into the state treasury higher education operating fee  
2 accounts. The state treasurer shall transfer the proportional share  
3 from the University of Washington operating fees account, the  
4 Washington State University operating fees account, and the Central  
5 Washington University operating fees account the amount computed in RCW  
6 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6)  
7 to reimburse the general fund.

8 NEW SECTION. **Sec. 613.** The following acts or parts of acts are  
9 each repealed:

10 (1) RCW 43.105.300 (Education in use of technology encouraged) and  
11 1996 c 171 s 14; and

12 (2) RCW 43.105.360 (Web directory--Public community technology  
13 programs) and 2008 c 262 s 5.

14 NEW SECTION. **Sec. 614.** RCW 43.105.080, 43.105.320, and 43.105.410  
15 are each recodified as sections in chapter 43.19 RCW.

16 NEW SECTION. **Sec. 615.** RCW 43.105.370, 43.105.372, 43.105.374,  
17 43.105.376, 43.105.380, 43.105.382, 43.105.390, and 43.105.400 are each  
18 recodified as sections in chapter 43.330 RCW.

19 **PART VII**

20 **CREATING THE OFFICE OF CHIEF INFORMATION OFFICER**

21 NEW SECTION. **Sec. 701.** Information technology is a tool used by  
22 state agencies to improve their ability to deliver public services  
23 efficiently and effectively. Advances in information technology -  
24 including advances in hardware, software, and business processes for  
25 implementing and managing these resources - offer new opportunities to  
26 improve the level of support provided to citizens and state agencies  
27 and to reduce the per-transaction cost of these services. These  
28 advances are one component in the process of reengineering how  
29 government delivers services to citizens.

30 To fully realize the service improvements and cost efficiency from  
31 the effective application of information technology to its business  
32 processes, state government must establish decision-making structures  
33 that connect business processes and information technology in an

1 operating model. Many of these business practices transcend individual  
2 agency processes and should be worked at the enterprise level. To do  
3 this requires an effective partnership of executive management,  
4 business processes owners, and providers of support functions necessary  
5 to efficiently and effectively deliver services to citizens.

6 To maximize the potential for information technology to contribute  
7 to government business process reengineering the state must establish  
8 clear central authority to plan, set enterprise standards, and provide  
9 project oversight and management analysis of the various aspects of a  
10 business process.

11 Establishing the office of chief information officer and partnering  
12 it with the director of financial management will provide state  
13 government with the cohesive structure necessary to develop improved  
14 operating models with agency directors and reengineer business process  
15 to enhance service delivery while capturing savings.

16 NEW SECTION. **Sec. 702.** (1) The office of the chief information  
17 officer is created within the office of financial management.

18 (2) Powers, duties, and functions assigned to the department of  
19 information services as specified in this chapter shall be transferred  
20 to the office of chief information officer as provided in this chapter.

21 (3) The primary duties of the office are:

22 (a) To prepare and lead the implementation of a strategic direction  
23 and enterprise architecture for information technology for state  
24 government;

25 (b) To enable the standardization and consolidation of information  
26 technology infrastructure across all state agencies to support  
27 enterprise-based system development and improve and maintain service  
28 delivery;

29 (c) To establish standards and policies for the consistent and  
30 efficient operation of information technology services throughout state  
31 government;

32 (d) To establish statewide enterprise architecture that will serve  
33 as the organizing standard for information technology for state  
34 agencies;

35 (e) Educate and inform state managers and policymakers on  
36 technological developments, industry trends and best practices,

1 industry benchmarks that strengthen decision making and professional  
2 development, and industry understanding for public managers and  
3 decision makers.

4 (4) In the case of institutions of higher education, the powers of  
5 the office and the provisions of this chapter apply to business and  
6 administrative applications but do not apply to academic and research  
7 applications.

8 (5) The legislature and the judiciary, which are constitutionally  
9 recognized as separate branches of government, are strongly encouraged  
10 to coordinate with the office and participate in shared services  
11 initiatives and the development of enterprise-based strategies, where  
12 appropriate.

13 NEW SECTION. **Sec. 703.** (1) The executive head and appointing  
14 authority of the office is the chief information officer. The chief  
15 information officer shall be appointed by the governor, subject to  
16 confirmation by the senate. The chief information officer shall serve  
17 at the pleasure of the governor. The chief information officer shall  
18 be paid a salary fixed by the governor. If a vacancy occurs in the  
19 position of chief information officer while the senate is not in  
20 session, the governor shall make a temporary appointment until the next  
21 meeting of the senate at which time he or she shall present to that  
22 body his or her nomination for the position.

23 (2) The chief information officer may employ staff members, some of  
24 whom may be exempt from chapter 41.06 RCW, and any additional staff  
25 members as are necessary to administer this chapter, and such other  
26 duties as may be authorized by law. The chief information officer may  
27 delegate any power or duty vested in him or her by this chapter or  
28 other law.

29 (3) The internal affairs of the office shall be under the control  
30 of the chief information officer in order that the chief information  
31 officer may manage the office in a flexible and intelligent manner as  
32 dictated by changing contemporary circumstances. Unless specifically  
33 limited by law, the chief information officer shall have complete  
34 charge and supervisory powers over the office. The chief information  
35 officer may create such administrative structures as the chief  
36 information officer deems appropriate, except as otherwise specified by

1 law, and the chief information officer may employ staff members as may  
2 be necessary in accordance with chapter 41.06 RCW, except as otherwise  
3 provided by law.

4 NEW SECTION. **Sec. 704.** The chief information officer shall:

5 (1) Supervise and administer the activities of the office of chief  
6 information officer;

7 (2) Exercise all the powers and perform all the duties prescribed  
8 by law with respect to the administration of this chapter including:

9 (a) Appoint such professional, technical, and clerical assistants  
10 and employees as may be necessary to perform the duties imposed by this  
11 chapter; and

12 (b) Report to the governor any matters relating to abuses and  
13 evasions of this chapter.

14 (3) In addition to other powers and duties granted, the chief  
15 information officer has the following powers and duties:

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

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

21 (c) Apply for grants from public and private entities, and receive  
22 and administer any grant funding received for the purpose and intent of  
23 this chapter;

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

27 (e) Delegate powers, duties, and functions as the chief information  
28 officer deems necessary for efficient administration, but the chief  
29 information officer shall be responsible for the official acts of the  
30 officers and employees of the office; and

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

32 NEW SECTION. **Sec. 705.** The definitions in this section apply  
33 throughout this chapter unless the context clearly requires otherwise.

34 (1) "Backbone network" means the shared high-density portions of  
35 the state's telecommunications transmission facilities. It includes  
36 specially conditioned high-speed communications carrier lines,

1 multiplexors, switches associated with such communications lines, and  
2 any equipment and software components necessary for management and  
3 control of the backbone network.

4 (2) "Board" means the information technology advisory board.

5 (3) "Committee" means the state interoperability executive  
6 committee.

7 (4) "Educational sectors" means those institutions of higher  
8 education, school districts, and educational service districts that use  
9 the network for distance education, data transmission, and other uses  
10 permitted by the board.

11 (5) "Enterprise architecture" means an ongoing program for  
12 translating business vision and strategy into effective enterprise  
13 change. It is a continuous activity. Enterprise architecture creates,  
14 communicates, and improves the key principles and models that describe  
15 the enterprise's future state and enable its evolution.

16 (6) "Equipment" means the machines, devices, and transmission  
17 facilities used in information processing, including but not limited to  
18 computers, terminals, telephones, wireless communications system  
19 facilities, cables, and any physical facility necessary for the  
20 operation of such equipment.

21 (7) "Information" includes, but is not limited to, data, text,  
22 voice, and video.

23 (8) "Information technology" includes, but is not limited to, all  
24 electronic technology systems and services, automated information  
25 handling, system design and analysis, conversion of data, computer  
26 programming, information storage and retrieval, telecommunications,  
27 requisite system controls, simulation, electronic commerce, and all  
28 related interactions between people and machines.

29 (9) "Information technology portfolio" or "portfolio" means a  
30 strategic management process documenting relationships between agency  
31 missions and information technology and telecommunications investments.

32 (10) "K-20 network" means the network established in section 718 of  
33 this act.

34 (11) "Local governments" includes all municipal and quasi-municipal  
35 corporations and political subdivisions, and all agencies of such  
36 corporations and subdivisions authorized to contract separately.

37 (12) "Office" means the office of the chief information officer.

1 (13) "Oversight" means a process of comprehensive risk analysis and  
2 management designed to ensure optimum use of information technology  
3 resources and telecommunications.

4 (14) "Proprietary software" means that software offered for sale or  
5 license.

6 (15) "State agency" or "agency" means every state office,  
7 department, division, bureau, board, commission, or other state agency,  
8 including offices headed by a statewide elected official.

9 (16) "Telecommunications" includes, but is not limited to, wireless  
10 or wired systems for transport of voice, video, and data  
11 communications, network systems, requisite facilities, equipment,  
12 system controls, simulation, electronic commerce, and all related  
13 interactions between people and machines. "Telecommunications" does  
14 not include public safety communications.

#### 15 **STANDARDS AND POLICIES**

16 NEW SECTION. **Sec. 706.** (1) The chief information officer shall  
17 establish standards and policies to govern information technology in  
18 the state of Washington.

19 (2) The office shall have the following powers and duties related  
20 to information services:

21 (a) To develop statewide standards and policies governing the  
22 acquisition and disposition of equipment, software, and personal and  
23 purchased services, licensing of the radio spectrum by or on behalf of  
24 state agencies, and confidentiality of computerized data;

25 (b) To develop statewide or interagency technical policies,  
26 standards, and procedures;

27 (c) To review and approve standards and common specifications for  
28 new or expanded telecommunications networks proposed by agencies,  
29 public postsecondary education institutions, educational service  
30 districts, or statewide or regional providers of K-12 information  
31 technology services;

32 (d) To provide direction concerning strategic planning goals and  
33 objectives for the state. The office shall seek input from the  
34 legislature and the judiciary; and

35 (e) To establish policies for the periodic review by the office of



1 agency performance which may include but are not limited to analysis  
2 of:

- 3 (i) Planning, management, control, and use of information services;
- 4 (ii) Training and education; and
- 5 (iii) Project management.

6 (3) Statewide technical standards to promote and facilitate  
7 electronic information sharing and access are an essential component of  
8 acceptable and reliable public access service and complement content-  
9 related standards designed to meet those goals. The office shall:

10 (a) Establish technical standards to facilitate electronic access  
11 to government information and interoperability of information systems,  
12 including wireless communications systems; and

13 (b) Require agencies to include an evaluation of electronic public  
14 access needs when planning new information systems or major upgrades of  
15 systems.

16 In developing these standards, the office is encouraged to include  
17 the state library, state archives, and appropriate representatives of  
18 state and local government.

19 (4) The office shall perform other matters and things necessary to  
20 carry out the purposes and provisions of this chapter.

## 21 **STRATEGIC PLANNING**

22 NEW SECTION. **Sec. 707.** (1) The office shall prepare a state  
23 strategic information technology plan which shall establish a statewide  
24 mission, goals, and objectives for the use of information technology,  
25 including goals for electronic access to government records,  
26 information, and services. The plan shall be developed in accordance  
27 with the standards and policies established by the office. The office  
28 shall seek the advice of the board in the development of this plan.

29 The plan shall be updated as necessary and submitted to the  
30 governor and the legislature.

31 (2) The office shall prepare a biennial state performance report on  
32 information technology based on agency performance reports required  
33 under section 710 of this act and other information deemed appropriate  
34 by the office. The report shall include, but not be limited to:

35 (a) An analysis, based upon agency portfolios, of the state's

1 information technology infrastructure, including its value, condition,  
2 and capacity;

3 (b) An evaluation of performance relating to information  
4 technology;

5 (c) An assessment of progress made toward implementing the state  
6 strategic information technology plan, including progress toward  
7 electronic access to public information and enabling citizens to have  
8 two-way access to public records, information, and services; and

9 (d) An analysis of the success or failure, feasibility, progress,  
10 costs, and timeliness of implementation of major information technology  
11 projects under section 712 of this act. At a minimum, the portion of  
12 the report regarding major technology projects must include:

13 (i) The total cost data for the entire life-cycle of the project,  
14 including capital and operational costs, broken down by staffing costs,  
15 contracted service, hardware purchase or lease, software purchase or  
16 lease, travel, and training. The original budget must also be shown  
17 for comparison;

18 (ii) The original proposed project schedule and the final actual  
19 project schedule;

20 (iii) Data regarding progress towards meeting the original goals  
21 and performance measures of the project;

22 (iv) Discussion of lessons learned on the project, performance of  
23 any contractors used, and reasons for project delays or cost increases;  
24 and

25 (v) Identification of benefits generated by major information  
26 technology projects developed under section 712 of this act.

27 Copies of the report shall be distributed biennially to the  
28 governor and the legislature. The major technology section of the  
29 report must examine major information technology projects completed in  
30 the previous biennium.

31 **PORTFOLIO MANAGEMENT**

32 NEW SECTION. **Sec. 708.** Management of information technology  
33 across state government requires managing resources and business  
34 processes across multiple agencies. It is no longer sufficient to  
35 pursue efficiencies within agency or individual business process  
36 boundaries. The state must manage the business process changes and

1 information technology in support of business processes as a statewide  
2 portfolio. The chief information officer will use agency information  
3 technology portfolio planning as input to develop a statewide portfolio  
4 to guide resource allocation and prioritization decisions.

5 NEW SECTION. **Sec. 709.** An agency information technology portfolio  
6 shall serve as the basis for making information technology decisions  
7 and plans which may include, but are not limited to:

- 8 (1) System refurbishment, acquisitions, and development efforts;
- 9 (2) Setting goals and objectives for using information technology;
- 10 (3) Assessments of information processing performance, resources,  
11 and capabilities;
- 12 (4) Ensuring the appropriate transfer of technological expertise  
13 for the operation of new systems developed using external resources;
- 14 (5) Guiding new investment demand, prioritization, selection,  
15 performance, and asset value of technology and telecommunications; and
- 16 (6) Progress toward providing electronic access to public  
17 information.

18 NEW SECTION. **Sec. 710.** (1) Each agency shall develop an  
19 information technology portfolio consistent with RCW 43.105.172 (as  
20 recodified by this act). The superintendent of public instruction  
21 shall develop its portfolio in conjunction with educational service  
22 districts and statewide or regional providers of K-12 education  
23 information technology services.

24 (2) Agency portfolios shall include, but not be limited to, the  
25 following:

26 (a) A baseline assessment of the agency's information technology  
27 resources and capabilities that will serve as the benchmark for  
28 subsequent planning and performance measures;

29 (b) A statement of the agency's mission, goals, and objectives for  
30 information technology, including goals and objectives for achieving  
31 electronic access to agency records, information, and services;

32 (c) An explanation of how the agency's mission, goals, and  
33 objectives for information technology support and conform to the state  
34 strategic information technology plan developed under section 707 of  
35 this act;

1 (d) An implementation strategy to provide electronic access to  
2 public records and information. This implementation strategy must be  
3 assembled to include:

4 (i) Compliance with Title 40 RCW;

5 (ii) Adequate public notice and opportunity for comment;

6 (iii) Consideration of a variety of electronic technologies,  
7 including those that help transcend geographic locations, standard  
8 business hours, economic conditions of users, and disabilities;

9 (iv) Methods to educate both state employees and the public in the  
10 effective use of access technologies;

11 (e) Projects and resources required to meet the objectives of the  
12 portfolio; and

13 (f) Where feasible, estimated schedules and funding required to  
14 implement identified projects.

15 (3) Portfolios developed under subsection (1) of this section shall  
16 be submitted to the office for review and approval. The chief  
17 information officer may reject, require modification to, or approve  
18 portfolios as deemed appropriate. Portfolios submitted under this  
19 subsection shall be updated and submitted for review and approval as  
20 necessary.

21 (4) Each agency shall prepare and submit to the office a biennial  
22 performance report that evaluates progress toward the objectives  
23 articulated in its information technology portfolio and the strategic  
24 priorities of the state. The superintendent of public instruction  
25 shall develop its portfolio in conjunction with educational service  
26 districts and statewide or regional providers of K-12 education  
27 information technology services. The report shall include:

28 (a) An evaluation of the agency's performance relating to  
29 information technology;

30 (b) An assessment of progress made toward implementing the agency  
31 information technology portfolio;

32 (c) Progress toward electronic access to public information and  
33 enabling citizens to have two-way interaction for obtaining information  
34 and services from agencies; and

35 (d) An inventory of agency information services, equipment, and  
36 proprietary software.

37 (5) The office shall establish standards, elements, form, and  
38 format for plans and reports developed under this section.

1 (6) Agency activities to increase electronic access to public  
2 records and information, as required by this section, must be  
3 implemented within available resources and existing agency planning  
4 processes.

5 (7) The office may exempt any agency from any or all of the  
6 requirements of this section.

7 **BUDGET REVIEW**

8 NEW SECTION. **Sec. 711.** (1) At the request of the director of  
9 financial management, the office shall evaluate both state agency  
10 information technology current spending and technology budget requests,  
11 including those proposed by the superintendent of public instruction,  
12 in conjunction with educational service districts, or statewide or  
13 regional providers of K-12 education information technology services.  
14 The office shall submit recommendations for funding all or part of such  
15 requests to the director of financial management. The office shall  
16 also submit recommendations regarding consolidation and coordination of  
17 similar proposals or other efficiencies it finds in reviewing  
18 proposals.

19 (2) The office shall establish criteria, consistent with portfolio-  
20 based information technology management, for the evaluation of agency  
21 budget requests under this section. Technology budget requests shall  
22 be evaluated in the context of the state's information technology  
23 portfolio; technology initiatives underlying budget requests are  
24 subject to review by the office. Criteria shall include, but not be  
25 limited to: Feasibility of the proposed projects, consistency with the  
26 state strategic information technology plan and the state enterprise  
27 architecture, consistency with information technology portfolios,  
28 appropriate provision for public electronic access to information,  
29 evidence of business process streamlining and gathering of business and  
30 technical requirements, services, duration of investment, costs, and  
31 benefits.

32 **PROJECT MANAGEMENT OVERSIGHT**

33 NEW SECTION. **Sec. 712.** (1) The office shall establish standards  
34 and policies governing the planning, implementation, and evaluation of

1 major information technology projects, including those proposed by the  
2 superintendent of public instruction, in conjunction with educational  
3 service districts, or statewide or regional providers of K-12 education  
4 information technology services. The standards and policies shall:

5 (a) Establish criteria to identify projects which are subject to  
6 this section. Such criteria shall include, but not be limited to,  
7 significant anticipated cost, complexity, or statewide significance of  
8 the project; and

9 (b) Establish a model process and procedures which state agencies  
10 shall follow in developing and implementing projects within their  
11 information technology portfolios. This process may include project  
12 oversight experts or panels, as appropriate. Agencies may propose, for  
13 approval by the office, a process and procedures unique to the agency.  
14 The office may accept or require modification of such agency proposals  
15 or the office may reject such agency proposals and require use of the  
16 model process and procedures established under this subsection. Any  
17 process and procedures developed under this subsection shall require  
18 (i) distinct and identifiable phases upon which funding may be based,  
19 (ii) user validation of products through system demonstrations and  
20 testing of prototypes and deliverables, and (iii) other elements  
21 identified by the office.

22 The chief information officer may suspend or terminate a major  
23 project, and direct that the project funds be placed into unallotted  
24 reserve status, if the chief information officer determines that the  
25 project is not meeting or is not expected to meet anticipated  
26 performance standards.

27 (2) The office of financial management shall establish policies and  
28 standards consistent with portfolio-based information technology  
29 management to govern the funding of projects developed under this  
30 section. The policies and standards shall provide for:

31 (a) Funding of a project under terms and conditions mutually agreed  
32 to by the chief information officer, the director of financial  
33 management, and the head of the agency proposing the project. However,  
34 the office of financial management may require incremental funding of  
35 a project on a phase-by-phase basis whereby funds for a given phase of  
36 a project may be released only when the office of financial management  
37 determines, with the advice of the office, that the previous phase is  
38 satisfactorily completed; and

1 (b) Other elements deemed necessary by the office of financial  
2 management.

3 NEW SECTION. **Sec. 713.** (1) Prior to making a commitment to  
4 purchase, acquire, or develop a major information technology project or  
5 service, state agencies must provide a proposal to the office outlining  
6 the business case of the proposed product or service, including the  
7 upfront and ongoing cost of the proposal.

8 (2) Within sixty days of receipt of a proposal, the office shall  
9 approve the proposal, reject it, or propose modifications.

10 (3) In reviewing a proposal, the office must determine whether the  
11 product or service is consistent with:

12 (a) The standards and policies developed by the office pursuant to  
13 section 706 of this act; and

14 (b) The state's enterprise-based strategy.

15 (4) If a substantially similar product or service is offered by the  
16 consolidated technology services agency established in RCW 43.105.047,  
17 the office may require the agency to procure the product or service  
18 through the consolidated technology services agency, if doing so would  
19 benefit the state as an enterprise.

20 (5) The office shall provide guidance to agencies as to what  
21 threshold of information technology spending constitutes a major  
22 information technology product or service under this section.

23 **ENTERPRISE ARCHITECTURE**

24 NEW SECTION. **Sec. 714.** (1) The office shall develop an  
25 enterprise-based strategy for information technology in state  
26 government informed by portfolio management planning and information  
27 technology expenditure information collected from state agencies  
28 pursuant to RCW 43.88.092.

29 (2)(a) The office shall develop an ongoing enterprise architecture  
30 program for translating business vision and strategy into effective  
31 enterprise change. This program will create, communicate, and improve  
32 the key principles and models that describe the enterprise's future  
33 state and enable its evolution, in keeping with the priorities of  
34 government and the information technology strategic plan.

1 (b) The enterprise architecture program will facilitate business  
2 process collaboration among agencies statewide; improving the  
3 reliability, interoperability, and sustainability of the business  
4 processes that state agencies use.

5 In developing an enterprise-based strategy for the state, the  
6 office is encouraged to consider the following strategies as possible  
7 opportunities for achieving greater efficiency:

8 (i) Developing evaluation criteria for deciding which common  
9 enterprise-wide business processes should become managed as enterprise  
10 services;

11 (ii) Developing a roadmap of priorities for creating enterprise  
12 services;

13 (iii) Developing decision criteria for determining implementation  
14 criteria for centralized or decentralized enterprise services;

15 (iv) Developing evaluation criteria for deciding which technology  
16 investments to continue, hold, or drop; and

17 (v) Performing such other duties as may be assigned by the office  
18 to promote effective enterprise change.

19 (c) The program will establish performance measurement criteria for  
20 each of its initiatives; will measure the success of those initiatives;  
21 and will assess its quarterly results with the chief information  
22 officer to determine whether to continue, revise, or disband the  
23 initiative.

#### 24 **ADVISORY BOARD--CREATION AND DUTIES**

25 NEW SECTION. **Sec. 715.** (1) The information technology advisory  
26 board is created within the office of chief information officer. The  
27 board shall be composed of nine members appointed by the governor. The  
28 board members shall consist of:

29 (a) The chief information officer, who shall serve as the board  
30 chair;

31 (b) No more than four members who are representatives of state  
32 agencies, at least one of whom must have direct experience using the  
33 software projects overseen by the office or reasonably expects to use  
34 the new software developed under the oversight of the office;

35 (c) One representative of local governments; and



1 (d) At least four members who are representatives of the private  
2 sector.

3 (2)(a) Members shall serve three-year terms. Members may not serve  
4 more than two consecutive terms.

5 (b) Of the initial members, two must be appointed for a one-year  
6 term, three must be appointed for a two-year term, and three must be  
7 appointed for a three-year term. Thereafter, members must be appointed  
8 for three-year terms.

9 (c) Vacancies shall be filled in the same manner that the original  
10 appointments were made for the remainder of the member's term.

11 (3) Members of the board shall be reimbursed for travel expenses as  
12 provided in RCW 43.03.050 and 43.03.060.

13 (4) In addition to the members appointed by the governor, the  
14 president of the senate shall appoint one member from each of the two  
15 largest caucuses of the senate and the speaker of the house of  
16 representatives shall appoint one member from each of the two largest  
17 caucuses of the house of representatives. Legislative members of the  
18 board must be reimbursed for travel expenses in accordance with RCW  
19 44.04.120.

20 (5) The office shall provide staff support to the board.

21 NEW SECTION. **Sec. 716.** The board shall advise the chief  
22 information officer on information technology related matters and:

23 (1) Review policies and standards brought by the chief information  
24 officer or requested by a board member, receive comments from agency  
25 executives on the implications of proposed policies and standards, and  
26 provide recommendations to the chief information officer;

27 (2) Provide a forum to solicit external expertise and perspective  
28 on developments in information technology, enterprise architecture,  
29 standards, and policy development; and

30 (3) Provide a forum where ideas and issues related to information  
31 technology plans, policies, and standards can be reviewed.

32 **INTEROPERABILITY COMMITTEE--TRANSFER FROM DEPARTMENT OF**  
33 **INFORMATION SERVICES**

34 NEW SECTION. **Sec. 717.** (1) The chief information officer shall  
35 appoint a state interoperability executive committee, the membership of

1 which must include, but not be limited to, representatives of the  
2 military department, the Washington state patrol, the department of  
3 transportation, the office of the chief information officer, the  
4 department of natural resources, city and county governments, state and  
5 local fire chiefs, police chiefs, and sheriffs, and state and local  
6 emergency management directors. The chair and legislative members of  
7 the board will serve as nonvoting ex officio members of the committee.  
8 Voting membership may not exceed fifteen members.

9 (2) The chief information officer shall appoint the chair of the  
10 committee from among the voting members of the committee.

11 (3) The state interoperability executive committee has the  
12 following responsibilities:

13 (a) Develop policies and make recommendations to the office for  
14 technical standards for state wireless radio communications systems,  
15 including emergency communications systems. The standards must  
16 address, among other things, the interoperability of systems, taking  
17 into account both existing and future systems and technologies;

18 (b) Coordinate and manage on behalf of the office the licensing and  
19 use of state-designated and state-licensed radio frequencies, including  
20 the spectrum used for public safety and emergency communications, and  
21 serve as the point of contact with the federal communications  
22 commission on matters relating to allocation, use, and licensing of  
23 radio spectrum;

24 (c) Coordinate the purchasing of all state wireless radio  
25 communications system equipment to ensure that:

26 (i) After the transition from a radio over internet protocol  
27 network, any new trunked system shall be, at a minimum, project-25;

28 (ii) Any new system that requires advanced digital features shall  
29 be, at a minimum, project-25; and

30 (iii) Any new system or equipment purchases shall be, at a minimum,  
31 upgradable to project-25;

32 (d) Seek support, including possible federal or other funding, for  
33 state-sponsored wireless communications systems;

34 (e) Develop recommendations for legislation that may be required to  
35 promote interoperability of state wireless communications systems;

36 (f) Foster cooperation and coordination among public safety and  
37 emergency response organizations;

1 (g) Work with wireless communications groups and associations to  
2 ensure interoperability among all public safety and emergency response  
3 wireless communications systems; and

4 (h) Perform such other duties as may be assigned by the office to  
5 promote interoperability of wireless communications systems.

6 (4) The office shall provide administrative support to the  
7 committee.

8 **K-20 GOVERNANCE AND OPERATIONS OVERSIGHT--TRANSFER FROM**  
9 **DEPARTMENT OF INFORMATION SERVICES**

10 NEW SECTION. **Sec. 718.** (1) The office has the duty to govern and  
11 oversee the technical design, implementation, and operation of the K-20  
12 network including, but not limited to, the following duties:  
13 Establishment and implementation of K-20 network technical policy,  
14 including technical standards and conditions of use; review and  
15 approval of network design; and resolving user/provider disputes.

16 (2) The office has the following powers and duties:

17 (a) In cooperation with the educational sectors and other  
18 interested parties, to establish goals and measurable objectives for  
19 the network;

20 (b) To ensure that the goals and measurable objectives of the  
21 network are the basis for any decisions or recommendations regarding  
22 the technical development and operation of the network;

23 (c) To adopt, modify, and implement policies to facilitate network  
24 development, operation, and expansion. Such policies may include but  
25 need not be limited to the following issues: Quality of educational  
26 services; access to the network by recognized organizations and  
27 accredited institutions that deliver educational programming, including  
28 public libraries; prioritization of programming within limited  
29 resources; prioritization of access to the system and the sharing of  
30 technological advances; network security; identification and evaluation  
31 of emerging technologies for delivery of educational programs; future  
32 expansion or redirection of the system; network fee structures; and  
33 costs for the development and operation of the network;

34 (d) To prepare and submit to the governor and the legislature a  
35 coordinated budget for network development, operation, and expansion.  
36 The budget shall include the chief information officer's

1 recommendations on (i) any state funding requested for network  
2 transport and equipment, distance education facilities and hardware or  
3 software specific to the use of the network, and proposed new network  
4 end sites, (ii) annual copayments to be charged to public educational  
5 sector institutions and other public entities connected to the network,  
6 and (iii) charges to nongovernmental entities connected to the network;

7 (e) To adopt and monitor the implementation of a methodology to  
8 evaluate the effectiveness of the network in achieving the educational  
9 goals and measurable objectives;

10 (f) To establish by rule acceptable use policies governing user  
11 eligibility for participation in the K-20 network, acceptable uses of  
12 network resources, and procedures for enforcement of such policies.  
13 The office shall set forth appropriate procedures for enforcement of  
14 acceptable use policies, that may include suspension of network  
15 connections and removal of shared equipment for violations of network  
16 conditions or policies. The office shall have sole responsibility for  
17 the implementation of enforcement procedures relating to technical  
18 conditions of use.

19 NEW SECTION. **Sec. 719.** The office shall maintain, in consultation  
20 with the K-20 network users, the K-20 operations cooperative, which  
21 shall be responsible for day-to-day network management, technical  
22 network status monitoring, technical problem response coordination, and  
23 other duties as agreed to by the office and the educational sectors.  
24 Funding for the K-20 operations cooperative shall be provided from the  
25 education technology revolving fund under RCW 43.105.835 (as recodified  
26 by this act).

27 NEW SECTION. **Sec. 720.** The chief information officer, in  
28 conjunction with the K-20 network users, shall maintain a technical  
29 plan of the K-20 telecommunications system and ongoing system  
30 enhancements. The office shall ensure that the technical plan adheres  
31 to the goals and objectives established under section 706 of this act.  
32 The technical plan shall provide for:

33 (1) A telecommunications backbone connecting educational service  
34 districts, the main campuses of public baccalaureate institutions, the  
35 branch campuses of public research institutions, and the main campuses  
36 of community colleges and technical colleges.

1 (2)(a) Connection to the K-20 network by entities that include, but  
2 need not be limited to: School districts, public higher education off-  
3 campus and extension centers, and branch campuses of community colleges  
4 and technical colleges, as prioritized by the chief information  
5 officer; (b) distance education facilities and components for entities  
6 listed in this subsection and subsection (1) of this section; and (c)  
7 connection for independent nonprofit institutions of higher education,  
8 provided that:

9 (i) The chief information officer and each independent nonprofit  
10 institution of higher education to be connected agree in writing to  
11 terms and conditions of connectivity. The terms and conditions shall  
12 ensure, among other things, that the provision of K-20 services does  
13 not violate Article VIII, section 5 of the state Constitution and that  
14 the institution shall adhere to K-20 network policies; and

15 (ii) The chief information officer determines that inclusion of the  
16 independent nonprofit institutions of higher education will not  
17 significantly affect the network's eligibility for federal universal  
18 service fund discounts or subsidies.

19 (3) Subsequent phases may include, but need not be limited to,  
20 connections to public libraries, state and local governments, community  
21 resource centers, and the private sector.

22 NEW SECTION. Sec. 721. (1) In overseeing the technical aspects of  
23 the K-20 network, the office is not intended to duplicate the statutory  
24 responsibilities of the higher education coordinating board, the  
25 superintendent of public instruction, the state librarian, or the  
26 governing boards of the institutions of higher education.

27 (2) The office may not interfere in any curriculum or legally  
28 offered programming offered over the K-20 network.

29 (3) The responsibility to review and approve standards and common  
30 specifications for the K-20 network remains the responsibility of the  
31 office under section 706 of this act.

32 (4) The coordination of telecommunications planning for the common  
33 schools remains the responsibility of the superintendent of public  
34 instruction. Except as set forth in section 706(2)(e) of this act, the  
35 office may recommend, but not require, revisions to the  
36 superintendent's telecommunications plans.

1           **Sec. 722.** RCW 43.105.835 and 2004 c 276 s 910 are each amended to  
2 read as follows:

3           (1) The education technology revolving fund is created in the  
4 custody of the state treasurer. All receipts from billings under  
5 subsection (2) of this section must be deposited in the revolving fund.  
6 Only the (~~director of the department of information services or the~~  
7 ~~director's designee~~) chief information officer or the chief  
8 information officer's designee may authorize expenditures from the  
9 fund. The revolving fund shall be used to pay for K-20 network  
10 operations, transport, equipment, software, supplies, and services,  
11 maintenance and depreciation of on-site data, and shared  
12 infrastructure, and other costs incidental to the development,  
13 operation, and administration of shared educational information  
14 technology services, telecommunications, and systems. The revolving  
15 fund shall not be used for the acquisition, maintenance, or operations  
16 of local telecommunications infrastructure or the maintenance or  
17 depreciation of on-premises video equipment specific to a particular  
18 institution or group of institutions.

19           (2) The revolving fund and all disbursements from the revolving  
20 fund are subject to the allotment procedure under chapter 43.88 RCW,  
21 but an appropriation is not required for expenditures. The  
22 (~~department of information services~~) office shall, (~~in consultation~~  
23 ~~with entities connected to the network under RCW 43.105.820 and~~)  
24 subject to the review and approval of the office of financial  
25 management, establish and implement a billing structure for network  
26 services identified in subsection (1) of this section.

27           (3) The (~~department~~) office shall charge those public entities  
28 connected to the K-20 (~~telecommunications [telecommunication system]~~  
29 ~~under RCW 43.105.820~~) telecommunications system under section 720 of  
30 this act an annual copayment per unit of transport connection as  
31 determined by the legislature after consideration of the (~~K-20~~)  
32 board's recommendations. This copayment shall be deposited into the  
33 revolving fund to be used for the purposes in subsection (1) of this  
34 section. It is the intent of the legislature to appropriate to the  
35 revolving fund such moneys as necessary to cover the costs for  
36 transport, maintenance, and depreciation of data equipment located at  
37 the individual public institutions, maintenance and depreciation of the

1 K-20 network backbone, and services provided to the network under ((RCW  
2 43.105.815.

3 ~~(4) During the 2003-05 biennium, the legislature may transfer~~  
4 ~~moneys from the education technology revolving fund to the state~~  
5 ~~general fund and the data processing revolving fund such amounts as~~  
6 ~~reflect the excess fund balance of the account)) section 718 of this  
7 act.~~

8 **GENERAL PROVISIONS RELATED TO OFFICE OF CHIEF INFORMATION OFFICER**

9 NEW SECTION. **Sec. 723.** A new section is added to chapter 41.06  
10 RCW to read as follows:

11 In addition to the exemptions under RCW 41.06.070, the provisions  
12 of this chapter do not apply in the office of the chief information  
13 officer to the chief information officer, the chief information  
14 officer's confidential secretary, assistant directors, and any other  
15 exempt staff members provided for in section 703 of this act.

16 **Sec. 724.** RCW 43.105.290 and 1996 c 171 s 13 are each amended to  
17 read as follows:

18 The state library, with the assistance of the ((~~department of~~  
19 ~~information services~~)) office and the state archives, shall establish  
20 a pilot project to design and test an electronic information locator  
21 system, allowing members of the public to locate and access electronic  
22 public records. In designing the system, the following factors shall  
23 be considered: (1) Ease of operation by citizens; (2) access through  
24 multiple technologies, such as direct dial and toll-free numbers,  
25 kiosks, and the internet; (3) compatibility with private online  
26 services; and (4) capability of expanding the electronic public records  
27 included in the system. The pilot project may restrict the type and  
28 quality of electronic public records that are included in the system to  
29 test the feasibility of making electronic public records and  
30 information widely available to the public.

31 **Sec. 725.** RCW 28A.650.015 and 2009 c 556 s 17 are each amended to  
32 read as follows:

33 (1) The superintendent of public instruction, to the extent funds  
34 are appropriated, shall develop and implement a Washington state K-12

1 education technology plan. The technology plan shall be updated on at  
2 least a biennial basis, shall be developed to coordinate and expand the  
3 use of education technology in the common schools of the state. The  
4 plan shall be consistent with applicable provisions of chapter 43.105  
5 RCW. The plan, at a minimum, shall address:

6 (a) The provision of technical assistance to schools and school  
7 districts for the planning, implementation, and training of staff in  
8 the use of technology in curricular and administrative functions;

9 (b) The continued development of a network to connect school  
10 districts, institutions of higher learning, and other sources of online  
11 information; and

12 (c) Methods to equitably increase the use of education technology  
13 by students and school personnel throughout the state.

14 (2) The superintendent of public instruction shall appoint an  
15 educational technology advisory committee to assist in the development  
16 and implementation of the technology plan in subsection (1) of this  
17 section. The committee shall include, but is not limited to, persons  
18 representing: The (~~department of information services~~) office of the  
19 chief information officer, educational service districts, school  
20 directors, school administrators, school principals, teachers,  
21 classified staff, higher education faculty, parents, students,  
22 business, labor, scientists and mathematicians, the higher education  
23 coordinating board, the workforce training and education coordinating  
24 board, and the state library.

25 (3) The plan adopted and implemented under this section may not  
26 impose on school districts any requirements that are not specifically  
27 required by federal law or regulation, including requirements to  
28 maintain eligibility for the federal schools and libraries program of  
29 the universal service fund.

30 **Sec. 726.** RCW 39.94.040 and 2010 1st sp.s. c 36 s 6015 and 2010  
31 1st sp.s. c 35 s 406 are each reenacted and amended to read as follows:

32 (1) Except as provided in RCW 28B.10.022, the state may not enter  
33 into any financing contract for itself if the aggregate principal  
34 amount payable thereunder is greater than an amount to be established  
35 from time to time by the state finance committee or participate in a  
36 program providing for the issuance of certificates of participation,  
37 including any contract for credit enhancement, without the prior



1 approval of the state finance committee. Except as provided in RCW  
2 28B.10.022, the state finance committee shall approve the form of all  
3 financing contracts or a standard format for all financing contracts.  
4 The state finance committee also may:

5 (a) Consolidate existing or potential financing contracts into  
6 master financing contracts with respect to property acquired by one or  
7 more agencies, departments, instrumentalities of the state, the state  
8 board for community and technical colleges, or a state institution of  
9 higher learning; or to be acquired by another agency;

10 (b) Approve programs providing for the issuance of certificates of  
11 participation in master financing contracts for the state or for other  
12 agencies;

13 (c) Enter into agreements with trustees relating to master  
14 financing contracts; and

15 (d) Make appropriate rules for the performance of its duties under  
16 this chapter.

17 (2) In the performance of its duties under this chapter, the state  
18 finance committee may consult with representatives from the department  
19 of general administration, the office of financial management, and the  
20 (~~department of information services~~) office of the chief information  
21 officer.

22 (3) With the approval of the state finance committee, the state  
23 also may enter into agreements with trustees relating to financing  
24 contracts and the issuance of certificates of participation.

25 (4) Except for financing contracts for real property used for the  
26 purposes described under chapter 28B.140 RCW, the state may not enter  
27 into any financing contract for real property of the state without  
28 prior approval of the legislature. For the purposes of this  
29 requirement, a financing contract must be treated as used for real  
30 property if it is being entered into by the state for the acquisition  
31 of land; the acquisition of an existing building; the construction of  
32 a new building; or a major remodeling, renovation, rehabilitation, or  
33 rebuilding of an existing building. Prior approval of the legislature  
34 is not required under this chapter for a financing contract entered  
35 into by the state under this chapter for energy conservation  
36 improvements to existing buildings where such improvements include:

37 (a) Fixtures and equipment that are not part of a major remodeling,  
38 renovation, rehabilitation, or rebuilding of the building, or (b) other

1 improvements to the building that are being performed for the primary  
2 purpose of energy conservation. Such energy conservation improvements  
3 must be determined eligible for financing under this chapter by the  
4 office of financial management in accordance with financing guidelines  
5 established by the state treasurer, and are to be treated as personal  
6 property for the purposes of this chapter.

7 (5) The state may not enter into any financing contract on behalf  
8 of another agency without the approval of such a financing contract by  
9 the governing body of the other agency.

10 **Sec. 727.** RCW 40.14.020 and 2002 c 358 s 4 are each amended to  
11 read as follows:

12 All public records shall be and remain the property of the state of  
13 Washington. They shall be delivered by outgoing officials and  
14 employees to their successors and shall be preserved, stored,  
15 transferred, destroyed or disposed of, and otherwise managed, only in  
16 accordance with the provisions of this chapter. In order to insure the  
17 proper management and safeguarding of public records, the division of  
18 archives and records management is established in the office of the  
19 secretary of state. The state archivist, who shall administer the  
20 division and have reasonable access to all public records, wherever  
21 kept, for purposes of information, surveying, or cataloguing, shall  
22 undertake the following functions, duties, and responsibilities:

23 (1) To manage the archives of the state of Washington;

24 (2) To centralize the archives of the state of Washington, to make  
25 them available for reference and scholarship, and to insure their  
26 proper preservation;

27 (3) To inspect, inventory, catalog, and arrange retention and  
28 transfer schedules on all record files of all state departments and  
29 other agencies of state government;

30 (4) To insure the maintenance and security of all state public  
31 records and to establish safeguards against unauthorized removal or  
32 destruction;

33 (5) To establish and operate such state record centers as may from  
34 time to time be authorized by appropriation, for the purpose of  
35 preserving, servicing, screening and protecting all state public  
36 records which must be preserved temporarily or permanently, but which  
37 need not be retained in office space and equipment;

- 1 (6) To adopt rules under chapter 34.05 RCW:
- 2 (a) Setting standards for the durability and permanence of public  
3 records maintained by state and local agencies;
- 4 (b) Governing procedures for the creation, maintenance,  
5 transmission, cataloging, indexing, storage, or reproduction of  
6 photographic, optical, electronic, or other images of public documents  
7 or records in a manner consistent with current standards, policies, and  
8 procedures of the (~~department of information services~~) office of the  
9 chief information officer for the acquisition of information  
10 technology;
- 11 (c) Governing the accuracy and durability of, and facilitating  
12 access to, photographic, optical, electronic, or other images used as  
13 public records; or
- 14 (d) To carry out any other provision of this chapter;
- 15 (7) To gather and disseminate to interested agencies information on  
16 all phases of records management and current practices, methods,  
17 procedures, techniques, and devices for efficient and economical  
18 management and preservation of records;
- 19 (8) To operate a central microfilming bureau which will microfilm,  
20 at cost, records approved for filming by the head of the office of  
21 origin and the archivist; to approve microfilming projects undertaken  
22 by state departments and all other agencies of state government; and to  
23 maintain proper standards for this work;
- 24 (9) To maintain necessary facilities for the review of records  
25 approved for destruction and for their economical disposition by sale  
26 or burning; directly to supervise such destruction of public records as  
27 shall be authorized by the terms of this chapter;
- 28 (10) To assist and train state and local agencies in the proper  
29 methods of creating, maintaining, cataloging, indexing, transmitting,  
30 storing, and reproducing photographic, optical, electronic, or other  
31 images used as public records;
- 32 (11) To solicit, accept, and expend donations as provided in RCW  
33 43.07.037 for the purpose of the archive program. These purposes  
34 include, but are not limited to, acquisition, accession,  
35 interpretation, and display of archival materials. Donations that do  
36 not meet the criteria of the archive program may not be accepted.

1       **Sec. 728.** RCW 42.17.460 and 1999 c 401 s 1 are each amended to  
2 read as follows:

3       It is the intent of the legislature to ensure that the commission  
4 provide the general public timely access to all contribution and  
5 expenditure reports submitted by candidates, continuing political  
6 committees, bona fide political parties, lobbyists, and lobbyists'  
7 employers. The legislature finds that failure to meet goals for full  
8 and timely disclosure threatens to undermine our electoral process.

9       Furthermore, the legislature intends for the commission to consult  
10 with the (~~department of information services~~) office of the chief  
11 information officer as it seeks to implement chapter 401, Laws of 1999,  
12 and that the commission follow the standards and procedures established  
13 by the (~~department of information services~~) office of the chief  
14 information officer in chapter 43.105 RCW as they relate to information  
15 technology.

16       **Sec. 729.** RCW 42.17.467 and 1999 c 401 s 5 are each amended to  
17 read as follows:

18       In preparing the information technology plan, the commission shall  
19 consult with affected state agencies, the (~~department of information~~  
20 ~~services~~) office of the chief information officer, and stakeholders in  
21 the commission's work, including representatives of political  
22 committees, bona fide political parties, news media, and the general  
23 public.

24       **Sec. 730.** RCW 42.17.469 and 1999 c 401 s 6 are each amended to  
25 read as follows:

26       The commission shall submit the information technology plan to the  
27 senate and house of representatives fiscal committees, the governor,  
28 the senate state and local government committee, the house of  
29 representatives state government committee, and the (~~department of~~  
30 ~~information services~~) office of the chief information officer by  
31 February 1, 2000. It is the intent of the legislature that the  
32 commission thereafter comply with the requirements of chapter 43.105  
33 RCW with respect to preparation and submission of biennial performance  
34 reports on the commission's information technology.



1 management shall collect from agencies, and agencies shall provide,  
2 information to produce reports, summaries, and budget detail sufficient  
3 to allow review, analysis, and documentation of all current and  
4 proposed expenditures for information technology by state agencies.  
5 Information technology budget detail must be included as part of the  
6 budget submittal documentation required pursuant to RCW 43.88.030.

7 (2) The office of financial management must collect, and present as  
8 part of the biennial budget documentation, information for all existing  
9 information technology projects as defined by information services  
10 board policy. The office of financial management must work with the  
11 (~~department of information services~~) office of the chief information  
12 officer to maximize the ability to draw this information from the  
13 information technology portfolio management data collected by the  
14 department of information services pursuant to RCW 43.105.170.  
15 Connecting project information collected through the portfolio  
16 management process with financial data developed under subsection (1)  
17 of this section provides transparency regarding expenditure data for  
18 existing technology projects.

19 (3) The biennial budget documentation submitted by the office of  
20 financial management pursuant to RCW 43.88.030 must include an  
21 information technology plan identifying proposed large information  
22 technology projects. This plan must be presented using a method  
23 similar to the capital budget, identifying project costs through stages  
24 of the project and across fiscal periods and biennia from project  
25 initiation to implementation. This information must be submitted  
26 electronically, in a format to be determined by the office of financial  
27 management and the legislative evaluation and accountability program  
28 committee.

29 (4) The office of financial management shall also institute a  
30 method of accounting for information technology-related expenditures,  
31 including creating common definitions for what constitutes an  
32 information technology investment.

33 **Sec. 734.** RCW 43.105.410 and 2010 c 282 s 2 are each amended to  
34 read as follows:

35 (1) State agencies that are purchasing wireless devices or services  
36 must make such purchases through the state master contract, unless the  
37 state agency provides to the office of (~~financial management~~) the

1 chief information officer evidence that the state agency is securing  
2 its wireless devices or services from another source for a lower cost  
3 than through participation in the state master contract.

4 (2) For the purposes of this section, "state agency" means any  
5 office, department, board, commission, or other unit of state  
6 government, but does not include a unit of state government headed by  
7 a statewide elected official, an institution of higher education as  
8 defined in RCW 28B.10.016, the higher education coordinating board, the  
9 state board for community and technical colleges, or agencies of the  
10 legislative or judicial branches of state government.

#### 11 **STATE DATA CENTER**

12 NEW SECTION. Sec. 735. (1) Except as provided by subsection (2)  
13 of this section, state agencies shall locate all existing and new  
14 servers in the state data center.

15 (2) Agencies with a service requirement that requires servers to be  
16 located outside the state data center must receive a waiver from the  
17 office. Waivers must be based upon written justification from the  
18 requesting agency citing specific service or performance requirements  
19 for locating servers outside the state's common platform.

20 (3) The office, in consultation with the office of financial  
21 management, shall continue to develop the business plan and migration  
22 schedule for moving all state agencies into the state data center.

23 (4) The legislature and the judiciary, which are constitutionally  
24 recognized as separate branches of government, may enter into an  
25 interagency agreement with the office to migrate its servers into the  
26 state data center.

27 (5) This section does not apply to institutions of higher  
28 education.

#### 29 **MIGRATION TO A CENTRAL SERVICE PROVIDER**

30 NEW SECTION. Sec. 736. (1) The office shall conduct a needs  
31 assessment and develop a migration strategy to ensure that, over time,  
32 all state agencies are moving towards using the consolidated technology  
33 services agency established in RCW 43.105.047 as their central service

1 provider for all utility-based infrastructure services, including  
2 centralized PC and infrastructure support. Agency specific application  
3 services shall remain managed within individual agencies.

4 (2) The office shall develop short-term and long-term objectives as  
5 part of the migration strategy.

6 (3) For the purposes of this section, "utility-based infrastructure  
7 services" includes personal computer and portable device support,  
8 servers and server administration, security administration, network  
9 administration, telephony, e-mail, and other information technology  
10 services commonly utilized by state agencies.

11 (4) This section does not apply to institutions of higher  
12 education.

### 13 PART VIII

#### 14 CREATING THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY

15 NEW SECTION. **Sec. 801.** A new section is added to chapter 43.105  
16 RCW to read as follows:

17 To achieve maximum benefit from advances in information technology  
18 the state establishes a centralized provider and procurer of certain  
19 information technology services as an agency to support the needs of  
20 state agencies. This agency shall be known as the consolidated  
21 technology services agency. To ensure maximum benefit to the state,  
22 state agencies shall rely on the consolidated technology services  
23 agency for those services with a business case of broad use,  
24 uniformity, scalability, and price sensitivity to aggregation and  
25 volume.

26 To successfully meet agency needs and meet its obligation as the  
27 primary service provider for these services, the consolidated  
28 technology services agency must offer high quality services at the  
29 lowest possible price. It must be able to attract an adaptable and  
30 competitive workforce, be authorized to procure services where the  
31 business case justifies it, and be accountable to its customers for the  
32 efficient and effective delivery of critical business services.

33 The consolidated technology services agency is established as an  
34 agency in state government. The agency is established with clear  
35 accountability to the agencies it serves and to the public. This  
36 accountability will come through enhanced transparency in the agency's



1 operation and performance. The agency is also established with broad  
2 flexibility to adapt its operations and service catalog to address the  
3 needs of customer agencies, and to do so in the most cost-effective  
4 ways.

5 **Sec. 802.** RCW 43.105.020 and 2010 1st sp.s. c 7 s 64 are each  
6 amended to read as follows:

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

9 (1) (~~"Administrator" means the community technology opportunity  
10 program administrator designated by the department.~~

11 ~~(2) "Backbone network" means the shared high density portions of  
12 the state's telecommunications transmission facilities. It includes  
13 specially conditioned high speed communications carrier lines,  
14 multiplexors, switches associated with such communications lines, and  
15 any equipment and software components necessary for management and  
16 control of the backbone network.~~

17 ~~(3) "Board" means the information services board.~~

18 ~~(4) "Broadband" means a high speed, high capacity transmission  
19 medium, using land based, satellite, wireless, or any other mechanism,  
20 that can carry either signals or transmit data, or both, over long  
21 distances by using a wide range of frequencies.~~

22 ~~(5) "Committee" means the state interoperability executive  
23 committee.~~

24 ~~(6) "Common vendor registration and bid notification system" has  
25 the definition in RCW 39.29.006.~~

26 ~~(7) "Community technology programs" means programs that are engaged  
27 in diffusing information and communications technology in local  
28 communities, particularly in unserved and underserved areas of the  
29 state. These programs may include, but are not limited to, programs  
30 that provide education and skill building opportunities, hardware and  
31 software, internet connectivity, digital media literacy, development of  
32 locally relevant content, and delivery of vital services through  
33 technology.~~

34 ~~(8) "Council" means the advisory council on digital inclusion  
35 created in RCW 43.105.400.~~

36 ~~(9) "Department" means the department of information services.~~

37 ~~(10)) "Agency" means the consolidated technology services agency.~~

1       (2) "Board" means the consolidated technology services board.  
2       (3) "Customer agencies" means all entities that purchase or use  
3 information technology resources, telecommunications, or services from  
4 the consolidated technology services agency.  
5       (4) "Director" means the director of the ((department))  
6 consolidated technology services agency.  
7       ~~((11) "Educational sectors" means those institutions of higher~~  
8 ~~education, school districts, and educational service districts that use~~  
9 ~~the network for distance education, data transmission, and other uses~~  
10 ~~permitted by the K-20 board.~~  
11       ~~(12))~~ (5) "Equipment" means the machines, devices, and  
12 transmission facilities used in information processing, ((such as))  
13 including but not limited to computers, ((word processors,)) terminals,  
14 telephones, wireless communications system facilities, cables, and any  
15 physical facility necessary for the operation of such equipment.  
16       ~~((13) "High speed internet" means broadband.~~  
17       ~~(14) "Information" includes, but is not limited to, data, text,~~  
18 ~~voice, and video.~~  
19       ~~(15) "Information processing" means the electronic capture,~~  
20 ~~collection, storage, manipulation, transmission, retrieval, and~~  
21 ~~presentation of information in the form of data, text, voice, or image~~  
22 ~~and includes telecommunications and office automation functions.~~  
23       ~~(16) "Information services" means data processing,~~  
24 ~~telecommunications, office automation, and computerized information~~  
25 ~~systems.~~  
26       ~~(17))~~ "Enterprise architecture" means an ongoing program for  
27 translating business vision and strategy into effective enterprise  
28 change. It is a continuous activity. Enterprise architecture creates,  
29 communicates, and improves the key principles and models that describe  
30 the enterprise's future state and enable its evolution.  
31       (7) "Information technology" includes, but is not limited to, all  
32 electronic technology systems and services, automated information  
33 handling, system design and analysis, conversion of data, computer  
34 programming, information storage and retrieval, telecommunications,  
35 requisite system controls, simulation, electronic commerce, and all  
36 related interactions between people and machines.  
37       (8) "Information technology portfolio" or "portfolio" means a

1 strategic management process documenting relationships between agency  
2 missions and information technology and telecommunications investments.

3 ~~((18) "K-20 network" means the network established in RCW  
4 43.105.820.~~

5 ~~(19))~~ (9) "Local governments" includes all municipal and quasi  
6 municipal corporations and political subdivisions, and all agencies of  
7 such corporations and subdivisions authorized to contract separately.

8 ~~((20))~~ (10) "Oversight" means a process of comprehensive risk  
9 analysis and management designed to ensure optimum use of information  
10 technology resources and telecommunications.

11 ~~((21))~~ (11) "Proprietary software" means that software offered  
12 for sale or license.

13 ~~((22) "Purchased services" means services provided by a vendor to  
14 accomplish routine, continuing, and necessary functions. This term  
15 includes, but is not limited to, services acquired for equipment  
16 maintenance and repair, operation of a physical plant, security,  
17 computer hardware and software installation and maintenance,  
18 telecommunications installation and maintenance, data entry, keypunch  
19 services, programming services, and computer time sharing.~~

20 ~~(23) "Small business" has the definition in RCW 39.29.006.~~

21 ~~(24) "Telecommunications" means the transmission of information by  
22 wire, radio, optical cable, electromagnetic, or other means.~~

23 ~~(25) — "Video — telecommunications" — means — the — electronic  
24 interconnection of two or more sites for the purpose of transmitting  
25 and/or receiving visual and associated audio information. — Video  
26 telecommunications shall not include existing public television  
27 broadcast stations as currently designated by the department of  
28 commerce under chapter 43.330 — RCW.)~~ (12) "Telecommunications"

29 includes, but is not limited to, wireless or wired systems for  
30 transport of voice, video, and data communications, network systems,  
31 requisite facilities, equipment, system controls, simulation,  
32 electronic commerce, and all related interactions between people and  
33 machines. "Telecommunications" does not include public safety  
34 communications.

35 **Sec. 803.** RCW 43.105.047 and 1999 c 80 s 5 are each amended to  
36 read as follows:

37 There is created the ~~((department of information services))~~

1 consolidated technology services agency, an agency of state government.

2 The ~~((department))~~ agency shall be headed by a director appointed by  
3 the governor with the consent of the senate. The director shall serve  
4 at the governor's pleasure and shall receive such salary as determined  
5 by the governor. The director shall:

6 (1) Appoint a confidential secretary and such deputy and assistant  
7 directors as needed to administer the ~~((department))~~ agency; and

8 ~~((Maintain and fund a strategic planning and policy component  
9 separate from the services component of the department;~~

10 ~~(3) Appoint, after consulting with the board, the assistant or  
11 deputy director for the planning component;~~

12 (4)) Appoint such professional, technical, and clerical assistants  
13 and employees as may be necessary to perform the duties imposed by this  
14 chapter( (;

15 ~~(5) Report to the governor and the board any matters relating to  
16 abuses and evasions of this chapter; and~~

17 ~~(6) Recommend statutory changes to the governor and the board)).~~

18 **Sec. 804.** RCW 43.105.052 and 2010 1st sp.s. c 7 s 16 are each  
19 amended to read as follows:

20 The ~~((department))~~ agency shall:

21 ~~((Perform all duties and responsibilities the board delegates  
22 to the department, including but not limited to:~~

23 ~~(a) The review of agency information technology portfolios and  
24 related requests; and~~

25 ~~(b) Implementation of statewide and interagency policies,  
26 standards, and guidelines;~~

27 (2)) Make available information services to ~~((state))~~ public  
28 agencies ((and local governments)) and public benefit nonprofit  
29 corporations ((on a full cost recovery basis)). For the purposes of  
30 this section "public agency" means any agency of this state or another  
31 state; any political subdivision, or unit of local government of this  
32 state or another state including, but not limited to, municipal  
33 corporations, quasi-municipal corporations, special purpose districts,  
34 and local service districts; any agency of the United States; and any  
35 Indian tribe recognized as such by the federal government and "public  
36 benefit nonprofit corporation" means a public benefit nonprofit  
37 corporation as defined in RCW 24.03.005 that is receiving local, state,

1 or federal funds either directly or through a public agency other than  
2 an Indian tribe or political subdivision of another state(~~(.—These~~  
3 ~~services may include, but are not limited to:~~

4 ~~(a) Telecommunications services for voice, data, and video;~~

5 ~~(b) Mainframe computing services;~~

6 ~~(c) — Support — for — departmental — and — microcomputer — evaluation,~~  
7 ~~installation, and use;~~

8 ~~(d) Equipment acquisition assistance, including leasing, brokering,~~  
9 ~~and establishing master contracts;~~

10 ~~(e) — Facilities — management — services — for — information — technology~~  
11 ~~equipment, equipment repair, and maintenance service;~~

12 ~~(f) Negotiation with local cable companies and local governments to~~  
13 ~~provide for connection to local cable services to allow for access to~~  
14 ~~these public and educational channels in the state;~~

15 ~~(g) Office automation services;~~

16 ~~(h) System development services; and~~

17 ~~(i) Training.~~

18 ~~These services are for discretionary use by customers and customers~~  
19 ~~may elect other alternatives for service if those alternatives are more~~  
20 ~~cost-effective or provide better service. Agencies may be required to~~  
21 ~~use the backbone network portions of the telecommunications services~~  
22 ~~during an initial start-up period not to exceed three years));~~

23 ~~((+3)) (2) Establish rates and fees for services provided by the~~  
24 ~~((department to assure that the services component of the department is~~  
25 ~~self-supporting)) agency. A billing rate plan shall be developed for~~  
26 ~~a two-year period to coincide with the budgeting process. The rate~~  
27 ~~plan shall be subject to review at least annually by the office of~~  
28 ~~financial management. The rate plan shall show the proposed rates by~~  
29 ~~each cost center and will show the components of the rate structure as~~  
30 ~~mutually determined by the ((department)) agency and the office of~~  
31 ~~financial management. ((The same rate structure will apply to all user~~  
32 ~~agencies of each cost center.)) The rate plan and any adjustments to~~  
33 ~~rates shall be approved by the office of financial management((.—The~~  
34 ~~services component shall not subsidize the operations of the strategic~~  
35 ~~planning and policy component));~~

36 ~~((+4)) (3) With the advice of the ((information services)) board~~  
37 ~~and customer agencies, develop a state strategic information technology~~

1 plan and performance reports as required under ((RCW-43.105.160))  
2 section 707 of this act;

3 ((+5)) (4) Develop plans for the ((department's)) agency's  
4 achievement of statewide goals and objectives set forth in the state  
5 strategic information technology plan required under ((RCW-43.105.160-  
6 These plans shall address such services as telecommunications, central  
7 and distributed computing, local area networks, office automation, and  
8 end user computing. The department shall seek the advice of the board  
9 in the development of these plans;

10 (6) Under direction of the information services board and in  
11 collaboration with the department of personnel, and other agencies as  
12 may be appropriate, develop training plans and coordinate training  
13 programs that are responsive to the needs of agencies;

14 (7) Identify opportunities for the effective use of information  
15 services and coordinate appropriate responses to those opportunities;

16 (8) Assess agencies' projects, acquisitions, plans, information  
17 technology portfolios, or overall information processing performance as  
18 requested by the board, agencies, the director of financial management,  
19 or the legislature. Agencies may be required to reimburse the  
20 department for agency requested reviews) section 707 of this act;

21 ((+9) Develop planning, budgeting, and expenditure reporting  
22 requirements, in conjunction with the office of financial management,  
23 for agencies to follow;

24 (10) Assist the office of financial management with budgetary and  
25 policy review of agency plans for information services;

26 (11) Provide staff support from the strategic planning and policy  
27 component to the board for:

- 28 (a) Meeting preparation, notices, and minutes;
- 29 (b) Promulgation of policies, standards, and guidelines adopted by  
30 the board;
- 31 (c) Supervision of studies and reports requested by the board;
- 32 (d) Conducting reviews and assessments as directed by the board;

33 (12) Be the lead agency in coordinating video telecommunications  
34 services for all state agencies and develop, pursuant to board  
35 policies, standards and common specifications for leased and purchased  
36 telecommunications equipment. The department shall not evaluate the  
37 merits of school curriculum, higher education course offerings, or  
38 other education and training programs proposed for transmission and/or

1 ~~reception using video telecommunications resources. Nothing in this~~  
2 ~~section shall abrogate or abridge the legal responsibilities of~~  
3 ~~licensees of telecommunications facilities as licensed by the federal~~  
4 ~~communication commission on March 27, 1990;)) and~~

5 ((+13+)) (5) Perform all other matters and things necessary to  
6 carry out the purposes and provisions of this chapter.

7 NEW SECTION. **Sec. 805.** A new section is added to chapter 43.105  
8 RCW to read as follows:

9 (1) There is hereby created the consolidated technology services  
10 board. The board shall be composed of eleven members appointed by the  
11 governor. Seven of the board members shall consist of customer  
12 representatives either in the position of chief executive officer,  
13 chief financial officer, or chief information officer. Four of the  
14 board members shall be legislators, who serve as ex officio, nonvoting  
15 members of the board.

16 (2)(a) Nonlegislative members shall serve three-year terms.  
17 Members may not serve more than two consecutive terms.

18 (b) Of the initial nonlegislative members, two must be appointed  
19 for a one-year term, two must be appointed for a two-year term, and  
20 three must be appointed for a three-year term. Thereafter, members  
21 must be appointed for three-year terms.

22 (c) Vacancies shall be filled in the same manner that the original  
23 appointments were made for the remainder of the member's term.

24 (3)(a) Of the initial legislative members, the president of the  
25 senate and the speaker of the house of representatives shall make the  
26 appointments.

27 (b) The president of the senate shall appoint one member from each  
28 of the two largest caucuses in the senate.

29 (c) The speaker of the house of representatives shall appoint one  
30 member from each of the two largest caucuses of the house of  
31 representatives.

32 (4) A majority of the members of the board shall constitute a  
33 quorum for the transaction of business.

34 **Sec. 806.** RCW 43.19.190 and 2002 c 200 s 3 are each amended to  
35 read as follows:

1 The director of general administration, through the state  
2 purchasing and material control director, shall:

3 (1) Establish and staff such administrative organizational units  
4 within the division of purchasing as may be necessary for effective  
5 administration of the provisions of RCW 43.19.190 through 43.19.1939;

6 (2) Purchase all material, supplies, services, and equipment needed  
7 for the support, maintenance, and use of all state institutions,  
8 colleges, community colleges, technical colleges, college districts,  
9 and universities, the offices of the elective state officers, the  
10 supreme court, the court of appeals, the administrative and other  
11 departments of state government, and the offices of all appointive  
12 officers of the state: PROVIDED, That the provisions of RCW 43.19.190  
13 through 43.19.1937 do not apply in any manner to the operation of the  
14 state legislature except as requested by the legislature: PROVIDED,  
15 That the provisions of this section and RCW 43.19.1901 through  
16 43.19.1925 do not apply to the consolidated technology services agency  
17 created in RCW 43.105.047: PROVIDED, That any agency may purchase  
18 material, supplies, services, and equipment for which the agency has  
19 notified the purchasing and material control director that it is more  
20 cost-effective for the agency to make the purchase directly from the  
21 vendor: PROVIDED, That primary authority for the purchase of  
22 specialized equipment, instructional, and research material for their  
23 own use shall rest with the colleges, community colleges, and  
24 universities: PROVIDED FURTHER, That universities operating hospitals  
25 and the state purchasing and material control director, as the agent  
26 for state hospitals as defined in RCW 72.23.010, and for health care  
27 programs provided in state correctional institutions as defined in RCW  
28 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and  
29 72.36.070, may make purchases for hospital operation by participating  
30 in contracts for materials, supplies, and equipment entered into by  
31 nonprofit cooperative hospital group purchasing organizations:  
32 PROVIDED FURTHER, That primary authority for the purchase of materials,  
33 supplies, and equipment for resale to other than public agencies shall  
34 rest with the state agency concerned: PROVIDED FURTHER, That authority  
35 to purchase services as included herein does not apply to personal  
36 services as defined in chapter 39.29 RCW, unless such organization  
37 specifically requests assistance from the division of purchasing in  
38 obtaining personal services and resources are available within the



1 division to provide such assistance: PROVIDED FURTHER, That the  
2 authority for the purchase of insurance and bonds shall rest with the  
3 risk manager under RCW ((43.19.1935)) 43.41.310: PROVIDED FURTHER,  
4 That, except for the authority of the risk manager to purchase  
5 insurance and bonds, the director is not required to provide purchasing  
6 services for institutions of higher education that choose to exercise  
7 independent purchasing authority under RCW 28B.10.029: PROVIDED  
8 FURTHER, That the authority to purchase interpreter services and  
9 interpreter brokerage services on behalf of limited-English speaking or  
10 sensory-impaired applicants and recipients of public assistance shall  
11 rest with the department of social and health services;

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

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

28 (5) Prescribe the manner of inspecting all deliveries of supplies,  
29 materials, and equipment purchased through the division;

30 (6) Prescribe the manner in which supplies, materials, and  
31 equipment purchased through the division shall be delivered, stored,  
32 and distributed;

33 (7) Provide for the maintenance of a catalogue library,  
34 manufacturers' and wholesalers' lists, and current market information;

35 (8) Provide for a commodity classification system and may, in  
36 addition, provide for the adoption of standard specifications;

37 (9) Provide for the maintenance of inventory records of supplies,  
38 materials, and other property;

1 (10) Prepare rules and regulations governing the relationship and  
2 procedures between the division of purchasing and state agencies and  
3 vendors;

4 (11) Publish procedures and guidelines for compliance by all state  
5 agencies, including those educational institutions to which this  
6 section applies, which implement overall state purchasing and material  
7 control policies;

8 (12) Advise state agencies, including educational institutions,  
9 regarding compliance with established purchasing and material control  
10 policies under existing statutes.

11 NEW SECTION. Sec. 807. A new section is added to chapter 43.105  
12 RCW to read as follows:

13 The board has the following powers and duties:

14 (1) Approve rates for services offered by the agency;

15 (2) Approve the budget proposal to the office of financial  
16 management for the agency;

17 (3) Approve the catalog of services to be provided or procured for  
18 client agencies;

19 (4) Prepare and submit an annual performance evaluation of the  
20 director to the governor;

21 (5) Prepare and submit a performance assessment of the agency to  
22 the governor annually; and

23 (6) Advise the director on operational issues and plans brought  
24 before the board by the director.

25 NEW SECTION. Sec. 808. A new section is added to chapter 43.105  
26 RCW to read as follows:

27 The director in consultation with the board shall set performance  
28 targets and approve plans for achieving measurable and specific goals  
29 for the agency. By January 2012, the appropriate organizational  
30 performance and accountability measures and performance targets shall  
31 be submitted to the governor. These measures and targets shall include  
32 measures of performance demonstrating specific and measurable  
33 improvements related to service delivery and costs, operational  
34 efficiencies, and overall customer satisfaction. The agency shall  
35 develop a dashboard of key performance measures that will be updated  
36 quarterly and made available on the agency public web site.

1 The director shall report to the governor on agency performance at  
2 least quarterly. The reports shall be included on the agency's web  
3 site and accessible to the public.

4 **Sec. 809.** RCW 43.105.057 and 1992 c 20 s 11 are each amended to  
5 read as follows:

6 The (~~department of information services and the information~~  
7 ~~services board, respectively,~~) agency shall adopt rules as necessary  
8 under chapter 34.05 RCW to implement the provisions of this chapter.

9 **Sec. 810.** RCW 43.105.060 and 1987 c 504 s 10 are each amended to  
10 read as follows:

11 State and local government agencies are authorized to enter into  
12 any contracts with the (~~department or its successor~~) agency which may  
13 be necessary or desirable to effectuate the purposes and policies of  
14 this chapter or for maximum utilization of facilities and services  
15 which are the subject of this chapter.

16 **Sec. 811.** RCW 39.29.040 and 2002 c 260 s 11 and 2002 c 200 s 2 are  
17 each reenacted and amended to read as follows:

18 This chapter does not apply to:

19 (1) Contracts specifying a fee of less than five thousand dollars  
20 if the total of the contracts from that agency with the contractor  
21 within a fiscal year does not exceed five thousand dollars;

22 (2) Contracts awarded to companies that furnish a service where the  
23 tariff is established by the utilities and transportation commission or  
24 other public entity;

25 (3) Intergovernmental agreements awarded to any governmental  
26 entity, whether federal, state, or local and any department, division,  
27 or subdivision thereof;

28 (4) Contracts awarded for services to be performed for a standard  
29 fee, when the standard fee is established by the contracting agency or  
30 any other governmental entity and a like contract is available to all  
31 qualified applicants;

32 (5) Contracts for services that are necessary to the conduct of  
33 collaborative research if prior approval is granted by the funding  
34 source;

1 (6) Contracts for client services except as otherwise indicated in  
2 this chapter;

3 (7) Contracts for architectural and engineering services as defined  
4 in RCW 39.80.020, which shall be entered into under chapter 39.80 RCW;

5 (8) Contracts for the employment of expert witnesses for the  
6 purposes of litigation;

7 (9) Contracts for bank supervision authorized under RCW 30.38.040;  
8 (~~and~~))

9 (10) Contracts for interpreter services and interpreter brokerage  
10 services on behalf of limited-English speaking or sensory-impaired  
11 applicants and recipients of public assistance; and

12 (11) Contracts awarded by the consolidated technology services  
13 agency.

14 **Sec. 812.** RCW 19.34.231 and 1999 c 287 s 12 are each amended to  
15 read as follows:

16 (1) If a signature of a unit of state or local government,  
17 including its appropriate officers or employees, is required by  
18 statute, administrative rule, court rule, or requirement of the office  
19 of financial management, that unit of state or local government shall  
20 become a subscriber to a certificate issued by a licensed certification  
21 authority for purposes of conducting official public business with  
22 electronic records.

23 (2) A city or county may become a licensed certification authority  
24 under RCW 19.34.100 for purposes of providing services to local  
25 government, if authorized by ordinance adopted by the city or county  
26 legislative authority.

27 (3) A unit of state government, except the secretary (~~and the~~  
28 ~~department of information services~~), may not act as a certification  
29 authority.

30 **Sec. 813.** RCW 19.34.420 and 1998 c 33 s 2 are each amended to read  
31 as follows:

32 (1) The following information, when in the possession of the  
33 secretary(~~, the department of information services,~~) or the state  
34 auditor for purposes of this chapter, shall not be made available for  
35 public disclosure, inspection, or copying, unless the request is made  
36 under an order of a court of competent jurisdiction based upon an

1 express written finding that the need for the information outweighs any  
2 reason for maintaining the privacy and confidentiality of the  
3 information or records:

4 (a) A trade secret, as defined by RCW 19.108.010; and

5 (b) Information regarding design, security, or programming of a  
6 computer system used for purposes of licensing or operating a  
7 certification authority or repository under this chapter.

8 (2) The state auditor, or an authorized agent, must be given access  
9 to all information referred to in subsection (1) of this section for  
10 the purpose of conducting audits under this chapter or under other law,  
11 but shall not make that information available for public inspection or  
12 copying except as provided in subsection (1) of this section.

13 **Sec. 814.** RCW 46.20.157 and 1999 c 6 s 21 are each amended to read  
14 as follows:

15 (1) Except as provided in subsection (2) of this section, the  
16 department shall annually provide to the (~~department of information~~  
17 ~~services~~) consolidated technology services agency an electronic data  
18 file. The data file must:

19 (a) Contain information on all licensed drivers and identicard  
20 holders who are eighteen years of age or older and whose records have  
21 not expired for more than two years;

22 (b) Be provided at no charge; and

23 (c) Contain the following information on each such person: Full  
24 name, date of birth, residence address including county, sex, and most  
25 recent date of application, renewal, replacement, or change of driver's  
26 license or identicard.

27 (2) Before complying with subsection (1) of this section, the  
28 department shall remove from the file the names of any certified  
29 participants in the Washington state address confidentiality program  
30 under chapter 40.24 RCW that have been identified to the department by  
31 the secretary of state.

32 **Sec. 815.** RCW 2.36.054 and 1993 c 408 s 3 are each amended to read  
33 as follows:

34 Unless otherwise specified by rule of the supreme court, the jury  
35 source list and master jury list for each county shall be created as  
36 provided by this section.

1 (1) The superior court of each county, after consultation with the  
2 county clerk and county auditor of that jurisdiction, shall annually  
3 notify the (~~department of information services~~) consolidated  
4 technology services agency not later than March 1 of each year of its  
5 election to use either a jury source list that is merged by the county  
6 or a jury source list that is merged by the (~~department of information~~  
7 ~~services~~) consolidated technology services agency. The (~~department~~  
8 ~~of information services~~) consolidated technology services agency shall  
9 annually furnish at no charge to the superior court of each county a  
10 separate list of the registered voters residing in that county as  
11 supplied annually by the secretary of state and a separate list of  
12 driver's license and identicard holders residing in that county as  
13 supplied annually by the department of licensing, or a merged list of  
14 all such persons residing in that county, in accordance with the annual  
15 notification required by this subsection. The lists provided by the  
16 (~~department of information services~~) consolidated technology services  
17 agency shall be in an electronic format mutually agreed upon by the  
18 superior court requesting it and the department of information  
19 services. The annual merger of the list of registered voters residing  
20 in each county with the list of licensed drivers and identicard holders  
21 residing in each county to form a jury source list for each county  
22 shall be in accordance with the standards and methodology established  
23 in this chapter or by superseding court rule whether the merger is  
24 accomplished by the (~~department of information services~~) consolidated  
25 technology services agency or by a county.

26 (2) Persons on the lists of registered voters and driver's license  
27 and identicard holders shall be identified by a minimum of last name,  
28 first name, middle initial where available, date of birth, gender, and  
29 county of residence. Identifying information shall be used when  
30 merging the lists to ensure to the extent reasonably possible that  
31 persons are only listed once on the merged list. Conflicts in  
32 addresses are to be resolved by using the most recent record by date of  
33 last vote in a general election, date of driver's license or identicard  
34 address change or date of voter registration.

35 (3) The (~~department of information services~~) consolidated  
36 technology services agency shall provide counties that elect to receive  
37 a jury source list merged by (~~department of information services~~) the  
38 consolidated technology services agency with a list of names which are

1 possible duplicates that cannot be resolved based on the identifying  
2 information required under subsection (2) of this section. If a  
3 possible duplication cannot subsequently be resolved satisfactorily  
4 through reasonable efforts by the county receiving the merged list, the  
5 possible duplicate name shall be stricken from the jury source list  
6 until the next annual jury source list is prepared.

7 **Sec. 816.** RCW 29A.08.760 and 2009 c 369 s 35 are each amended to  
8 read as follows:

9 The secretary of state shall provide a duplicate copy of the master  
10 statewide computer file or electronic data file of registered voters to  
11 the ~~((department of information services))~~ consolidated technology  
12 services agency for purposes of creating the jury source list without  
13 cost. Restrictions as to the commercial use of the information on the  
14 statewide computer tape or data file of registered voters, and  
15 penalties for its misuse, shall be the same as provided in RCW  
16 29A.08.720 and 29A.08.740.

17 **Sec. 817.** RCW 43.63A.550 and 1998 c 245 s 71 are each amended to  
18 read as follows:

19 (1) The department shall assist in the process of inventorying and  
20 collecting data on public and private land for the acquisition of data  
21 describing land uses, demographics, infrastructure, critical areas,  
22 transportation corridors physical features, housing, and other  
23 information useful in managing growth throughout the state. For this  
24 purpose the department ~~((shall))~~ may contract with the ~~((department of~~  
25 ~~information services))~~ consolidated technology services agency and  
26 shall form an advisory group consisting of representatives from state,  
27 local, and federal agencies, colleges and universities, and private  
28 firms with expertise in land planning, and geographic information  
29 systems.

30 (2) The department shall establish a sequence for acquiring data,  
31 giving priority to rapidly growing areas. The data shall be retained  
32 in a manner to facilitate its use in preparing maps, aggregating with  
33 data from multiple jurisdictions, and comparing changes over time.  
34 Data shall further be retained in a manner which permits its access via  
35 computer.

1 (3) The department shall work with other state agencies, local  
2 governments, and private organizations that are inventorying public and  
3 private lands to ensure close coordination and to ensure that  
4 duplication of efforts does not occur.

5 NEW SECTION. **Sec. 818.** Collective bargaining agreements  
6 negotiated under this chapter shall not be effective prior to July 1,  
7 2012. Any collective bargaining agreement entered into before July 1,  
8 2012, shall not have any terms extending beyond June 30, 2012, for  
9 employees affected by this chapter. The duration of any collective  
10 bargaining agreement under this chapter shall not exceed one fiscal  
11 biennium.

12 NEW SECTION. **Sec. 819.** Unless the context clearly requires  
13 otherwise, the definitions in this section apply throughout this  
14 chapter.

15 (1) "Agency" means the consolidated technology services agency as  
16 defined in chapter 43.105 RCW.

17 (2) "Collective bargaining" means the performance of the mutual  
18 obligation of the representatives of the employer and the exclusive  
19 bargaining representative to meet at reasonable times and to bargain in  
20 good faith in an effort to reach agreement with respect to the subjects  
21 of bargaining specified under section 821 of this act. The obligation  
22 to bargain does not compel either party to agree to a proposal or to  
23 make a concession, except as otherwise provided in this chapter.

24 (3) "Commission" means the public employment relations commission.

25 (4) "Confidential employee" means an employee who, in the regular  
26 course of his or her duties, assists in a confidential capacity persons  
27 who formulate, determine, and effectuate management policies with  
28 regard to labor relations or who, in the regular course of his or her  
29 duties, has authorized access to information relating to the  
30 effectuation or review of the employer's collective bargaining  
31 policies, or who assists or aids a manager.

32 (5) "Director" means the director of the public employment  
33 relations commission.

34 (6) "Employee" means any employee of the consolidated technology  
35 services agency, including employees whose work has ceased in



1 connection with the pursuit of lawful activities protected by this  
2 chapter, except:

- 3 (a) Confidential employees;
- 4 (b) Managers as defined in subsection (11) of this section; or
- 5 (c) Internal auditors in the agency.

6 (7) "Employee organization" means any organization, union, or  
7 association in which employees participate and that exists for the  
8 purpose, in whole or in part, of collective bargaining with employers.

9 (8) "Employer" means the state of Washington.

10 (9) "Exclusive bargaining representative" means any employee  
11 organization that has been certified under this chapter as the  
12 representative of the employees in an appropriate bargaining unit.

13 (10) "Labor dispute" means any controversy concerning terms,  
14 tenure, or conditions of employment, or concerning the association or  
15 representation of persons in negotiating, fixing, maintaining,  
16 changing, or seeking to arrange terms or conditions of employment with  
17 respect to the subjects of bargaining provided in this chapter,  
18 regardless of whether the disputants stand in the proximate relation of  
19 employer and employee.

20 (11) "Manager" means any employee who:

- 21 (a) Formulates statewide policy or directs the work of the agency  
22 or agency subdivision;
- 23 (b) Is responsible to administer one or more statewide policies or  
24 programs of the agency or agency subdivision;
- 25 (c) Manages, administers, and controls a local branch office of the  
26 agency or agency subdivision, including the physical, financial, or  
27 personnel resources;
- 28 (d) Has substantial responsibility in personnel administration,  
29 legislative relations, public information, or the preparation and  
30 administration of budgets; or
- 31 (e) Functionally is above the first level of supervision and  
32 exercises authority that is not merely routine or clerical in nature  
33 and requires the consistent use of independent judgment.

34 (12) "Supervisor" means an employee who has authority, in the  
35 interest of the employer, to hire, transfer, suspend, lay off, recall,  
36 promote, discharge, direct, reward, or discipline employees, or to  
37 adjust employee grievances, or effectively to recommend such action, if  
38 the exercise of the authority is not of a merely routine nature but

1 requires the consistent exercise of individual judgment. However, no  
2 employee who is a manager as defined in subsection (11) of this section  
3 may be included in a collective bargaining unit established under this  
4 chapter.

5 (13) "Unfair labor practice" means any unfair labor practice listed  
6 in section 830 of this act.

7 NEW SECTION. **Sec. 820.** (1) For the purpose of negotiating  
8 collective bargaining agreements under this chapter, the employer shall  
9 be represented by the governor or governor's designee.

10 (2) If an exclusive bargaining representative represents more than  
11 one bargaining unit, the exclusive bargaining representative shall  
12 negotiate one master collective bargaining agreement on behalf of all  
13 the employees in bargaining units that the exclusive bargaining  
14 representative represents.

15 (3) The governor shall submit a request for funds necessary to  
16 implement the compensation and fringe benefit provisions in the master  
17 collective bargaining agreement or for legislation necessary to  
18 implement the agreement. Requests for funds necessary to implement the  
19 provisions of bargaining agreements shall not be submitted to the  
20 legislature by the governor unless such requests:

21 (a) Have been submitted to the director of financial management by  
22 October 1st prior to the legislative session at which the requests are  
23 to be considered; and

24 (b) Have been certified by the director of financial management as  
25 being feasible financially for the state.

26 The legislature shall approve or reject the submission of the  
27 request for funds as a whole. The legislature shall not consider a  
28 request for funds to implement a collective bargaining agreement unless  
29 the request is transmitted to the legislature as part of the governor's  
30 budget document submitted under RCW 43.88.030 and 43.88.060. If the  
31 legislature rejects or fails to act on the submission, either party may  
32 reopen all or part of the agreement or the exclusive bargaining  
33 representative may seek to implement the procedures provided for in  
34 section 828 of this act.

35 (4) The governor shall periodically consult with the joint  
36 committee on employment relations pursuant to RCW 41.80.010(5)  
37 regarding appropriations necessary to implement the compensation and

1 fringe benefit provisions in the master collective bargaining  
2 agreements, and upon completion of negotiations, advise the committee  
3 on the elements of the agreements and on any legislation necessary to  
4 implement the agreements.

5 (5) If, after the compensation and fringe benefit provisions of an  
6 agreement are approved by the legislature, a significant revenue  
7 shortfall occurs resulting in reduced appropriations, as declared by  
8 proclamation of the governor or by resolution of the legislature, both  
9 parties shall immediately enter into collective bargaining for a  
10 mutually agreed upon modification of the agreement.

11 (6) After the expiration date of a collective bargaining agreement  
12 negotiated under this chapter, all of the terms and conditions  
13 specified in the collective bargaining agreement remain in effect until  
14 the effective date of a subsequently negotiated agreement, not to  
15 exceed one year from the expiration date stated in the agreement.  
16 Thereafter, the employer may unilaterally implement its last, best  
17 offer.

18 (7) For collective bargaining agreements negotiated for the period  
19 of July 1, 2012, through June 30, 2013, the governor shall submit a  
20 request for funds necessary to implement the compensation and fringe  
21 benefit provisions in the collective bargaining agreement or for  
22 legislation necessary to implement the agreement. Requests for funds  
23 necessary to implement the provisions of bargaining agreements shall  
24 not be submitted to the legislature by the governor unless such  
25 requests:

26 (a) Have been submitted to the director of financial management by  
27 January 15, 2012; and

28 (b) Have been certified by the director of financial management as  
29 being feasible financially for the state.

30 The legislature shall approve or reject the submission of the  
31 request for funds as a whole. If the legislature rejects or fails to  
32 act on the submission, either party may reopen all or part of the  
33 agreement or the exclusive bargaining representative may seek to  
34 implement the procedures provided for in section 828 of this act.

35 NEW SECTION. **Sec. 821.** (1) Except as otherwise provided in this  
36 chapter, the matters subject to bargaining include wages, hours, and  
37 other terms and conditions of employment.

1 (2) The employer is not required to bargain over matters pertaining  
2 to health care benefits or other employee insurance benefits, except as  
3 required in subsection (3) of this section.

4 (3) The employer and one coalition of all the exclusive bargaining  
5 representatives subject to this chapter and chapters 41.80 and 47.64  
6 RCW shall conduct negotiations regarding the dollar amount expended on  
7 behalf of each employee for health care benefits.

8 (4) The employer and the exclusive bargaining representative shall  
9 not bargain over or agree to any proposal that would:

10 (a) Prevent the implementation of approved affirmative action  
11 plans;

12 (b) Limit the ability of the employer from using a performance-  
13 based system in adjusting wages, conducting and implementing layoffs,  
14 and hiring and promotion procedures; or

15 (c) Interfere with or alter the employer's sole discretion to  
16 determine what level of discipline to impose for any employee.

17 (5) The employer and the exclusive bargaining representative shall  
18 not bargain over matters pertaining to management rights established in  
19 section 823 of this act, the performance-based evaluation system, and  
20 the decision and impacts of contracts authorized by section 833 of this  
21 act.

22 (6) Except as otherwise provided in this chapter, if a conflict  
23 exists between an executive order, administrative rule, or agency  
24 policy relating to wages, hours, and terms and conditions of employment  
25 and a collective bargaining agreement negotiated under this chapter,  
26 the collective bargaining agreement shall prevail. A provision of a  
27 collective bargaining agreement that conflicts with the terms of a  
28 statute is invalid and unenforceable.

29 NEW SECTION. **Sec. 822.** (1) The parties to a collective bargaining  
30 agreement shall reduce the agreement to writing.

31 (2) A collective bargaining agreement shall contain provisions  
32 that:

33 (a) Provide for a grievance procedure that culminates with final  
34 and binding arbitration of all disputes arising over the interpretation  
35 or application of the collective bargaining agreement and that is valid  
36 and enforceable under its terms when entered into in accordance with  
37 this chapter;

1 (b) Prohibit consideration or review of the level of discipline in  
2 the grievance procedure and at binding arbitration;

3 (c) Prohibit grievances on the performance-based evaluation system,  
4 including adjusting wages and salary increases, conducting and  
5 implementing layoffs, and hiring and promotion procedures; and

6 (d) Require processing of disciplinary actions or terminations of  
7 employment of employees covered by the collective bargaining agreement  
8 entirely under the procedures of the collective bargaining agreement.  
9 Any employee, when fully reinstated, shall be guaranteed all employee  
10 rights and benefits, including back pay, sick leave, vacation accrual,  
11 and retirement and federal old age, survivors, and disability insurance  
12 act credits, but without back pay for any period of suspension.

13 (3) If collective bargaining between an employer and an exclusive  
14 bargaining representative is concluded after the termination date of  
15 the previous collective bargaining agreement between the employer and  
16 an employee organization representing the same bargaining units, the  
17 effective date of the new collective bargaining agreement may be the  
18 day after the termination of the previous collective bargaining  
19 agreement, subject to the parties' agreement, and all benefits included  
20 in the new collective bargaining agreement, including wage or salary  
21 increases, may accrue beginning with that effective date.

22 NEW SECTION. **Sec. 823.** The employer shall not bargain over rights  
23 of management which, in addition to all powers, duties, and rights  
24 established by constitutional provision or statute, shall include but  
25 not be limited to the following:

26 (1) The functions and programs of the employer, the use of  
27 technology, and the structure of the organization;

28 (2) The employer's budget and the size of the agency workforce,  
29 including determining the basis for layoffs;

30 (3) The right to direct and supervise employees;

31 (4) The right to take whatever actions are deemed necessary to  
32 carry out the mission of the state and its agencies during emergencies;

33 (5) The right of the employer to use a performance-based system in  
34 adjusting wages, conducting and implementing layoffs, and hiring and  
35 promotion procedures; and

36 (6) Retirement plans and retirement benefits.

1        NEW SECTION.    **Sec. 824.**    Except as may be specifically limited by  
2 this chapter, employees shall have the right to self-organization, to  
3 form, join, or assist employee organizations, and to bargain  
4 collectively through representatives of their own choosing for the  
5 purpose of collective bargaining free from interference, restraint, or  
6 coercion. Employees shall also have the right to refrain from any or  
7 all such activities except to the extent that they may be required to  
8 pay a fee to an exclusive bargaining representative under a union  
9 security provision authorized by this chapter.

10        NEW SECTION.    **Sec. 825.**    Nothing contained in this chapter permits  
11 or grants to any employee the right to strike or refuse to perform his  
12 or her official duties.

13        NEW SECTION.    **Sec. 826.**    (1) A bargaining unit of employees covered  
14 by this chapter existing on July 1, 2012, shall be considered an  
15 appropriate unit at the agency, unless the unit does not meet the  
16 requirements of subsection (2) of this section. The commission, after  
17 hearing upon reasonable notice to all interested parties, shall decide,  
18 in each application for certification as an exclusive bargaining  
19 representative, the unit appropriate for certification. In determining  
20 the new units or modifications of existing units, the commission shall  
21 consider: The duties, skills, and working conditions of the employees;  
22 the history of collective bargaining; the extent of organization among  
23 the employees; the desires of the employees; and the avoidance of  
24 excessive fragmentation.

25        (2) A bargaining unit is not appropriate if it includes both  
26 supervisors and nonsupervisory employees. A unit that includes only  
27 supervisors may be considered appropriate if a majority of the  
28 supervisory employees indicates by vote that they desire to be included  
29 in such a unit.

30        (3) The exclusive bargaining representatives certified to represent  
31 the bargaining units existing on July 1, 2012, shall continue as the  
32 exclusive bargaining representative without the necessity of an  
33 election.

34        (4) If a single employee organization is the exclusive bargaining  
35 representative for two or more units, upon petition by the employee  
36 organization, the units may be consolidated into a single larger unit

1 if the commission considers the larger unit to be appropriate. If  
2 consolidation is appropriate, the commission shall certify the employee  
3 organization as the exclusive bargaining representative of the new  
4 unit.

5 NEW SECTION. **Sec. 827.** (1) The commission shall determine all  
6 questions pertaining to representation and shall administer all  
7 elections and be responsible for the processing and adjudication of all  
8 disputes that arise as a consequence of elections. The commission  
9 shall adopt rules that provide for at least the following:

- 10 (a) Secret balloting;
- 11 (b) Consulting with employee organizations;
- 12 (c) Access to lists of employees, job classification, work  
13 locations, and home mailing addresses;
- 14 (d) Absentee voting;
- 15 (e) Procedures for the greatest possible participation in voting;
- 16 (f) Campaigning on the employer's property during working hours;
- 17 and
- 18 (g) Election observers.

19 (2) If an employee organization has been certified as the exclusive  
20 bargaining representative of the employees of a bargaining unit, the  
21 employee organization may act for and negotiate master collective  
22 bargaining agreements that will include within the coverage of the  
23 agreement all employees in the bargaining unit as provided in section  
24 820(2) of this act. However, if a master collective bargaining  
25 agreement is in effect for the exclusive bargaining representative, it  
26 shall apply to the bargaining unit for which the certification has been  
27 issued. Nothing in this section requires the parties to engage in new  
28 negotiations during the term of that agreement.

29 (3) The certified exclusive bargaining representative shall be  
30 responsible for representing the interests of all the employees in the  
31 bargaining unit. This section does not limit an exclusive  
32 representative's right to exercise its discretion to refuse to process  
33 grievances of employees that are unmeritorious.

- 34 (4) No question concerning representation may be raised if:
- 35 (a) Fewer than twelve months have elapsed since the last  
36 certification or election; or

1 (b) A valid collective bargaining agreement exists covering the  
2 unit, except for that period of no more than one hundred twenty  
3 calendar days nor less than ninety calendar days before the expiration  
4 of the contract.

5 NEW SECTION. **Sec. 828.** Should the parties fail to reach agreement  
6 in negotiating a collective bargaining agreement, either party may  
7 request of the commission the assistance of an impartial third party to  
8 mediate the negotiations.

9 If a collective bargaining agreement previously negotiated under  
10 this chapter should expire while negotiations are underway, the terms  
11 and conditions specified in the collective bargaining agreement shall  
12 remain in effect for a period not to exceed one year from the  
13 expiration date stated in the agreement. Thereafter, the employer may  
14 unilaterally implement its last, best offer.

15 If resolution is not reached through mediation by one hundred days  
16 beyond the expiration date of a contract previously negotiated under  
17 this chapter, or one hundred days from the initiation of mediated  
18 negotiations if no such contract exists, an independent fact finder  
19 shall be appointed by the commission.

20 The fact finder shall meet with the parties or their  
21 representatives, or both, and make inquiries and investigations, hold  
22 hearings, and take such other steps as may be appropriate. If the  
23 dispute is not settled, the fact finder shall make findings of fact and  
24 recommend terms of settlement within thirty days.

25 Such recommendations, together with the findings of fact, shall be  
26 submitted in writing to the parties and the commission privately before  
27 they are made public. The commission, the fact finder, the employer,  
28 or the exclusive bargaining representative may make such findings and  
29 recommendations public if the dispute is not settled within ten working  
30 days after their receipt from the fact finder.

31 This section does not prohibit an employer and an exclusive  
32 bargaining representative from agreeing to substitute, at their own  
33 expense, their own procedure for resolving impasses in collective  
34 bargaining for that provided in this section or from agreeing to  
35 utilize for the purposes of this section any other governmental or  
36 other agency or person in lieu of the commission.



1 Costs for mediator services shall be borne by the commission, and  
2 costs for fact-finding shall be borne equally by the negotiating  
3 parties.

4 NEW SECTION. **Sec. 829.** (1) A collective bargaining agreement may  
5 contain a union security provision requiring as a condition of  
6 employment the payment, no later than the thirtieth day following the  
7 beginning of employment or July 1, 2013, whichever is later, of an  
8 agency shop fee to the employee organization that is the exclusive  
9 bargaining representative for the bargaining unit in which the employee  
10 is employed. The amount of the fee shall be equal to the amount  
11 required to become a member in good standing of the employee  
12 organization. Each employee organization shall establish a procedure  
13 by which any employee so requesting may pay a representation fee no  
14 greater than the part of the membership fee that represents a pro rata  
15 share of expenditures for purposes germane to the collective bargaining  
16 process, to contract administration, or to pursuing matters affecting  
17 wages, hours, and other conditions of employment.

18 (2) An employee who is covered by a union security provision and  
19 who asserts a right of nonassociation based on bona fide religious  
20 tenets, or teachings of a church or religious body of which the  
21 employee is a member, shall, as a condition of employment, make  
22 payments to the employee organization, for purposes within the program  
23 of the employee organization as designated by the employee that would  
24 be in harmony with his or her individual conscience. The amount of the  
25 payments shall be equal to the periodic dues and fees uniformly  
26 required as a condition of acquiring or retaining membership in the  
27 employee organization minus any included monthly premiums for insurance  
28 programs sponsored by the employee organization. The employee shall  
29 not be a member of the employee organization but is entitled to all the  
30 representation rights of a member of the employee organization.

31 (3) Upon filing with the employer the written authorization of a  
32 bargaining unit employee under this chapter, the employee organization  
33 that is the exclusive bargaining representative of the bargaining unit  
34 shall have the exclusive right to have deducted from the salary of the  
35 employee an amount equal to the fees and dues uniformly required as a  
36 condition of acquiring or retaining membership in the employee  
37 organization. The fees and dues shall be deducted each pay period from

1 the pay of all employees who have given authorization for the deduction  
2 and shall be transmitted by the employer as provided for by agreement  
3 between the employer and the employee organization.

4 (4) Employee organizations that before July 1, 2013, were entitled  
5 to the benefits of this section shall continue to be entitled to these  
6 benefits.

7 NEW SECTION. **Sec. 830.** (1) It is an unfair labor practice for an  
8 employer:

9 (a) To interfere with, restrain, or coerce employees in the  
10 exercise of the rights guaranteed by this chapter;

11 (b) To dominate or interfere with the formation or administration  
12 of any employee organization or contribute financial or other support  
13 to it. However, subject to rules adopted by the commission, an  
14 employer shall not be prohibited from permitting employees to confer  
15 with it or its representatives or agents during working hours without  
16 loss of time or pay;

17 (c) To encourage or discourage membership in any employee  
18 organization by discrimination in regard to hire, tenure of employment,  
19 or any term or condition of employment;

20 (d) To discharge or discriminate otherwise against an employee  
21 because that employee has filed charges or given testimony under this  
22 chapter; or

23 (e) To refuse to bargain collectively with the representatives of  
24 its employees.

25 (2) It is an unfair labor practice for an employee organization:

26 (a) To restrain or coerce an employee in the exercise of the rights  
27 guaranteed by this chapter. However, this subsection does not impair  
28 the right of an employee organization to prescribe its own rules with  
29 respect to the acquisition or retention of membership in the employee  
30 organization or to an employer in the selection of its representatives  
31 for the purpose of bargaining or the adjustment of grievances;

32 (b) To cause or attempt to cause an employer to discriminate  
33 against an employee in violation of subsection (1)(c) of this section;

34 (c) To discriminate against an employee because that employee has  
35 filed charges or given testimony under this chapter;

36 (d) To refuse to bargain collectively with an employer.

1 (3) The expressing of any views, arguments, or opinion, or the  
2 dissemination thereof to the public, whether in written, printed,  
3 graphic, or visual form, shall not constitute or be evidence of an  
4 unfair labor practice under this chapter, if such expression contains  
5 no threat of reprisal or force or promise of benefit.

6 NEW SECTION. **Sec. 831.** (1) The commission is empowered and  
7 directed to prevent any unfair labor practice and to issue appropriate  
8 remedial orders. However, a complaint shall not be processed for any  
9 unfair labor practice occurring more than six months before the filing  
10 of the complaint with the commission. This power shall not be affected  
11 or impaired by any means of adjustment, mediation, or conciliation in  
12 labor disputes that have been or may hereafter be established by law.

13 (2) If the commission determines that any person has engaged in or  
14 is engaging in an unfair labor practice, the commission shall issue and  
15 cause to be served upon the person an order requiring the person to  
16 cease and desist from such unfair labor practice, and to take such  
17 affirmative action as will effectuate the purposes and policy of this  
18 chapter, such as the payment of damages and the reinstatement of  
19 employees.

20 (3) The commission may petition the superior court for the county  
21 in which the main office of the employer is located or in which the  
22 person who has engaged or is engaging in such unfair labor practice  
23 resides or transacts business, for the enforcement of its order and for  
24 appropriate temporary relief.

25 NEW SECTION. **Sec. 832.** (1) For the purposes of implementing final  
26 and binding arbitration under grievance procedures required by section  
27 822 of this act the parties to a collective bargaining agreement may  
28 agree on one or more permanent umpires to serve as arbitrator, or may  
29 agree on any impartial person to serve as arbitrator, or may agree to  
30 select arbitrators from any source available to them, including federal  
31 and private agencies, in addition to the staff and list of arbitrators  
32 maintained by the commission. If the parties cannot agree to the  
33 selection of an arbitrator, the commission shall supply a list of names  
34 in accordance with the procedures established by the commission.

35 (2) An arbitrator may require any person to attend as a witness and  
36 to bring with him or her any book, record, document, or other evidence.

1 The fees for such attendance shall be paid by the party requesting  
2 issuance of the subpoena and shall be the same as the fees of witnesses  
3 in the superior court. Arbitrators may administer oaths. Subpoenas  
4 shall issue and be signed by the arbitrator and shall be served in the  
5 same manner as subpoenas to testify before a court of record in this  
6 state. If any person so summoned to testify refuses or neglects to  
7 obey such subpoena, upon petition authorized by the arbitrator, the  
8 superior court may compel the attendance of the person before the  
9 arbitrator or punish the person for contempt in the same manner  
10 provided for the attendance of witnesses or the punishment of them in  
11 the courts of this state.

12 (3) The arbitrator shall appoint a time and place for the hearing  
13 and notify the parties thereof, and may adjourn the hearing from time  
14 to time as may be necessary, and, on application of either party and  
15 for good cause, may postpone the hearing to a time not extending beyond  
16 the date fixed by the collective bargaining agreement for making the  
17 award. The arbitration award shall be in writing and signed by the  
18 arbitrator. The arbitrator shall, promptly upon its rendition, serve  
19 a true copy of the award on each of the parties or their attorneys of  
20 record.

21 (4) If a party to a collective bargaining agreement negotiated  
22 under this chapter refuses to submit a grievance for arbitration, the  
23 other party to the collective bargaining agreement may invoke the  
24 jurisdiction of the superior court of Thurston county or of any county  
25 in which the labor dispute exists and such court shall have  
26 jurisdiction to issue an order compelling arbitration. Disputes  
27 concerning compliance with grievance procedures shall be reserved for  
28 determination by the arbitrator. Arbitration shall be ordered if the  
29 grievance states a claim that on its face is covered by the collective  
30 bargaining agreement. Doubts as to the coverage of the arbitration  
31 clause shall be resolved in favor of arbitration.

32 (5) If a party to a collective bargaining agreement negotiated  
33 under this chapter refuses to comply with the award of an arbitrator  
34 determining a grievance arising under the collective bargaining  
35 agreement, the other party to the collective bargaining agreement may  
36 invoke the jurisdiction of the superior court of Thurston county or of  
37 any county in which the labor dispute exists and such court shall have  
38 jurisdiction to issue an order enforcing the arbitration award.



1 of general administration in the Revised Code of Washington shall be  
2 construed to mean the director or the department of enterprise  
3 services.

4 (2)(a) All reports, documents, surveys, books, records, files,  
5 papers, or written material in the possession of the department of  
6 general administration shall be delivered to the custody of the  
7 department of enterprise services. All cabinets, furniture, office  
8 equipment, motor vehicles, and other tangible property employed by the  
9 department of general administration shall be made available to the  
10 department of enterprise services. All funds, credits, or other assets  
11 held by the department of general administration shall be assigned to  
12 the department of enterprise services.

13 (b) Any appropriations made to the department of general  
14 administration shall, on the effective date of this section, be  
15 transferred and credited to the department of enterprise services.

16 (c) If any question arises as to the transfer of any personnel,  
17 funds, books, documents, records, papers, files, equipment, or other  
18 tangible property used or held in the exercise of the powers and the  
19 performance of the duties and functions transferred, the director of  
20 financial management shall make a determination as to the proper  
21 allocation and certify the same to the state agencies concerned.

22 (3) All rules and all pending business before the department of  
23 general administration shall be continued and acted upon by the  
24 department of enterprise services. All existing contracts and  
25 obligations shall remain in full force and shall be performed by the  
26 department of enterprise services.

27 (4) The transfer of the powers, duties, functions, and personnel of  
28 the department of general administration shall not affect the validity  
29 of any act performed before the effective date of this section.

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

36 (6) All employees of the department of general administration  
37 engaged in performing the powers, functions, and duties transferred to  
38 the department of enterprise services, are transferred to the

1 department of enterprise services. All employees classified under  
2 chapter 41.06 RCW, the state civil service law, are assigned to the  
3 department of enterprise services to perform their usual duties upon  
4 the same terms as formerly, without any loss of rights, subject to any  
5 action that may be appropriate thereafter in accordance with the laws  
6 and rules governing state civil service law.

7 (7) Unless or until modified by the public employment relations  
8 commission pursuant to section 901 of this act:

9 (a) The bargaining units of employees at the department of general  
10 administration existing on the effective date of this section shall be  
11 considered appropriate units at the department of enterprise services  
12 and will be so certified by the public employment relations commission.

13 (b) The exclusive bargaining representatives recognized as  
14 representing the bargaining units of employees at the department of  
15 general administration existing on the effective date of this section  
16 shall continue as the exclusive bargaining representatives of the  
17 transferred bargaining units without the necessity of an election.

18 NEW SECTION. **Sec. 903.** A new section is added to chapter 43.19  
19 RCW to read as follows:

20 (1) The public printer is hereby abolished and its powers, duties,  
21 and functions, to the extent provided in this act, are transferred to  
22 the department of enterprise services. All references to the public  
23 printer in the Revised Code of Washington shall be construed to mean  
24 the director or the department of enterprise services.

25 (2)(a) All reports, documents, surveys, books, records, files,  
26 papers, or written material in the possession of the public printer  
27 shall be delivered to the custody of the department of enterprise  
28 services. All cabinets, furniture, office equipment, motor vehicles,  
29 and other tangible property employed by the public printer shall be  
30 made available to the department of enterprise services. All funds,  
31 credits, or other assets held by the public printer shall be assigned  
32 to the department of enterprise services.

33 (b) Any appropriations made to the public printer shall, on the  
34 effective date of this section, be transferred and credited to the  
35 department of enterprise services.

36 (c) If any question arises as to the transfer of any personnel,  
37 funds, books, documents, records, papers, files, equipment, or other

1 tangible property used or held in the exercise of the powers and the  
2 performance of the duties and functions transferred, the director of  
3 financial management shall make a determination as to the proper  
4 allocation and certify the same to the state agencies concerned.

5 (3) All rules and all pending business before the public printer  
6 shall be continued and acted upon by the department of enterprise  
7 services. All existing contracts and obligations shall remain in full  
8 force and shall be performed by the department of enterprise services.

9 (4) The transfer of the powers, duties, functions, and personnel of  
10 the public printer shall not affect the validity of any act performed  
11 before the effective date of this section.

12 (5) If apportionments of budgeted funds are required because of the  
13 transfers directed by this section, the director of financial  
14 management shall certify the apportionments to the agencies affected,  
15 the state auditor, and the state treasurer. Each of these shall make  
16 the appropriate transfer and adjustments in funds and appropriation  
17 accounts and equipment records in accordance with the certification.

18 (6) All employees of the public printer engaged in performing the  
19 powers, functions, and duties transferred to the department of  
20 enterprise services are transferred to the department of enterprise  
21 services.

22 (a) The commercial agreement between the graphic communications  
23 conference of the international brotherhood of teamsters, local 767M  
24 and the department of printing-bindery that became effective July 1,  
25 2007, shall remain in effect during its duration but may not be renewed  
26 or extended beyond June 30, 2011. Upon expiration of the commercial  
27 agreement, chapter 41.80 RCW shall apply to the department of  
28 enterprise services with respect to employees in positions formerly  
29 covered under the expired commercial agreement.

30 (b) The commercial agreement between the graphic communications  
31 conference of the international brotherhood of teamsters, local 767M  
32 and the department of printing-litho that became effective July 1,  
33 2007, shall remain in effect during its duration but may not be renewed  
34 or extended beyond July 30, 2011. Upon expiration of the commercial  
35 agreement, chapter 41.80 RCW shall apply to the department of  
36 enterprise services with respect to the employees in positions formerly  
37 covered under the expired commercial agreement.



1 (c) The typographical contract between the communications workers  
2 of America, the newspaper guild, local 37082, and the department of  
3 printing-typographical that became effective July 1, 2007, shall remain  
4 in effect during its duration but may not be renewed or extended beyond  
5 August 30, 2011. Upon expiration of the typographical contract,  
6 chapter 41.80 RCW shall apply to the department of enterprise services  
7 with respect to the employees in positions formerly covered under the  
8 expired typographical contract.

9 (d) All other employees of the public printer not covered by the  
10 contracts and agreements specified in (a) through (c) of this  
11 subsection shall be exempt from chapter 41.06 RCW until July 1, 2011,  
12 at which time these employees shall be subject to chapter 41.06 RCW,  
13 unless otherwise deemed exempt in accordance with that chapter.

14 (7) Unless or until modified by the public employment relations  
15 commission pursuant to section 901 of this act:

16 (a) The bargaining units of printing craft employees existing on  
17 the effective date of this section shall be considered an appropriate  
18 unit at the department of enterprise services and will be so certified  
19 by the public employment relations commission; and

20 (b) The exclusive bargaining representatives recognized as  
21 representing the bargaining units of printing craft employees existing  
22 on the effective date of this section shall continue as the exclusive  
23 bargaining representatives of the transferred bargaining units without  
24 the necessity of an election.

25 NEW SECTION. **Sec. 904.** A new section is added to chapter 43.19  
26 RCW to read as follows:

27 (1) The powers, duties, and functions of the department of  
28 information services as set forth in sections 601, 602, and 614 of this  
29 act are hereby transferred to the department of enterprise services.

30 (2)(a) All reports, documents, surveys, books, records, files,  
31 papers, or written material in the possession of the department of  
32 information services pertaining to the powers, duties, and functions  
33 transferred shall be delivered to the custody of the department of  
34 enterprise services. All cabinets, furniture, office equipment, motor  
35 vehicles, and other tangible property employed by the department of  
36 information services in carrying out the powers, duties, and functions  
37 transferred shall be made available to the department of enterprise

1 services. All funds, credits, or other assets held by the department  
2 of information services in connection with the powers, duties, and  
3 functions transferred shall be assigned to the department of enterprise  
4 services.

5 (b) Any appropriations made to the department of information  
6 services for carrying out the powers, functions, and duties transferred  
7 shall, on the effective date of this section, be transferred and  
8 credited to the department of enterprise services.

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

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

21 (4) The transfer of the powers, duties, functions, and personnel of  
22 the department of information services shall not affect the validity of  
23 any act performed before the effective date of this section.

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

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

1 (7) Unless or until modified by the public employment relations  
2 commission pursuant to section 901 of this act:

3 (a) The portions of the bargaining units of employees at the  
4 department of information services existing on the effective date of  
5 this section shall be considered appropriate units at the department of  
6 enterprise services and will be so certified by the public employment  
7 relations commission.

8 (b) The exclusive bargaining representatives recognized as  
9 representing the portions of the bargaining units of employees at the  
10 department of information services existing on the effective date of  
11 this section shall continue as the exclusive bargaining representative  
12 of the transferred bargaining units without the necessity of an  
13 election.

14 NEW SECTION. **Sec. 905.** A new section is added to chapter 43.19  
15 RCW to read as follows:

16 (1) Those powers, duties, and functions of the department of  
17 personnel being transferred to the department of enterprise services as  
18 set forth in Part IV of this act are hereby transferred to the  
19 department of enterprise services.

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

31 (b) Any appropriations made to the department of personnel for  
32 carrying out the powers, functions, and duties transferred shall, on  
33 the effective date of this section, be transferred and credited to the  
34 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 department of  
5 personnel pertaining to the powers, duties, and functions transferred  
6 shall be continued and acted upon by the department of enterprise  
7 services. All existing contracts and obligations shall remain in full  
8 force and shall be performed by the department of enterprise services.

9 (4) The transfer of the powers, duties, functions, and personnel of  
10 the department of personnel shall not affect the validity of any act  
11 performed before the effective date of this section.

12 (5) If apportionments of budgeted funds are required because of the  
13 transfers directed by this section, the director of financial  
14 management shall certify the apportionments to the agencies affected,  
15 the state auditor, and the state treasurer. Each of these shall make  
16 the appropriate transfer and adjustments in funds and appropriation  
17 accounts and equipment records in accordance with the certification.

18 (6) All employees of the department of personnel engaged in  
19 performing the powers, functions, and duties transferred to the  
20 department of enterprise services, are transferred to the department of  
21 enterprise services. All employees classified under chapter 41.06 RCW,  
22 the state civil service law, are assigned to the department of  
23 enterprise services to perform their usual duties upon the same terms  
24 as formerly, without any loss of rights, subject to any action that may  
25 be appropriate thereafter in accordance with the laws and rules  
26 governing state civil service law.

27 NEW SECTION. **Sec. 906.** A new section is added to chapter 43.41  
28 RCW to read as follows:

29 (1) Those powers, duties, and functions of the department of  
30 personnel being transferred to the office of financial management as  
31 set forth in Part IV of this act are hereby transferred to the office  
32 of financial management.

33 (2)(a) All reports, documents, surveys, books, records, files,  
34 papers, or written material in the possession of the department of  
35 personnel pertaining to the powers, duties, and functions transferred  
36 shall be delivered to the custody of the office of financial  
37 management. All cabinets, furniture, office equipment, motor vehicles,

1 and other tangible property employed by the department of personnel in  
2 carrying out the powers, duties, and functions transferred shall be  
3 made available to the office of financial management. All funds,  
4 credits, or other assets held by the department of personnel in  
5 connection with the powers, duties, and functions transferred shall be  
6 assigned to the office of financial management.

7 (b) Any appropriations made to the department of personnel for  
8 carrying out the powers, functions, and duties transferred shall, on  
9 the effective date of this section, be transferred and credited to the  
10 office of financial management.

11 (c) If any question arises as to the transfer of any personnel,  
12 funds, books, documents, records, papers, files, equipment, or other  
13 tangible property used or held in the exercise of the powers and the  
14 performance of the duties and functions transferred, the director of  
15 financial management shall make a determination as to the proper  
16 allocation and certify the same to the state agencies concerned.

17 (3) All rules and all pending business before the department of  
18 personnel pertaining to the powers, duties, and functions transferred  
19 shall be continued and acted upon by the office of financial  
20 management. All existing contracts and obligations shall remain in  
21 full force and shall be performed by the office of financial  
22 management.

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

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

32 (6) All employees of the department of personnel engaged in  
33 performing the powers, functions, and duties transferred to the office  
34 of financial management, are transferred to the office of financial  
35 management. All employees classified under chapter 41.06 RCW, the  
36 state civil service law, are assigned to the office of financial  
37 management to perform their usual duties upon the same terms as

1 formerly, without any loss of rights, subject to any action that may be  
2 appropriate thereafter in accordance with the laws and rules governing  
3 state civil service law.

4 NEW SECTION. **Sec. 907.** A new section is added to chapter 43.19  
5 RCW to read as follows:

6 (1) The powers, duties, and functions of the office of financial  
7 management as set forth in Part V of this act are hereby transferred to  
8 the department of enterprise services.

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

21 (b) Any appropriations made to the office of financial management  
22 for carrying out the powers, functions, and duties transferred shall,  
23 on the effective date of this section, be transferred and credited to  
24 the department of enterprise services.

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

31 (3) All rules and all pending business before the office of  
32 financial management pertaining to the powers, duties, and functions  
33 transferred shall be continued and acted upon by the department of  
34 enterprise services. All existing contracts and obligations shall  
35 remain in full force and shall be performed by the department of  
36 enterprise services.

1 (4) The transfer of the powers, duties, functions, and personnel of  
2 the office of financial management shall not affect the validity of any  
3 act performed before the effective date of this section.

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

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

19 NEW SECTION. **Sec. 908.** A new section is added to chapter 43.330  
20 RCW to read as follows:

21 (1) All powers, duties, and functions of the department of  
22 information services pertaining to high-speed internet activities are  
23 transferred to the department of commerce. All references to the  
24 director or the department of information services in the Revised Code  
25 of Washington shall be construed to mean the director or the department  
26 of commerce when referring to the functions transferred in this  
27 section.

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

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

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

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

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

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

27 (6) 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 (7) All classified employees of the department of information  
34 services assigned to the department of commerce under this section  
35 whose positions are within an existing bargaining unit description at  
36 the department of commerce shall become a part of the existing  
37 bargaining unit at the department of commerce and shall be considered



1 an appropriate inclusion or modification of the existing bargaining  
2 unit under the provisions of chapter 41.80 RCW.

3 **Sec. 909.** RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and  
4 2010 c 1 s 1 are each reenacted and amended to read as follows:

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

6 (a) The members of the legislature or to any employee of, or  
7 position in, the legislative branch of the state government including  
8 members, officers, and employees of the legislative council, joint  
9 legislative audit and review committee, statute law committee, and any  
10 interim committee of the legislature;

11 (b) The justices of the supreme court, judges of the court of  
12 appeals, judges of the superior courts or of the inferior courts, or to  
13 any employee of, or position in the judicial branch of state  
14 government;

15 (c) Officers, academic personnel, and employees of technical  
16 colleges;

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

18 (e) Elective officers of the state;

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

20 (g) In the departments of employment security and social and health  
21 services, the director and the director's confidential secretary; in  
22 all other departments, the executive head of which is an individual  
23 appointed by the governor, the director, his or her confidential  
24 secretary, and his or her statutory assistant directors;

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

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

29 (ii) If the members of the board, commission, or committee serve on  
30 a part-time basis and there is a statutory executive officer: The  
31 secretary of the board, commission, or committee; the chief executive  
32 officer of the board, commission, or committee; and the confidential  
33 secretary of the chief executive officer of the board, commission, or  
34 committee;

35 (iii) If the members of the board, commission, or committee serve  
36 on a full-time basis: The chief executive officer or administrative

1 officer as designated by the board, commission, or committee; and a  
2 confidential secretary to the chair of the board, commission, or  
3 committee;

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

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

9 (j) Assistant attorneys general;

10 (k) Commissioned and enlisted personnel in the military service of  
11 the state;

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

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

17 ~~(n))~~ Officers and employees of the Washington state fruit  
18 commission;

19 ~~((o))~~ (n) Officers and employees of the Washington apple  
20 commission;

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

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

25 ~~((r))~~ (q) Officers and employees of the Washington state beef  
26 commission;

27 ~~((s))~~ (r) Officers and employees of the Washington grain  
28 commission;

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

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

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

35 ~~((w))~~ (v) Executive assistants for personnel administration and  
36 labor relations in all state agencies employing such executive  
37 assistants including but not limited to all departments, offices,  
38 commissions, committees, boards, or other bodies subject to the

1 provisions of this chapter and this subsection shall prevail over any  
2 provision of law inconsistent herewith unless specific exception is  
3 made in such law;

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

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

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

11 ~~((aa))~~ (z) The manager of the energy facility site evaluation  
12 council;

13 ~~((bb))~~ (aa) A maximum of ten staff employed by the department of  
14 commerce to administer innovation and policy functions, including the  
15 three principal policy assistants exempted under (x) of this  
16 subsection;

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

20 (cc) Officers and employees of the consolidated technology services  
21 agency formed under RCW 43.105.047, except those employees represented  
22 by an exclusive bargaining representative;

23 (dd) Effective July 1, 2012, all officers and employees of the  
24 consolidated technology services agency formed under RCW 43.105.047,  
25 including those employees represented by an exclusive bargaining  
26 representative.

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

30 (a) Members of the governing board of each institution of higher  
31 education and related boards, all presidents, vice presidents, and  
32 their confidential secretaries, administrative, and personal  
33 assistants; deans, directors, and chairs; academic personnel; and  
34 executive heads of major administrative or academic divisions employed  
35 by institutions of higher education; principal assistants to executive  
36 heads of major administrative or academic divisions; other managerial  
37 or professional employees in an institution or related board having  
38 substantial responsibility for directing or controlling program

1 operations and accountable for allocation of resources and program  
2 results, or for the formulation of institutional policy, or for  
3 carrying out personnel administration or labor relations functions,  
4 legislative relations, public information, development, senior computer  
5 systems and network programming, or internal audits and investigations;  
6 and any employee of a community college district whose place of work is  
7 one which is physically located outside the state of Washington and who  
8 is employed pursuant to RCW 28B.50.092 and assigned to an educational  
9 program operating outside of the state of Washington;

10 (b) The governing board of each institution, and related boards,  
11 may also exempt from this chapter classifications involving research  
12 activities, counseling of students, extension or continuing education  
13 activities, graphic arts or publications activities requiring  
14 prescribed academic preparation or special training as determined by  
15 the board: PROVIDED, That no nonacademic employee engaged in office,  
16 clerical, maintenance, or food and trade services may be exempted by  
17 the board under this provision;

18 (c) Printing craft employees in the department of printing at the  
19 University of Washington.

20 (3) In addition to the exemptions specifically provided by this  
21 chapter, the director (~~(of personnel)~~) may provide for further  
22 exemptions pursuant to the following procedures. The governor or other  
23 appropriate elected official may submit requests for exemption to the  
24 (~~(director of personnel)~~) office of financial management stating the  
25 reasons for requesting such exemptions. The director (~~(of personnel)~~)  
26 shall hold a public hearing, after proper notice, on requests submitted  
27 pursuant to this subsection. If the director determines that the  
28 position for which exemption is requested is one involving substantial  
29 responsibility for the formulation of basic agency or executive policy  
30 or one involving directing and controlling program operations of an  
31 agency or a major administrative division thereof, the director (~~(of~~  
32 ~~personnel)~~) shall grant the request (~~(and such determination shall be~~  
33 ~~final as to any decision made before July 1, 1993)~~). The total number  
34 of additional exemptions permitted under this subsection shall not  
35 exceed one percent of the number of employees in the classified service  
36 not including employees of institutions of higher education and related  
37 boards for those agencies not directly under the authority of any

1 elected public official other than the governor, and shall not exceed  
2 a total of twenty-five for all agencies under the authority of elected  
3 public officials other than the governor.

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

14 From February 18, 2009, through June 30, 2011, a salary or wage  
15 increase shall not be granted to any position exempt from  
16 classification under this chapter, except that a salary or wage  
17 increase may be granted to employees pursuant to collective bargaining  
18 agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW,  
19 or negotiated by the nonprofit corporation formed under chapter 67.40  
20 RCW, and except that increases may be granted for positions for which  
21 the employer has demonstrated difficulty retaining qualified employees  
22 if the following conditions are met:

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

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

32 Any person holding a classified position subject to the provisions  
33 of this chapter shall, when and if such position is subsequently  
34 exempted from the application of this chapter, be afforded the  
35 following rights: If such person previously held permanent status in  
36 another classified position, such person shall have a right of  
37 reversion to the highest class of position previously held, or to a  
38 position of similar nature and salary.

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

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

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

13 **Sec. 910.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to  
14 read as follows:

15 (1) Except as otherwise provided in this chapter, the matters  
16 subject to bargaining include wages, hours, and other terms and  
17 conditions of employment, and the negotiation of any question arising  
18 under a collective bargaining agreement.

19 (2) The employer is not required to bargain over matters pertaining  
20 to:

21 (a) Health care benefits or other employee insurance benefits,  
22 except as required in subsection (3) of this section;

23 (b) Any retirement system or retirement benefit; or

24 (c) Rules of the director of personnel or the Washington personnel  
25 resources board adopted under section 203, chapter 354, Laws of 2002.

26 (3) Matters subject to bargaining include the number of names to be  
27 certified for vacancies, promotional preferences, and the dollar amount  
28 expended on behalf of each employee for health care benefits. However,  
29 except as provided otherwise in this subsection for institutions of  
30 higher education, negotiations regarding the number of names to be  
31 certified for vacancies, promotional preferences, and the dollar amount  
32 expended on behalf of each employee for health care benefits shall be  
33 conducted between the employer and one coalition of all the exclusive  
34 bargaining representatives subject to this chapter. The exclusive  
35 bargaining representatives for employees that are subject to chapters  
36 47.64 ((RCW)) and 41.--- RCW (the new chapter created in section 912 of  
37 this act) shall bargain the dollar amount expended on behalf of each

1 employee for health care benefits with the employer as part of the  
2 coalition under this subsection. Any such provision agreed to by the  
3 employer and the coalition shall be included in all master collective  
4 bargaining agreements negotiated by the parties. For institutions of  
5 higher education, promotional preferences and the number of names to be  
6 certified for vacancies shall be bargained under the provisions of RCW  
7 41.80.010(4).

8 (4) The employer and the exclusive bargaining representative shall  
9 not agree to any proposal that would prevent the implementation of  
10 approved affirmative action plans or that would be inconsistent with  
11 the comparable worth agreement that provided the basis for the salary  
12 changes implemented beginning with the 1983-1985 biennium to achieve  
13 comparable worth.

14 (5) The employer and the exclusive bargaining representative shall  
15 not bargain over matters pertaining to management rights established in  
16 RCW 41.80.040.

17 (6) Except as otherwise provided in this chapter, if a conflict  
18 exists between an executive order, administrative rule, or agency  
19 policy relating to wages, hours, and terms and conditions of employment  
20 and a collective bargaining agreement negotiated under this chapter,  
21 the collective bargaining agreement shall prevail. A provision of a  
22 collective bargaining agreement that conflicts with the terms of a  
23 statute is invalid and unenforceable.

24 (7) This section does not prohibit bargaining that affects  
25 contracts authorized by RCW 41.06.142.

26 NEW SECTION. **Sec. 911.** Sections 701 through 721, 737, and 738 of  
27 this act constitute a new chapter in Title 43 RCW to be codified as  
28 chapter 43.41A RCW.

29 NEW SECTION. **Sec. 912.** Sections 818 through 833 of this act  
30 constitute a new chapter in Title 41 RCW.

31 NEW SECTION. **Sec. 913.** RCW 43.105.052, 43.105.172, 43.105.250,  
32 43.105.260, 43.105.270, 43.105.280, 43.105.290, 43.105.310, and  
33 43.105.835 are each recodified as sections in chapter 43.--- RCW (the  
34 new chapter created in section 911 of this act).

1        NEW SECTION.    **Sec. 914.**    The following acts or parts of acts are  
2 each repealed:

3        (1) RCW 43.105.005 (Purpose) and 1990 c 208 s 1 & 1987 c 504 s 1;

4        (2) RCW 43.105.013 (Finding--Intent) and 2010 c 282 s 1;

5        (3) RCW 43.105.019 (Enterprise-based strategy--Coordination with  
6 legislative and judicial branches) and 2010 c 282 s 10;

7        (4)    RCW    43.105.032    (Information    services    board--Members--  
8 Chairperson--Vacancies--Quorum--Compensation and travel expenses) and  
9 2007 c 158 s 1, 1999 c 241 s 2, 1996 c 137 s 10, 1992 c 20 s 8, 1987 c  
10 504 s 4, 1984 c 287 s 86, 1975-'76 2nd ex.s. c 34 s 128, & 1973 1st  
11 ex.s. c 219 s 5;

12        (5) RCW 43.105.041 (Powers and duties of board) and 2010 1st sp.s.  
13 c 7 s 65, 2009 c 486 s 13, 2003 c 18 s 3, & 1999 c 285 s 5;

14        (6) RCW 43.105.095 (Management and oversight structure) and 1999 c  
15 80 s 3;

16        (7) RCW 43.105.105 (Information technology decisions and plans) and  
17 1999 c 80 s 4;

18        (8) RCW 43.105.160 (Strategic information technology plan--Biennial  
19 state performance report on information technology) and 2010 c 282 s 9,  
20 2005 c 319 s 110, 1999 c 80 s 9, 1998 c 177 s 3, 1996 c 171 s 9, & 1992  
21 c 20 s 1;

22        (9) RCW 43.105.170 (Information technology portfolios--Contents--  
23 Performance reports) and 1999 c 80 s 10;

24        (10) RCW 43.105.180 (Evaluation of budget requests for information  
25 technology projects) and 2010 c 282 s 6 & 1999 c 80 s 11;

26        (11) RCW 43.105.190 (Major information technology projects  
27 standards and policies--Project evaluation and reporting) and 2005 c  
28 319 s 111, 1999 c 80 s 12, 1998 c 177 s 4, 1996 c 137 s 15, & 1992 c 20  
29 s 4;

30        (12) RCW 43.105.200 (Application to institutions of higher  
31 education) and 1992 c 20 s 5;

32        (13) RCW 43.105.210 (Data processing expenditures--Authorization--  
33 Penalties) and 1993 sp.s. c 1 s 903;

34        (14) RCW 43.105.330 (State interoperability executive committee)  
35 and 2006 c 76 s 2 & 2003 c 18 s 4;

36        (15) RCW 43.105.805 (Information services board--Powers and duties)  
37 and 2010 1st sp.s. c 9 s 1, 2010 1st sp.s. c 7 s 66, & 1999 c 285 s 3;



1 (16) RCW 43.105.815 (K-20 operations cooperative--Ongoing  
2 management) and 1999 c 285 s 8; and

3 (17) RCW 43.105.820 (K-20 telecommunication system--Technical plan)  
4 and 2010 1st sp.s. c 7 s 67, 1999 c 285 s 11, & 1996 c 137 s 8.

5 NEW SECTION. **Sec. 915.** Sections 728 through 731 of this act  
6 expire January 1, 2012.

7 NEW SECTION. **Sec. 916.** Section 732 of this act takes effect  
8 January 1, 2012.

9 NEW SECTION. **Sec. 917.** The code reviser shall note wherever the  
10 director or department of any agency or agency's duties transferred or  
11 consolidated under this act is used or referred to in statute that the  
12 name of the director or department has changed. The code reviser shall  
13 prepare legislation for the 2012 regular session that (1) changes all  
14 statutory references to the director or department of any agency  
15 transferred or consolidated under this act, and (2) changes statutory  
16 references to sections recodified by this act but not amended in this  
17 act.

18 NEW SECTION. **Sec. 918.** Except for sections 109, 448, 462, and 732  
19 of this act, this act takes effect October 1, 2011.

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