
SUBSTITUTE SENATE BILL 5931

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 office of financial management
23 shall direct the use of competitive contracting to determine if a
24 contract for the activity would result in the activity being provided
25 at a reduced cost and with greater efficiency. The office of financial
26 management may contract with one or more vendors to provide the service
27 as a result of the competitive contracting.

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

34 (8) The office of financial management shall prepare a biennial
35 report summarizing the results of the examination of the agency's
36 programs and services. In addition to the programs and services
37 examined and the result of the examination, the report shall provide
38 information on any competitive process that does not result in a

1 contract for the services. During each regular legislative session
2 held in odd-numbered years, the legislative fiscal committees shall
3 hold a public hearing on the report and the department's activities
4 under subsections (5) through (7) of this section.

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

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

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

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

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

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

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

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

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

31 Such officers, except the director of fish and wildlife, shall be
32 appointed by the governor, with the consent of the senate, and hold
33 office at the pleasure of the governor. The director of fish and
34 wildlife shall be appointed by the fish and wildlife commission as
35 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 of this section do not apply to RCW

1 74.13.031(5), the acquisition of printing services by a state agency or
2 contracts with the department of enterprise services or the
3 consolidated technology services agency.

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

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

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

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

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

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

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

1 ~~((7))~~ (6) Affirmative action in appointment, promotion, transfer,
2 recruitment, training, and career development; development and
3 implementation of affirmative action goals and timetables; and
4 monitoring of progress against those goals and timetables.

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

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

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

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

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

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

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

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

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

6 (a) Be simple and streamlined;

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

9 (c) Value workplace diversity;

10 (d) Facilitate the reorganization and decentralization of
11 governmental services;

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

13 (f) Consider rates in other public employment and private
14 employment in the state.

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

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

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

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

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

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

36 The ((~~department of personnel~~)) human resources director shall

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

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

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

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

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

32 (2) Any employee who is reduced, dismissed, suspended, or demoted,
33 after completing his or her probationary period of service as provided
34 by the rules of the director, or any employee who is adversely affected
35 by a violation of the state civil service law, chapter 41.06 RCW, or
36 rules adopted under it, shall have the right to appeal, either

1 individually or through his or her authorized representative, not later
2 than thirty days after the effective date of such action (~~to the~~
3 ~~personnel appeals board through June 30, 2005, and~~) to the Washington
4 personnel resources board (~~after June 30, 2005~~). The employee shall
5 be furnished with specified charges in writing when a reduction,
6 dismissal, suspension, or demotion action is taken. Such appeal shall
7 be in writing. Decisions of the Washington personnel resources board
8 on appeals filed after June 30, 2005, shall be final and not subject to
9 further appeal.

10 (3) Any employee whose position has been exempted after July 1,
11 1993, shall have the right to appeal, either individually or through
12 his or her authorized representative, not later than thirty days after
13 the effective date of such action to the (~~personnel appeals board~~
14 ~~through June 30, 2005, and to the~~) Washington personnel resources
15 board (~~after June 30, 2005~~). If the position being exempted is
16 vacant, the exclusive bargaining unit representative may act in lieu of
17 an employee for the purposes of appeal.

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

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

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

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

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

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

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

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

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

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

24 There is hereby created a fund within the state treasury,
25 designated as the "~~((department of))~~ personnel service fund," to be
26 used by the ~~((board))~~ office of financial management and the department
27 of enterprise services as a revolving fund for the payment of salaries,
28 wages, and operations required for the administration of the provisions
29 of this chapter, applicable provisions of chapter 41.04 RCW, and
30 chapter 41.60 RCW. An amount not to exceed one and one-half percent of
31 the ~~((approved allotments of))~~ salaries and wages for all positions in
32 the classified service in each of the agencies subject to this chapter,
33 except the institutions of higher education, shall be charged to the
34 operations appropriations of each agency and credited to the
35 ~~((department of))~~ personnel service fund as the allotments are approved
36 pursuant to chapter 43.88 RCW. Subject to the above limitations, the

1 amount shall be charged against the allotments pro rata, at a rate to
2 be fixed by the director from time to time which, together with income
3 derived from services rendered under RCW 41.06.080, will provide the
4 ~~((department))~~ office of financial management and the department of
5 enterprise services with funds to meet its anticipated expenditures
6 during the allotment period, including the training requirements in RCW
7 41.06.500 and 41.06.530.

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

18 Moneys from the ~~((department-of))~~ personnel service fund shall be
19 disbursed by the state treasurer by warrants on vouchers duly
20 authorized by the ~~((board))~~ office of financial management and the
21 department of enterprise services.

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

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

1 chapter 43.88 RCW. Subject to the above limitations, such amount shall
2 be charged against the allotments pro rata, at a rate to be fixed by
3 the director of financial management from time to time, which will
4 provide the ((~~board~~)) office of financial management with funds to meet
5 its anticipated expenditures during the allotment period.

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

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

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

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

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

34 The director shall adopt rules establishing guidelines for
35 policies, procedures, and mandatory training programs on sexual
36 harassment for state employees to be adopted by state agencies ((~~and~~

1 ~~establishing~~). The department of enterprise services shall establish
2 reporting requirements for state agencies on compliance with RCW
3 43.01.135.

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

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

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

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

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

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

21 (c) Promote interagency sharing of resources for training and
22 career development;

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

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

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

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

34 (1) Prepare an employee training and career development plan which
35 shall at least meet minimum standards established by the ~~((director~~

1 ~~A copy of such plan shall be submitted to the director for purposes of~~
2 ~~administering the provisions of RCW 41.06.400(2))~~ department of
3 enterprise services;

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

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

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

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

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

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

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

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

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

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

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

10 (b) The administration of circumstances and behaviors foreseeable
11 at the time of enactment.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 29 (1) The legislature recognizes that:
- 30 (a) The labor market and the state government workforce are diverse
31 in terms of gender, race, ethnicity, age, and the presence of
32 disabilities.
 - 33 (b) The state's personnel resource and management practices must be
34 responsive to the diverse nature of its workforce composition.
 - 35 (c) Managers in all agencies play a key role in the implementation
36 of all critical personnel policies.

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

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

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

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

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

16 ~~(ii) Alternative testing practices for persons of disability where~~
17 ~~deemed appropriate;~~

18 ~~(iii) Career counseling;~~

19 ~~(iv) Training opportunities, including management and employee~~
20 ~~awareness and skills training, English as a second language, and~~
21 ~~individual tutoring;~~

22 ~~(v) Recruitment strategies;~~

23 ~~(vi) Management performance appraisal techniques that focus on~~
24 ~~valuing and managing diversity in the workplace; and~~

25 ~~(vii) Alternative work arrangements;~~

26 ~~(e))~~ The department of enterprise services, in consultation with
27 agencies, employee organizations, and employees, institutions of higher
28 education, and related boards, develop training programs for all
29 managers to enhance their ability to implement diversity policies and
30 to provide a thorough grounding in all aspects of the state civil
31 service law and merit system rules, and how the proper implementation
32 and application thereof can facilitate and further the mission of the
33 agency.

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

1 NEW SECTION. **Sec. 430.** A new section is added to chapter 43.41
2 RCW to read as follows:

3 (1) The office of financial management shall direct and supervise
4 the personnel policy and application of the civil service laws, chapter
5 41.06 RCW.

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

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

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

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

25 (1) This chapter shall not apply to:

26 (a) The state militia, or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (1) An attendance incentive program is established for all eligible
29 employees. As used in this section the term "eligible employee" means
30 any employee of the state, other than eligible employees of the
31 community and technical colleges and the state board for community and
32 technical colleges identified in RCW 28B.50.553, and teaching and
33 research faculty at the state and regional universities and The
34 Evergreen State College, entitled to accumulate sick leave and for whom
35 accurate sick leave records have been maintained. No employee may
36 receive compensation under this section for any portion of sick leave
37 accumulated at a rate in excess of one day per month. The state and

1 regional universities and The Evergreen State College shall maintain
2 complete and accurate sick leave records for all teaching and research
3 faculty.

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

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

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

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

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

30 (7) In lieu of remuneration for unused sick leave at retirement as
31 provided in subsection (3) of this section, an agency head or designee
32 may with equivalent funds, provide eligible employees with a benefit
33 plan that provides for reimbursement for medical expenses. This plan
34 shall be implemented only after consultation with affected groups of
35 employees. For eligible employees covered by chapter 41.06 RCW,
36 procedures for the implementation of these plans shall be adopted by
37 the human resources director (~~(of personnel)~~). For eligible employees
38 exempt from chapter 41.06 RCW, and classified employees who have opted

1 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,
2 implementation procedures shall be adopted by an agency head having
3 jurisdiction over the employees.

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

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

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

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

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

26 (1) The disability accommodation revolving fund is created in the
27 custody of the state treasurer. Disbursements from the fund shall be
28 on authorization of the director of (~~the department of personnel~~)
29 financial management or the director's designee. The fund is subject
30 to the allotment procedure provided under chapter 43.88 RCW, but no
31 appropriation is required for disbursements. The fund shall be used
32 exclusively by state agencies to accommodate the unanticipated job site
33 or equipment needs of persons of disability in state employ.

34 (2) The director of (~~the department of personnel~~) financial
35 management or the director's designee shall consult with the governor's
36 committee on disability issues and employment regarding requests for

1 disbursements from the disability accommodation revolving fund. The
2 department shall establish application procedures, adopt criteria, and
3 provide technical assistance to users of the fund.

4 (3) Agencies that receive moneys from the disability accommodation
5 revolving fund shall return to the fund the amount received from the
6 fund by no later than the end of the first month of the following
7 fiscal biennium.

8 **Sec. 435.** RCW 41.04.665 and 2010 1st sp.s. c 32 s 10 and 2010 c
9 168 s 1 are each reenacted and amended to read as follows:

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

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

15 (ii) The employee has been called to service in the uniformed
16 services;

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

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

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

29 (b) The illness, injury, impairment, condition, call to service,
30 emergency volunteer service, or consequence of domestic violence,
31 sexual assault, temporary layoff under section 3(5), chapter 32, Laws
32 of 2010 1st sp. sess., or stalking has caused, or is likely to cause,
33 the employee to:

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

35 (ii) Terminate state employment;

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

1 (d) The employee has depleted or will shortly deplete his or her:
2 (i) Annual leave and sick leave reserves if he or she qualifies
3 under (a)(i) of this subsection;
4 (ii) Annual leave and paid military leave allowed under RCW
5 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or
6 (iii) Annual leave if he or she qualifies under (a)(iii), (iv), or
7 (v) of this subsection;
8 (e) The employee has abided by agency rules regarding:
9 (i) Sick leave use if he or she qualifies under (a)(i) or (iv) of
10 this subsection; or
11 (ii) Military leave if he or she qualifies under (a)(ii) of this
12 subsection; and
13 (f) The employee has diligently pursued and been found to be
14 ineligible for benefits under chapter 51.32 RCW if he or she qualifies
15 under (a)(i) of this subsection.
16 (2) The agency head shall determine the amount of leave, if any,
17 which an employee may receive under this section. However, an employee
18 shall not receive a total of more than five hundred twenty-two days of
19 leave, except that, a supervisor may authorize leave in excess of five
20 hundred twenty-two days in extraordinary circumstances for an employee
21 qualifying for the shared leave program because he or she is suffering
22 from an illness, injury, impairment, or physical or mental condition
23 which is of an extraordinary or severe nature. Shared leave received
24 under the uniformed service shared leave pool in RCW 41.04.685 is not
25 included in this total.
26 (3) An employee may transfer annual leave, sick leave, and his or
27 her personal holiday, as follows:
28 (a) An employee who has an accrued annual leave balance of more
29 than ten days may request that the head of the agency for which the
30 employee works transfer a specified amount of annual leave to another
31 employee authorized to receive leave under subsection (1) of this
32 section. In no event may the employee request a transfer of an amount
33 of leave that would result in his or her annual leave account going
34 below ten days. For purposes of this subsection (3)(a), annual leave
35 does not accrue if the employee receives compensation in lieu of
36 accumulating a balance of annual leave.
37 (b) An employee may transfer a specified amount of sick leave to an

1 employee requesting shared leave only when the donating employee
2 retains a minimum of one hundred seventy-six hours of sick leave after
3 the transfer.

4 (c) An employee may transfer, under the provisions of this section
5 relating to the transfer of leave, all or part of his or her personal
6 holiday, as that term is defined under RCW 1.16.050, or as such
7 holidays are provided to employees by agreement with a school
8 district's board of directors if the leave transferred under this
9 subsection does not exceed the amount of time provided for personal
10 holidays under RCW 1.16.050.

11 (4) An employee of an institution of higher education under RCW
12 28B.10.016, school district, or educational service district who does
13 not accrue annual leave but does accrue sick leave and who has an
14 accrued sick leave balance of more than twenty-two days may request
15 that the head of the agency for which the employee works transfer a
16 specified amount of sick leave to another employee authorized to
17 receive leave under subsection (1) of this section. In no event may
18 such an employee request a transfer that would result in his or her
19 sick leave account going below twenty-two days. Transfers of sick
20 leave under this subsection are limited to transfers from employees who
21 do not accrue annual leave. Under this subsection, "sick leave" also
22 includes leave accrued pursuant to RCW 28A.400.300(2) or 28A.310.240(1)
23 with compensation for illness, injury, and emergencies.

24 (5) Transfers of leave made by an agency head under subsections (3)
25 and (4) of this section shall not exceed the requested amount.

26 (6) Leave transferred under this section may be transferred from
27 employees of one agency to an employee of the same agency or, with the
28 approval of the heads of both agencies, to an employee of another state
29 agency.

30 (7) While an employee is on leave transferred under this section,
31 he or she shall continue to be classified as a state employee and shall
32 receive the same treatment in respect to salary, wages, and employee
33 benefits as the employee would normally receive if using accrued annual
34 leave or sick leave.

35 (a) All salary and wage payments made to employees while on leave
36 transferred under this section shall be made by the agency employing
37 the person receiving the leave. The value of leave transferred shall
38 be based upon the leave value of the person receiving the leave.

1 (b) In the case of leave transferred by an employee of one agency
2 to an employee of another agency, the agencies involved shall arrange
3 for the transfer of funds and credit for the appropriate value of
4 leave.

5 (i) Pursuant to rules adopted by the office of financial
6 management, funds shall not be transferred under this section if the
7 transfer would violate any constitutional or statutory restrictions on
8 the funds being transferred.

9 (ii) The office of financial management may adjust the
10 appropriation authority of an agency receiving funds under this section
11 only if and to the extent that the agency's existing appropriation
12 authority would prevent it from expending the funds received.

13 (iii) Where any questions arise in the transfer of funds or the
14 adjustment of appropriation authority, the director of financial
15 management shall determine the appropriate transfer or adjustment.

16 (8) Leave transferred under this section shall not be used in any
17 calculation to determine an agency's allocation of full time equivalent
18 staff positions.

19 (9) The value of any leave transferred under this section which
20 remains unused shall be returned at its original value to the employee
21 or employees who transferred the leave when the agency head finds that
22 the leave is no longer needed or will not be needed at a future time in
23 connection with the illness or injury for which the leave was
24 transferred or for any other qualifying condition. Before the agency
25 head makes a determination to return unused leave in connection with an
26 illness or injury, or any other qualifying condition, he or she must
27 receive from the affected employee a statement from the employee's
28 doctor verifying that the illness or injury is resolved. To the extent
29 administratively feasible, the value of unused leave which was
30 transferred by more than one employee shall be returned on a pro rata
31 basis.

32 (10) An employee who uses leave that is transferred to him or her
33 under this section may not be required to repay the value of the leave
34 that he or she used.

35 (11) The human resources director (~~(of personnel)~~) may adopt rules
36 as necessary to implement subsection (2)(~~(a) through (c)~~) of this
37 section.

1 **Sec. 436.** RCW 41.04.670 and 1993 c 281 s 18 are each amended to
2 read as follows:

3 The ((~~Washington personnel resources board~~)) office of financial
4 management and other personnel authorities shall each adopt rules
5 applicable to employees under their respective jurisdictions: (1)
6 Establishing appropriate parameters for the program which are
7 consistent with the provisions of RCW 41.04.650 through 41.04.665; (2)
8 providing for equivalent treatment of employees between their
9 respective jurisdictions and allowing transfers of leave in accordance
10 with RCW 41.04.665(5); (3) establishing procedures to ensure that the
11 program does not significantly increase the cost of providing leave;
12 and (4) providing for the administration of the program and providing
13 for maintenance and collection of sufficient information on the program
14 to allow a thorough legislative review.

15 **Sec. 437.** RCW 41.04.680 and 2006 c 356 s 1 are each amended to
16 read as follows:

17 The ((~~department of personnel~~)) office of financial management and
18 other personnel authorities shall adopt rules or policies governing the
19 accumulation and use of sick leave for state agency and department
20 employees, expressly for the establishment of a plan allowing
21 participating employees to pool sick leave and allowing any sick leave
22 thus pooled to be used by any participating employee who has used all
23 of the sick leave, annual leave, and compensatory leave that has been
24 personally accrued by him or her. Each department or agency of the
25 state may allow employees to participate in a sick leave pool
26 established by the ((~~department of personnel~~)) office of financial
27 management and other personnel authorities.

28 (1) For purposes of calculating maximum sick leave that may be
29 donated or received by any one employee, pooled sick leave:

30 (a) Is counted and converted in the same manner as sick leave under
31 the Washington state leave sharing program as provided in this chapter;
32 and

33 (b) Does not create a right to sick leave in addition to the amount
34 that may be donated or received under the Washington state leave
35 sharing program as provided in this chapter.

36 (2) The ((~~department~~)) office of financial management and other

1 personnel authorities, except the personnel authorities for higher
2 education institutions, shall adopt rules which provide:

3 (a) That employees are eligible to participate in the sick leave
4 pool after one year of employment with the state or agency of the state
5 if the employee has accrued a minimum amount of unused sick leave, to
6 be established by rule;

7 (b) That participation in the sick leave pool shall, at all times,
8 be voluntary on the part of the employees;

9 (c) That any sick leave pooled shall be removed from the personally
10 accumulated sick leave balance of the employee contributing the leave;

11 (d) That any sick leave in the pool that is used by a participating
12 employee may be used only for the employee's personal illness,
13 accident, or injury;

14 (e) That a participating employee is not eligible to use sick leave
15 accumulated in the pool until all of his or her personally accrued
16 sick, annual, and compensatory leave has been used;

17 (f) A maximum number of days of sick leave in the pool that any one
18 employee may use;

19 (g) That a participating employee who uses sick leave from the pool
20 is not required to recontribute such sick leave to the pool, except as
21 otherwise provided in this section;

22 (h) That an employee who cancels his or her membership in the sick
23 leave pool is not eligible to withdraw the days of sick leave
24 contributed by that employee to the pool;

25 (i) That an employee who transfers from one position in state
26 government to another position in state government may transfer from
27 one pool to another if the eligibility criteria of the pools are
28 comparable and the administrators of the pools have agreed on a formula
29 for transfer of credits;

30 (j) That alleged abuse of the use of the sick leave pool shall be
31 investigated, and, on a finding of wrongdoing, the employee shall repay
32 all of the sick leave credits drawn from the sick leave pool and shall
33 be subject to such other disciplinary action as is determined by the
34 agency head;

35 (k) That sick leave credits may be drawn from the sick leave pool
36 by a part-time employee on a pro rata basis; and

37 (l) That each department or agency shall maintain accurate and

1 reliable records showing the amount of sick leave which has been
2 accumulated and is unused by employees, in accordance with guidelines
3 established by the department of personnel.

4 (3) Personnel authorities for higher education institutions shall
5 adopt policies consistent with the needs of the employees under their
6 respective jurisdictions.

7 **Sec. 438.** RCW 41.04.685 and 2007 c 25 s 1 are each amended to read
8 as follows:

9 (1) The uniformed service shared leave pool is created to allow
10 employees to donate leave to be used as shared leave for any employee
11 who has been called to service in the uniformed services and who meets
12 the requirements of RCW 41.04.665. Participation in the pool shall, at
13 all times, be voluntary on the part of the employee. The military
14 department, in consultation with the (~~department of personnel and~~
15 ~~the~~) office of financial management, shall administer the uniformed
16 service shared leave pool.

17 (2) Employees as defined in subsection (10) of this section who are
18 eligible to donate leave under RCW 41.04.665 may donate leave to the
19 uniformed service shared leave pool.

20 (3) An employee as defined in subsection (10) of this section who
21 has been called to service in the uniformed services and is eligible
22 for shared leave under RCW 41.04.665 may request shared leave from the
23 uniformed service shared leave pool.

24 (4) It shall be the responsibility of the employee who has been
25 called to service to provide an earnings statement verifying military
26 salary, orders of service, and notification of a change in orders of
27 service or military salary.

28 (5) Shared leave under this section may not be granted unless the
29 pool has a sufficient balance to fund the requested shared leave for
30 the expected term of service.

31 (6) Shared leave paid under this section, in combination with
32 military salary, shall not exceed the level of the employee's state
33 monthly salary.

34 (7) Any leave donated shall be removed from the personally
35 accumulated leave balance of the employee donating the leave.

36 (8) An employee who receives shared leave from the pool is not

1 required to recontribute such leave to the pool, except as otherwise
2 provided in this section.

3 (9) Leave that may be donated or received by any one employee shall
4 be calculated as in RCW 41.04.665.

5 (10) As used in this section:

6 (a) "Employee" has the meaning provided in RCW 41.04.655, except
7 that "employee" as used in this section does not include employees of
8 school districts and educational service districts.

9 (b) "Service in the uniformed services" has the meaning provided in
10 RCW 41.04.655.

11 (c) "Military salary" includes base, specialty, and other pay, but
12 does not include allowances such as the basic allowance for housing.

13 (d) "Monthly salary" includes monthly salary and special pay and
14 shift differential, or the monthly equivalent for hourly employees.
15 "Monthly salary" does not include:

16 (i) Overtime pay;

17 (ii) Call back pay;

18 (iii) Standby pay; or

19 (iv) Performance bonuses.

20 (11) The (~~department of personnel~~) office of financial
21 management, in consultation with the military department (~~and the~~
22 ~~office of financial management~~), shall adopt rules and policies
23 governing the donation and use of shared leave from the uniformed
24 service shared leave pool, including definitions of pay and allowances
25 and guidelines for agencies to use in recordkeeping concerning shared
26 leave.

27 (12) Agencies shall investigate any alleged abuse of the uniformed
28 service shared leave pool and on a finding of wrongdoing, the employee
29 may be required to repay all of the shared leave received from the
30 uniformed service shared leave pool.

31 (13) Higher education institutions shall adopt policies consistent
32 with the needs of the employees under their respective jurisdictions.

33 **Sec. 439.** RCW 41.04.720 and 1990 c 60 s 303 are each amended to
34 read as follows:

35 The director of (~~human resources~~) enterprise services shall:

36 (1) Administer the state employee assistance program to assist

1 employees who have personal problems that adversely affect their job
2 performance or have the potential of doing so;

3 (2) Develop policies, procedures, and activities for the program;

4 (3) Encourage and promote the voluntary use of the employee
5 assistance program by increasing employee awareness and disseminating
6 educational materials;

7 (4) Provide technical assistance and training to agencies on how to
8 use the employee assistance program;

9 (5) Assist and encourage supervisors to identify and refer
10 employees with problems that impair their performance by incorporating
11 proper use of the program in management training, management
12 performance criteria, ongoing communication with agencies, and other
13 appropriate means;

14 (6) Offer substance abuse prevention and awareness activities to be
15 provided through the employee assistance program and the state employee
16 wellness program;

17 (7) Monitor and evaluate the effectiveness of the program,
18 including the collection, analysis, and publication of relevant
19 statistical information; and

20 (8) Consult with state agencies, institutions of higher education,
21 and employee organizations in carrying out the purposes of RCW
22 41.04.700 through 41.04.730.

23 **Sec. 440.** RCW 41.04.770 and 1997 c 287 s 4 are each amended to
24 read as follows:

25 The department of social and health services and the department of
26 ~~((personnel))~~ enterprise services shall, after consultation with
27 supported employment provider associations and other interested
28 parties, encourage, educate, and assist state agencies in implementing
29 supported employment programs. The department of ~~((personnel))~~
30 enterprise services shall provide human resources technical assistance
31 to agencies implementing supported employment programs. ~~((The
32 department of personnel shall make available, upon request of the
33 legislature, an annual report that evaluates the overall progress of
34 supported employment in state government.))~~

35 **Sec. 441.** RCW 41.07.020 and 1979 c 151 s 62 are each amended to
36 read as follows:

1 The department of (~~personnel~~) enterprise services is authorized
2 to administer, maintain, and operate the central personnel-payroll
3 system and to provide its services for any state agency designated
4 jointly by the director of the department of (~~personnel~~) enterprise
5 services and the director of financial management.

6 The system shall be operated through state data processing centers.
7 State agencies shall convert personnel and payroll processing to the
8 central personnel-payroll system as soon as administratively and
9 technically feasible as determined by the office of financial
10 management and the department of (~~personnel~~) enterprise services. It
11 is the intent of the legislature to provide, through the central
12 personnel-payroll system, for uniform reporting to the office of
13 financial management and to the legislature regarding salaries and
14 related costs, and to reduce present costs of manual procedures in
15 personnel and payroll record keeping and reporting.

16 **Sec. 442.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each
17 amended to read as follows:

18 The costs of administering, maintaining, and operating the central
19 personnel-payroll system shall be distributed to the using state
20 agencies. In order to insure proper and equitable distribution of
21 costs the department of (~~personnel~~) enterprise services shall utilize
22 cost accounting procedures to identify all costs incurred in the
23 administration, maintenance, and operation of the central personnel-
24 payroll system. In order to facilitate proper and equitable
25 distribution of costs to the using state agencies the department of
26 (~~personnel~~) enterprise services is authorized to utilize the data
27 processing revolving fund created by RCW 43.105.080 (as recodified by
28 this act) and the (~~department of~~) personnel service fund created by
29 RCW 41.06.280.

30 **Sec. 443.** RCW 41.60.015 and 2000 c 139 s 1 are each amended to
31 read as follows:

32 (1) There is hereby created the productivity board, which may also
33 be known as the employee involvement and recognition board. The board
34 shall administer the employee suggestion program and the teamwork
35 incentive program under this chapter.

36 (2) The board shall be composed of:

1 (a) The secretary of state who shall act as chairperson;

2 (b) ~~((The director of personnel appointed under the provisions of~~
3 ~~RCW 41.06.130 or the director's designee;~~

4 ~~(+))~~) The director of financial management or the director's
5 designee;

6 ~~((+))~~) (c) The director of ~~((general administration))~~ enterprise
7 services or the director's designee;

8 ~~((+))~~) (d) Three persons with experience in administering
9 incentives such as those used by industry, with the governor,
10 lieutenant governor, and speaker of the house of representatives each
11 appointing one person. The governor's appointee shall be a
12 representative of an employee organization certified as an exclusive
13 representative of at least one bargaining unit of classified employees;

14 ~~((+))~~) (e) Two persons representing state agencies and
15 institutions with employees subject to chapter 41.06 RCW, and one
16 person representing those subject to chapter 28B.16 RCW, both appointed
17 by the governor; and

18 ~~((+))~~) (f) In addition, the governor and board chairperson may
19 jointly appoint persons to the board on an ad hoc basis. Ad hoc
20 members shall serve in an advisory capacity and shall not have the
21 right to vote.

22 Members under subsection (2)~~((+))~~)(d) and ~~((+))~~) (e) of this
23 section shall be appointed to serve three-year terms.

24 Members of the board appointed pursuant to subsection (2)~~((+))~~)(d)
25 of this section may be compensated in accordance with RCW 43.03.240.
26 Any board member who is not a state employee may be reimbursed for
27 travel expenses under RCW 43.03.050 and 43.03.060.

28 **Sec. 444.** RCW 41.80.005 and 2002 c 354 s 321 are each amended to
29 read as follows:

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

32 (1) "Agency" means any agency as defined in RCW 41.06.020 and
33 covered by chapter 41.06 RCW.

34 (2) "Collective bargaining" means the performance of the mutual
35 obligation of the representatives of the employer and the exclusive
36 bargaining representative to meet at reasonable times and to bargain in
37 good faith in an effort to reach agreement with respect to the subjects

1 of bargaining specified under RCW 41.80.020. The obligation to bargain
2 does not compel either party to agree to a proposal or to make a
3 concession, except as otherwise provided in this chapter.

4 (3) "Commission" means the public employment relations commission.

5 (4) "Confidential employee" means an employee who, in the regular
6 course of his or her duties, assists in a confidential capacity persons
7 who formulate, determine, and effectuate management policies with
8 regard to labor relations or who, in the regular course of his or her
9 duties, has authorized access to information relating to the
10 effectuation or review of the employer's collective bargaining
11 policies, or who assists or aids a manager. "Confidential employee"
12 also includes employees who assist assistant attorneys general who
13 advise and represent managers or confidential employees in personnel or
14 labor relations matters, or who advise or represent the state in tort
15 actions.

16 (5) "Director" means the director of the public employment
17 relations commission.

18 (6) "Employee" means any employee, including employees whose work
19 has ceased in connection with the pursuit of lawful activities
20 protected by this chapter, covered by chapter 41.06 RCW, except:

21 (a) Employees covered for collective bargaining by chapter 41.56
22 RCW;

23 (b) Confidential employees;

24 (c) Members of the Washington management service;

25 (d) Internal auditors in any agency; or

26 (e) Any employee of the commission, the office of financial
27 management, (~~or the department of personnel~~) or the office of risk
28 management within the department of enterprise services.

29 (7) "Employee organization" means any organization, union, or
30 association in which employees participate and that exists for the
31 purpose, in whole or in part, of collective bargaining with employers.

32 (8) "Employer" means the state of Washington.

33 (9) "Exclusive bargaining representative" means any employee
34 organization that has been certified under this chapter as the
35 representative of the employees in an appropriate bargaining unit.

36 (10) "Institutions of higher education" means the University of
37 Washington, Washington State University, Central Washington University,

1 Eastern Washington University, Western Washington University, The
2 Evergreen State College, and the various state community colleges.

3 (11) "Labor dispute" means any controversy concerning terms,
4 tenure, or conditions of employment, or concerning the association or
5 representation of persons in negotiating, fixing, maintaining,
6 changing, or seeking to arrange terms or conditions of employment with
7 respect to the subjects of bargaining provided in this chapter,
8 regardless of whether the disputants stand in the proximate relation of
9 employer and employee.

10 (12) "Manager" means "manager" as defined in RCW 41.06.022.

11 (13) "Supervisor" means an employee who has authority, in the
12 interest of the employer, to hire, transfer, suspend, lay off, recall,
13 promote, discharge, direct, reward, or discipline employees, or to
14 adjust employee grievances, or effectively to recommend such action, if
15 the exercise of the authority is not of a merely routine nature but
16 requires the consistent exercise of individual judgment. However, no
17 employee who is a member of the Washington management service may be
18 included in a collective bargaining unit established under this
19 section.

20 (14) "Unfair labor practice" means any unfair labor practice listed
21 in RCW 41.80.110.

22 **Sec. 445.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to
23 read as follows:

24 (1) Except as otherwise provided in this chapter, the matters
25 subject to bargaining include wages, hours, and other terms and
26 conditions of employment, and the negotiation of any question arising
27 under a collective bargaining agreement.

28 (2) The employer is not required to bargain over matters pertaining
29 to:

30 (a) Health care benefits or other employee insurance benefits,
31 except as required in subsection (3) of this section;

32 (b) Any retirement system or retirement benefit; or

33 (c) Rules of the human resources director (~~(of personnel)~~), the
34 director of enterprise services, or the Washington personnel resources
35 board adopted under (~~(section 203, chapter 354, Laws of 2002)~~) section
36 411 of this act.

1 (3) Matters subject to bargaining include the number of names to be
2 certified for vacancies, promotional preferences, and the dollar amount
3 expended on behalf of each employee for health care benefits. However,
4 except as provided otherwise in this subsection for institutions of
5 higher education, negotiations regarding 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 shall be
8 conducted between the employer and one coalition of all the exclusive
9 bargaining representatives subject to this chapter. The exclusive
10 bargaining representatives for employees that are subject to chapter
11 47.64 RCW shall bargain the dollar amount expended on behalf of each
12 employee for health care benefits with the employer as part of the
13 coalition under this subsection. Any such provision agreed to by the
14 employer and the coalition shall be included in all master collective
15 bargaining agreements negotiated by the parties. For institutions of
16 higher education, promotional preferences and the number of names to be
17 certified for vacancies shall be bargained under the provisions of RCW
18 41.80.010(4).

19 (4) The employer and the exclusive bargaining representative shall
20 not agree to any proposal that would prevent the implementation of
21 approved affirmative action plans or that would be inconsistent with
22 the comparable worth agreement that provided the basis for the salary
23 changes implemented beginning with the 1983-1985 biennium to achieve
24 comparable worth.

25 (5) The employer and the exclusive bargaining representative shall
26 not bargain over matters pertaining to management rights established in
27 RCW 41.80.040.

28 (6) Except as otherwise provided in this chapter, if a conflict
29 exists between an executive order, administrative rule, or agency
30 policy relating to wages, hours, and terms and conditions of employment
31 and a collective bargaining agreement negotiated under this chapter,
32 the collective bargaining agreement shall prevail. A provision of a
33 collective bargaining agreement that conflicts with the terms of a
34 statute is invalid and unenforceable.

35 (7) This section does not prohibit bargaining that affects
36 contracts authorized by RCW 41.06.142.

1 **Sec. 446.** RCW 42.16.010 and 2008 c 186 s 1 are each amended to
2 read as follows:

3 (1) Except as provided otherwise in subsections (2) and (3) of this
4 section, all state officers and employees shall be paid for services
5 rendered from the first day of the month through the fifteenth day of
6 the month and for services rendered from the sixteenth day of the month
7 through the last calendar day of the month. Paydates for these two pay
8 periods shall be established by the director of financial management
9 through the administrative hearing process and the official paydates
10 shall be established six months prior to the beginning of each
11 subsequent calendar year. Under no circumstance shall the paydate be
12 established more than ten days after the pay period in which the wages
13 are earned except when the designated paydate falls on Sunday, in which
14 case the paydate shall not be later than the following Monday. Payment
15 shall be deemed to have been made by the established paydates if: (a)
16 The salary warrant is available at the geographic work location at
17 which the warrant is normally available to the employee; or (b) the
18 salary has been electronically transferred into the employee's account
19 at the employee's designated financial institution; or (c) the salary
20 warrants are mailed at least two days before the established paydate
21 for those employees engaged in work in remote or varying locations from
22 the geographic location at which the payroll is prepared, provided that
23 the employee has requested payment by mail.

24 The office of financial management shall develop the necessary
25 policies and operating procedures to assure that all remuneration for
26 services rendered including basic salary, shift differential, standby
27 pay, overtime, penalty pay, salary due based on contractual agreements,
28 and special pay provisions, as provided for by law, (~~Washington~~
29 ~~personnel resources board rules,~~) agency policy or rule, or contract,
30 shall be available to the employee on the designated paydate.
31 Overtime, penalty pay, and special pay provisions may be paid by the
32 next following paydate if the postponement of payment is attributable
33 to: The employee's not making a timely or accurate report of the facts
34 which are the basis for the payment, or the employer's lack of
35 reasonable opportunity to verify the claim.

36 Compensable benefits payable because of separation from state
37 service shall be paid with the earnings for the final period worked

1 unless the employee separating has not provided the agency with the
2 proper notification of intent to terminate.

3 One-half of the employee's basic monthly salary shall be paid in
4 each pay period. Employees paid on an hourly basis or employees who
5 work less than a full pay period shall be paid for actual salary
6 earned.

7 (2) Subsection (1) of this section shall not apply in instances
8 where it would conflict with contractual rights or, with the approval
9 of the office of financial management, to short-term, intermittent,
10 noncareer state employees, to student employees of institutions of
11 higher education, to national or state guard members participating in
12 state active duty, and to liquor control agency managers who are paid
13 a percentage of monthly liquor sales.

14 (3) When a national or state guard member is called to participate
15 in state active duty, the paydate shall be no more than seven days
16 following completion of duty or the end of the pay period, whichever is
17 first. When the seventh day falls on Sunday, the paydate shall not be
18 later than the following Monday. This subsection shall apply only to
19 the pay a national or state guard member receives from the military
20 department for state active duty.

21 (4) Notwithstanding subsections (1) and (2) of this section, a
22 bargained contract at an institution of higher education may include a
23 provision for paying part-time academic employees on a pay schedule
24 that coincides with all the paydays used for full-time academic
25 employees.

26 **Sec. 447.** RCW 42.17.370 and 2010 1st sp.s. c 7 s 4 are each
27 amended to read as follows:

28 The commission is empowered to:

29 (1) Adopt, promulgate, amend, and rescind suitable administrative
30 rules to carry out the policies and purposes of this chapter, which
31 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
32 campaign finance, political advertising, or related forms that would
33 otherwise take effect after June 30th of a general election year shall
34 take effect no earlier than the day following the general election in
35 that year;

36 (2) Appoint and set, within the limits established by the
37 (~~department of personnel~~) office of financial management under RCW

1 43.03.028, the compensation of an executive director who shall perform
2 such duties and have such powers as the commission may prescribe and
3 delegate to implement and enforce this chapter efficiently and
4 effectively. The commission shall not delegate its authority to adopt,
5 amend, or rescind rules nor shall it delegate authority to determine
6 whether an actual violation of this chapter has occurred or to assess
7 penalties for such violations;

8 (3) Prepare and publish such reports and technical studies as in
9 its judgment will tend to promote the purposes of this chapter,
10 including reports and statistics concerning campaign financing,
11 lobbying, financial interests of elected officials, and enforcement of
12 this chapter;

13 (4) Make from time to time, on its own motion, audits and field
14 investigations;

15 (5) Make public the time and date of any formal hearing set to
16 determine whether a violation has occurred, the question or questions
17 to be considered, and the results thereof;

18 (6) Administer oaths and affirmations, issue subpoenas, and compel
19 attendance, take evidence and require the production of any books,
20 papers, correspondence, memorandums, or other records relevant or
21 material for the purpose of any investigation authorized under this
22 chapter, or any other proceeding under this chapter;

23 (7) Adopt and promulgate a code of fair campaign practices;

24 (8) Relieve, by rule, candidates or political committees of
25 obligations to comply with the provisions of this chapter relating to
26 election campaigns, if they have not received contributions nor made
27 expenditures in connection with any election campaign of more than one
28 thousand dollars;

29 (9) Adopt rules prescribing reasonable requirements for keeping
30 accounts of and reporting on a quarterly basis costs incurred by state
31 agencies, counties, cities, and other municipalities and political
32 subdivisions in preparing, publishing, and distributing legislative
33 information. The term "legislative information," for the purposes of
34 this subsection, means books, pamphlets, reports, and other materials
35 prepared, published, or distributed at substantial cost, a substantial
36 purpose of which is to influence the passage or defeat of any
37 legislation. The state auditor in his or her regular examination of
38 each agency under chapter 43.09 RCW shall review the rules, accounts,

1 and reports and make appropriate findings, comments, and
2 recommendations in his or her examination reports concerning those
3 agencies;

4 (10) After hearing, by order approved and ratified by a majority of
5 the membership of the commission, suspend or modify any of the
6 reporting requirements of this chapter in a particular case if it finds
7 that literal application of this chapter works a manifestly
8 unreasonable hardship and if it also finds that the suspension or
9 modification will not frustrate the purposes of the chapter. The
10 commission shall find that a manifestly unreasonable hardship exists if
11 reporting the name of an entity required to be reported under RCW
12 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
13 position of any entity in which the person filing the report or any
14 member of his or her immediate family holds any office, directorship,
15 general partnership interest, or an ownership interest of ten percent
16 or more. Any suspension or modification shall be only to the extent
17 necessary to substantially relieve the hardship. The commission shall
18 act to suspend or modify any reporting requirements only if it
19 determines that facts exist that are clear and convincing proof of the
20 findings required under this section. Requests for renewals of
21 reporting modifications may be heard in a brief adjudicative proceeding
22 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
23 the standards established in this section. No initial request may be
24 heard in a brief adjudicative proceeding and no request for renewal may
25 be heard in a brief adjudicative proceeding if the initial request was
26 granted more than three years previously or if the applicant is holding
27 an office or position of employment different from the office or
28 position held when the initial request was granted. The commission
29 shall adopt administrative rules governing the proceedings. Any
30 citizen has standing to bring an action in Thurston county superior
31 court to contest the propriety of any order entered under this section
32 within one year from the date of the entry of the order; ((and))

33 (11) Revise, at least once every five years but no more often than
34 every two years, the monetary reporting thresholds and reporting code
35 values of this chapter. The revisions shall be only for the purpose of
36 recognizing economic changes as reflected by an inflationary index
37 recommended by the office of financial management. The revisions shall
38 be guided by the change in the index for the period commencing with the

1 month of December preceding the last revision and concluding with the
2 month of December preceding the month the revision is adopted. As to
3 each of the three general categories of this chapter (reports of
4 campaign finance, reports of lobbyist activity, and reports of the
5 financial affairs of elected and appointed officials), the revisions
6 shall equally affect all thresholds within each category. Revisions
7 shall be adopted as rules under chapter 34.05 RCW. The first revision
8 authorized by this subsection shall reflect economic changes from the
9 time of the last legislative enactment affecting the respective code or
10 threshold through December 1985; and

11 (12) Develop and provide to filers a system for certification of
12 reports required under this chapter which are transmitted by facsimile
13 or electronically to the commission. Implementation of the program is
14 contingent on the availability of funds.

15 **Sec. 448.** RCW 42.17A.110 and 2010 1st sp.s. c 7 s 4 and 2010 c 204
16 s 303 are each reenacted and amended to read as follows:

17 The commission is empowered to:

18 (1) Adopt, promulgate, amend, and rescind suitable administrative
19 rules to carry out the policies and purposes of this chapter, which
20 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
21 campaign finance, political advertising, or related forms that would
22 otherwise take effect after June 30th of a general election year shall
23 take effect no earlier than the day following the general election in
24 that year;

25 (2) Appoint and set, within the limits established by the
26 (~~committee on agency officials' salaries~~) office of financial
27 management under RCW 43.03.028, the compensation of an executive
28 director who shall perform such duties and have such powers as the
29 commission may prescribe and delegate to implement and enforce this
30 chapter efficiently and effectively. The commission shall not delegate
31 its authority to adopt, amend, or rescind rules nor shall it delegate
32 authority to determine whether an actual violation of this chapter has
33 occurred or to assess penalties for such violations;

34 (3) Prepare and publish such reports and technical studies as in
35 its judgment will tend to promote the purposes of this chapter,
36 including reports and statistics concerning campaign financing,

1 lobbying, financial interests of elected officials, and enforcement of
2 this chapter;

3 (4) Make from time to time, on its own motion, audits and field
4 investigations;

5 (5) Make public the time and date of any formal hearing set to
6 determine whether a violation has occurred, the question or questions
7 to be considered, and the results thereof;

8 (6) Administer oaths and affirmations, issue subpoenas, and compel
9 attendance, take evidence and require the production of any books,
10 papers, correspondence, memorandums, or other records relevant or
11 material for the purpose of any investigation authorized under this
12 chapter, or any other proceeding under this chapter;

13 (7) Adopt and promulgate a code of fair campaign practices;

14 (8) Relieve, by rule, candidates or political committees of
15 obligations to comply with the provisions of this chapter relating to
16 election campaigns, if they have not received contributions nor made
17 expenditures in connection with any election campaign of more than one
18 thousand dollars;

19 (9) Adopt rules prescribing reasonable requirements for keeping
20 accounts of and reporting on a quarterly basis costs incurred by state
21 agencies, counties, cities, and other municipalities and political
22 subdivisions in preparing, publishing, and distributing legislative
23 information. The term "legislative information," for the purposes of
24 this subsection, means books, pamphlets, reports, and other materials
25 prepared, published, or distributed at substantial cost, a substantial
26 purpose of which is to influence the passage or defeat of any
27 legislation. The state auditor in his or her regular examination of
28 each agency under chapter 43.09 RCW shall review the rules, accounts,
29 and reports and make appropriate findings, comments, and
30 recommendations in his or her examination reports concerning those
31 agencies;

32 (10) After hearing, by order approved and ratified by a majority of
33 the membership of the commission, suspend or modify any of the
34 reporting requirements of this chapter in a particular case if it finds
35 that literal application of this chapter works a manifestly
36 unreasonable hardship and if it also finds that the suspension or
37 modification will not frustrate the purposes of the chapter. The
38 commission shall find that a manifestly unreasonable hardship exists if

1 reporting the name of an entity required to be reported under RCW
2 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
3 position of any entity in which the person filing the report or any
4 member of his or her immediate family holds any office, directorship,
5 general partnership interest, or an ownership interest of ten percent
6 or more. Any suspension or modification shall be only to the extent
7 necessary to substantially relieve the hardship. The commission shall
8 act to suspend or modify any reporting requirements only if it
9 determines that facts exist that are clear and convincing proof of the
10 findings required under this section. Requests for renewals of
11 reporting modifications may be heard in a brief adjudicative proceeding
12 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
13 the standards established in this section. No initial request may be
14 heard in a brief adjudicative proceeding and no request for renewal may
15 be heard in a brief adjudicative proceeding if the initial request was
16 granted more than three years previously or if the applicant is holding
17 an office or position of employment different from the office or
18 position held when the initial request was granted. The commission
19 shall adopt administrative rules governing the proceedings. Any
20 citizen has standing to bring an action in Thurston county superior
21 court to contest the propriety of any order entered under this section
22 within one year from the date of the entry of the order; and

23 (11) Revise, at least once every five years but no more often than
24 every two years, the monetary reporting thresholds and reporting code
25 values of this chapter. The revisions shall be only for the purpose of
26 recognizing economic changes as reflected by an inflationary index
27 recommended by the office of financial management. The revisions shall
28 be guided by the change in the index for the period commencing with the
29 month of December preceding the last revision and concluding with the
30 month of December preceding the month the revision is adopted. As to
31 each of the three general categories of this chapter (reports of
32 campaign finance, reports of lobbyist activity, and reports of the
33 financial affairs of elected and appointed officials), the revisions
34 shall equally affect all thresholds within each category. Revisions
35 shall be adopted as rules under chapter 34.05 RCW. The first revision
36 authorized by this subsection shall reflect economic changes from the
37 time of the last legislative enactment affecting the respective code or
38 threshold through December 1985;

1 (12) Develop and provide to filers a system for certification of
2 reports required under this chapter which are transmitted by facsimile
3 or electronically to the commission. Implementation of the program is
4 contingent on the availability of funds.

5 **Sec. 449.** RCW 43.01.040 and 2009 c 549 s 5001 are each amended to
6 read as follows:

7 Each subordinate officer and employee of the several offices,
8 departments, and institutions of the state government shall be entitled
9 under their contract of employment with the state government to not
10 less than one working day of vacation leave with full pay for each
11 month of employment if said employment is continuous for six months.

12 Each such subordinate officer and employee shall be entitled under
13 such contract of employment to not less than one additional working day
14 of vacation with full pay each year for satisfactorily completing the
15 first two, three and five continuous years of employment respectively.

16 Such part time officers or employees of the state government who
17 are employed on a regular schedule of duration of not less than one
18 year shall be entitled under their contract of employment to that
19 fractional part of the vacation leave that the total number of hours of
20 such employment bears to the total number of hours of full time
21 employment.

22 Each subordinate officer and employee of the several offices,
23 departments and institutions of the state government shall be entitled
24 under his or her contract of employment with the state government to
25 accrue unused vacation leave not to exceed thirty working days.
26 Officers and employees transferring within the several offices,
27 departments and institutions of the state government shall be entitled
28 to transfer such accrued vacation leave to each succeeding state
29 office, department or institution. All vacation leave shall be taken
30 at the time convenient to the employing office, department or
31 institution: PROVIDED, That if a subordinate officer's or employee's
32 request for vacation leave is deferred by reason of the convenience of
33 the employing office, department or institution, and a statement of the
34 necessity therefor is (~~filed by such employing office, department or~~
35 ~~institution with the appropriate personnel board or other state agency~~
36 ~~or officer~~)) retained by the agency, then the aforesaid maximum thirty

1 working days of accrued unused vacation leave shall be extended for
2 each month said leave is so deferred.

3 **Sec. 450.** RCW 43.01.135 and 2007 c 76 s 2 are each amended to read
4 as follows:

5 Agencies as defined in RCW 41.06.020, except for institutions of
6 higher education, shall:

7 (1) Update or develop and disseminate among all agency employees
8 and contractors a policy that:

9 (a) Defines and prohibits sexual harassment in the workplace;

10 (b) Includes procedures that describe how the agency will address
11 concerns of employees who are affected by sexual harassment in the
12 workplace;

13 (c) Identifies appropriate sanctions and disciplinary actions; and

14 (d) Complies with guidelines adopted by the director of personnel
15 under RCW 41.06.395;

16 (2) Respond promptly and effectively to sexual harassment concerns;

17 (3) Conduct training and education for all employees in order to
18 prevent and eliminate sexual harassment in the organization;

19 (4) Inform employees of their right to file a complaint with the
20 Washington state human rights commission under chapter 49.60 RCW, or
21 with the federal equal employment opportunity commission under Title
22 VII of the civil rights act of 1964; and

23 (5) Report to the department of (~~personnel~~) enterprise services
24 on compliance with this section.

25 The cost of the training programs shall be borne by state agencies
26 within existing resources.

27 **Sec. 451.** RCW 43.03.028 and 2010 1st sp.s. c 7 s 2 are each
28 amended to read as follows:

29 (1) The (~~department of personnel~~) office of financial management
30 shall study the duties and salaries of the directors of the several
31 departments and the members of the several boards and commissions of
32 state government, who are subject to appointment by the governor or
33 whose salaries are fixed by the governor, and of the chief executive
34 officers of the following agencies of state government:

35 The arts commission; the human rights commission; the board of
36 accountancy; (~~the board of pharmacy~~) the eastern Washington

1 historical society; the Washington state historical society; the
2 recreation and conservation office; the criminal justice training
3 commission; (~~the department of personnel; the state library;~~) the
4 traffic safety commission; the horse racing commission; (~~the advisory
5 council on vocational education;~~) the public disclosure commission;
6 the state conservation commission; the commission on Hispanic affairs;
7 the commission on Asian Pacific American affairs; the state board for
8 volunteer firefighters and reserve officers; the transportation
9 improvement board; the public employment relations commission; (~~the
10 forest practices appeals board;~~) and the energy facilities site
11 evaluation council.

12 (2) The (~~department of personnel~~) office of financial management
13 shall report to the governor or the chairperson of the appropriate
14 salary fixing authority at least once in each fiscal biennium on such
15 date as the governor may designate, but not later than seventy-five
16 days prior to the convening of each regular session of the legislature
17 during an odd-numbered year, its recommendations for the salaries to be
18 fixed for each position.

19 **Sec. 452.** RCW 43.03.120 and 2009 c 549 s 5009 are each amended to
20 read as follows:

21 Any state office, commission, department or institution may also
22 pay the moving expenses of a new employee, necessitated by his or her
23 acceptance of state employment, pursuant to mutual agreement with such
24 employee in advance of his or her employment(~~(: PROVIDED, That if such
25 employee is in the classified service as defined in chapter 41.06 RCW,
26 that said employee has been duly certified from an eligible register.
27 No such offer or agreement for such payment shall be made to a
28 prospective member of the classified service, prior to such
29 certification, except through appropriate public announcement by the
30 department of personnel, or other corresponding personnel agency as
31 provided by chapter 41.06 RCW)). Payment for all expenses authorized
32 by RCW 43.03.060, 43.03.110 through 43.03.210 including moving expenses
33 of new employees, exempt or classified, and others, shall be subject to
34 reasonable (~~regulations promulgated~~) rules adopted by the director of
35 financial management, including regulations defining allowable moving
36 costs: PROVIDED, That, if the new employee terminates or causes
37 termination of his or her employment with the state within one year of~~

1 the date of employment, the state shall be entitled to reimbursement
2 for the moving costs which have been paid and may withhold such sum as
3 necessary therefor from any amounts due the employee.

4 **Sec. 453.** RCW 43.03.130 and 2000 c 153 s 1 are each amended to
5 read as follows:

6 Any state office, commission, department or institution may agree
7 to pay the travel expenses of a prospective employee as an inducement
8 for such applicant to travel to a designated place to be interviewed by
9 and for the convenience of such agency(~~(:—PROVIDED, That if such~~
10 ~~employment is to be in the classified service, such offer may be made~~
11 ~~only on the express authorization of the state department of personnel,~~
12 ~~or other corresponding personnel agency as provided by chapter 41.06~~
13 ~~RCW, to applicants reporting for a merit system examination or to~~
14 ~~applicants from an eligible register reporting for a pre-employment~~
15 ~~interview)).~~ Travel expenses authorized for prospective employees
16 called for interviews shall be payable at rates in accordance with RCW
17 43.03.050 and 43.03.060 as now existing or hereafter amended. When an
18 applicant is called to be interviewed by or on behalf of more than one
19 agency, the authorized travel expenses may be paid directly by the
20 authorizing personnel department or agency, subject to reimbursement
21 from the interviewing agencies on a pro rata basis.

22 In the case of both classified and exempt positions, such travel
23 expenses will be paid only for applicants being considered for the
24 positions of director, deputy director, assistant director, or
25 supervisor of state departments, boards or commissions; or equivalent
26 or higher positions; or engineers, or other personnel having both
27 executive and professional status. In the case of the state investment
28 board, such travel expenses may also be paid for applicants being
29 considered for investment officer positions. In the case of four-year
30 institutions of higher education, such travel expenses will be paid
31 only for applicants being considered for academic positions above the
32 rank of instructor or professional or administrative employees in
33 supervisory positions. In the case of community and technical
34 colleges, such travel expenses may be paid for applicants being
35 considered for full-time faculty positions or administrative employees
36 in supervisory positions.

1 **Sec. 454.** RCW 43.06.013 and 2006 c 45 s 1 are each amended to read
2 as follows:

3 When requested by the governor or the director of the department of
4 (~~personnel~~) enterprise services, nonconviction criminal history
5 fingerprint record checks shall be conducted through the Washington
6 state patrol identification and criminal history section and the
7 federal bureau of investigation on applicants for agency head positions
8 appointed by the governor. Information received pursuant to this
9 section shall be confidential and made available only to the governor
10 or director of the department of personnel or their employees directly
11 involved in the selection, hiring, or background investigation of the
12 subject of the record check. When necessary, applicants may be
13 employed on a conditional basis pending completion of the criminal
14 history record check. "Agency head" as used in this section has the
15 same definition as provided in RCW 34.05.010.

16 **Sec. 455.** RCW 43.06.410 and 1993 c 281 s 47 are each amended to
17 read as follows:

18 There is established within the office of the governor the
19 Washington state internship program to assist students and state
20 employees in gaining valuable experience and knowledge in various areas
21 of state government. In administering the program, the governor shall:

22 (1) Consult with the secretary of state, the director of
23 (~~personnel~~) enterprise services, the commissioner of the employment
24 security department, and representatives of labor;

25 (2) Encourage and assist agencies in developing intern positions;

26 (3) Develop and coordinate a selection process for placing
27 individuals in intern positions. This selection process shall give due
28 regard to the responsibilities of the state to provide equal employment
29 opportunities;

30 (4) Develop and coordinate a training component of the internship
31 program which balances the need for training and exposure to new ideas
32 with the intern's and agency's need for on-the-job work experience;

33 (5) Work with institutions of higher education in developing the
34 program, soliciting qualified applicants, and selecting participants;
35 and

36 (6) Develop guidelines for compensation of the participants.

1 **Sec. 456.** RCW 43.06.425 and 2002 c 354 s 229 are each amended to
2 read as follows:

3 The director of (~~personnel~~) financial management or the
4 director's designee shall adopt rules to provide that:

5 (1) Successful completion of an internship under RCW 43.06.420
6 shall be considered as employment experience at the level at which the
7 intern was placed;

8 (2) Persons leaving classified or exempt positions in state
9 government in order to take an internship under RCW 43.06.420: (a)
10 Have the right of reversion to the previous position at any time during
11 the internship or upon completion of the internship; and (b) shall
12 continue to receive all fringe benefits as if they had never left their
13 classified or exempt positions;

14 (3) Participants in the undergraduate internship program who were
15 not public employees prior to accepting a position in the program
16 receive sick leave allowances commensurate with other state employees;

17 (4) Participants in the executive fellows program who were not
18 public employees prior to accepting a position in the program receive
19 sick and vacation leave allowances commensurate with other state
20 employees.

21 **Sec. 457.** RCW 43.33A.100 and 2008 c 236 s 1 are each amended to
22 read as follows:

23 The state investment board shall maintain appropriate offices and
24 employ such personnel as may be necessary to perform its duties.
25 Employment by the investment board shall include but not be limited to
26 an executive director, investment officers, and a confidential
27 secretary, which positions are exempt from classified service under
28 chapter 41.06 RCW. Employment of the executive director by the board
29 shall be for a term of three years, and such employment shall be
30 subject to confirmation of the state finance committee: PROVIDED, That
31 nothing shall prevent the board from dismissing the director for cause
32 before the expiration of the term nor shall anything prohibit the
33 board, with the confirmation of the state finance committee, from
34 employing the same individual as director in succeeding terms.
35 Compensation levels for the executive director, a confidential
36 secretary, and all investment officers, including the deputy director
37 for investment management, employed by the investment board shall be

1 established by the state investment board. The investment board is
2 authorized to maintain a retention pool within the state investment
3 board expense account under RCW 43.33A.160, from the earnings of the
4 funds managed by the board, pursuant to a performance management and
5 compensation program developed by the investment board, in order to
6 address recruitment and retention problems and to reward performance.
7 The compensation levels and incentive compensation for investment
8 officers shall be limited to the average of total compensation provided
9 by state or other public funds of similar size, based upon a biennial
10 survey conducted by the investment board, with review and comment by
11 the joint legislative audit and review committee. However, in any
12 fiscal year the incentive compensation granted by the investment board
13 from the retention pool to investment officers pursuant to this section
14 may not exceed thirty percent. Disbursements from the retention pool
15 shall be from legislative appropriations and shall be on authorization
16 of the board's executive director or the director's designee.

17 The investment board shall provide notice to (~~the director of the~~
18 ~~department of personnel,~~) the director of financial management((~~7~~))
19 and the chairs of the house of representatives and senate fiscal
20 committees of proposed changes to the compensation levels for the
21 positions. The notice shall be provided not less than sixty days prior
22 to the effective date of the proposed changes.

23 As of July 1, 1981, all employees classified under chapter 41.06
24 RCW and engaged in duties assumed by the state investment board on July
25 1, 1981, are assigned to the state investment board. The transfer
26 shall not diminish any rights granted these employees under chapter
27 41.06 RCW nor exempt the employees from any action which may occur
28 thereafter in accordance with chapter 41.06 RCW.

29 All existing contracts and obligations pertaining to the functions
30 transferred to the state investment board in chapter 3, Laws of 1981
31 shall remain in full force and effect, and shall be performed by the
32 board. None of the transfers directed by chapter 3, Laws of 1981 shall
33 affect the validity of any act performed by a state entity or by any
34 official or employee thereof prior to July 1, 1981.

35 **Sec. 458.** RCW 43.130.060 and 1973 2nd ex.s. c 37 s 6 are each
36 amended to read as follows:

37 In order to reimburse the public employees' retirement system for

1 any increased costs occasioned by the provisions of this chapter which
2 affect the retirement system, the ((~~public employees' retirement~~
3 ~~board~~)) director of retirement systems shall, within thirty days of the
4 date upon which any affected employee elects to take advantage of the
5 retirement provisions of this chapter, determine the increased present
6 and future cost to the retirement system of such employee's election.
7 Upon the determination of the amount necessary to offset ((~~said~~)) the
8 increased cost, the ((~~retirement board~~)) director of retirement systems
9 shall bill the department of ((~~personnel~~)) enterprise services for the
10 amount of the increased cost: PROVIDED, That such billing shall not
11 exceed eight hundred sixty-one thousand dollars. Such billing shall be
12 paid by the department as, and the same shall be, a proper charge
13 against any moneys available or appropriated to the department for this
14 purpose.

15 **Sec. 459.** RCW 43.131.090 and 2002 c 354 s 230 are each amended to
16 read as follows:

17 Unless the legislature specifies a shorter period of time, a
18 terminated entity shall continue in existence until June 30th of the
19 next succeeding year for the purpose of concluding its affairs:
20 PROVIDED, That the powers and authority of the entity shall not be
21 reduced or otherwise limited during this period. Unless otherwise
22 provided:

23 (1) All employees of terminated entities classified under chapter
24 41.06 RCW, the state civil service law, shall be transferred as
25 appropriate or as otherwise provided in the procedures adopted by the
26 human resources director ((~~of personnel~~)) pursuant to RCW 41.06.150;

27 (2) All documents and papers, equipment, or other tangible property
28 in the possession of the terminated entity shall be delivered to the
29 custody of the entity assuming the responsibilities of the terminated
30 entity or if such responsibilities have been eliminated, documents and
31 papers shall be delivered to the state archivist and equipment or other
32 tangible property to the department of ((~~general administration~~))
33 enterprise services;

34 (3) All funds held by, or other moneys due to, the terminated
35 entity shall revert to the fund from which they were appropriated, or
36 if that fund is abolished to the general fund;

1 (4) Notwithstanding the provisions of RCW 34.05.020, all rules made
2 by a terminated entity shall be repealed, without further action by the
3 entity, at the end of the period provided in this section, unless
4 assumed and reaffirmed by the entity assuming the related legal
5 responsibilities of the terminated entity;

6 (5) All contractual rights and duties of an entity shall be
7 assigned or delegated to the entity assuming the responsibilities of
8 the terminated entity, or if there is none to such entity as the
9 governor shall direct.

10 **Sec. 460.** RCW 48.37.060 and 2008 c 100 s 2 are each amended to
11 read as follows:

12 (1) When the commissioner determines that other market conduct
13 actions identified in RCW 48.37.040(4)(a) have not sufficiently
14 addressed issues raised concerning company activities in Washington
15 state, the commissioner has the discretion to conduct market conduct
16 examinations in accordance with the NAIC market conduct uniform
17 examination procedures and the NAIC market regulation handbook.

18 (2)(a) In lieu of an examination of an insurer licensed in this
19 state, the commissioner shall accept an examination report of another
20 state, unless the commissioner determines that the other state does not
21 have laws substantially similar to those of this state, or does not
22 have a market oversight system that is comparable to the market conduct
23 oversight system set forth in this law.

24 (b) The commissioner's determination under (a) of this subsection
25 is discretionary with the commissioner and is not subject to appeal.

26 (c) If the insurer to be examined is part of an insurance holding
27 company system, the commissioner may also seek to simultaneously
28 examine any affiliates of the insurer under common control and
29 management which are licensed to write the same lines of business in
30 this state.

31 (3) Before commencement of a market conduct examination, market
32 conduct oversight personnel shall prepare a work plan consisting of the
33 following:

34 (a) The name and address of the insurer being examined;

35 (b) The name and contact information of the examiner-in-charge;

36 (c) The name of all market conduct oversight personnel initially
37 assigned to the market conduct examination;

1 (d) The justification for the examination;
2 (e) The scope of the examination;
3 (f) The date the examination is scheduled to begin;
4 (g) Notice of any noninsurance department personnel who will assist
5 in the examination;
6 (h) A time estimate for the examination;
7 (i) A budget for the examination if the cost of the examination is
8 billed to the insurer; and
9 (j) An identification of factors that will be included in the
10 billing if the cost of the examination is billed to the insurer.

11 (4)(a) Within ten days of the receipt of the information contained
12 in subsection (3) of this section, insurers may request the
13 commissioner's discretionary review of any alleged conflict of
14 interest, pursuant to RCW 48.37.090(2), of market conduct oversight
15 personnel and noninsurance department personnel assigned to a market
16 conduct examination. The request for review shall specifically
17 describe the alleged conflict of interest in the proposed assignment of
18 any person to the examination.

19 (b) Within five business days of receiving a request for
20 discretionary review of any alleged conflict of interest in the
21 proposed assignment of any person to a market conduct examination, the
22 commissioner or designee shall notify the insurer of any action
23 regarding the assignment of personnel to a market conduct examination
24 based on the insurer's allegation of conflict of interest.

25 (5) Market conduct examinations shall, to the extent feasible, use
26 desk examinations and data requests before an on-site examination.

27 (6) Market conduct examinations shall be conducted in accordance
28 with the provisions set forth in the NAIC market regulation handbook
29 and the NAIC market conduct uniform examinations procedures, subject to
30 the precedence of the provisions of chapter 82, Laws of 2007.

31 (7) The commissioner shall use the NAIC standard data request.

32 (8) Announcement of the examination shall be sent to the insurer
33 and posted on the NAIC's examination tracking system as soon as
34 possible but in no case later than sixty days before the estimated
35 commencement of the examination, except where the examination is
36 conducted in response to extraordinary circumstances as described in
37 RCW 48.37.050(2)(a). The announcement sent to the insurer shall

1 contain the examination work plan and a request for the insurer to name
2 its examination coordinator.

3 (9) If an examination is expanded significantly beyond the original
4 reasons provided to the insurer in the notice of the examination
5 required by subsection (3) of this section, the commissioner shall
6 provide written notice to the insurer, explaining the expansion and
7 reasons for the expansion. The commissioner shall provide a revised
8 work plan if the expansion results in significant changes to the items
9 presented in the original work plan required by subsection (3) of this
10 section.

11 (10) The commissioner shall conduct a preexamination conference
12 with the insurer examination coordinator and key personnel to clarify
13 expectations at least thirty days before commencement of the
14 examination, unless otherwise agreed by the insurer and the
15 commissioner.

16 (11) Before the conclusion of the field work for market conduct
17 examination, the examiner-in-charge shall review examination findings
18 to date with insurer personnel and schedule an exit conference with the
19 insurer, in accordance with procedures in the NAIC market regulation
20 handbook.

21 (12)(a) No later than sixty days after completion of each market
22 conduct examination, the commissioner shall make a full written report
23 of each market conduct examination containing only facts ascertained
24 from the accounts, records, and documents examined and from the sworn
25 testimony of individuals, and such conclusions and recommendations as
26 may reasonably be warranted from such facts.

27 (b) The report shall be certified by the commissioner or by the
28 examiner-in-charge of the examination, and shall be filed in the
29 commissioner's office subject to (c) of this subsection.

30 (c) The commissioner shall furnish a copy of the market conduct
31 examination report to the person examined not less than ten days and,
32 unless the time is extended by the commissioner, not more than thirty
33 days prior to the filing of the report for public inspection in the
34 commissioner's office. If the person so requests in writing within
35 such period, the commissioner shall hold a hearing to consider
36 objections of such person to the report as proposed, and shall not so
37 file the report until after such hearing and until after any

1 modifications in the report deemed necessary by the commissioner have
2 been made.

3 (d) Within thirty days of the end of the period described in (c) of
4 this subsection, unless extended by order of the commissioner, the
5 commissioner shall consider the report, together with any written
6 submissions or rebuttals and any relevant portions of the examiner's
7 work papers and enter an order:

8 (i) Adopting the market conduct examination report as filed or with
9 modification or corrections. If the market conduct examination report
10 reveals that the company is operating in violation of any law, rule, or
11 order of the commissioner, the commissioner may order the company to
12 take any action the commissioner considers necessary and appropriate to
13 cure that violation;

14 (ii) Rejecting the market conduct examination report with
15 directions to the examiners to reopen the examination for purposes of
16 obtaining additional data, documentation, or information, and refileing
17 under this subsection; or

18 (iii) Calling for an investigatory hearing with no less than twenty
19 days' notice to the company for purposes of obtaining additional
20 documentation, data, information, and testimony.

21 (e) All orders entered under (d) of this subsection must be
22 accompanied by findings and conclusions resulting from the
23 commissioner's consideration and review of the market conduct
24 examination report, relevant examiner work papers, and any written
25 submissions or rebuttals. The order is considered a final
26 administrative decision and may be appealed under the administrative
27 procedure act, chapter 34.05 RCW, and must be served upon the company
28 by certified mail or certifiable electronic means, together with a copy
29 of the adopted examination report. A copy of the adopted examination
30 report must be sent by certified mail or certifiable electronic means
31 to each director at the director's residential address or to a personal
32 e-mail account.

33 (f)(i) Upon the adoption of the market conduct examination report
34 under (d) of this subsection, the commissioner shall continue to hold
35 the content of the examination report as private and confidential
36 information for a period of five days except that the order may be
37 disclosed to the person examined. Thereafter, the commissioner may

1 open the report for public inspection so long as no court of competent
2 jurisdiction has stayed its publication.

3 (ii) If the commissioner determines that regulatory action is
4 appropriate as a result of any market conduct examination, he or she
5 may initiate any proceedings or actions as provided by law.

6 (iii) Nothing contained in this subsection requires the
7 commissioner to disclose any information or records that would indicate
8 or show the existence or content of any investigation or activity of a
9 criminal justice agency.

10 (g) The insurer's response shall be included in the commissioner's
11 order adopting the final report as an exhibit to the order. The
12 insurer is not obligated to submit a response.

13 (13) The commissioner may withhold from public inspection any
14 examination or investigation report for so long as he or she deems it
15 advisable.

16 (14)(a) Market conduct examinations within this state of any
17 insurer domiciled or having its home offices in this state, other than
18 a title insurer, made by the commissioner or the commissioner's
19 examiners and employees shall, except as to fees, mileage, and expense
20 incurred as to witnesses, be at the expense of the state.

21 (b) Every other examination, whatsoever, or any part of the market
22 conduct examination of any person domiciled or having its home offices
23 in this state requiring travel and services outside this state, shall
24 be made by the commissioner or by examiners designated by the
25 commissioner and shall be at the expense of the person examined; but a
26 domestic insurer shall not be liable for the compensation of examiners
27 employed by the commissioner for such services outside this state.

28 (c) When making a market conduct examination under this chapter,
29 the commissioner may contract, in accordance with applicable state
30 contracting procedures, for qualified attorneys, appraisers,
31 independent certified public accountants, contract actuaries, and other
32 similar individuals who are independently practicing their professions,
33 even though those persons may from time to time be similarly employed
34 or retained by persons subject to examination under this chapter, as
35 examiners as the commissioner deems necessary for the efficient conduct
36 of a particular examination. The compensation and per diem allowances
37 paid to such contract persons shall be reasonable in the market and
38 time incurred, shall not exceed one hundred twenty-five percent of the

1 compensation and per diem allowances for examiners set forth in the
2 guidelines adopted by the national association of insurance
3 commissioners, unless the commissioner demonstrates that one hundred
4 twenty-five percent is inadequate under the circumstances of the
5 examination, and subject to the provisions of (a) of this subsection.

6 (d)(i) The person examined and liable shall reimburse the state
7 upon presentation of an itemized statement thereof, for the actual
8 travel expenses of the commissioner's examiners, their reasonable
9 living expenses allowance, and their per diem compensation, including
10 salary and the employer's cost of employee benefits, at a reasonable
11 rate approved by the commissioner, incurred on account of the
12 examination. Per diem, salary, and expenses for employees examining
13 insurers domiciled outside the state of Washington shall be established
14 by the commissioner on the basis of the national association of
15 insurance commissioner's recommended salary and expense schedule for
16 zone examiners, or the salary schedule established by the human
17 resources director (~~(of the Washington department of personnel)~~) and
18 the expense schedule established by the office of financial management,
19 whichever is higher. A domestic title insurer shall pay the
20 examination expense and costs to the commissioner as itemized and
21 billed by the commissioner.

22 (ii) The commissioner or the commissioner's examiners shall not
23 receive or accept any additional emolument on account of any
24 examination.

25 (iii) Market conduct examination fees subject to being reimbursed
26 by an insurer shall be itemized and bills shall be provided to the
27 insurer on a monthly basis for review prior to submission for payment,
28 or as otherwise provided by state law.

29 (e) Nothing contained in this chapter limits the commissioner's
30 authority to terminate or suspend any examination in order to pursue
31 other legal or regulatory action under the insurance laws of this
32 state. Findings of fact and conclusions made pursuant to any
33 examination are prima facie evidence in any legal or regulatory action.

34 (f) The commissioner shall maintain active management and oversight
35 of market conduct examination costs, including costs associated with
36 the commissioner's own examiners, and with retaining qualified contract
37 examiners necessary to perform an examination. Any agreement with a
38 contract examiner shall:

- 1 (i) Clearly identify the types of functions to be subject to
2 outsourcing;
- 3 (ii) Provide specific timelines for completion of the outsourced
4 review;
- 5 (iii) Require disclosure to the insurer of contract examiners'
6 recommendations;
- 7 (iv) Establish and use a dispute resolution or arbitration
8 mechanism to resolve conflicts with insurers regarding examination
9 fees; and
- 10 (v) Require disclosure of the terms of the contracts with the
11 outside consultants that will be used, specifically the fees and/or
12 hourly rates that can be charged.
- 13 (g) The commissioner, or the commissioner's designee, shall review
14 and affirmatively endorse detailed billings from the qualified contract
15 examiner before the detailed billings are sent to the insurer.

16 **Sec. 461.** RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040
17 are each reenacted and amended to read as follows:

18 As used in this chapter:

- 19 (1) "Director" means the director of labor and industries;
- 20 (2) "Wage" means compensation due to an employee by reason of
21 employment, payable in legal tender of the United States or checks on
22 banks convertible into cash on demand at full face value, subject to
23 such deductions, charges, or allowances as may be permitted by rules of
24 the director;
- 25 (3) "Employ" includes to permit to work;
- 26 (4) "Employer" includes any individual, partnership, association,
27 corporation, business trust, or any person or group of persons acting
28 directly or indirectly in the interest of an employer in relation to an
29 employee;
- 30 (5) "Employee" includes any individual employed by an employer but
31 shall not include:
- 32 (a) Any individual (i) employed as a hand harvest laborer and paid
33 on a piece rate basis in an operation which has been, and is generally
34 and customarily recognized as having been, paid on a piece rate basis
35 in the region of employment; (ii) who commutes daily from his or her
36 permanent residence to the farm on which he or she is employed; and

1 (iii) who has been employed in agriculture less than thirteen weeks
2 during the preceding calendar year;

3 (b) Any individual employed in casual labor in or about a private
4 home, unless performed in the course of the employer's trade, business,
5 or profession;

6 (c) Any individual employed in a bona fide executive,
7 administrative, or professional capacity or in the capacity of outside
8 salesperson as those terms are defined and delimited by rules of the
9 director. However, those terms shall be defined and delimited by the
10 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW
11 for employees employed under the director of personnel's jurisdiction;

12 (d) Any individual engaged in the activities of an educational,
13 charitable, religious, state or local governmental body or agency, or
14 nonprofit organization where the employer-employee relationship does
15 not in fact exist or where the services are rendered to such
16 organizations gratuitously. If the individual receives reimbursement
17 in lieu of compensation for normally incurred out-of-pocket expenses or
18 receives a nominal amount of compensation per unit of voluntary service
19 rendered, an employer-employee relationship is deemed not to exist for
20 the purpose of this section or for purposes of membership or
21 qualification in any state, local government, or publicly supported
22 retirement system other than that provided under chapter 41.24 RCW;

23 (e) Any individual employed full time by any state or local
24 governmental body or agency who provides voluntary services but only
25 with regard to the provision of the voluntary services. The voluntary
26 services and any compensation therefor shall not affect or add to
27 qualification, entitlement, or benefit rights under any state, local
28 government, or publicly supported retirement system other than that
29 provided under chapter 41.24 RCW;

30 (f) Any newspaper vendor or carrier;

31 (g) Any carrier subject to regulation by Part 1 of the Interstate
32 Commerce Act;

33 (h) Any individual engaged in forest protection and fire prevention
34 activities;

35 (i) Any individual employed by any charitable institution charged
36 with child care responsibilities engaged primarily in the development
37 of character or citizenship or promoting health or physical fitness or

1 providing or sponsoring recreational opportunities or facilities for
2 young people or members of the armed forces of the United States;

3 (j) Any individual whose duties require that he or she reside or
4 sleep at the place of his or her employment or who otherwise spends a
5 substantial portion of his or her work time subject to call, and not
6 engaged in the performance of active duties;

7 (k) Any resident, inmate, or patient of a state, county, or
8 municipal correctional, detention, treatment or rehabilitative
9 institution;

10 (l) Any individual who holds a public elective or appointive office
11 of the state, any county, city, town, municipal corporation or quasi
12 municipal corporation, political subdivision, or any instrumentality
13 thereof, or any employee of the state legislature;

14 (m) All vessel operating crews of the Washington state ferries
15 operated by the department of transportation;

16 (n) Any individual employed as a seaman on a vessel other than an
17 American vessel;

18 (o) Any farm intern providing his or her services to a small farm
19 which has a special certificate issued under RCW 49.12.465;

20 (6) "Occupation" means any occupation, service, trade, business,
21 industry, or branch or group of industries or employment or class of
22 employment in which employees are gainfully employed;

23 (7) "Retail or service establishment" means an establishment
24 seventy-five percent of whose annual dollar volume of sales of goods or
25 services, or both, is not for resale and is recognized as retail sales
26 or services in the particular industry.

27 **Sec. 462.** RCW 49.46.010 and 2010 c 8 s 12040 are each amended to
28 read as follows:

29 As used in this chapter:

30 (1) "Director" means the director of labor and industries;

31 (2) "Wage" means compensation due to an employee by reason of
32 employment, payable in legal tender of the United States or checks on
33 banks convertible into cash on demand at full face value, subject to
34 such deductions, charges, or allowances as may be permitted by rules of
35 the director;

36 (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 NEW SECTION. **Sec. 484.** Section 462 of this act takes effect
2 December 31, 2011.

3 **PART V**
4 **POWERS AND DUTIES TRANSFERRED FROM THE**
5 **OFFICE OF FINANCIAL MANAGEMENT**

6 **Sec. 501.** RCW 43.41.290 and 1977 ex.s. c 270 s 3 are each amended
7 to read as follows:

8 As used in ((RCW 43.19.19361 and 43.19.19362)) this act:

9 (1) "State agency" includes any state office, agency, commission,
10 department, or institution, including colleges, universities, and
11 community colleges, financed in whole or part from funds appropriated
12 by the legislature; ((and))

13 (2) "Risk management" means the total effort and continuous step by
14 step process of risk identification, measurement, minimization,
15 assumption, transfer, and loss adjustment which is aimed at protecting
16 assets and revenues against accidental loss;

17 (3) "Department" means the department of enterprise services; and

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

19 **Sec. 502.** RCW 43.41.300 and 2002 c 332 s 7 are each amended to
20 read as follows:

21 There is hereby created ((a)) an office of risk management
22 ((division)) within the ((office of financial management)) department
23 of enterprise services. The director shall implement the risk
24 management policy in RCW 43.41.280 (as recodified by this act) through
25 the office of risk management ((division)). The director shall appoint
26 a risk manager to supervise the office of risk management ((division)).
27 The office of risk management ((division)) shall make recommendations
28 when appropriate to state agencies on the application of prudent
29 safety, security, loss prevention, and loss minimization methods so as
30 to reduce or avoid risk or loss.

31 **Sec. 503.** RCW 43.41.310 and 2002 c 332 s 5 are each amended to
32 read as follows:

33 As a means of providing for the procurement of insurance and bonds
34 on a volume rate basis, the director shall purchase or contract for the

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 (~~(8) ((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 **Sec. 522.** RCW 39.29.011 and 2009 c 486 s 7 are each amended to
2 read as follows:

3 All personal service contracts shall be entered into pursuant to
4 competitive solicitation, except for:

5 (1) Emergency contracts;

6 (2) Sole source contracts;

7 (3) Contract amendments;

8 (4) Contracts between a consultant and an agency of less than
9 twenty thousand dollars. However, contracts of five thousand dollars
10 or greater but less than twenty thousand dollars shall have documented
11 evidence of competition, which must include agency posting of the
12 contract opportunity on the state's common vendor registration and bid
13 notification system. Agencies shall not structure contracts to evade
14 these requirements; and

15 (5) Other specific contracts or classes or groups of contracts
16 exempted from the competitive solicitation process by the director of
17 the (~~office of financial management~~) department of enterprise
18 services when it has been determined that a competitive solicitation
19 process is not appropriate or cost-effective.

20 **Sec. 523.** RCW 39.29.016 and 1998 c 101 s 4 are each amended to
21 read as follows:

22 Emergency contracts shall be filed with the (~~office of financial~~
23 ~~management~~) department of enterprise services and made available for
24 public inspection within three working days following the commencement
25 of work or execution of the contract, whichever occurs first.
26 Documented justification for emergency contracts shall be provided to
27 the (~~office of financial management~~) department of enterprise
28 services when the contract is filed.

29 **Sec. 524.** RCW 39.29.018 and 2009 c 486 s 8 are each amended to
30 read as follows:

31 (1) Sole source contracts shall be filed with the (~~office of~~
32 ~~financial management~~) department of enterprise services and made
33 available for public inspection at least ten working days prior to the
34 proposed starting date of the contract. Documented justification for
35 sole source contracts shall be provided to the (~~office of financial~~
36 ~~management~~) department of enterprise services when the contract is

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(~~(7)~~) 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 ~~ferreate~~) 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 **Sec. 731.** RCW 42.17.471 and 1999 c 401 s 7 are each amended to
2 read as follows:

3 The commission shall prepare and submit to the (~~department of~~
4 ~~information services~~) office of the chief information officer a
5 biennial performance report (~~in accordance with chapter 43.105 RCW~~).

6 The report must include:

7 (1) An evaluation of the agency's performance relating to
8 information technology;

9 (2) An assessment of progress made toward implementing the agency
10 information technology plan;

11 (3) An analysis of the commission's performance measures, set forth
12 in RCW 42.17.463, that relate to the electronic filing of reports and
13 timely public access to those reports via the commission's web site;

14 (4) A comprehensive description of the methods by which citizens
15 may interact with the agency in order to obtain information and
16 services from the commission; and

17 (5) An inventory of agency information services, equipment, and
18 proprietary software.

19 **Sec. 732.** RCW 42.17A.060 and 1999 c 401 s 1 are each amended to
20 read as follows:

21 It is the intent of the legislature to ensure that the commission
22 provide the general public timely access to all contribution and
23 expenditure reports submitted by candidates, continuing political
24 committees, bona fide political parties, lobbyists, and lobbyists'
25 employers. The legislature finds that failure to meet goals for full
26 and timely disclosure threatens to undermine our electoral process.

27 Furthermore, the legislature intends for the commission to consult
28 with the (~~department of information services~~) office of the chief
29 information officer as it seeks to implement chapter 401, Laws of 1999,
30 and that the commission follow the standards and procedures established
31 by the (~~department of information services~~) office of the chief
32 information officer in chapter 43.105 RCW as they relate to information
33 technology.

34 **Sec. 733.** RCW 43.88.092 and 2010 c 282 s 3 are each amended to
35 read as follows:

36 (1) As part of the biennial budget process, the office of financial

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.)~~

29 (12) "Telecommunications"
30 includes, but is not limited to, wireless or wired systems for
31 transport of voice, video, and data communications, network systems,
32 requisite facilities, equipment, system controls, simulation,
33 electronic commerce, and all related interactions between people and
34 machines. "Telecommunications" does not include public safety
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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