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#### SENATE BILL 5761

State of Washington 62nd Legislature 2011 Regular Session

By Senator Pridemore; by request of Governor Gregoire

Read first time 02/10/11. Referred to Committee on Government Operations, Tribal Relations & Elections.

1 AN ACT Relating to management and consolidation of information 2. technology; amending RCW 43.105.835, 42.17A.705, 42.17.2401, 43.105.290, 43.105.020, 43.105.047, 43.105.052, 43.105.057, 43.105.060, 3 and 41.80.020; reenacting and amending RCW 39.29.040 and 41.06.070; 4 adding a new section to chapter 41.06 RCW; adding new sections to 5 6 chapter 43.105 RCW; adding a new chapter to Title 43 RCW; adding a new 7 chapter to Title 41 RCW; recodifying RCW 43.105.052, 43.105.172, 43.105.250, 43.105.260, 43.105.270, 43.105.280, 43.105.290, 43.105.310, 8 9 and 43.105.835; repealing RCW 43.105.005, 43.105.013, 43.105.019, 43.105.032, 43.105.041, 43.105.095, 43.105.105, 43.105.160, 43.105.170, 10 11 43.105.180, 43.105.190, 43.105.200, 43.105.210, 43.105.330, 43.105.805, 43.105.815, and 43.105.820; providing effective dates; providing an 12 13 expiration date; and declaring an emergency.

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

15 PART I
16 CREATING THE OFFICE OF CHIEF INFORMATION OFFICER

17 <u>NEW SECTION.</u> **Sec. 101.** Information technology is a tool used by

18 state agencies to improve their ability to deliver public services

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efficiently and effectively. Advances in information technology - including advances in hardware, software, and business processes for implementing and managing these resources - offer new opportunities to improve the level of support provided to citizens and state agencies and to reduce the per-transaction cost of these services. These advances are one component in the process of reengineering how government delivers services to citizens.

To fully realize the service improvements and cost efficiency from the effective application of information technology to its business processes, state government must establish decision-making structures that connect business processes and information technology in an operating model. Many of these business practices transcend individual agency processes and should be worked at the enterprise level. To do this requires an effective partnership of executive management, business processes owners, and providers of support functions necessary to efficiently and effectively deliver services to citizens.

To maximize the potential for information technology to contribute to government business process reengineering the state must establish clear central authority to plan, set enterprise standards, and provide project oversight and management analysis of the various aspects of a business process.

Establishing the office of chief information officer and partnering it with the director of financial management and the director of personnel will provide state government with the cohesive structure necessary to develop improved operating models with agency directors and reengineer business process to enhance service delivery while capturing savings.

NEW SECTION. Sec. 102. (1) The office of the chief information officer is created within the office of financial management.

- (2) Powers, duties, and functions assigned to the department of information services as specified in this chapter shall be transferred to the office of chief information officer as provided in this chapter.
  - (3) The primary duties of the office are:
- 34 (a) To prepare and lead the implementation of a strategic direction 35 and enterprise architecture for information technology for state 36 government;

(b) To enable the standardization and consolidation of information technology infrastructure to support enterprise-based system development and improve and maintain service delivery;

- (c) To establish standards and policies for the consistent and efficient operation of information technology services throughout state government;
- (d) To establish statewide enterprise architecture that will serve as the organizing standard for information technology for state agencies;
- (e) Educate and inform state managers and policymakers on technological developments, industry trends and best practices, industry benchmarks that strengthen decision making and professional development, and industry understanding for public managers and decision makers.
- 15 (4) In the case of institutions of higher education, the powers of 16 the office and the provisions of this chapter apply to business and 17 administrative applications but do not apply to academic and research 18 applications.
  - NEW SECTION. Sec. 103. (1) The executive head and appointing authority of the office is the chief information officer. The chief information officer shall be appointed by the governor, subject to confirmation by the senate. The chief information officer shall serve at the pleasure of the governor. The chief information officer shall be paid a salary fixed by the governor. If a vacancy occurs in the position of chief information officer while the senate is not in session, the governor shall make a temporary appointment until the next meeting of the senate at which time he or she shall present to that body his or her nomination for the position.
  - (2) The chief information officer may employ staff members, who shall be exempt from chapter 41.06 RCW, and any additional staff members as are necessary to administer this chapter, and such other duties as may be authorized by law. The chief information officer may delegate any power or duty vested in him or her by this chapter or other law.
  - (3) The internal affairs of the office shall be under the control of the chief information officer in order that the chief information officer may manage the office in a flexible and intelligent manner as

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- 1 dictated by changing contemporary circumstances. Unless specifically
- 2 limited by law, the chief information officer shall have complete
- 3 charge and supervisory powers over the office. The chief information
- 4 officer may create such administrative structures as the chief
- 5 information officer deems appropriate, except as otherwise specified by
- 6 law, and the chief information officer may employ such personnel as may
- 7 be necessary in accordance with chapter 41.06 RCW, except as otherwise
- 8 provided by law.

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## 9 NEW SECTION. Sec. 104. The chief information officer shall:

- 10 (1) Supervise and administer the activities of the office of chief information officer;
  - (2) Exercise all the powers and perform all the duties prescribed by law with respect to the administration of this chapter including:
  - (a) Appoint such professional, technical, and clerical assistants and employees as may be necessary to perform the duties imposed by this chapter; and
  - (b) Report to the governor any matters relating to abuses and evasions of this chapter.
  - (3) In addition to other powers and duties granted, the chief information officer has the following powers and duties:
- 21 (a) Enter into contracts on behalf of the state to carry out the 22 purposes of this chapter;
  - (b) Accept and expend gifts and grants that are related to the purposes of this chapter, whether such grants be of federal or other funds;
    - (c) Apply for grants from public and private entities, and receive and administer any grant funding received for the purpose and intent of this chapter;
- 29 (d) Adopt rules in accordance with chapter 34.05 RCW and perform 30 all other functions necessary and proper to carry out the purposes of this chapter;
  - (e) Delegate powers, duties, and functions as the chief information officer deems necessary for efficient administration, but the chief information officer shall be responsible for the official acts of the officers and employees of the office; and
- 36 (f) Perform other duties as are necessary and consistent with law.

NEW SECTION. Sec. 105. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

- (1) "Backbone network" means the shared high-density portions of the state's telecommunications transmission facilities. It includes specially conditioned high-speed communications carrier lines, multiplexors, switches associated with such communications lines, and any equipment and software components necessary for management and control of the backbone network.
  - (2) "Board" means the information technology advisory board.
- (3) "Committee" means the state interoperability executive committee.
- (4) "Educational sectors" means those institutions of higher education, school districts, and educational service districts that use the network for distance education, data transmission, and other uses permitted by the board.
- (5) "Enterprise architecture" means an ongoing program for translating business vision and strategy into effective enterprise change. It is a continuous activity. Enterprise architecture creates, communicates, and improves the key principles and models that describe the enterprise's future state and enable its evolution. The intent of enterprise architecture is to provide guidance to projects that will improve the reliability, interoperability, and sustainability of the information, services, and business processes that Washington government uses, assisted where appropriate by common and standardized technologies.
- (6) "Equipment" means the machines, devices, and transmission facilities used in information processing, including but not limited to computers, terminals, telephones, wireless communications system facilities, cables, and any physical facility necessary for the operation of such equipment.
- 31 (7) "Information" includes, but is not limited to, data, text, 32 voice, and video.
  - (8) "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.

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- 1 (9) "Information technology portfolio" or "portfolio" means a 2 strategic management process documenting relationships between agency 3 missions and information technology and telecommunications investments.
  - (10) "K-20 network" means the network established in section 117 of this act.
  - (11) "Local governments" includes all municipal and quasi-municipal corporations and political subdivisions, and all agencies of such corporations and subdivisions authorized to contract separately.
    - (12) "Office" means the office of the chief information officer.
- 10 (13) "Oversight" means a process of comprehensive risk analysis and 11 management designed to ensure optimum use of information technology 12 resources and telecommunications.
- 13 (14) "Proprietary software" means that software offered for sale or license.
- 15 (15) "State agency" or "agency" means every state office, 16 department, division, bureau, board, commission, or other state agency, 17 including offices headed by a statewide elected official.
- 18 (16) "Telecommunications" includes, but is not limited to, wireless
  19 or wired systems for transport of voice, video, and data
  20 communications, network systems, requisite facilities, equipment,
  21 system controls, simulation, electronic commerce, and all related
  22 interactions between people and machines. "Telecommunications" does
  23 not include public safety communications.

## 24 STANDARDS AND POLICIES

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- <u>NEW SECTION.</u> **Sec. 106.** (1) The chief information officer shall establish standards and policies to govern information technology in the state of Washington.
- 28 (2) The office shall have the following powers and duties related 29 to information services:
- 30 (a) To develop standards and policies governing the acquisition and 31 disposition of equipment, software, and personal and purchased 32 services, licensing of the radio spectrum by or on behalf of state 33 agencies, and confidentiality of computerized data;
- 34 (b) To develop statewide or interagency technical policies, 35 standards, and procedures;

- (c) To review and approve standards and common specifications for new or expanded telecommunications networks proposed by agencies, public postsecondary education institutions, educational service districts, or statewide or regional providers of K-12 information technology services;
- (d) To provide direction concerning strategic planning goals and objectives for the state. The office shall seek input from the legislature and the judiciary; and
- (e) To establish policies for the periodic review by the office of agency performance which may include but are not limited to analysis of:
  - (i) Planning, management, control, and use of information services;
- 13 (ii) Training and education; and
- 14 (iii) Project management.

- (3) Statewide technical standards to promote and facilitate electronic information sharing and access are an essential component of acceptable and reliable public access service and complement content-related standards designed to meet those goals. The office shall:
- (a) Establish technical standards to facilitate electronic access to government information and interoperability of information systems, including wireless communications systems; and
- (b) Require agencies to consider electronic public access needs when planning new information systems or major upgrades of systems.
  - In developing these standards, the office is encouraged to include the state library, state archives, and appropriate representatives of state and local government.
- 27 (4) The office shall perform other matters and things necessary to 28 carry out the purposes and provisions of this chapter.

### 29 STRATEGIC PLANNING

NEW SECTION. Sec. 107. (1) The office shall prepare a state strategic information technology plan which shall establish a statewide mission, goals, and objectives for the use of information technology, including goals for electronic access to government records, information, and services. The plan shall be developed in accordance with the standards and policies established by the office. The office shall seek the advice of the board in the development of this plan.

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The plan shall be updated as necessary and submitted to the governor and the legislature.

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- (2) The office shall prepare a biennial state performance report on information technology based on agency performance reports required under section 110 of this act and other information deemed appropriate by the office. The report shall include, but not be limited to:
- (a) An analysis, based upon agency portfolios, of the state's information technology infrastructure, including its value, condition, and capacity;
- (b) An evaluation of performance relating to information technology;
  - (c) An assessment of progress made toward implementing the state strategic information technology plan, including progress toward electronic access to public information and enabling citizens to have two-way access to public records, information, and services; and
  - (d) An analysis of the success or failure, feasibility, progress, costs, and timeliness of implementation of major information technology projects under section 112 of this act. At a minimum, the portion of the report regarding major technology projects must include:
  - (i) The total cost data for the entire life-cycle of the project, including capital and operational costs, broken down by staffing costs, contracted service, hardware purchase or lease, software purchase or lease, travel, and training. The original budget must also be shown for comparison;
- (ii) The original proposed project schedule and the final actual project schedule;
- 27 (iii) Data regarding progress towards meeting the original goals 28 and performance measures of the project;
  - (iv) Discussion of lessons learned on the project, performance of any contractors used, and reasons for project delays or cost increases; and
  - (v) Identification of benefits generated by major information technology projects developed under section 112 of this act.

Copies of the report shall be distributed biennially to the governor and the legislature. The major technology section of the report must examine major information technology projects completed in the previous biennium.

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2 Sec. 108. Management of information technology NEW SECTION. 3 across state government requires managing resources and business 4 processes across multiple agencies. It is no longer sufficient to 5 pursue efficiencies within agency or individual business process 6 boundaries. The state must manage the business process changes and 7 information technology in support of business processes as a statewide The chief information officer will use agency information 8 9 technology portfolio planning to build a statewide portfolio to guide resource allocation and prioritization decisions. 10

- NEW SECTION. Sec. 109. An agency information technology portfolio shall serve as the basis for making information technology decisions and plans including:
  - (1) System refurbishment, acquisitions, and development efforts;
  - (2) Setting goals and objectives for using information technology;
- 16 (3) Assessments of information processing performance, resources, 17 and capabilities;
- 18 (4) Ensuring the appropriate transfer of technological expertise 19 for the operation of new systems developed using external resources; 20 and
- 21 (5) Progress toward providing electronic access to public 22 information.
  - NEW SECTION. Sec. 110. (1) Each agency shall develop an information technology portfolio consistent with RCW 43.105.172 (as recodified by this act). The superintendent of public instruction shall develop its portfolio in conjunction with educational service districts and statewide or regional providers of K-12 education information technology services.
- 29 (2) Agency portfolios shall include, but not be limited to, the 30 following:
- 31 (a) A baseline assessment of the agency's information technology 32 resources and capabilities that will serve as the benchmark for 33 subsequent planning and performance measures;
- 34 (b) A statement of the agency's mission, goals, and objectives for 35 information technology, including goals and objectives for achieving 36 electronic access to agency records, information, and services;

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- 1 (c) An explanation of how the agency's mission, goals, and 2 objectives for information technology support and conform to the state 3 strategic information technology plan developed under section 107 of 4 this act;
  - (d) An implementation strategy to provide electronic access to public records and information. This implementation strategy must be assembled to include:
    - (i) Compliance with Title 40 RCW;

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- (ii) Adequate public notice and opportunity for comment;
- 10 (iii) Consideration of a variety of electronic technologies, 11 including those that help transcend geographic locations, standard 12 business hours, economic conditions of users, and disabilities;
- 13 (iv) Methods to educate both state employees and the public in the effective use of access technologies;
- 15 (e) Projects and resources required to meet the objectives of the portfolio; and
  - (f) Where feasible, estimated schedules and funding required to implement identified projects.
    - (3) Portfolios developed under subsection (1) of this section shall be submitted to the office for review and approval. The chief information officer may reject, require modification to, or approve portfolios as deemed appropriate. Portfolios submitted under this subsection shall be updated and submitted for review and approval as necessary.
    - (4) Each agency shall prepare and submit to the office a biennial performance report that evaluates progress toward the objectives articulated in its information technology portfolio. The superintendent of public instruction shall develop its portfolio in conjunction with educational service districts and statewide or regional providers of K-12 education information technology services. The report shall include:
- 32 (a) An evaluation of the agency's performance relating to 33 information technology;
- 34 (b) An assessment of progress made toward implementing the agency information technology portfolio;
- 36 (c) Progress toward electronic access to public information and 37 enabling citizens to have two-way interaction for obtaining information 38 and services from agencies; and

- 1 (d) An inventory of agency information services, equipment, and 2 proprietary software.
  - (5) The office shall establish standards, elements, form, and format for plans and reports developed under this section.
  - (6) Agency activities to increase electronic access to public records and information, as required by this section, must be implemented within available resources and existing agency planning processes.
- 9 (7) The office may exempt any agency from any or all of the 10 requirements of this section.

#### 11 BUDGET REVIEW

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NEW SECTION. Sec. 111. (1) At the request of the director of financial management, the office shall evaluate state information technology budget requests, including those proposed by the superintendent of public instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education information technology services. The office shall submit recommendations for funding all or part of such requests to the director of financial management. The office shall also submit recommendations regarding consolidation and coordination of similar proposals or other efficiencies it finds in reviewing proposals.

(2) The office shall establish criteria, consistent with portfolio-based information technology management, for the evaluation of agency budget requests under this section. These budget requests shall be made in the context of an agency's information technology portfolio; technology initiatives underlying budget requests are subject to review by the office. Criteria shall include, but not be limited to: Feasibility of the proposed projects, consistency with the state strategic information technology plan and the state enterprise architecture, consistency with information technology portfolios, appropriate provision for public electronic access to information, evidence of business process streamlining and gathering of business and technical requirements, and services, costs, and benefits.

### PROJECT MANAGEMENT OVERSIGHT

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NEW SECTION. Sec. 112. (1) The office shall establish standards and policies governing the planning, implementation, and evaluation of major information technology projects, including those proposed by the superintendent of public instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education information technology services. The standards and policies shall:

- (a) Establish criteria to identify projects which are subject to this section. Such criteria shall include, but not be limited to, significant anticipated cost, complexity, or statewide significance of the project; and
- (b) Establish a model process and procedures which state agencies shall follow in developing and implementing projects within their information technology portfolios. This process may include project oversight experts or panels, as appropriate. Agencies may propose, for approval by the office, a process and procedures unique to the agency. The office may accept or require modification of such agency proposals or the office may reject such agency proposals and require use of the model process and procedures established under this subsection. Any process and procedures developed under this subsection shall require (i) distinct and identifiable phases upon which funding may be based, (ii) user validation of products through system demonstrations and testing of prototypes and deliverables, and (iii) other elements identified by the board.

The chief information officer may suspend or terminate a major project, and direct that the project funds be placed into unallotted reserve status, if the chief information officer determines that the project is not meeting or is not expected to meet anticipated performance standards.

- (2) The office of financial management shall establish policies and standards consistent with portfolio-based information technology management to govern the funding of projects developed under this section. The policies and standards shall provide for:
- (a) Funding of a project under terms and conditions mutually agreed to by the chief information officer, the director of financial management, and the head of the agency proposing the project. However, the office of financial management may require incremental funding of a project on a phase-by-phase basis whereby funds for a given phase of

- a project may be released only when the office of financial management determines, with the advice of the office, that the previous phase is satisfactorily completed; and
  - (b) Other elements deemed necessary by the office of financial management.

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#### ENTERPRISE ARCHITECTURE

- <u>NEW SECTION.</u> **Sec. 113.** (1) The office shall develop an enterprise-based strategy for information technology in state government informed by portfolio management planning and information technology expenditure information collected from state agencies pursuant to RCW 43.88.092.
- (2)(a) The office shall develop an ongoing enterprise architecture program for translating business vision and strategy into effective enterprise change. This program will create, communicate, and improve the key principles and models that describe the enterprise's future state and enable its evolution, in keeping with the priorities of government and the information technology strategic plan.
- (b) The enterprise architecture program will facilitate business process specific collaboration subject matter experts from agencies statewide; improving the reliability, interoperability, and sustainability of the business processes that state agencies use.
- In developing an enterprise-based strategy for the state, the office is encouraged to consider the following strategies as possible opportunities for achieving greater efficiency:
- (i) Developing evaluation criteria for deciding which common enterprise-wide business processes should become managed as enterprise systems;
- 28 (ii) Developing a roadmap of priorities for creating enterprise 29 systems;
- 30 (iii) Developing decision criteria for determining implementation
  31 criteria for centralized or decentralized enterprise systems;
- 32 (iv) Developing evaluation criteria for deciding which technology 33 investments to continue, hold, or drop; and
- (v) Performing such other duties as may be assigned by the office to promote effective enterprise change.

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(c) The program will establish performance measurement criteria for each of its initiatives; will measure the success of those initiatives; and will assess its quarterly results with the chief information officer to determine whether to continue, revise, or disband the initiative.

#### ADVISORY BOARD--CREATION AND DUTIES

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NEW SECTION. Sec. 114. (1) The information technology advisory board is created within the office of chief information officer. The board shall be composed of nine members appointed by the governor. The board members shall consist of:

- 11 (a) The chief information officer, who shall serve as the board 12 chair;
  - (b) No more than four members who are representatives of state agencies, at least one of whom must have direct experience using the software projects overseen by the office or reasonably expects to use the new software developed under the oversight of the office; and
  - (c) At least four members who are representatives of the private sector.
- 19 (2)(a) Members shall serve three-year terms. Members may not serve 20 more than two consecutive terms.
  - (b) Of the initial members, two must be appointed for a one-year term, three must be appointed for a two-year term, and three must be appointed for a three-year term. Thereafter, members must be appointed for three-year terms.
  - (c) Vacancies shall be filled in the same manner that the original appointments were made for the remainder of the member's term.
- 27 (3) Members of the board shall be reimbursed for travel expenses as 28 provided in RCW 43.03.050 and 43.03.060.
  - (4) The office shall provide staff support to the board.
- 30 <u>NEW SECTION.</u> **Sec. 115.** The board shall advise the chief information officer on information technology related matters and:
- 32 (1) Review policies and standards brought by the chief information 33 officer or requested by a board member, receive comments from agency 34 executives on the implications of proposed policies and standards, and 35 provide recommendations to the chief information officer;

(2) Provide a forum to solicit external expertise and perspective on developments in information technology, enterprise architecture, standards, and policy development; and

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(3) Provide a forum where ideas and issues related to information technology plans, policies, and standards can be reviewed.

## INTEROPERABILITY COMMITTEE--TRANSFER FROM DEPARTMENT OF INFORMATION SERVICES

NEW SECTION. Sec. 116. (1) The chief information officer shall appoint a state interoperability executive committee, the membership of which must include, but not be limited to, representatives of the military department, the Washington state patrol, the department of transportation, the department of information services, the department of natural resources, city and county governments, state and local fire chiefs, police chiefs, and sheriffs, and state and local emergency management directors. The chair and legislative members of the board will serve as nonvoting ex officio members of the committee. Voting membership may not exceed fifteen members.

- (2) The chief information officer shall appoint the chair of the committee from among the voting members of the committee.
- (3) The state interoperability executive committee has the following responsibilities:
- (a) Develop policies and make recommendations to the office for technical standards for state wireless radio communications systems, including emergency communications systems. The standards must address, among other things, the interoperability of systems, taking into account both existing and future systems and technologies;
- (b) Coordinate and manage on behalf of the board the licensing and use of state-designated and state-licensed radio frequencies, including the spectrum used for public safety and emergency communications, and serve as the point of contact with the federal communications commission on matters relating to allocation, use, and licensing of radio spectrum;
- (c) Coordinate the purchasing of all state wireless radio communications system equipment to ensure that:
- 35 (i) After the transition from a radio over internet protocol network, any new trunked system shall be, at a minimum, project-25;

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1 (ii) Any new system that requires advanced digital features shall 2 be, at a minimum, project-25; and

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- (iii) Any new system or equipment purchases shall be, at a minimum, upgradeable to project-25;
- (d) Seek support, including possible federal or other funding, for state-sponsored wireless communications systems;
- (e) Develop recommendations for legislation that may be required to promote interoperability of state wireless communications systems;
- (f) Foster cooperation and coordination among public safety and emergency response organizations;
- (g) Work with wireless communications groups and associations to ensure interoperability among all public safety and emergency response wireless communications systems; and
- 14 (h) Perform such other duties as may be assigned by the office to 15 promote interoperability of wireless communications systems.
- 16 (4) The office shall provide administrative support to the 17 committee.

# K-20 GOVERNANCE AND OPERATIONS OVERSIGHT--TRANSFER FROM DEPARTMENT OF INFORMATION SERVICES

NEW SECTION. Sec. 117. (1) The office has the duty to govern, operate, and oversee the technical design, implementation, and operation of the K-20 network including, but not limited to, the following duties: Establishment and implementation of K-20 network technical policy, including technical standards and conditions of use; review and approval of network design; procurement of shared network services and equipment; and resolving user/provider disputes concerning technical matters.

- (2) The office has the following powers and duties:
- (a) In cooperation with the educational sectors and other interested parties, to establish goals and measurable objectives for the network;
  - (b) To ensure that the goals and measurable objectives of the network are the basis for any decisions or recommendations regarding the technical development and operation of the network;
- 35 (c) To adopt, modify, and implement policies to facilitate network 36 development, operation, and expansion. Such policies may include but

need not be limited to the following issues: Quality of educational services; access to the network by recognized organizations and accredited institutions that deliver educational programming, including public libraries; prioritization of programming within limited resources; prioritization of access to the system and the sharing of technological advances; network security; identification and evaluation of emerging technologies for delivery of educational programs; future expansion or redirection of the system; network fee structures; and costs for the development and operation of the network;

- (d) To prepare and submit to the governor and the legislature a coordinated budget for network development, operation, and expansion. The budget shall include the chief information officer's recommendations on (i) any state funding requested for network transport and equipment, distance education facilities and hardware or software specific to the use of the network, and proposed new network end sites, (ii) annual copayments to be charged to public educational sector institutions and other public entities connected to the network, and (iii) charges to nongovernmental entities connected to the network;
- (e) To adopt and monitor the implementation of a methodology to evaluate the effectiveness of the network in achieving the educational goals and measurable objectives;
- (f) To establish by rule acceptable use policies governing user eligibility for participation in the K-20 network, acceptable uses of network resources, and procedures for enforcement of such policies. The office shall set forth appropriate procedures for enforcement of acceptable use policies, that may include suspension of network connections and removal of shared equipment for violations of network conditions or policies. The office shall have sole responsibility for the implementation of enforcement procedures relating to technical conditions of use.
- NEW SECTION. Sec. 118. The office shall maintain, in consultation with the K-20 network users and the board, the K-20 operations cooperative, which shall be responsible for day-to-day network management, technical network status monitoring, technical problem response coordination, and other duties as agreed to by the department of information services, the educational sectors, and the information

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- 1 services board. Funding for the K-20 operations cooperative shall be
- 2 provided from the education technology revolving fund under RCW
- 3 43.105.835 (as recodified by this act).

- NEW SECTION. Sec. 119. The chief information officer shall delegate the maintenance of the technical plan of the K-20 telecommunications system and ongoing system enhancements to the department of information services. The office shall ensure that the technical plan adheres to the goals and objectives established under section 106 of this act. The technical plan shall provide for:
  - (1) A telecommunications backbone connecting educational service districts, the main campuses of public baccalaureate institutions, the branch campuses of public research institutions, and the main campuses of community colleges and technical colleges.
  - (2)(a) Connection to the K-20 network by entities that include, but need not be limited to: School districts, public higher education off-campus and extension centers, and branch campuses of community colleges and technical colleges, as prioritized by the chief information officer; (b) distance education facilities and components for entities listed in this subsection and subsection (1) of this section; and (c) connection for independent nonprofit institutions of higher education, provided that:
  - (i) The chief information officer and each independent nonprofit institution of higher education to be connected agree in writing to terms and conditions of connectivity. The terms and conditions shall ensure, among other things, that the provision of K-20 services does not violate Article VIII, section 5 of the state Constitution and that the institution shall adhere to K-20 network policies; and
  - (ii) The chief information officer determines that inclusion of the independent nonprofit institutions of higher education will not significantly affect the network's eligibility for federal universal service fund discounts or subsidies.
- 32 (3) Subsequent phases may include, but need not be limited to, 33 connections to public libraries, state and local governments, community 34 resource centers, and the private sector.
- 35 <u>NEW SECTION.</u> **Sec. 120.** (1) In overseeing the technical aspects of the K-20 network, the office is not intended to duplicate the statutory

responsibilities of the higher education coordinating board, the superintendent of public instruction, the state librarian, or the governing boards of the institutions of higher education.

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- (2) The office may not interfere in any curriculum or legally offered programming offered over the K-20 network.
- (3) The responsibility to review and approve standards and common specifications for the K-20 network remains the responsibility of the office under section 106 of this act.
- (4) The coordination of telecommunications planning for the common schools remains the responsibility of the superintendent of public instruction. Except as set forth in section 106(2)(e) of this act, the office may recommend, but not require, revisions to the superintendent's telecommunications plans.

# 14 **Sec. 121.** RCW 43.105.835 and 2004 c 276 s 910 are each amended to read as follows:

- (1) The education technology revolving fund is created in the custody of the state treasurer. All receipts from billings under subsection (2) of this section must be deposited in the revolving fund. Only the ((director of the department of information services or the director's designee)) chief information officer or the chief information officer's designee may authorize expenditures from the The revolving fund shall be used to pay for K-20 network operations, transport, equipment, software, supplies, and services, maintenance and depreciation of on-site data, and infrastructure, and other costs incidental to the development, and administration of shared educational information technology services, telecommunications, and systems. The revolving fund shall not be used for the acquisition, maintenance, or operations of local telecommunications infrastructure or the maintenance or depreciation of on-premises video equipment specific to a particular institution or group of institutions.
- (2) The revolving fund and all disbursements from the revolving fund are subject to the allotment procedure under chapter 43.88 RCW, but an appropriation is not required for expenditures. The ((department of information services)) office shall, ((in consultation with entities connected to the network under RCW 43.105.820 and))

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subject to the review and approval of the office of financial management, establish and implement a billing structure for network services identified in subsection (1) of this section.

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- 4 (3) The ((<del>department</del>)) office shall charge those public entities connected to the K-20 ((telecommunications [telecommunication system] 5 6 under RCW 43.105.820)) telecommunications system under section 119 of 7 this act an annual copayment per unit of transport connection as 8 determined by the legislature after consideration of the ((K-20))board's recommendations. This copayment shall be deposited into the 9 10 revolving fund to be used for the purposes in subsection (1) of this 11 It is the intent of the legislature to appropriate to the 12 revolving fund such moneys as necessary to cover the costs for 13 transport, maintenance, and depreciation of data equipment located at 14 the individual public institutions, maintenance and depreciation of the K-20 network backbone, and services provided to the network under ((RCW 15 16 43.105.815.
- (4) During the 2003-05 biennium, the legislature may transfer moneys from the education technology revolving fund to the state general fund and the data processing revolving fund such amounts as reflect the excess fund balance of the account)) section 119 of this act.

### GENERAL PROVISIONS RELATED TO OFFICE OF CHIEF INFORMATION OFFICER

NEW SECTION. Sec. 122. A new section is added to chapter 41.06 RCW to read as follows:

In addition to the exemptions under RCW 41.06.070, the provisions of this chapter do not apply in the office of the chief information officer to the chief information officer, the chief information officer's confidential secretary, assistant directors, and any other exempt staff members provided for in section 104 of this act.

- 30 **Sec. 123.** RCW 42.17A.705 and 2010 c 204 s 902 are each amended to read as follows:
- For the purposes of RCW 42.17A.700, "executive state officer" includes:
- 34 (1) The chief administrative law judge, the director of 35 agriculture, the director of the department of services for the blind,

the chief information officer of the office of the chief information officer, the director of the state system of community and technical colleges, the director of commerce, the secretary of corrections, the director of early learning, the director of ecology, the commissioner of employment security, the chair of the energy facility site evaluation council, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of administration, the secretary of health, the administrator of the Washington state health care authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, the director of the department of information services, the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, the director of personnel, the executive director of the public disclosure commission, the executive director of the Puget Sound partnership, the director of the recreation and conservation office, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and state universities and the president of The Evergreen State College, and each district and each campus president of each state community college;

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- (2) Each professional staff member of the office of the governor;
- (3) Each professional staff member of the legislature; and
- (4) Central Washington University board of trustees, the boards of trustees of each community college and each technical college, each member of the state board for community and technical colleges, state convention and trade center board of directors, Eastern Washington University board of trustees, Washington economic development finance

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

21 **Sec. 124.** RCW 42.17.2401 and 2009 c 565 s 24 are each amended to 22 read as follows:

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

The chief administrative law judge, the director (1)agriculture, the administrator of the Washington basic health plan, the director of the department of services for the blind, the chief information officer of the office of the chief information officer, the director of the state system of community and technical colleges, the director of commerce, the secretary of corrections, the director of early learning, the director of ecology, the commissioner of employment security, the chair of the energy facility site evaluation council, the secretary of the state finance committee, the director of financial management, the director of fish and wildlife, the executive secretary of the forest practices appeals board, the director of the gambling commission, the director of general administration, the secretary of health, the administrator of the Washington state health care

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authority, the executive secretary of the health care facilities authority, the executive secretary of the higher education facilities authority, the executive secretary of the horse racing commission, the executive secretary of the human rights commission, the executive secretary of the indeterminate sentence review board, the director of the department of information services, the executive director of the state investment board, the director of labor and industries, the director of licensing, the director of the lottery commission, the director of the office of minority and women's business enterprises, the director of parks and recreation, the director of personnel, the executive director of the public disclosure commission, the executive director of the Puget Sound partnership, the director of the recreation and conservation office, the director of retirement systems, the director of revenue, the secretary of social and health services, the chief of the Washington state patrol, the executive secretary of the board of tax appeals, the secretary of transportation, the secretary of the utilities and transportation commission, the director of veterans affairs, the president of each of the regional and state universities and the president of The Evergreen State College, and each district and each campus president of each state community college;

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- (2) Each professional staff member of the office of the governor;
- (3) Each professional staff member of the legislature; and
- (4) Central Washington University board of trustees, the boards of trustees of each community college and each technical college, each member of the state board for community and technical colleges, state convention and trade center board of directors, committee for deferred Eastern Washington University board of trustees, compensation, Washington economic development finance authority, The Evergreen State College board of trustees, executive ethics board, forest practices appeals board, forest practices board, gambling commission, life sciences discovery fund authority board of trustees, Washington health care facilities authority, each member of the Washington health services commission, higher education coordinating board, higher education facilities authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, information services board, recreation and conservation funding board, state investment board, commission on judicial conduct, legislative ethics

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

13 **Sec. 125.** RCW 43.105.290 and 1996 c 171 s 13 are each amended to 14 read as follows:

The state library, with the assistance of the ((department of information services)) office and the state archives, shall establish a pilot project to design and test an electronic information locator system, allowing members of the public to locate and access electronic public records. In designing the system, the following factors shall be considered: (1) Ease of operation by citizens; (2) access through multiple technologies, such as direct dial and toll-free numbers, kiosks, and the internet; (3) compatibility with private online services; and (4) capability of expanding the electronic public records included in the system. The pilot project may restrict the type and quality of electronic public records that are included in the system to test the feasibility of making electronic public records and information widely available to the public.

28 PART II

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#### CREATING THE CONSOLIDATED TECHNOLOGY SERVICES AGENCY

NEW SECTION. Sec. 201. A new section is added to chapter 43.105 RCW to read as follows:

To achieve maximum benefit from advances in information technology the state establishes a centralized provider and procurer of certain information technology services agency to support the needs of state agencies. This agency shall be known as the consolidated technology

services agency. To ensure maximum benefit to the state, state agencies shall rely on the consolidated technology services agency for those services with a business case of broad use, uniformity, scalability, and price sensitivity to aggregation and volume.

To successfully meet agency needs and meet its obligation as the primary service provider for these services, the consolidated technology services agency must offer high quality services at the lowest possible price. It must be able to attract an adaptable and competitive workforce, be authorized to procure services where the business case justifies it, and be accountable to its customers for the efficient and effective delivery of critical business services.

The consolidated technology services agency is established as an agency in state government. The agency is established with clear accountability to the agencies it serves and to the public. This accountability will come through enhanced transparency in the agency's operation and performance. The agency is also established with broad flexibility to adapt its operations and service catalog to address the needs of customer agencies, and to do so in the most cost-effective ways.

**Sec. 202.** RCW 43.105.020 and 2010 1st sp.s. c 7 s 64 are each 21 amended to read as follows:

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

- (1) (("Administrator" means the community technology opportunity program administrator designated by the department.
- (2) "Backbone network" means the shared high-density portions of the state's telecommunications transmission facilities. It includes specially conditioned high-speed communications carrier lines, multiplexors, switches associated with such communications lines, and any equipment and software components necessary for management and control of the backbone network.
  - (3) "Board" means the information services board.
- 33 (4) "Broadband" means a high-speed, high capacity transmission
  34 medium, using land-based, satellite, wireless, or any other mechanism,
  35 that can carry either signals or transmit data, or both, over long
  36 distances by using a wide range of frequencies.

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1 (5) "Committee" means the state interoperability executive 2 committee.

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- (6) "Common vendor registration and bid notification system" has the definition in RCW 39.29.006.
- (7) "Community technology programs" means programs that are engaged in diffusing information and communications technology in local communities, particularly in unserved and underserved areas of the state. These programs may include, but are not limited to, programs that provide education and skill-building opportunities, hardware and software, internet connectivity, digital media literacy, development of locally relevant content, and delivery of vital services through technology.
- 13 (8) "Council" means the advisory council on digital inclusion
  14 created in RCW 43.105.400.
  - (9) "Department" means the department of information services.
  - (10))) "Agency" means the consolidated technology services agency.
  - (2) "Board" means the consolidated technology services board.
  - (3) "Customer agencies" means all entities that purchase services from the consolidated technology services agency.
  - <u>(4)</u> "Director" means the director of the ((<del>department</del>)) consolidated technology services agency.
  - ((11) "Educational sectors" means those institutions of higher education, school districts, and educational service districts that use the network for distance education, data transmission, and other uses permitted by the K-20 board.
  - (12))) (5) "Equipment" means the machines, devices, and transmission facilities used in information processing, ((such as)) including but not limited to computers, ((word processors,)) terminals, telephones, wireless communications system facilities, cables, and any physical facility necessary for the operation of such equipment.
    - ((<del>13)</del> "High-speed internet" means broadband.
- 32 (14) "Information" includes, but is not limited to, data, text, voice, and video.
- 34 (15) "Information processing" means the electronic capture, 35 collection, storage, manipulation, transmission, retrieval, and 36 presentation of information in the form of data, text, voice, or image 37 and includes telecommunications and office automation functions.

(16) "Information services" means data processing, telecommunications, office automation, and computerized information systems.

- translating business vision and strategy into effective enterprise change. It is a continuous activity. Enterprise architecture creates, communicates, and improves the key principles and models that describe the enterprise's future state and enable its evolution. The intent of enterprise architecture is to provide guidance to projects that will improve the reliability, interoperability, and sustainability of the information, services, and business processes that Washington government uses, assisted where appropriate by common and standardized technologies.
- (7) "Information technology" includes, but is not limited to, all electronic technology systems and services, automated information handling, system design and analysis, conversion of data, computer programming, information storage and retrieval, telecommunications, requisite system controls, simulation, electronic commerce, and all related interactions between people and machines.
- (8) "Information technology portfolio" or "portfolio" means a strategic management process documenting relationships between agency missions and information technology and telecommunications investments.
- ((<del>18)</del> "K-20 network" means the network established in RCW 43.105.820.
- (19))) (9) "Local governments" includes all municipal and quasi municipal corporations and political subdivisions, and all agencies of such corporations and subdivisions authorized to contract separately.
- $((\frac{20}{10}))$  <u>(10)</u> "Oversight" means a process of comprehensive risk analysis and management designed to ensure optimum use of information technology resources and telecommunications.
- $((\frac{(21)}{(21)}))$  <u>(11)</u> "Proprietary software" means that software offered 32 for sale or license.
  - (((22) "Purchased services" means services provided by a vendor to accomplish routine, continuing, and necessary functions. This term includes, but is not limited to, services acquired for equipment maintenance and repair, operation of a physical plant, security, computer hardware and software installation and maintenance,

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telecommunications installation and maintenance, data entry, keypunch services, programming services, and computer time-sharing.

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

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- (24) "Telecommunications" means the transmission of information by wire, radio, optical cable, electromagnetic, or other means.
- 6 (25) "Video telecommunications" means the electronic interconnection of two or more sites for the purpose of transmitting 7 and/or receiving visual and associated audio information. Video 8 telecommunications shall not include existing public television 9 10 broadcast stations as currently designated by the department of 11 commerce under chapter 43.330 RCW.)) (12) "Telecommunications" 12 includes, but is not limited to, wireless or wired systems for 13 transport of voice, video, and data communications, network systems, requisite facilities, equipment, system controls, simulation, 14 electronic commerce, and all related interactions between people and 15 machines. "Telecommunications" does not include public safety 16 communications. 17
- 18 **Sec. 203.** RCW 43.105.047 and 1999 c 80 s 5 are each amended to read as follows:

There is created the ((department of information services)) consolidated technology services agency, an agency of state government. The ((department)) agency shall be headed by a director appointed by the governor with the consent of the senate. The director shall serve at the governor's pleasure and shall receive such salary as determined by the governor. The director shall:

- (1) Appoint a confidential secretary and such deputy and assistant directors as needed to administer the ((department)) agency; and
- (2) ((Maintain and fund a strategic planning and policy component separate from the services component of the department;
- (3) Appoint, after consulting with the board, the assistant or deputy director for the planning component;
  - (4) ) Appoint such professional, technical, and clerical assistants and employees as may be necessary to perform the duties imposed by this chapter (  $(\dot{\tau}$
- 35 (5) Report to the governor and the board any matters relating to 36 abuses and evasions of this chapter; and
- 37 (6) Recommend statutory changes to the governor and the board)).

1 Sec. 204. RCW 43.105.052 and 2010 1st sp.s. c 7 s 16 are each 2 amended to read as follows: 3 The ((department)) agency shall: 4 (1) ((Perform all duties and responsibilities the board delegates to the department, including but not limited to: 5 6 (a) The review of agency information technology portfolios and 7 related requests; and 8 (b) Implementation of statewide and interagency policies, 9 standards, and guidelines; (2))) Make available information services to state agencies and 10 11 local governments and public benefit nonprofit corporations ((on a full 12 cost recovery basis)). For the purposes of this section "public 13 benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, 14 or federal funds either directly or through a public agency other than 15 an Indian tribe or political subdivision of another state((. These 16 services may include, but are not limited to: 17 (a) Telecommunications services for voice, data, and video; 18 19 (b) Mainframe computing services; 20 (c) Support for departmental and microcomputer evaluation, 21 installation, and use; 22 (d) Equipment acquisition assistance, including leasing, brokering, 23 and establishing master contracts; 24 (e) Facilities management services for information technology 25 equipment, equipment repair, and maintenance service; 26 (f) Negotiation with local cable companies and local governments to 27 provide for connection to local cable services to allow for access to these public and educational channels in the state; 28 (q) Office automation services; 29 30 (h) System development services; and 31 (i) Training. 32 These services are for discretionary use by customers and customers may elect other alternatives for service if those alternatives are more 33 cost effective or provide better service. Agencies may be required to 34 35 use the backbone network portions of the telecommunications services

during an initial start-up period not to exceed three years));

(((3))) (2) Establish rates and fees for services provided by the

((department to assure that the services component of the department is

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self-supporting)) agency. A billing rate plan shall be developed for a two-year period to coincide with the budgeting process. The rate plan shall be subject to review at least annually by the office of financial management. The rate plan shall show the proposed rates by each cost center and will show the components of the rate structure as mutually determined by the ((department)) agency and the office of financial management. ((The same rate structure will apply to all user agencies of each cost center.)) The rate plan and any adjustments to rates shall be approved by the office of financial management((. The services component shall not subsidize the operations of the strategic planning and policy component));

- ((4))) (3) With the advice of the  $((information\ services))$  board and <u>customer</u> agencies, develop a state strategic information technology plan and performance reports as required under  $((RCW\ 43.105.160))$  section 107 of this act;
- ((\(\frac{(5)}{)}\)) (\(\frac{(4)}{)}\) Develop plans for the ((\(\frac{department's}{)}\)) agency's achievement of statewide goals and objectives set forth in the state strategic information technology plan required under ((\(\frac{RCW}{43.105.160}\). These plans shall address such services as telecommunications, central and distributed computing, local area networks, office automation, and end user computing. The department shall seek the advice of the board in the development of these plans;
- (6) Under direction of the information services board and in collaboration with the department of personnel, and other agencies as may be appropriate, develop training plans and coordinate training programs that are responsive to the needs of agencies;
- (7) Identify opportunities for the effective use of information services and coordinate appropriate responses to those opportunities;
- (8) Assess agencies' projects, acquisitions, plans, information technology portfolios, or overall information processing performance as requested by the board, agencies, the director of financial management, or the legislature. Agencies may be required to reimburse the department for agency requested reviews)) section 107 of this act;
- ((<del>9)</del> Develop planning, budgeting, and expenditure reporting requirements, in conjunction with the office of financial management, for agencies to follow;
- 37 (10) Assist the office of financial management with budgetary and policy review of agency plans for information services;

- 1 (11) Provide staff support from the strategic planning and policy 2 component to the board for:
  - (a) Meeting preparation, notices, and minutes;

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- (b) Promulgation of policies, standards, and guidelines adopted by the board;
  - (c) Supervision of studies and reports requested by the board;
  - (d) Conducting reviews and assessments as directed by the board;
- 8 (12) Be the lead agency in coordinating video telecommunications services for all state agencies and develop, pursuant to board 9 10 policies, standards and common specifications for leased and purchased 11 telecommunications equipment. The department shall not evaluate the 12 merits of school curriculum, higher education course offerings, or 13 other education and training programs proposed for transmission and/or reception using video telecommunications resources. Nothing in this 14 section shall abrogate or abridge the legal responsibilities of 15 licensees of telecommunications facilities as licensed by the federal 16 communication commission on March 27, 1990;)) and 17
- 18  $((\frac{13}{13}))$  (5) Perform all other matters and things necessary to carry out the purposes and provisions of this chapter.
- NEW SECTION. Sec. 205. A new section is added to chapter 43.105 21 RCW to read as follows:
  - (1) There is hereby created the consolidated technology services board. The board shall be composed of seven members appointed by the governor. The board members shall consist of customer representatives either in the position of chief executive officer, chief financial officer, or chief information officer.
  - (2)(a) Members shall serve three-year terms. Members may not serve more than two consecutive terms.
  - (b) Of the initial members, two must be appointed for a one-year term, two must be appointed for a two-year term, and three must be appointed for a three-year term. Thereafter, members must be appointed for three-year terms.
- 33 (c) Vacancies shall be filled in the same manner that the original appointments were made for the remainder of the member's term.
- 35 (3) A majority of the members of the board shall constitute a 36 quorum for the transaction of business.

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NEW SECTION. Sec. 206. A new section is added to chapter 43.105 RCW to read as follows:

The board has the following powers and duties:

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- (1) Approve rates for services offered by the agency;
- 5 (2) Approve the budget proposal to the office of financial 6 management for the agency;
- 7 (3) Approve the catalog of services to be provided or procured for 8 client agencies;
- 9 (4) Prepare and submit an annual performance evaluation of the 10 director to the governor;
- 11 (5) Prepare and submit a performance assessment of the agency to 12 the governor annually; and
- 13 (6) Advise the director on operational issues and plans brought 14 before the board by the director.
- NEW SECTION. Sec. 207. A new section is added to chapter 43.105 RCW to read as follows:

The director in consultation with the board shall set performance 17 targets and approve plans for achieving measurable and specific goals 18 By January 2012, the appropriate organizational 19 for the agency. 20 performance and accountability measures and performance targets shall 21 be submitted to the governor. These measures and targets shall include 22 performance demonstrating specific of and 23 improvements related to service delivery and costs, operational 24 efficiencies, and overall customer satisfaction. The agency shall 25 develop a dashboard of key performance measures that will be updated 26 quarterly and made available on the agency public web site.

The director shall report to the governor on agency performance at least quarterly. The reports shall be included on the agency's web site and accessible to the public.

- 30 **Sec. 208.** RCW 43.105.057 and 1992 c 20 s 11 are each amended to read as follows:
- 32 The ((department of information services and the information 33 services board, respectively,)) agency shall adopt rules as necessary 34 under chapter 34.05 RCW to implement the provisions of this chapter.

Sec. 209. RCW 43.105.060 and 1987 c 504 s 10 are each amended to 1 2 read as follows:

State and local government agencies are authorized to enter into any contracts with the ((department or its successor)) agency which may be necessary or desirable to effectuate the purposes and policies of this chapter or for maximum utilization of facilities and services which are the subject of this chapter.

Sec. 210. RCW 39.29.040 and 2002 c 260 s 11 and 2002 c 200 s 2 are each reenacted and amended to read as follows: 9

This chapter does not apply to:

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- (1) Contracts specifying a fee of less than five thousand dollars if the total of the contracts from that agency with the contractor within a fiscal year does not exceed five thousand dollars;
- (2) Contracts awarded to companies that furnish a service where the tariff is established by the utilities and transportation commission or other public entity;
- (3) Intergovernmental agreements awarded to any governmental entity, whether federal, state, or local and any department, division, or subdivision thereof;
- (4) Contracts awarded for services to be performed for a standard fee, when the standard fee is established by the contracting agency or any other governmental entity and a like contract is available to all qualified applicants;
- (5) Contracts for services that are necessary to the conduct of collaborative research if prior approval is granted by the funding source;
- 27 (6) Contracts for client services except as otherwise indicated in 28 this chapter;
- (7) Contracts for architectural and engineering services as defined 29 in RCW 39.80.020, which shall be entered into under chapter 39.80 RCW; 30
  - (8) Contracts for the employment of expert witnesses for the purposes of litigation;
- (9) Contracts for bank supervision authorized under RCW 30.38.040; 33 ((<del>and</del>)) 34
- 35 (10) Contracts for interpreter services and interpreter brokerage 36 services on behalf of limited-English speaking or sensory-impaired 37 applicants and recipients of public assistance; and

- 1 (11) Contracts awarded by the consolidated technology services 2 agency.
- 3 PART III 4 TRANSFERS

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- 5 NEW SECTION. Sec. 301. Collective bargaining agreements 6 negotiated under this chapter shall not be effective prior to July 1, Any collective bargaining agreement entered into before July 1, 7 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.
- NEW SECTION. Sec. 302. Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.
  - (1) "Agency" means the consolidated technology services agency as defined in chapter 43.105 RCW.
  - (2) "Collective bargaining" means the performance of the mutual obligation of the representatives of the employer and the exclusive bargaining representative to meet at reasonable times and to bargain in good faith in an effort to reach agreement with respect to the subjects of bargaining specified under section 304 of this act. The obligation to bargain does not compel either party to agree to a proposal or to make a concession, except as otherwise provided in this chapter.
    - (3) "Commission" means the public employment relations commission.
  - (4) "Confidential employee" means an employee who, in the regular course of his or her duties, assists in a confidential capacity persons who formulate, determine, and effectuate management policies with regard to labor relations or who, in the regular course of his or her duties, has authorized access to information relating to the effectuation or review of the employer's collective bargaining 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

services agency, including employees whose work has ceased in connection with the pursuit of lawful activities protected by this chapter, except:

(a) Confidential employees;

- (b) Managers as defined in subsection (11) of this section; or
- (c) Internal auditors in the agency.
- (7) "Employee organization" means any organization, union, or association in which employees participate and that exists for the purpose, in whole or in part, of collective bargaining with employers.
  - (8) "Employer" means the state of Washington.
- (9) "Exclusive bargaining representative" means any employee organization that has been certified under this chapter as the representative of the employees in an appropriate bargaining unit.
- (10) "Labor dispute" means any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment with respect to the subjects of bargaining provided in this chapter, regardless of whether the disputants stand in the proximate relation of employer and employee.
  - (11) "Manager" means any employee who:
- 22 (a) Formulates statewide policy or directs the work of the agency 23 or agency subdivision;
  - (b) Is responsible to administer one or more statewide policies or programs of the agency or agency subdivision;
  - (c) Manages, administers, and controls a local branch office of the agency or agency subdivision, including the physical, financial, or personnel resources;
  - (d) Has substantial responsibility in personnel administration, legislative relations, public information, or the preparation and administration of budgets; or
  - (e) Functionally is above the first level of supervision and exercises authority that is not merely routine or clerical in nature and requires the consistent use of independent judgment.
  - (12) "Supervisor" means an employee who has authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, direct, reward, or discipline employees, or to adjust employee grievances, or effectively to recommend such action, if

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- the exercise of the authority is not of a merely routine nature but requires the consistent exercise of individual judgment. However, no
- 3 employee who is a manager as defined in subsection (11) of this section
- 4 may be included in a collective bargaining unit established under this
- 5 chapter.

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- 6 (13) "Unfair labor practice" means any unfair labor practice listed 7 in section 313 of this act.
- 8 <u>NEW SECTION.</u> **Sec. 303.** (1) For the purpose of negotiating 9 collective bargaining agreements under this chapter, the employer shall 10 be represented by the governor or governor's designee.
  - (2) If an exclusive bargaining representative represents more than one bargaining unit, the exclusive bargaining representative shall negotiate one master collective bargaining agreement on behalf of all the employees in bargaining units that the exclusive bargaining representative represents.
  - (3) The governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:
  - (a) Have been submitted to the director of financial management by October 1st prior to the legislative session at which the requests are to be considered; and
    - (b) Have been certified by the director of financial management as being feasible financially for the state.

The legislature shall approve or reject the submission of the request for funds as a whole. The legislature shall not consider a request for funds to implement a collective bargaining agreement unless the request is transmitted to the legislature as part of the governor's budget document submitted under RCW 43.88.030 and 43.88.060. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or the exclusive bargaining representative may seek to implement the procedures provided for in section 311 of this act.

(4) The governor shall periodically consult with the joint committee on employment relations pursuant to RCW 41.80.010(5)

regarding appropriations necessary to implement the compensation and fringe benefit provisions in the master collective bargaining agreements, and upon completion of negotiations, advise the committee on the elements of the agreements and on any legislation necessary to implement the agreements.

- (5) If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement.
- (6) After the expiration date of a collective bargaining agreement negotiated under this chapter, all of the terms and conditions specified in the collective bargaining agreement remain in effect until the effective date of a subsequently negotiated agreement, not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement its last, best offer.
- (7) For collective bargaining agreements negotiated for the period of July 1, 2012, through June 30, 2013, the governor shall submit a request for funds necessary to implement the compensation and fringe benefit provisions in the collective bargaining agreement or for legislation necessary to implement the agreement. Requests for funds necessary to implement the provisions of bargaining agreements shall not be submitted to the legislature by the governor unless such requests:
- (a) Have been submitted to the director of financial management by January 15, 2012; and
- 29 (b) Have been certified by the director of financial management as 30 being feasible financially for the state.

The legislature shall approve or reject the submission of the request for funds as a whole. If the legislature rejects or fails to act on the submission, either party may reopen all or part of the agreement or the exclusive bargaining representative may seek to implement the procedures provided for in section 311 of this act.

36 <u>NEW SECTION.</u> **Sec. 304.** (1) Except as otherwise provided in this

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chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment.

- (2) The employer is not required to bargain over matters pertaining to health care benefits or other employee insurance benefits, except as required in subsection (3) of this section.
- (3) The employer and one coalition of all the exclusive bargaining representatives subject to this chapter and chapters 41.80 and 47.64 RCW shall conduct negotiations regarding the dollar amount expended on behalf of each employee for health care benefits.
- (4) The employer and the exclusive bargaining representative shall not bargain over or agree to any proposal that would:
- 12 (a) Prevent the implementation of approved affirmative action 13 plans;
  - (b) Limit the ability of the employer from using a performance-based system in adjusting wages, conducting and implementing layoffs, and hiring and promotion procedures; or
  - (c) Interfere with or alter the employer's sole discretion to determine what level of discipline to impose for any employee.
    - (5) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in section 306 of this act, the performance-based evaluation system, and the decision and impacts of contracts authorized by section 316 of this act.
    - (6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.
- NEW SECTION. Sec. 305. (1) The parties to a collective bargaining agreement shall reduce the agreement to writing.
- 33 (2) A collective bargaining agreement shall contain provisions 34 that:
- 35 (a) Provide for a grievance procedure that culminates with final 36 and binding arbitration of all disputes arising over the interpretation

or application of the collective bargaining agreement and that is valid and enforceable under its terms when entered into in accordance with this chapter;

- (b) Prohibit consideration or review of the level of discipline in the grievance procedure and at binding arbitration;
- (c) Prohibit grievances on the performance-based evaluation system, including adjusting wages and salary increases, conducting and implementing layoffs, and hiring and promotion procedures; and
- (d) Require processing of disciplinary actions or terminations of employment of employees covered by the collective bargaining agreement entirely under the procedures of the collective bargaining agreement. Any employee, when fully reinstated, shall be guaranteed all employee rights and benefits, including back pay, sick leave, vacation accrual, and retirement and federal old age, survivors, and disability insurance act credits, but without back pay for any period of suspension.
- (3) If collective bargaining between an employer and an exclusive bargaining representative is concluded after the termination date of the previous collective bargaining agreement between the employer and an employee organization representing the same bargaining units, the effective date of the new collective bargaining agreement may be the day after the termination of the previous collective bargaining agreement, subject to the parties' agreement, and all benefits included in the new collective bargaining agreement, including wage or salary increases, may accrue beginning with that effective date.

<u>NEW SECTION.</u> **Sec. 306.** The employer shall not bargain over rights of management which, in addition to all powers, duties, and rights established by constitutional provision or statute, shall include but not be limited to the following:

- (1) The functions and programs of the employer, the use of technology, and the structure of the organization;
- (2) The employer's budget and the size of the agency workforce, including determining the basis for layoffs;
  - (3) The right to direct and supervise employees;
- (4) The right to take whatever actions are deemed necessary to carry out the mission of the state and its agencies during emergencies;
  - (5) The right of the employer to use a performance-based system in

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- adjusting wages, conducting and implementing layoffs, and hiring and promotion procedures; and
- 3 (6) Retirement plans and retirement benefits.

NEW SECTION. Sec. 307. Except as may be specifically limited by 4 this chapter, employees shall have the right to self-organization, to 5 6 or assist employee organizations, and to bargain 7 collectively through representatives of their own choosing for the purpose of collective bargaining free from interference, restraint, or 8 9 Employees shall also have the right to refrain from any or all such activities except to the extent that they may be required to 10 11 pay a fee to an exclusive bargaining representative under a union 12 security provision authorized by this chapter.

NEW SECTION. **Sec. 308.** Nothing contained in this chapter permits or grants to any employee the right to strike or refuse to perform his or her official duties.

NEW SECTION. Sec. 309. (1) A bargaining unit of employees covered by this chapter existing on July 1, 2012, shall be considered an appropriate unit at the agency, unless the unit does not meet the requirements of subsection (2) of this section. The commission, after hearing upon reasonable notice to all interested parties, shall decide, in each application for certification as an exclusive bargaining representative, the unit appropriate for certification. In determining the new units or modifications of existing units, the commission shall consider: The duties, skills, and working conditions of the employees; the history of collective bargaining; the extent of organization among the employees; the desires of the employees; and the avoidance of excessive fragmentation.

- (2) A bargaining unit is not appropriate if it includes both supervisors and nonsupervisory employees. A unit that includes only supervisors may be considered appropriate if a majority of the supervisory employees indicates by vote that they desire to be included in such a unit.
- 33 (3) The exclusive bargaining representatives certified to represent 34 the bargaining units existing on July 1, 2012, shall continue as the

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1 exclusive bargaining representative without the necessity of an 2 election.

- (4) If a single employee organization is the exclusive bargaining representative for two or more units, upon petition by the employee organization, the units may be consolidated into a single larger unit if the commission considers the larger unit to be appropriate. If consolidation is appropriate, the commission shall certify the employee organization as the exclusive bargaining representative of the new unit.
- NEW SECTION. **Sec. 310.** (1) The commission shall determine all questions pertaining to representation and shall administer all elections and be responsible for the processing and adjudication of all disputes that arise as a consequence of elections. The commission shall adopt rules that provide for at least the following:
  - (a) Secret balloting;
  - (b) Consulting with employee organizations;
- 17 (c) Access to lists of employees, job classification, work locations, and home mailing addresses;
  - (d) Absentee voting;

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- (e) Procedures for the greatest possible participation in voting;
- 21 (f) Campaigning on the employer's property during working hours; 22 and
  - (g) Election observers.
  - (2) If an employee organization has been certified as the exclusive bargaining representative of the employees of a bargaining unit, the employee organization may act for and negotiate master collective bargaining agreements that will include within the coverage of the agreement all employees in the bargaining unit as provided in section 303(2) of this act. However, if a master collective bargaining agreement is in effect for the exclusive bargaining representative, it shall apply to the bargaining unit for which the certification has been issued. Nothing in this section requires the parties to engage in new negotiations during the term of that agreement.
  - (3) The certified exclusive bargaining representative shall be responsible for representing the interests of all the employees in the bargaining unit. This section does not limit an exclusive

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representative's right to exercise its discretion to refuse to process grievances of employees that are unmeritorious.

(4) No question concerning representation may be raised if:

- (a) Fewer than twelve months have elapsed since the last certification or election; or
- (b) A valid collective bargaining agreement exists covering the unit, except for that period of no more than one hundred twenty calendar days nor less than ninety calendar days before the expiration of the contract.

NEW SECTION. Sec. 311. Should the parties fail to reach agreement in negotiating a collective bargaining agreement, either party may request of the commission the assistance of an impartial third party to mediate the negotiations.

If a collective bargaining agreement previously negotiated under this chapter should expire while negotiations are underway, the terms and conditions specified in the collective bargaining agreement shall remain in effect for a period not to exceed one year from the expiration date stated in the agreement. Thereafter, the employer may unilaterally implement its last, best offer.

If resolution is not reached through mediation by one hundred days beyond the expiration date of a contract previously negotiated under this chapter, or one hundred days from the initiation of mediated negotiations if no such contract exists, an independent fact finder shall be appointed by the commission.

The fact finder shall meet with the parties or their representatives, or both, and make inquiries and investigations, hold hearings, and take such other steps as may be appropriate. If the dispute is not settled, the fact finder shall make findings of fact and recommend terms of settlement within thirty days.

Such recommendations, together with the findings of fact, shall be submitted in writing to the parties and the commission privately before they are made public. The commission, the fact finder, the employer, or the exclusive bargaining representative may make such findings and recommendations public if the dispute is not settled within ten working days after their receipt from the fact finder.

This section does not prohibit an employer and an exclusive bargaining representative from agreeing to substitute, at their own

expense, their own procedure for resolving impasses in collective bargaining for that provided in this section or from agreeing to utilize for the purposes of this section any other governmental or other agency or person in lieu of the commission.

Costs for mediator services shall be borne by the commission, and costs for fact-finding shall be borne equally by the negotiating parties.

- NEW SECTION. Sec. 312. (1) A collective bargaining agreement may contain a union security provision requiring as a condition of employment the payment, no later than the thirtieth day following the beginning of employment or July 1, 2013, whichever is later, of an agency shop fee to the employee organization that is the exclusive bargaining representative for the bargaining unit in which the employee is employed. The amount of the fee shall be equal to the amount required to become a member in good standing of the employee organization. Each employee organization shall establish a procedure by which any employee so requesting may pay a representation fee no greater than the part of the membership fee that represents a pro rata share of expenditures for purposes germane to the collective bargaining process, to contract administration, or to pursuing matters affecting wages, hours, and other conditions of employment.
- (2) An employee who is covered by a union security provision and who asserts a right of nonassociation based on bona fide religious tenets, or teachings of a church or religious body of which the employee is a member, shall, as a condition of employment, make payments to the employee organization, for purposes within the program of the employee organization as designated by the employee that would be in harmony with his or her individual conscience. The amount of the payments shall be equal to the periodic dues and fees uniformly required as a condition of acquiring or retaining membership in the employee organization minus any included monthly premiums for insurance programs sponsored by the employee organization. The employee shall not be a member of the employee organization but is entitled to all the representation rights of a member of the employee organization.
- (3) Upon filing with the employer the written authorization of a bargaining unit employee under this chapter, the employee organization that is the exclusive bargaining representative of the bargaining unit

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- shall have the exclusive right to have deducted from the salary of the employee an amount equal to the fees and dues uniformly required as a condition of acquiring or retaining membership in the employee organization. The fees and dues shall be deducted each pay period from the pay of all employees who have given authorization for the deduction and shall be transmitted by the employer as provided for by agreement between the employer and the employee organization.
  - (4) Employee organizations that before July 1, 2013, were entitled to the benefits of this section shall continue to be entitled to these benefits.
- NEW SECTION. Sec. 313. (1) It is an unfair labor practice for an employer:

- 13 (a) To interfere with, restrain, or coerce employees in the 14 exercise of the rights guaranteed by this chapter;
  - (b) To dominate or interfere with the formation or administration of any employee organization or contribute financial or other support to it. However, subject to rules adopted by the commission, an employer shall not be prohibited from permitting employees to confer with it or its representatives or agents during working hours without loss of time or pay;
  - (c) To encourage or discourage membership in any employee organization by discrimination in regard to hire, tenure of employment, or any term or condition of employment;
  - (d) To discharge or discriminate otherwise against an employee because that employee has filed charges or given testimony under this chapter; or
  - (e) To refuse to bargain collectively with the representatives of its employees.
    - (2) It is an unfair labor practice for an employee organization:
  - (a) To restrain or coerce an employee in the exercise of the rights guaranteed by this chapter. However, this subsection does not impair the right of an employee organization to prescribe its own rules with respect to the acquisition or retention of membership in the employee organization or to an employer in the selection of its representatives for the purpose of bargaining or the adjustment of grievances;
- 36 (b) To cause or attempt to cause an employer to discriminate against an employee in violation of subsection (1)(c) of this section;

- 1 (c) To discriminate against an employee because that employee has 2 filed charges or given testimony under this chapter;
  - (d) To refuse to bargain collectively with an employer.

- (3) The expressing of any views, arguments, or opinion, or the dissemination thereof to the public, whether in written, printed, graphic, or visual form, shall not constitute or be evidence of an unfair labor practice under this chapter, if such expression contains no threat of reprisal or force or promise of benefit.
- NEW SECTION. Sec. 314. (1) The commission is empowered and directed to prevent any unfair labor practice and to issue appropriate remedial orders. However, a complaint shall not be processed for any unfair labor practice occurring more than six months before the filing of the complaint with the commission. This power shall not be affected or impaired by any means of adjustment, mediation, or conciliation in labor disputes that have been or may hereafter be established by law.
- (2) If the commission determines that any person has engaged in or is engaging in an unfair labor practice, the commission shall issue and cause to be served upon the person an order requiring the person to cease and desist from such unfair labor practice, and to take such affirmative action as will effectuate the purposes and policy of this chapter, such as the payment of damages and the reinstatement of employees.
- (3) The commission may petition the superior court for the county in which the main office of the employer is located or in which the person who has engaged or is engaging in such unfair labor practice resides or transacts business, for the enforcement of its order and for appropriate temporary relief.
- NEW SECTION. Sec. 315. (1) For the purposes of implementing final and binding arbitration under grievance procedures required by section 305 of this act the parties to a collective bargaining agreement may agree on one or more permanent umpires to serve as arbitrator, or may agree on any impartial person to serve as arbitrator, or may agree to select arbitrators from any source available to them, including federal and private agencies, in addition to the staff and list of arbitrators maintained by the commission. If the parties cannot agree to the

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selection of an arbitrator, the commission shall supply a list of names in accordance with the procedures established by the commission.

- (2) An arbitrator may require any person to attend as a witness and to bring with him or her any book, record, document, or other evidence. The fees for such attendance shall be paid by the party requesting issuance of the subpoena and shall be the same as the fees of witnesses in the superior court. Arbitrators may administer oaths. Subpoenas shall issue and be signed by the arbitrator and shall be served in the same manner as subpoenas to testify before a court of record in this state. If any person so summoned to testify refuses or neglects to obey such subpoena, upon petition authorized by the arbitrator, the superior court may compel the attendance of the person before the arbitrator or punish the person for contempt in the same manner provided for the attendance of witnesses or the punishment of them in the courts of this state.
- (3) The arbitrator shall appoint a time and place for the hearing and notify the parties thereof, and may adjourn the hearing from time to time as may be necessary, and, on application of either party and for good cause, may postpone the hearing to a time not extending beyond the date fixed by the collective bargaining agreement for making the award. The arbitration award shall be in writing and signed by the arbitrator. The arbitrator shall, promptly upon its rendition, serve a true copy of the award on each of the parties or their attorneys of record.
- (4) If a party to a collective bargaining agreement negotiated under this chapter refuses to submit a grievance for arbitration, the other party to the collective bargaining agreement may invoke the jurisdiction of the superior court of Thurston county or of any county in which the labor dispute exists and such court shall have jurisdiction to issue an order compelling arbitration. Disputes concerning compliance with grievance procedures shall be reserved for determination by the arbitrator. Arbitration shall be ordered if the grievance states a claim that on its face is covered by the collective bargaining agreement. Doubts as to the coverage of the arbitration clause shall be resolved in favor of arbitration.
- (5) If a party to a collective bargaining agreement negotiated under this chapter refuses to comply with the award of an arbitrator determining a grievance arising under the collective bargaining

- 1 agreement, the other party to the collective bargaining agreement may
- 2 invoke the jurisdiction of the superior court of Thurston county or of
- 3 any county in which the labor dispute exists and such court shall have
- 4 jurisdiction to issue an order enforcing the arbitration award.

5 NEW SECTION. Sec. 316. The consolidated technology services 6 agency may purchase services, including services that have been 7 customarily and historically provided by employees of the agency. The 8 consolidated technology services agency is not subject to the 9 provisions of RCW 41.06.142. The employer shall not bargain with an exclusive bargaining representative over the decision and impacts of 10 11 contracting for services, including those customarily and historically

12 provided by employees of the agency.

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13 PART IV

## NECESSARY FOR IMPLEMENTATION

- 15 **Sec. 401.** RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and 2010 c 1 s 1 are each reenacted and amended to read as follows:
  - (1) The provisions of this chapter do not apply to:
  - (a) The members of the legislature or to any employee of, or position in, the legislative branch of the state government including members, officers, and employees of the legislative council, joint legislative audit and review committee, statute law committee, and any interim committee of the legislature;
    - (b) The justices of the supreme court, judges of the court of appeals, judges of the superior courts or of the inferior courts, or to any employee of, or position in the judicial branch of state government;
- 27 (c) Officers, academic personnel, and employees of technical 28 colleges;
  - (d) The officers of the Washington state patrol;
  - (e) Elective officers of the state;
- 31 (f) The chief executive officer of each agency;
- 32 (g) In the departments of employment security and social and health 33 services, the director and the director's confidential secretary; in 34 all other departments, the executive head of which is an individual

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- appointed by the governor, the director, his or her confidential 2 secretary, and his or her statutory assistant directors;
  - (h) In the case of a multimember board, commission, or committee, whether the members thereof are elected, appointed by the governor or other authority, serve ex officio, or are otherwise chosen:
    - (i) All members of such boards, commissions, or committees;
  - (ii) If the members of the board, commission, or committee serve on a part-time basis and there is a statutory executive officer: secretary of the board, commission, or committee; the chief executive officer of the board, commission, or committee; and the confidential secretary of the chief executive officer of the board, commission, or committee;
  - (iii) If the members of the board, commission, or committee serve on a full-time basis: The chief executive officer or administrative officer as designated by the board, commission, or committee; and a confidential secretary to the chair of the board, commission, or committee;
  - (iv) If all members of the board, commission, or committee serve ex officio: The chief executive officer; and the confidential secretary of such chief executive officer;
- 21 (i) The confidential secretaries and administrative assistants in 22 the immediate offices of the elective officers of the state;
  - (j) Assistant attorneys general;

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- 24 (k) Commissioned and enlisted personnel in the military service of 25 the state;
  - (1) Inmate, student, part-time, or temporary employees, and parttime professional consultants, as defined by the Washington personnel resources board;
- (m) The public printer or to any employees of or positions in the 29 30 state printing plant;
- 31 (n) Officers and employees of the Washington state fruit 32 commission;
  - (o) Officers and employees of the Washington apple commission;
- (p) Officers and employees of the Washington state dairy products 34 commission; 35
- (q) Officers and employees of the Washington tree fruit research 36 37 commission;
- 38 (r) Officers and employees of the Washington state beef commission;

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(s) Officers and employees of the Washington grain commission;

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- 2 (t) Officers and employees of any commission formed under chapter 3 15.66 RCW;
  - (u) Officers and employees of agricultural commissions formed under chapter 15.65 RCW;
  - (v) Officers and employees of the nonprofit corporation formed under chapter 67.40 RCW;
  - (w) Executive assistants for personnel administration and labor relations in all state agencies employing such executive assistants including but not limited to all departments, offices, commissions, committees, boards, or other bodies subject to the provisions of this chapter and this subsection shall prevail over any provision of law inconsistent herewith unless specific exception is made in such law;
  - (x) In each agency with fifty or more employees: Deputy agency heads, assistant directors or division directors, and not more than three principal policy assistants who report directly to the agency head or deputy agency heads;
    - (y) All employees of the marine employees' commission;
  - (z) Staff employed by the department of commerce to administer energy policy functions;
    - (aa) The manager of the energy facility site evaluation council;
    - (bb) A maximum of ten staff employed by the department of commerce to administer innovation and policy functions, including the three principal policy assistants exempted under (x) of this subsection;
    - (cc) Staff employed by Washington State University to administer energy education, applied research, and technology transfer programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5);
    - (dd) Officers and employees of the consolidated technology services agency formed under RCW 43.105.047, except those employees represented by an exclusive bargaining representative;
- (ee) Effective July 1, 2012, all officers and employees of the consolidated technology services agency formed under RCW 43.105.047, including those employees represented by an exclusive bargaining representative.
- 35 (2) The following classifications, positions, and employees of 36 institutions of higher education and related boards are hereby exempted 37 from coverage of this chapter:

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

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- (b) The governing board of each institution, and related boards, may also exempt from this chapter classifications involving research activities, counseling of students, extension or continuing education activities, graphic arts or publications activities requiring prescribed academic preparation or special training as determined by the board: PROVIDED, That no nonacademic employee engaged in office, clerical, maintenance, or food and trade services may be exempted by the board under this provision;
- (c) Printing craft employees in the department of printing at the University of Washington.
- (3) In addition to the exemptions specifically provided by this chapter, the director of personnel may provide for further exemptions pursuant to the following procedures. The governor or other appropriate elected official may submit requests for exemption to the director of personnel stating the reasons for requesting such exemptions. The director of personnel shall hold a public hearing, after proper notice, on requests submitted pursuant to this subsection. If the director determines that the position for which exemption is requested is one involving substantial responsibility for the formulation of basic agency or executive policy or one involving

directing and controlling program operations of an agency or a major administrative division thereof, the director of personnel shall grant the request and such determination shall be final as to any decision made before July 1, 1993. The total number of additional exemptions permitted under this subsection shall not exceed one percent of the number of employees in the classified service not including employees of institutions of higher education and related boards for those agencies not directly under the authority of any elected public official other than the governor, and shall not exceed a total of twenty-five for all agencies under the authority of elected public officials other than the governor.

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

From February 18, 2009, through June 30, 2011, a salary or wage increase shall not be granted to any position exempt from classification under this chapter, except that a salary or wage increase may be granted to employees pursuant to collective bargaining agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or negotiated by the nonprofit corporation formed under chapter 67.40 RCW, and except that increases may be granted for positions for which the employer has demonstrated difficulty retaining qualified employees if the following conditions are met:

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

Any agency granting a salary increase from February 15, 2010, through June 30, 2011, to a position exempt from classification under this chapter shall submit a report to the fiscal committees of the legislature no later than July 31, 2011, detailing the positions for

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which salary increases were granted, the size of the increases, and the reasons for giving the increases.

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

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

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

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

- **Sec. 402.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to 23 read as follows:
  - (1) Except as otherwise provided in this chapter, the matters subject to bargaining include wages, hours, and other terms and conditions of employment, and the negotiation of any question arising under a collective bargaining agreement.
- 28 (2) The employer is not required to bargain over matters pertaining 29 to:
  - (a) Health care benefits or other employee insurance benefits, except as required in subsection (3) of this section;
    - (b) Any retirement system or retirement benefit; or
- 33 (c) Rules of the director of personnel or the Washington personnel 34 resources board adopted under section 203, chapter 354, Laws of 2002.
- 35 (3) Matters subject to bargaining include the number of names to be 36 certified for vacancies, promotional preferences, and the dollar amount 37 expended on behalf of each employee for health care benefits. However,

except as provided otherwise in this subsection for institutions of 1 2 higher education, negotiations regarding the number of names to be certified for vacancies, promotional preferences, and the dollar amount 3 4 expended on behalf of each employee for health care benefits shall be conducted between the employer and one coalition of all the exclusive 5 6 bargaining representatives subject to this chapter. The exclusive 7 bargaining representatives for employees that are subject to chapters 8 47.64 ((RCW)) and 43.--- RCW (the new chapter created in section 501 of 9 this act) shall bargain the dollar amount expended on behalf of each 10 employee for health care benefits with the employer as part of the 11 coalition under this subsection. Any such provision agreed to by the 12 employer and the coalition shall be included in all master collective 13 bargaining agreements negotiated by the parties. For institutions of 14 higher education, promotional preferences and the number of names to be 15 certified for vacancies shall be bargained under the provisions of RCW 16 41.80.010(4).

- (4) The employer and the exclusive bargaining representative shall not agree to any proposal that would prevent the implementation of approved affirmative action plans or that would be inconsistent with the comparable worth agreement that provided the basis for the salary changes implemented beginning with the 1983-1985 biennium to achieve comparable worth.
- (5) The employer and the exclusive bargaining representative shall not bargain over matters pertaining to management rights established in RCW 41.80.040.
- (6) Except as otherwise provided in this chapter, if a conflict exists between an executive order, administrative rule, or agency policy relating to wages, hours, and terms and conditions of employment and a collective bargaining agreement negotiated under this chapter, the collective bargaining agreement shall prevail. A provision of a collective bargaining agreement that conflicts with the terms of a statute is invalid and unenforceable.
- 33 (7) This section does not prohibit bargaining that affects 34 contracts authorized by RCW 41.06.142.

35 PART V

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ADMINISTRATIVE AND MISCELLANEOUS PROVISIONS

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- 1 NEW SECTION. Sec. 501. Sections 101 through 120 of this act
- 2 constitute a new chapter in Title 43 RCW to be codified as chapter
- 3 43.41A RCW.
- 4 NEW SECTION. Sec. 502. Sections 301 through 316 of this act
- 5 constitute a new chapter in Title 41 RCW.
- 6 NEW SECTION. Sec. 503. RCW 43.105.052, 43.105.172, 43.105.250,
- 7 43.105.260, 43.105.270, 43.105.280, 43.105.290, 43.105.310, and
- 8 43.105.835 are each recodified as sections in chapter 43.--- RCW (the
- 9 new chapter created in section 501 of this act).
- NEW SECTION. Sec. 504. The following acts or parts of acts are each repealed:
- 12 (1) RCW 43.105.005 (Purpose) and 1990 c 208 s 1 & 1987 c 504 s 1;
- 13 (2) RCW 43.105.013 (Finding--Intent) and 2010 c 282 s 1;
- 14 (3) RCW 43.105.019 (Enterprise-based strategy--Coordination with
- 15 legislative and judicial branches) and 2010 c 282 s 10;
- 16 (4) RCW 43.105.032 (Information services board--Members--
- 17 Chairperson--Vacancies--Quorum--Compensation and travel expenses) and
- 18 2007 c 158 s 1, 1999 c 241 s 2, 1996 c 137 s 10, 1992 c 20 s 8, 1987 c
- 19 504 s 4, 1984 c 287 s 86, 1975-'76 2nd ex.s. c 34 s 128, & 1973 1st
- 20 ex.s. c 219 s 5;
- 21 (5) RCW 43.105.041 (Powers and duties of board) and 2010 1st sp.s.
- 22 c7s65, 2009 c 486 s 13, 2003 c 18 s 3, & 1999 c 285 s 5;
- 23 (6) RCW 43.105.095 (Management and oversight structure) and 1999 c
- 24 80 s 3;
- 25 (7) RCW 43.105.105 (Information technology decisions and plans) and
- 26 1999 c 80 s 4;
- 27 (8) RCW 43.105.160 (Strategic information technology plan--Biennial
- 28 state performance report on information technology) and 2010 c 282 s 9,
- 29 2005 c 319 s 110, 1999 c 80 s 9, 1998 c 177 s 3, 1996 c 171 s 9, & 1992
- 30 c 20 s 1;
- 31 (9) RCW 43.105.170 (Information technology portfolios--Contents--
- 32 Performance reports) and 1999 c 80 s 10;
- 33 (10) RCW 43.105.180 (Evaluation of budget requests for information
- 34 technology projects) and 2010 c 282 s 6 & 1999 c 80 s 11;

- 1 (11) RCW 43.105.190 (Major information technology projects 2 standards and policies--Project evaluation and reporting) and 2005 c 3 319 s 111, 1999 c 80 s 12, 1998 c 177 s 4, 1996 c 137 s 15, & 1992 c 20 4 s 4;
- 5 (12) RCW 43.105.200 (Application to institutions of higher 6 education) and 1992 c 20 s 5;
- 7 (13) RCW 43.105.210 (Data processing expenditures--Authorization--8 Penalties) and 1993 sp.s. c 1 s 903;
- 9 (14) RCW 43.105.330 (State interoperability executive committee) 10 and 2006 c 76 s 2 & 2003 c 18 s 4;
- 11 (15) RCW 43.105.805 (Information services board--Powers and duties) 12 and 2010 1st sp.s. c 9 s 1, 2010 1st sp.s. c 7 s 66, & 1999 c 285 s 3;
- 13 (16) RCW 43.105.815 (K-20 operations cooperative--Ongoing 14 management) and 1999 c 285 s 8; and
- 15 (17) RCW 43.105.820 (K-20 telecommunication system--Technical plan) 16 and 2010 1st sp.s. c 7 s 67, 1999 c 285 s 11, & 1996 c 137 s 8.
- NEW SECTION. Sec. 505. Section 123 of this act takes effect 18 January 1, 2012.
- 19 <u>NEW SECTION.</u> **Sec. 506.** Section 124 of this act expires January 1, 20 2012.
- NEW SECTION. Sec. 507. Except for section 123 of this act, this act is necessary for the immediate preservation of the public peace,
- 23 health, or safety, or support of the state government and its existing
- 24 public institutions, and takes effect July 1, 2011.

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