

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE SENATE BILL 5891

63rd Legislature
2013 2nd Special Session

Passed by the Senate June 27, 2013
YEAS 48 NAYS 0

President of the Senate

Passed by the House June 27, 2013
YEAS 90 NAYS 2

Speaker of the House of Representatives

Approved

Governor of the State of Washington

CERTIFICATE

I, Hunter G. Goodman, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE SENATE BILL 5891** as passed by the Senate and the House of Representatives on the dates hereon set forth.

Secretary

FILED

**Secretary of State
State of Washington**

ENGROSSED SUBSTITUTE SENATE BILL 5891

AS AMENDED BY THE HOUSE

Passed Legislature - 2013 2nd Special Session

State of Washington 63rd Legislature 2013 2nd Special Session

By Senate Ways & Means (originally sponsored by Senators Hill and Hargrove)

READ FIRST TIME 04/05/13.

1 AN ACT Relating to state technology expenditures; amending RCW
2 43.41A.025, 39.26.100, 43.41A.010, 43.88.092, and 42.56.420; adding a
3 new section to chapter 43.41 RCW; adding a new section to chapter
4 43.41A RCW; and creating new sections.

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

6 **Sec. 1.** RCW 43.41A.025 and 2011 1st sp.s. c 43 s 706 are each
7 amended to read as follows:

8 (1) The chief information officer shall establish standards and
9 policies to govern information technology in the state of Washington.

10 (2) The office shall have the following powers and duties related
11 to information services:

12 (a) To develop statewide standards and policies governing the
13 acquisition and disposition of equipment, software, and personal and
14 purchased services, licensing of the radio spectrum by or on behalf of
15 state agencies, and confidentiality of computerized data;

16 (b) To develop statewide or interagency technical policies,
17 standards, and procedures;

18 (c) To review and approve standards and common specifications for
19 new or expanded telecommunications networks proposed by agencies,

1 public postsecondary education institutions, educational service
2 districts, or statewide or regional providers of K-12 information
3 technology services;

4 (d) To develop a detailed business plan for any service or activity
5 to be contracted under RCW 41.06.142(7)(b) by the consolidated
6 technology services agency;

7 (e) To provide direction concerning strategic planning goals and
8 objectives for the state. The office shall seek input from the
9 legislature and the judiciary; (~~and~~)

10 (f) To establish policies for the periodic review by the office of
11 agency performance which may include but are not limited to analysis
12 of:

- 13 (i) Planning, management, control, and use of information services;
- 14 (ii) Training and education; and
- 15 (iii) Project management;

16 (g) To coordinate with state agencies with an annual information
17 technology expenditure that exceeds ten million dollars to implement a
18 technology business management program to identify opportunities for
19 savings and efficiencies in information technology expenditures and to
20 monitor ongoing financial performance of technology investments; and

21 (h) In conjunction with the consolidated technology services
22 agency, to develop statewide standards for agency purchases of
23 technology networking equipment and services.

24 (3) Statewide technical standards to promote and facilitate
25 electronic information sharing and access are an essential component of
26 acceptable and reliable public access service and complement content-
27 related standards designed to meet those goals. The office shall:

28 (a) Establish technical standards to facilitate electronic access
29 to government information and interoperability of information systems,
30 including wireless communications systems; and

31 (b) Require agencies to include an evaluation of electronic public
32 access needs when planning new information systems or major upgrades of
33 systems.

34 In developing these standards, the office is encouraged to include
35 the state library, state archives, and appropriate representatives of
36 state and local government.

37 (4) The office shall perform other matters and things necessary to
38 carry out the purposes and provisions of this chapter.

1 **Sec. 2.** RCW 39.26.100 and 2012 c 224 s 11 are each amended to read
2 as follows:

3 (1) The provisions of this chapter do not apply in any manner to
4 the operation of the state legislature except as requested by the
5 legislature.

6 (2) The provisions of this chapter do not apply to the contracting
7 for services, equipment, and activities that are necessary to
8 establish, operate, or manage the state data center, including
9 architecture, design, engineering, installation, and operation of the
10 facility, that are approved by the technology services board or the
11 acquisition of proprietary software, equipment, and information
12 technology services necessary for or part of the provision of services
13 offered by the consolidated technology services agency.

14 (3) Primary authority for the purchase of specialized equipment,
15 and instructional and research material, for their own use rests with
16 the institutions of higher education as defined in RCW 28B.10.016.

17 (4) Universities operating hospitals with approval from the
18 director, as the agent for state hospitals as defined in RCW 72.23.010,
19 and for health care programs provided in state correctional
20 institutions as defined in RCW 72.65.010(3) and veterans' institutions
21 as defined in RCW 72.36.010 and 72.36.070, may make purchases for
22 hospital operation by participating in contracts for materials,
23 supplies, and equipment entered into by nonprofit cooperative hospital
24 group purchasing organizations if documented to be more cost-effective.

25 (5) Primary authority for the purchase of materials, supplies, and
26 equipment, for resale to other than public agencies, rests with the
27 state agency concerned.

28 (6) The authority for the purchase of insurance and bonds rests
29 with the risk manager under RCW 43.19.769, except for institutions of
30 higher education that choose to exercise independent purchasing
31 authority under RCW 28B.10.029.

32 (7) The authority to purchase interpreter services and interpreter
33 brokerage services on behalf of limited-English speaking or sensory-
34 impaired applicants and recipients of public assistance rests with the
35 department of social and health services and the health care authority.

36 (8) The provisions of this chapter do not apply to information
37 technology purchases by state agencies, other than institutions of
38 higher education and agencies of the judicial branch, if (a) the

1 purchase is less than one hundred thousand dollars, (b) the initial
2 purchase is approved by the chief information officer of the state, and
3 (c) the agency director and the chief information officer of the state
4 jointly prepare a public document providing a detailed justification
5 for the expenditure.

6 **Sec. 3.** RCW 43.41A.010 and 2011 1st sp.s. c 43 s 702 are each
7 amended to read as follows:

8 (1) The office of the chief information officer is created within
9 the office of financial management.

10 (2) Powers, duties, and functions assigned to the department of
11 information services as specified in this chapter shall be transferred
12 to the office of chief information officer as provided in this chapter.

13 (3) The primary duties of the office are:

14 (a) To prepare and lead the implementation of a strategic direction
15 and enterprise architecture for information technology for state
16 government;

17 (b) To enable the standardization and consolidation of information
18 technology infrastructure across all state agencies to support
19 enterprise-based system development and improve and maintain service
20 delivery;

21 (c) To establish standards and policies for the consistent and
22 efficient operation of information technology services throughout state
23 government;

24 (d) To establish statewide enterprise architecture that will serve
25 as the organizing standard for information technology for state
26 agencies;

27 (e) ~~((+Tø+))~~ To educate and inform state managers and policymakers
28 on technological developments, industry trends and best practices,
29 industry benchmarks that strengthen decision making and professional
30 development, and industry understanding for public managers and
31 decision makers.

32 (4) In the case of institutions of higher education, the powers of
33 the office and the provisions of this chapter apply to business and
34 administrative applications but do not apply to (a) academic and
35 research applications; and (b) medical, clinical, and health care
36 applications, including the business and administrative applications
37 for such operations. However, institutions of higher education must

1 disclose to the office any proposed academic applications that are
2 enterprise-wide in nature relative to the needs and interests of other
3 institutions of higher education. Institutions of higher education
4 shall provide to the chief information officer sufficient data and
5 information on proposed expenditures on business and administrative
6 applications to permit the chief information officer to evaluate the
7 proposed expenditures pursuant to RCW 43.88.092(3).

8 (5) The legislature and the judiciary, which are constitutionally
9 recognized as separate branches of government, are strongly encouraged
10 to coordinate with the office and participate in shared services
11 initiatives and the development of enterprise-based strategies, where
12 appropriate. Legislative and judicial agencies of the state shall
13 submit to the chief information officer information on proposed
14 information technology expenditures to allow the chief information
15 officer to evaluate the proposed expenditures on an advisory basis.

16 **Sec. 4.** RCW 43.88.092 and 2011 1st sp.s. c 43 s 733 are each
17 amended to read as follows:

18 (1) As part of the biennial budget process, the office of financial
19 management shall collect from agencies, and agencies shall provide,
20 information to produce reports, summaries, and budget detail sufficient
21 to allow review, analysis, and documentation of all current and
22 proposed expenditures for information technology by state agencies.
23 Information technology budget detail must be included as part of the
24 budget submittal documentation required pursuant to RCW 43.88.030.

25 (2) The office of financial management must collect, and present as
26 part of the biennial budget documentation, information for all existing
27 information technology projects as defined by ~~((information))~~
28 technology services board policy. The office of financial management
29 must work with the office of the chief information officer to maximize
30 the ability to draw this information from the information technology
31 portfolio management data collected by the ~~((department of information~~
32 ~~services pursuant to RCW 43.105.170))~~ consolidated technology services
33 agency. Connecting project information collected through the portfolio
34 management process with financial data developed under subsection (1)
35 of this section provides transparency regarding expenditure data for
36 existing technology projects.

1 (3) The chief information officer shall evaluate proposed
2 information technology expenditures and establish priority ranking
3 categories of the proposals. No more than one-third of the proposed
4 expenditures shall be ranked in the highest priority category.

5 (4) The biennial budget documentation submitted by the office of
6 financial management pursuant to RCW 43.88.030 must include an
7 information technology plan and a technology budget for the state
8 identifying current baseline funding for information technology,
9 proposed and ongoing major information technology projects, and their
10 associated costs. This plan and technology budget must be presented
11 using a method similar to the capital budget, identifying project costs
12 through stages of the project and across fiscal periods and biennia
13 from project initiation to implementation. This information must be
14 submitted electronically, in a format to be determined by the office of
15 financial management and the legislative evaluation and accountability
16 program committee.

17 (~~(4)~~) (5) The office of financial management shall also institute
18 a method of accounting for information technology-related expenditures,
19 including creating common definitions for what constitutes an
20 information technology investment.

21 (~~(5)~~) (6) For the purposes of this section, "major information
22 technology projects" includes projects that have a significant
23 anticipated cost, complexity, or are of statewide significance, such as
24 enterprise-level solutions, enterprise resource planning, and shared
25 services initiatives.

26 NEW SECTION. Sec. 5. A new section is added to chapter 43.41 RCW
27 to read as follows:

28 (1) Subject to funds appropriated for this specific purpose, the
29 office of financial management may establish an information technology
30 investment pool and may enter into financial contracts for the
31 acquisition of information technology projects for state agencies.
32 Information technology projects funded under this section must meet the
33 following requirements:

34 (a) The project begins or continues replacement of information
35 technology systems with modern and more efficient information
36 technology systems;

1 (b) The project improves the ability of an agency to recover from
2 major disaster; or

3 (c) The project provides future savings and efficiencies for an
4 agency through reduced operating costs, improved customer service, or
5 increased revenue collections.

6 (2) Preference for project approval under this section must be
7 given to an agency that has prior project approval from the office of
8 the chief information officer and an approved business plan, and the
9 primary hurdle to project funding is the lack of funding capacity.

10 (3) The office of financial management with assistance from the
11 office of the chief information officer shall report to the governor
12 and the fiscal committees of the legislature by November 1st of each
13 year on the status of distributions and expenditures on information
14 technology projects and improved statewide or agency performance
15 results achieved by project funding.

16 NEW SECTION. **Sec. 6.** The consolidated technology services agency,
17 in consultation with the office of the chief information officer, shall
18 review and assess the current state telecommunications and information
19 services network model of the executive branch with the objective of
20 agency network consolidation into consolidated technology services.
21 The assessment must include a review of cost management, state and
22 federal regulatory issues, development and feasibility of each option,
23 and a migration strategy and implementation plan for each option. The
24 report is due to the office of financial management and the fiscal
25 committees of the legislature by December 30, 2013.

26 NEW SECTION. **Sec. 7.** The office of the chief information officer
27 must prepare a report that inventories legacy information technology
28 systems of the executive branch, both enterprise-wide and agency
29 specific, and develop a prioritized plan for the modernization and
30 funding of these systems. The report is due to the office of financial
31 management and the fiscal committees of the legislature by December 1,
32 2014.

33 NEW SECTION. **Sec. 8.** A new section is added to chapter 43.41A RCW
34 to read as follows:

35 The office shall establish security standards and policies to

1 ensure the confidentiality, availability, and integrity of the
2 information transacted, stored, or processed in the state's information
3 technology systems and infrastructure. Each state agency, institution
4 of higher education, the legislature, and the judiciary must develop an
5 information technology security plan and program.

6 (1) Each state agency information technology security plan and
7 program must adhere to the office's security standards and policies.
8 Each state agency must review and update its plan and program annually
9 and certify to the office that its plan and program is in compliance
10 with the office's security standards and policies. The office may
11 require an agency to obtain an independent compliance audit of its
12 information technology security plan and program.

13 (2) In the case of institutions of higher education, the judiciary,
14 and the legislature, each information technology security plan and
15 program must be comparable to the intended outcomes of the office's
16 security standards and policies. Each institution, the legislature,
17 and the judiciary shall submit their information technology security
18 plan and program to the office annually for review and comment.

19 **Sec. 9.** RCW 42.56.420 and 2009 c 67 s 1 are each amended to read
20 as follows:

21 The following information relating to security is exempt from
22 disclosure under this chapter:

23 (1) Those portions of records assembled, prepared, or maintained to
24 prevent, mitigate, or respond to criminal terrorist acts, which are
25 acts that significantly disrupt the conduct of government or of the
26 general civilian population of the state or the United States and that
27 manifest an extreme indifference to human life, the public disclosure
28 of which would have a substantial likelihood of threatening public
29 safety, consisting of:

30 (a) Specific and unique vulnerability assessments or specific and
31 unique response or deployment plans, including compiled underlying data
32 collected in preparation of or essential to the assessments, or to the
33 response or deployment plans; and

34 (b) Records not subject to public disclosure under federal law that
35 are shared by federal or international agencies, and information
36 prepared from national security briefings provided to state or local

1 government officials related to domestic preparedness for acts of
2 terrorism;

3 (2) Those portions of records containing specific and unique
4 vulnerability assessments or specific and unique emergency and escape
5 response plans at a city, county, or state adult or juvenile
6 correctional facility, or secure facility for persons civilly confined
7 under chapter 71.09 RCW, the public disclosure of which would have a
8 substantial likelihood of threatening the security of a city, county,
9 or state adult or juvenile correctional facility, secure facility for
10 persons civilly confined under chapter 71.09 RCW, or any individual's
11 safety;

12 (3) Information compiled by school districts or schools in the
13 development of their comprehensive safe school plans under RCW
14 28A.320.125, to the extent that they identify specific vulnerabilities
15 of school districts and each individual school;

16 (4) Information regarding the infrastructure and security of
17 computer and telecommunications networks, consisting of security
18 passwords, security access codes and programs, access codes for secure
19 software applications, security and service recovery plans, security
20 risk assessments, and security test results to the extent that they
21 identify specific system vulnerabilities, and other such information
22 the release of which may increase risk to the confidentiality,
23 integrity, or availability of agency security, information technology
24 infrastructure, or assets; and

25 (5) The system security (~~((section of transportation system safety))~~)
26 and (~~((security program plans))~~) emergency preparedness plan required
27 under RCW 35.21.228, 35A.21.300, 36.01.210, 36.57.120, 36.57A.170, and
28 81.112.180.

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