

**ESSB 5432** - H AMD TO SGOV COMM AMD (H-1275.1/21) **549**  
By Representative Walsh

**NOT ADOPTED 04/06/2021**

1 On page 1, after line 2, strike all material through "repealed."  
2 on page 8, line 29 and insert the following:

3 "NEW SECTION. **Sec. 1.** A new section is added to chapter 43.105  
4 RCW to read as follows:

5 (1) The office of cybersecurity and information oversight is  
6 created as an agency of state government.

7 (2)(a) The governor with the consent of the senate shall appoint  
8 a state chief information security officer, who is the director of  
9 the office of cybersecurity. The state chief information security  
10 officer shall receive a salary as determined by the governor. If a  
11 vacancy occurs in the position while the senate is not in session,  
12 the governor shall make a temporary appointment until the next  
13 meeting of the senate at which time the governor shall present to  
14 that body his or her nomination for the position.

15 (b) The state chief information security officer may create such  
16 administrative structures as he or she deems appropriate and may  
17 delegate any power or duty vested in him or her by this chapter or  
18 other law.

19 (c) The state chief information security officer may:

20 (i) Appoint a confidential secretary and such deputy and  
21 assistant directors as needed to administer the agency; and

22 (ii) Appoint such professional, technical, and clerical  
23 assistants and employees as may be necessary to perform the duties  
24 imposed by this chapter in accordance with chapter 41.06 RCW, except  
25 as otherwise provided by law.

26 (3) The primary duties of the office of cybersecurity are to:

27 (a) Act as a central manager of the state information technology  
28 infrastructure and programs, and oversee the functions of the office  
29 of cybersecurity and the offices established within the office of  
30 cybersecurity;

31 (b) Establish security standards and policies to:

- 1 (i) Protect the state's information technology systems and  
2 infrastructure;
- 3 (ii) Provide appropriate governance and application of the  
4 standards and policies across information technology resources used  
5 by the state; and
- 6 (iii) Ensure the confidentiality, availability, and integrity of  
7 the information transacted, stored, or processed in the state's  
8 information technology systems and infrastructure;
- 9 (c) Develop a centralized cybersecurity protocol for protecting  
10 and managing state information technology assets and infrastructure;
- 11 (d) Detect and respond to security incidents consistent with  
12 information security standards and policies;
- 13 (e) Create a model incident response plan for state agency  
14 adoption, with the office of cybersecurity as the incident response  
15 coordinator for incidents that:
- 16 (i) Impact multiple agencies;
- 17 (ii) Impact more than 10,000 citizens;
- 18 (iii) Involve a nation state actor; or
- 19 (iv) Are likely to be in the public domain;
- 20 (f) Ensure the continuity of state business and information  
21 resources that support the operations and assets of state agencies in  
22 the event of a security incident;
- 23 (g) Provide formal guidance to state agencies on leading  
24 practices and applicable standards to ensure a whole government  
25 approach to cybersecurity, which shall include, but not be limited  
26 to, guidance regarding:
- 27 (i) The configuration and architecture of agencies' information  
28 technology systems, infrastructure, and assets;
- 29 (ii) Governance, compliance, and oversight; and
- 30 (iii) Incident investigation and response;
- 31 (h) Serve as a resource for local and municipal governments in  
32 Washington in the area of cybersecurity;
- 33 (i) Develop a service catalog of cybersecurity services to be  
34 offered to state and local governments;
- 35 (j) Collaborate with state agencies in developing standards,  
36 functions, and services in order to ensure state agency regulatory  
37 environments are understood and considered as part of an enterprise  
38 cybersecurity response;
- 39 (k) Define core services that must be managed by state agency  
40 information technology security programs; and

1 (1) Perform all other matters and things necessary to carry out  
2 the purposes of this chapter.

3 (4) The office of cybersecurity is also established with broad  
4 flexibility to adapt its operations and service catalog to address  
5 the needs of customer agencies, and to do so in the most cost-  
6 effective ways.

7 (5) In performing its duties, the office of cybersecurity must  
8 address the highest levels of security required to protect  
9 confidential information transacted, stored, or processed in the  
10 state's information technology systems and infrastructure that is  
11 specifically protected from disclosure by state or federal law and  
12 for which strict handling requirements are mandatory.

13 (6) In executing its duties under subsection (3) of this section,  
14 the office of cybersecurity shall use or rely upon existing, industry  
15 standard, widely adopted cybersecurity standards, with a preference  
16 for United States federal standards.

17 (7) Each state agency, institution of higher education, the  
18 legislature, and the judiciary must develop an information technology  
19 security program consistent with the office of cybersecurity's  
20 standards and policies.

21 (8) (a) Each state agency information technology security program  
22 must adhere to the office of cybersecurity's security standards and  
23 policies. Each state agency must review and update its program  
24 annually, certify to the office of cybersecurity that its program is  
25 in compliance with the office of cybersecurity's security standards  
26 and policies, and provide the office of cybersecurity with a list of  
27 the agency's cybersecurity business needs and agency program metrics.

28 (b) The office of cybersecurity shall require each state agency  
29 to obtain an independent compliance audit of its information  
30 technology security program and controls at least once every three  
31 years to determine whether the state agency's information technology  
32 security program is in compliance with the standards and policies  
33 established by the agency and that security controls identified by  
34 the state agency in its security program are operating efficiently.

35 (c) If a review or an audit conducted under (a) or (b) of this  
36 subsection identifies any failure to comply with the standards and  
37 policies of the office of cybersecurity or any other material  
38 cybersecurity risk, the office of cybersecurity must require the  
39 state agency to formulate and implement a plan to resolve the failure  
40 or risk. On an annual basis, the office of cybersecurity must provide

1 a confidential report to the governor and appropriate committees of  
2 the legislature identifying and describing the cybersecurity risk or  
3 failure to comply with the office of cybersecurity's security  
4 standards and policies, as well as the agency's plan to resolve such  
5 failure or risk. Risks that are not mitigated are to be tracked by  
6 the office of cybersecurity and reviewed with the governor and the  
7 chair and ranking member of the appropriate committees of the  
8 legislature on a quarterly basis.

9 (d) The reports produced, and information compiled, pursuant to  
10 this subsection (8) are confidential and may not be disclosed under  
11 chapter 42.56 RCW.

12 (9) In the case of institutions of higher education, the  
13 judiciary, and the legislature, each information technology security  
14 program must be comparable to the intended outcomes of the office of  
15 cybersecurity's security standards and policies.

16 (10) By January 15th of each year, and in compliance with RCW  
17 43.01.036, the office of cybersecurity must submit a report to the  
18 appropriate committees of the legislature that details the efficacy  
19 and cost-effectiveness of the state's efforts to protect the state's  
20 information technology systems and infrastructure from cybersecurity  
21 threats and attacks.

22 NEW SECTION. **Sec. 2.** A new section is added to chapter 43.105  
23 RCW to read as follows:

24 (1) By July 1, 2022, the office of cybersecurity, in  
25 collaboration with state agencies, shall develop a catalog of  
26 cybersecurity services and functions for the office of cybersecurity  
27 to perform and, in compliance with RCW 43.01.036, submit a report to  
28 the legislature and governor. The report must include, but is not  
29 limited to:

30 (a) Cybersecurity services and functions to include in the office  
31 of cybersecurity's catalog of services that should be performed by  
32 the office of cybersecurity;

33 (b) Core capabilities and competencies of the office of  
34 cybersecurity;

35 (c) Security functions which should remain within state agency  
36 information technology security programs;

37 (d) A recommended model for accountability of state agency  
38 security programs to the office of cybersecurity; and

1 (e) The cybersecurity services and functions required to protect  
2 confidential information transacted, stored, or processed in the  
3 state's information technology systems and infrastructure that is  
4 specifically protected from disclosure by state or federal law and  
5 for which strict handling requirements are mandatory.

6 (2) The office of cybersecurity shall update and publish its  
7 catalog of services and performance metrics on a biennial basis. The  
8 office of cybersecurity shall use data and information provided from  
9 agency security programs to inform the updates to its catalog of  
10 services and performance metrics.

11 (3) To ensure alignment with enterprise information technology  
12 security strategy, the office of cybersecurity shall develop a  
13 process for reviewing and evaluating agency proposals for additional  
14 cybersecurity services consistent with RCW 43.105.255.

15 (4) The office of cybersecurity shall establish rates and fees  
16 for services provided in the catalog of services published pursuant  
17 to this section.

18 NEW SECTION. **Sec. 3.** A new section is added to chapter 43.105  
19 RCW to read as follows:

20 (1) In the event of a major cybersecurity incident, as defined in  
21 policy established by the office of cybersecurity in accordance with  
22 section 1 of this act, state agencies must report that incident to  
23 the office of cybersecurity within 24 hours of discovering the  
24 incident.

25 (2) State agencies must provide the office of cybersecurity with  
26 contact information for any external parties who may have material  
27 information related to the cybersecurity incident.

28 (3) Once a cybersecurity incident is reported to the office of  
29 cybersecurity, the office of cybersecurity must investigate the  
30 incident to determine the degree of severity and facilitate any  
31 necessary incident response measures to protect the enterprise.

32 (4) The chief information security officer or the chief  
33 information security officer's designee shall serve as the state's  
34 point of contact for all major cybersecurity incidents.

35 (5) The office of cybersecurity must develop a policy to  
36 implement this section.

37 NEW SECTION. **Sec. 4.** (1) The office of cybersecurity, in  
38 collaboration with the office of privacy and data protection and the

1 office of the attorney general, shall research and examine existing  
2 best practices for data governance, data protection, the sharing of  
3 data relating to cybersecurity, and the protection of state and local  
4 governments' information technology systems and infrastructure  
5 including, but not limited to, model terms for data-sharing contracts  
6 and adherence to privacy principles.

7 (2) The office of cybersecurity must submit a report of its  
8 findings and identify specific recommendations to the governor and  
9 the appropriate committees of the legislature by December 1, 2021.

10 (3) This section expires December 31, 2021.

11 NEW SECTION. **Sec. 5.** A new section is added to chapter 39.26  
12 RCW to read as follows:

13 (1) Before a state agency shares with a contractor category 3 or  
14 higher data, as defined in policy established in accordance with RCW  
15 43.105.054, a written data-sharing agreement must be in place. Such  
16 agreements shall conform to the policies for data sharing specified  
17 by the office of cybersecurity under the authority of RCW 43.105.054.

18 (2) Nothing in this section shall be construed as limiting audit  
19 authorities under chapter 43.09 RCW.

20 NEW SECTION. **Sec. 6.** A new section is added to chapter 39.34  
21 RCW to read as follows:

22 (1) If a public agency is requesting from another public agency  
23 category 3 or higher data, as defined in policy established in  
24 accordance with RCW 43.105.054, the requesting agency shall provide  
25 for a written agreement between the agencies that conforms to the  
26 policies of the office of cybersecurity.

27 (2) Nothing in this section shall be construed as limiting audit  
28 authorities under chapter 43.09 RCW.

29 NEW SECTION. **Sec. 7.** (1) The office of cybersecurity shall  
30 contract for an independent security assessment of the state agency  
31 information technology security program audits, required under  
32 section 1 of this act, that have been conducted since July 1, 2015.  
33 The independent assessment must be conducted in accordance with  
34 subsection (2) of this section. To the greatest extent practicable,  
35 the office of cybersecurity must contract for the independent  
36 security assessment using a department of enterprise services master  
37 contract or the competitive solicitation process described under

1 chapter 39.26 RCW. If the office of cybersecurity conducts a  
2 competitive solicitation, the office of cybersecurity shall work with  
3 the department of enterprise services, office of minority and women's  
4 business enterprises, and department of veterans affairs to engage in  
5 outreach to Washington small businesses, as defined in RCW 39.26.010,  
6 and certified veteran-owned businesses, as described in RCW  
7 43.60A.190, and encourage these entities to submit a bid.

8 (2) The assessment must, at a minimum:

9 (a) Review the state agency information technology security  
10 program audits, required under section 1 of this act, performed since  
11 July 1, 2015;

12 (b) Assess the content of any audit findings and evaluate the  
13 findings relative to industry standards at the time of the audit;

14 (c) Evaluate the state's performance in taking action upon audit  
15 findings and implementing recommendations from the audit;

16 (d) Evaluate the policies and standards established by the office  
17 of cybersecurity pursuant to section 1 of this act and provide  
18 recommendations for ways to improve the policies and standards; and

19 (e) Include recommendations, based on best practices, for both  
20 short-term and long-term programs and strategies designed to  
21 implement audit findings.

22 (3) A report detailing the elements of the assessment described  
23 under subsection (2) of this section must be submitted to the  
24 governor and appropriate committees of the legislature by August 31,  
25 2022, in compliance with RCW 43.01.036. The report is confidential  
26 and may not be disclosed under chapter 42.56 RCW.

27 NEW SECTION. **Sec. 8.** A new section is added to chapter 42.56  
28 RCW to read as follows:

29 The reports and information compiled pursuant to sections 1 and 7  
30 of this act are confidential and may not be disclosed under this  
31 chapter.

32 **Sec. 9.** RCW 43.105.007 and 2015 3rd sp.s. c 1 s 101 are each  
33 amended to read as follows:

34 Information technology is a tool used by state agencies to  
35 improve their ability to deliver public services efficiently and  
36 effectively. Advances in information technology, including advances  
37 in hardware, software, and business processes for implementing and  
38 managing these resources, offer new opportunities to improve the

1 level of support provided to citizens and state agencies and to  
2 reduce the per-transaction cost of these services. These advances are  
3 one component in the process of reengineering how government delivers  
4 services to citizens.

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

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

20 Establishing a state chief information officer as the director of  
21 the consolidated technology services agency will provide state  
22 government with the cohesive structure necessary to develop improved  
23 operating models with agency directors and reengineer business  
24 process to enhance service delivery while capturing savings.

25 To achieve maximum benefit from advances in information  
26 technology, the state establishes a centralized provider and procurer  
27 of certain information technology services as an ((agency)) office  
28 within the office of cybersecurity, but is hereinafter referred to as  
29 "agency," to support the needs of public agencies. This agency shall  
30 be known as the consolidated technology services agency. To ensure  
31 maximum benefit to the state, state agencies shall rely on the  
32 consolidated technology services agency for those services with a  
33 business case of broad use, uniformity, scalability, and price  
34 sensitivity to aggregation and volume.

35 To successfully meet public agency needs and meet its obligation  
36 as the primary service provider for these services, the  
37 (~~consolidated technology services~~) agency must offer high quality  
38 services at the best value. It must be able to attract an adaptable  
39 and competitive workforce, be authorized to procure services where  
40 the business case justifies it, and be accountable to its customers



1 for the efficient and effective delivery of critical business  
2 services.

3 The consolidated technology services agency is established with  
4 clear accountability to the agencies it serves and to the public.  
5 This accountability will come through enhanced transparency in the  
6 agency's operation and performance. (~~The agency is also established  
7 with broad flexibility to adapt its operations and service catalog to  
8 address the needs of customer agencies, and to do so in the most  
9 cost-effective ways.~~)

10 **Sec. 10.** RCW 43.105.020 and 2017 c 92 s 2 are each amended to  
11 read as follows:

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

14 (1) "Agency" means the consolidated technology services agency,  
15 an office within the office of cybersecurity.

16 (2) "Board" means the technology services board.

17 (3) "Customer agencies" means all entities that purchase or use  
18 information technology resources, telecommunications, or services  
19 from the consolidated technology services agency.

20 (4) "Director" means the state chief information officer, who is  
21 the director of the consolidated technology services agency.

22 (5) "Enterprise architecture" means an ongoing activity for  
23 translating business vision and strategy into effective enterprise  
24 change. It is a continuous activity. Enterprise architecture creates,  
25 communicates, and improves the key principles and models that  
26 describe the enterprise's future state and enable its evolution.

27 (6) "Equipment" means the machines, devices, and transmission  
28 facilities used in information processing, including but not limited  
29 to computers, terminals, telephones, wireless communications system  
30 facilities, cables, and any physical facility necessary for the  
31 operation of such equipment.

32 (7) "Information" includes, but is not limited to, data, text,  
33 voice, and video.

34 (8) "Information security" means the protection of communication  
35 and information resources from unauthorized access, use, disclosure,  
36 disruption, modification, or destruction in order to:

37 (a) Prevent improper information modification or destruction;

38 (b) Preserve authorized restrictions on information access and  
39 disclosure;

1 (c) Ensure timely and reliable access to and use of information;  
2 and

3 (d) Maintain the confidentiality, integrity, and availability of  
4 information.

5 (9) "Information technology" includes, but is not limited to, all  
6 electronic technology systems and services, automated information  
7 handling, system design and analysis, conversion of data, computer  
8 programming, information storage and retrieval, telecommunications,  
9 requisite system controls, simulation, electronic commerce, radio  
10 technologies, and all related interactions between people and  
11 machines.

12 (10) "Information technology portfolio" or "portfolio" means a  
13 strategic management process documenting relationships between agency  
14 missions and information technology and telecommunications  
15 investments.

16 (11) "K-20 network" means the network established in RCW  
17 43.41.391.

18 (12) "Local governments" includes all municipal and quasi-  
19 municipal corporations and political subdivisions, and all agencies  
20 of such corporations and subdivisions authorized to contract  
21 separately.

22 (13) "Office" means the office of the state chief information  
23 officer within the consolidated technology services agency.

24 (14) "Office of cybersecurity" means the office of cybersecurity  
25 and information oversight.

26 (15) "Oversight" means a process of comprehensive risk analysis  
27 and management designed to ensure optimum use of information  
28 technology resources and telecommunications.

29 ~~((15))~~ (16) "Proprietary software" means that software offered  
30 for sale or license.

31 ~~((16))~~ (17) "Public agency" means any agency of this state or  
32 another state; any political subdivision or unit of local government  
33 of this state or another state including, but not limited to,  
34 municipal corporations, quasi-municipal corporations, special purpose  
35 districts, and local service districts; any public benefit nonprofit  
36 corporation; any agency of the United States; and any Indian tribe  
37 recognized as such by the federal government.

38 ~~((17))~~ (18) "Public benefit nonprofit corporation" means a  
39 public benefit nonprofit corporation as defined in RCW 24.03.005 that  
40 is receiving local, state, or federal funds either directly or

1 through a public agency other than an Indian tribe or political  
2 subdivision of another state.

3 ~~((18))~~ (19) "Public record" has the definitions in RCW  
4 42.56.010 and chapter 40.14 RCW and includes legislative records and  
5 court records that are available for public inspection.

6 ~~((19))~~ (20) "Public safety" refers to any entity or services  
7 that ensure the welfare and protection of the public.

8 ~~((20))~~ (21) "Security incident" means an accidental or  
9 deliberative event that results in or constitutes an imminent threat  
10 of the unauthorized access, loss, disclosure, modification,  
11 disruption, or destruction of communication and information  
12 resources.

13 ~~((21))~~ (22) "State agency" means every state office,  
14 department, division, bureau, board, commission, or other state  
15 agency, including offices headed by a statewide elected official.

16 ~~((22))~~ (23) "Telecommunications" includes, but is not limited  
17 to, wireless or wired systems for transport of voice, video, and data  
18 communications, network systems, requisite facilities, equipment,  
19 system controls, simulation, electronic commerce, and all related  
20 interactions between people and machines.

21 ~~((23))~~ (24) "Utility-based infrastructure services" includes  
22 personal computer and portable device support, servers and server  
23 administration, security administration, network administration,  
24 telephony, email, and other information technology services commonly  
25 used by state agencies.

26 **Sec. 11.** RCW 43.105.025 and 2015 3rd sp.s. c 1 s 103 are each  
27 amended to read as follows:

28 (1) There is created the consolidated technology services agency,  
29 an ~~((agency of state government))~~ office within the office of  
30 cybersecurity. The agency shall be headed by a director, who is the  
31 state chief information officer. The director shall be appointed by  
32 the ~~((governor with the consent of the senate. The director shall~~  
33 ~~serve at the governor's pleasure and shall receive such salary as~~  
34 ~~determined by the governor. If a vacancy occurs in the position while~~  
35 ~~the senate is not in session, the governor shall make a temporary~~  
36 ~~appointment until the next meeting of the senate at which time he or~~  
37 ~~she shall present to that body his or her nomination for the~~  
38 ~~position))~~ state chief information security officer.

39 (2) ~~((The director shall:~~

1 ~~(a) Appoint a confidential secretary and such deputy and~~  
2 ~~assistant directors as needed to administer the agency; and~~

3 ~~(b) Appoint such professional, technical, and clerical assistants~~  
4 ~~and employees as may be necessary to perform the duties imposed by~~  
5 ~~this chapter in accordance with chapter 41.06 RCW, except as~~  
6 ~~otherwise provided by law.~~

7 ~~(3) The director may create such administrative structures as he~~  
8 ~~or she deems appropriate and may delegate any power or duty vested in~~  
9 ~~him or her by this chapter or other law.~~

10 (4)) The director shall exercise all the powers and perform all  
11 the duties prescribed by law with respect to the administration of  
12 this chapter including:

13 (a) Reporting to the governor and state chief information  
14 security officer any matters relating to abuses and evasions of this  
15 chapter;

16 (b) Accepting and expending gifts and grants that are related to  
17 the purposes of this chapter, subject to approval of the state chief  
18 information security officer;

19 (c) Applying for grants from public and private entities, and  
20 receiving and administering any grant funding received for the  
21 purpose and intent of this chapter, subject to approval of the state  
22 chief information security officer; and

23 (d) Performing other duties as are necessary and consistent with  
24 law.

25 **Sec. 12.** RCW 43.105.052 and 2015 3rd sp.s. c 1 s 104 are each  
26 amended to read as follows:

27 The agency shall:

28 (1) Make available information services to public agencies and  
29 public benefit nonprofit corporations;

30 (2) Establish rates and fees for services provided by the agency,  
31 except as provided under section 2 of this act;

32 (3) Develop a billing rate plan for a two-year period to coincide  
33 with the budgeting process. The rate plan must be subject to review  
34 at least annually by the office of financial management. The rate  
35 plan must show the proposed rates by each cost center and show the  
36 components of the rate structure as mutually determined by the agency  
37 and the office of financial management. The rate plan and any  
38 adjustments to rates must be approved by the office of financial  
39 management;

1 (4) Develop a detailed business plan for any service or activity  
2 to be contracted under RCW 41.06.142(~~(7)(b)~~) (11);

3 (5) Develop plans for the agency's achievement of statewide goals  
4 and objectives set forth in the state strategic information  
5 technology plan required under RCW 43.105.220;

6 (6) Enable the standardization and consolidation of information  
7 technology infrastructure across all state agencies to support  
8 enterprise-based system development and improve and maintain service  
9 delivery; and

10 (7) Perform all other matters and things necessary to carry out  
11 the purposes and provisions of this chapter.

12 **Sec. 13.** RCW 43.105.054 and 2016 c 237 s 3 are each amended to  
13 read as follows:

14 (1) The (~~director~~) state chief information security officer  
15 shall establish standards and policies to govern information  
16 technology in the state of Washington.

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

19 (a) To develop statewide standards and policies governing the:

20 (i) Acquisition of equipment, software, and technology-related  
21 services;

22 (ii) Disposition of equipment;

23 (iii) Licensing of the radio spectrum by or on behalf of state  
24 agencies; and

25 (iv) Confidentiality of computerized data;

26 (b) To develop statewide and interagency technical policies,  
27 standards, and procedures;

28 (c) To review and approve standards and common specifications for  
29 new or expanded telecommunications networks proposed by agencies,  
30 public postsecondary education institutions, educational service  
31 districts, or statewide or regional providers of K-12 information  
32 technology services;

33 (d) With input from the legislature and the judiciary, to provide  
34 direction concerning strategic planning goals and objectives for the  
35 state;

36 (e) To establish policies for the periodic review by the director  
37 of state agency performance which may include but are not limited to  
38 analysis of:

1 (i) Planning, management, control, and use of information  
2 services;

3 (ii) Training and education;

4 (iii) Project management; and

5 (iv) Cybersecurity, in coordination with the chief information  
6 security officer;

7 (f) To coordinate with state agencies with an annual information  
8 technology expenditure that exceeds ten million dollars to implement  
9 a technology business management program to identify opportunities  
10 for savings and efficiencies in information technology expenditures  
11 and to monitor ongoing financial performance of technology  
12 investments;

13 (g) In conjunction with the consolidated technology services  
14 agency, to develop statewide standards for agency purchases of  
15 technology networking equipment and services;

16 (h) To implement a process for detecting, reporting, and  
17 responding to security incidents consistent with the information  
18 security standards, policies, and guidelines adopted by the director;

19 (i) To develop plans and procedures to ensure the continuity of  
20 commerce for information resources that support the operations and  
21 assets of state agencies in the event of a security incident; and

22 (j) To work with the office of cybersecurity, department of  
23 commerce, and other economic development stakeholders to facilitate  
24 the development of a strategy that includes key local, state, and  
25 federal assets that will create Washington as a national leader in  
26 cybersecurity. The office shall collaborate with, including but not  
27 limited to, community colleges, universities, the national guard, the  
28 department of defense, the department of energy, and national  
29 laboratories to develop the strategy.

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

35 (a) Establish technical standards to facilitate electronic access  
36 to government information and interoperability of information  
37 systems, including wireless communications systems; and

38 (b) Require agencies to include an evaluation of electronic  
39 public access needs when planning new information systems or major  
40 upgrades of systems.

1 In developing these standards, the office is encouraged to  
2 include the state library, state archives, and appropriate  
3 representatives of state and local government.

4 **Sec. 14.** RCW 43.105.057 and 2011 1st sp.s. c 43 s 807 are each  
5 amended to read as follows:

6 The ((agency)) office of cybersecurity shall adopt rules as  
7 necessary under chapter 34.05 RCW to implement the provisions of this  
8 chapter.

9 **Sec. 15.** RCW 43.105.060 and 2011 1st sp.s. c 43 s 808 are each  
10 amended to read as follows:

11 State and local government agencies are authorized to enter into  
12 any contracts with the ((agency)) office of cybersecurity which may  
13 be necessary or desirable to effectuate the purposes and policies of  
14 this chapter or for maximum ((utilization)) use of facilities and  
15 services which are the subject of this chapter.

16 **Sec. 16.** RCW 43.105.111 and 2015 3rd sp.s. c 1 s 105 are each  
17 amended to read as follows:

18 The ((director)) chief information security officer shall set  
19 performance targets and approve plans for achieving measurable and  
20 specific goals for the ((agency)) office of cybersecurity. By January  
21 2017, the appropriate organizational performance and accountability  
22 measures and performance targets shall be submitted to the governor.  
23 These measures and targets shall include measures of performance  
24 demonstrating specific and measurable improvements related to service  
25 delivery and costs, operational efficiencies, and overall customer  
26 satisfaction. The ((agency)) office of cybersecurity shall develop a  
27 dashboard of key performance measures that will be updated quarterly  
28 and made available on the ((agency)) office of cybersecurity public  
29 website.

30 The ((director)) chief information security officer shall report  
31 to the governor on ((agency)) its performance at least quarterly. The  
32 reports shall be included on the ((agency's)) office of  
33 cybersecurity's website and accessible to the public.

34 **Sec. 17.** RCW 43.105.225 and 2015 3rd sp.s. c 1 s 204 are each  
35 amended to read as follows:

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

11 **Sec. 18.** RCW 43.105.235 and 2015 3rd sp.s. c 1 s 206 are each  
12 amended to read as follows:

13 (1) Each state agency shall develop an information technology  
14 portfolio consistent with RCW 43.105.341. The superintendent of  
15 public instruction shall develop its portfolio in conjunction with  
16 educational service districts and statewide or regional providers of  
17 K-12 education information technology services.

18 (2) The (~~director~~) chief information security officer may  
19 exempt any state agency from any or all of the requirements of this  
20 section.

21 **Sec. 19.** RCW 43.105.245 and 2015 3rd sp.s. c 1 s 208 are each  
22 amended to read as follows:

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

29 (a) Establish criteria to identify projects which are subject to  
30 this section. Such criteria shall include, but not be limited to,  
31 significant anticipated cost, complexity, or statewide significance  
32 of the project; and

33 (b) Establish a model process and procedures which state agencies  
34 shall follow in developing and implementing projects within their  
35 information technology portfolios. This process may include project  
36 oversight experts or panels, as appropriate. State agencies may  
37 propose, for approval by the office, a process and procedures unique  
38 to the agency. The office may accept or require modification of such



1 agency proposals or the office may reject those proposals and require  
2 use of the model process and procedures established under this  
3 subsection. Any process and procedures developed under this  
4 subsection shall require (i) distinct and identifiable phases upon  
5 which funding may be based, (ii) user validation of products through  
6 system demonstrations and testing of prototypes and deliverables, and  
7 (iii) other elements identified by the office.

8 The (~~director~~) chief information security officer may suspend  
9 or terminate a major project, and direct that the project funds be  
10 placed into unallotted reserve status, if the (~~director~~) chief  
11 information security officer determines that the project is not  
12 meeting or is not expected to meet anticipated performance standards.

13 (2) The office of financial management shall establish policies  
14 and standards consistent with portfolio-based information technology  
15 management to govern the funding of projects developed under this  
16 section. The policies and standards shall provide for:

17 (a) Funding of a project under terms and conditions mutually  
18 agreed to by the director, the director of financial management, and  
19 the head of the agency proposing the project. However, the office of  
20 financial management may require incremental funding of a project on  
21 a phase-by-phase basis whereby funds for a given phase of a project  
22 may be released only when the office of financial management  
23 determines, with the advice of the (~~director~~) chief information  
24 security officer, that the previous phase is satisfactorily  
25 completed; and

26 (b) Other elements deemed necessary by the office of financial  
27 management.

28 **Sec. 20.** RCW 43.105.255 and 2015 3rd sp.s. c 1 s 209 are each  
29 amended to read as follows:

30 (1) Prior to making a commitment to purchase, acquire, or develop  
31 a major information technology project or service, state agencies  
32 must provide a proposal to the office outlining the business case of  
33 the proposed product or service, including the up-front and ongoing  
34 cost of the proposal.

35 (2) Within thirty days of receipt of a proposal, the office shall  
36 approve the proposal, reject it, or propose modifications.

37 (3) In reviewing a proposal, the office must determine whether  
38 the product or service is consistent with:

1 (a) The standards and policies developed by the (~~director~~)  
2 office of cybersecurity pursuant to RCW 43.105.054; and

3 (b) The state's enterprise-based strategy.

4 (4) If a substantially similar product or service is offered by  
5 the (~~agency~~) office of cybersecurity, the (~~director~~) chief  
6 information security officer may require the state agency to procure  
7 the product or service through the (~~agency~~) office of  
8 cybersecurity, if doing so would benefit the state as an enterprise.

9 (5) The office shall provide guidance to state agencies as to  
10 what threshold of information technology spending constitutes a major  
11 information technology product or service under this section.

12 **Sec. 21.** RCW 43.88.090 and 2015 3rd sp.s. c 1 s 409 are each  
13 amended to read as follows:

14 (1) For purposes of developing budget proposals to the  
15 legislature, the governor shall have the power, and it shall be the  
16 governor's duty, to require from proper agency officials such  
17 detailed estimates and other information in such form and at such  
18 times as the governor shall direct. The governor shall communicate  
19 statewide priorities to state agencies for use in developing biennial  
20 budget recommendations for their agency and shall seek public  
21 involvement and input on these priorities. The estimates for the  
22 legislature and the judiciary shall be transmitted to the governor  
23 and shall be included in the budget without revision. The estimates  
24 for state pension contributions shall be based on the rates provided  
25 in chapter 41.45 RCW. Copies of all such estimates shall be  
26 transmitted to the standing committees on ways and means of the house  
27 and senate at the same time as they are filed with the governor and  
28 the office of financial management.

29 The estimates shall include statements or tables which indicate,  
30 by agency, the state funds which are required for the receipt of  
31 federal matching revenues. The estimates shall be revised as  
32 necessary to reflect legislative enactments and adopted  
33 appropriations and shall be included with the initial biennial  
34 allotment submitted under RCW 43.88.110. The estimates must reflect  
35 that the agency considered any alternatives to reduce costs or  
36 improve service delivery identified in the findings of a performance  
37 audit of the agency by the joint legislative audit and review  
38 committee. Nothing in this subsection requires performance audit  
39 findings to be published as part of the budget.

1 (2) Each state agency shall define its mission and establish  
2 measurable goals for achieving desirable results for those who  
3 receive its services and the taxpayers who pay for those services.  
4 Each agency shall also develop clear strategies and timelines to  
5 achieve its goals. This section does not require an agency to develop  
6 a new mission or goals in place of identifiable missions or goals  
7 that meet the intent of this section. The mission and goals of each  
8 agency must conform to statutory direction and limitations.

9 (3) For the purpose of assessing activity performance, each state  
10 agency shall establish quality and productivity objectives for each  
11 major activity in its budget. The objectives must be consistent with  
12 the missions and goals developed under this section. The objectives  
13 must be expressed to the extent practicable in outcome-based,  
14 objective, and measurable form unless an exception to adopt a  
15 different standard is granted by the office of financial management  
16 and approved by the legislative committee on performance review.  
17 Objectives must specifically address the statutory purpose or intent  
18 of the program or activity and focus on data that measure whether the  
19 agency is achieving or making progress toward the purpose of the  
20 activity and toward statewide priorities. The office of financial  
21 management shall provide necessary professional and technical  
22 assistance to assist state agencies in the development of strategic  
23 plans that include the mission of the agency and its programs,  
24 measurable goals, strategies, and performance measurement systems.

25 (4) Each state agency shall adopt procedures for and perform  
26 continuous self-assessment of each activity, using the mission,  
27 goals, objectives, and measurements required under subsections (2)  
28 and (3) of this section. The assessment of the activity must also  
29 include an evaluation of major information technology systems or  
30 projects that may assist the agency in achieving or making progress  
31 toward the activity purpose and statewide priorities. The evaluation  
32 of proposed major information technology systems or projects shall be  
33 in accordance with the standards and policies established by the  
34 technology services board. Agencies' progress toward the mission,  
35 goals, objectives, and measurements required by subsections (2) and  
36 (3) of this section is subject to review as set forth in this  
37 subsection.

38 (a) The office of financial management shall regularly conduct  
39 reviews of selected activities to analyze whether the objectives and

1 measurements submitted by agencies demonstrate progress toward  
2 statewide results.

3 (b) The office of financial management shall consult with: (i)  
4 The four-year institutions of higher education in those reviews that  
5 involve four-year institutions of higher education; and (ii) the  
6 state board for community and technical colleges in those reviews  
7 that involve two-year institutions of higher education.

8 (c) The goal is for all major activities to receive at least one  
9 review each year.

10 (d) The (~~consolidated technology services agency~~) office of  
11 cybersecurity shall periodically review major information technology  
12 systems (~~in use~~) used by state agencies (~~periodically~~).

13 (5) It is the policy of the legislature that each agency's budget  
14 recommendations must be directly linked to the agency's stated  
15 mission and program, quality, and productivity goals and objectives.  
16 Consistent with this policy, agency budget proposals must include  
17 integration of performance measures that allow objective  
18 determination of an activity's success in achieving its goals. When a  
19 review under subsection (4) of this section or other analysis  
20 determines that the agency's objectives demonstrate that the agency  
21 is making insufficient progress toward the goals of any particular  
22 program or is otherwise underachieving or inefficient, the agency's  
23 budget request shall contain proposals to remedy or improve the  
24 selected programs. The office of financial management shall develop a  
25 plan to merge the budget development process with agency performance  
26 assessment procedures. The plan must include a schedule to integrate  
27 agency strategic plans and performance measures into agency budget  
28 requests and the governor's budget proposal over three fiscal  
29 biennia. The plan must identify those agencies that will implement  
30 the revised budget process in the 1997-1999 biennium, the 1999-2001  
31 biennium, and the 2001-2003 biennium. In consultation with the  
32 legislative fiscal committees, the office of financial management  
33 shall recommend statutory and procedural modifications to the state's  
34 budget, accounting, and reporting systems to facilitate the  
35 performance assessment procedures and the merger of those procedures  
36 with the state budget process. The plan and recommended statutory and  
37 procedural modifications must be submitted to the legislative fiscal  
38 committees by September 30, 1996.

39 (6) In reviewing agency budget requests in order to prepare the  
40 governor's biennial budget request, the office of financial

1 management shall consider the extent to which the agency's activities  
2 demonstrate progress toward the statewide budgeting priorities, along  
3 with any specific review conducted under subsection (4) of this  
4 section.

5 (7) In the year of the gubernatorial election, the governor shall  
6 invite the governor-elect or the governor-elect's designee to attend  
7 all hearings provided in RCW 43.88.100; and the governor shall  
8 furnish the governor-elect or the governor-elect's designee with such  
9 information as will enable the governor-elect or the governor-elect's  
10 designee to gain an understanding of the state's budget requirements.  
11 The governor-elect or the governor-elect's designee may ask such  
12 questions during the hearings and require such information as the  
13 governor-elect or the governor-elect's designee deems necessary and  
14 may make recommendations in connection with any item of the budget  
15 which, with the governor-elect's reasons therefor, shall be presented  
16 to the legislature in writing with the budget document. Copies of all  
17 such estimates and other required information shall also be submitted  
18 to the standing committees on ways and means of the house and senate.

19 **Sec. 22.** RCW 43.105.287 and 2015 3rd sp.s. c 1 s 212 are each  
20 amended to read as follows:

21 The board shall have the following powers and duties related to  
22 information services:

23 (1) To review and approve standards and policies, developed by  
24 the office, governing the acquisition and disposition of equipment,  
25 proprietary software, and purchased services, licensing of the radio  
26 spectrum by or on behalf of state agencies, and confidentiality of  
27 computerized data;

28 (2) To review and approve statewide or interagency technical  
29 policies and standards developed by the office;

30 (3) To review, approve, and provide oversight of major  
31 information technology projects to ensure that no major information  
32 technology project proposed by a state agency is approved or  
33 authorized funding by the board without consideration of the  
34 technical and financial business case for the project, including a  
35 review of:

- 36 (a) The total cost of ownership across the life of the project;
- 37 (b) All major technical options and alternatives analyzed, and  
38 reviewed, if necessary, by independent technical sources; and

1 (c) Whether the project is technically and financially  
2 justifiable when compared against the state's enterprise-based  
3 strategy, long-term technology trends, and existing or potential  
4 partnerships with private providers or vendors;

5 (4) To review and approve standards and common specifications for  
6 new or expanded telecommunications networks proposed by state  
7 agencies, public postsecondary education institutions, educational  
8 service districts, or statewide or regional providers of K-12  
9 information technology services, and to assure the cost-effective  
10 development and incremental implementation of a statewide video  
11 telecommunications system to serve: Public schools; educational  
12 service districts; vocational-technical institutes; community  
13 colleges; colleges and universities; state and local government; and  
14 the general public through public affairs programming;

15 (5) To develop a policy to determine whether a proposed project,  
16 product, or service should undergo an independent technical and  
17 financial analysis prior to submitting a request to the office of  
18 financial management for the inclusion in any proposed operating,  
19 capital, or transportation budget;

20 (6) To approve contracting for services and activities under RCW  
21 41.06.142(~~((7))~~) (11) for the (~~(agency)~~) office of cybersecurity. To  
22 approve any service or activity to be contracted under RCW  
23 41.06.142(~~((7)-(b))~~) (11), the board must also review the proposed  
24 business plan and recommendation submitted by the office;

25 (7) To consider, on an ongoing basis, ways to promote strategic  
26 investments in enterprise-level information technology projects that  
27 will result in service improvements and cost efficiency;

28 (8) To provide a forum to solicit external expertise and  
29 perspective on developments in information technology, enterprise  
30 architecture, standards, and policy development; (~~and~~)

31 (9) To provide a forum where ideas and issues related to  
32 information technology plans, policies, and standards can be  
33 reviewed; and

34 (10) To review and approve standards and policies developed by  
35 the office of cybersecurity, pursuant to section 1 of this act,  
36 governing the protection and oversight of the state's information  
37 technology systems and infrastructure and cybersecurity prevention  
38 and response protocols.

1       **Sec. 23.** RCW 41.06.142 and 2020 c 269 s 2 are each amended to  
2 read as follows:

3       (1) If any department, agency, or institution of higher education  
4 intends to contract for services that, on or after July 1, 2005, have  
5 been customarily and historically provided by, and would displace or  
6 relocate, employees in the classified service under this chapter, a  
7 department, agency, or institution of higher education may do so by  
8 contracting with individuals, nonprofit organizations, businesses,  
9 employee business units, or other entities if the following criteria  
10 are met:

11       (a) A comprehensive impact assessment is completed by the agency,  
12 department, or institution of higher education to assist it in  
13 determining whether the decision to contract out is beneficial.

14       (i) The comprehensive impact assessment must include at a minimum  
15 the following analysis:

16       (A) An estimate of the cost of performance of the service by  
17 employees, including the fully allocated costs of the service, the  
18 cost of the employees' salaries and benefits, space, equipment,  
19 materials, and other costs necessary to perform the function. The  
20 estimate must not include the state's indirect overhead costs unless  
21 those costs can be attributed directly to the function in question  
22 and would not exist if that function were not performed in state  
23 service;

24       (B) An estimate of the cost of performance of the services if  
25 contracted out, including the cost of administration of the program  
26 and allocating sufficient employee staff time and resources to  
27 monitor the contract and ensure its proper performance by the  
28 contractor;

29       (C) The reason for proposing to contract out, including the  
30 objective the agency would like to achieve; and

31       (D) The reasons for the determination made under (e) of this  
32 subsection.

33       (ii) When the contract will result in termination of state  
34 employees or elimination of state positions, the comprehensive impact  
35 assessment may also include an assessment of the potential adverse  
36 impacts on the public from outsourcing the contract, such as loss of  
37 employment, effect on social services and public assistance programs,  
38 economic impacts on local businesses and local tax revenues, and  
39 environmental impacts;

1 (b) The invitation for bid or request for proposal contains  
2 measurable standards for the performance of the contract;

3 (c) Employees whose positions or work would be displaced by the  
4 contract are provided an opportunity to offer alternatives to  
5 purchasing services by contract and, if these alternatives are not  
6 accepted, compete for the contract under competitive contracting  
7 procedures in subsection (7) of this section;

8 (d) The department, agency, or institution of higher education  
9 has established a contract monitoring process to measure contract  
10 performance, costs, service delivery quality, and other contract  
11 standards, and to cancel contracts that do not meet those standards;  
12 and

13 (e) The department, agency, or institution of higher education  
14 has determined that the contract results in savings or efficiency  
15 improvements. The contracting agency, department, or institution of  
16 higher education must consider the consequences and potential  
17 mitigation of improper or failed performance by the contractor.

18 (2) (a) The agency, department, or institution of higher education  
19 must post on its website the request for proposal, the contract or a  
20 statement that the agency, department, or institution of higher  
21 education did not move forward with contracting out, and the  
22 comprehensive impact assessment pursuant to subsection (1) of this  
23 section.

24 (b) The agency, department, or institution of higher education  
25 must maintain the information in (a) of this subsection in its files  
26 in accordance with the record retention schedule under RCW 40.14.060.

27 (3) Every five years or upon completion of the contract,  
28 whichever comes first, the agency, department, or institution of  
29 higher education must prepare and maintain in the contract file a  
30 report, which must include at a minimum the following information:

31 (a) Documentation of the contractor's performance as measured by  
32 the itemized performance standards;

33 (b) Itemization of any contract extensions or change orders that  
34 resulted in a change in the dollar value or cost of the contract; and

35 (c) A report of any remedial actions that were taken to enforce  
36 compliance with the contract, together with an estimate of the cost  
37 incurred by the agency, department, or institution of higher  
38 education in enforcing such compliance.



1 (4) In addition to any other terms required by law, the terms of  
2 any agreement to contract out a service pursuant to this section must  
3 include terms that address the following:

4 (a) The contract's contract management provision must allow  
5 review of the contractor's performance;

6 (b) The contract's termination clauses must allow termination of  
7 the contract if the contractor fails to meet the terms of the  
8 contract, including failure to meet performance standards or failure  
9 to provide the services at the contracted price;

10 (c) The contract's damages provision must allow recovery of  
11 direct damages and, when applicable, indirect damages that the  
12 agency, department, or institution of higher education incurs due to  
13 the contractor's breach of the agreement;

14 (d) If the contractor will be using a subcontractor for  
15 performance of services under the contract, the contract must allow  
16 the agency, department, or institution of higher education to obtain  
17 information about the subcontractor, as applicable to the performance  
18 of services under the agreement; and

19 (e) A provision requiring the contractor to consider employment  
20 of employees who may be displaced by the contract, if the contract is  
21 with an entity other than an employee business unit.

22 (5) Any provision contrary to or in conflict with this section in  
23 any collective bargaining agreement in effect on July 1, 2005, is not  
24 effective beyond the expiration date of the agreement.

25 (6) When contracting out for services as authorized in this  
26 section the agency, department, or institution of higher education  
27 must ensure firms adhere to the values of the state of Washington  
28 under RCW 49.60.030, which provide its citizens freedom from  
29 discrimination. Any relationship with a potential or current industry  
30 partner that is found to have violated RCW 49.60.030 by the attorney  
31 general shall not be considered and must be immediately terminated  
32 unless:

33 (a) The industry partner has fulfilled the conditions or  
34 obligations associated with any court order or settlement resulting  
35 from that violation; or

36 (b) The industry partner has taken significant and meaningful  
37 steps to correct the violation, as determined by the Washington state  
38 human rights commission.

39 (7) Competitive contracting shall be implemented as follows:

1 (a) At least ninety days prior to the date the contracting  
2 agency, department, or institution of higher education requests bids  
3 from private entities for a contract for services provided by  
4 employees, the contracting agency, department, or institution of  
5 higher education shall notify the employees whose positions or work  
6 would be displaced by the contract. The employees shall have sixty  
7 days from the date of notification to offer alternatives to  
8 purchasing services by contract, and the agency, department, or  
9 institution of higher education shall consider the alternatives  
10 before requesting bids.

11 (b) If the employees decide to compete for the contract, they  
12 shall notify the contracting agency, department, or institution of  
13 higher education of their decision. Employees must form one or more  
14 employee business units for the purpose of submitting a bid or bids  
15 to perform the services.

16 (c) The department of enterprise services, with the advice and  
17 assistance of the office of financial management, shall develop and  
18 make available to employee business units training in the bidding  
19 process and general bid preparation.

20 (d) The director of enterprise services, with the advice and  
21 assistance of the office of financial management, shall, by rule,  
22 establish procedures to ensure that bids are submitted and evaluated  
23 in a fair and objective manner and that there exists a competitive  
24 market for the service. Such rules shall include, but not be limited  
25 to: (i) Prohibitions against participation in the bid evaluation  
26 process by employees who prepared the business unit's bid or who  
27 perform any of the services to be contracted; (ii) provisions to  
28 ensure no bidder receives an advantage over other bidders and that  
29 bid requirements are applied equitably to all parties; and (iii)  
30 procedures that require the contracting agency, department, or  
31 institution of higher education to receive complaints regarding the  
32 bidding process and to consider them before awarding the contract.  
33 Appeal of an agency's, department's, or institution of higher  
34 education's actions under this subsection is an adjudicative  
35 proceeding and subject to the applicable provisions of chapter 34.05  
36 RCW, the administrative procedure act, with the final decision to be  
37 rendered by an administrative law judge assigned under chapter 34.12  
38 RCW.

39 (e) An employee business unit's bid must include the fully  
40 allocated costs of the service, including the cost of the employees'

1 salaries and benefits, space, equipment, materials, and other costs  
2 necessary to perform the function. An employee business unit's cost  
3 shall not include the state's indirect overhead costs unless those  
4 costs can be attributed directly to the function in question and  
5 would not exist if that function were not performed in state service.

6 (f) A department, agency, or institution of higher education may  
7 contract with the department of enterprise services to conduct the  
8 bidding process.

9 (8) (a) As used in this section:

10 (i) "Employee business unit" means a group of employees who  
11 perform services to be contracted under this section and who submit a  
12 bid for the performance of those services under subsection (7) of  
13 this section.

14 (ii) "Indirect overhead costs" means the pro rata share of  
15 existing agency administrative salaries and benefits, and rent,  
16 equipment costs, utilities, and materials associated with those  
17 administrative functions.

18 (iii) "Competitive contracting" means the process by which  
19 employees of a department, agency, or institution of higher education  
20 compete with businesses, individuals, nonprofit organizations, or  
21 other entities for contracts authorized by subsection (1) of this  
22 section.

23 (b) Unless otherwise specified, for the purpose of chapter 269,  
24 Laws of 2020, "employee" means state employees in the classified  
25 service under this chapter except employees in the Washington  
26 management service as defined under RCW 41.06.022 and 41.06.500.

27 (9) The processes set forth in subsections (1)(a), (2), (3), and  
28 (4)(a) through (d) of this section do not apply to contracts:

29 (a) Awarded for the purposes of or by the department of  
30 transportation;

31 (b) With an estimated cost of contract performance of twenty  
32 thousand dollars or less;

33 (c) With an estimated cost of contract performance that exceeds  
34 five hundred thousand dollars for public work as defined by RCW  
35 39.04.010; or

36 (d) Relating to mechanical, plumbing as described in chapter  
37 18.106 RCW, and electrical as described in chapter 19.28 RCW,  
38 procured to install systems for new construction or life-cycle  
39 replacement with an estimated cost of contract performance of  
40 seventy-five thousand dollars or more.

1 (10) The processes set forth in subsections (1) through (4), (7),  
2 and (8) of this section do not apply to:

3 (a) RCW 74.13.031(6);

4 (b) The acquisition of printing services by a state agency; and

5 (c) Contracts for services expressly mandated by the legislature,  
6 including contracts for fire suppression awarded by the department of  
7 natural resources under RCW 76.04.181, or authorized by law prior to  
8 July 1, 2005, including contracts and agreements between public  
9 entities.

10 (11) The processes set forth in subsections (1) through (4), (7),  
11 and (8) of this section do not apply to the (~~consolidated technology~~  
12 ~~services agency~~) office of cybersecurity when contracting for  
13 services or activities as follows:

14 (a) Contracting for services and activities that are necessary to  
15 establish, operate, or manage the state data center, including  
16 architecture, design, engineering, installation, and operation of the  
17 facility that are approved by the technology services board created  
18 in RCW 43.105.285.

19 (b) Contracting for services and activities recommended by the  
20 chief information security officer through a business plan and  
21 approved by the technology services board created in RCW 43.105.285.

22 **Sec. 24.** RCW 43.105.342 and 2015 3rd sp.s. c 1 s 501 are each  
23 amended to read as follows:

24 (1) The (~~consolidated technology services~~) office of  
25 cybersecurity and information oversight revolving account is created  
26 in the custody of the state treasurer. All receipts from (~~agency~~)  
27 fees and charges for services collected by the office of  
28 cybersecurity and information oversight from public agencies must be  
29 deposited into the account. The account must be used for the:

30 (a) Acquisition of equipment, software, supplies, and services;  
31 and

32 (b) Payment of salaries, wages, and other costs incidental to the  
33 acquisition, development, maintenance, operation, and administration  
34 of: (i) Information services; (ii) telecommunications; (iii) systems;  
35 (iv) software; (v) supplies; and (vi) equipment, including the  
36 payment of principal and interest on debt by the agency and other  
37 users as determined by the office of financial management.

38 (2) The (~~director or the director's~~) chief information security  
39 officer or his or her designee, with the approval of the technology

1 services board, is authorized to expend up to one million dollars per  
2 fiscal biennium for the technology services board to conduct  
3 independent technical and financial analysis of proposed information  
4 technology projects.

5 (3) Only the (~~director or the director's~~) chief information  
6 security officer or his or her designee may authorize expenditures  
7 from the account. The account is subject to allotment procedures  
8 under chapter 43.88 RCW, but no appropriation is required for  
9 expenditures except as provided in subsection (4) of this section.

10 (4) Expenditures for the strategic planning and policy component  
11 of the agency are subject to appropriation.

12 **Sec. 25.** RCW 43.105.369 and 2016 c 195 s 2 are each amended to  
13 read as follows:

14 (1) The office of privacy and data protection is created within  
15 the office of the state chief information officer. The purpose of the  
16 office of privacy and data protection is to serve as a central point  
17 of contact for state agencies on policy matters involving data  
18 privacy and data protection.

19 (2) The (~~director~~) chief information security officer shall  
20 appoint the chief privacy officer, who is the director of the office  
21 of privacy and data protection.

22 (3) The primary duties of the office of privacy and data  
23 protection with respect to state agencies are:

24 (a) To conduct an annual privacy review;

25 (b) To conduct an annual privacy training for state agencies and  
26 employees;

27 (c) To articulate privacy principles and best practices;

28 (d) To coordinate data protection in cooperation with the agency;  
29 and

30 (e) To participate with the office of the state chief information  
31 officer in the review of major state agency projects involving  
32 personally identifiable information.

33 (4) The office of privacy and data protection must serve as a  
34 resource to local governments and the public on data privacy and  
35 protection concerns by:

36 (a) Developing and promoting the dissemination of best practices  
37 for the collection and storage of personally identifiable  
38 information, including establishing and conducting a training program  
39 or programs for local governments; and

1 (b) Educating consumers about the use of personally identifiable  
2 information on mobile and digital networks and measures that can help  
3 protect this information.

4 (5) By December 1, 2016, and every four years thereafter, the  
5 office of privacy and data protection must prepare and submit to the  
6 legislature a report evaluating its performance. The office of  
7 privacy and data protection must establish performance measures in  
8 its 2016 report to the legislature and, in each report thereafter,  
9 demonstrate the extent to which performance results have been  
10 achieved. These performance measures must include, but are not  
11 limited to, the following:

12 (a) The number of state agencies and employees who have  
13 participated in the annual privacy training;

14 (b) A report on the extent of the office of privacy and data  
15 protection's coordination with international and national experts in  
16 the fields of data privacy, data protection, and access equity;

17 (c) A report on the implementation of data protection measures by  
18 state agencies attributable in whole or in part to the office of  
19 privacy and data protection's coordination of efforts; and

20 (d) A report on consumer education efforts, including but not  
21 limited to the number of consumers educated through public outreach  
22 efforts, as indicated by how frequently educational documents were  
23 accessed, the office of privacy and data protection's participation  
24 in outreach events, and inquiries received back from consumers via  
25 telephone or other media.

26 (6) Within one year of June 9, 2016, the office of privacy and  
27 data protection must submit to the joint legislative audit and review  
28 committee for review and comment the performance measures developed  
29 under subsection (5) of this section and a data collection plan.

30 (7) The office of privacy and data protection shall submit a  
31 report to the legislature on the: (a) Extent to which  
32 telecommunications providers in the state are deploying advanced  
33 telecommunications capability; and (b) existence of any inequality in  
34 access to advanced telecommunications infrastructure experienced by  
35 residents of tribal lands, rural areas, and economically distressed  
36 communities. The report may be submitted at a time within the  
37 discretion of the office of privacy and data protection, at least  
38 once every four years, and only to the extent the office of privacy  
39 and data protection is able to gather and present the information  
40 within existing resources.

1       **Sec. 26.** RCW 43.105.385 and 2015 3rd sp.s. c 1 s 220 are each  
2 amended to read as follows:

3       (1) The office shall conduct a needs assessment and develop a  
4 migration strategy to ensure that, over time, all state agencies are  
5 moving towards using the (~~agency~~) office of cybersecurity as their  
6 central service provider for all utility-based infrastructure  
7 services, including centralized PC and infrastructure support. State  
8 agency-specific application services shall remain managed within  
9 individual agencies.

10       (2) The office shall develop short-term and long-term objectives  
11 as part of the migration strategy.

12       (3) This section does not apply to institutions of higher  
13 education.

14       **Sec. 27.** RCW 43.105.905 and 2008 c 262 s 4 are each amended to  
15 read as follows:

16       Nothing in this act may be construed as giving the (~~department~~  
17 ~~of information services~~) office of cybersecurity or any other  
18 entities any additional authority, regulatory or otherwise, over  
19 providers of telecommunications and information technology.

20       **Sec. 28.** RCW 43.105.907 and 2011 1st sp.s. c 43 s 1009 are each  
21 amended to read as follows:

22       (1) Those powers, duties, and functions of the department of  
23 information services being transferred to the consolidated technology  
24 services agency as set forth in sections 801 through 816, chapter 43,  
25 Laws of 2011 1st sp. sess. are hereby transferred to the consolidated  
26 technology services agency, unless otherwise specified under  
27 chapter . . . , Laws of 2021 (this act).

28       (2)(a) All reports, documents, surveys, books, records, files,  
29 papers, or written material in the possession of the department of  
30 information services shall be delivered to the custody of the  
31 consolidated technology services agency. All cabinets, furniture,  
32 office equipment, motor vehicles, and other tangible property  
33 employed by the department of information services shall be made  
34 available to the consolidated technology services agency. All funds,  
35 credits, or other assets held by the department of information  
36 services shall be assigned to the consolidated technology services  
37 agency.

1 (b) Any appropriations made to the department of information  
2 services shall, on October 1, 2011, be transferred and credited to  
3 the consolidated technology services agency.

4 (c) If any question arises as to the transfer of any personnel,  
5 funds, books, documents, records, papers, files, equipment, or other  
6 tangible property used or held in the exercise of the powers and the  
7 performance of the duties and functions transferred, the director of  
8 financial management shall make a determination as to the proper  
9 allocation and certify the same to the state agencies concerned.

10 (3) Unless otherwise provided under chapter . . . , Laws of 2021  
11 (this act):

12 (a) All rules and all pending business before the department of  
13 information services pertaining to the powers, duties, and functions  
14 transferred shall be continued and acted upon by the consolidated  
15 technology services agency(~~(-)~~); and

16 (b) All existing contracts and obligations shall remain in full  
17 force and shall be performed by the consolidated technology services  
18 agency.

19 (4) The transfer of the powers, duties, functions, and personnel  
20 of the department of information services shall not affect the  
21 validity of any act performed before October 1, 2011.

22 (5) If apportionments of budgeted funds are required because of  
23 the transfers directed by this section, the director of financial  
24 management shall certify the apportionments to the agencies affected,  
25 the state auditor, and the state treasurer. Each of these shall make  
26 the appropriate transfer and adjustments in funds and appropriation  
27 accounts and equipment records in accordance with the certification.

28 (6) All employees of the department of information services  
29 engaged in performing the powers, functions, and duties transferred  
30 to the consolidated technology services agency or otherwise to the  
31 office of cybersecurity are transferred to the (~~(consolidated~~  
32 ~~technology services agency)) office of cybersecurity. All employees  
33 classified under chapter 41.06 RCW, the state civil service law, are  
34 assigned to the (~~(consolidated technology services agency)) office of~~~~

35 cybersecurity to perform their usual duties upon the same terms as  
36 formerly, without any loss of rights, subject to any action that may  
37 be appropriate thereafter in accordance with the laws and rules  
38 governing state civil service law.

39 (7) Unless or until modified by the public employment relations  
40 commission pursuant to RCW 41.80.911:



1 (a) The portions of the bargaining units of employees at the  
2 department of information services existing on October 1, 2011, shall  
3 be considered appropriate units at the (~~consolidated technology~~  
4 ~~services agency~~) office of cybersecurity and will be so certified by  
5 the public employment relations commission.

6 (b) The exclusive bargaining representatives recognized as  
7 representing the portions of the bargaining units of employees at the  
8 department of information services existing on October 1, 2011, shall  
9 continue as the exclusive bargaining representatives of the  
10 transferred bargaining units without the necessity of an election.

11 **Sec. 29.** RCW 39.26.100 and 2019 c 152 s 2 are each amended to  
12 read as follows:

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

16 (2) The provisions of this chapter do not apply to the  
17 contracting for services, equipment, and activities that are  
18 necessary to establish, operate, or manage the state data center,  
19 including architecture, design, engineering, installation, and  
20 operation of the facility, that are approved by the technology  
21 services board or the acquisition of proprietary software, equipment,  
22 and information technology services necessary for or part of the  
23 provision of services offered by the (~~consolidated technology~~  
24 ~~services agency~~) office of cybersecurity and information oversight.

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

28 (4) Universities operating hospitals with approval from the  
29 director, as the agent for state hospitals as defined in RCW  
30 72.23.010, and for health care programs provided in state  
31 correctional institutions as defined in RCW 72.65.010(3) and  
32 veterans' institutions as defined in RCW 72.36.010 and 72.36.070, may  
33 make purchases for hospital operation by participating in contracts  
34 for materials, supplies, and equipment entered into by nonprofit  
35 cooperative hospital group purchasing organizations if documented to  
36 be more cost-effective.

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

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

5 (7) The provisions of this chapter do not apply to information  
6 technology purchases by state agencies, other than institutions of  
7 higher education and agencies of the judicial branch, if (a) the  
8 purchase is less than one hundred thousand dollars, (b) the initial  
9 purchase is approved by the (~~chief information officer of the~~  
10 ~~state~~) chief information security officer, and (c) the agency  
11 director and the chief information security officer (~~of the state~~)  
12 jointly prepare a public document providing a detailed justification  
13 for the expenditure.

14 (8) The authority to purchase interpreter services on behalf of  
15 applicants and recipients of public assistance who are sensory-  
16 impaired rests with the department of social and health services and  
17 the health care authority.

18 **Sec. 30.** RCW 41.06.070 and 2019 c 146 s 3 are each amended to  
19 read as follows:

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

21 (a) The members of the legislature or to any employee of, or  
22 position in, the legislative branch of the state government including  
23 members, officers, and employees of the legislative council, joint  
24 legislative audit and review committee, statute law committee, and  
25 any interim committee of the legislature;

26 (b) The justices of the supreme court, judges of the court of  
27 appeals, judges of the superior courts or of the inferior courts, or  
28 to any employee of, or position in the judicial branch of state  
29 government;

30 (c) Officers, academic personnel, and employees of technical  
31 colleges;

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

33 (e) Elective officers of the state;

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

35 (g) In the departments of employment security and social and  
36 health services, the director and the director's confidential  
37 secretary; in all other departments, the executive head of which is  
38 an individual appointed by the governor, the director, his or her  
39 confidential secretary, and his or her statutory assistant directors;

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

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

5 (ii) If the members of the board, commission, or committee serve  
6 on a part-time basis and there is a statutory executive officer: The  
7 secretary of the board, commission, or committee; the chief executive  
8 officer of the board, commission, or committee; and the confidential  
9 secretary of the chief executive officer of the board, commission, or  
10 committee;

11 (iii) If the members of the board, commission, or committee serve  
12 on a full-time basis: The chief executive officer or administrative  
13 officer as designated by the board, commission, or committee; and a  
14 confidential secretary to the chair of the board, commission, or  
15 committee;

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

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

21 (j) Assistant attorneys general;

22 (k) Commissioned and enlisted personnel in the military service  
23 of the state;

24 (l) Inmate, student, and temporary employees, and part-time  
25 professional consultants, as defined by the director;

26 (m) Officers and employees of the Washington state fruit  
27 commission;

28 (n) Officers and employees of the Washington apple commission;

29 (o) Officers and employees of the Washington state dairy products  
30 commission;

31 (p) Officers and employees of the Washington tree fruit research  
32 commission;

33 (q) Officers and employees of the Washington state beef  
34 commission;

35 (r) Officers and employees of the Washington grain commission;

36 (s) Officers and employees of any commission formed under chapter  
37 15.66 RCW;

38 (t) Officers and employees of agricultural commissions formed  
39 under chapter 15.65 RCW;

1 (u) Executive assistants for personnel administration and labor  
2 relations in all state agencies employing such executive assistants  
3 including but not limited to all departments, offices, commissions,  
4 committees, boards, or other bodies subject to the provisions of this  
5 chapter and this subsection shall prevail over any provision of law  
6 inconsistent herewith unless specific exception is made in such law;

7 (v) In each agency with fifty or more employees: Deputy agency  
8 heads, assistant directors or division directors, and not more than  
9 three principal policy assistants who report directly to the agency  
10 head or deputy agency heads;

11 (w) Staff employed by the department of commerce to administer  
12 energy policy functions;

13 (x) The manager of the energy facility site evaluation council;

14 (y) A maximum of ten staff employed by the department of commerce  
15 to administer innovation and policy functions, including the three  
16 principal policy assistants exempted under (v) of this subsection;

17 (z) Staff employed by Washington State University to administer  
18 energy education, applied research, and technology transfer programs  
19 under RCW 43.21F.045 as provided in RCW 28B.30.900(5);

20 (aa) Officers and employees of the (~~consolidated technology~~  
21 ~~services agency created in RCW 43.105.006~~) office of cybersecurity  
22 and information oversight established under section 1 of this act  
23 that perform the following functions or duties: Systems integration;  
24 data center engineering and management; network systems engineering  
25 and management; information technology contracting; information  
26 technology customer relations management; and network and systems  
27 security;

28 (bb) The executive director of the Washington statewide reentry  
29 council.

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

33 (a) Members of the governing board of each institution of higher  
34 education and related boards, all presidents, vice presidents, and  
35 their confidential secretaries, administrative, and personal  
36 assistants; deans, directors, and chairs; academic personnel; and  
37 executive heads of major administrative or academic divisions  
38 employed by institutions of higher education; principal assistants to  
39 executive heads of major administrative or academic divisions; other  
40 managerial or professional employees in an institution or related

1 board having substantial responsibility for directing or controlling  
2 program operations and accountable for allocation of resources and  
3 program results, or for the formulation of institutional policy, or  
4 for carrying out personnel administration or labor relations  
5 functions, legislative relations, public information, development,  
6 senior computer systems and network programming, or internal audits  
7 and investigations; and any employee of a community college district  
8 whose place of work is one which is physically located outside the  
9 state of Washington and who is employed pursuant to RCW 28B.50.092  
10 and assigned to an educational program operating outside of the state  
11 of Washington;

12 (b) The governing board of each institution, and related boards,  
13 may also exempt from this chapter classifications involving research  
14 activities, counseling of students, extension or continuing education  
15 activities, graphic arts or publications activities requiring  
16 prescribed academic preparation or special training as determined by  
17 the board: PROVIDED, That no nonacademic employee engaged in office,  
18 clerical, maintenance, or food and trade services may be exempted by  
19 the board under this provision;

20 (c) Printing craft employees in the department of printing at the  
21 University of Washington.

22 (3) In addition to the exemptions specifically provided by this  
23 chapter, the director may provide for further exemptions pursuant to  
24 the following procedures. The governor or other appropriate elected  
25 official may submit requests for exemption to the office of financial  
26 management stating the reasons for requesting such exemptions. The  
27 director shall hold a public hearing, after proper notice, on  
28 requests submitted pursuant to this subsection. If the director  
29 determines that the position for which exemption is requested is one  
30 involving substantial responsibility for the formulation of basic  
31 agency or executive policy or one involving directing and controlling  
32 program operations of an agency or a major administrative division  
33 thereof, or is a senior expert in enterprise information technology  
34 infrastructure, engineering, or systems, the director shall grant the  
35 request. The total number of additional exemptions permitted under  
36 this subsection shall not exceed one percent of the number of  
37 employees in the classified service not including employees of  
38 institutions of higher education and related boards for those  
39 agencies not directly under the authority of any elected public  
40 official other than the governor, and shall not exceed a total of

1 twenty-five for all agencies under the authority of elected public  
2 officials other than the governor.

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

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

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

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

28 **Sec. 31.** RCW 41.06.094 and 2015 c 225 s 54 are each amended to  
29 read as follows:

30 In addition to the exemptions under RCW 41.06.070, the provisions  
31 of this chapter shall not apply in the (~~consolidated technology~~  
32 ~~services agency~~) office of cybersecurity and information oversight  
33 to up to twelve positions in the planning component involved in  
34 policy development and/or senior professionals.

35 **Sec. 32.** RCW 42.17A.705 and 2017 3rd sp.s. c 6 s 111 are each  
36 amended to read as follows:

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

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

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

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

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

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

21 **Sec. 33.** RCW 43.41.391 and 2015 3rd sp.s. c 1 s 214 are each  
22 amended to read as follows:

23 (1) The office has the duty to govern and oversee the technical  
24 design, implementation, and operation of the K-20 network including,  
25 but not limited to, the following duties: Establishment and  
26 implementation of K-20 network technical policy, including technical  
27 standards and conditions of use; review and approval of network  
28 design; and resolving user/provider disputes.

29 (2) The office has the following powers and duties:

30 (a) In cooperation with the educational sectors and other  
31 interested parties, to establish goals and measurable objectives for  
32 the network;

33 (b) To ensure that the goals and measurable objectives of the  
34 network are the basis for any decisions or recommendations regarding  
35 the technical development and operation of the network;

36 (c) To adopt, modify, and implement policies to facilitate  
37 network development, operation, and expansion. Such policies may  
38 include but need not be limited to the following issues: Quality of  
39 educational services; access to the network by recognized



1 organizations and accredited institutions that deliver educational  
2 programming, including public libraries; prioritization of  
3 programming within limited resources; prioritization of access to the  
4 system and the sharing of technological advances; network security;  
5 identification and evaluation of emerging technologies for delivery  
6 of educational programs; future expansion or redirection of the  
7 system; network fee structures; and costs for the development and  
8 operation of the network;

9 (d) To prepare and submit to the governor and the legislature a  
10 coordinated budget for network development, operation, and expansion.  
11 The budget shall include the director of the (~~consolidated~~  
12 ~~technology services agency's~~) office of cybersecurity and  
13 information oversight's recommendations on (i) any state funding  
14 requested for network transport and equipment, distance education  
15 facilities and hardware or software specific to the use of the  
16 network, and proposed new network end sites, (ii) annual copayments  
17 to be charged to public educational sector institutions and other  
18 public entities connected to the network, and (iii) charges to  
19 nongovernmental entities connected to the network;

20 (e) To adopt and monitor the implementation of a methodology to  
21 evaluate the effectiveness of the network in achieving the  
22 educational goals and measurable objectives;

23 (f) To establish by rule acceptable use policies governing user  
24 eligibility for participation in the K-20 network, acceptable uses of  
25 network resources, and procedures for enforcement of such policies.  
26 The office shall set forth appropriate procedures for enforcement of  
27 acceptable use policies, that may include suspension of network  
28 connections and removal of shared equipment for violations of network  
29 conditions or policies. The office shall have sole responsibility for  
30 the implementation of enforcement procedures relating to technical  
31 conditions of use.

32 **Sec. 34.** RCW 43.41.442 and 2015 3rd sp.s. c 1 s 503 are each  
33 amended to read as follows:

34 (1) The statewide information technology system maintenance and  
35 operations revolving account is created in the custody of the state  
36 treasurer. All receipts from fees, charges for services, and  
37 assessments to agencies for the maintenance and operations of  
38 enterprise information technology systems must be deposited into the

1 account. The account must be used solely for the maintenance and  
2 operations of enterprise information technology systems.

3 (2) Only the director or the director's designee may authorize  
4 expenditures from the account. The account is subject to allotment  
5 procedures under chapter 43.88 RCW, but no appropriation is required  
6 for expenditure.

7 (3) The office may contract with the (~~consolidated technology~~  
8 ~~services agency~~) office of cybersecurity and information oversight  
9 for the billing of fees, charges for services, and assessments to  
10 agencies, and for the maintenance and operations of enterprise  
11 information technology systems.

12 (4) "Enterprise information technology system" has the definition  
13 in RCW 43.41.440.

14 **Sec. 35.** RCW 43.41.444 and 2015 3rd sp.s. c 1 s 504 are each  
15 amended to read as follows:

16 (1) The shared information technology system revolving account is  
17 created in the custody of the state treasurer. All receipts from  
18 fees, charges for services, and assessments to agencies for shared  
19 information technology systems must be deposited into the account.

20 (2) Only the director or the director's designee may authorize  
21 expenditures from the account. The account is subject to allotment  
22 procedures under chapter 43.88 RCW, but no appropriation is required  
23 for expenditure.

24 (3) The office may contract with the (~~consolidated technology~~  
25 ~~services agency~~) office of cybersecurity and information oversight  
26 for the billing of fees, charges for services, and assessments to  
27 agencies, and for the development, maintenance, and operations of  
28 shared information technology systems.

29 (4) For the purposes of this section, "shared information  
30 technology system" means an information technology system that is  
31 available to, but not required for use by, agencies.

32 **Sec. 36.** RCW 43.70.054 and 2015 3rd sp.s. c 1 s 408 are each  
33 amended to read as follows:

34 (1) To promote the public interest consistent with chapter 267,  
35 Laws of 1995, the department of health, in cooperation with the  
36 director of the (~~consolidated technology services agency established~~  
37 ~~in RCW 43.105.025~~) office of cybersecurity and information oversight  
38 established under section 1 of this act, shall develop health care

1 data standards to be used by, and developed in collaboration with,  
2 consumers, purchasers, health carriers, providers, and state  
3 government as consistent with the intent of chapter 492, Laws of 1993  
4 as amended by chapter 267, Laws of 1995, to promote the delivery of  
5 quality health services that improve health outcomes for state  
6 residents. The data standards shall include content, coding,  
7 confidentiality, and transmission standards for all health care data  
8 elements necessary to support the intent of this section, and to  
9 improve administrative efficiency and reduce cost. Purchasers, as  
10 allowed by federal law, health carriers, health facilities and  
11 providers as defined in chapter 48.43 RCW, and state government shall  
12 (~~utilize~~) use the data standards. The information and data elements  
13 shall be reported as the department of health directs by rule in  
14 accordance with data standards developed under this section.

15 (2) The health care data collected, maintained, and studied by  
16 the department under this section or any other entity: (a) Shall  
17 include a method of associating all information on health care costs  
18 and services with discrete cases; (b) shall not contain any means of  
19 determining the personal identity of any enrollee, provider, or  
20 facility; (c) shall only be available for retrieval in original or  
21 processed form to public and private requesters; (d) shall be  
22 available within a reasonable period of time after the date of  
23 request; and (e) shall give strong consideration to data standards  
24 that achieve national uniformity.

25 (3) The cost of retrieving data for state officials and agencies  
26 shall be funded through state general appropriation. The cost of  
27 retrieving data for individuals and organizations engaged in research  
28 or private use of data or studies shall be funded by a fee schedule  
29 developed by the department that reflects the direct cost of  
30 retrieving the data or study in the requested form.

31 (4) All persons subject to this section shall comply with  
32 departmental requirements established by rule in the acquisition of  
33 data, however, the department shall adopt no rule or effect no policy  
34 implementing the provisions of this section without an act of law.

35 (5) The department shall submit developed health care data  
36 standards to the appropriate committees of the legislature by  
37 December 31, 1995.

38 **Sec. 37.** RCW 43.88.092 and 2015 3rd sp.s. c 1 s 410 are each  
39 amended to read as follows:

1 (1) As part of the biennial budget process, the office of  
2 financial management shall collect from agencies, and agencies shall  
3 provide, information to produce reports, summaries, and budget detail  
4 sufficient to allow review, analysis, and documentation of all  
5 current and proposed expenditures for information technology by state  
6 agencies. Information technology budget detail must be included as  
7 part of the budget submittal documentation required pursuant to RCW  
8 43.88.030.

9 (2) The office of financial management must collect, and present  
10 as part of the biennial budget documentation, information for all  
11 existing information technology projects as defined by technology  
12 services board policy. The office of financial management must work  
13 with the office of the state chief information officer to maximize  
14 the ability to draw this information from the information technology  
15 portfolio management data collected by the (~~consolidated technology~~  
16 ~~services agency~~) office of cybersecurity. Connecting project  
17 information collected through the portfolio management process with  
18 financial data developed under subsection (1) of this section  
19 provides transparency regarding expenditure data for existing  
20 technology projects.

21 (3) The (~~director of the consolidated technology services~~  
22 ~~agency~~) chief information security officer shall evaluate proposed  
23 information technology expenditures and establish priority ranking  
24 categories of the proposals. No more than one-third of the proposed  
25 expenditures shall be ranked in the highest priority category.

26 (4) The biennial budget documentation submitted by the office of  
27 financial management pursuant to RCW 43.88.030 must include an  
28 information technology plan and a technology budget for the state  
29 identifying current baseline funding for information technology,  
30 proposed and ongoing major information technology projects, and their  
31 associated costs. This plan and technology budget must be presented  
32 using a method similar to the capital budget, identifying project  
33 costs through stages of the project and across fiscal periods and  
34 biennia from project initiation to implementation. This information  
35 must be submitted electronically, in a format to be determined by the  
36 office of financial management and the legislative evaluation and  
37 accountability program committee.

38 (5) The office of financial management shall also institute a  
39 method of accounting for information technology-related expenditures,

1 including creating common definitions for what constitutes an  
2 information technology investment.

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

8 **Sec. 38.** RCW 43.88.160 and 2015 3rd sp.s. c 1 s 303 and 2015 3rd  
9 sp.s. c 1 s 109 are each reenacted and amended to read as follows:

10 This section sets forth the major fiscal duties and  
11 responsibilities of officers and agencies of the executive branch.  
12 The regulations issued by the governor pursuant to this chapter shall  
13 provide for a comprehensive, orderly basis for fiscal management and  
14 control, including efficient accounting and reporting therefor, for  
15 the executive branch of the state government and may include, in  
16 addition, such requirements as will generally promote more efficient  
17 public management in the state.

18 (1) Governor; director of financial management. The governor,  
19 through the director of financial management, shall devise and  
20 supervise a modern and complete accounting system for each agency to  
21 the end that all revenues, expenditures, receipts, disbursements,  
22 resources, and obligations of the state shall be properly and  
23 systematically accounted for. The accounting system shall include the  
24 development of accurate, timely records and reports of all financial  
25 affairs of the state. The system shall also provide for central  
26 accounts in the office of financial management at the level of detail  
27 deemed necessary by the director to perform central financial  
28 management. The director of financial management shall adopt and  
29 periodically update an accounting procedures manual. Any agency  
30 maintaining its own accounting and reporting system shall comply with  
31 the updated accounting procedures manual and the rules of the  
32 director adopted under this chapter. An agency may receive a waiver  
33 from complying with this requirement if the waiver is approved by the  
34 director. Waivers expire at the end of the fiscal biennium for which  
35 they are granted. The director shall forward notice of waivers  
36 granted to the appropriate legislative fiscal committees. The  
37 director of financial management may require such financial,  
38 statistical, and other reports as the director deems necessary from  
39 all agencies covering any period.

1           (2) Except as provided in chapter 43.88C RCW, the director of  
2 financial management is responsible for quarterly reporting of  
3 primary operating budget drivers such as applicable workloads,  
4 caseload estimates, and appropriate unit cost data. These reports  
5 shall be transmitted to the legislative fiscal committees or by  
6 electronic means to the legislative evaluation and accountability  
7 program committee. Quarterly reports shall include actual monthly  
8 data and the variance between actual and estimated data to date. The  
9 reports shall also include estimates of these items for the remainder  
10 of the budget period.

11           (3) The director of financial management shall report at least  
12 annually to the appropriate legislative committees regarding the  
13 status of all appropriated capital projects, including transportation  
14 projects, showing significant cost overruns or underruns. If funds  
15 are shifted from one project to another, the office of financial  
16 management shall also reflect this in the annual variance report.  
17 Once a project is complete, the report shall provide a final summary  
18 showing estimated start and completion dates of each project phase  
19 compared to actual dates, estimated costs of each project phase  
20 compared to actual costs, and whether or not there are any  
21 outstanding liabilities or unsettled claims at the time of  
22 completion.

23           (4) In addition, the director of financial management, as agent  
24 of the governor, shall:

25           (a) Develop and maintain a system of internal controls and  
26 internal audits comprising methods and procedures to be adopted by  
27 each agency that will safeguard its assets, check the accuracy and  
28 reliability of its accounting data, promote operational efficiency,  
29 and encourage adherence to prescribed managerial policies for  
30 accounting and financial controls. The system developed by the  
31 director shall include criteria for determining the scope and  
32 comprehensiveness of internal controls required by classes of  
33 agencies, depending on the level of resources at risk.

34           (i) For those agencies that the director determines internal  
35 audit is required, the agency head or authorized designee shall be  
36 assigned the responsibility and authority for establishing and  
37 maintaining internal audits following professional audit standards  
38 including generally accepted government auditing standards or  
39 standards adopted by the institute of internal auditors, or both.

1 (ii) For those agencies that the director determines internal  
2 audit is not required, the agency head or authorized designee may  
3 establish and maintain internal audits following professional audit  
4 standards including generally accepted government auditing standards  
5 or standards adopted by the institute of internal auditors, or both,  
6 but at a minimum must comply with policies as established by the  
7 director to assess the effectiveness of the agency's systems of  
8 internal controls and risk management processes;

9 (b) Make surveys and analyses of agencies with the object of  
10 determining better methods and increased effectiveness in the use of  
11 manpower and materials; and the director shall authorize expenditures  
12 for employee training to the end that the state may benefit from  
13 training facilities made available to state employees;

14 (c) Establish policies for allowing the contracting of child care  
15 services;

16 (d) Report to the governor with regard to duplication of effort  
17 or lack of coordination among agencies;

18 (e) Review any pay and classification plans, and changes  
19 thereunder, developed by any agency for their fiscal impact:  
20 PROVIDED, That none of the provisions of this subsection shall affect  
21 merit systems of personnel management now existing or hereafter  
22 established by statute relating to the fixing of qualifications  
23 requirements for recruitment, appointment, or promotion of employees  
24 of any agency. The director shall advise and confer with agencies  
25 including appropriate standing committees of the legislature as may  
26 be designated by the speaker of the house and the president of the  
27 senate regarding the fiscal impact of such plans and may amend or  
28 alter the plans, except that for the following agencies no amendment  
29 or alteration of the plans may be made without the approval of the  
30 agency concerned: Agencies headed by elective officials;

31 (f) Fix the number and classes of positions or authorized  
32 employee years of employment for each agency and during the fiscal  
33 period amend the determinations previously fixed by the director  
34 except that the director shall not be empowered to fix the number or  
35 the classes for the following: Agencies headed by elective officials;

36 (g) Adopt rules to effectuate provisions contained in (a) through  
37 (f) of this subsection.

38 (5) The treasurer shall:

39 (a) Receive, keep, and disburse all public funds of the state not  
40 expressly required by law to be received, kept, and disbursed by some

1 other persons: PROVIDED, That this subsection shall not apply to  
2 those public funds of the institutions of higher learning which are  
3 not subject to appropriation;

4 (b) Receive, disburse, or transfer public funds under the  
5 treasurer's supervision or custody;

6 (c) Keep a correct and current account of all moneys received and  
7 disbursed by the treasurer, classified by fund or account;

8 (d) Coordinate agencies' acceptance and use of credit cards and  
9 other payment methods, if the agencies have received authorization  
10 under RCW 43.41.180;

11 (e) Perform such other duties as may be required by law or by  
12 regulations issued pursuant to this law.

13 It shall be unlawful for the treasurer to disburse public funds  
14 in the treasury except upon forms or by alternative means duly  
15 prescribed by the director of financial management. These forms or  
16 alternative means shall provide for authentication and certification  
17 by the agency head or the agency head's designee that the services  
18 have been rendered or the materials have been furnished; or, in the  
19 case of loans or grants, that the loans or grants are authorized by  
20 law; or, in the case of payments for periodic maintenance services to  
21 be performed on state owned equipment, that a written contract for  
22 such periodic maintenance services is currently in effect; and the  
23 treasurer shall not be liable under the treasurer's surety bond for  
24 erroneous or improper payments so made. When services are lawfully  
25 paid for in advance of full performance by any private individual or  
26 business entity other than equipment maintenance providers or as  
27 provided for by RCW 42.24.035, such individual or entity other than  
28 central stores rendering such services shall make a cash deposit or  
29 furnish surety bond coverage to the state as shall be fixed in an  
30 amount by law, or if not fixed by law, then in such amounts as shall  
31 be fixed by the director of the department of enterprise services but  
32 in no case shall such required cash deposit or surety bond be less  
33 than an amount which will fully indemnify the state against any and  
34 all losses on account of breach of promise to fully perform such  
35 services. No payments shall be made in advance for any equipment  
36 maintenance services to be performed more than twelve months after  
37 such payment except that institutions of higher education as defined  
38 in RCW 28B.10.016 and the ~~((consolidated technology services agency  
39 created in RCW 43.105.006))~~ office of cybersecurity and information  
40 oversight established under section 1 of this act may make payments



1 in advance for equipment maintenance services to be performed up to  
2 sixty months after such payment. Any such bond so furnished shall be  
3 conditioned that the person, firm or corporation receiving the  
4 advance payment will apply it toward performance of the contract. The  
5 responsibility for recovery of erroneous or improper payments made  
6 under this section shall lie with the agency head or the agency  
7 head's designee in accordance with rules issued pursuant to this  
8 chapter. Nothing in this section shall be construed to permit a  
9 public body to advance funds to a private service provider pursuant  
10 to a grant or loan before services have been rendered or material  
11 furnished.

12 (6) The state auditor shall:

13 (a) Report to the legislature the results of current post audits  
14 that have been made of the financial transactions of each agency; to  
15 this end the auditor may, in the auditor's discretion, examine the  
16 books and accounts of any agency, official, or employee charged with  
17 the receipt, custody, or safekeeping of public funds. Where feasible  
18 in conducting examinations, the auditor shall utilize data and  
19 findings from the internal control system prescribed by the office of  
20 financial management. The current post audit of each agency may  
21 include a section on recommendations to the legislature as provided  
22 in (c) of this subsection.

23 (b) Give information to the legislature, whenever required, upon  
24 any subject relating to the financial affairs of the state.

25 (c) Make the auditor's official report on or before the thirty-  
26 first of December which precedes the meeting of the legislature. The  
27 report shall be for the last complete fiscal period and shall include  
28 determinations as to whether agencies, in making expenditures,  
29 complied with the laws of this state. The state auditor is authorized  
30 to perform or participate in performance verifications and  
31 performance audits as expressly authorized by the legislature in the  
32 omnibus biennial appropriations acts or in the performance audit work  
33 plan approved by the joint legislative audit and review committee.  
34 The state auditor, upon completing an audit for legal and financial  
35 compliance under chapter 43.09 RCW or a performance verification, may  
36 report to the joint legislative audit and review committee or other  
37 appropriate committees of the legislature, in a manner prescribed by  
38 the joint legislative audit and review committee, on facts relating  
39 to the management or performance of governmental programs where such  
40 facts are discovered incidental to the legal and financial audit or

1 performance verification. The auditor may make such a report to a  
2 legislative committee only if the auditor has determined that the  
3 agency has been given an opportunity and has failed to resolve the  
4 management or performance issues raised by the auditor. If the  
5 auditor makes a report to a legislative committee, the agency may  
6 submit to the committee a response to the report. This subsection (6)  
7 shall not be construed to authorize the auditor to allocate other  
8 than de minimis resources to performance audits except as expressly  
9 authorized in the appropriations acts or in the performance audit  
10 work plan. The results of a performance audit conducted by the state  
11 auditor that has been requested by the joint legislative audit and  
12 review committee must only be transmitted to the joint legislative  
13 audit and review committee.

14 (d) Be empowered to take exception to specific expenditures that  
15 have been incurred by any agency or to take exception to other  
16 practices related in any way to the agency's financial transactions  
17 and to cause such exceptions to be made a matter of public record,  
18 including disclosure to the agency concerned and to the director of  
19 financial management. It shall be the duty of the director of  
20 financial management to cause corrective action to be taken within  
21 six months, such action to include, as appropriate, the withholding  
22 of funds as provided in RCW 43.88.110. The director of financial  
23 management shall annually report by December 31st the status of audit  
24 resolution to the appropriate committees of the legislature, the  
25 state auditor, and the attorney general. The director of financial  
26 management shall include in the audit resolution report actions taken  
27 as a result of an audit including, but not limited to, types of  
28 personnel actions, costs and types of litigation, and value of  
29 recouped goods or services.

30 (e) Promptly report any irregularities to the attorney general.

31 (f) Investigate improper governmental activity under chapter  
32 42.40 RCW.

33 In addition to the authority given to the state auditor in this  
34 subsection (6), the state auditor is authorized to conduct  
35 performance audits identified in RCW 43.09.470. Nothing in this  
36 subsection (6) shall limit, impede, or restrict the state auditor  
37 from conducting performance audits identified in RCW 43.09.470.

38 (7) The joint legislative audit and review committee may:

39 (a) Make post audits of the financial transactions of any agency  
40 and management surveys and program reviews as provided for in chapter

1 44.28 RCW as well as performance audits and program evaluations. To  
2 this end the joint committee may in its discretion examine the books,  
3 accounts, and other records of any agency, official, or employee.

4 (b) Give information to the legislature or any legislative  
5 committee whenever required upon any subject relating to the  
6 performance and management of state agencies.

7 (c) Make a report to the legislature which shall include at least  
8 the following:

9 (i) Determinations as to the extent to which agencies in making  
10 expenditures have complied with the will of the legislature and in  
11 this connection, may take exception to specific expenditures or  
12 financial practices of any agencies; and

13 (ii) Such plans as it deems expedient for the support of the  
14 state's credit, for lessening expenditures, for promoting frugality  
15 and economy in agency affairs, and generally for an improved level of  
16 fiscal management.

17 **Sec. 39.** RCW 44.68.065 and 2020 c 114 s 13 are each amended to  
18 read as follows:

19 The legislative service center, under the direction of the joint  
20 legislative systems administrative committee, shall:

21 (1) Develop a legislative information technology portfolio  
22 consistent with the provisions of RCW 43.105.341;

23 (2) Participate in the development of an enterprise-based  
24 statewide information technology strategy;

25 (3) Ensure the legislative information technology portfolio is  
26 organized and structured to clearly indicate participation in and use  
27 of enterprise-wide information technology strategies;

28 (4) As part of the biennial budget process, submit the  
29 legislative information technology portfolio to the chair and ranking  
30 member of the ways and means committees of the house of  
31 representatives and the senate, the office of financial management,  
32 and the ~~((consolidated technology services agency))~~ office of  
33 cybersecurity and information oversight.

34 **Sec. 40.** RCW 46.20.157 and 2011 1st sp.s. c 43 s 811 are each  
35 amended to read as follows:

36 (1) Except as provided in subsection (2) of this section, the  
37 department shall annually provide to the ~~((consolidated technology~~

1 ~~services agency~~) office of cybersecurity and information oversight

2 an electronic data file. The data file must:

3 (a) Contain information on all licensed drivers and identicard  
4 holders who are eighteen years of age or older and whose records have  
5 not expired for more than two years;

6 (b) Be provided at no charge; and

7 (c) Contain the following information on each such person: Full  
8 name, date of birth, residence address including county, sex, and  
9 most recent date of application, renewal, replacement, or change of  
10 driver's license or identicard.

11 (2) Before complying with subsection (1) of this section, the  
12 department shall remove from the file the names of any certified  
13 participants in the Washington state address confidentiality program  
14 under chapter 40.24 RCW that have been identified to the department  
15 by the secretary of state.

16 **Sec. 41.** RCW 50A.25.070 and 2020 c 125 s 8 are each amended to  
17 read as follows:

18 (1) The department may enter into data-sharing contracts and may  
19 disclose records and information deemed confidential to state or  
20 local government agencies under this chapter only if permitted under  
21 subsection (2) of this section and RCW 50A.25.090. A state or local  
22 government agency must need the records or information for an  
23 official purpose and must also provide:

24 (a) An application in writing to the department for the records  
25 or information containing a statement of the official purposes for  
26 which the state or local government agency needs the information or  
27 records and specifically identify the records or information sought  
28 from the department; and

29 (b) A written verification of the need for the specific  
30 information from the director, commissioner, chief executive, or  
31 other official of the requesting state or local government agency  
32 either on the application or on a separate document.

33 (2) The department may disclose information or records deemed  
34 confidential under this chapter to the following state or local  
35 government agencies:

36 (a) To the department of social and health services to identify  
37 child support obligations as defined in RCW 50A.15.080;

1 (b) To the department of revenue to determine potential tax  
2 liability or employer compliance with registration and licensing  
3 requirements;

4 (c) To the department of labor and industries to compare records  
5 or information to detect improper or fraudulent claims;

6 (d) To the office of financial management for the purpose of  
7 conducting periodic salary or fringe benefit studies pursuant to law;

8 (e) To the office of the state treasurer and any financial or  
9 banking institutions deemed necessary by the office of the state  
10 treasurer and the department for the proper administration of funds;

11 (f) To the office of the attorney general for purposes of legal  
12 representation;

13 (g) To a county clerk for the purpose of RCW 9.94A.760 if  
14 requested by the county clerk's office;

15 (h) To the office of administrative hearings for the purpose of  
16 administering the administrative appeal process;

17 (i) To the department of enterprise services for the purpose of  
18 agency administration and operations; and

19 (j) To the (~~consolidated technology services agency~~) office of  
20 cybersecurity and information oversight for the purpose of enterprise  
21 technology support.

22 **Sec. 42.** RCW 2.68.060 and 2015 3rd sp.s. c 1 s 403 are each  
23 amended to read as follows:

24 The administrative office of the courts, under the direction of  
25 the judicial information system committee, shall:

26 (1) Develop a judicial information system information technology  
27 portfolio consistent with the provisions of RCW 43.105.341;

28 (2) Participate in the development of an enterprise-based  
29 statewide information technology strategy;

30 (3) Ensure the judicial information system information technology  
31 portfolio is organized and structured to clearly indicate  
32 participation in and use of enterprise-wide information technology  
33 strategies;

34 (4) As part of the biennial budget process, submit the judicial  
35 information system information technology portfolio to the chair and  
36 ranking member of the ways and means committees of the house of  
37 representatives and the senate, the office of financial management,  
38 and the (~~consolidated technology services agency~~) office of  
39 cybersecurity.

1        NEW SECTION.    **Sec. 43.**    The following acts or parts of acts are  
2 each repealed:

3        (1)    RCW 43.105.006 (Consolidated technology services agency—  
4 Purpose) and 2011 1st sp.s. c 43 s 801; and

5        (2)    RCW 43.105.215 (Security standards and policies—State  
6 agencies' information technology security programs) and 2015 3rd  
7 sp.s. c 1 s 202 & 2013 2nd sp.s. c 33 s 8."

8        Correct the title.

**EFFECT:    (1)    Restructuring and the Office of Cybersecurity generally:**

(a) Restructures the Consolidated Technology Services Agency (WaTech) so that the Office of Cybersecurity and Information Oversight (OCS) is as an agency of state government and WaTech is an office within the OCS; and makes conforming changes throughout the striking amendment.

(b) Requires the Governor, rather than the Chief Information Officer who is the Director of WaTech (Director), to appoint the State Chief Information Security Officer (CISO) who is the director of the OCS and determine the CISO's salary.

(c) Adds as a duty of the CISO the duty to act as a central manager of the state information technology (IT) infrastructure and programs, and to oversee the functions of the OCS and the officers established within the OCS.

(d) Requires that the OCS, by January 15th each year, submit a report to the Legislature that details the efficacy and cost-effectiveness of the state's efforts to protect the state's IT systems and infrastructure from cybersecurity threats and attacks.

(e) Requires the OCS to establish rates and fees for services included the catalog of cybersecurity services published by the OCS.

**(2) Transfers or modifications of existing statutory duties and powers of WaTech or its Director:**

(a) Transfers, from the Director to the CISO, the authority to:

(i) Create such administrative structures as appropriate;

(ii) Delegate powers/duty vested in him/her; and

(iii) Appoint a confidential secretary and employees to administer the agency.

(b) Makes the authority of the Director to accept and spend gifts and grants and to apply for grants subject to the approval of the CISO.

(c) Modifies the Director's authority to establish rates and fees for services provided by WaTech to remove the authority to set rates and fees related to the catalog of cybersecurity services published by the OCS.

(d) Transfers the requirement to establish standards and policies to govern IT in the state from the Director to the CISO.

(e) Modifies the Office of the Chief Information Officer's (OCIO) authority to establish policies for the periodic review of the Director of cybersecurity to require that the establishment of the policies occur in coordination with the CISO.

(f) Transfers the requirement to adopt rules from WaTech to the OCS.

(g) Transfers the requirement to set performance targets and approve plans for achieving measurable and specific goals for the agency, from the Director to the CISO.

(h) Transfers the responsibility to develop, publish, and update a dashboard of key performance measures. Requires the OCS, rather than WaTech, develop the dashboard that is published on OCS's website.

(i) Transfers the responsibility to report quarterly to the Governor on the agency's performance from the Director to the CISO.

(j) Requires the CISO, rather than the Director, to use agency IT portfolio planning to develop a statewide portfolio that guides resource allocation and prioritization decisions.

(k) Authorizes the CISO, rather than the Director, to exempt a state agency from any or all requirements to develop an agency IT portfolio.

(l) Authorizes the CISO, rather than the Director, to suspend or terminate a major IT project for specified reasons.

(m) Authorizes the CISO, rather than the Director, to require a state agency to procure a product or service through the OCS, rather than WaTech, if a substantially similar product or service is offered by the OCS.

(n) Requires the OCS, rather than WaTech, to periodically review major IT systems used by state agencies.

(o) Requires the CISO, rather than the Director, to appoint the Chief Privacy Officer of the Office of Privacy and Data Protection.

(p) Requires the CISO, rather than the Director, to evaluate proposed IT expenditures as part of the biennial budget process and establish priority ranking categories of the proposals.

**(3) Other modifications to existing statutes, primarily pertaining to state agency interactions with WaTech:**

(a) Authorizes state and local governments to enter contracts with the OCS, rather than WaTech.

(b) Requires that the advice of the CISO, rather than the Director, be sought by OFM when OFM requires incremental funding of a project on a phase-by-phase basis where the previous phase is satisfactorily completed.

(c) Authorizes the Technology Services Board (TSB) to review and approve standards and policies developed by the OCS governing the protection and oversight of the state's IT systems and infrastructure, and cybersecurity prevention and response protocols.

(d) Exempts the OCS, rather than WaTech, from requirements of contracting out for services under the civil service statute, if certain conditions are met.

(e) Renames the Consolidated Technology Services Revolving Account the Office of Cybersecurity and Information Oversight Revolving Account; authorizes only the CISO, rather than the Director, to approve expenditures from the account; and makes other conforming changes.

(f) Requires that the migration strategy established under current law by the Office of the Chief Information Officer (OCIO) be a migration strategy to move towards using the OCS, rather than WaTech, as the central services provider for all utility-based infrastructure services used by state agencies.

(g) Makes conforming changes to current law relating to affirming that the agency does not have any additional authority over providers of telecommunications and IT.

(h) Clarifies that provisions in the section transferring powers, duties, and functions of the former Department of Information Services (DIS) to WaTech remain unless otherwise specified by this act.

- (i) Changes references to WaTech in current procurement statutes to the OCS, where the statute exempts WaTech from existing procurement laws if certain conditions are met.
- (j) Modifies current law that specifies that the procurement laws do not pertain to IT purchases by state agencies under certain conditions, including if the initial purchase is approved by the Director to instead state that procurement laws do not pertain to IT purchases if the initial purchase is approved by the CISO.
- (k) Makes conforming changes to civil service laws to specify that certain employees of OCS (rather than WaTech) are exempt from civil service.
- (l) Makes conforming changes to civil service laws to specify that up to 12 positions in policy development or senior professionals of OCS (rather than WaTech) are exempt from civil service.
- (m) Makes conforming changes to the campaign finance statute and specifies that the definition of "executive state officer" as used in the campaign finance statute includes the CISO rather than the Director.
- (n) Requires that the Office of Financial Management's (OFM) coordinated budget for network development, operation, and expansion include the CISO's, rather than the Director's, recommendations on certain elements.
- (o) Authorizes the OFM to contract with the OCS, rather than WaTech, for the billing of fees, charges for services, and assessments to agencies, and for the maintenance and operations of enterprise IT systems, in relation to the Statewide IT System Maintenance and Operations Revolving Account.
- (p) Authorizes OFM to contract with the OCS, rather than WaTech, for the billing of fees, charges for services, and assessments to agencies, and for the development, maintenance, and operations of shared IT systems, in relation to the Shared IT System Revolving Account.
- (q) Modifies the requirement that the Department of Health (DOH) cooperate with the Director when developing health care data standards to instead require DOH to cooperate with the CISO.
- (r) Changes references of the agency that collects state agency IT portfolio management data from WaTech to OCS.
- (s) Changes conforming changes to name the OCS, rather than WaTech, in current statute reflecting major fiscal duties and responsibilities of officers and agencies of the executive branch.
- (t) Requires that the Legislative Service Center, as part of the biennial budget process, submit its IT portfolio to the OCS, rather than WaTech.
- (u) Requires that the Department of Licensing submit to the OCS, rather than WaTech, an electronic file annually of information on all licensed drivers and identicard holders who are 18 years of age or older.
- (v) Authorizes the Employment Security Department to enter into data-sharing contracts and disclose confidential records and information to the OCS, rather than WaTech.
- (w) Requires that the Administrative Office of the Courts, as part of the biennial budget process, submit its IT portfolio to the OCS, rather than WaTech.

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