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**SECOND SUBSTITUTE SENATE BILL 5315**

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**State of Washington 64th Legislature 2015 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Roach, Liias, McCoy, Pearson, and Benton; by request of Office of Financial Management)

AN ACT Relating to aligning functions of the consolidated technology services agency, office of the chief information officer, office of financial management, and department of enterprise services; amending RCW 43.41A.003, 43.105.020, 43.105.047, 43.105.052, 43.105.111, 43.105.178, 43.105.825, 41.07.020, 43.41A.025, 43.41A.010, 43.41A.027, 43.41A.030, 43.41A.035, 43.41A.040, 43.41A.045, 43.41A.050, 43.41A.055, 43.41A.060, 43.41A.065, 43.41A.070, 43.41A.075, 43.41A.080, 43.41A.130, 43.41A.140, 43.41A.150, 43.41A.152, 4.92.006, 4.92.100, 4.92.280, 41.04.720, 41.04.770, 41.06.395, 41.06.400, 41.06.510, 41.06.530, 41.80.005, 43.01.135, 43.06.013, 43.19.766, 43.19.778, 43.41.110, 43.41A.085, 43.41A.095, 43.41A.105, 48.64.010, 43.88.160, 2.36.054, 2.36.057, 2.36.0571, 2.68.060, 19.34.100, 36.28A.070, 41.06.094, 42.17A.705, 43.15.020, 43.19.794, 43.70.054, 43.88.090, 43.88.092, 44.68.065, 70.58.005, and 41.06.280; reenacting and amending RCW 48.62.021; adding new sections to chapter 43.105 RCW; adding new sections to chapter 43.41 RCW; adding a new section to chapter 43.19 RCW; creating new sections; recodifying RCW 43.41A.003, 43.41A.010, 43.41A.025, 43.41A.027, 43.41A.030, 43.41A.035, 43.41A.040, 43.41A.045, 43.41A.050, 43.41A.055, 43.41A.060, 43.41A.065, 43.41A.070, 43.41A.075, 43.41A.080, 43.41A.110, 43.41A.115, 43.41A.130, 43.41A.135, 43.41A.140, 43.41A.150, 43.41A.152, 43.41A.900, 43.105.047, 43.41A.085, 43.41A.090, 43.41A.095, 43.41A.100, 43.41A.105, 43.19.760, 43.19.763, 43.19.766, 43.19.769, 43.19.772, 43.19.775, 43.19.778, 43.19.781, and 43.19.784; decodifying RCW 43.41A.125; repealing RCW 43.41A.006, 43.41A.015, 43.41A.020, 43.41A.120, 43.105.041, 43.105.330, 43.105.340, and 43.19.791; providing effective dates; and declaring an emergency.

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

**PART I**

**CONSOLIDATED TECHNOLOGY SERVICES AGENCY**

**Sec.**  RCW 43.41A.003 and 2011 1st sp.s. c 43 s 701 are each amended to read as follows:

Information technology is a tool used by state agencies to improve their ability to deliver public services efficiently and effectively. Advances in information technology ((~~-~~)), including advances in hardware, software, and business processes for implementing and managing these resources ((~~-~~)), offer new opportunities to improve the level of support provided to citizens and state agencies and to reduce the per-transaction cost of these services. These advances are one component in the process of reengineering how government delivers services to citizens.

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

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

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

To achieve maximum benefit from advances in information technology, the state establishes a centralized provider and procurer of certain information technology services as an agency to support the needs of public agencies. This agency shall be known as the consolidated technology services agency. To ensure maximum benefit to the state, state agencies shall rely on the consolidated technology services agency for those services with a business case of broad use, uniformity, scalability, and price sensitivity to aggregation and volume.

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

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

**Sec.**  RCW 43.105.020 and 2011 1st sp.s. c 43 s 802 are each amended to read as follows:

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

(1) "Agency" means the consolidated technology services agency.

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

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

((~~(3)~~)) (4) "Director" means the state chief information officer, who is the director of the consolidated technology services agency.

((~~(4)~~)) (5) "Equipment" means the machines, devices, and transmission facilities used in information processing, including but not limited to computers, terminals, telephones, wireless communications system facilities, cables, and any physical facility necessary for the operation of such equipment.

((~~(5)~~)) (6) "Enterprise architecture" means an ongoing ((~~program~~)) activity for translating business vision and strategy into effective enterprise change. It is a continuous activity. Enterprise architecture creates, communicates, and improves the key principles and models that describe the enterprise's future state and enable its evolution.

((~~(6)~~)) (7) "Information" includes, but is not limited to, data, text, voice, and video.

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

((~~(7)~~)) (9) "Information technology investment" or "investment" means the purchase or acquisition of information technology goods, equipment, products, or services, whether made individually or as part of a defined project.

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

((~~(8)~~)) (11) "K‑20 network" means the network established in RCW 43.41A.085 (as recodified by this act).

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

((~~(9)~~)) (13) "Office" means the office of the state chief information officer within the consolidated technology services agency.

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

((~~(10)~~)) (15) "Proprietary software" means that software offered for sale or license.

((~~(11)~~)) (16) "Public agency" means any agency of this state or another state; any political subdivision or unit of local government of this state or another state including, but not limited to, municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any public benefit nonprofit corporation; any agency of the United States; and any Indian tribe recognized as such by the federal government.

(17) "Public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or political subdivision of another state.

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

(19) "State agency" means every state office, department, division, bureau, board, commission, or other state agency, including offices headed by a statewide elected official.

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

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

**Sec.**  RCW 43.105.047 and 2011 1st sp.s. c 43 s 803 are each amended to read as follows:

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

(2) The director shall:

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

((~~(2)~~)) (b) Appoint such professional, technical, and clerical assistants and employees as may be necessary to perform the duties imposed by this chapter in accordance with chapter 41.06 RCW, except as otherwise provided by law.

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

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

(a) Reporting to the governor any matters relating to abuses and evasions of this chapter;

(b) Accepting and expending gifts and grants that are related to the purposes of this chapter;

(c) Applying for grants from public and private entities, and receiving and administering any grant funding received for the purpose and intent of this chapter; and

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

**Sec.**  RCW 43.105.052 and 2011 1st sp.s. c 43 s 804 are each amended to read as follows:

The agency shall:

(1) Make available information services to public agencies and public benefit nonprofit corporations((~~. For the purposes of this section "public agency" means any agency of this state or another state; any political subdivision, or unit of local government of this state or another state including, but not limited to, municipal corporations, quasi-municipal corporations, special purpose districts, and local service districts; any agency of the United States; and any Indian tribe recognized as such by the federal government and "public benefit nonprofit corporation" means a public benefit nonprofit corporation as defined in RCW 24.03.005 that is receiving local, state, or federal funds either directly or through a public agency other than an Indian tribe or political subdivision of another state~~));

(2) Establish rates and fees for services provided by the agency((~~. A billing rate plan shall be developed for a two-year period to coincide with the budgeting process. The rate plan shall be subject to review at least annually by the office of financial management. The rate plan shall show the proposed rates by each cost center and will show the components of the rate structure as mutually determined by the agency and the office of financial management. The rate plan and any adjustments to rates shall be approved by the office of financial management~~));

(3) ((~~With the advice of the board and customer agencies, develop a state strategic information technology plan and performance reports as required under RCW 43.41A.030;~~

~~(4)~~)) Develop a billing rate plan for a two-year period to coincide with the budgeting process. The rate plan must be subject to review at least annually by the office of financial management. The rate plan must show the proposed rates by each cost center and show the components of the rate structure as mutually determined by the agency and the office of financial management. Proposed rates must be set at a level not to exceed anticipated expenditures including an adequate working capital reserve. The rate plan and any adjustments to rates must be approved by the office of financial management;

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

(5) Develop plans for the agency's achievement of statewide goals and objectives set forth in the state strategic information technology plan required under RCW 43.41A.030 (as recodified by this act);

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

((~~(5)~~)) (7) Perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

**Sec.**  RCW 43.105.111 and 2011 1st sp.s. c 43 s 806 are each amended to read as follows:

The director shall set performance targets and approve plans for achieving measurable and specific goals for the agency. By January ((~~2012~~)) 2017, the appropriate organizational performance and accountability measures and performance targets shall be submitted to the governor. These measures and targets shall include measures of performance demonstrating specific and measurable improvements related to service delivery and costs, operational efficiencies, and overall customer satisfaction. The agency shall develop a dashboard of key performance measures that will be updated quarterly and made available on the agency public web site.

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

**Sec.**  RCW 43.105.178 and 2010 c 282 s 12 are each amended to read as follows:

((~~(1)~~)) The ((~~department~~)) agency, in collaboration with state agencies, shall conduct an inventory from existing data sets of information technology assets owned or leased by state agencies. This inventory must be used to inform the development of a state information technology asset management process. Prior to implementation of any state information technology asset management process, the ((~~department~~)) agency must submit its recommended approach, including an estimate of the associated implementation costs, to the board for approval.

((~~(2) For the purposes of this section, "state agency" includes every state office, department, division, bureau, board, commission, or other state agency, including offices headed by a statewide elected official, and offices in the legislative and judicial branches of state government, notwithstanding the provisions of RCW 44.68.105.~~))

**Sec.**  RCW 43.105.825 and 2012 c 229 s 588 are each amended to read as follows:

(1) In overseeing the technical aspects of the K-20 network, the ((~~information services~~)) board is not intended to duplicate the statutory responsibilities of the student achievement council, the superintendent of public instruction, the ((~~information services~~)) board, the state librarian, or the governing boards of the institutions of higher education.

(2) The board may not interfere in any curriculum or legally offered programming offered over the network.

(3) The responsibility to review and approve standards and common specifications for the network remains the responsibility of the ((~~information services~~)) board ((~~under RCW 43.105.041~~)).

(4) The coordination of telecommunications planning for the common schools remains the responsibility of the superintendent of public instruction. ((~~Except as set forth in RCW 43.105.041(1)(d),~~)) The board may recommend, but not require, revisions to the superintendent's telecommunications plans.

**Sec.**  RCW 41.07.020 and 2011 1st sp.s. c 43 s 441 are each amended to read as follows:

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

((~~The system shall be operated through state data processing centers.~~)) State agencies shall convert personnel and payroll processing to the central personnel-payroll system as soon as administratively and technically feasible as determined by the office of financial management and the ((~~department of enterprise services~~)) consolidated technology services agency. It is the intent of the legislature to provide, through the central personnel-payroll system, for uniform reporting to the office of financial management and to the legislature regarding salaries and related costs, and to reduce present costs of manual procedures in personnel and payroll recordkeeping and reporting.

**Sec.**  RCW 43.41A.025 and 2013 2nd sp.s. c 33 s 1 are each amended to read as follows:

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

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

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

(i) Acquisition ((~~and disposition~~)) of equipment, software, and ((~~personal and purchased~~)) technology-related services((~~,~~));

(ii) Disposition of equipment;

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

(iv) Confidentiality of computerized data;

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

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

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

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

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

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

(ii) Training and education; ((~~and~~))

(iii) Project management; and

(iv) Cybersecurity;

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

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

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

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

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

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

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

**PART II**

**OFFICE OF THE STATE CHIEF INFORMATION OFFICER**

**Sec.**  RCW 43.41A.010 and 2013 2nd sp.s. c 33 s 3 are each amended to read as follows:

(1) The office of the state chief information officer is created within the ((~~office of financial management~~)) consolidated technology services agency.

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

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

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

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

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

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

((~~(e)~~)) (d) To educate and inform state managers and policymakers on technological developments, industry trends and best practices, industry benchmarks that strengthen decision making and professional development, and industry understanding for public managers and decision makers; and

(e) To perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

((~~(4)~~)) (3) In the case of institutions of higher education, the powers of the office and the provisions of this chapter apply to business and administrative applications but do not apply to (a) academic and research applications; and (b) medical, clinical, and health care applications, including the business and administrative applications for such operations. However, institutions of higher education must disclose to the office any proposed academic applications that are enterprise-wide in nature relative to the needs and interests of other institutions of higher education. Institutions of higher education shall provide to the ((~~chief information officer~~)) director sufficient data and information on proposed expenditures on business and administrative applications to permit the ((~~chief information officer~~)) director to evaluate the proposed expenditures pursuant to RCW 43.88.092(3).

((~~(5)~~)) (4) The legislature and the judiciary, which are constitutionally recognized as separate branches of government, are strongly encouraged to coordinate with the office and participate in shared services initiatives and the development of enterprise-based strategies, where appropriate. Legislative and judicial agencies of the state shall submit to the ((~~chief information officer~~)) director information on proposed information technology expenditures to allow the ((~~chief information officer~~)) director to evaluate the proposed expenditures on an advisory basis.

**Sec.**  RCW 43.41A.027 and 2013 2nd sp.s. c 33 s 8 are each amended to read as follows:

(1) The office shall establish security standards and policies to ensure the confidentiality, availability, and integrity of the information transacted, stored, or processed in the state's information technology systems and infrastructure. The director shall appoint a state chief information security officer. Each state agency, institution of higher education, the legislature, and the judiciary must develop an information technology security ((~~plan and~~)) program.

((~~(1)~~)) (2) Each state agency information technology security ((~~plan and~~)) program must adhere to the office's security standards and policies. Each state agency must review and update its ((~~plan and~~)) program annually and certify to the office that its ((~~plan and~~)) program is in compliance with the office's security standards and policies. The office ((~~may~~)) shall require ((~~an~~)) a state agency to obtain an independent compliance audit of its information technology security ((~~plan and~~)) program and controls at least once every three years to determine whether the state agency's information technology security program is in compliance with the standards and policies established by the agency and that security controls identified by the state agency in its security program are operating efficiently.

((~~(2)~~)) (3) In the case of institutions of higher education, the judiciary, and the legislature, each information technology security ((~~plan and~~)) program must be comparable to the intended outcomes of the office's security standards and policies. ((~~Each institution, the legislature, and the judiciary shall submit their information technology security plan and program to the office annually for review and comment.~~))

**Sec.**  RCW 43.41A.030 and 2011 1st sp.s. c 43 s 707 are each amended to read as follows:

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

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

(2) The office shall prepare a biennial state performance report on information technology based on state agency performance reports required under RCW 43.41A.045 (as recodified by this act) and other information deemed appropriate by the office. The report shall include, but not be limited to:

(a) An analysis, based upon state agency portfolios, of the state's information technology infrastructure, including its value, condition, and capacity;

(b) An evaluation of performance relating to information technology;

(c) An assessment of progress made toward implementing the state strategic information technology plan, including progress toward electronic access to public information and enabling citizens to have two-way access to public records, information, and services; and

(d) An analysis of the success or failure, feasibility, progress, costs, and timeliness of implementation of ((~~major~~)) information technology ((~~projects~~)) investments under RCW 43.41A.055 (as recodified by this act). At a minimum, the portion of the report regarding ((~~major~~)) information technology ((~~projects~~)) investments must include:

(i) The total cost data for the entire life-cycle of the ((~~project~~)) investment, including capital and operational costs, broken down by staffing costs, contracted service, hardware purchase or lease, software purchase or lease, travel, and training. The original budget must also be shown for comparison;

(ii) The original proposed ((~~project~~)) investment schedule and the final actual ((~~project~~)) investment schedule;

(iii) Data regarding progress towards meeting the original goals and performance measures of the ((~~project~~)) investment;

(iv) Discussion of lessons learned on the ((~~project~~)) investment, performance of any contractors used, and reasons for project delays or cost increases; and

(v) Identification of benefits generated by ((~~major~~)) information technology ((~~projects~~)) investments developed under RCW 43.41A.055 (as recodified by this act).

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

**Sec.**  RCW 43.41A.035 and 2011 1st sp.s. c 43 s 708 are each amended to read as follows:

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

**Sec.**  RCW 43.41A.040 and 2011 1st sp.s. c 43 s 709 are each amended to read as follows:

((~~An~~)) A state agency information technology portfolio shall serve as the basis for making information technology decisions and plans which may include, but are not limited to:

(1) System refurbishment, acquisitions, and development efforts;

(2) Setting goals and objectives for using information technology;

(3) Assessments of information processing performance, resources, and capabilities;

(4) Ensuring the appropriate transfer of technological expertise for the operation of new systems developed using external resources;

(5) Guiding new investment demand, prioritization, selection, performance, and asset value of technology and telecommunications; and

(6) Progress toward providing electronic access to public information.

**Sec.**  RCW 43.41A.045 and 2011 1st sp.s. c 43 s 710 are each amended to read as follows:

(1) Each state agency shall develop an information technology portfolio consistent with RCW 43.41A.110 (as recodified by this act). The superintendent of public instruction shall develop its portfolio in conjunction with educational service districts and statewide or regional providers of K-12 education information technology services.

(2) ((~~Agency portfolios shall include, but not be limited to, the following:~~

~~(a) A baseline assessment of the agency's information technology resources and capabilities that will serve as the benchmark for subsequent planning and performance measures;~~

~~(b) A statement of the agency's mission, goals, and objectives for information technology, including goals and objectives for achieving electronic access to agency records, information, and services;~~

~~(c) An explanation of how the agency's mission, goals, and objectives for information technology support and conform to the state strategic information technology plan developed under RCW 43.41A.030;~~

~~(d) An implementation strategy to provide electronic access to public records and information. This implementation strategy must be assembled to include:~~

~~(i) Compliance with Title 40 RCW;~~

~~(ii) Adequate public notice and opportunity for comment;~~

~~(iii) Consideration of a variety of electronic technologies, including those that help transcend geographic locations, standard business hours, economic conditions of users, and disabilities;~~

~~(iv) Methods to educate both state employees and the public in the effective use of access technologies;~~

~~(e) Projects and resources required to meet the objectives of the portfolio; and~~

~~(f) Where feasible, estimated schedules and funding required to implement identified projects.~~

~~(3) Portfolios developed under subsection (1) of this section shall be submitted to the office for review and approval. The chief information officer may reject, require modification to, or approve portfolios as deemed appropriate. Portfolios submitted under this subsection shall be updated and submitted for review and approval as necessary.~~

~~(4) Each agency shall prepare and submit to the office a biennial performance report that evaluates progress toward the objectives articulated in its information technology portfolio and the strategic priorities of the state. The superintendent of public instruction shall develop its portfolio in conjunction with educational service districts and statewide or regional providers of K-12 education information technology services. The report shall include:~~

~~(a) An evaluation of the agency's performance relating to information technology;~~

~~(b) An assessment of progress made toward implementing the agency information technology portfolio;~~

~~(c) Progress toward electronic access to public information and enabling citizens to have two-way interaction for obtaining information and services from agencies; and~~

~~(d) An inventory of agency information services, equipment, and proprietary software.~~

~~(5) The office shall establish standards, elements, form, and format for plans and reports developed under this section.~~

~~(6) Agency activities to increase electronic access to public records and information, as required by this section, must be implemented within available resources and existing agency planning processes.~~

~~(7)~~)) The ((~~office~~)) director may exempt any state agency from any or all of the requirements of this section.

**Sec.**  RCW 43.41A.050 and 2011 1st sp.s. c 43 s 711 are each amended to read as follows:

(1) Pursuant to RCW 43.88.092(3), at the request of the director of financial management, the office shall evaluate both state agency information technology current and proposed spending and technology budget requests, including those proposed by the superintendent of public instruction, in conjunction with educational service districts, or statewide or regional providers of K-12 education information technology services. The office shall submit recommendations for funding all or part of such requests to the director of financial management. The office shall also submit recommendations regarding consolidation and coordination of similar proposals or other efficiencies it finds in reviewing current spending activities, spending proposals, and technology budget requests.

(2) The office shall establish criteria, consistent with portfolio-based information technology management, for the evaluation of agency budget requests under this section. Technology budget requests shall be evaluated in the context of the state's information technology portfolio and enterprise architecture; technology initiatives underlying budget requests are subject to review by the office. Criteria shall include, but not be limited to: Feasibility of the proposed ((~~projects~~)) investments, consistency with the state strategic information technology plan and the state enterprise architecture, consistency with information technology portfolios, appropriate provision for public electronic access to information, evidence of business process streamlining and gathering of business and technical requirements, services, duration of investment, costs, and benefits. Preference shall be given to proven technologic solutions, such as commercial off-the-shelf or software-as-a-service technology solutions, that reduce the state's risk that an investment will fail to be implemented within expectations for time, budget, and quality.

**Sec.**  RCW 43.41A.055 and 2011 1st sp.s. c 43 s 712 are each amended to read as follows:

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

(a) Except as provided in subsection (2) of this section, establish criteria to identify ((~~projects which~~)) information technology investments that are subject to this section. Such criteria shall include, but not be limited to, significant anticipated cost, complexity, or statewide significance of the ((~~project~~)) information technology investments, including alignment with enterprise architecture; and

(b)(i) Establish a policy, model ((~~process~~)) processes, and procedures which state agencies shall follow in developing, managing, and implementing ((~~projects~~)) information technology investments within their information technology portfolios. ((~~This process may include project oversight experts or panels, as appropriate.~~))

(ii) The policy must outline minimum expectations for information technology investment management, staffing, and sponsorship and must include the use of project oversight experts or panels, such as project quality assurance, independent verification and validation, and architecture reviews, as appropriate.

(iii) In the discretion of the director, the director may require project oversight experts or panels to report independently to the director. The director may also require a state agency to add resources to an information technology investment to ensure that management, staffing, and oversight is adequate to the size, complexity, risk, timeline, or cost required to implement the investment.

(iv) State agencies may propose, for approval by the office, a process and procedures unique to the agency. The office may accept or require modification of such agency proposals or the office may reject ((~~such agency~~)) those proposals and require use of the model process and procedures established under this subsection. Any process and procedures developed under this subsection shall require ((~~(i)~~)) (A) distinct and identifiable phases upon which funding may be based, ((~~(ii)~~)) (B) user validation of products through system demonstrations and testing of prototypes and deliverables, and ((~~(iii)~~)) (C) other elements identified by the office.

(2) For any information technology investment that exceeds five million dollars in total funds to complete, requires more than one biennium to complete, or is financed through financial contracts, bonds, or other indebtedness, the office must:

(a) Require quality assurance for the investment to report independently to the office;

(b) Review and, if necessary, revise the proposed investment to ensure it is flexible and adaptable to advances in technology;

(c) Ensure that the technology budget is complete and includes an implementation schedule covering activities, critical milestones, and deliverables at each stage of the investment for the life of the project at each agency affected by the investment;

(d) Ensure that the technology budget specifically identifies the uses of any financing proceeds. No more than thirty percent of the financing proceeds may be used for payroll-related costs for state employees assigned to project management, installation, testing, or training;

(e) Ensure that performance measures are established and used to determine that the investment is on time, within budget, and meeting expectations for quality of work product;

(f) Ensure that the agency consults with the office of the state treasurer during the competitive procurement process to evaluate early in the process whether investments to be solicited and the responsive bids from a solicitation may be financed; and

(g) Ensure that the agency consults with the contracting division of the department of enterprise services for a review of all contracts and agreements related to the investment's information technology procurements.

(3) The ((~~chief information officer~~)) director may suspend or terminate ((~~a major project, and direct that the project funds be placed into unallotted reserve status, if the chief information officer determines that the project~~)) any information technology investment if the director determines that the investment is not meeting or is not expected to meet anticipated performance standards. Once suspension or termination occurs, state agencies may not make additional expenditures for the information technology investment unless approved by the director. Funds appropriated or allocated for the investment must be placed into unalloted reserve status by the state agency, and if necessary, by the office of financial management. Oversight and management of any remaining activities related to the investment must be transferred to the director. The office of financial management and the director must develop a policy to implement this section, including a process in which funds may be removed from unalloted reserve status for expenditures related to the termination or suspension of the investment.

((~~(2)~~)) (4) The office of financial management shall establish policies and standards consistent with portfolio-based information technology management to govern the funding of ((~~projects~~)) information technology investments developed under this section. The policies and standards shall provide for:

(a) Funding of ((~~a project~~)) information technology investments under terms and conditions mutually agreed to by the ((~~chief information officer~~)) director, the director of financial management, and the head of the state agency proposing the ((~~project~~)) investment. However, the office of financial management may require incremental funding of ((~~a project~~)) an information technology investment on a phase-by-phase basis whereby funds for a given phase of ((~~a project~~)) an investment may be released only when the office of financial management determines, with the advice of the ((~~office~~)) director, that the previous phase is satisfactorily completed; and

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

**Sec.**  RCW 43.41A.060 and 2011 1st sp.s. c 43 s 713 are each amended to read as follows:

(1) Prior to making a commitment to purchase, acquire, upgrade, or develop ((~~a major~~)) an information technology ((~~project or service~~)) investment, state agencies must provide a proposal to the office outlining the business case of the proposed ((~~product or service~~)) investment, including the ((~~up-front~~)) initial and ongoing cost of the proposal.

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

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

(a) The standards and policies developed by the ((~~office~~)) director pursuant to RCW 43.41A.025 (as recodified by this act); and

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

(4) If a substantially similar ((~~product or service~~)) investment is offered by the ((~~consolidated technology services~~)) agency ((~~established in RCW 43.105.047~~)), the ((~~office~~)) director may require the state agency to procure the ((~~product or service~~)) investment through the ((~~consolidated technology services~~)) agency, if doing so would benefit the state as an enterprise.

(5) The office ((~~shall provide guidance to agencies as to what threshold of information technology spending constitutes a major information technology product or service under this section~~)) may delegate to state agencies authorization to purchase or acquire information technology investments without the review or approval required in subsections (1) through (3) of this section or RCW 43.41A.075(3) (as recodified by this act). The authorization must specify restrictions as to dollar amount or to specific types of investments, based on an assessment process developed by the office. Acceptance of the authorization by a state agency does not relieve the state agency from conformance with this chapter or from policies established by the director. Also, the director may not delegate to a state agency the authorization to purchase or acquire information technology investments if the state agency is not in substantial compliance with overall policies as established by the office.

**Sec.**  RCW 43.41A.065 and 2011 1st sp.s. c 43 s 714 are each amended to read as follows:

(1) The office shall develop an enterprise‑based strategy for information technology in state government informed by portfolio management planning and information technology expenditure information collected from state agencies pursuant to RCW 43.88.092.

(2)(a) The office shall develop an ongoing enterprise architecture program for translating business vision and strategy into effective enterprise change. This program will create, communicate, and improve the key principles and models that describe the enterprise's future state and enable its evolution, in keeping with the priorities of government and the information technology strategic plan.

(b) The enterprise architecture program will facilitate business process collaboration among agencies statewide; improving the reliability, interoperability, and sustainability of the business processes that state agencies use.

In developing an enterprise‑based strategy for the state, the office ((~~is encouraged to~~)) must consider the following strategies as possible opportunities for achieving greater efficiency:

(i) Developing evaluation criteria for deciding which common enterprise-wide business processes should become managed as enterprise services;

(ii) Developing a roadmap of priorities for creating enterprise services;

(iii) Developing decision criteria for determining implementation criteria for centralized or decentralized enterprise services;

(iv) Developing evaluation criteria for deciding which technology investments to continue, expand, hold, or drop; and

(v) Performing such other duties as may be ((~~assigned by the office~~)) needed to promote effective enterprise change.

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

**Sec.**  RCW 43.41A.070 and 2011 1st sp.s. c 43 s 715 are each amended to read as follows:

(1) The technology services board is created within the ((~~office of the chief information officer~~)) agency.

((~~(1)~~)) (2) The board shall be composed of thirteen members. Six members shall be appointed by the governor, three of whom shall be representatives of state agencies or institutions, and three of whom shall be representatives of the private sector. Of the state agency representatives, at least one of the representatives must have direct experience using the software projects overseen by the board or reasonably expect to use the new software developed under the oversight of the board. Two members shall represent the house of representatives and shall be selected by the speaker of the house of representatives with one representative chosen from each major caucus of the house of representatives; two members shall represent the senate and shall be appointed by the president of the senate with one representative chosen from each major caucus of the senate. One member shall be the ((~~chief information officer~~)) director who shall be a voting member of the board and serve as chair. Two nonvoting members with information technology expertise must be appointed by the governor as follows:

(a) One member representing state agency bargaining units shall be selected from a list of three names submitted by each of the general government exclusive bargaining representatives; and

(b) One member representing local governments shall be selected from a list of three names submitted by commonly recognized local government organizations.

The governor may reject all recommendations and request new recommendations.

((~~(2)~~)) (3) Of the initial members, three must be appointed for a one-year term, three must be appointed for a two-year term, and four must be appointed for a three-year term. Thereafter, members must be appointed for three-year terms.

((~~(3)~~)) (4) Vacancies shall be filled in the same manner that the original appointments were made for the remainder of the member's term.

((~~(4)~~)) (5) Members of the board shall be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.

((~~(5)~~)) (6) The office shall provide staff support to the board.

**Sec.**  RCW 43.41A.075 and 2011 1st sp.s. c 43 s 716 are each amended to read as follows:

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

(1) To review and approve standards and ((~~procedures~~)) policies, developed by the office ((~~of the chief information officer~~)), governing the acquisition and disposition of ((~~equipment, proprietary software, and purchased services, licensing of the radio spectrum by or on behalf of state agencies,~~)) information technology and confidentiality of computerized data;

(2) To review and approve statewide or interagency technical policies((~~,~~)) and standards((~~, and procedures~~)) developed by the office ((~~of the chief information officer~~));

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

(a) The total cost of ownership across the life of the ((~~project~~)) investment;

(b) All major technical options and alternatives analyzed, and reviewed, if necessary, by independent technical sources; and

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

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

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

(6) To approve contracting for services and activities under RCW 41.06.142(7) for the ((~~consolidated technology service~~)) agency. To approve any service or activity to be contracted under RCW 41.06.142(7)(b), the board must also review the proposed business plan and recommendation submitted by the office;

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

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

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

**Sec.**  RCW 43.41A.080 and 2011 1st sp.s. c 43 s 717 are each amended to read as follows:

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

(2) The ((~~chief information officer~~)) director shall appoint the chair of the committee from among the voting members of the committee.

(3) The state interoperability executive committee has the following responsibilities:

(a) Develop policies and make recommendations to the office for technical standards for state wireless radio communications systems, including emergency communications systems. The standards must address, among other things, the interoperability of systems, taking into account both existing and future systems and technologies;

(b) Coordinate and manage on behalf of the office the licensing and use of state-designated and state-licensed radio frequencies, including the spectrum used for public safety and emergency communications, and serve as the point of contact with the federal communications commission and the first responders network authority on matters relating to allocation, use, and licensing of radio spectrum;

(c) Coordinate the purchasing of all state wireless radio communications system equipment to ensure that:

(i) After the transition from a radio over internet protocol network, any new trunked system shall be, at a minimum, project‑25;

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

(iii) Any new system or equipment purchases shall be, at a minimum, upgradable to project-25;

(d) Seek support, including possible federal or other funding, for state-sponsored wireless communications systems;

(e) Develop recommendations for legislation that may be required to promote interoperability of state wireless communications systems;

(f) Foster cooperation and coordination among public safety and emergency response organizations;

(g) Work with wireless communications groups and associations to ensure interoperability among all public safety and emergency response wireless communications systems; and

(h) Perform such other duties as may be assigned by the ((~~office~~)) director to promote interoperability of wireless communications systems.

(4) The office shall provide administrative support to the committee.

**Sec.**  RCW 43.41A.130 and 1996 c 171 s 12 are each amended to read as follows:

Funding to meet the costs of providing access, including the building of the necessary information systems, the digitizing of information, developing the ability to mask nondisclosable information, and maintenance and upgrade of information access systems should come primarily from state and local appropriations, federal dollars, grants, private funds, cooperative ventures among governments, nonexclusive licensing, and public/private partnerships. ((~~Agencies should not offer customized electronic access services as the primary way of responding to requests or as a primary source of revenue. Fees for staff time to respond to requests, and other direct costs may be included in costs of providing customized access.~~))

State agencies and local governments are encouraged to pool resources and to form cooperative ventures to provide electronic access to government records and information. State agencies are encouraged to seek federal and private grants for projects that provide increased efficiency and improve government delivery of information and services.

**Sec.**  RCW 43.41A.140 and 2011 c 60 s 39 are each amended to read as follows:

State agencies and local governments that collect and enter information concerning individuals into electronic records and information systems that will be widely accessible by the public under RCW 42.56.010 shall ensure the accuracy of this information to the extent possible. To the extent possible, information must be collected directly from, and with the consent of, the individual who is the subject of the data. State agencies shall establish procedures for correcting inaccurate information, including establishing mechanisms for individuals to review information about themselves and recommend changes in information they believe to be inaccurate. The inclusion of personal information in electronic public records that is widely available to the public should include information on the date when the database was created or most recently updated. If personally identifiable information is included in electronic public records that are made widely available to the public, state agencies must follow retention and archival schedules in accordance with chapter 40.14 RCW, retaining personally identifiable information only as long as needed to carry out the purpose for which it was collected. At least once every five years, each state agency that collects information must review the information collected and justify why it is being collected and for what purpose.

**Sec.**  RCW 43.41A.150 and 2011 1st sp.s. c 43 s 735 are each amended to read as follows:

(1) Except as provided by subsection (2) of this section, state agencies shall locate all existing and new servers in the state data center.

(2) State agencies with a service requirement that requires servers to be located outside the state data center must receive a waiver from the office. Waivers must be based upon written justification from the requesting state agency citing specific service or performance requirements for locating servers outside the state's common platform.

(3) The office, in consultation with the office of financial management, shall continue to develop the business plan and migration schedule for moving all state agencies into the state data center.

(4) The legislature and the judiciary, which are constitutionally recognized as separate branches of government, may enter into an interagency agreement with the office to migrate its servers into the state data center.

(5) This section does not apply to institutions of higher education.

**Sec.**  RCW 43.41A.152 and 2011 1st sp.s. c 43 s 736 are each amended to read as follows:

(1) The office shall conduct a needs assessment and develop a migration strategy to ensure that, over time, all state agencies are moving towards using the ((~~consolidated technology services~~)) agency ((~~established in RCW 43.105.047~~)) as their central service provider for all utility-based infrastructure services, including centralized PC and infrastructure support. State agency-specific application services shall remain managed within individual agencies.

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

(3) ((~~For the purposes of this section, "utility-based infrastructure services" includes personal computer and portable device support, servers and server administration, security administration, network administration, telephony, e-mail, and other information technology services commonly utilized by state agencies.~~

~~(4)~~)) This section does not apply to institutions of higher education.

NEW SECTION. **Sec.**  RCW 43.41A.003, 43.41A.010, 43.41A.025, 43.41A.027, 43.41A.030, 43.41A.035, 43.41A.040, 43.41A.045, 43.41A.050, 43.41A.055, 43.41A.060, 43.41A.065, 43.41A.070, 43.41A.075, 43.41A.080, 43.41A.110, 43.41A.115, 43.41A.130, 43.41A.135, 43.41A.140, 43.41A.150, 43.41A.152, 43.41A.900, and 43.105.047 are each recodified as sections in chapter 43.105 RCW.

NEW SECTION. **Sec.**  RCW 43.41A.085, 43.41A.090, 43.41A.095, 43.41A.100, and 43.41A.105 are each recodified as sections in chapter 43.41.

NEW SECTION. **Sec.**  RCW 43.41A.125 is decodified.

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

(1)RCW 43.41A.006 (Definitions) and 2011 1st sp.s. c 43 s 705;

(2)RCW 43.41A.015 (Chief information officer—Executive head and appointing authority) and 2011 1st sp.s. c 43 s 703;

(3)RCW 43.41A.020 (Chief information officer—Duties) and 2011 1st sp.s. c 43 s 704;

(4)RCW 43.41A.120 (Electronic access to public records—Definitions) and 2011 c 60 s 38 & 1996 c 171 s 2;

(5)RCW 43.105.041 (Powers and duties of board) and 2011 c 358 s 6, 2010 1st sp.s. c 7 s 65, 2009 c 486 s 13, 2003 c 18 s 3, & 1999 c 285 s 5;

(6)RCW 43.105.330 (State interoperability executive committee) and 2011 c 367 s 711, 2006 c 76 s 2, & 2003 c 18 s 4; and

(7)RCW 43.105.340 (Consumer protection web site) and 2011 1st sp.s. c 21 s 12 & 2008 c 151 s 2.

**PART III**

**OFFICE OF FINANCIAL MANAGEMENT**

**Sec.**  RCW 4.92.006 and 2011 1st sp.s. c 43 s 511 are each amended to read as follows:

As used in this chapter:

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

~~(2)~~)) "Director" means the director of ((~~enterprise services~~)) financial management.

((~~(3)~~)) (2) "Office of risk management" means the office within the ((~~department of enterprise services~~)) office of financial management that carries out the powers and duties under this chapter relating to claim filing, claims administration, and claims payment.

((~~(4)~~)) (3) "Risk manager" means the person supervising the office of risk management.

**Sec.**  RCW 4.92.100 and 2013 c 188 s 1 are each amended to read as follows:

(1) All claims against the state, or against the state's officers, employees, or volunteers, acting in such capacity, for damages arising out of tortious conduct, must be presented to the office of risk management. A claim is deemed presented when the claim form is delivered in person or by regular mail, registered mail, or certified mail, with return receipt requested, or as an attachment to electronic mail or by fax, to the office of risk management. For claims for damages presented after July 26, 2009, all claims for damages must be presented on the standard tort claim form that is maintained by the office of risk management. The standard tort claim form must be posted on the ((~~department of enterprise services'~~)) office of financial management's web site.

(a) The standard tort claim form must, at a minimum, require the following information:

(i) The claimant's name, date of birth, and contact information;

(ii) A description of the conduct and the circumstances that brought about the injury or damage;

(iii) A description of the injury or damage;

(iv) A statement of the time and place that the injury or damage occurred;

(v) A listing of the names of all persons involved and contact information, if known;

(vi) A statement of the amount of damages claimed; and

(vii) A statement of the actual residence of the claimant at the time of presenting the claim and at the time the claim arose.

(b)(i) The standard tort claim form must be signed either:

(A) By the claimant, verifying the claim;

(B) Pursuant to a written power of attorney, by the attorney in fact for the claimant;

(C) By an attorney admitted to practice in Washington state on the claimant's behalf; or

(D) By a court-approved guardian or guardian ad litem on behalf of the claimant.

(ii) For the purpose of this subsection (1)(b), when the claim form is presented electronically it must bear an electronic signature in lieu of a written original signature. An electronic signature means a facsimile of an original signature that is affixed to the claim form and executed or adopted by the person with the intent to sign the document.

(iii) When an electronic signature is used and the claim is submitted as an attachment to electronic mail, the conveyance of that claim must include the date, time the claim was presented, and the internet provider's address from which it was sent. The attached claim form must be a format approved by the office of risk management.

(iv) When an electronic signature is used and the claim is submitted via a facsimile machine, the conveyance must include the date, time the claim was submitted, and the fax number from which it was sent.

(v) In the event of a question on an electronic signature, the claimant shall have an opportunity to cure and the cured notice shall relate back to the date of the original filing.

(c) The amount of damages stated on the claim form is not admissible at trial.

(2) The state shall make available the standard tort claim form described in this section with instructions on how the form is to be presented and the name, address, and business hours of the office of risk management. The standard tort claim form must not list the claimant's social security number and must not require information not specified under this section. The claim form and the instructions for completing the claim form must provide the United States mail, physical, and electronic addresses and numbers where the claim can be presented.

(3) With respect to the content of claims under this section and all procedural requirements in this section, this section must be liberally construed so that substantial compliance will be deemed satisfactory.

**Sec.**  RCW 4.92.280 and 2011 1st sp.s. c 43 s 518 are each amended to read as follows:

If chapter 217, Laws of 1998 mandates an increased level of service by local governments, the local government may, under RCW 43.135.060 and this chapter ((~~4.92 RCW~~)), submit claims for reimbursement by the legislature. The claims shall be subject to verification by the ((~~department of enterprise services~~)) office of financial management.

**Sec.**  RCW 41.04.720 and 2011 1st sp.s. c 43 s 439 are each amended to read as follows:

The director of ((~~enterprise services~~)) financial management shall:

(1) Administer the state employee assistance program to assist employees who have personal problems that adversely affect their job performance or have the potential of doing so;

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

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

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

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

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

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

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

**Sec.**  RCW 41.04.770 and 2011 1st sp.s. c 43 s 440 are each amended to read as follows:

The department of social and health services and the ((~~department of enterprise services~~)) office of financial management shall, after consultation with supported employment provider associations and other interested parties, encourage, educate, and assist state agencies in implementing supported employment programs. The ((~~department of enterprise services~~)) office of financial management shall provide human resources technical assistance to agencies implementing supported employment programs.

**Sec.**  RCW 41.06.395 and 2011 1st sp.s. c 43 s 422 are each amended to read as follows:

The director shall adopt rules establishing guidelines for policies, procedures, and mandatory training programs on sexual harassment for state employees to be adopted by state agencies. The ((~~department of enterprise services~~)) office of financial management shall establish reporting requirements for state agencies on compliance with RCW 43.01.135.

**Sec.**  RCW 41.06.400 and 2011 1st sp.s. c 43 s 423 are each amended to read as follows:

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

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

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

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

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

(2) At an agency's request, the ((~~department of enterprise services~~)) office of financial management may provide training and career development programs for an agency's internal use which may be conducted more efficiently and economically by the department of enterprise services.

**Sec.**  RCW 41.06.510 and 2011 1st sp.s. c 43 s 428 are each amended to read as follows:

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

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

**Sec.**  RCW 41.06.530 and 2011 1st sp.s. c 43 s 429 are each amended to read as follows:

(1) The legislature recognizes that:

(a) The labor market and the state government workforce are diverse in terms of gender, race, ethnicity, age, and the presence of disabilities.

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

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

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

(2) To implement this policy:

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

(b) ((~~The department of enterprise services,~~)) In consultation with agencies, employee organizations, and employees, institutions of higher education, and related boards, the office of financial management shall develop training programs for all managers to enhance their ability to implement diversity policies and to provide a thorough grounding in all aspects of the state civil service law and merit system rules, and how the proper implementation and application thereof can facilitate and further the mission of the agency.

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

**Sec.**  RCW 41.80.005 and 2011 1st sp.s. c 43 s 444 are each amended to read as follows:

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

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

(2) "Collective bargaining" means the performance of the mutual obligation of the representatives of the employer and the exclusive bargaining representative to meet at reasonable times and to bargain in good faith in an effort to reach agreement with respect to the subjects of bargaining specified under RCW 41.80.020. The obligation to bargain does not compel either party to agree to a proposal or to make a concession, except as otherwise provided in this chapter.

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

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

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

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

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

(b) Confidential employees;

(c) Members of the Washington management service;

(d) Internal auditors in any agency; or

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

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

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

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

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

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

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

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

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

**Sec.**  RCW 43.01.135 and 2011 1st sp.s. c 43 s 450 are each amended to read as follows:

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

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

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

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

(c) Identifies appropriate sanctions and disciplinary actions; and

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

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

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

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

(5) Report to the ((~~department of enterprise services~~)) office of financial management on compliance with this section.

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

**Sec.**  RCW 43.06.013 and 2011 1st sp.s. c 43 s 454 are each amended to read as follows:

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

**Sec.**  RCW 43.19.766 and 2011 1st sp.s. c 43 s 502 are each amended to read as follows:

There is hereby created an office of risk management within the ((~~department of enterprise services~~)) office of financial management. The director shall implement the risk management policy in RCW 43.19.760 (as recodified by this act) through the office of risk management. The director shall appoint a risk manager to supervise the office of risk management. The office of risk management shall make recommendations when appropriate to state agencies on the application of prudent safety, security, loss prevention, and loss minimization methods so as to reduce or avoid risk or loss.

**Sec.**  RCW 43.19.778 and 2011 1st sp.s. c 43 s 506 are each amended to read as follows:

The ((~~department~~)) office of risk management shall conduct periodic actuarial studies to determine the amount of money needed to adequately fund the liability account.

**Sec.**  RCW 43.41.110 and 2011 1st sp.s. c 43 s 510 are each amended to read as follows:

The office of financial management shall:

(1) Provide technical assistance to the governor and the legislature in identifying needs and in planning to meet those needs through state programs and a plan for expenditures.

(2) Perform the comprehensive planning functions and processes necessary or advisable for state program planning and development, preparation of the budget, inter-departmental and inter-governmental coordination and cooperation, and determination of state capital improvement requirements.

(3) Provide assistance and coordination to state agencies and departments in their preparation of plans and programs.

(4) Provide general coordination and review of plans in functional areas of state government as may be necessary for receipt of federal or state funds.

(5) Participate with other states or subdivisions thereof in interstate planning.

(6) Encourage educational and research programs that further planning and provide administrative and technical services therefor.

(7) Carry out the provisions of RCW 43.62.010 through 43.62.050 relating to the state census.

(8) Be the official state participant in the federal-state cooperative program for local population estimates and as such certify all city and county special censuses to be considered in the allocation of state and federal revenues.

(9) Be the official state center for processing and dissemination of federal decennial or quinquennial census data in cooperation with other state agencies.

(10) Be the official state agency certifying annexations, incorporations, or disincorporations to the United States bureau of the census.

(11) Review all United States bureau of the census population estimates used for federal revenue sharing purposes and provide a liaison for local governments with the United States bureau of the census in adjusting or correcting revenue sharing population estimates.

(12) Provide fiscal notes depicting the expected fiscal impact of proposed legislation in accordance with chapter 43.88A RCW.

(13) Be the official state agency to estimate and manage the cash flow of all public funds as provided in chapter 43.88 RCW. To this end, the office shall adopt such rules as are necessary to manage the cash flow of public funds.

(14) Carry out the provisions of this chapter and chapter 4.92 RCW relating to risk management and loss prevention.

**Sec.**  RCW 43.41A.085 and 2011 1st sp.s. c 43 s 718 are each amended to read as follows:

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

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

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

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

(c) To adopt, modify, and implement policies to facilitate network development, operation, and expansion. Such policies may include but need not be limited to the following issues: Quality of educational services; access to the network by recognized organizations and accredited institutions that deliver educational programming, including public libraries; prioritization of programming within limited resources; prioritization of access to the system and the sharing of technological advances; network security; identification and evaluation of emerging technologies for delivery of educational programs; future expansion or redirection of the system; network fee structures; and costs for the development and operation of the network;

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

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

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

**Sec.**  RCW 43.41A.095 and 2011 1st sp.s. c 43 s 720 are each amended to read as follows:

The ((~~chief information officer~~)) office, in conjunction with the K-20 network users, shall maintain a technical plan of the K-20 telecommunications system and ongoing system enhancements. The office shall ensure that the technical plan adheres to the goals and objectives established under RCW 43.41A.025 (as recodified by this act). The technical plan shall provide for:

(1) A telecommunications backbone connecting educational service districts, the main campuses of public baccalaureate institutions, the branch campuses of public research institutions, and the main campuses of community colleges and technical colleges.

(2)(a) Connection to the K-20 network by entities that include, but need not be limited to: School districts, public higher education off-campus and extension centers, and branch campuses of community colleges and technical colleges, as prioritized by the chief information officer; (b) distance education facilities and components for entities listed in this subsection and subsection (1) of this section; and (c) connection for independent nonprofit institutions of higher education, provided that:

(i) The ((~~chief information officer~~)) office and each independent nonprofit institution of higher education to be connected agree in writing to terms and conditions of connectivity. The terms and conditions shall ensure, among other things, that the provision of K-20 services does not violate Article VIII, section 5 of the state Constitution and that the institution shall adhere to K-20 network policies; and

(ii) The ((~~chief information officer~~)) office determines that inclusion of the independent nonprofit institutions of higher education will not significantly affect the network's eligibility for federal universal service fund discounts or subsidies.

(3) Subsequent phases may include, but need not be limited to, connections to public libraries, state and local governments, community resource centers, and the private sector.

**Sec.**  RCW 43.41A.105 and 2011 1st sp.s. c 43 s 722 are each amended to read as follows:

(1) The education technology revolving fund is created in the custody of the state treasurer. All receipts from billings under subsection (2) of this section must be deposited in the revolving fund. Only the ((~~chief information officer~~)) director or the ((~~chief information officer's~~)) director's designee may authorize expenditures from the fund. The revolving fund shall be used to pay for K-20 network operations, transport, equipment, software, supplies, and services, maintenance and depreciation of on-site data, and shared infrastructure, and other costs incidental to the development, operation, and administration of shared educational information technology services, telecommunications, and systems. The revolving fund shall not be used for the acquisition, maintenance, or operations of local telecommunications infrastructure or the maintenance or depreciation of on-premises video equipment specific to a particular institution or group of institutions.

(2) The revolving fund and all disbursements from the revolving fund are subject to the allotment procedure under chapter 43.88 RCW, but an appropriation is not required for expenditures. The office shall, subject to the review and approval of the office of financial management, establish and implement a billing structure for network services identified in subsection (1) of this section.

(3) The office shall charge those public entities connected to the K-20 telecommunications system under RCW 43.41A.095 (as recodified by this act) an annual copayment per unit of transport connection as determined by the legislature after consideration of the board's recommendations. This copayment shall be deposited into the revolving fund to be used for the purposes in subsection (1) of this section. It is the intent of the legislature to appropriate to the revolving fund such moneys as necessary to cover the costs for transport, maintenance, and depreciation of data equipment located at the individual public institutions, maintenance and depreciation of the K-20 network backbone, and services provided to the network under RCW 43.41A.085 (as recodified by this act).

**Sec.**  RCW 48.62.021 and 2011 1st sp.s. c 43 s 520 are each reenacted and amended to read as follows:

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

(1) "Health and welfare benefits" means a plan or program established by a local government entity or entities for the purpose of providing its employees and their dependents, and in the case of school districts, its district employees, students, directors, or any of their dependents, with health care, accident, disability, death, and salary protection benefits.

(2) "Local government entity" or "entity" means every unit of local government, both general purpose and special purpose, and includes, but is not limited to, counties, cities, towns, port districts, public utility districts, water-sewer districts, school districts, fire protection districts, irrigation districts, metropolitan municipal corporations, conservation districts, and other political subdivisions, governmental subdivisions, municipal corporations, and quasi-municipal corporations.

(3) "Nonprofit corporation" or "corporation" has the same meaning as defined in RCW 24.03.005(3).

(4) "Property and liability risks" includes the risk of property damage or loss sustained by a local government entity and the risk of claims arising from the tortious or negligent conduct or any error or omission of the local government entity, its officers, employees, agents, or volunteers as a result of which a claim may be made against the local government entity.

(5) "Risk assumption" means a decision to absorb the entity's financial exposure to a risk of loss without the creation of a formal program of advance funding of anticipated losses.

(6) "Self-insurance" means a formal program of advance funding and management of entity financial exposure to a risk of loss that is not transferred through the purchase of an insurance policy or contract.

(7) "State risk manager" means the risk manager of the office of risk management within the ((~~department of enterprise services~~)) office of financial management.

**Sec.**  RCW 48.64.010 and 2011 1st sp.s. c 43 s 521 are each amended to read as follows:

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

(1) "Affordable housing" means housing projects in which some of the dwelling units may be purchased or rented on a basis that is affordable to households with an income of eighty percent or less of the county median family income, adjusted for family size.

(2) "Affordable housing entity" means any of the following:

(a) A housing authority created under the laws of this state or another state and any agency or instrumentality of a housing authority including, but not limited to, a legal entity created to conduct a joint self-insurance program for housing authorities that is operating in accordance with chapter 48.62 RCW;

(b) A nonprofit corporation, whether organized under the laws of this state or another state, that is engaged in providing affordable housing and is necessary for the completion, management, or operation of a project because of its access to funding sources that are not available to a housing authority, as described in this section; or

(c) A general or limited partnership or limited liability company, whether organized under the laws of this state or another state, that is engaged in providing affordable housing as defined in this section. A partnership or limited liability company may only be considered an affordable housing entity if a housing authority or nonprofit corporation, as described in this subsection, satisfies any of the following conditions: (i) It has, or has the right to acquire, a financial or ownership interest in the partnership or limited liability company; (ii) it possesses the power to direct management or policies of the partnership or limited liability company; or (iii) it has entered into a contract to lease, manage, or operate the affordable housing owned by the partnership or limited liability company.

(3) "Property and liability risks" includes the risk of property damage or loss sustained by an affordable housing entity and the risk of claims arising from the tortious or negligent conduct or any error or omission of the entity, its officers, employees, agents, or volunteers as a result of which a claim may be made against the entity.

(4) "Self-insurance" means a formal program of advance funding and management of entity financial exposure to a risk of loss that is not transferred through the purchase of an insurance policy or contract.

(5) "State risk manager" means the risk manager of the office of risk management within the ((~~department of enterprise services~~)) office of financial management.

**Sec.**  RCW 43.88.160 and 2012 c 230 s 1 are each amended to read as follows:

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

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

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

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

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

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

Each agency head or authorized designee shall be assigned the responsibility and authority for establishing and maintaining internal audits following the standards of internal auditing of the institute of internal auditors;

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

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

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

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

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

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

(5) The treasurer shall:

(a) Receive, keep, and disburse all public funds of the state not expressly required by law to be received, kept, and disbursed by some other persons: PROVIDED, That this subsection shall not apply to those public funds of the institutions of higher learning which are not subject to appropriation;

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

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

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

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

It shall be unlawful for the treasurer to disburse public funds in the treasury except upon forms or by alternative means duly prescribed by the director of financial management. These forms or alternative means shall provide for authentication and certification by the agency head or the agency head's designee that the services have been rendered or the materials have been furnished; or, in the case of loans or grants, that the loans or grants are authorized by law; or, in the case of payments for periodic maintenance services to be performed on state owned equipment, that a written contract for such periodic maintenance services is currently in effect; and the treasurer shall not be liable under the treasurer's surety bond for erroneous or improper payments so made. When services are lawfully paid for in advance of full performance by any private individual or business entity other than equipment maintenance providers or as provided for by RCW 42.24.035, such individual or entity other than central stores rendering such services shall make a cash deposit or furnish surety bond coverage to the state as shall be fixed in an amount by law, or if not fixed by law, then in such amounts as shall be fixed by the director of the department of enterprise services but in no case shall such required cash deposit or surety bond be less than an amount which will fully indemnify the state against any and all losses on account of breach of promise to fully perform such services. No payments shall be made in advance for any equipment maintenance services to be performed more than twelve months after such payment except that institutions of higher education as defined in RCW 28B.10.016 and the consolidated technology services agency created in RCW 43.105.006 may make payments in advance for equipment maintenance services to be performed up to sixty months after such payment. Any such bond so furnished shall be conditioned that the person, firm or corporation receiving the advance payment will apply it toward performance of the contract. The responsibility for recovery of erroneous or improper payments made under this section shall lie with the agency head or the agency head's designee in accordance with rules issued pursuant to this chapter. Nothing in this section shall be construed to permit a public body to advance funds to a private service provider pursuant to a grant or loan before services have been rendered or material furnished.

(6) The state auditor shall:

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

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

(c) Make the auditor's official report on or before the thirty-first of December which precedes the meeting of the legislature. The report shall be for the last complete fiscal period and shall include determinations as to whether agencies, in making expenditures, complied with the laws of this state. The state auditor is authorized to perform or participate in performance verifications and performance audits as expressly authorized by the legislature in the omnibus biennial appropriations acts or in the performance audit work plan approved by the joint legislative audit and review committee. The state auditor, upon completing an audit for legal and financial compliance under chapter 43.09 RCW or a performance verification, may report to the joint legislative audit and review committee or other appropriate committees of the legislature, in a manner prescribed by the joint legislative audit and review committee, on facts relating to the management or performance of governmental programs where such facts are discovered incidental to the legal and financial audit or performance verification. The auditor may make such a report to a legislative committee only if the auditor has determined that the agency has been given an opportunity and has failed to resolve the management or performance issues raised by the auditor. If the auditor makes a report to a legislative committee, the agency may submit to the committee a response to the report. This subsection (6) shall not be construed to authorize the auditor to allocate other than de minimis resources to performance audits except as expressly authorized in the appropriations acts or in the performance audit work plan. The results of a performance audit conducted by the state auditor that has been requested by the joint legislative audit and review committee must only be transmitted to the joint legislative audit and review committee.

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

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

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

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

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

(a) Make post audits of the financial transactions of any agency and management surveys and program reviews as provided for in chapter 44.28 RCW as well as performance audits and program evaluations. To this end the joint committee may in its discretion examine the books, accounts, and other records of any agency, official, or employee.

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

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

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

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

NEW SECTION. **Sec.**  RCW 43.19.760, 43.19.763, 43.19.766, 43.19.769, 43.19.772, 43.19.775, 43.19.778, 43.19.781, and 43.19.784 are each recodified as sections in chapter 43.41 RCW.

**PART IV**

**CORRECTION OF OBSOLETE REFERENCES**

**Sec.**  RCW 2.36.054 and 2011 1st sp.s. c 43 s 812 are each amended to read as follows:

Unless otherwise specified by rule of the supreme court, the jury source list and master jury list for each county shall be created as provided by this section.

(1) The superior court of each county, after consultation with the county clerk and county auditor of that jurisdiction, shall annually notify the consolidated technology services agency not later than March 1st of each year of its election to use either a jury source list that is merged by the county or a jury source list that is merged by the consolidated technology services agency. The consolidated technology services agency shall annually furnish at no charge to the superior court of each county a separate list of the registered voters residing in that county as supplied annually by the secretary of state and a separate list of driver's license and identicard holders residing in that county as supplied annually by the department of licensing, or a merged list of all such persons residing in that county, in accordance with the annual notification required by this subsection. The lists provided by the consolidated technology services agency shall be in an electronic format mutually agreed upon by the superior court requesting it and the ((~~department of information services~~)) consolidated technology services agency. The annual merger of the list of registered voters residing in each county with the list of licensed drivers and identicard holders residing in each county to form a jury source list for each county shall be in accordance with the standards and methodology established in this chapter or by superseding court rule whether the merger is accomplished by the consolidated technology services agency or by a county.

(2) Persons on the lists of registered voters and driver's license and identicard holders shall be identified by a minimum of last name, first name, middle initial where available, date of birth, gender, and county of residence. Identifying information shall be used when merging the lists to ensure to the extent reasonably possible that persons are only listed once on the merged list. Conflicts in addresses are to be resolved by using the most recent record by date of last vote in a general election, date of driver's license or identicard address change or date of voter registration.

(3) The consolidated technology services agency shall provide counties that elect to receive a jury source list merged by the consolidated technology services agency with a list of names which are possible duplicates that cannot be resolved based on the identifying information required under subsection (2) of this section. If a possible duplication cannot subsequently be resolved satisfactorily through reasonable efforts by the county receiving the merged list, the possible duplicate name shall be stricken from the jury source list until the next annual jury source list is prepared.

**Sec.**  RCW 2.36.057 and 1993 c 408 s 1 are each amended to read as follows:

The supreme court is requested to adopt court rules ((~~to be effective by September 1, 1994,~~)) regarding methodology and standards for merging the list of registered voters in Washington state with the list of licensed drivers and identicard holders in Washington state for purposes of creating an expanded jury source list. The rules should specify the standard electronic format or formats in which the lists will be provided to requesting superior courts by the ((~~department of information services~~)) consolidated technology services agency. In the interim, and until such court rules become effective, the methodology and standards provided in RCW 2.36.054 shall apply. An expanded jury source list shall be available to the courts for use by September 1, 1994.

**Sec.**  RCW 2.36.0571 and 1993 c 408 s 2 are each amended to read as follows:

((~~Not later than January 1, 1994,~~)) The secretary of state, the department of licensing, and the ((~~department of information services~~)) consolidated technology services agency shall adopt administrative rules as necessary to provide for the implementation of the methodology and standards established pursuant to RCW 2.36.057 and 2.36.054 or by supreme court rule.

**Sec.**  RCW 2.68.060 and 2010 c 282 s 7 are each amended to read as follows:

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

(1) Develop a judicial information system information technology portfolio consistent with the provisions of RCW ((~~43.105.172~~)) 43.41A.110 (as recodified by this act);

(2) Participate in the development of an enterprise-based statewide information technology strategy as defined in RCW 43.105.019;

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

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

**Sec.**  RCW 19.34.100 and 1999 c 287 s 5 are each amended to read as follows:

(1) To obtain or retain a license, a certification authority must:

(a) Provide proof of identity to the secretary;

(b) Employ only certified operative personnel in appropriate positions;

(c) File with the secretary an appropriate, suitable guaranty, unless the certification authority is a city or county that is self-insured or the ((~~department of information services~~)) consolidated technology services agency;

(d) Use a trustworthy system;

(e) Maintain an office in this state or have established a registered agent for service of process in this state; and

(f) Comply with all further licensing and practice requirements established by rule by the secretary.

(2) The secretary may by rule create license classifications according to specified limitations, and the secretary may issue licenses restricted according to the limits of each classification.

(3) The secretary may impose license restrictions specific to the practices of an individual certification authority. The secretary shall set forth in writing and maintain as part of the certification authority's license application file the basis for such license restrictions.

(4) The secretary may revoke or suspend a certification authority's license, in accordance with the administrative procedure act, chapter 34.05 RCW, for failure to comply with this chapter or for failure to remain qualified under subsection (1) of this section. The secretary may order the summary suspension of a license pending proceedings for revocation or other action, which must be promptly instituted and determined, if the secretary includes within a written order a finding that the certification authority has either:

(a) Utilized its license in the commission of a violation of a state or federal criminal statute or of chapter 19.86 RCW; or

(b) Engaged in conduct giving rise to a serious risk of loss to public or private parties if the license is not immediately suspended.

(5) The secretary may recognize by rule the licensing or authorization of certification authorities by other governmental entities, in whole or in part, provided that those licensing or authorization requirements are substantially similar to those of this state. If licensing by another government is so recognized:

(a) RCW 19.34.300 through 19.34.350 apply to certificates issued by the certification authorities licensed or authorized by that government in the same manner as it applies to licensed certification authorities of this state; and

(b) The liability limits of RCW 19.34.280 apply to the certification authorities licensed or authorized by that government in the same manner as they apply to licensed certification authorities of this state.

(6) A certification authority that has not obtained a license is not subject to the provisions of this chapter, except as specifically provided.

**Sec.**  RCW 36.28A.070 and 2003 c 102 s 3 are each amended to read as follows:

(1) The Washington association of sheriffs and police chiefs in consultation with the Washington state emergency management office, the Washington association of county officials, the Washington association of cities, the ((~~information services board~~)) director of the consolidated technology services agency, the Washington state fire chiefs' association, and the Washington state patrol shall convene a committee to establish guidelines related to the statewide first responder building mapping information system. The committee shall have the following responsibilities:

(a) Develop the type of information to be included in the statewide first responder building mapping information system. The information shall include, but is not limited to: Floor plans, fire protection information, evacuation plans, utility information, known hazards, and text and digital images showing emergency personnel contact information;

(b) Develop building mapping software standards that must be utilized by all entities participating in the statewide first responder building mapping information system;

(c) Determine the order in which buildings shall be mapped when funding is received;

(d) Develop guidelines on how the information shall be made available. These guidelines shall include detailed procedures and security systems to ensure that the information is only made available to the government entity that either owns the building or is responding to an incident at the building;

(e) Recommend training guidelines regarding using the statewide first responder building mapping information system to the criminal justice training commission and the Washington state patrol fire protection bureau.

(2)(a) Nothing in this section supersedes the authority of the ((~~information~~)) consolidated technology services agency or the technology services board under chapter 43.105 RCW.

(b) Nothing in this section supersedes the authority of state agencies and local governments to control and maintain access to information within their independent systems.

**Sec.**  RCW 41.06.094 and 1987 c 504 s 7 are each amended to read as follows:

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

**Sec.**  RCW 42.17A.705 and 2012 c 229 s 582 are each amended to read as follows:

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

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

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

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

(4) Central Washington University board of trustees, the boards of trustees of each community college and each technical college, each member of the state board for community and technical colleges, state convention and trade center board of directors, Eastern Washington University board of trustees, Washington economic development finance authority, Washington energy northwest executive board, The Evergreen State College board of trustees, executive ethics board, fish and wildlife commission, forest practices appeals board, forest practices board, gambling commission, Washington health care facilities authority, student achievement council, higher education facilities authority, horse racing commission, state housing finance commission, human rights commission, indeterminate sentence review board, board of industrial insurance appeals, state investment board, commission on judicial conduct, legislative ethics board, life sciences discovery fund authority board of trustees, liquor control board, lottery commission, Pacific Northwest electric power and conservation planning council, parks and recreation commission, Washington personnel resources board, board of pilotage commissioners, pollution control hearings board, public disclosure commission, public employees' benefits board, recreation and conservation funding board, salmon recovery funding board, shorelines hearings board, board of tax appeals, transportation commission, University of Washington board of regents, utilities and transportation commission, Washington State University board of regents, and Western Washington University board of trustees.

**Sec.**  RCW 43.15.020 and 2011 c 158 s 12 are each amended to read as follows:

The lieutenant governor serves as president of the senate and is responsible for making appointments to, and serving on, the committees and boards as set forth in this section.

(1) The lieutenant governor serves on the following boards and committees:

(a) Capitol furnishings preservation committee, RCW 27.48.040;

(b) Washington higher education facilities authority, RCW 28B.07.030;

(c) Productivity board, also known as the employee involvement and recognition board, RCW 41.60.015;

(d) State finance committee, RCW 43.33.010;

(e) State capitol committee, RCW 43.34.010;

(f) Washington health care facilities authority, RCW 70.37.030;

(g) State medal of merit nominating committee, RCW 1.40.020;

(h) Medal of valor committee, RCW 1.60.020; and

(i) Association of Washington generals, RCW 43.15.030.

(2) The lieutenant governor, and when serving as president of the senate, appoints members to the following boards and committees:

(a) Civil legal aid oversight committee, RCW 2.53.010;

(b) Office of public defense advisory committee, RCW 2.70.030;

(c) Washington state gambling commission, RCW 9.46.040;

(d) Sentencing guidelines commission, RCW 9.94A.860;

(e) State building code council, RCW 19.27.070;

(f) Financial education public-private partnership, RCW 28A.300.450;

(g) Joint administrative rules review committee, RCW 34.05.610;

(h) Capital projects advisory review board, RCW 39.10.220;

(i) Select committee on pension policy, RCW 41.04.276;

(j) Legislative ethics board, RCW 42.52.310;

(k) Washington citizens' commission on salaries, RCW 43.03.305;

(l) Legislative oral history committee, RCW 44.04.325;

(m) State council on aging, RCW 43.20A.685;

(n) State investment board, RCW 43.33A.020;

(o) Capitol campus design advisory committee, RCW 43.34.080;

(p) Washington state arts commission, RCW 43.46.015;

(q) ((~~Information services board, RCW 43.105.032;~~

~~(r) Council for children and families, RCW 43.121.020;~~

~~(s)~~)) PNWER-Net working subgroup under chapter 43.147 RCW;

((~~(t)~~)) (r) Community economic revitalization board, RCW 43.160.030;

((~~(u)~~)) (s) Washington economic development finance authority, RCW 43.163.020;

((~~(v)~~)) (t) Life sciences discovery fund authority, RCW 43.350.020;

((~~(w)~~)) (u) Legislative children's oversight committee, RCW 44.04.220;

((~~(x)~~)) (v) Joint legislative audit and review committee, RCW 44.28.010;

((~~(y)~~)) (w) Joint committee on energy supply and energy conservation, RCW 44.39.015;

((~~(z)~~)) (x) Legislative evaluation and accountability program committee, RCW 44.48.010;

((~~(aa) Agency council on coordinated transportation, RCW 47.06B.020;~~

~~(bb)~~)) (y) Washington horse racing commission, RCW 67.16.014;

((~~(cc)~~)) (z) Correctional industries board of directors, RCW 72.09.080;

((~~(dd)~~)) (aa) Joint committee on veterans' and military affairs, RCW 73.04.150;

((~~(ee)~~)) (bb) Joint legislative committee on water supply during drought, RCW 90.86.020;

((~~(ff)~~)) (cc) Statute law committee, RCW 1.08.001; and

((~~(gg)~~)) (dd) Joint legislative oversight committee on trade policy, RCW 44.55.020.

**Sec.**  RCW 43.19.794 and 2011 1st sp.s. c 43 s 602 are each amended to read as follows:

The ((~~department of enterprise~~)) consolidated technology services agency may become a licensed certification authority, under chapter 19.34 RCW, for the purpose of providing services to agencies, local governments, and other entities and persons for purposes of official state business. The department is not subject to RCW 19.34.100(1)(a). The department shall only issue certificates, as defined in RCW 19.34.020, in which the subscriber is:

(1) The state of Washington or a department, office, or agency of the state;

(2) A city, county, district, or other municipal corporation, or a department, office, or agency of the city, county, district, or municipal corporation;

(3) An agent or employee of an entity described by subsection (1) or (2) of this section, for purposes of official public business;

(4) Any other person or entity engaged in matters of official public business, however, such certificates shall be limited only to matters of official public business. The department may issue certificates to such persons or entities only if after issuing a request for proposals from certification authorities licensed under chapter 19.34 RCW and review of the submitted proposals, makes a determination that such private services are not sufficient to meet the department's published requirements. The department must set forth in writing the basis of any such determination and provide procedures for challenge of the determination as provided by the state procurement requirements; or

(5) An applicant for a license as a certification authority for the purpose of compliance with RCW 19.34.100(1)(a).

**Sec.**  RCW 43.70.054 and 1997 c 274 s 2 are each amended to read as follows:

(1) To promote the public interest consistent with chapter 267, Laws of 1995, the department of health, in cooperation with the ((~~information services board established under RCW 43.105.032~~)) director of the consolidated technology services agency established in RCW 43.105.047 (as recodified by this act), shall develop health care data standards to be used by, and developed in collaboration with, consumers, purchasers, health carriers, providers, and state government as consistent with the intent of chapter 492, Laws of 1993 as amended by chapter 267, Laws of 1995, to promote the delivery of quality health services that improve health outcomes for state residents. The data standards shall include content, coding, confidentiality, and transmission standards for all health care data elements necessary to support the intent of this section, and to improve administrative efficiency and reduce cost. Purchasers, as allowed by federal law, health carriers, health facilities and providers as defined in chapter 48.43 RCW, and state government shall utilize the data standards. The information and data elements shall be reported as the department of health directs by rule in accordance with data standards developed under this section.

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

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

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

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

**Sec.**  RCW 43.88.090 and 2012 c 229 s 587 are each amended to read as follows:

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

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

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

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

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

(a) The office of financial management shall regularly conduct reviews of selected activities to analyze whether the objectives and measurements submitted by agencies demonstrate progress toward statewide results.

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

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

(d) The office of financial management shall consult with the ((~~information services board~~)) consolidated technology services agency when conducting reviews of major information technology systems in use by state agencies. The goal is that reviews of these information technology systems occur periodically.

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

(6) In reviewing agency budget requests in order to prepare the governor's biennial budget request, the office of financial management shall consider the extent to which the agency's activities demonstrate progress toward the statewide budgeting priorities, along with any specific review conducted under subsection (4) of this section.

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

**Sec.**  RCW 43.88.092 and 2013 2nd sp.s. c 33 s 4 are each amended to read as follows:

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

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

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

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

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

(6) For the purposes of this section, ((~~"major information technology projects" includes projects that have a significant anticipated cost, complexity, or are of statewide significance, such as enterprise-level solutions, enterprise resource planning, and shared services initiatives~~)) "information technology investment" has the definition in RCW 43.105.020.

**Sec.**  RCW 44.68.065 and 2010 c 282 s 8 are each amended to read as follows:

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

(1) Develop a legislative information technology portfolio consistent with the provisions of RCW ((~~43.105.172~~)) 43.41A.110 (as recodified by this act);

(2) Participate in the development of an enterprise-based statewide information technology strategy as defined in RCW 43.105.019;

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

(4) As part of the biennial budget process, submit the legislative information technology portfolio to the chair and ranking member of the ways and means committees of the house of representatives and the senate, the office of financial management, and the ((~~department of information services~~)) consolidated technology services agency.

**Sec.**  RCW 70.58.005 and 2009 c 231 s 1 are each amended to read as follows:

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

(1) "Business days" means Monday through Friday except official state holidays.

(2) "Department" means the department of health.

(3) "Electronic approval" or "electronically approve" means approving the content of an electronically filed vital record through the processes provided by the department. Electronic approval processes shall be consistent with policies, standards, and procedures developed by the ((~~information services board under RCW 43.105.041~~)) director of the consolidated technology services agency.

(4) "Embalmer" means a person licensed as required in chapter 18.39 RCW and defined in RCW 18.39.010.

(5) "Funeral director" means a person licensed as required in chapter 18.39 RCW and defined in RCW 18.39.010.

(6) "Vital records" means records of birth, death, fetal death, marriage, dissolution, annulment, and legal separation, as maintained under the supervision of the state registrar of vital statistics.

**PART V**

**INFORMATION TECHNOLOGY ACCOUNTING REVISIONS**

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

(1) The consolidated technology services revolving account is created in the custody of the state treasurer. All receipts from agency fees and charges for services collected from public agencies must be deposited into the account. The account must be used for the:

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

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

(2) The director or the director's designee, with the approval of the technology services board, is authorized to expend up to one million dollars per fiscal biennium for the technology services board to conduct independent technical and financial analysis of proposed information technology projects.

(3) Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures except as provided in subsection (4) of this section.

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

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

(1) The statewide information technology system development revolving account is created in the custody of the state treasurer. All receipts from legislative appropriations and assessments to agencies for the development and acquisition of enterprise information technology systems must be deposited into the account. Moneys in the account may be spent only after appropriation. The account must be used solely for the development and acquisition of enterprise information technology systems that are consistent with the enterprise-based strategy established by the consolidated technology services agency in RCW 43.105.047 (as recodified by this act). Expenditures from the account may not be used for maintenance and operations of enterprise information technology systems. The account may be used for the payment of salaries, wages, and other costs directly related to the development and acquisition of enterprise information technology systems.

(2) All payment of principal and interest on debt issued for enterprise information technology systems must be paid from the account.

(3) The office may contract for the development or acquisition of enterprise information technology systems.

(4) For the purposes of this section and section 503 of this act, "enterprise information technology system" means an information technology system that serves agencies with a certain business need or process that are required to use the system unless the agency has received a waiver from the state chief information officer. "Enterprise information technology system" also includes projects that are of statewide significance including enterprise-level solutions, enterprise resource planning, and shared services initiatives.

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

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

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

(3) The office may contract with the consolidated technology services agency for the billing of fees, charges for services, and assessments to agencies, and for the maintenance and operations of enterprise information technology systems.

(4) "Enterprise information technology system" has the definition in section 502 of this act.

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

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

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

(3) The office may contract with the consolidated technology services agency for the billing of fees, charges for services, and assessments to agencies, and for the development, maintenance, and operations of shared information technology systems.

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

**Sec.**  RCW 41.06.280 and 2013 2nd sp.s. c 4 s 968 are each amended to read as follows:

There is hereby created a fund within the state treasury, designated as the "personnel service fund," to be used by the office of financial management as a revolving fund for the payment of salaries, wages, and operations required for the administration of the provisions of this chapter, applicable provisions of chapter 41.04 RCW, and chapter 41.60 RCW. An amount not to exceed one and one-half percent of the salaries and wages for all positions in the classified service in each of the agencies subject to this chapter, except the institutions of higher education, shall be charged to the operations appropriations of each agency and credited to the personnel service fund as the allotments are approved pursuant to chapter 43.88 RCW. Subject to the above limitations, the amount shall be charged against the allotments pro rata, at a rate to be fixed by the director from time to time which, together with income derived from services rendered under RCW 41.06.080, will provide the office of financial management with funds to meet its anticipated expenditures during the allotment period, including the training requirements in RCW 41.06.500 and 41.06.530. ((~~All revenues, net of expenditures, previously derived from services provided by the department of enterprise services under RCW 41.06.080 must be transferred to the enterprise services account.~~))

The director shall fix the terms and charges for services rendered by the office of financial management pursuant to RCW 41.06.080, which amounts shall be credited to the personnel service fund and charged against the proper fund or appropriation of the recipient of such services on a monthly basis. Payment for services so rendered under RCW 41.06.080 shall be made on a monthly basis to the state treasurer and deposited in the personnel service fund.

Moneys from the personnel service fund shall be disbursed by the state treasurer by warrants on vouchers duly authorized by the office of financial management.

During the 2013-2015 fiscal biennium, the legislature may transfer from the personnel service fund to the state general fund such amounts as reflect the excess fund balance of the account.

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

The office of financial management central service revolving account is created in the custody of the state treasury. The account is to be used by the office as a revolving fund for the payment of salaries, wages, and other costs required for the operation and maintenance of statewide budgeting, accounting, and forecasting, and functions and activities in the office. All receipts from agency fees and charges for services collected from public agencies must be deposited into the account. The director shall fix the terms and charges to agencies based on each agency's share of the office statewide cost allocation plan for federal funds. Only the director or the director's designee may authorize expenditures from the account. The account is subject to allotment procedures under chapter 43.88 RCW, but no appropriation is required for expenditures.

NEW SECTION. **Sec.**  No later than December 31, 2015, any residual balance of funds remaining in the data processing revolving fund repealed by section 509 of this act shall be apportioned by the director of financial management to the appropriate accounts created in sections 501 through 504 of this act.

NEW SECTION. **Sec.**  The office of financial management must convene a work group consisting of representatives of the legislative evaluation and accountability program committee, legislative staff of the fiscal committees of the house of representatives and senate, consolidated technology services agency, and the department of enterprise services. The purpose of the work group is to review and update the central services model that allocates state funds for budgeting the costs of central services. The work group must review the services and activities performed by each agency and develop a system of rates and charges to fund these services and activities. In addition, the work group must review each agency's chart of accounts and propose a structure to better align the budget reporting systems with each agency's current operational structure and to provide greater transparency in revenues and expenditures. These tasks should be completed in anticipation of the governor's 2017-2019 biennial budget submission.

NEW SECTION. **Sec.**  The following acts or parts of acts, as now existing or hereafter amended, are each repealed, effective January 1, 2016:

RCW 43.19.791 (Data processing revolving fund—Created—Use) and 2013 2nd sp.s. c 4 s 976 & 2011 2nd sp.s. c 9 s 906.

**PART VI**

**MISCELLANEOUS PROVISIONS**

NEW SECTION. **Sec.**  (1) The legislature recognizes that information technology systems can generate savings to state agencies and the state's taxpayers. Information technology can also improve citizen access to services, increase spending transparency, and enable the collection of data that can be used to assess performance and outcomes allowing state government to make better spending decisions. In order to achieve savings and improvements, state agencies require a talented pool of information technology professionals at all levels of their workforce. Therefore, the office of financial management shall convene a task force to review the necessary qualifications, experience, compensation, benefits, professional development, and skills training required to recruit and retain a skilled state government information technology workforce.

(2) Members of the task force shall consist of the assistant director of the office of financial management's state human resources division, the technology services board, and an additional representative of state agency bargaining units whose work is in an information technology classification. The director of financial management shall select the representative of state agency bargaining units.

(3) In support of this effort and pursuant to RCW 41.06.157 and 41.06.160, the office of financial management must:

(a) Undertake a salary survey of positions in other public and private employment to establish market rates for information technology professionals at all organizational levels of state government. The salary survey shall be comprehensive, examining salary, fringe benefits, and working conditions. Fringe benefits and working conditions shall include, but not be limited to, health care and retirement benefits, telecommuting and other workplace mobility options, training and skills development opportunities and cost sharing, and other components typically included in the total compensation package to information technology professionals in the private sector;

(b) Conduct a class study of information technology classifications at state agencies to review and provide an in-depth evaluation of the work assigned to all positions in the information technology class or class series;

(c) Review the use of Washington management service for information technology positions to determine if that classification is being use appropriately, meets the information management needs of state government, and whether a separate information technology manager classification would be beneficial;

(d) Conduct an evaluation of the information technology investment portfolios of state agencies to determine which agencies require chief information officers and an evaluation of the job descriptions, skills, and qualifications necessary to be a successful agency chief information officer within state government;

(e) Develop performance appraisal tools to assess and reward state agency information technology professionals to retain their talent. Tools may include performance pay, bonuses, and other benefits typically found in the private market; and

(f) Provide administrative support, technical assistance, and engage in other activities as requested by the task force.

(4) The task force shall review the information supplied by the office of financial management and prepare a comprehensive set of recommendations for submission to the fiscal committees of the legislature by August 1, 2016. This timeline is intended to allow the legislature to act on the recommendations during the 2017 legislative session and for the governor's consideration in the 2017-2019 biennial collective bargaining process.

NEW SECTION. **Sec.**  The select committee on pension policy with the assistance of the office of the state actuary and the office of the chief information officer is requested to engage in a review of retirement options in the commercial information technology industry and develop recommendations for more attractive retirement benefit options for the state's information technology workforce who are less likely to vest their benefit in the state public retirement system.

NEW SECTION. **Sec.**  (1) All powers, duties, and functions of the office of the chief information officer within the office of financial management pertaining to the office of the chief information officer are transferred to the consolidated technology services agency.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the office of the chief information officer within the office of financial management pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the consolidated technology services agency. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the office of the chief information officer within the office of financial management in carrying out the powers, duties, and functions transferred shall be made available to the consolidated technology services agency. All funds, credits, or other assets held in connection with the powers, duties, and functions transferred shall be assigned to the consolidated technology services agency.

(b) Any appropriations made to the office of the chief information officer within the office of financial management for carrying out the powers, duties, and functions transferred shall, on the effective date of this section, be transferred and credited to the consolidated technology services agency.

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

(3) All rules and all pending business before the office of the chief information officer within the office of financial management pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the consolidated technology services agency. All existing contracts and obligations shall remain in full force and shall be performed by the consolidated technology services agency.

(4) The transfer of the powers, duties, functions, and personnel of the office of the chief information officer within the office of financial management shall not affect the validity of any act performed before the effective date of this section.

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

(6) All exempt employees of the office of the chief information officer within the office of financial management engaged in performing the powers, duties, and functions transferred are transferred to the jurisdiction of the consolidated technology services agency. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the consolidated technology services agency to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

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

(1) All powers, duties, and functions of the department of enterprise services pertaining to risk management and personnel services are transferred to the office of financial management. All references to the director or the department of enterprise services in the Revised Code of Washington shall be construed to mean the director or the office of financial management when referring to the functions transferred in this section.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of enterprise services pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the office of financial management. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of enterprise services in carrying out the powers, duties, and functions transferred shall be made available to the office of financial management. All funds, credits, or other assets held in connection with the powers, duties, and functions transferred shall be assigned to the office of financial management.

(b) Any appropriations made to the department of enterprise services for carrying out the powers, duties, and functions transferred shall, on the effective date of this section, be transferred and credited to the office of financial management.

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

(3) All rules and all pending business before the department of enterprise services pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the office of financial management. All existing contracts and obligations shall remain in full force and shall be performed by the office of financial management.

(4) The transfer of the powers, duties, functions, and personnel of the department of enterprise services shall not affect the validity of any act performed before the effective date of this section.

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

(6) All employees of the department of enterprise services engaged in performing the powers, duties, and functions transferred are transferred to the jurisdiction of the office of financial management. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the office of financial management to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

NEW SECTION. **Sec.**  (1) All powers, duties, and functions of the department of enterprise services pertaining to statewide information technology services and applications are transferred to the consolidated technology services agency.

(2)(a) All reports, documents, surveys, books, records, files, papers, or written material in the possession of the department of enterprise services pertaining to the powers, duties, and functions transferred shall be delivered to the custody of the consolidated technology services agency. All cabinets, furniture, office equipment, motor vehicles, and other tangible property employed by the department of enterprise services in carrying out the powers, duties, and functions transferred shall be made available to the consolidated technology services agency. All funds, credits, or other assets held in connection with the powers, duties, and functions transferred shall be assigned to the consolidated technology services agency.

(b) Any appropriations made to the department of enterprise services for carrying out the powers, duties, and functions transferred shall, on the effective date of this section, be transferred and credited to the consolidated technology services agency.

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

(3) All rules and all pending business before the department of enterprise services pertaining to the powers, duties, and functions transferred shall be continued and acted upon by the consolidated technology services agency. All existing contracts and obligations shall remain in full force and shall be performed by the consolidated technology services agency.

(4) The transfer of the powers, duties, functions, and personnel of the department of enterprise services shall not affect the validity of any act performed before the effective date of this section.

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

(6) All employees of the department of enterprise services engaged in performing the powers, duties, and functions transferred are transferred to the jurisdiction of the consolidated technology services agency. All employees classified under chapter 41.06 RCW, the state civil service law, are assigned to the consolidated technology services agency to perform their usual duties upon the same terms as formerly, without any loss of rights, subject to any action that may be appropriate thereafter in accordance with the laws and rules governing state civil service.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2015.

**--- END ---**