

# SENATE BILL REPORT

## SHB 1947

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As Passed Senate, February 27, 2024

**Title:** An act relating to governance of technology services in state government.

**Brief Description:** Concerning the governance of technology services in state government, including eliminating the office of the chief information officer and renaming the consolidated technology services agency.

**Sponsors:** House Committee on State Government & Tribal Relations (originally sponsored by Representatives Street, Couture, Ryu, Gregerson, Reed, Ormsby and Reeves; by request of Consolidated Technology Services).

**Brief History:** Passed House: 2/8/24, 97-0.

**Committee Activity:** Environment, Energy & Technology: 2/16/24, 2/20/24 [DP].

**Floor Activity:** Passed Senate: 2/27/24, 49-0.

### Brief Summary of Bill

- Changes the name of the Consolidated Technology Services agency to Washington Technology Solutions (WTS).
- Eliminates the Office of the State Chief Information Officer and shifts the duties of that office to WTS.
- Directs WTS to establish additional standards and policies for technology, including funding of major information technology projects, for state agencies.
- Requires state agencies to annually certify that they comply with WTS' standards and policies.
- Exempts the chief information officer, the chief information officer's confidential secretary, assistant directors, and other policy or senior professional staff from the State Civil Service Law.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

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## SENATE COMMITTEE ON ENVIRONMENT, ENERGY & TECHNOLOGY

**Majority Report:** Do pass.

Signed by Senators Nguyen, Chair; Lovelett, Vice Chair; MacEwen, Ranking Member; Boehnke, Lovick, Short, Trudeau and Wellman.

**Staff:** Clint McCarthy (786-7319)

**Background:** The Establishment of Consolidated Technology Services. In 2011 the Legislature reorganized state government central service agencies into two new state agencies—the Department of Enterprise Services (DES) and Consolidated Technology Services (CTS). CTS has been known throughout state government as Washington Technology Solutions, also known as WaTech, since 2015. A majority of service provision duties were transferred from DES to CTS including server hosting and network administration, telephony, security administration, and email. A CTS Board was created with seven customer representatives in the position of chief executive officer, chief financial officer, or chief information officer. Four legislative members serve as ex officio members on the board. The board approves rates for services offered by CTS, the budget proposals to the Office of Financial Management (OFM) from CTS, the catalog of services to be provided by CTS, and prepare performance evaluations of CTS and the director for the Governor.

The Establishment of the Office of the Chief Information Officer. The Office of the Chief Information Officer (OCIO) was created within OFM. OCIO was responsible for the preparation and implementation of a strategic information technology (IT) plan and enterprise architecture (EA) for the state. OCIO was responsible for the standardization and consolidation of IT infrastructure, establishing standards and policies for EA, and educating and informing the state on IT matters. The chief information officer (CIO) was appointed by the Governor and subject to confirmation by the Senate.

Further Consolidation of Information Technology Services within Consolidated Technology Services. In 2015, The functions of OCIO, CTS, and IT services within DES were consolidated into a new executive branch agency—the CTS Agency. The CIO serves as director of the CTS Agency. State agencies in the executive branch are directed to rely on CTS. CTS is directed under statute to offer high quality services at the lowest possible price, and must be able to attract an adaptable and competitive workforce.

Powers and Duties of Consolidated Technology Services. Powers of CTS include:

- make available information services to public agencies and public benefit nonprofit corporations;
- establish rates and fees for services provided by the agency;
- 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 OFM. 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 OFM. The rate plan and any adjustments to rates must be approved by OFM;

- develop a detailed business plan for any service or activity to be contracted;
- develop plans for CTS's achievement of statewide goals and objectives set forth in the state strategic IT plan;
- enable the standardization and consolidation of IT infrastructure across all state agencies to support enterprise-based system development and improve and maintain service delivery; and
- perform all other matters and things necessary to carry out the purposes and provisions of this chapter.

Major Information Technology Projects. State agencies must provide a proposal to CTS prior to purchasing, acquiring, or developing a major IT project or service. OFM is responsible for establishing policies and standards to govern the funding of major information technology projects. OFM may require incremental funding of these projects.

Consolidated Technology Services Staff Exempt Under State Civil Service Law. Under current statute, CTS has up to 12 persons in the planning component involved in policy development or senior professionals, or both.

Allotments. Allotments are a detailed plan of expenditures authorized in the budget, the assumed revenue estimates, and the related full-time equivalent estimates. Allotments must conform to the terms, limits, or conditions of legislative appropriations.

**Summary of Bill:** Name Change. The name "Consolidated Technology Services" is replaced throughout statute with the term "Washington Technology Solutions"(WTS). WTS is an agency, whereas CTS was an office. The purpose of the agency is expanded to include establishing clear policies and standards for efficient and acceptable use of technology in state government, and providing guidance and leadership to state agencies in deploying technology to meet their objectives. The agency must create policy and standards to address changes in the technology industry.

Powers and Duties of the Office of the State Chief Information Officer Are Transferred to the Director of Washington Technology Solutions. The Director of WTS may establish standards and policies to govern information technology in the state of Washington.

The powers and duties of the OCIO are transferred to the Director of WTS which include:

- preparing and lead the implementation of a strategic direction and enterprise architecture;
- establishing standards and policies for consistent and efficient operation of IT services;
- establishing statewide enterprise architecture that will serve as the organizing standard; and
- educating and informing state managers and policymakers on technological

developments and industry trends.

Additional Washington Technology Solutions Staff Exempt Under State Civil Service Law.

The number of WTS staff exempt under state civil service law is expanded to include the CIO, the CIO's confidential secretary, and assistant directors. These positions are in addition to the up to 12 positions currently authorized in statute.

Termination or Suspension of Major Projects. In the event that a major project is suspended or terminated, the Director of OFM will place project funds in unallotted status.

Requirements for State Agencies. Each state agency must certify that the agency is in compliance with the policies and standards developed by WTS on an annual basis.

Consolidating the Office of the Chief Information Officer—Statutes Into the Washington Technology Solutions Statutes. Current law statutes concerning the relationship between the OCIO and the Legislature, the Judiciary, and institutions of higher education are changed so that those relationships are now with WTS.

**Appropriation:** None.

**Fiscal Note:** Available.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: This bill clarifies the agency's authority by affirming that the agency is created as the single IT agency in the state. It clarifies the duties and functions of WaTech related to IT governance. WaTech is the agency's "doing business as" name and is the most prevalent used name in the agency's branding and materials. The change brings the agency's name into alignment with the "doing business name" and reduces confusion within state government and the private sector.

**Persons Testifying:** PRO: Angela Kleis, WaTech.

**Persons Signed In To Testify But Not Testifying:** No one.