

SENATE BILL REPORT

SB 5915

As Reported by Senate Committee On:
Ways & Means, April 3, 2017

Title: An act relating to reorganizing and streamlining central service functions, powers, and duties of state government.

Brief Description: Concerning central service functions, powers, and duties of state government.

Sponsors: Senator Braun.

Brief History:

Committee Activity: Ways & Means: 3/31/17, 4/03/17 [DPS, DNP, w/oRec].

Brief Summary of Substitute Bill

- Transfers statewide human resources and small agency human resource and financial services from the Department of Enterprise Services (DES) to the Office of Financial Management (OFM).
- Creates the Information Technology (IT) Investment Account to pool moneys to fund state agency IT projects.
- Requires OFM, instead of DES, to conduct space utilization studies, establish standards for use of space by state agencies, and evaluate opportunities for colocation and consolidation of facilities.
- Requires all current and prospective employees of and contractors with the state who may access federal tax information are required to have a criminal history record check through the Washington State Patrol and through the Federal Bureau of Investigation under rules adopted by OFM.
- Directs OFM to develop a state agency contract oversight and management program.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5915 be substituted therefor, and the substitute bill do pass.

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

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget ; Bailey, Becker, Billig, Conway, Fain, Miloscia, Padden, Pedersen, Rivers, Schoesler, Warnick and Zeiger.

Minority Report: Do not pass.

Signed by Senators Ranker, Ranking Minority Member; Carlyle and Hasegawa.

Minority Report: That it be referred without recommendation.

Signed by Senators Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Darneille and Keiser.

Staff: Julie Murray (786-7711)

Background: The Office of the Chief Information Officer (OCIO). The OCIO is responsible for the preparation and implementation of a strategic IT plan and enterprise architecture for the state. The OCIO works toward standardization and consolidation of IT infrastructure, establishes standards and policies for enterprise architecture, educates and informs the state on IT matters, evaluates current IT spending and budget requests, and oversees major IT projects, including procurements. The Chief Information Officer (CIO) directs the OCIO and is appointed by the Governor subject to Senate confirmation.

Consolidated Technology Services (CTS). CTS provides a variety of services to state and local agencies including telecommunications and computing services; procurement of technology equipment through master contracts; and IT support functions such as server hosting and network administration, telephony, security administration, and email. The CIO also serves as director of CTS.

The Department of Enterprise Services. DES, an executive branch agency, is tasked with providing products and services to support state agencies, other governmental entities, and nonprofits. DES services include contracting support, consolidated purchasing and procurement activities, printing, consolidated mail service, fleet service, facilities and leasing management, statewide employee assistance and training programs, and small agency human resource and financial services.

The Office of Financial Management. OFM is an office within the Office of the Governor and provides statewide budget, policy, accounting, forecasting, labor relations and human resources for the executive branch. OFM ensures that state agencies comply with federal rules and regulations regarding the receipt of federal funds, cash management, and governmental accounting principles.

Summary of Bill: The bill as referred to committee not considered.

Summary of Bill (First Substitute): Part I. Responsibility and personnel engaged in statewide employee assistance, training, and recruitment functions are transferred from DES to OFM. Any classified employees performing these duties are transferred from DES to OFM and retain their rights under chapter 41.06, the state civil service law. The OFM Central Service Account is revised to include policy functions and other functions and services provided by the office. The OFM Central Service Account is funded by central

service charges to state agencies according to the statewide cost allocation plan for federal funds.

Part II. The non-appropriated Information Technology Investment Account (Account) is created to fund IT projects. Agencies must apply to OFM for funds from the Account. IT projects funded from the Account are subject to additional review and scrutiny by the OCIO and OFM.

Part III. OFM, instead of DES, is required to conduct the space utilization studies, establish the standards for use of space by state agencies, and evaluate opportunities for colocation and consolidation state facilities in the same geographic area. DES is not required to adopt facility efficiency standards, grant exemptions from those standards, or report those exemptions to the OFM and legislative committees. For OFM's inventory system, state agencies are required to report data regarding use of space for office facilities. The state Liquor Control Board liquor stores and warehouses are removed from statutes governing state properties.

Part IV. All current and prospective employees of the state and contractors with the state who are or may be authorized by the agency for which they are employed to access federal tax information, are required to have a criminal history record check through the Washington State Patrol criminal identification system and through the Federal Bureau of Investigation. OFM may adopt rules to implement this requirement. OFM is directed to develop a state agency contract oversight and management program to conduct or oversee large, complex, or legislatively directed procurements. The program will also conduct compliance review state agency contract management activities and will first concentrate on reviewing managed care, Medicaid, and information technology contracts. OFM will report annually to the Governor and the appropriate committees of the Legislature on its state agency contract review activities.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- With the exception of the IT Investment Account, provisions related to modifying IT functions between DES and CTS are removed.
- Creation of IT Investment Account is made immediately upon passage of bill.
- Requires an annual report on OFM's state agency contract review activities.

Appropriation: None.

Fiscal Note: Requested on March 30, 2017.

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

Effective Date: The bill contains an emergency clause. Section 201 to create the non-appropriated Information Technology Investment Account takes effect immediately upon passage of the bill; the remainder of the bill takes effect on July 1, 2017.

Staff Summary of Public Testimony on Proposed Substitute: *The committee recommended a different version of the bill than what was heard.* OTHER: This bill is largely a clean up bill of who does what that will hopefully drive better outcomes.

Persons Testifying: OTHER: Scott Merriman, OFM.

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