
SUBSTITUTE HOUSE BILL 1720

State of Washington

62nd Legislature

2011 Regular Session

By House State Government & Tribal Affairs (originally sponsored by Representatives Hunt and McCoy; by request of Governor Gregoire)

READ FIRST TIME 02/17/11.

1 AN ACT Relating to reorganizing and streamlining central service
2 functions, powers, and duties of state government; amending RCW
3 43.17.010, 43.17.020, 42.17A.705, 42.17.2401, 43.19.011, 43.19.025,
4 43.19.035, 43.19.125, 43.19.180, 43.19.185, 43.19.190, 43.19.1905,
5 43.19.19052, 43.19.1906, 43.19.1908, 43.19.1913, 43.19.1915,
6 43.19.1917, 43.19.1919, 43.19.19191, 43.19.1920, 43.19.19201,
7 43.19.1921, 43.19.1932, 43.19.200, 43.19.450, 43.19.455, 43.19.500,
8 43.19.501, 43.19.530, 43.19.534, 43.19.538, 43.19.539, 43.19.560,
9 43.19.565, 43.19.585, 43.19.600, 43.19.610, 43.19.620, 43.19.635,
10 43.19.646, 43.19.663, 43.19.685, 43.19.702, 43.19.704, 43.19.708,
11 43.19.710, 19.27.070, 19.27A.140, 39.34.055, 39.35.030, 39.35C.010,
12 39.35D.020, 43.19A.010, 43.19A.022, 39.32.035, 43.01.225, 43.82.120,
13 43.82.125, 43.99H.070, 73.24.020, 43.78.030, 43.78.070, 43.78.090,
14 43.78.100, 43.78.105, 1.08.039, 15.24.085, 15.62.190, 16.67.170,
15 28A.300.040, 28B.10.029, 40.04.030, 40.06.030, 40.07.050, 43.08.061,
16 41.06.020, 41.06.076, 41.06.080, 41.06.093, 41.06.110, 41.06.120,
17 41.06.142, 41.06.152, 41.06.167, 41.06.169, 41.06.170, 41.06.220,
18 41.06.260, 41.06.270, 41.06.280, 41.06.285, 41.06.350, 41.06.395,
19 41.06.400, 41.06.410, 41.06.420, 41.06.476, 41.06.490, 41.06.510,
20 41.06.530, 34.05.030, 41.04.340, 41.04.385, 41.04.395, 41.04.670,
21 41.04.680, 41.04.685, 41.04.720, 41.04.770, 41.07.020, 41.07.030,

1 41.60.015, 41.80.005, 41.80.020, 42.16.010, 42.17.370, 43.01.040,
2 43.01.135, 43.03.028, 43.03.120, 43.03.130, 43.06.013, 43.06.410,
3 43.06.425, 43.33A.100, 43.105.052, 43.130.060, 43.131.090, 48.37.060,
4 49.46.010, 49.74.020, 49.74.030, 49.90.010, 50.13.060, 28A.345.060,
5 28A.400.201, 34.12.100, 36.21.011, 41.04.020, 41.04.460, 41.60.050,
6 41.68.030, 41.68.040, 41.68.050, 47.28.251, 43.41.290, 43.41.300,
7 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.360, 43.41.370,
8 43.41.380, 43.41.110, 4.92.006, 4.92.040, 4.92.130, 4.92.150, 4.92.160,
9 4.92.210, 4.92.270, 4.92.280, 10.92.020, 48.62.021, 48.64.010,
10 39.29.011, 39.29.016, 39.29.018, 39.29.025, 39.29.055, 39.29.065,
11 39.29.075, 39.29.090, 39.29.100, 39.29.110, 39.29.120, 43.88.580,
12 43.105.080, 43.105.320, 43.105.370, 43.105.372, 43.105.374, 43.105.376,
13 43.105.380, 43.105.382, 43.105.390, 43.105.400, 41.07.030, and
14 43.99I.040; reenacting and amending RCW 41.06.070, 41.06.133,
15 41.06.150, 41.04.665, 42.17A.110, 49.46.010, and 39.29.068; adding new
16 sections to chapter 43.19 RCW; adding new sections to chapter 41.06
17 RCW; adding new sections to chapter 43.41 RCW; adding new sections to
18 chapter 43.330 RCW; adding a new section to chapter 41.80 RCW; creating
19 new sections; recodifying RCW 43.78.030, 43.78.070, 43.78.090,
20 43.78.100, 43.78.105, 43.78.110, 43.78.130, 43.78.140, 43.78.150,
21 43.78.160, 43.78.170, 43.41.280, 43.41.290, 43.41.300, 43.41.310,
22 43.41.320, 43.41.330, 43.41.340, 43.41.350, 43.41.360, 43.105.080,
23 43.105.320, 43.105.410, 43.105.370, 43.105.372, 43.105.374, 43.105.376,
24 43.105.380, 43.105.382, 43.105.390, and 43.105.400; decodifying RCW
25 43.19.123, 41.06.136, 43.31.086, 41.80.900, 41.80.901, 41.80.902,
26 41.80.903, and 41.80.904; repealing RCW 43.19.010, 43.19.1923,
27 43.19.1925, 43.19.590, 43.19.595, 43.19.615, 43.19.675, 43.19.680,
28 43.78.010, 43.78.020, 43.78.040, 43.78.050, 43.78.080, 41.06.030,
29 41.06.111, 41.06.130, 41.06.139, 41.06.155, 41.06.160, 41.06.480,
30 41.07.900, 43.105.300, and 43.105.360; repealing 2010 c 271 s 301;
31 providing effective dates; providing expiration dates; and declaring an
32 emergency.

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

34 **PART I**
35 **DEPARTMENT OF ENTERPRISE SERVICES CREATED**

1 NEW SECTION. **Sec. 101.** To maximize the benefits to the public,
2 state government should be operated in an efficient and effective
3 manner. The department of enterprise services is created to provide
4 centralized leadership in efficiently and cost-effectively managing
5 resources necessary to support the delivery of state government
6 services. The mission of the department is to implement a world-class,
7 customer-focused organization that provides valued products and
8 services to government and state residents.

9 NEW SECTION. **Sec. 102.** A new section is added to chapter 43.19
10 RCW to read as follows:

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

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

14 (2) "Director" means the director of enterprise services.

15 NEW SECTION. **Sec. 103.** A new section is added to chapter 43.19
16 RCW to read as follows:

17 (1) The department of enterprise services is created as an
18 executive branch agency. The department is vested with all powers and
19 duties transferred to it under this act and such other powers and
20 duties as may be authorized by law.

21 (2) In addition to the powers and duties as provided in this act,
22 the department shall:

23 (a) Provide products and services to support state agencies, and
24 may enter into agreements with any other governmental entity or a
25 nonprofit organization to furnish such products and services as deemed
26 appropriate by both parties. The agreement shall provide for the
27 reimbursement to the department of the reasonable cost of the products
28 and services furnished. All governmental entities of this state may
29 enter into such agreements, unless otherwise prohibited; and

30 (b) Make available to state, local, and federal agencies, local
31 governments, and public benefit nonprofit corporations on a full cost-
32 recovery basis information services to include equipment acquisition
33 assistance, including leasing, brokering, and establishing master
34 contracts. For the purposes of this section "public benefit nonprofit
35 corporation" means a public benefit nonprofit corporation as defined in

1 RCW 24.03.005 that is receiving local, state, or federal funds either
2 directly or through a public agency other than an Indian tribe or
3 political subdivision of another state.

4 (3)(a) The department shall develop and implement a quality
5 management program for each of the services provided by the department.
6 The department's quality management program must include an annual
7 scorecard assessment of its overall operation, including the
8 comprehensive performance measurement and performance evaluation of its
9 effectiveness in meeting stated goals and customer satisfaction
10 targets. The assessment of the department shall include, but not be
11 limited to, the evaluation of the following:

- 12 (i) Quality and timeliness of service;
- 13 (ii) Service levels;
- 14 (iii) Rates charged for goods and services;
- 15 (iv) Cost recovery rates;
- 16 (v) Compliance rate regarding agreements with other agencies;
- 17 (vi) Overall customer satisfaction; and
- 18 (vii) Overall efficiency within the department.

19 (b) The department must regularly apply for an assessment of its
20 quality management, accountability, and performance system. By 2012,
21 the department shall apply to the Washington state quality award
22 program for a light assessment and, by 2015, a full assessment. Within
23 three years of the full assessment, the department must apply to a
24 Baldrige or similar national quality assessment program. The
25 assessments shall evaluate the effectiveness of all elements of its
26 management, accountability, and performance system, including:
27 Leadership; strategic planning; customer focus; measurement, analysis,
28 and knowledge operations; workforce focus; operations focus; and
29 results. The purpose of the assessment is to recognize best practices
30 and identify improvement opportunities. The department must commit to
31 achieving a sixty percent score within eight years for each assessment
32 program.

33 (c) Starting in 2013, the department shall implement a Lean Six
34 Sigma program.

35 (d) For the purposes of this subsection (3):

36 (i) "Performance evaluation" means the process of evaluating
37 performance by established objective, measurable criteria according to
38 the achievement of outlined goals, measures, targets, standards, or

1 other outcomes using a ranked scorecard from highest to lowest
2 performance that employs a scale of one to one hundred, one hundred
3 being the optimal score;

4 (ii) "Performance measurement" means the process of comparing
5 specific measures of success with ultimate and interim goals.

6 (iii) "Quality management program" means a nationally recognized
7 program using criteria similar or equivalent to the Baldrige National
8 Quality Program criteria.

9 NEW SECTION. **Sec. 104.** A new section is added to chapter 43.19
10 RCW to read as follows:

11 (1) The executive head and appointing authority of the department
12 is the director. The director is appointed by the governor, subject to
13 confirmation by the senate. The director serves at the pleasure of the
14 governor. The director is paid a salary fixed by the governor in
15 accordance with RCW 43.03.040. If a vacancy occurs in the position of
16 director while the senate is not in session, the governor shall make a
17 temporary appointment until the next meeting of the senate at which
18 time he or she shall present to that body his or her nomination for the
19 position.

20 (2) The director may employ staff members, who are exempt from
21 chapter 41.06 RCW, and any additional staff members as are necessary to
22 administer this chapter, and such other duties as may be authorized by
23 law. The director may delegate any power or duty vested in him or her
24 by this act or other law, including authority to make final decisions
25 and enter final orders in hearings conducted under chapter 34.05 RCW.

26 (3) The internal affairs of the department are under the control of
27 the director in order that the director may manage the department in a
28 flexible and intelligent manner as dictated by changing contemporary
29 circumstances. Unless specifically limited by law, the director has
30 complete charge and supervisory powers over the department. The
31 director may create the administrative structures as the director deems
32 appropriate, except as otherwise specified by law, and the director may
33 employ personnel as may be necessary in accordance with chapter 41.06
34 RCW, except as otherwise provided by law.

35 NEW SECTION. **Sec. 105.** (1) The department of enterprise services
36 has powers and duties related to state contracting as provided in

1 chapters 43.19 and 39.29 RCW. The process and procedures in each
2 chapter differ from each other in many respects. In addition, the
3 process and procedures may not represent the best practices for the
4 agency or the public.

5 (2) In order to effect reform and consolidation of procurement
6 practices, the department shall review current state procurement
7 practices, not including public works, and provide a report to the
8 governor with procurement reform recommendations. The department
9 should review national best practices and the procedures used in other
10 states and by the federal government. The department may also review
11 private sector procedures and model codes such as the American bar
12 association model procurement code. The department shall seek input
13 from stakeholders and interested parties. The department shall submit
14 a report to the governor and the office of financial management by
15 October 30, 2011. The report shall include any draft legislation
16 needed to accomplish the report's recommendations.

17 NEW SECTION. **Sec. 106.** A new section is added to chapter 41.06
18 RCW to read as follows:

19 In addition to the exemptions under RCW 41.06.070, this chapter
20 does not apply in the department of enterprise services to the
21 director, the director's confidential secretary, deputy and assistant
22 directors, and any other exempt staff members provided for in section
23 104 of this act.

24 **Sec. 107.** RCW 43.17.010 and 2009 c 565 s 25 are each amended to
25 read as follows:

26 There shall be departments of the state government which shall be
27 known as (1) the department of social and health services, (2) the
28 department of ecology, (3) the department of labor and industries, (4)
29 the department of agriculture, (5) the department of fish and wildlife,
30 (6) the department of transportation, (7) the department of licensing,
31 (8) the department of (~~general administration~~) enterprise services,
32 (9) the department of commerce, (10) the department of veterans
33 affairs, (11) the department of revenue, (12) the department of
34 retirement systems, (13) the department of corrections, (14) the
35 department of health, (15) the department of financial institutions,
36 (16) the department of archaeology and historic preservation, (17) the

1 department of early learning, and (18) the Puget Sound partnership,
2 which shall be charged with the execution, enforcement, and
3 administration of such laws, and invested with such powers and required
4 to perform such duties, as the legislature may provide.

5 **Sec. 108.** RCW 43.17.020 and 2009 c 565 s 26 are each amended to
6 read as follows:

7 There shall be a chief executive officer of each department to be
8 known as: (1) The secretary of social and health services, (2) the
9 director of ecology, (3) the director of labor and industries, (4) the
10 director of agriculture, (5) the director of fish and wildlife, (6) the
11 secretary of transportation, (7) the director of licensing, (8) the
12 director of (~~general administration~~) enterprise services, (9) the
13 director of commerce, (10) the director of veterans affairs, (11) the
14 director of revenue, (12) the director of retirement systems, (13) the
15 secretary of corrections, (14) the secretary of health, (15) the
16 director of financial institutions, (16) the director of the department
17 of archaeology and historic preservation, (17) the director of early
18 learning, and (18) the executive director of the Puget Sound
19 partnership.

20 Such officers, except the director of fish and wildlife, shall be
21 appointed by the governor, with the consent of the senate, and hold
22 office at the pleasure of the governor. The director of fish and
23 wildlife shall be appointed by the fish and wildlife commission as
24 prescribed by RCW 77.04.055.

25 **Sec. 109.** RCW 42.17A.705 and 2010 c 204 s 902 are each amended to
26 read as follows:

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

29 (1) The chief administrative law judge, the director of
30 agriculture, the director of the department of services for the blind,
31 the director of the state system of community and technical colleges,
32 the director of commerce, the secretary of corrections, the director of
33 early learning, the director of ecology, the commissioner of employment
34 security, the chair of the energy facility site evaluation council, the
35 director of enterprise services, the secretary of the state finance
36 committee, the director of financial management, the director of fish

1 and wildlife, the executive secretary of the forest practices appeals
2 board, the director of the gambling commission, (~~the director of~~
3 ~~general administration,~~) the secretary of health, the administrator of
4 the Washington state health care authority, the executive secretary of
5 the health care facilities authority, the executive secretary of the
6 higher education facilities authority, the executive secretary of the
7 horse racing commission, the human resources director, the executive
8 secretary of the human rights commission, the executive secretary of
9 the indeterminate sentence review board, (~~the director of the~~
10 ~~department of information services,~~) the executive director of the
11 state investment board, the director of labor and industries, the
12 director of licensing, the director of the lottery commission, the
13 director of the office of minority and women's business enterprises,
14 the director of parks and recreation, (~~the director of personnel,~~)
15 the executive director of the public disclosure commission, the
16 executive director of the Puget Sound partnership, the director of the
17 recreation and conservation office, the director of retirement systems,
18 the director of revenue, the secretary of social and health services,
19 the chief of the Washington state patrol, the executive secretary of
20 the board of tax appeals, the secretary of transportation, the
21 secretary of the utilities and transportation commission, the director
22 of veterans affairs, the president of each of the regional and state
23 universities and the president of The Evergreen State College, and each
24 district and each campus president of each state community college;

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

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

27 (4) Central Washington University board of trustees, the boards of
28 trustees of each community college and each technical college, each
29 member of the state board for community and technical colleges, state
30 convention and trade center board of directors, Eastern Washington
31 University board of trustees, Washington economic development finance
32 authority, Washington energy northwest executive board, The Evergreen
33 State College board of trustees, executive ethics board, fish and
34 wildlife commission, forest practices appeals board, forest practices
35 board, gambling commission, Washington health care facilities
36 authority, higher education coordinating board, higher education
37 facilities authority, horse racing commission, state housing finance
38 commission, human rights commission, indeterminate sentence review

1 board, board of industrial insurance appeals, information services
2 board, state investment board, commission on judicial conduct,
3 legislative ethics board, life sciences discovery fund authority board
4 of trustees, liquor control board, lottery commission, Pacific
5 Northwest electric power and conservation planning council, parks and
6 recreation commission, Washington personnel resources board, board of
7 pilotage commissioners, pollution control hearings board, public
8 disclosure commission, public employees' benefits board, recreation and
9 conservation funding board, salmon recovery funding board, shorelines
10 hearings board, board of tax appeals, transportation commission,
11 University of Washington board of regents, utilities and transportation
12 commission, Washington State University board of regents, and Western
13 Washington University board of trustees.

14 **Sec. 110.** RCW 42.17.2401 and 2009 c 565 s 24 are each amended to
15 read as follows:

16 For the purposes of RCW 42.17.240, the term "executive state
17 officer" includes:

18 (1) The chief administrative law judge, the director of
19 agriculture, the administrator of the Washington basic health plan, the
20 director of the department of services for the blind, the director of
21 the state system of community and technical colleges, the director of
22 commerce, the secretary of corrections, the director of early learning,
23 the director of ecology, the commissioner of employment security, the
24 chair of the energy facility site evaluation council, the secretary of
25 the state finance committee, the director of financial management, the
26 director of fish and wildlife, the executive secretary of the forest
27 practices appeals board, the director of the gambling commission, the
28 director of (~~general administration~~) enterprise services, the
29 secretary of health, the administrator of the Washington state health
30 care authority, the executive secretary of the health care facilities
31 authority, the executive secretary of the higher education facilities
32 authority, the executive secretary of the horse racing commission, the
33 human resources director, the executive secretary of the human rights
34 commission, the executive secretary of the indeterminate sentence
35 review board, (~~the director of the department of information~~
36 ~~services,~~) the executive director of the state investment board, the
37 director of labor and industries, the director of licensing, the

1 director of the lottery commission, the director of the office of
2 minority and women's business enterprises, the director of parks and
3 recreation, (~~the director of personnel,~~) the executive director of
4 the public disclosure commission, the executive director of the Puget
5 Sound partnership, the director of the recreation and conservation
6 office, the director of retirement systems, the director of revenue,
7 the secretary of social and health services, the chief of the
8 Washington state patrol, the executive secretary of the board of tax
9 appeals, the secretary of transportation, the secretary of the
10 utilities and transportation commission, the director of veterans
11 affairs, the president of each of the regional and state universities
12 and the president of The Evergreen State College, and each district and
13 each campus president of each state community college;

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

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

16 (4) Central Washington University board of trustees, the boards of
17 trustees of each community college and each technical college, each
18 member of the state board for community and technical colleges, state
19 convention and trade center board of directors, committee for deferred
20 compensation, Eastern Washington University board of trustees,
21 Washington economic development finance authority, The Evergreen State
22 College board of trustees, executive ethics board, forest practices
23 appeals board, forest practices board, gambling commission, life
24 sciences discovery fund authority board of trustees, Washington health
25 care facilities authority, each member of the Washington health
26 services commission, higher education coordinating board, higher
27 education facilities authority, horse racing commission, state housing
28 finance commission, human rights commission, indeterminate sentence
29 review board, board of industrial insurance appeals, information
30 services board, recreation and conservation funding board, state
31 investment board, commission on judicial conduct, legislative ethics
32 board, liquor control board, lottery commission, marine oversight
33 board, Pacific Northwest electric power and conservation planning
34 council, parks and recreation commission, board of pilotage
35 commissioners, pollution control hearings board, public disclosure
36 commission, public pension commission, shorelines hearings board,
37 public employees' benefits board, salmon recovery funding board, board
38 of tax appeals, transportation commission, University of Washington

1 board of regents, utilities and transportation commission, Washington
2 state maritime commission, Washington personnel resources board,
3 Washington public power supply system executive board, Washington State
4 University board of regents, Western Washington University board of
5 trustees, and fish and wildlife commission.

6 NEW SECTION. **Sec. 111.** Section 109 of this act takes effect
7 January 1, 2012.

8 NEW SECTION. **Sec. 112.** Section 110 of this act expires January 1,
9 2012.

10 **PART II**

11 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT**
12 **OF GENERAL ADMINISTRATION**

13 **Sec. 201.** RCW 43.19.011 and 1999 c 229 s 2 are each amended to
14 read as follows:

15 (1) The director of (~~general administration~~) enterprise services
16 shall supervise and administer the activities of the department of
17 (~~general administration~~) enterprise services and shall advise the
18 governor and the legislature with respect to matters under the
19 jurisdiction of the department.

20 (2) In addition to other powers and duties granted to the director,
21 the director shall have the following powers and duties:

22 (a) Enter into contracts on behalf of the state to carry out the
23 purposes of this chapter;

24 (b) Accept and expend gifts and grants that are related to the
25 purposes of this chapter, whether such grants be of federal or other
26 funds;

27 (c) Appoint (~~a~~) deputy (~~director~~) and (~~such~~) assistant
28 directors and such other special assistants as may be needed to
29 administer the department. These employees are exempt from the
30 provisions of chapter 41.06 RCW;

31 (d) Adopt rules in accordance with chapter 34.05 RCW and perform
32 all other functions necessary and proper to carry out the purposes of
33 this chapter;

1 (e) Delegate powers, duties, and functions as the director deems
2 necessary for efficient administration, but the director shall be
3 responsible for the official acts of the officers and employees of the
4 department; (~~and~~)

5 (f) Apply for grants from public and private entities, and receive
6 and administer any grant funding received for the purpose and intent of
7 this chapter; and

8 (g) Perform other duties as are necessary and consistent with law.

9 (3) The director may establish additional advisory groups as may be
10 necessary to carry out the purposes of this chapter.

11 (~~(4) The internal affairs of the department shall be under the~~
12 ~~control of the director in order that the director may manage the~~
13 ~~department in a flexible and intelligent manner as dictated by changing~~
14 ~~contemporary circumstances. Unless specifically limited by law, the~~
15 ~~director shall have complete charge and supervisory powers over the~~
16 ~~department. The director may create such administrative structures as~~
17 ~~the director deems appropriate, except as otherwise specified by law,~~
18 ~~and the director may employ such personnel as may be necessary in~~
19 ~~accordance with chapter 41.06 RCW, except as otherwise provided by~~
20 ~~law.))~~

21 **Sec. 202.** RCW 43.19.025 and 2002 c 332 s 3 are each amended to
22 read as follows:

23 The (~~general administration~~) enterprise services account is
24 created in the custody of the state treasurer and shall be used for all
25 activities previously budgeted and accounted for in the following
26 internal service funds: The motor transport account, the (~~general~~
27 ~~administration~~) enterprise services management fund, the (~~general~~
28 ~~administration~~) enterprise services facilities and services revolving
29 fund, the central stores revolving fund, the surplus property purchase
30 revolving fund, and the energy efficiency services account. Only the
31 director or the director's designee may authorize expenditures from the
32 account. The account is subject to the allotment procedures under
33 chapter 43.88 RCW.

34 **Sec. 203.** RCW 43.19.035 and 2005 c 16 s 1 are each amended to read
35 as follows:

36 (1) The commemorative works account is created in the custody of

1 the state treasurer and shall be used by the department of (~~general~~
2 ~~administration~~) enterprise services for the ongoing care, maintenance,
3 and repair of commemorative works on the state capitol grounds. Only
4 the director or the director's designee may authorize expenditures from
5 the account. The account is subject to the allotment procedures under
6 chapter 43.88 RCW, but an appropriation is not necessary for
7 expenditures.

8 (2) For purposes of this section, "state capitol grounds" means
9 buildings and land owned by the state and otherwise designated as state
10 capitol grounds, including the west capitol campus, the east capitol
11 campus, the north capitol campus, the Tumwater campus, the Lacey
12 campus, Sylvester Park, Centennial Park, the Old Capitol Building, and
13 Capitol Lake.

14 **Sec. 204.** RCW 43.19.125 and 2007 c 520 s 6014 are each amended to
15 read as follows:

16 (1) The director of (~~general administration, through the division~~
17 ~~of capitol buildings,~~) enterprise services shall have custody and
18 control of the capitol buildings and grounds, supervise and direct
19 proper care, heating, lighting and repairing thereof, and designate
20 rooms in the capitol buildings to be occupied by various state
21 officials.

22 (2) During the 2007-2009 biennium, responsibility for development
23 of the "Wheeler block" on the capitol campus as authorized in section
24 6013, chapter 520, Laws of 2007 shall be transferred from the
25 department of general administration to the department of information
26 services. (~~The department of general administration and the~~
27 ~~department of information services shall develop a joint operating~~
28 ~~agreement for the new facilities on the "Wheeler block" and provide~~
29 ~~copies of that agreement to the appropriate committees of the~~
30 ~~legislature by December 30, 2008.~~

31 (~~During the 2007-2009 biennium, responsibility for development~~
32 ~~of the Pritchard building rehabilitation on the capitol campus as~~
33 ~~authorized in section 1090, chapter 520, Laws of 2007 shall be~~
34 ~~transferred from the department of general administration to the~~
35 ~~statute law committee.))~~

1 **Sec. 205.** RCW 43.19.180 and 2009 c 549 s 5063 are each amended to
2 read as follows:

3 The director of (~~general administration shall appoint and deputize~~
4 ~~an assistant director to be known as the state purchasing and material~~
5 ~~control director, who shall have charge and supervision of the division~~
6 ~~of purchasing. In this capacity he or she~~) enterprise services shall
7 ensure that overall state purchasing and material control policy is
8 implemented by state agencies, including educational institutions,
9 within established time limits.

10 (~~With the approval of the director of general administration, he~~
11 ~~or she may appoint and employ such assistants and personnel as may be~~
12 ~~necessary to carry on the work of the division.~~)

13 **Sec. 206.** RCW 43.19.185 and 1987 c 47 s 1 are each amended to read
14 as follows:

15 (1) The director (~~of general administration through the state~~
16 ~~purchasing and material control director~~) shall develop a system for
17 state agencies and departments to use credit cards or similar devices
18 to make purchases. The director may contract to administer the credit
19 cards.

20 (2) The director (~~of general administration through the state~~
21 ~~purchasing and material control director~~) shall adopt rules for:

22 (a) The distribution of the credit cards;

23 (b) The authorization and control of the use of the credit cards;

24 (c) The credit limits available on the credit cards;

25 (d) Instructing users of gasoline credit cards to use self-service
26 islands whenever possible;

27 (e) Payments of the bills; and

28 (f) Any other rule necessary to implement or administer the program
29 under this section.

30 **Sec. 207.** RCW 43.19.190 and 2002 c 200 s 3 are each amended to
31 read as follows:

32 The director (~~of general administration, through the state~~
33 ~~purchasing and material control director,~~) shall:

34 (1) (~~Establish and staff such administrative organizational units~~
35 ~~within the division of purchasing as may be necessary for effective~~

1 ~~administration of the provisions of RCW 43.19.190 through 43.19.1939))~~
2 Develop rules and standards governing the acquisition and disposition
3 of goods and services;

4 ~~(2) ((Purchase all material, supplies, services, and equipment~~
5 ~~needed for the support, maintenance, and use of all state institutions,~~
6 ~~colleges, community colleges, technical colleges, college districts,~~
7 ~~and universities, the offices of the elective state officers, the~~
8 ~~supreme court, the court of appeals, the administrative and other~~
9 ~~departments of state government, and the offices of all appointive~~
10 ~~officers of the state)) Enter into contracts on behalf of the state to~~

11 carry out the following: To purchase, lease, rent or otherwise
12 acquire, dispose of, and maintain assets, licenses, purchased goods and
13 services, client services, and personal services, or to delegate to
14 other agencies and institutions of state government, under appropriate
15 standards, the authority to purchase, lease, rent or otherwise acquire,
16 dispose of, and maintain assets, licenses, purchased goods and
17 services, client services, and personal services. Agencies and
18 institutions of state government are expressly prohibited from
19 acquiring or disposing of such assets, licenses, purchased services,
20 and personal services without such delegation of authority: PROVIDED,

21 That the provisions of RCW 43.19.190 through 43.19.1937 do not apply in
22 any manner to the operation of the state legislature except as
23 requested by the legislature: ~~((PROVIDED, That any agency may purchase~~
24 ~~material, supplies, services, and equipment for which the agency has~~
25 ~~notified the purchasing and material control director that it is more~~
26 ~~cost-effective for the agency to make the purchase directly from the~~
27 ~~vendor*)) PROVIDED, That primary authority for the purchase of
28 specialized equipment, instructional, and research material for their
29 own use shall rest with the colleges, community colleges, and
30 universities: PROVIDED FURTHER, That universities operating hospitals
31 and the ~~((state purchasing and material control))~~ director, as the
32 agent for state hospitals as defined in RCW 72.23.010, and for health
33 care programs provided in state correctional institutions as defined in
34 RCW 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010
35 and 72.36.070, may make purchases for hospital operation by
36 participating in contracts for materials, supplies, and equipment
37 entered into by nonprofit cooperative hospital group purchasing
38 organizations: PROVIDED FURTHER, That primary authority for the~~

1 purchase of materials, supplies, and equipment for resale to other than
2 public agencies shall rest with the state agency concerned: PROVIDED
3 FURTHER, That authority to purchase services as included herein does
4 not apply to personal services as defined in chapter 39.29 RCW, unless
5 such organization specifically requests assistance from the ((~~division~~
6 ~~of purchasing~~)) department of enterprise services in obtaining personal
7 services and resources are available within the ((~~division~~)) department
8 to provide such assistance: ((~~PROVIDED FURTHER, That the authority for~~
9 ~~the purchase of insurance and bonds shall rest with the risk manager~~
10 ~~under RCW 43.19.1935~~)) PROVIDED FURTHER, That, except for the
11 authority of the risk manager to purchase insurance and bonds, the
12 director is not required to provide purchasing services for
13 institutions of higher education that choose to exercise independent
14 purchasing authority under RCW 28B.10.029: PROVIDED FURTHER, That the
15 authority to purchase interpreter services and interpreter brokerage
16 services on behalf of limited-English speaking or sensory-impaired
17 applicants and recipients of public assistance shall rest with the
18 department of social and health services in consultation with the
19 department;

20 (3) Have authority to delegate to state agencies authorization to
21 purchase or sell, which authorization shall specify restrictions as to
22 dollar amount or to specific types of material, equipment, services,
23 and supplies. Acceptance of the purchasing authorization by a state
24 agency does not relieve such agency from conformance with other
25 sections of RCW 43.19.190 through 43.19.1939, or from policies
26 established by the director. Also, delegation of such authorization to
27 a state agency, including an educational institution to which this
28 section applies, to purchase or sell material, equipment, services, and
29 supplies shall not be granted, or otherwise continued under a previous
30 authorization, if such agency is not in substantial compliance with
31 overall state purchasing and material control policies as established
32 herein;

33 (4) Contract for the testing of material, supplies, and equipment
34 with public and private agencies as necessary and advisable to protect
35 the interests of the state;

36 (5) ((~~Prescribe the manner of inspecting all deliveries of~~
37 ~~supplies, materials, and equipment purchased through the division~~))

1 Develop statewide or interagency procurement policies, standards, and
2 procedures;

3 ~~(6) ((Prescribe the manner in which supplies, materials, and~~
4 ~~equipment purchased through the division shall be delivered, stored,~~
5 ~~and distributed))~~ Provide direction concerning strategic planning goals
6 and objectives related to state purchasing and contracts activities.
7 The director shall seek input from the legislature and the judiciary;

8 ~~(7) ((Provide for the maintenance of a catalogue library,~~
9 ~~manufacturers' and wholesalers' lists, and current market information))~~
10 Develop and implement a process for the resolution of appeals by:

11 (a) Vendors concerning the conduct of an acquisition process by an
12 agency or the department; or

13 (b) A customer agency concerning the provision of services by the
14 department or by other state providers;

15 (8) Establish policies for the periodic review by the department of
16 agency performance which may include but are not limited to analysis
17 of:

18 (a) Planning, management, purchasing control, and use of purchased
19 services and personal services;

20 (b) Training and education; and

21 (c) Project management;

22 ~~((+8))~~ (9) Provide for a commodity classification system and may,
23 in addition, provide for the adoption of standard specifications;

24 ~~((+9) Provide for the maintenance of inventory records of supplies,~~
25 ~~materials, and other property;))~~

26 (10) Prepare rules and regulations governing the relationship and
27 procedures between the ~~((division of purchasing))~~ department and state
28 agencies and vendors;

29 (11) Publish procedures and guidelines for compliance by all state
30 agencies, including those educational institutions to which this
31 section applies, which implement overall state purchasing and material
32 control policies;

33 (12) Advise state agencies, including educational institutions,
34 regarding compliance with established purchasing and material control
35 policies under existing statutes.

36 **Sec. 208.** RCW 43.19.1905 and 2009 c 486 s 10 are each amended to
37 read as follows:

1 (1) The director of (~~general administration~~) enterprise services
2 shall establish overall state policy for compliance by all state
3 agencies, including educational institutions, regarding the following
4 purchasing and material control functions:

5 (a) Development of a state commodity coding system(~~, including~~
6 ~~common stock numbers for items maintained in stores for reissue;~~

7 ~~(b) Determination where consolidations, closures, or additions of~~
8 ~~stores operated by state agencies and educational institutions should~~
9 ~~be initiated;~~

10 ~~(c) Institution of standard criteria for determination of when and~~
11 ~~where an item in the state supply system should be stocked;~~

12 ~~(d) Establishment of stock levels to be maintained in state stores,~~
13 ~~and formulation of standards for replenishment of stock;~~

14 ~~(e) Formulation of an overall distribution and redistribution~~
15 ~~system for stock items which establishes sources of supply support for~~
16 ~~all agencies, including interagency supply support;~~

17 ~~(f) Determination of what function data processing equipment,~~
18 ~~including remote terminals, shall perform in statewide purchasing and~~
19 ~~material control for improvement of service and promotion of economy;~~

20 ~~(g) Standardization of records and forms used statewide for supply~~
21 ~~system activities involving purchasing, receiving, inspecting, storing,~~
22 ~~requisitioning, and issuing functions, including a));~~

23 (b) A standard notification form for state agencies to report cost-
24 effective direct purchases, which shall at least identify the price of
25 the goods as available through the (~~division of purchasing~~)
26 department, the price of the goods as available from the alternative
27 source, the total savings, and the signature of the notifying agency's
28 director or the director's designee;

29 ~~((h))~~ (c) Screening of supplies, material, and equipment excess
30 to the requirements of one agency for overall state need before sale as
31 surplus;

32 ~~((i) Establishment of warehouse operation and storage standards to~~
33 ~~achieve uniform, effective, and economical stores operations;~~

34 ~~(j) Establishment of time limit standards for the issuing of~~
35 ~~material in store and for processing requisitions requiring purchase;~~

36 ~~(k) Formulation of criteria for))~~

37 (d) Determining when centralized rather than decentralized

1 purchasing shall be used to obtain maximum benefit of volume buying of
2 identical or similar items, including procurement from federal supply
3 sources;

4 ~~((+l))~~ (e) Development of criteria for use of leased, rather than
5 state owned, warehouse space based on relative cost and accessibility;

6 ~~((+m) Institution of standard criteria for purchase and placement
7 of state furnished materials, carpeting, furniture, fixtures, and
8 nonfixed equipment, in newly constructed or renovated state buildings;~~

9 ~~(+n))~~ (f) Determination of how transportation costs incurred by the
10 state for materials, supplies, services, and equipment can be reduced
11 by improved freight and traffic coordination and control;

12 ~~((+o))~~ (g) Establishment of a formal certification program for
13 state employees who are authorized to perform purchasing functions as
14 agents for the state under the provisions of chapter 43.19 RCW;

15 ~~((+p))~~ (h) Development of performance measures for the reduction
16 of total overall expense for material, supplies, equipment, and
17 services used each biennium by the state;

18 ~~((+q))~~ (i) Establishment of a standard system for all state
19 organizations to record and report dollar savings and cost avoidance
20 which are attributable to the establishment and implementation of
21 improved purchasing and material control procedures;

22 ~~((+r))~~ (j) Development of procedures for mutual and voluntary
23 cooperation between state agencies, including educational institutions,
24 and political subdivisions for exchange of purchasing and material
25 control services;

26 ~~((+s))~~ (k) Resolution of all other purchasing and material matters
27 which require the establishment of overall statewide policy for
28 effective and economical supply management;

29 ~~((+t))~~ (l) Development of guidelines and criteria for the purchase
30 of vehicles, high gas mileage vehicles, alternate vehicle fuels and
31 systems, equipment, and materials that reduce overall energy-related
32 costs and energy use by the state, including investigations into all
33 opportunities to aggregate the purchasing of clean technologies by
34 state and local governments, and including the requirement that new
35 passenger vehicles purchased by the state meet the minimum standards
36 for passenger automobile fuel economy established by the United States
37 secretary of transportation pursuant to the energy policy and
38 conservation act (15 U.S.C. Sec. 2002);

1 ((+u)) (m) Development of goals for state use of recycled or
2 environmentally preferable products through specifications for products
3 and services, processes for requests for proposals and requests for
4 qualifications, contractor selection, and contract negotiations;

5 ((+v)) (n) Development of procurement policies and procedures,
6 such as unbundled contracting and subcontracting, that encourage and
7 facilitate the purchase of products and services by state agencies and
8 institutions from Washington small businesses to the maximum extent
9 practicable and consistent with international trade agreement
10 commitments;

11 ((+w)) (o) Development of food procurement procedures and
12 materials that encourage and facilitate the purchase of Washington
13 grown food by state agencies and institutions to the maximum extent
14 practicable and consistent with international trade agreement
15 commitments; and

16 ((+x)) (p) Development of policies requiring all food contracts to
17 include a plan to maximize to the extent practicable and consistent
18 with international trade agreement commitments the availability of
19 Washington grown food purchased through the contract.

20 (2) ~~((The department of general administration shall convene a
21 working group including representatives of the office of financial
22 management, the department of information services, and the state
23 printer. The purpose of the working group is to work collaboratively
24 to develop common policies and procedures that encourage and facilitate
25 state government purchases from Washington small businesses, as
26 required in subsection (1)(v) of this section, and in RCW 39.29.065,
27 43.78.110, and 43.105.041(1)(j). By December 1, 2009, these central
28 services agencies shall jointly provide a written progress report to
29 the governor and legislature on actions taken and planned, barriers
30 identified, and solutions recommended to reach this goal.~~

31 (+3)) The definitions in this subsection apply throughout this
32 section and RCW 43.19.1908.

33 (a) "Common vendor registration and bid notification system" has
34 the definition in RCW 39.29.006.

35 (b) "Small business" has the definition in RCW 39.29.006.

36 (c) "Washington grown" has the definition in RCW 15.64.060.

1 **Sec. 209.** RCW 43.19.19052 and 1998 c 245 s 54 are each amended to
2 read as follows:

3 Initial policy determinations for the functions described in RCW
4 43.19.1905 shall be developed and published within the 1975-77 biennium
5 by the director for guidance and compliance by all state agencies,
6 including educational institutions, involved in purchasing and material
7 control. Modifications to these initial supply management policies
8 established during the 1975-77 biennium shall be instituted by the
9 director in future biennia as required to maintain an efficient and up-
10 to-date state supply management system.

11 It is the intention of the legislature that measurable improvements
12 in the effectiveness and economy of supply management in state
13 government shall be achieved during the 1975-77 biennium, and each
14 biennium thereafter. All agencies, departments, offices, divisions,
15 boards, and commissions and educational, correctional, and other types
16 of institutions are required to cooperate with and support the
17 development and implementation of improved efficiency and economy in
18 purchasing and material control. To effectuate this legislative
19 intention, the director(~~(, through the state purchasing and material~~
20 ~~control director, shall have)) has the authority to direct and require
21 the submittal of data from all state organizations concerning
22 purchasing and material control matters.~~

23 **Sec. 210.** RCW 43.19.1906 and 2008 c 215 s 5 are each amended to
24 read as follows:

25 Insofar as practicable, all purchases and sales shall be based on
26 competitive bids, and a formal sealed, electronic, or web-based bid
27 procedure, subject to RCW 43.19.1911, shall be used as standard
28 procedure for all purchases and contracts for purchases and sales
29 executed by the (~~(state purchasing and material control))~~ director and
30 under the powers granted by RCW 43.19.190 through 43.19.1939. This
31 requirement also applies to purchases and contracts for purchases and
32 sales executed by agencies, including educational institutions, under
33 delegated authority granted in accordance with provisions of RCW
34 43.19.190 or under RCW 28B.10.029. However, formal sealed, electronic,
35 or web-based competitive bidding is not necessary for:

36 (1) Emergency purchases made pursuant to RCW 43.19.200 if the

1 sealed bidding procedure would prevent or hinder the emergency from
2 being met appropriately;

3 (2) Purchases not exceeding thirty-five thousand dollars, or
4 subsequent limits as calculated by the office of financial management:
5 PROVIDED, That the ((state)) director of ((~~general administration~~)
6 enterprise services) shall establish procedures to assure that purchases
7 made by or on behalf of the various state agencies shall not be made so
8 as to avoid the thirty-five thousand dollar bid limitation, or
9 subsequent bid limitations as calculated by the office of financial
10 management: PROVIDED FURTHER, That the ((~~state purchasing and material~~
11 ~~control~~)) director or director's designee is authorized to reduce the
12 formal sealed bid limits of thirty-five thousand dollars, or subsequent
13 limits as calculated by the office of financial management, to a lower
14 dollar amount for purchases by individual state agencies if considered
15 necessary to maintain full disclosure of competitive procurement or
16 otherwise to achieve overall state efficiency and economy in purchasing
17 and material control. Quotations from three thousand dollars to
18 thirty-five thousand dollars, or subsequent limits as calculated by the
19 office of financial management, shall be secured from at least three
20 vendors to assure establishment of a competitive price and may be
21 obtained by telephone or written quotations, or both. The agency shall
22 invite at least one quotation each from a certified minority and a
23 certified women-owned vendor who shall otherwise qualify to perform
24 such work. Immediately after the award is made, the bid quotations
25 obtained shall be recorded and open to public inspection and shall be
26 available by telephone inquiry. A record of competition for all such
27 purchases from three thousand dollars to thirty-five thousand dollars,
28 or subsequent limits as calculated by the office of financial
29 management, shall be documented for audit purposes. Purchases up to
30 three thousand dollars may be made without competitive bids based on
31 buyer experience and knowledge of the market in achieving maximum
32 quality at minimum cost;

33 (3) Purchases which are clearly and legitimately limited to a
34 single source of supply and purchases involving special facilities,
35 services, or market conditions, in which instances the purchase price
36 may be best established by direct negotiation;

37 (4) Purchases of insurance and bonds by the risk management
38 ((~~division~~)) office under RCW 43.41.310 (as recodified by this act);

1 (5) Purchases and contracts for vocational rehabilitation clients
2 of the department of social and health services: PROVIDED, That this
3 exemption is effective only when the (~~state purchasing and material~~
4 ~~control~~) director of enterprise services, after consultation with the
5 director of the division of vocational rehabilitation and appropriate
6 department of social and health services procurement personnel,
7 declares that such purchases may be best executed through direct
8 negotiation with one or more suppliers in order to expeditiously meet
9 the special needs of the state's vocational rehabilitation clients;

10 (6) Purchases by universities for hospital operation or biomedical
11 teaching or research purposes and by the (~~state purchasing and~~
12 ~~material control~~) director of enterprise services, as the agent for
13 state hospitals as defined in RCW 72.23.010, and for health care
14 programs provided in state correctional institutions as defined in RCW
15 72.65.010(3) and veterans' institutions as defined in RCW 72.36.010 and
16 72.36.070, made by participating in contracts for materials, supplies,
17 and equipment entered into by nonprofit cooperative hospital group
18 purchasing organizations;

19 (7) Purchases for resale by institutions of higher education to
20 other than public agencies when such purchases are for the express
21 purpose of supporting instructional programs and may best be executed
22 through direct negotiation with one or more suppliers in order to meet
23 the special needs of the institution;

24 (8) Purchases by institutions of higher education not exceeding
25 thirty-five thousand dollars: PROVIDED, That for purchases between
26 three thousand dollars and thirty-five thousand dollars quotations
27 shall be secured from at least three vendors to assure establishment of
28 a competitive price and may be obtained by telephone or written
29 quotations, or both. For purchases between three thousand dollars and
30 thirty-five thousand dollars, each institution of higher education
31 shall invite at least one quotation each from a certified minority and
32 a certified women-owned vendor who shall otherwise qualify to perform
33 such work. A record of competition for all such purchases made from
34 three thousand to thirty-five thousand dollars shall be documented for
35 audit purposes; and

36 (9) Off-contract purchases of Washington grown food when such food
37 is not available from Washington sources through an existing contract.
38 However, Washington grown food purchased under this subsection must be

1 of an equivalent or better quality than similar food available through
2 the contract and be able to be paid from the agency's existing budget.
3 This requirement also applies to purchases and contracts for purchases
4 executed by state agencies, including institutions of higher education,
5 under delegated authority granted in accordance with RCW 43.19.190 or
6 under RCW 28B.10.029(~~;~~ and

7 ~~(10) Negotiation of a contract by the department of transportation,~~
8 ~~valid until June 30, 2001, with registered tow truck operators to~~
9 ~~provide roving service patrols in one or more Washington state patrol~~
10 ~~tow zones whereby those registered tow truck operators wishing to~~
11 ~~participate would cooperatively, with the department of transportation,~~
12 ~~develop a demonstration project upon terms and conditions negotiated by~~
13 ~~the parties)).~~

14 Beginning on July 1, 1995, and on July 1st of each succeeding odd-
15 numbered year, the dollar limits specified in this section shall be
16 adjusted as follows: The office of financial management shall
17 calculate such limits by adjusting the previous biennium's limits by
18 the appropriate federal inflationary index reflecting the rate of
19 inflation for the previous biennium. Such amounts shall be rounded to
20 the nearest one hundred dollars. However, the three thousand dollar
21 figure in subsections (2) and (8) of this section may not be adjusted
22 to exceed five thousand dollars.

23 As used in this section, "Washington grown" has the definition in
24 RCW 15.64.060.

25 **Sec. 211.** RCW 43.19.1908 and 2009 c 486 s 11 are each amended to
26 read as follows:

27 Competitive bidding required by RCW 43.19.190 through 43.19.1939
28 shall be solicited by public notice, by posting of the contract
29 opportunity on the state's common vendor registration and bid
30 notification system, and through the sending of notices by mail,
31 electronic transmission, or other means to bidders on the appropriate
32 list of bidders who shall have qualified by application to the
33 ~~((division of purchasing))~~ department. Bids may be solicited by the
34 ~~((purchasing division))~~ department from any source thought to be of
35 advantage to the state. All bids shall be in written or electronic
36 form and conform to rules of the ~~((division of purchasing))~~ department.

1 **Sec. 212.** RCW 43.19.1913 and 1965 c 8 s 43.19.1913 are each
2 amended to read as follows:

3 The (~~division of purchasing~~) department may reject the bid of any
4 bidder who has failed to perform satisfactorily a previous contract
5 with the state.

6 **Sec. 213.** RCW 43.19.1915 and 2009 c 549 s 5064 are each amended to
7 read as follows:

8 When any bid has been accepted, the (~~division of purchasing~~)
9 department may require of the successful bidder a bond payable to the
10 state in such amount with such surety or sureties as determined by the
11 (~~division of purchasing~~) department, conditioned that he or she will
12 fully, faithfully and accurately execute the terms of the contract into
13 which he or she has entered. The bond shall be filed in the (~~office~~
14 ~~of the division of purchasing~~) department. Bidders who regularly do
15 business with the state shall be permitted to file with the (~~division~~
16 ~~of purchasing~~) department an annual bid bond in an amount established
17 by the (~~division~~) department and such annual bid bond shall be
18 acceptable as surety in lieu of furnishing surety with individual bids.

19 **Sec. 214.** RCW 43.19.1917 and 1979 c 88 s 3 are each amended to
20 read as follows:

21 All state agencies, including educational institutions, shall
22 maintain a perpetual record of ownership of state owned equipment,
23 which shall be available for the inspection and check of those officers
24 who are charged by law with the responsibility for auditing the records
25 and accounts of the state organizations owning the equipment, or to
26 such other special investigators and others as the governor may direct.
27 In addition, these records shall be made available to members of the
28 legislature, the legislative committees, and legislative staff on
29 request.

30 All state agencies, including educational institutions, shall
31 account to the office of financial management upon request for state
32 equipment owned by, assigned to, or otherwise possessed by them and
33 maintain such records as the office of financial management deems
34 necessary for proper accountability therefor. The office of financial
35 management shall publish a procedural directive for compliance by all
36 state agencies, including educational institutions, which establishes

1 a standard method of maintaining records for state owned equipment,
2 including the use of standard state forms. This published directive
3 also shall include instructions for reporting to the (~~division of~~
4 ~~purchasing~~) department all state equipment which is excess to the
5 needs of state organizations owning such equipment. The term "state
6 equipment" means all items of machines, tools, furniture, or
7 furnishings other than expendable supplies and materials as defined by
8 the office of financial management.

9 **Sec. 215.** RCW 43.19.1919 and 2000 c 183 s 1 are each amended to
10 read as follows:

11 The (~~division of purchasing~~) department shall sell or exchange
12 personal property belonging to the state for which the agency, office,
13 department, or educational institution having custody thereof has no
14 further use, at public or private sale, and cause the moneys realized
15 from the sale of any such property to be paid into the fund from which
16 such property was purchased or, if such fund no longer exists, into the
17 state general fund. This requirement is subject to the following
18 exceptions and limitations:

19 (1) This section does not apply to property under RCW 27.53.045,
20 28A.335.180, or 43.19.1920;

21 (2) Sales of capital assets may be made by the (~~division of~~
22 ~~purchasing~~) department and a credit established (~~in central stores~~)
23 for future purchases of capital items as provided for in RCW 43.19.190
24 through 43.19.1939;

25 (3) Personal property, excess to a state agency, including
26 educational institutions, shall not be sold or disposed of prior to
27 reasonable efforts by the (~~division of purchasing~~) department to
28 determine if other state agencies have a requirement for such personal
29 property. Such determination shall follow sufficient notice to all
30 state agencies to allow adequate time for them to make their needs
31 known. Surplus items may be disposed of without prior notification to
32 state agencies if it is determined by the director (~~of general~~
33 ~~administration~~) to be in the best interest of the state. The
34 (~~division of purchasing~~) department shall maintain a record of
35 disposed surplus property, including date and method of disposal,
36 identity of any recipient, and approximate value of the property;

1 (4) This section does not apply to personal property acquired by a
2 state organization under federal grants and contracts if in conflict
3 with special title provisions contained in such grants or contracts;

4 (5) A state agency having a surplus personal property asset with a
5 fair market value of less than five hundred dollars may transfer the
6 asset to another state agency without charging fair market value. A
7 state agency conducting this action must maintain adequate records to
8 comply with agency inventory procedures and state audit requirements.

9 **Sec. 216.** RCW 43.19.19191 and 1999 c 186 s 1 are each amended to
10 read as follows:

11 (1) In addition to disposing of property under RCW 28A.335.180,
12 39.33.010, 43.19.1919, and 43.19.1920, state-owned, surplus computers
13 and computer-related equipment may be donated to any school district or
14 educational service district under the guidelines and distribution
15 standards established pursuant to subsection (2) of this section.

16 (2) (~~By September 1, 1999,~~) The department and office of the
17 superintendent of public instruction shall jointly develop guidelines
18 and distribution standards for the donation of state-owned, surplus
19 computers and computer-related equipment to school districts and
20 educational service districts. The guidelines and distribution
21 standards shall include considerations for quality, school-district
22 needs, and accountability, and shall give priority to meeting the
23 computer-related needs of children with disabilities, including those
24 disabilities necessitating the portability of laptop computers. The
25 guidelines must be updated as needed.

26 **Sec. 217.** RCW 43.19.1920 and 1995 c 399 s 63 are each amended to
27 read as follows:

28 The (~~division of purchasing~~) department may donate state-owned,
29 surplus, tangible personal property to shelters that are: Participants
30 in the department of (~~community, trade, and economic development's~~)
31 commerce's emergency shelter assistance program; and operated by
32 nonprofit organizations or units of local government providing
33 emergency or transitional housing for homeless persons. A donation may
34 be made only if all of the following conditions have been met:

35 (1) The (~~division of purchasing~~) department has made reasonable
36 efforts to determine if any state agency has a requirement for such

1 personal property and no such agency has been identified. Such
2 determination shall follow sufficient notice to all state agencies to
3 allow adequate time for them to make their needs known;

4 (2) The agency owning the property has authorized the (~~division of~~
5 ~~purchasing~~) department to donate the property in accordance with this
6 section;

7 (3) The nature and quantity of the property in question is directly
8 germane to the needs of the homeless persons served by the shelter and
9 the purpose for which the shelter exists and the shelter agrees to use
10 the property for such needs and purposes; and

11 (4) The director (~~of general administration~~) has determined that
12 the donation of such property is in the best interest of the state.

13 **Sec. 218.** RCW 43.19.19201 and 1995 c 399 s 64 are each amended to
14 read as follows:

15 (1) The department (~~of general administration~~) shall identify and
16 catalog real property that is no longer required for department
17 purposes and is suitable for the development of affordable housing for
18 very low-income, low-income, and moderate-income households as defined
19 in RCW 43.63A.510. The inventory shall include the location,
20 approximate size, and current zoning classification of the property.
21 The department (~~of general administration~~) shall provide a copy of
22 the inventory to the department of (~~community, trade, and economic~~
23 ~~development~~) commerce by November 1, 1993, and every November 1
24 thereafter.

25 (2) By November 1 of each year, beginning in 1994, the department
26 (~~of general administration~~) shall purge the inventory of real
27 property of sites that are no longer available for the development of
28 affordable housing. The department shall include an updated listing of
29 real property that has become available since the last update. As used
30 in this section, "real property" means buildings, land, or buildings
31 and land.

32 **Sec. 219.** RCW 43.19.1921 and 1979 c 151 s 100 are each amended to
33 read as follows:

34 The director (~~of general administration, through the division of~~
35 ~~purchasing,~~) shall:

1 (1) Establish and maintain warehouses (~~((hereinafter referred to as~~
2 ~~"central stores"))~~) for the centralized storage and distribution of such
3 supplies, equipment, and other items of common use in order to effect
4 economies in the purchase of supplies and equipment for state agencies.
5 To provide (~~((central stores))~~) warehouse facilities the (~~((division of~~
6 ~~purchasing))~~) department may, by arrangement with the state agencies,
7 utilize any surplus available state owned space, and may acquire other
8 needed warehouse facilities by lease or purchase of the necessary
9 premises;

10 (2) Provide for the central salvage(~~(, maintenance, repair, and~~
11 ~~servicing))~~) of equipment, furniture, or furnishings used by state
12 agencies, and also by means of such a service provide an equipment pool
13 for effecting sales and exchanges of surplus and unused property by and
14 between state agencies. Funds derived from the sale and exchange of
15 property shall be placed to the account of the appropriate state agency
16 on the central stores accounts but such funds may not be expended
17 through central stores without prior approval of the office of
18 financial management.

19 **Sec. 220.** RCW 43.19.1932 and 1989 c 185 s 2 are each amended to
20 read as follows:

21 The department of corrections shall be exempt from the following
22 provisions of this chapter in respect to goods or services purchased or
23 sold pursuant to the operation of correctional industries: RCW
24 43.19.180, 43.19.190, 43.19.1901, 43.19.1905, 43.19.1906, 43.19.1908,
25 43.19.1911, 43.19.1913, 43.19.1915, 43.19.1917, 43.19.1919, 43.19.1921,
26 (~~((43.19.1925,))~~) and 43.19.200.

27 **Sec. 221.** RCW 43.19.200 and 2009 c 549 s 5066 are each amended to
28 read as follows:

29 (1) The governing authorities of the state's educational
30 institutions, the elective state officers, the supreme court, the court
31 of appeals, the administrative and other departments of the state
32 government, and all appointive officers of the state, shall prepare
33 estimates of the supplies required for the proper conduct and
34 maintenance of their respective institutions, offices, and departments,
35 covering periods to be fixed by the director, and forward them to the
36 director in accordance with his or her directions. No such

1 authorities, officers, or departments, or any officer or employee
2 thereof, may purchase any article for the use of their institutions,
3 offices, or departments, except in case of emergency purchases as
4 provided in subsection (2) of this section.

5 (2) The authorities, officers, and departments enumerated in
6 subsection (1) of this section may make emergency purchases in response
7 to unforeseen circumstances beyond the control of the agency which
8 present a real, immediate, and extreme threat to the proper performance
9 of essential functions or which may reasonably be expected to result in
10 excessive loss or damage to property, bodily injury, or loss of life.
11 When an emergency purchase is made, the agency head shall submit
12 written notification of the purchase, within three days of the
13 purchase, to the director (~~(of general administration)~~). This
14 notification shall contain a description of the purchase, description
15 of the emergency and the circumstances leading up to the emergency, and
16 an explanation of why the circumstances required an emergency purchase.

17 (3) Purchases made for the state's educational institutions, the
18 offices of the elective state officers, the supreme court, the court of
19 appeals, the administrative and other departments of the state
20 government, and the offices of all appointive officers of the state,
21 shall be paid for out of the moneys appropriated for supplies,
22 material, and service of the respective institutions, offices, and
23 departments.

24 (4) The director (~~(of general administration)~~) shall submit, on an
25 annual basis, the written notifications required by subsection (2) of
26 this section to the director of financial management.

27 **Sec. 222.** RCW 43.19.450 and 1994 c 264 s 15 are each amended to
28 read as follows:

29 The director (~~(of general administration)~~) shall appoint (~~(and~~
30 ~~deputize an assistant director to be known as the)~~) a supervisor of
31 engineering and architecture (~~(who shall have charge and supervision of~~
32 ~~the division of engineering and architecture. With the approval of the~~
33 ~~director, the supervisor may appoint and employ such assistants and~~
34 ~~personnel as may be necessary to carry out the work of the division)~~).

35 (~~(No)~~) A person (~~(shall be)~~) is not eligible for appointment as
36 supervisor of engineering and architecture unless he or she is licensed
37 to practice the profession of engineering or the profession of

1 architecture in the state of Washington and for the last five years
2 prior to his or her appointment has been licensed to practice the
3 profession of engineering or the profession of architecture.

4 As used in this section, "state facilities" includes all state
5 buildings, related structures, and appurtenances constructed for any
6 elected state officials, institutions, departments, boards,
7 commissions, colleges, community colleges, except the state
8 universities, The Evergreen State College and regional universities.
9 "State facilities" does not include facilities owned by or used for
10 operational purposes and constructed for the department of
11 transportation, department of fish and wildlife, department of natural
12 resources, or state parks and recreation commission.

13 The director (~~(of general administration, through the division of~~
14 ~~engineering and architecture)) or the director's designee shall:~~

15 (1) Prepare cost estimates and technical information to accompany
16 the capital budget and prepare or contract for plans and specifications
17 for new construction and major repairs and alterations to state
18 facilities.

19 (2) Contract for professional architectural, engineering, and
20 related services for the design of new state facilities and major
21 repair or alterations to existing state facilities.

22 (3) Provide contract administration for new construction and the
23 repair and alteration of existing state facilities.

24 (4) In accordance with the public works laws, contract on behalf of
25 the state for the new construction and major repair or alteration of
26 state facilities.

27 The director may delegate any and all of the functions under
28 subsections (1) through (4) of this section to any agency upon such
29 terms and conditions as considered advisable.

30 (~~(The director may delegate the authority granted to the department~~
31 ~~under RCW 39.04.150 to any agency upon such terms as considered~~
32 ~~advisable.))~~

33 **Sec. 223.** RCW 43.19.455 and 2005 c 36 s 6 are each amended to read
34 as follows:

35 Except as provided under RCW 43.17.210, the Washington state arts
36 commission shall determine the amount to be made available for the
37 purchase of art under RCW 43.17.200 in consultation with the director

1 ((~~of general administration~~)), and payments therefor shall be made in
2 accordance with law. The designation of projects and sites, selection,
3 contracting, purchase, commissioning, reviewing of design, execution
4 and placement, acceptance, maintenance, and sale, exchange, or
5 disposition of works of art shall be the responsibility of the
6 Washington state arts commission in consultation with the director ((~~of~~
7 ~~general administration~~)).

8 **Sec. 224.** RCW 43.19.500 and 2005 c 330 s 6 are each amended to
9 read as follows:

10 The ((~~general administration~~)) enterprise services account shall be
11 used by the department ((~~of general administration~~)) for the payment of
12 certain costs, expenses, and charges, as specified in this section,
13 incurred by it in the operation and administration of the department in
14 the rendering of services, the furnishing or supplying of equipment,
15 supplies and materials, and for providing or allocating facilities,
16 including the operation, maintenance, rehabilitation, or furnishings
17 thereof to other agencies, offices, departments, activities, and other
18 entities enumerated in RCW 43.01.090 and including the rendering of
19 services in acquiring real estate under RCW 43.82.010 and the operation
20 and maintenance of public and historic facilities at the state capitol,
21 as defined in RCW 79.24.710. The department shall treat the rendering
22 of services in acquiring real estate and the operation and maintenance
23 of state capitol public and historic facilities as separate operating
24 entities within the account for financial accounting and control.

25 The schedule of services, facilities, equipment, supplies,
26 materials, maintenance, rehabilitation, furnishings, operations, and
27 administration to be so financed and recovered shall be determined
28 jointly by the director ((~~of general administration~~)) and the director
29 of financial management, in equitable amounts which, together with any
30 other income or appropriation, will provide the department ((~~of general~~
31 ~~administration~~)) with funds to meet its anticipated expenditures during
32 any allotment period.

33 The director ((~~of general administration~~)) may adopt rules
34 governing the provisions of RCW 43.01.090 and this section and the
35 relationships and procedures between the department ((~~of general~~
36 ~~administration~~)) and such other entities.

1 **Sec. 225.** RCW 43.19.501 and 2009 c 564 s 932 are each amended to
2 read as follows:

3 The Thurston county capital facilities account is created in the
4 state treasury. The account is subject to the appropriation and
5 allotment procedures under chapter 43.88 RCW. Moneys in the account
6 may be expended for capital projects in facilities owned and managed by
7 the department (~~(of general administration)~~) in Thurston county. For
8 the 2007-2009 biennium, moneys in the account may be used for predesign
9 identified in section 1037, chapter 328, Laws of 2008.

10 During the 2009-2011 fiscal biennium, the legislature may transfer
11 from the Thurston county capital facilities account to the state
12 general fund such amounts as reflect the excess fund balance of the
13 account.

14 **Sec. 226.** RCW 43.19.530 and 2005 c 204 s 2 are each amended to
15 read as follows:

16 The state agencies and departments are hereby authorized to
17 purchase products and/or services manufactured or provided by(~~(+~~
18 ~~(1))~~) community rehabilitation programs of the department of social
19 and health services(~~(+and~~
20 ~~(2) Until December 31, 2009, businesses owned and operated by~~
21 ~~persons with disabilities)~~).

22 Such purchases shall be at the fair market price of such products
23 and services as determined by the (~~(division of purchasing of the)~~)
24 department of (~~(general administration)~~) enterprise services. To
25 determine the fair market price the (~~(division)~~) department shall use
26 the last comparable bid on the products and/or services or in the
27 alternative the last price paid for the products and/or services. The
28 increased cost of labor, materials, and other documented costs since
29 the last comparable bid or the last price paid are additional cost
30 factors which shall be considered in determining fair market price.
31 Upon the establishment of the fair market price as provided for in this
32 section the (~~(division)~~) department is hereby empowered to negotiate
33 directly for the purchase of products or services with officials in
34 charge of the community rehabilitation programs of the department of
35 social and health services (~~(and, until December 31, 2007, businesses~~
36 ~~owned and operated by persons with disabilities)~~).

1 **Sec. 227.** RCW 43.19.534 and 2009 c 470 s 717 are each amended to
2 read as follows:

3 (1) State agencies, the legislature, and departments shall purchase
4 for their use all goods and services required by the legislature,
5 agencies, or departments that are produced or provided in whole or in
6 part from class II inmate work programs operated by the department of
7 corrections through state contract. These goods and services shall not
8 be purchased from any other source unless, upon application by the
9 department or agency: (a) The department (~~(of general administration)~~)
10 finds that the articles or products do not meet the reasonable
11 requirements of the agency or department, (b) are not of equal or
12 better quality, or (c) the price of the product or service is higher
13 than that produced by the private sector. However, the criteria
14 contained in (a), (b), and (c) of this (~~section~~) subsection for
15 purchasing goods and services from sources other than correctional
16 industries do not apply to goods and services produced by correctional
17 industries that primarily replace goods manufactured or services
18 obtained from outside the state. The department of corrections and
19 department (~~(of general administration)~~) shall adopt administrative
20 rules that implement this section.

21 (2) During the 2009-2011 fiscal biennium, and in conformance with
22 section 223(11), chapter 470, Laws of 2009, this section does not apply
23 to the purchase of uniforms by the Washington state ferries.

24 **Sec. 228.** RCW 43.19.538 and 1991 c 297 s 5 are each amended to
25 read as follows:

26 (1) The director (~~(of general administration, through the state~~
27 ~~purchasing director,)~~) shall develop specifications and adopt rules for
28 the purchase of products which will provide for preferential purchase
29 of products containing recycled material by:

30 (a) The use of a weighting factor determined by the amount of
31 recycled material in a product, where appropriate and known in advance
32 to potential bidders, to determine the lowest responsible bidder. The
33 actual dollars bid shall be the contracted amount. If the department
34 determines, according to criteria established by rule that the use of
35 this weighting factor does not encourage the use of more recycled
36 material, the department shall consider and award bids without regard
37 to the weighting factor. In making this determination, the department

1 shall consider but not be limited to such factors as adequate
2 competition, economics or environmental constraints, quality, and
3 availability.

4 (b) Requiring a written statement of the percentage range of
5 recycled content from the bidder providing products containing recycled
6 [material]. The range may be stated in five percent increments.

7 (2) The director shall develop a directory of businesses that
8 supply products containing significant quantities of recycled
9 materials. This directory may be combined with and made accessible
10 through the database of recycled content products to be developed under
11 RCW 43.19A.060.

12 (3) The director shall encourage all parties using the state
13 purchasing office to purchase products containing recycled materials.

14 (4) The rules, specifications, and bid evaluation shall be
15 consistent with recycled content standards adopted under RCW
16 43.19A.020.

17 **Sec. 229.** RCW 43.19.539 and 2006 c 183 s 36 are each amended to
18 read as follows:

19 (1) The department (~~((of general administration))~~) shall establish
20 purchasing and procurement policies that establish a preference for
21 electronic products that meet environmental performance standards
22 relating to the reduction or elimination of hazardous materials.

23 (2) The department (~~((of general administration))~~) shall ensure that
24 their surplus electronic products, other than those sold individually
25 to private citizens, are managed only by registered transporters and by
26 processors meeting the requirements of RCW 70.95N.250 (~~((and section 26
27 of this act))~~).

28 (3) The department (~~((of general administration))~~) shall ensure that
29 their surplus electronic products are directed to legal secondary
30 materials markets by requiring a chain of custody record that documents
31 to whom the products were initially delivered through to the end use
32 manufacturer.

33 **Sec. 230.** RCW 43.19.560 and 1983 c 187 s 3 are each amended to
34 read as follows:

35 As used in RCW 43.19.565 through 43.19.635, 43.41.130 and
36 43.41.140, the following definitions shall apply:

1 (1) "Passenger motor vehicle" means any sedan, station wagon, bus,
2 or light truck which is designed for carrying ten passengers or less
3 and is used primarily for the transportation of persons;

4 (2) "State agency" shall include any state office, agency,
5 commission, department, or institution financed in whole or in part
6 from funds appropriated by the legislature. It shall also include the
7 Washington state school director's association (~~and the state~~
8 ~~printer~~), but it shall not include (a) the state supreme court or any
9 agency of the judicial branch or (b) the legislature or any of its
10 statutory, standing, special, or interim committees, other than at the
11 option of the judicial or legislative agency or committee concerned;

12 (3) "Employee commuting" shall mean travel by a state officer or
13 employee to or from his or her official residence or other domicile to
14 or from his or her official duty station or other place of work;

15 (4) "Motor vehicle transportation services" shall include but not
16 be limited to the furnishing of motor vehicles for the transportation
17 of persons or property, with or without drivers, and may also include
18 furnishing of maintenance, storage, and other support services to state
19 agencies for the conduct of official state business.

20 **Sec. 231.** RCW 43.19.565 and 2005 c 214 s 1 are each amended to
21 read as follows:

22 The department (~~of general administration~~) shall establish a
23 motor vehicle transportation service which is hereby empowered to:

24 (1) Provide suitable motor vehicle transportation services to
25 (~~any~~) state (~~agency~~) agencies on either a temporary or permanent
26 basis (~~upon requisition from a state agency~~) and upon such
27 demonstration of need as the department may require;

28 (2) Provide motor pools for the use of state agencies located in
29 the Olympia area and such additional motor pools at other locations in
30 the state as may be necessary to provide economic, efficient, and
31 effective motor vehicle transportation services to state agencies.
32 Such additional motor pools may be under either the direct control of
33 the department or under the supervision of another state agency by
34 agreement with the department;

35 (3) Establish an equitable schedule of rental and mileage charges
36 to agencies for motor vehicle transportation services furnished which
37 shall be designed to provide funds to (~~cover replacement of vehicles,~~

1 ~~the purchase of additional vehicles, and to~~) recover the actual total
2 costs of motor pool operations including but not limited to vehicle
3 operation expense, depreciation expense, overhead, and nonrecoverable
4 collision or other damage to vehicles; and

5 (4) Establish guidelines, procedures, and standards for fleet
6 operations that other state agencies and institutions of higher
7 education may adopt. The guidelines, procedures, and standards shall
8 be consistent with and carry out the objectives of any general policies
9 adopted by the office of financial management under RCW 43.41.130.

10 Unless otherwise determined by the director after consultation with
11 the office of financial management, vehicles owned and managed by the
12 department of transportation, the department of natural resources, and
13 the Washington state patrol are exempt from the requirements of
14 subsections (1), (2), and (4) of this section.

15 **Sec. 232.** RCW 43.19.585 and 1975 1st ex.s. c 167 s 7 are each
16 amended to read as follows:

17 The director (~~of general administration shall appoint a supervisor~~
18 ~~of motor transport, who~~) or the director's designee shall have general
19 charge and supervision of state motor pools and motor vehicle
20 transportation services under departmental administration and control.
21 (~~The appointment of all personnel, except the supervisor, shall be~~
22 ~~made pursuant to chapter 41.06 RCW, the state civil service law, as now~~
23 ~~or hereafter amended.~~

24 ~~With the approval of~~) The director(~~, the supervisor shall (1)~~
25 ~~appoint and employ such assistants and personnel as may be necessary,~~
26 ~~(2)~~) or the director's designee shall (1) acquire by purchase or
27 otherwise a sufficient number of motor vehicles to fulfill state agency
28 needs for motor vehicle transportation service, (~~(+3)~~) (2) provide for
29 necessary storage, upkeep, and repair, and (~~(+4)~~) (3) provide for
30 servicing motor pool vehicles with fuel, lubricants, and other
31 operating requirements.

32 **Sec. 233.** RCW 43.19.600 and 2009 c 549 s 5068 are each amended to
33 read as follows:

34 (1) (~~On or after July 1, 1975,~~) Any passenger motor vehicles
35 currently owned or hereafter acquired by any state agency(~~, except~~
36 ~~vehicles acquired from federal granted funds and over which the federal~~

1 ~~government retains jurisdiction and control, may)) shall~~ be purchased
2 by or transferred to the department (~~(of general administration))~~ with
3 the consent of the state agency concerned. The director (~~(of general~~
4 ~~administration))~~ may accept vehicles subject to the provisions of RCW
5 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 prior to July 1,
6 1975, if he or she deems it expedient to accomplish an orderly
7 transition.

8 (2) The department, in cooperation with the office of financial
9 management, shall study and ascertain current and prospective needs of
10 state agencies for passenger motor vehicles and shall (~~(recommend))~~
11 direct the transfer to a state motor pool or other appropriate
12 disposition of any vehicle found not to be required by a state agency.

13 (3) The department shall direct the transfer of passenger motor
14 vehicles from a state agency to a state motor pool or other disposition
15 as appropriate, based on a study under subsection (2) of this section,
16 (~~(or after a public hearing held by the department,))~~ if a finding is
17 made based on testimony and data therein submitted that the economy,
18 efficiency, or effectiveness of state government would be improved by
19 such a transfer or other disposition of passenger motor vehicles. Any
20 dispute over the accuracy of (~~(testimony and))~~ data submitted as to the
21 benefits in state governmental economy, efficiency, and effectiveness
22 to be gained by such transfer shall be resolved by the (~~(governor or~~
23 ~~the governor's designee))~~ director and the director of financial
24 management.

25 **Sec. 234.** RCW 43.19.610 and 1998 c 105 s 12 are each amended to
26 read as follows:

27 All moneys, funds, proceeds, and receipts as (~~(provided in RCW~~
28 ~~43.19.615 and as may otherwise be))~~ provided by law shall be paid into
29 the (~~(general administration))~~ enterprise services account.
30 Disbursements therefrom shall be made in accordance with the provisions
31 of RCW 43.19.560 through 43.19.630, 43.41.130 and 43.41.140 as
32 authorized by the director or a duly authorized representative and as
33 may be provided by law.

34 **Sec. 235.** RCW 43.19.620 and 2009 c 549 s 5069 are each amended to
35 read as follows:

36 The director (~~(of general administration, through the supervisor of~~

1 ~~motor transport,~~) shall adopt(~~, promulgate,~~) and enforce (~~such~~
2 ~~regulations~~) rules as may be deemed necessary to accomplish the
3 purpose of RCW 43.19.560 through 43.19.630, 43.41.130, and 43.41.140.
4 (~~Such regulations~~) The rules, in addition to other matters, shall
5 provide authority for any agency director or his or her delegate to
6 approve the use on official state business of personally owned or
7 commercially owned rental passenger motor vehicles. Before such an
8 authorization is made, it must first be reasonably determined that
9 state owned passenger vehicles or other suitable transportation is not
10 available at the time or location required or that the use of such
11 other transportation would not be conducive to the economical,
12 efficient, and effective conduct of business.

13 (~~Such regulations~~) The rules shall be consistent with and shall
14 carry out the objectives of the general policies and guidelines adopted
15 by the office of financial management pursuant to RCW 43.41.130.

16 **Sec. 236.** RCW 43.19.635 and 2009 c 549 s 5071 are each amended to
17 read as follows:

18 (1) The governor, acting through the department (~~of general~~
19 ~~administration~~) and any other appropriate agency or agencies as he or
20 she may direct, is empowered to utilize all reasonable means for
21 detecting the unauthorized use of state owned motor vehicles, including
22 the execution of agreements with the state patrol for compliance
23 enforcement. Whenever such illegal use is discovered which involves a
24 state employee, the employing agency shall proceed as provided by law
25 to establish the amount, extent, and dollar value of any such use,
26 including an opportunity for notice and hearing for the employee
27 involved. When such illegal use is so established, the agency shall
28 assess its full cost of any mileage illegally used and shall recover
29 such amounts by deductions from salary or allowances due to be paid to
30 the offending official or employee by other means. Recovery of costs
31 by the state under this subsection shall not preclude disciplinary or
32 other action by the appropriate appointing authority or employing
33 agency under subsection (2) of this section.

34 (2) Any (~~wilful~~) willful and knowing violation of any provision
35 of RCW 43.19.560 through 43.19.620, 43.41.130 and 43.41.140 shall
36 subject the state official or employee committing such violation to
37 disciplinary action by the appropriate appointing or employing agency.

1 Such disciplinary action may include, but shall not be limited to,
2 suspension without pay, or termination of employment in the case of
3 repeated violations.

4 (3) Any casual or inadvertent violation of RCW 43.19.560 through
5 43.19.620, 43.41.130 and 43.41.140 may subject the state official or
6 employee committing such violation to disciplinary action by the
7 appropriate appointing authority or employing agency. Such
8 disciplinary action may include, but need not be limited to, suspension
9 without pay.

10 **Sec. 237.** RCW 43.19.646 and 2006 c 338 s 12 are each amended to
11 read as follows:

12 (1) The department (~~(of general administration)~~) must assist state
13 agencies seeking to meet the biodiesel fuel requirements in RCW
14 43.19.642 by coordinating the purchase and delivery of biodiesel if
15 requested by any state agency. The department may use long-term
16 contracts of up to ten years, when purchasing from in-state suppliers
17 who use predominantly in-state feedstock, to secure a sufficient and
18 stable supply of biodiesel for use by state agencies.

19 (2) The department shall compile and analyze the reports submitted
20 under RCW 43.19.642(~~(+4)~~) (3) and report in an electronic format its
21 findings and recommendations to the governor and committees of the
22 legislature with responsibility for energy issues, within sixty days
23 from the end of each reporting period. The governor shall consider
24 these reports in determining whether to temporarily suspend minimum
25 renewable fuel content requirements as authorized under RCW 19.112.160.

26 **Sec. 238.** RCW 43.19.663 and 2002 c 285 s 4 are each amended to
27 read as follows:

28 (1) The department (~~(of general administration)~~), in cooperation
29 with public agencies, shall investigate opportunities to aggregate the
30 purchase of clean technologies with other public agencies to determine
31 whether or not combined purchasing can reduce the unit cost of clean
32 technologies.

33 (2) State agencies that are retail electric customers shall
34 investigate opportunities to aggregate the purchase of electricity
35 produced from generation resources that are fueled by wind or solar

1 energy for their facilities located within a single utility's service
2 area, to determine whether or not combined purchasing can reduce the
3 unit cost of those resources.

4 (3) No public agency is required under this section to purchase
5 clean technologies at prohibitive costs.

6 (4)(a) "Electric utility" shall have the same meaning as provided
7 under RCW 19.29A.010.

8 (b) "Clean technology" includes, but may not be limited to,
9 alternative fueled hybrid-electric and fuel cell vehicles, and
10 distributive power generation.

11 (c) "Distributive power generation" means the generation of
12 electricity from an integrated or stand-alone power plant that
13 generates electricity from wind energy, solar energy, or fuel cells.

14 (d) "Retail electric customer" shall have the same meaning as
15 provided under RCW 19.29A.010.

16 (e) "Facility" means any building owned or leased by a public
17 agency.

18 **Sec. 239.** RCW 43.19.685 and 1982 c 48 s 4 are each amended to read
19 as follows:

20 The director (~~(of general administration)~~) shall develop lease
21 covenants, conditions, and terms which:

22 (1) Obligate the lessor to conduct or have conducted a walk-through
23 survey of the leased premises;

24 (2) Obligate the lessor to implement identified energy conservation
25 maintenance and operating procedures upon completion of the walk-
26 through survey; and

27 (3) Obligate the lessor to undertake technical assistance studies
28 and subsequent acquisition and installation of energy conservation
29 measures if the director (~~(of general administration)~~), in accordance
30 with rules adopted by the department, determines that these studies and
31 measures will both conserve energy and can be accomplished with a state
32 funding contribution limited to the savings which would result in
33 utility expenses during the term of the lease.

34 These lease covenants, conditions, and terms shall be incorporated
35 into all specified new, renewed, and renegotiated leases executed on or
36 after January 1, 1983. This section applies to all leases under which

1 state occupancy is at least half of the facility space and includes an
2 area greater than three thousand square feet.

3 **Sec. 240.** RCW 43.19.702 and 1983 c 183 s 2 are each amended to
4 read as follows:

5 The director (~~(of general administration)~~) shall compile a list of
6 the statutes and regulations, relating to state purchasing, of each
7 state, which statutes and regulations the director believes grant a
8 preference to vendors located within the state or goods manufactured
9 within the state. At least once every twelve months the director shall
10 update the list.

11 **Sec. 241.** RCW 43.19.704 and 1983 c 183 s 3 are each amended to
12 read as follows:

13 The director (~~(of general administration)~~) shall adopt and apply
14 rules designed to provide for some reciprocity in bidding between
15 Washington and those states having statutes or regulations on the list
16 under RCW 43.19.702. The director (~~(of general administration)~~) shall
17 have broad discretionary power in developing these rules and the rules
18 shall provide for reciprocity only to the extent and in those instances
19 where the director considers it appropriate. For the purpose of
20 determining the lowest responsible bidder pursuant to RCW 43.19.1911,
21 such rules shall (1) require the director to impose a reciprocity
22 increase on bids when appropriate under the rules and (2) establish
23 methods for determining the amount of the increase. In no instance
24 shall such increase, if any, be paid to a vendor whose bid is accepted.

25 **Sec. 242.** RCW 43.19.708 and 2010 c 5 s 5 are each amended to read
26 as follows:

27 The department (~~(of general administration)~~) shall identify in the
28 department's vendor registry all vendors that are veteran-owned
29 businesses as certified by the department of veterans affairs under RCW
30 43.60A.195.

31 **Sec. 243.** RCW 43.19.710 and 1993 c 219 s 2 are each amended to
32 read as follows:

33 Unless the context clearly requires otherwise, the definitions in
34 this section apply throughout this section and RCW 43.19.715.

1 (1) "Consolidated mail service" means incoming, outgoing, and
2 internal mail processing.

3 ~~(2) ("Department" means the department of general administration.~~

4 ~~(3) "Director" means the director of the department of general
5 administration.~~

6 ~~(4) "Agency" means:~~

7 ~~(a) The office of the governor; and~~

8 ~~(b) Any office, department, board, commission, or other separate
9 unit or division, however designated, of the state government, together
10 with all personnel thereof: Upon which the statutes confer powers and
11 impose duties in connection with operations of either a governmental or
12 proprietary nature; and that has as its chief executive officer a
13 person or combination of persons such as a commission, board, or
14 council, by law empowered to operate it, responsible either to: (i) No
15 other public officer or (ii) the governor.~~

16 ~~(5))~~ "Incoming mail" means mail, packages, or similar items
17 received by an agency, through the United States postal service,
18 private carrier services, or other courier services.

19 ~~((+6))~~ (3) "Outgoing mail" means mail, packages, or similar items
20 processed for agencies to be sent through the United States postal
21 service, private carrier services, or other courier services.

22 ~~((+7))~~ (4) "Internal mail" means interagency mail, packages, or
23 similar items that are delivered or to be delivered to a state agency,
24 the legislature, the supreme court, or the court of appeals, and their
25 officers and employees.

26 **Sec. 244.** RCW 19.27.070 and 2010 c 275 s 1 are each amended to
27 read as follows:

28 There is hereby established a state building code council, to be
29 appointed by the governor.

30 (1) The state building code council shall consist of fifteen
31 members:

32 (a) Two members must be county elected legislative body members or
33 elected executives;

34 (b) Two members must be city elected legislative body members or
35 mayors;

36 (c) One member must be a local government building code enforcement
37 official;

1 (d) One member must be a local government fire service official;
2 (e) One member shall represent general construction, specializing
3 in commercial and industrial building construction;
4 (f) One member shall represent general construction, specializing
5 in residential and multifamily building construction;
6 (g) One member shall represent the architectural design profession;
7 (h) One member shall represent the structural engineering
8 profession;
9 (i) One member shall represent the mechanical engineering
10 profession;
11 (j) One member shall represent the construction building trades;
12 (k) One member shall represent manufacturers, installers, or
13 suppliers of building materials and components;
14 (l) One member must be a person with a physical disability and
15 shall represent the disability community; and
16 (m) One member shall represent the general public.
17 (2) At least six of these fifteen members shall reside east of the
18 crest of the Cascade mountains.
19 (3) The council shall include: Two members of the house of
20 representatives appointed by the speaker of the house, one from each
21 caucus; two members of the senate appointed by the president of the
22 senate, one from each caucus; and an employee of the electrical
23 division of the department of labor and industries, as ex officio,
24 nonvoting members with all other privileges and rights of membership.
25 (4)(a) Terms of office shall be for three years, or for so long as
26 the member remains qualified for the appointment.
27 (b) The council shall elect a member to serve as chair of the
28 council for one-year terms of office.
29 (c) Any member who is appointed by virtue of being an elected
30 official or holding public employment shall be removed from the council
31 if he or she ceases being such an elected official or holding such
32 public employment.
33 (d) Any member who is appointed to represent a specific private
34 sector industry must maintain sufficiently similar employment or
35 circumstances throughout the term of office to remain qualified to
36 represent the specified industry. Retirement or unemployment is not
37 cause for termination. However, if a councilmember enters into

1 employment outside of the industry he or she has been appointed to
2 represent, then he or she shall be removed from the council.

3 (e) Any member who no longer qualifies for appointment under this
4 section may not vote on council actions, but may participate as an ex
5 officio, nonvoting member until a replacement member is appointed. A
6 member must notify the council staff and the governor's office within
7 thirty days of the date the member no longer qualifies for appointment
8 under this section. The governor shall appoint a qualified replacement
9 for the member within sixty days of notice.

10 (5) Before making any appointments to the building code council,
11 the governor shall seek nominations from recognized organizations which
12 represent the entities or interests identified in this section.

13 (6) Members shall not be compensated but shall receive
14 reimbursement for travel expenses in accordance with RCW 43.03.050 and
15 43.03.060.

16 (7) The department of (~~commerce~~) enterprise services shall
17 provide administrative and clerical assistance to the building code
18 council.

19 **Sec. 245.** RCW 19.27A.140 and 2010 c 271 s 305 are each amended to
20 read as follows:

21 The definitions in this section apply to RCW 19.27A.130 through
22 19.27A.190 and 19.27A.020 unless the context clearly requires
23 otherwise.

24 (1) "Benchmark" means the energy used by a facility as recorded
25 monthly for at least one year and the facility characteristics
26 information inputs required for a portfolio manager.

27 (2) "Conditioned space" means conditioned space, as defined in the
28 Washington state energy code.

29 (3) "Consumer-owned utility" includes a municipal electric utility
30 formed under Title 35 RCW, a public utility district formed under Title
31 54 RCW, an irrigation district formed under chapter 87.03 RCW, a
32 cooperative formed under chapter 23.86 RCW, a mutual corporation or
33 association formed under chapter 24.06 RCW, a port district formed
34 under Title 53 RCW, or a water-sewer district formed under Title 57
35 RCW, that is engaged in the business of distributing electricity to one
36 or more retail electric customers in the state.

1 (4) "Cost-effectiveness" means that a project or resource is
2 forecast:

3 (a) To be reliable and available within the time it is needed; and

4 (b) To meet or reduce the power demand of the intended consumers at
5 an estimated incremental system cost no greater than that of the least-
6 cost similarly reliable and available alternative project or resource,
7 or any combination thereof.

8 (5) "Council" means the state building code council.

9 (6) "Embodied energy" means the total amount of fossil fuel energy
10 consumed to extract raw materials and to manufacture, assemble,
11 transport, and install the materials in a building and the life-cycle
12 cost benefits including the recyclability and energy efficiencies with
13 respect to building materials, taking into account the total sum of
14 current values for the costs of investment, capital, installation,
15 operating, maintenance, and replacement as estimated for the lifetime
16 of the product or project.

17 (7) "Energy consumption data" means the monthly amount of energy
18 consumed by a customer as recorded by the applicable energy meter for
19 the most recent twelve-month period.

20 (8) "Energy service company" has the same meaning as in RCW
21 43.19.670.

22 (9) "~~((General administration))~~ Enterprise services" means the
23 department of ~~((general administration))~~ enterprise services.

24 (10) "Greenhouse gas" and "greenhouse gases" includes carbon
25 dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons,
26 and sulfur hexafluoride.

27 (11) "Investment grade energy audit" means an intensive engineering
28 analysis of energy efficiency and management measures for the facility,
29 net energy savings, and a cost-effectiveness determination.

30 (12) "Investor-owned utility" means a corporation owned by
31 investors that meets the definition of "corporation" as defined in RCW
32 80.04.010 and is engaged in distributing either electricity or natural
33 gas, or both, to more than one retail electric customer in the state.

34 (13) "Major facility" means any publicly owned or leased building,
35 or a group of such buildings at a single site, having ten thousand
36 square feet or more of conditioned floor space.

37 (14) "National energy performance rating" means the score provided
38 by the energy star program, to indicate the energy efficiency

1 performance of the building compared to similar buildings in that
2 climate as defined in the United States environmental protection agency
3 "ENERGY STAR® Performance Ratings Technical Methodology."

4 (15) "Net zero energy use" means a building with net energy
5 consumption of zero over a typical year.

6 (16) "Portfolio manager" means the United States environmental
7 protection agency's energy star portfolio manager or an equivalent tool
8 adopted by the department of (~~general administration~~) enterprise
9 services.

10 (17) "Preliminary energy audit" means a quick evaluation by an
11 energy service company of the energy savings potential of a building.

12 (18) "Qualifying public agency" includes all state agencies,
13 colleges, and universities.

14 (19) "Qualifying utility" means a consumer-owned or investor-owned
15 gas or electric utility that serves more than twenty-five thousand
16 customers in the state of Washington.

17 (20) "Reporting public facility" means any of the following:

18 (a) A building or structure, or a group of buildings or structures
19 at a single site, owned by a qualifying public agency, that exceed ten
20 thousand square feet of conditioned space;

21 (b) Buildings, structures, or spaces leased by a qualifying public
22 agency that exceeds ten thousand square feet of conditioned space,
23 where the qualifying public agency purchases energy directly from the
24 investor-owned or consumer-owned utility;

25 (c) A wastewater treatment facility owned by a qualifying public
26 agency; or

27 (d) Other facilities selected by the qualifying public agency.

28 (21) "State portfolio manager master account" means a portfolio
29 manager account established to provide a single shared portfolio that
30 includes reports for all the reporting public facilities.

31 **Sec. 246.** RCW 39.34.055 and 1994 c 98 s 1 are each amended to read
32 as follows:

33 The (~~office of state procurement within the~~) department of
34 (~~general administration~~) enterprise services may enter into an
35 agreement with a public benefit nonprofit corporation to allow the
36 public benefit nonprofit corporation to participate in state contracts
37 for purchases administered by the (~~office of state procurement~~)

1 department. Such agreement must comply with the requirements of RCW
2 39.34.030 through 39.34.050. For the purposes of this section "public
3 benefit nonprofit corporation" means a public benefit nonprofit
4 corporation as defined in RCW 24.03.005 that is receiving local, state,
5 or federal funds either directly or through a public agency other than
6 an Indian tribe or a political subdivision of another state.

7 **Sec. 247.** RCW 39.35.030 and 2001 c 214 s 16 are each amended to
8 read as follows:

9 For the purposes of this chapter the following words and phrases
10 shall have the following meanings unless the context clearly requires
11 otherwise:

12 (1) "Public agency" means every state office, officer, board,
13 commission, committee, bureau, department, and all political
14 subdivisions of the state.

15 (2) "Department" means the state department of (~~general~~
16 ~~administration~~) enterprise services.

17 (3) "Major facility" means any publicly owned or leased building
18 having twenty-five thousand square feet or more of usable floor space.

19 (4) "Initial cost" means the moneys required for the capital
20 construction or renovation of a major facility.

21 (5) "Renovation" means additions, alterations, or repairs within
22 any twelve-month period which exceed fifty percent of the value of a
23 major facility and which will affect any energy system.

24 (6) "Economic life" means the projected or anticipated useful life
25 of a major facility as expressed by a term of years.

26 (7) "Energy management system" means a program, energy efficiency
27 equipment, technology, device, or other measure including, but not
28 limited to, a management, educational, or promotional program, smart
29 appliance, meter reading system that provides energy information
30 capability, computer software or hardware, communications equipment or
31 hardware, thermostat or other control equipment, together with related
32 administrative or operational programs, that allows identification and
33 management of opportunities for improvement in the efficiency of energy
34 use, including but not limited to a measure that allows:

35 (a) Energy consumers to obtain information about their energy usage
36 and the cost of energy in connection with their usage;

1 (b) Interactive communication between energy consumers and their
2 energy suppliers;

3 (c) Energy consumers to respond to energy price signals and to
4 manage their purchase and use of energy; or

5 (d) For other kinds of dynamic, demand-side energy management.

6 (8) "Life-cycle cost" means the initial cost and cost of operation
7 of a major facility over its economic life. This shall be calculated
8 as the initial cost plus the operation, maintenance, and energy costs
9 over its economic life, reflecting anticipated increases in these costs
10 discounted to present value at the current rate for borrowing public
11 funds, as determined by the office of financial management. The energy
12 cost projections used shall be those provided by the department. The
13 department shall update these projections at least every two years.

14 (9) "Life-cycle cost analysis" includes, but is not limited to, the
15 following elements:

16 (a) The coordination and positioning of a major facility on its
17 physical site;

18 (b) The amount and type of fenestration employed in a major
19 facility;

20 (c) The amount of insulation incorporated into the design of a
21 major facility;

22 (d) The variable occupancy and operating conditions of a major
23 facility; and

24 (e) An energy-consumption analysis of a major facility.

25 (10) "Energy systems" means all utilities, including, but not
26 limited to, heating, air-conditioning, ventilating, lighting, and the
27 supplying of domestic hot water.

28 (11) "Energy-consumption analysis" means the evaluation of all
29 energy systems and components by demand and type of energy including
30 the internal energy load imposed on a major facility by its occupants,
31 equipment, and components, and the external energy load imposed on a
32 major facility by the climatic conditions of its location. An energy-
33 consumption analysis of the operation of energy systems of a major
34 facility shall include, but not be limited to, the following elements:

35 (a) The comparison of three or more system alternatives, at least
36 one of which shall include renewable energy systems, and one of which
37 shall comply at a minimum with the sustainable design guidelines of the

1 United States green building council leadership in energy and
2 environmental design silver standard or similar design standard as may
3 be adopted by rule by the department;

4 (b) The simulation of each system over the entire range of
5 operation of such facility for a year's operating period; and

6 (c) The evaluation of the energy consumption of component equipment
7 in each system considering the operation of such components at other
8 than full or rated outputs.

9 The energy-consumption analysis shall be prepared by a professional
10 engineer or licensed architect who may use computers or such other
11 methods as are capable of producing predictable results.

12 (12) "Renewable energy systems" means methods of facility design
13 and construction and types of equipment for the utilization of
14 renewable energy sources including, but not limited to, hydroelectric
15 power, active or passive solar space heating or cooling, domestic solar
16 water heating, windmills, waste heat, biomass and/or refuse-derived
17 fuels, photovoltaic devices, and geothermal energy.

18 (13) "Cogeneration" means the sequential generation of two or more
19 forms of energy from a common fuel or energy source. Where these forms
20 are electricity and thermal energy, then the operating and efficiency
21 standards established by 18 C.F.R. Sec. 292.205 and the definitions
22 established by 18 C.F.R. 292.202 (c) through (m) as of July 28, 1991,
23 shall apply.

24 (14) "Selected buildings" means educational, office, residential
25 care, and correctional facilities that are designed to comply with the
26 design standards analyzed and recommended by the department.

27 (15) "Design standards" means the heating, air-conditioning,
28 ventilating, and renewable resource systems identified, analyzed, and
29 recommended by the department as providing an efficient energy system
30 or systems based on the economic life of the selected buildings.

31 **Sec. 248.** RCW 39.35C.010 and 2007 c 39 s 4 are each amended to
32 read as follows:

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

35 (1) "Cogeneration" means the sequential generation of two or more
36 forms of energy from a common fuel or energy source. If these forms

1 are electricity and thermal energy, then the operating and efficiency
2 standards established by 18 C.F.R. Sec. 292.205 and the definitions
3 established by 18 C.F.R. Sec. 292.202 (c) through (m) apply.

4 (2) "Conservation" means reduced energy consumption or energy cost,
5 or increased efficiency in the use of energy, and activities, measures,
6 or equipment designed to achieve such results, but does not include
7 thermal or electric energy production from cogeneration.
8 "Conservation" also means reductions in the use or cost of water,
9 wastewater, or solid waste.

10 (3) "Cost-effective" means that the present value to a state agency
11 or school district of the energy reasonably expected to be saved or
12 produced by a facility, activity, measure, or piece of equipment over
13 its useful life, including any compensation received from a utility or
14 the Bonneville power administration, is greater than the net present
15 value of the costs of implementing, maintaining, and operating such
16 facility, activity, measure, or piece of equipment over its useful
17 life, when discounted at the cost of public borrowing.

18 (4) "Energy" means energy as defined in RCW 43.21F.025((+1)) (5).

19 (5) "Energy audit" has the definition provided in RCW 43.19.670,
20 and may include a determination of the water or solid waste consumption
21 characteristics of a facility.

22 (6) "Energy efficiency project" means a conservation or
23 cogeneration project.

24 (7) "Energy efficiency services" means assistance furnished by the
25 department to state agencies and school districts in identifying,
26 evaluating, and implementing energy efficiency projects.

27 (8) "Department" means the state department of (~~general~~
28 ~~administration~~) enterprise services.

29 (9) "Performance-based contracting" means contracts for which
30 payment is conditional on achieving contractually specified energy
31 savings.

32 (10) "Public agency" means every state office, officer, board,
33 commission, committee, bureau, department, and all political
34 subdivisions of the state.

35 (11) "Public facility" means a building or structure, or a group of
36 buildings or structures at a single site, owned by a state agency or
37 school district.

1 (12) "State agency" means every state office or department, whether
2 elective or appointive, state institutions of higher education, and all
3 boards, commissions, or divisions of state government, however
4 designated.

5 (13) "State facility" means a building or structure, or a group of
6 buildings or structures at a single site, owned by a state agency.

7 (14) "Utility" means privately or publicly owned electric and gas
8 utilities, electric cooperatives and mutuals, whether located within or
9 without Washington state.

10 (15) "Local utility" means the utility or utilities in whose
11 service territory a public facility is located.

12 **Sec. 249.** RCW 39.35D.020 and 2006 c 263 s 330 are each amended to
13 read as follows:

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

16 (1) "Department" means the department of (~~general administration~~)
17 enterprise services.

18 (2) "High-performance public buildings" means high-performance
19 public buildings designed, constructed, and certified to a standard as
20 identified in this chapter.

21 (3) "Institutions of higher education" means the state
22 universities, the regional universities, The Evergreen State College,
23 the community colleges, and the technical colleges.

24 (4) "LEED silver standard" means the United States green building
25 council leadership in energy and environmental design green building
26 rating standard, referred to as silver standard.

27 (5)(a) "Major facility project" means: (i) A construction project
28 larger than five thousand gross square feet of occupied or conditioned
29 space as defined in the Washington state energy code; or (ii) a
30 building renovation project when the cost is greater than fifty percent
31 of the assessed value and the project is larger than five thousand
32 gross square feet of occupied or conditioned space as defined in the
33 Washington state energy code.

34 (b) "Major facility project" does not include: (i) Projects for
35 which the department, public school district, or other applicable
36 agency and the design team determine the LEED silver standard or the
37 Washington sustainable school design protocol to be not practicable; or

1 (ii) transmitter buildings, pumping stations, hospitals, research
2 facilities primarily used for sponsored laboratory experimentation,
3 laboratory research, or laboratory training in research methods, or
4 other similar building types as determined by the department. When the
5 LEED silver standard is determined to be not practicable for a project,
6 then it must be determined if any LEED standard is practicable for the
7 project. If LEED standards or the Washington sustainable school design
8 protocol are not followed for the project, the public school district
9 or public agency shall report these reasons to the department.

10 (6) "Public agency" means every state office, officer, board,
11 commission, committee, bureau, department, and public higher education
12 institution.

13 (7) "Public school district" means a school district eligible to
14 receive state basic education moneys pursuant to RCW 28A.150.250 and
15 28A.150.260.

16 (8) "Washington sustainable school design protocol" means the
17 school design protocol and related information developed by the office
18 of the superintendent of public instruction, in conjunction with school
19 districts and the school facilities advisory board.

20 **Sec. 250.** RCW 43.19A.010 and 1992 c 174 s 12 are each amended to
21 read as follows:

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

24 (1) "Compost products" means mulch, soil amendments, ground cover,
25 or other landscaping material derived from the biological or mechanical
26 conversion of biosolids or cellulose-containing waste materials.

27 (2) "Department" means the department of (~~general administration~~)
28 enterprise services.

29 (3) "Director" means the director of the department of (~~general
30 administration~~) enterprise services.

31 (4) "Local government" means a city, town, county, special purpose
32 district, school district, or other municipal corporation.

33 (5) "Lubricating oil" means petroleum-based oils for reducing
34 friction in engine parts and other mechanical parts.

35 (6) "Mixed waste paper" means assorted low-value grades of paper
36 that have not been separated into individual grades of paper at the
37 point of collection.

1 (7) "Municipal sewage sludge" means a semisolid substance
2 consisting of settled sewage solids combined with varying amounts of
3 water and dissolved materials generated from a publicly owned
4 wastewater treatment plant.

5 (8) "Biosolids" means municipal sewage sludge or septic tank
6 septage sludge that meets the requirements of chapter 70.95J RCW.

7 (9) "Paper and paper products" means all items manufactured from
8 paper or paperboard.

9 (10) "Postconsumer waste" means a material or product that has
10 served its intended use and has been discarded for disposal or recovery
11 by a final consumer.

12 (11) "Procurement officer" means the person that has the primary
13 responsibility for procurement of materials or products.

14 (12) "State agency" means all units of state government, including
15 divisions of the governor's office, the legislature, the judiciary,
16 state agencies and departments, correctional institutions, vocational
17 technical institutions, and universities and colleges.

18 (13) "Recycled content product" or "recycled product" means a
19 product containing recycled materials.

20 (14) "Recycled materials" means waste materials and by-products
21 that have been recovered or diverted from solid waste and that can be
22 utilized in place of a raw or virgin material in manufacturing a
23 product and consists of materials derived from postconsumer waste,
24 manufacturing waste, industrial scrap, agricultural wastes, and other
25 items, all of which can be used in the manufacture of new or recycled
26 products.

27 (15) "Re-refined oils" means used lubricating oils from which the
28 physical and chemical contaminants acquired through previous use have
29 been removed through a refining process. Re-refining may include
30 distillation, hydrotreating, or treatments employing acid, caustic,
31 solvent, clay, or other chemicals, or other physical treatments other
32 than those used in reclaiming.

33 (16) "USEPA product standards" means the product standards of the
34 United States environmental protection agency for recycled content
35 published in the code of federal regulations.

36 **Sec. 251.** RCW 43.19A.022 and 2009 c 356 s 2 are each amended to
37 read as follows:

1 (1) (~~By December 31, 2009,~~) All state agencies shall purchase one
2 hundred percent recycled content white cut sheet bond paper used in
3 office printers and copiers. State agencies are encouraged to give
4 priority to purchasing from companies that produce paper in facilities
5 that generate energy from a renewable energy source.

6 (2) State agencies that utilize office printers and copiers that,
7 after reasonable attempts, cannot be calibrated to utilize such paper
8 referenced in subsection (1) of this section, must for those models of
9 equipment:

10 (a) Purchase paper at the highest recycled content that can be
11 utilized efficiently by the copier or printer;

12 (b) At the time of lease renewal or at the end of the life-cycle,
13 either lease or purchase a model that will efficiently utilize one
14 hundred percent recycled content white cut sheet bond paper;

15 (3) Printed projects that require the use of high volume production
16 inserters or high-speed digital devices, such as those used by (~~the~~
17 ~~state printer, department of information services, and~~) the department
18 of (~~general administration~~) enterprise services, are not required to
19 meet the one hundred percent recycled content white cut sheet bond
20 paper standard, but must utilize the highest recycled content that can
21 be utilized efficiently by such equipment and not impede the business
22 of agencies.

23 (4) The (~~state printer,~~) department of (~~general~~
24 ~~administration,~~) enterprise services and the department of information
25 services shall work together to identify for use by agencies one
26 hundred percent recycled paper products that process efficiently
27 through high-speed production equipment and do not impede the business
28 of agencies.

29 **Sec. 252.** RCW 39.32.035 and 1998 c 105 s 3 are each amended to
30 read as follows:

31 The (~~general administration~~) enterprise services account shall be
32 administered by the director of (~~general administration~~) enterprise
33 services and be used for the purchase, lease or other acquisition from
34 time to time of surplus property from any federal, state, or local
35 government surplus property disposal agency. The director may
36 purchase, lease or acquire such surplus property on the requisition of
37 an eligible donee and without such requisition at such time or times as

1 he or she deems it advantageous to do so; and in either case he or she
2 shall be responsible for the care and custody of the property purchased
3 so long as it remains in his or her possession.

4 **Sec. 253.** RCW 43.01.225 and 1995 c 215 s 2 are each amended to
5 read as follows:

6 There is hereby established an account in the state treasury to be
7 known as the "state vehicle parking account." All parking rental
8 income resulting from parking fees established by the department of
9 (~~general administration~~) enterprise services under RCW 46.08.172 at
10 state-owned or leased property shall be deposited in the "state vehicle
11 parking account." Revenue deposited in the "state vehicle parking
12 account" shall be first applied to pledged purposes. Unpledged parking
13 revenues deposited in the "state vehicle parking account" may be used
14 to:

- 15 (1) Pay costs incurred in the operation, maintenance, regulation,
16 and enforcement of vehicle parking and parking facilities;
- 17 (2) Support the lease costs and/or capital investment costs of
18 vehicle parking and parking facilities; and
- 19 (3) Support agency commute trip reduction programs under RCW
20 70.94.521 through 70.94.551.

21 **Sec. 254.** RCW 43.82.120 and 1998 c 105 s 14 are each amended to
22 read as follows:

23 All rental income collected by the department of (~~general
24 administration~~) enterprise services from rental of state buildings
25 shall be deposited in the (~~general administration~~) enterprise
26 services account.

27 **Sec. 255.** RCW 43.82.125 and 1998 c 105 s 15 are each amended to
28 read as follows:

29 The (~~general administration~~) enterprise services account shall be
30 used to pay all costs incurred by the department in the operation of
31 real estate managed under the terms of this chapter. Moneys received
32 into the (~~general administration~~) enterprise services account shall
33 be used to pay rent to the owner of the space for occupancy of which
34 the charges have been made and to pay utility and operational costs of
35 the space utilized by the occupying agency: PROVIDED, That moneys

1 received into the account for occupancy of space owned by the state
2 where utilities and other operational costs are covered by
3 appropriation to the department of ((~~general administration~~))
4 enterprise services shall be immediately transmitted to the general
5 fund.

6 **Sec. 256.** RCW 43.99H.070 and 1995 c 215 s 6 are each amended to
7 read as follows:

8 In addition to any other charges authorized by law and to assist in
9 the reimbursement of principal and interest payments on bonds issued
10 for the purposes of RCW 43.99H.020(15), the following revenues may be
11 collected:

12 (1) The director of ((~~general administration~~)) enterprise services
13 may assess a charge against each state board, commission, agency,
14 office, department, activity, or other occupant of the facility or
15 building constructed with bonds issued for the purposes of RCW
16 43.99H.020(15) for payment of a proportion of costs for each square
17 foot of floor space assigned to or occupied by the entity. Payment of
18 the amount billed to the entity for such occupancy shall be made
19 quarterly during each fiscal year. The director of ((~~general~~
20 ~~administration~~)) enterprise services shall deposit the payment in the
21 capitol campus reserve account.

22 (2) The director of ((~~general administration~~)) enterprise services
23 may pledge a portion of the parking rental income collected by the
24 department of ((~~general administration~~)) enterprise services from
25 parking space developed as a part of the facility constructed with
26 bonds issued for the purposes of RCW 43.99H.020(15). The pledged
27 portion of this income shall be deposited in the capitol campus reserve
28 account. The unpledged portion of this income shall continue to be
29 deposited in the state vehicle parking account.

30 (3) The state treasurer shall transfer four million dollars from
31 the capitol building construction account to the capitol campus reserve
32 account each fiscal year from 1990 to 1995. Beginning in fiscal year
33 1996, the director of ((~~general administration~~)) enterprise services,
34 in consultation with the state finance committee, shall determine the
35 necessary amount for the state treasurer to transfer from the capitol
36 building construction account to the capitol campus reserve account for

1 the purpose of repayment of the general fund of the costs of the bonds
2 issued for the purposes of RCW 43.99H.020(15).

3 (4) Any remaining balance in the state building and parking bond
4 redemption account after the final debt service payment shall be
5 transferred to the capitol campus reserve account.

6 **Sec. 257.** RCW 73.24.020 and 1937 c 36 s 1 are each amended to read
7 as follows:

8 The director of the department of (~~finance, budget and business~~)
9 enterprise services is hereby authorized and directed to contract with
10 Olympia Lodge No. 1, F.& A.M., a corporation for the improvement and
11 perpetual care of the state veterans' plot in the Masonic cemetery at
12 Olympia; such care to include the providing of proper curbs and walks,
13 cultivating, reseeding and fertilizing grounds, repairing and resetting
14 the bases and monuments in place on the ground, leveling grounds, and
15 transporting and setting headstones for graves of persons hereafter
16 buried on the plot.

17 NEW SECTION. **Sec. 258.** The following acts or parts of acts are
18 each repealed:

19 (1) RCW 43.19.010 (Director--Authority, appointment, salary) and
20 1999 c 229 s 1, 1993 c 472 s 19, 1988 c 25 s 10, 1975 1st ex.s. c 167
21 s 1, & 1965 c 8 s 43.19.010;

22 (2) RCW 43.19.1923 (General administration services account--Use)
23 and 2001 c 292 s 3, 1998 c 105 s 6, 1991 sp.s. c 16 s 921, 1987 c 504
24 s 17, 1975-'76 2nd ex.s. c 21 s 12, 1967 ex.s. c 104 s 5, & 1965 c 8 s
25 43.19.1923;

26 (3) RCW 43.19.1925 (Combined purchases of commonly used items--
27 Advance payments by state agencies--Costs of operating central stores)
28 and 1998 c 105 s 7, 1975 c 40 s 8, 1973 c 104 s 2, & 1965 c 8 s
29 43.19.1925;

30 (4) RCW 43.19.590 (Motor vehicle transportation service--Transfer
31 of employees--Retention of employment rights) and 1975 1st ex.s. c 167
32 s 8;

33 (5) RCW 43.19.595 (Motor vehicle transportation service--Transfer
34 of motor vehicles, property, etc., from motor pool to department) and
35 2009 c 549 s 5067 & 1975 1st ex.s. c 167 s 9;

1 (6) RCW 43.19.615 (Motor vehicle transportation service--Deposits--
2 Disbursements) and 2005 c 214 s 2, 1998 c 105 s 13, & 1975 1st ex.s. c
3 167 s 13;

4 (7) RCW 43.19.675 (Energy audits of state-owned facilities
5 required--Completion dates) and 2001 c 214 s 26, 1982 c 48 s 2, & 1980
6 c 172 s 4;

7 (8) RCW 43.19.680 (Implementation of energy conservation and
8 maintenance procedures after walk-through survey--Investment grade
9 audit--Reports--Contracts with energy service companies, staffing) and
10 2001 c 214 s 27, 1996 c 186 s 506, 1986 c 325 s 2, 1983 c 313 s 1, 1982
11 c 48 s 3, & 1980 c 172 s 5; and

12 (9) 2010 c 271 s 301.

13 NEW SECTION. **Sec. 259.** RCW 43.19.123 is decodified.

14 **PART III**

15 **POWERS AND DUTIES TRANSFERRED FROM THE PUBLIC PRINTER**

16 **Sec. 301.** RCW 43.78.030 and 2010 1st sp.s. c 37 s 927 are each
17 amended to read as follows:

18 The ((~~public printer~~)) department shall print and bind the session
19 laws, the journals of the two houses of the legislature, all bills,
20 resolutions, documents, and other printing and binding of either the
21 senate or house, as the same may be ordered by the legislature; and
22 such forms, blanks, record books, and printing and binding of every
23 description as may be ordered by all state officers, boards,
24 commissions, and institutions, and the supreme court, and the court of
25 appeals and officers thereof, as the same may be ordered on
26 requisition, from time to time, by the proper authorities. This
27 section shall not apply to the printing of the supreme court and the
28 court of appeals reports, to the printing of bond certificates or bond
29 offering disclosure documents, to the printing of educational
30 publications of the state historical societies, or to any printing done
31 or contracted for by institutions of higher education: PROVIDED, That
32 institutions of higher education, in consultation with the ((~~public
33 printer~~)) department, develop vendor selection procedures comparable to
34 those used by the ((~~public printer~~)) department for contracted printing
35 jobs. Where any institution or institution of higher learning of the

1 state is or may become equipped with facilities for doing such work, it
2 may do any printing: (1) For itself, or (2) for any other state
3 institution when such printing is done as part of a course of study
4 relative to the profession of printer. Any printing and binding of
5 whatever description as may be needed by any institution or agency of
6 the state department of social and health services not at Olympia, or
7 the supreme court or the court of appeals or any officer thereof, the
8 estimated cost of which shall not exceed one thousand dollars, may be
9 done by any private printing company in the general vicinity within the
10 state of Washington so ordering, if in the judgment of the officer of
11 the agency so ordering, the saving in time and processing justifies the
12 award to such local private printing concern.

13 Beginning on July 1, 1989, and on July 1 of each succeeding odd-
14 numbered year, the dollar limit specified in this section shall be
15 adjusted as follows: The office of financial management shall
16 calculate such limit by adjusting the previous biennium's limit by an
17 appropriate federal inflationary index reflecting the rate of inflation
18 for the previous biennium. Such amounts shall be rounded to the
19 nearest fifty dollars.

20 During the 2009-2011 fiscal biennium, this section does not apply
21 to pilot printing projects authorized by the office of financial
22 management to allow state agencies and institutions to directly acquire
23 printing services.

24 **Sec. 302.** RCW 43.78.070 and 2009 c 549 s 5148 are each amended to
25 read as follows:

26 The (~~(public printer)~~) department shall use the state printing
27 plant upon the following conditions, to wit:

28 (1) (~~(He or she)~~) The department shall do the public printing, and
29 charge (~~(therefor)~~) the fees as provided by law. (~~(He or she)~~) The
30 department may print the Washington reports for the publishers thereof
31 under a contract (~~(approved in writing by the governor)~~).

32 (2) The (~~(gross income of the public printer shall be deposited in~~
33 ~~an account designated)~~) director shall transfer any residual funds
34 remaining in the "state printing plant revolving fund" (~~(in~~
35 ~~depositories approved by the state treasurer, and shall be disbursed by~~
36 ~~the public printer by check and only as follows:~~

1 ~~First, in payment of the actual cost of labor, material, supplies,~~
2 ~~replacements, repairs, water, light, heat, telephone, rent, and all~~
3 ~~other expenses necessary in the operation of the plant: PROVIDED, That~~
4 ~~no machinery shall be purchased except on written approval of the~~
5 ~~governor;~~

6 ~~Second, in payment of the cost of reasonable insurance upon the~~
7 ~~printing plant, payable to the state and of all fidelity bonds required~~
8 ~~by law of the public printer;~~

9 ~~Third, in payment to the public printer of a salary which shall be~~
10 ~~fixed by the governor in accordance with the provisions of RCW~~
11 ~~43.03.040;~~

12 ~~Fourth, in remitting the balance to the state treasurer for the~~
13 ~~general fund: PROVIDED, That a reasonable sum to be determined by the~~
14 ~~governor, the public printer, and the director of financial management~~
15 ~~shall be retained in the fund for working capital for the public~~
16 ~~printer)) to the public printing revolving account established in~~
17 ~~section 303 of this act.~~

18 NEW SECTION. Sec. 303. A new section is added to chapter 43.19
19 RCW to read as follows:

20 The public printing revolving account is created in the custody of
21 the state treasurer. All receipts from public printing must be
22 deposited in the account. Expenditures from the account may be used
23 only for administrative and operating purposes related to public
24 printing. Only the director or the director's designee may authorize
25 expenditures from the account. The account is subject to allotment
26 procedures under chapter 43.88 RCW, but an appropriation is not
27 required for expenditures.

28 **Sec. 304.** RCW 43.78.090 and 1965 c 8 s 43.78.090 are each amended
29 to read as follows:

30 Whenever required by law or by the legislature or by any state
31 officer, board, commission, or institution the ((~~public printer~~))
32 department shall keep the type used in printing any matter forming a
33 part of the first, second, third, and fourth classes standing for a
34 period not exceeding sixty days for use in reprinting such matter.

1 **Sec. 305.** RCW 43.78.100 and 1993 c 379 s 106 are each amended to
2 read as follows:

3 The ((~~public printer~~)) department shall furnish all paper, stock,
4 and binding materials required in all public work, and shall charge the
5 same to the state, as it is actually used, at the actual price at which
6 it was purchased plus five percent for waste, insurance, storage, and
7 handling. This section does not apply to institutions of higher
8 education.

9 **Sec. 306.** RCW 43.78.105 and 1993 c 379 s 105 are each amended to
10 read as follows:

11 The ((~~public printer~~)) department may use the state printing plant
12 for the purposes of printing or furnishing materials under RCW
13 43.78.100 (as recodified by this act) if an interlocal agreement under
14 chapter 39.34 RCW has been executed between an institution of higher
15 education and the ((~~public printer~~)) department.

16 NEW SECTION. **Sec. 307.** A new section is added to chapter 43.19
17 RCW to read as follows:

18 (1) The department shall broker print management contracts for
19 state agencies that are required to utilize print management contracts
20 under this section.

21 (2) The department is authorized to broker print management
22 contracts for other state agencies that choose to utilize these
23 services.

24 (3) Except as provided under subsection (6) of this section, all
25 state agencies with total annual average full-time equivalent staff
26 that exceeds one thousand as determined by the office of financial
27 management shall utilize print management services brokered by the
28 department, as follows:

29 (a) Any agency with a copier and multifunctional device contract
30 that is set to expire on or before December 31, 2012, may opt to:

- 31 (i) Renew the copier and multifunctional device contract; or
- 32 (ii) Enter a print management contract;

33 (b) Any agency with a copier and multifunctional device contract
34 that is set to expire on or after January 1, 2011, shall begin planning
35 for the transition to a print management contract six months prior to

1 the expiration date of the contract. Upon expiration of the copier and
2 multifunctional device contract, the agency shall utilize a print
3 management contract; and

4 (c) Any agency with a copier and multifunctional device contract
5 that is terminated on or after January 1, 2012, shall enter a print
6 management contract.

7 (4) Until December 31, 2016, for each agency transitioning from a
8 copier and multifunctional device contract to a print management
9 contract, the print management contract should result in savings in
10 comparison with the prior copier and multifunctional device contract.

11 (5) If an agency has more full-time equivalent employees than it
12 had when it entered its most recently completed print management
13 contract, the cost of a new print management contract may exceed the
14 cost of the most recently completed print management contract.

15 (6) The director of financial management may exempt a state agency,
16 or a program within a state agency, from the requirements of this
17 section if the director deems it unfeasible or the department and
18 agency could not reasonably reach an agreement regarding print
19 management.

20 NEW SECTION. **Sec. 308.** A new section is added to chapter 43.19
21 RCW to read as follows:

22 (1) The department shall consult with the office of financial
23 management and state agencies to more efficiently manage the use of
24 envelopes by standardizing them to the extent feasible given the
25 business needs of state agencies.

26 (2) All state agencies with total annual average full-time
27 equivalent staff that exceeds one thousand as determined by the office
28 of financial management shall cooperate with the department in efforts
29 to standardize envelopes under subsection (1) of this section. In the
30 event that an agency is updating a mailing, the agency shall transition
31 to an envelope recommended by the department, unless the office of
32 financial management considers the change unfeasible.

33 (3) State agencies with one thousand total annual average full-time
34 equivalent staff or less, as determined by the office of financial
35 management, are encouraged to cooperate with the department to
36 standardize envelopes under this section.

1 NEW SECTION. **Sec. 309.** A new section is added to chapter 43.19
2 RCW to read as follows:

3 For every printing job and binding job ordered by a state agency,
4 the department shall advise the agency on how to choose more economic
5 and efficient options to reduce costs.

6 **Sec. 310.** RCW 1.08.039 and 1955 c 235 s 8 are each amended to read
7 as follows:

8 The committee may enter into contracts or otherwise arrange for the
9 publication and/or distribution, provided for in RCW 1.08.038, with or
10 without calling for bids, by the ((~~public printer~~)) department of
11 enterprise services or by private printer, upon specifications
12 formulated under the authority of RCW 1.08.037, and upon such basis as
13 the committee deems to be most expeditious and economical. Any such
14 contract may be upon such terms as the committee deems to be most
15 advantageous to the state and to potential purchasers of such
16 publications. The committee shall fix terms and prices for such
17 publications.

18 **Sec. 311.** RCW 15.24.085 and 2002 c 313 s 121 are each amended to
19 read as follows:

20 The restrictive provisions of chapter ((43.78)) 43.19 RCW relating
21 to public printing shall not apply to promotional printing and
22 literature for the Washington apple commission, the Washington state
23 fruit commission, or the Washington state dairy products commission.

24 **Sec. 312.** RCW 15.62.190 and 1989 c 5 s 19 are each amended to read
25 as follows:

26 The restrictive provisions of chapter ((43.78)) 43.19 RCW relating
27 to public printing shall not apply to promotional printing and
28 literature for the Washington state honey bee commission.

29 **Sec. 313.** RCW 16.67.170 and 1969 c 133 s 16 are each amended to
30 read as follows:

31 The restrictive provisions of chapter ((43.78)) 43.19 RCW((~~, as now~~
32 ~~or hereafter amended,~~)) relating to public printing shall not apply to
33 promotional printing and literature for the commission.

1 **Sec. 314.** RCW 28A.300.040 and 2009 c 556 s 10 are each amended to
2 read as follows:

3 In addition to any other powers and duties as provided by law, the
4 powers and duties of the superintendent of public instruction shall be:

5 (1) To have supervision over all matters pertaining to the public
6 schools of the state;

7 (2) To report to the governor and the legislature such information
8 and data as may be required for the management and improvement of the
9 schools;

10 (3) To prepare and have printed such forms, registers, courses of
11 study, rules for the government of the common schools, and such other
12 material and books as may be necessary for the discharge of the duties
13 of teachers and officials charged with the administration of the laws
14 relating to the common schools, and to distribute the same to
15 educational service district superintendents;

16 (4) To travel, without neglecting his or her other official duties
17 as superintendent of public instruction, for the purpose of attending
18 educational meetings or conventions, of visiting schools, and of
19 consulting educational service district superintendents or other school
20 officials;

21 (5) To prepare and from time to time to revise a manual of the
22 Washington state common school code, copies of which shall be made
23 available online and which shall be sold at approximate actual cost of
24 publication and distribution per volume to public and nonpublic
25 agencies or individuals, said manual to contain Titles 28A and 28C RCW,
26 rules related to the common schools, and such other matter as the state
27 superintendent or the state board of education shall determine.
28 Proceeds of the sale of such code shall be (~~transmitted to the public~~
29 ~~printer who shall credit the state superintendent's account within~~)
30 deposited in the ((state)) public printing ((plant)) revolving ((fund
31 by a like amount)) account and credited to the state superintendent's
32 account within the account;

33 (6) To file all papers, reports and public documents transmitted to
34 the superintendent by the school officials of the several counties or
35 districts of the state, each year separately. Copies of all papers
36 filed in the superintendent's office, and the superintendent's official
37 acts, may, or upon request, shall be certified by the superintendent

1 and attested by the superintendent's official seal, and when so
2 certified shall be evidence of the papers or acts so certified to;

3 (7) To require annually, on or before the 15th day of August, of
4 the president, manager, or principal of every educational institution
5 in this state, a report as required by the superintendent of public
6 instruction; and it is the duty of every president, manager, or
7 principal, to complete and return such forms within such time as the
8 superintendent of public instruction shall direct;

9 (8) To keep in the superintendent's office a record of all teachers
10 receiving certificates to teach in the common schools of this state;

11 (9) To issue certificates as provided by law;

12 (10) To keep in the superintendent's office at the capital of the
13 state, all books and papers pertaining to the business of the
14 superintendent's office, and to keep and preserve in the
15 superintendent's office a complete record of statistics, as well as a
16 record of the meetings of the state board of education;

17 (11) With the assistance of the office of the attorney general, to
18 decide all points of law which may be submitted to the superintendent
19 in writing by any educational service district superintendent, or that
20 may be submitted to the superintendent by any other person, upon appeal
21 from the decision of any educational service district superintendent;
22 and the superintendent shall publish his or her rulings and decisions
23 from time to time for the information of school officials and teachers;
24 and the superintendent's decision shall be final unless set aside by a
25 court of competent jurisdiction;

26 (12) To administer oaths and affirmations in the discharge of the
27 superintendent's official duties;

28 (13) To deliver to his or her successor, at the expiration of the
29 superintendent's term of office, all records, books, maps, documents
30 and papers of whatever kind belonging to the superintendent's office or
31 which may have been received by the superintendent's for the use of the
32 superintendent's office;

33 (14) To administer family services and programs to promote the
34 state's policy as provided in RCW 74.14A.025;

35 (15) To promote the adoption of school-based curricula and policies
36 that provide quality, daily physical education for all students, and to
37 encourage policies that provide all students with opportunities for
38 physical activity outside of formal physical education classes;

1 (16) To perform such other duties as may be required by law.

2 **Sec. 315.** RCW 28B.10.029 and 2010 c 61 s 1 are each amended to
3 read as follows:

4 (1)(a) An institution of higher education may exercise
5 independently those powers otherwise granted to the director of
6 (~~general administration~~) enterprise services in chapter 43.19 RCW in
7 connection with the purchase and disposition of all material, supplies,
8 services, and equipment needed for the support, maintenance, and use of
9 the respective institution of higher education.

10 (b) Property disposition policies followed by institutions of
11 higher education shall be consistent with policies followed by the
12 department of (~~general administration~~) enterprise services.

13 (c) Purchasing policies and procedures followed by institutions of
14 higher education shall be in compliance with chapters 39.19, 39.29, and
15 43.03 RCW, and RCW 43.19.1901, 43.19.1906, 43.19.1911, 43.19.1917,
16 43.19.1937, 43.19.534, 43.19.685, 43.19.700 through 43.19.704, and
17 43.19.560 through 43.19.637.

18 (d) Purchases under chapter 39.29, 43.19, or 43.105 RCW by
19 institutions of higher education may be made by using contracts for
20 materials, supplies, services, or equipment negotiated or entered into
21 by, for, or through group purchasing organizations.

22 (e) The community and technical colleges shall comply with RCW
23 43.19.450.

24 (f) Except for the University of Washington, institutions of higher
25 education shall comply with RCW 43.41.310, 43.41.290, and 43.41.350 (as
26 recodified by this act).

27 (g) If an institution of higher education can satisfactorily
28 demonstrate to the director of the office of financial management that
29 the cost of compliance is greater than the value of benefits from any
30 of the following statutes, then it shall be exempt from them: RCW
31 43.19.685, 43.19.534, and 43.19.637.

32 (h) Any institution of higher education that chooses to exercise
33 independent purchasing authority for a commodity or group of
34 commodities shall notify the director of (~~general administration~~)
35 enterprise services. Thereafter the director of (~~general~~
36 ~~administration~~) enterprise services shall not be required to provide

1 those services for that institution for the duration of the (~~general~~
2 ~~administration~~) enterprise services contract term for that commodity
3 or group of commodities.

4 (2) The council of presidents and the state board for community and
5 technical colleges shall convene its correctional industries business
6 development advisory committee, and work collaboratively with
7 correctional industries, to:

8 (a) Reaffirm purchasing criteria and ensure that quality, service,
9 and timely delivery result in the best value for expenditure of state
10 dollars;

11 (b) Update the approved list of correctional industries products
12 from which higher education shall purchase; and

13 (c) Develop recommendations on ways to continue to build
14 correctional industries' business with institutions of higher
15 education.

16 (3) Higher education and correctional industries shall develop a
17 plan to build higher education business with correctional industries to
18 increase higher education purchases of correctional industries
19 products, based upon the criteria established in subsection (2) of this
20 section. The plan shall include the correctional industries'
21 production and sales goals for higher education and an approved list of
22 products from which higher education institutions shall purchase, based
23 on the criteria established in subsection (2) of this section. Higher
24 education and correctional industries shall report to the legislature
25 regarding the plan and its implementation no later than January 30,
26 2005.

27 (4) Institutions of higher education shall set as a target to
28 contract, beginning not later than June 30, 2006, to purchase one
29 percent of the total goods and services required by the institutions
30 each year produced or provided in whole or in part from class II inmate
31 work programs operated by the department of corrections. Institutions
32 of higher education shall set as a target to contract, beginning not
33 later than June 30, 2008, to purchase two percent of the total goods
34 and services required by the institutions each year produced or
35 provided in whole or in part from class II inmate work programs
36 operated by the department of corrections.

37 (5) An institution of higher education may exercise independently
38 those powers otherwise granted to the (~~public printer in chapter 43.78~~

1 RCW)) department of enterprise services in connection with the
2 production or purchase of any printing and binding needed by the
3 respective institution of higher education. Purchasing policies and
4 procedures followed by institutions of higher education shall be in
5 compliance with chapter 39.19 RCW. Any institution of higher education
6 that chooses to exercise independent printing production or purchasing
7 authority shall notify the ((~~public printer~~)) department of enterprise
8 services. Thereafter the ((~~public printer~~)) department of enterprise
9 services shall not be required to provide those services for that
10 institution.

11 **Sec. 316.** RCW 40.04.030 and 1995 c 24 s 1 are each amended to read
12 as follows:

13 The ((~~public printer~~)) department of enterprise services shall
14 deliver to the statute law committee all bound volumes of the session
15 laws. The ((~~public printer~~)) department of enterprise services shall
16 deliver the house and senate journals as they are published to the
17 chief clerk of the house of representatives and the secretary of the
18 senate, as appropriate. The publisher of the supreme court reports and
19 the court of appeals reports of the state of Washington shall deliver
20 the copies that are purchased by the supreme court for the use of the
21 state to the state law librarian.

22 **Sec. 317.** RCW 40.06.030 and 2006 c 199 s 5 are each amended to
23 read as follows:

24 (1) Every state agency shall promptly submit to the state library
25 copies of published information that are state publications.

26 (a) For state publications available only in print format, each
27 state agency shall deposit, at a minimum, two copies of each of its
28 publications with the state library. For the purposes of broad public
29 access, state agencies may deposit additional copies with the state
30 library for distribution to additional depository libraries.

31 (b) For state publications available only in electronic format,
32 each state agency shall deposit one copy of each of its publications
33 with the state library.

34 (c) For state publications available in both print and electronic
35 format, each state agency shall deposit two print copies and one
36 electronic copy of the publication with the state library.

1 (2) Annually, each state agency shall provide the state library
2 with a listing of all its publications made available to state
3 government and the public during the preceding year, including those
4 published in electronic form. The secretary of state shall, by rule,
5 establish the annual date by which state agencies must provide the list
6 of its publications to the state library.

7 (3) In the interest of economy and efficiency, the state librarian
8 may specifically or by general rule exempt a given state publication or
9 class of publications from the requirements of this section in full or
10 in part.

11 (4) Upon consent of the issuing state agency, such state
12 publications as are printed by the (~~public printer shall~~) department
13 of enterprise services must be delivered directly to the center.

14 **Sec. 318.** RCW 40.07.050 and 1986 c 158 s 5 are each amended to
15 read as follows:

16 Neither the (~~public printer~~) department of enterprise services
17 nor any state agency shall print or authorize for printing any state
18 publication that has been determined by the director to be inconsistent
19 with RCW 40.07.030 except to the extent this requirement may conflict
20 with the laws of the United States or any rules or regulations lawfully
21 promulgated under those laws. A copy of any state publication printed
22 without the approval of the director under the exceptions authorized in
23 this section shall be filed with the director with a letter of
24 transmittal citing the federal statute, rule, or regulation requiring
25 the publication.

26 **Sec. 319.** RCW 43.08.061 and 1993 c 38 s 1 are each amended to read
27 as follows:

28 The (~~public printer~~) department of enterprise services shall
29 print all state treasury warrants for distribution as directed by the
30 state treasurer. All warrants redeemed by the state treasurer shall be
31 retained for a period of one year, following their redemption, after
32 which they may be destroyed without regard to the requirements imposed
33 for their destruction by chapter 40.14 RCW.

34 NEW SECTION. **Sec. 320.** The following acts or parts of acts are
35 each repealed:

- 1 (1) RCW 43.78.010 (Appointment of public printer) and 2009 c 549 s
2 5146, 1981 c 338 s 6, & 1965 c 8 s 43.78.010;
- 3 (2) RCW 43.78.020 (Bond) and 2009 c 549 s 5147 & 1965 c 8 s
4 43.78.020;
- 5 (3) RCW 43.78.040 (Requisitions) and 1965 c 8 s 43.78.040;
- 6 (4) RCW 43.78.050 (Itemized statement of charges) and 1965 c 8 s
7 43.78.050; and
- 8 (5) RCW 43.78.080 (Printing specifications) and 1972 ex.s. c 1 s 1,
9 1969 c 6 s 7, & 1965 c 8 s 43.78.080.

10 NEW SECTION. **Sec. 321.** RCW 43.78.030, 43.78.070, 43.78.090,
11 43.78.100, 43.78.105, 43.78.110, 43.78.130, 43.78.140, 43.78.150,
12 43.78.160, and 43.78.170 are each recodified as sections in chapter
13 43.19 RCW.

14 **PART IV**

15 **POWERS AND DUTIES TRANSFERRED FROM THE DEPARTMENT OF PERSONNEL**

16 **Sec. 401.** RCW 41.06.020 and 1993 c 281 s 19 are each amended to
17 read as follows:

18 Unless the context clearly indicates otherwise, the words used in
19 this chapter have the meaning given in this section.

20 (1) "Agency" means an office, department, board, commission, or
21 other separate unit or division, however designated, of the state
22 government and all personnel thereof; it includes any unit of state
23 government established by law, the executive officer or members of
24 which are either elected or appointed, upon which the statutes confer
25 powers and impose duties in connection with operations of either a
26 governmental or proprietary nature.

27 (2) "Board" means the Washington personnel resources board
28 established under the provisions of RCW 41.06.110, except that this
29 definition does not apply to the words "board" or "boards" when used in
30 RCW 41.06.070.

31 (3) "Classified service" means all positions in the state service
32 subject to the provisions of this chapter.

33 (4) "Competitive service" means all positions in the classified
34 service for which a competitive examination is required as a condition
35 precedent to appointment.

1 (5) "Comparable worth" means the provision of similar salaries for
2 positions that require or impose similar responsibilities, judgments,
3 knowledge, skills, and working conditions.

4 (6) "Noncompetitive service" means all positions in the classified
5 service for which a competitive examination is not required.

6 (7) "Department" means an agency of government that has as its
7 governing officer a person, or combination of persons such as a
8 commission, board, or council, by law empowered to operate the agency
9 responsible either to (a) no other public officer or (b) the governor.

10 (8) "Career development" means the progressive development of
11 employee capabilities to facilitate productivity, job satisfaction, and
12 upward mobility through work assignments as well as education and
13 training that are both state-sponsored and are achieved by individual
14 employee efforts, all of which shall be consistent with the needs and
15 obligations of the state and its agencies.

16 (9) "Training" means activities designed to develop job-related
17 knowledge and skills of employees.

18 (10) "Director" means the human resources director (~~(of personnel~~
19 ~~appointed under the provisions of RCW 41.06.130)) within the office of
20 financial management and appointed under section 431 of this act.~~

21 (11) "Affirmative action" means a procedure by which racial
22 minorities, women, persons in the protected age category, persons with
23 disabilities, Vietnam-era veterans, and disabled veterans are provided
24 with increased employment opportunities. It shall not mean any sort of
25 quota system.

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

30 (13) "Related boards" means the state board for community and
31 technical colleges; and such other boards, councils, and commissions
32 related to higher education as may be established.

33 **Sec. 402.** RCW 41.06.070 and 2010 c 271 s 801, 2010 c 2 s 2, and
34 2010 c 1 s 1 are each reenacted and amended to read as follows:

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

36 (a) The members of the legislature or to any employee of, or
37 position in, the legislative branch of the state government including

1 members, officers, and employees of the legislative council, joint
2 legislative audit and review committee, statute law committee, and any
3 interim committee of the legislature;

4 (b) The justices of the supreme court, judges of the court of
5 appeals, judges of the superior courts or of the inferior courts, or to
6 any employee of, or position in the judicial branch of state
7 government;

8 (c) Officers, academic personnel, and employees of technical
9 colleges;

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

11 (e) Elective officers of the state;

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

13 (g) In the departments of employment security and social and health
14 services, the director and the director's confidential secretary; in
15 all other departments, the executive head of which is an individual
16 appointed by the governor, the director, his or her confidential
17 secretary, and his or her statutory assistant directors;

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

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

22 (ii) If the members of the board, commission, or committee serve on
23 a part-time basis and there is a statutory executive officer: The
24 secretary of the board, commission, or committee; the chief executive
25 officer of the board, commission, or committee; and the confidential
26 secretary of the chief executive officer of the board, commission, or
27 committee;

28 (iii) If the members of the board, commission, or committee serve
29 on a full-time basis: The chief executive officer or administrative
30 officer as designated by the board, commission, or committee; and a
31 confidential secretary to the chair of the board, commission, or
32 committee;

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

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

38 (j) Assistant attorneys general;

1 (k) Commissioned and enlisted personnel in the military service of
2 the state;

3 (l) Inmate, student, part-time, or temporary employees, and part-
4 time professional consultants, as defined by the Washington personnel
5 resources board;

6 (m) ~~((The public printer or to any employees of or positions in the
7 state printing plant;~~

8 ~~(n))~~ Officers and employees of the Washington state fruit
9 commission;

10 ~~((o))~~ (n) Officers and employees of the Washington apple
11 commission;

12 ~~((p))~~ (o) Officers and employees of the Washington state dairy
13 products commission;

14 ~~((q))~~ (p) Officers and employees of the Washington tree fruit
15 research commission;

16 ~~((r))~~ (q) Officers and employees of the Washington state beef
17 commission;

18 ~~((s))~~ (r) Officers and employees of the Washington grain
19 commission;

20 ~~((t))~~ (s) Officers and employees of any commission formed under
21 chapter 15.66 RCW;

22 ~~((u))~~ (t) Officers and employees of agricultural commissions
23 formed under chapter 15.65 RCW;

24 ~~((v))~~ (u) Officers and employees of the nonprofit corporation
25 formed under chapter 67.40 RCW;

26 ~~((w))~~ (v) Executive assistants for personnel administration and
27 labor relations in all state agencies employing such executive
28 assistants including but not limited to all departments, offices,
29 commissions, committees, boards, or other bodies subject to the
30 provisions of this chapter and this subsection shall prevail over any
31 provision of law inconsistent herewith unless specific exception is
32 made in such law;

33 ~~((x))~~ (w) In each agency with fifty or more employees: Deputy
34 agency heads, assistant directors or division directors, and not more
35 than three principal policy assistants who report directly to the
36 agency head or deputy agency heads;

37 ~~((y))~~ (x) All employees of the marine employees' commission;

1 (~~(z)~~) (y) Staff employed by the department of commerce to
2 administer energy policy functions;

3 (~~(aa)~~) (z) The manager of the energy facility site evaluation
4 council;

5 (~~(bb)~~) (aa) A maximum of ten staff employed by the department of
6 commerce to administer innovation and policy functions, including the
7 three principal policy assistants exempted under (~~(x)~~) (w) of this
8 subsection;

9 (~~(ee)~~) (bb) Staff employed by Washington State University to
10 administer energy education, applied research, and technology transfer
11 programs under RCW 43.21F.045 as provided in RCW 28B.30.900(5).

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

15 (a) Members of the governing board of each institution of higher
16 education and related boards, all presidents, vice presidents, and
17 their confidential secretaries, administrative, and personal
18 assistants; deans, directors, and chairs; academic personnel; and
19 executive heads of major administrative or academic divisions employed
20 by institutions of higher education; principal assistants to executive
21 heads of major administrative or academic divisions; other managerial
22 or professional employees in an institution or related board having
23 substantial responsibility for directing or controlling program
24 operations and accountable for allocation of resources and program
25 results, or for the formulation of institutional policy, or for
26 carrying out personnel administration or labor relations functions,
27 legislative relations, public information, development, senior computer
28 systems and network programming, or internal audits and investigations;
29 and any employee of a community college district whose place of work is
30 one which is physically located outside the state of Washington and who
31 is employed pursuant to RCW 28B.50.092 and assigned to an educational
32 program operating outside of the state of Washington;

33 (b) The governing board of each institution, and related boards,
34 may also exempt from this chapter classifications involving research
35 activities, counseling of students, extension or continuing education
36 activities, graphic arts or publications activities requiring
37 prescribed academic preparation or special training as determined by

1 the board: PROVIDED, That no nonacademic employee engaged in office,
2 clerical, maintenance, or food and trade services may be exempted by
3 the board under this provision;

4 (c) Printing craft employees in the department of printing at the
5 University of Washington.

6 (3) In addition to the exemptions specifically provided by this
7 chapter, the director (~~(of personnel)~~) may provide for further
8 exemptions pursuant to the following procedures. The governor or other
9 appropriate elected official may submit requests for exemption to the
10 (~~(director of personnel)~~) office of financial management stating the
11 reasons for requesting such exemptions. The director (~~(of personnel)~~)
12 shall hold a public hearing, after proper notice, on requests submitted
13 pursuant to this subsection. If the director determines that the
14 position for which exemption is requested is one involving substantial
15 responsibility for the formulation of basic agency or executive policy
16 or one involving directing and controlling program operations of an
17 agency or a major administrative division thereof, the director (~~(of~~
18 ~~personnel)~~) shall grant the request (~~(and such determination shall be~~
19 ~~final as to any decision made before July 1, 1993)~~). The total number
20 of additional exemptions permitted under this subsection shall not
21 exceed one percent of the number of employees in the classified service
22 not including employees of institutions of higher education and related
23 boards for those agencies not directly under the authority of any
24 elected public official other than the governor, and shall not exceed
25 a total of twenty-five for all agencies under the authority of elected
26 public officials other than the governor.

27 The salary and fringe benefits of all positions presently or
28 hereafter exempted except for the chief executive officer of each
29 agency, full-time members of boards and commissions, administrative
30 assistants and confidential secretaries in the immediate office of an
31 elected state official, and the personnel listed in subsections (1)(j)
32 through (~~(v)~~) (u) and (~~(y)~~) (x) and (2) of this section, shall be
33 determined by the director (~~(of personnel)~~). Changes to the
34 classification plan affecting exempt salaries must meet the same
35 provisions for classified salary increases resulting from adjustments
36 to the classification plan as outlined in RCW 41.06.152.

37 From February 18, 2009, through June 30, 2011, a salary or wage
38 increase shall not be granted to any position exempt from

1 classification under this chapter, except that a salary or wage
2 increase may be granted to employees pursuant to collective bargaining
3 agreements negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW,
4 or negotiated by the nonprofit corporation formed under chapter 67.40
5 RCW, and except that increases may be granted for positions for which
6 the employer has demonstrated difficulty retaining qualified employees
7 if the following conditions are met:

8 (a) The salary increase can be paid within existing resources; and

9 (b) The salary increase will not adversely impact the provision of
10 client services.

11 Any agency granting a salary increase from February 15, 2010,
12 through June 30, 2011, to a position exempt from classification under
13 this chapter shall submit a report to the fiscal committees of the
14 legislature no later than July 31, 2011, detailing the positions for
15 which salary increases were granted, the size of the increases, and the
16 reasons for giving the increases.

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

24 Any classified employee having civil service status in a classified
25 position who accepts an appointment in an exempt position shall have
26 the right of reversion to the highest class of position previously
27 held, or to a position of similar nature and salary.

28 A person occupying an exempt position who is terminated from the
29 position for gross misconduct or malfeasance does not have the right of
30 reversion to a classified position as provided for in this section.

31 From February 15, 2010, until June 30, 2011, no monetary
32 performance-based awards or incentives may be granted by the director
33 or employers to employees covered by rules adopted under this section.
34 This subsection does not prohibit the payment of awards provided for in
35 chapter 41.60 RCW.

36 **Sec. 403.** RCW 41.06.076 and 1997 c 386 s 1 are each amended to
37 read as follows:

1 In addition to the exemptions set forth in RCW 41.06.070, the
2 provisions of this chapter shall not apply in the department of social
3 and health services to the secretary; the secretary's executive
4 assistant, if any; not to exceed six assistant secretaries, thirteen
5 division directors, six regional directors; one confidential secretary
6 for each of the above-named officers; not to exceed six bureau chiefs;
7 (~~all social worker V positions~~) and all superintendents of
8 institutions of which the average daily population equals or exceeds
9 one hundred residents(~~(: PROVIDED, That each such confidential~~
10 ~~secretary must meet the minimum qualifications for the class of~~
11 ~~secretary II as determined by the Washington personnel resources board.~~
12 ~~This section expires June 30, 2005)~~).

13 **Sec. 404.** RCW 41.06.080 and 1970 ex.s. c 12 s 2 are each amended
14 to read as follows:

15 Notwithstanding the provisions of this chapter, the (~~department of~~
16 ~~personnel~~) office of financial management and the department of
17 enterprise services may make (~~its~~) their human resource services
18 available on request, on a reimbursable basis, to:

- 19 (1) Either the legislative or the judicial branch of the state
20 government;
- 21 (2) Any county, city, town, or other municipal subdivision of the
22 state;
- 23 (3) The institutions of higher learning;
- 24 (4) Any agency, class, or position set forth in RCW 41.06.070.

25 **Sec. 405.** RCW 41.06.093 and 1993 c 281 s 24 are each amended to
26 read as follows:

27 In addition to the exemptions set forth in RCW 41.06.070, the
28 provisions of this chapter shall not apply in the Washington state
29 patrol to confidential secretaries of agency bureau chiefs, or their
30 functional equivalent, and a confidential secretary for the chief of
31 staff(~~(: PROVIDED, That each confidential secretary must meet the~~
32 ~~minimum qualifications for the class of secretary II as determined by~~
33 ~~the Washington personnel resources board)~~).

34 **Sec. 406.** RCW 41.06.110 and 2002 c 354 s 210 are each amended to
35 read as follows:

1 (1) There is hereby created a Washington personnel resources board
2 composed of three members appointed by the governor, subject to
3 confirmation by the senate. The members of the personnel board serving
4 June 30, 1993, shall be the members of the Washington personnel
5 resources board, and they shall complete their terms as under the
6 personnel board. Each odd-numbered year thereafter the governor shall
7 appoint a member for a six-year term. Each member shall continue to
8 hold office after the expiration of the member's term until a successor
9 has been appointed. Persons so appointed shall have clearly
10 demonstrated an interest and belief in the merit principle, shall not
11 hold any other employment with the state, shall not have been an
12 officer of a political party for a period of one year immediately prior
13 to such appointment, and shall not be or become a candidate for
14 partisan elective public office during the term to which they are
15 appointed;

16 (2) Each member of the board shall be compensated in accordance
17 with RCW 43.03.250. The members of the board may receive any number of
18 daily payments for official meetings of the board actually attended.
19 Members of the board shall also be reimbursed for travel expenses
20 incurred in the discharge of their official duties in accordance with
21 RCW 43.03.050 and 43.03.060.

22 (3) At its first meeting following the appointment of all of its
23 members, and annually thereafter, the board shall elect a chair and
24 vice chair from among its members to serve one year. The presence of
25 at least two members of the board shall constitute a quorum to transact
26 business. A written public record shall be kept by the board of all
27 actions of the board. The director (~~(of personnel)~~) shall serve as
28 secretary.

29 (4) The board may appoint and compensate hearing officers to hear
30 and conduct appeals. Such compensation shall be paid on a contractual
31 basis for each hearing, in accordance with the provisions of chapter
32 43.88 RCW and rules adopted pursuant thereto, as they relate to
33 personal service contracts.

34 **Sec. 407.** RCW 41.06.120 and 1981 c 311 s 17 are each amended to
35 read as follows:

36 (1) In the necessary conduct of its work, the board shall meet
37 monthly unless there is no pending business requiring board action and

1 may hold hearings, such hearings to be called by (a) the chairman of
2 the board, or (b) a majority of the members of the board. An official
3 notice of the calling of the hearing shall be filed with the secretary,
4 and all members shall be notified of the hearing within a reasonable
5 period of time prior to its convening.

6 (2) No release of material or statement of findings shall be made
7 except with the approval of a majority of the board;

8 (3) In the conduct of hearings or investigations, a member of the
9 board or the director (~~(of personnel)~~), or the hearing officer, may
10 administer oaths.

11 **Sec. 408.** RCW 41.06.133 and 2010 c 2 s 3 and 2010 c 1 s 2 are each
12 reenacted and amended to read as follows:

13 (1) The director shall adopt rules, consistent with the purposes
14 and provisions of this chapter and with the best standards of personnel
15 administration, regarding the basis and procedures to be followed for:

16 (a) The reduction, dismissal, suspension, or demotion of an
17 employee;

18 (b) Training and career development;

19 (c) Probationary periods of six to twelve months and rejections of
20 probationary employees, depending on the job requirements of the class,
21 except (~~that~~) as follows:

22 (i) Entry level state park rangers shall serve a probationary
23 period of twelve months; and

24 (ii) The probationary period of campus police officer appointees
25 who are required to attend the Washington state criminal justice
26 training commission basic law enforcement academy shall extend from the
27 date of appointment until twelve months from the date of successful
28 completion of the basic law enforcement academy, or twelve months from
29 the date of appointment if academy training is not required. The
30 director shall adopt rules to ensure that employees promoting to campus
31 police officer who are required to attend the Washington state criminal
32 justice training commission basic law enforcement academy shall have
33 the trial service period extend from the date of appointment until
34 twelve months from the date of successful completion of the basic law
35 enforcement academy, or twelve months from the date of appointment if
36 academy training is not required;

37 (d) Transfers;

- 1 (e) Promotional preferences;
- 2 (f) Sick leaves and vacations;
- 3 (g) Hours of work;
- 4 (h) Layoffs when necessary and subsequent reemployment, except for
- 5 the financial basis for layoffs;

6 (i) The number of names to be certified for vacancies;

7 ~~(j) ((Adoption and revision of a state salary schedule to reflect~~
8 ~~the prevailing rates in Washington state private industries and other~~
9 ~~governmental units. The rates in the salary schedules or plans shall~~
10 ~~be increased if necessary to attain comparable worth under an~~
11 ~~implementation plan under RCW 41.06.155 and, for institutions of higher~~
12 ~~education and related boards, shall be competitive for positions of a~~
13 ~~similar nature in the state or the locality in which an institution of~~
14 ~~higher education or related board is located. Such adoption and~~
15 ~~revision is subject to approval by the director of financial management~~
16 ~~in accordance with chapter 43.88 RCW;~~

17 ~~(k))~~ Increment increases within the series of steps for each pay
18 grade based on length of service for all employees whose standards of
19 performance are such as to permit them to retain job status in the
20 classified service. From February 18, 2009, through June 30, 2011, a
21 salary or wage increase shall not be granted to any exempt position
22 under this chapter, except that a salary or wage increase may be
23 granted to employees pursuant to collective bargaining agreements
24 negotiated under chapter 28B.52, 41.56, 47.64, or 41.76 RCW, or
25 negotiated by the nonprofit corporation formed under chapter 67.40 RCW,
26 and except that increases may be granted for positions for which the
27 employer has demonstrated difficulty retaining qualified employees if
28 the following conditions are met:

- 29 (i) The salary increase can be paid within existing resources; and
- 30 (ii) The salary increase will not adversely impact the provision of
- 31 client services;

32 Any agency granting a salary increase from February 15, 2010,
33 through June 30, 2011, to a position exempt under this chapter shall
34 submit a report to the fiscal committees of the legislature no later
35 than July 31, 2011, detailing the positions for which salary increases
36 were granted, the size of the increases, and the reasons for giving the
37 increases;

1 (~~(l)~~) (k) Optional lump sum relocation compensation approved by
2 the agency director, whenever it is reasonably necessary that a person
3 make a domiciliary move in accepting a transfer or other employment
4 with the state. An agency must provide lump sum compensation within
5 existing resources. If the person receiving the relocation payment
6 terminates or causes termination with the state, for reasons other than
7 layoff, disability separation, or other good cause as determined by an
8 agency director, within one year of the date of the employment, the
9 state is entitled to reimbursement of the lump sum compensation from
10 the person;

11 (~~(m)~~) (l) Providing for veteran's preference as required by
12 existing statutes, with recognition of preference in regard to layoffs
13 and subsequent reemployment for veterans and their surviving spouses by
14 giving such eligible veterans and their surviving spouses additional
15 credit in computing their seniority by adding to their unbroken state
16 service, as defined by the director, the veteran's service in the
17 military not to exceed five years. For the purposes of this section,
18 "veteran" means any person who has one or more years of active military
19 service in any branch of the armed forces of the United States or who
20 has less than one year's service and is discharged with a disability
21 incurred in the line of duty or is discharged at the convenience of the
22 government and who, upon termination of such service, has received an
23 honorable discharge, a discharge for physical reasons with an honorable
24 record, or a release from active military service with evidence of
25 service other than that for which an undesirable, bad conduct, or
26 dishonorable discharge shall be given. However, the surviving spouse
27 of a veteran is entitled to the benefits of this section regardless of
28 the veteran's length of active military service. For the purposes of
29 this section, "veteran" does not include any person who has voluntarily
30 retired with twenty or more years of active military service and whose
31 military retirement pay is in excess of five hundred dollars per month.

32 (2) Rules adopted under this section by the director shall provide
33 for local administration and management by the institutions of higher
34 education and related boards, subject to periodic audit and review by
35 the director.

36 (3) Rules adopted by the director under this section may be
37 superseded by the provisions of a collective bargaining agreement

1 negotiated under RCW 41.80.001 and 41.80.010 through 41.80.130. The
2 supersession of such rules shall only affect employees in the
3 respective collective bargaining units.

4 (4)(a) The director shall require that each state agency report
5 annually the following data:

6 (i) The number of classified, Washington management service, and
7 exempt employees in the agency and the change compared to the previous
8 report;

9 (ii) The number of bonuses and performance-based incentives awarded
10 to agency staff and the base wages of such employees; and

11 (iii) The cost of each bonus or incentive awarded.

12 (b) A report that compiles the data in (a) of this subsection for
13 all agencies will be provided annually to the governor and the
14 appropriate committees of the legislature and must be posted for the
15 public on the (~~department of personnel's~~) office of financial
16 management's agency web site.

17 (5) From February 15, 2010, until June 30, 2011, no monetary
18 performance-based awards or incentives may be granted by the director
19 or employers to employees covered by rules adopted under this section.
20 This subsection does not prohibit the payment of awards provided for in
21 chapter 41.60 RCW.

22 **Sec. 409.** RCW 41.06.142 and 2008 c 267 s 9 are each amended to
23 read as follows:

24 (1) Any department, agency, or institution of higher education may
25 purchase services, including services that have been customarily and
26 historically provided by employees in the classified service under this
27 chapter, by contracting with individuals, nonprofit organizations,
28 businesses, employee business units, or other entities if the following
29 criteria are met:

30 (a) The invitation for bid or request for proposal contains
31 measurable standards for the performance of the contract;

32 (b) Employees in the classified service whose positions or work
33 would be displaced by the contract are provided an opportunity to offer
34 alternatives to purchasing services by contract and, if these
35 alternatives are not accepted, compete for the contract under
36 competitive contracting procedures in subsection (4) of this section;

1 (c) The contract with an entity other than an employee business
2 unit includes a provision requiring the entity to consider employment
3 of state employees who may be displaced by the contract;

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

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

14 (2) Any provision contrary to or in conflict with this section in
15 any collective bargaining agreement in effect on July 1, 2005, is not
16 effective beyond the expiration date of the agreement.

17 (3) Contracting for services that is expressly mandated by the
18 legislature or was authorized by law prior to July 1, 2005, including
19 contracts and agreements between public entities, shall not be subject
20 to the processes set forth in subsections (1), (4), and (5) of this
21 section.

22 (4) Competitive contracting shall be implemented as follows:

23 (a) At least ninety days prior to the date the contracting agency
24 requests bids from private entities for a contract for services
25 provided by classified employees, the contracting agency shall notify
26 the classified employees whose positions or work would be displaced by
27 the contract. The employees shall have sixty days from the date of
28 notification to offer alternatives to purchasing services by contract,
29 and the agency shall consider the alternatives before requesting bids.

30 (b) If the employees decide to compete for the contract, they shall
31 notify the contracting agency of their decision. Employees must form
32 one or more employee business units for the purpose of submitting a bid
33 or bids to perform the services.

34 (c) The (~~director of personnel~~) department of enterprise
35 services, with the advice and assistance of the (~~department of general~~
36 administration) office of financial management, shall develop and make
37 available to employee business units training in the bidding process
38 and general bid preparation.

1 (d) The director of (~~general administration~~) enterprise services,
2 with the advice and assistance of the (~~department of personnel~~)
3 office of financial management, shall, by rule, establish procedures to
4 ensure that bids are submitted and evaluated in a fair and objective
5 manner and that there exists a competitive market for the service.
6 Such rules shall include, but not be limited to: (i) Prohibitions
7 against participation in the bid evaluation process by employees who
8 prepared the business unit's bid or who perform any of the services to
9 be contracted; (ii) provisions to ensure no bidder receives an
10 advantage over other bidders and that bid requirements are applied
11 equitably to all parties; and (iii) procedures that require the
12 contracting agency to receive complaints regarding the bidding process
13 and to consider them before awarding the contract. Appeal of an
14 agency's actions under this subsection is an adjudicative proceeding
15 and subject to the applicable provisions of chapter 34.05 RCW, the
16 administrative procedure act, with the final decision to be rendered by
17 an administrative law judge assigned under chapter 34.12 RCW.

18 (e) An employee business unit's bid must include the fully
19 allocated costs of the service, including the cost of the employees'
20 salaries and benefits, space, equipment, materials, and other costs
21 necessary to perform the function. An employee business unit's cost
22 shall not include the state's indirect overhead costs unless those
23 costs can be attributed directly to the function in question and would
24 not exist if that function were not performed in state service.

25 (f) A department, agency, or institution of higher education may
26 contract with the department of (~~general administration~~) enterprise
27 services to conduct the bidding process.

28 (5) As used in this section:

29 (a) "Employee business unit" means a group of employees who perform
30 services to be contracted under this section and who submit a bid for
31 the performance of those services under subsection (4) of this section.

32 (b) "Indirect overhead costs" means the pro rata share of existing
33 agency administrative salaries and benefits, and rent, equipment costs,
34 utilities, and materials associated with those administrative
35 functions.

36 (c) "Competitive contracting" means the process by which classified
37 employees of a department, agency, or institution of higher education

1 compete with businesses, individuals, nonprofit organizations, or other
2 entities for contracts authorized by subsection (1) of this section.

3 (6) The requirements of this section do not apply to RCW
4 74.13.031(5).

5 **Sec. 410.** RCW 41.06.150 and 2002 c 371 s 906, 2002 c 354 s 203,
6 2002 c 354 s 202, and 2002 c 110 s 1 are each reenacted and amended to
7 read as follows:

8 The director shall adopt rules, consistent with the purposes and
9 provisions of this chapter and with the best standards of personnel
10 administration, regarding the basis and procedures to be followed for:

11 (1) Certification of names for vacancies;

12 (2) Examinations for all positions in the competitive and
13 noncompetitive service;

14 (3) Appointments;

15 (4) ~~((Adoption and revision of a comprehensive classification plan,~~
16 ~~in accordance with rules adopted by the board under RCW 41.06.136, for~~
17 ~~all positions in the classified service, based on investigation and~~
18 ~~analysis of the duties and responsibilities of each such position and~~
19 ~~allocation and reallocation of positions within the classification~~
20 ~~plan.~~

21 ~~(a) The director shall not adopt job classification revisions or~~
22 ~~class studies unless implementation of the proposed revision or study~~
23 ~~will result in net cost savings, increased efficiencies, or improved~~
24 ~~management of personnel or services, and the proposed revision or study~~
25 ~~has been approved by the director of financial management in accordance~~
26 ~~with chapter 43.88 RCW.~~

27 ~~(b) Reclassifications, class studies, and salary adjustments are~~
28 ~~governed by (a) of this subsection and RCW 41.06.152;~~

29 ~~(5))~~ Permitting agency heads to delegate the authority to appoint,
30 reduce, dismiss, suspend, or demote employees within their agencies if
31 such agency heads do not have specific statutory authority to so
32 delegate: PROVIDED, That the director may not authorize such
33 delegation to any position lower than the head of a major subdivision
34 of the agency;

35 ~~((6))~~ (5) Assuring persons who are or have been employed in
36 classified positions before July 1, 1993, will be eligible for

1 employment, reemployment, transfer, and promotion in respect to
2 classified positions covered by this chapter;

3 ~~((7))~~ (6) Affirmative action in appointment, promotion, transfer,
4 recruitment, training, and career development; development and
5 implementation of affirmative action goals and timetables; and
6 monitoring of progress against those goals and timetables.

7 The director shall consult with the human rights commission in the
8 development of rules pertaining to affirmative action. ~~((The
9 department of personnel shall transmit a report annually to the human
10 rights commission which states the progress each state agency has made
11 in meeting affirmative action goals and timetables.))~~

12 Rules adopted under this section by the director shall provide for
13 local administration and management by the institutions of higher
14 education and related boards, subject to periodic audit and review by
15 the director.

16 **Sec. 411.** RCW 41.06.152 and 2007 c 489 s 1 are each amended to
17 read as follows:

18 (1) The director shall adopt only those job classification
19 revisions, class studies, and salary adjustments under ~~((RCW
20 41.06.150(4))~~) section 412 of this act that:

21 (a) As defined by the director, are due to documented recruitment
22 or retention difficulties, salary compression or inversion,
23 classification plan maintenance, higher level duties and
24 responsibilities, or inequities; and

25 (b) Are such that the office of financial management has reviewed
26 the affected agency's fiscal impact statement and has concurred that
27 the affected agency can absorb the biennialized cost of the
28 reclassification, class study, or salary adjustment within the agency's
29 current authorized level of funding for the current fiscal biennium and
30 subsequent fiscal biennia.

31 (2) This section does not apply to the higher education hospital
32 special pay plan or to any adjustments to the classification plan under
33 ~~((RCW 41.06.150(4))~~) section 412 of this act that are due to emergent
34 conditions. Emergent conditions are defined as emergency conditions
35 requiring the establishment of positions necessary for the preservation
36 of the public health, safety, or general welfare.

1 NEW SECTION. **Sec. 412.** A new section is added to chapter 41.06
2 RCW to read as follows:

3 (1) To promote the most effective use of the state's workforce and
4 improve the effectiveness and efficiency of the delivery of services to
5 the citizens of the state, the director shall adopt and maintain a
6 comprehensive classification plan and compensation system for all
7 positions in the classified service. The classification plan and
8 compensation system must:

9 (a) Be simple and streamlined;

10 (b) Support state agencies in responding to changing technologies,
11 economic and social conditions, and the needs of its citizens;

12 (c) Ensure that positions requiring or imposing similar
13 responsibilities, judgment, knowledge, skills, and working conditions
14 have internal salary alignment;

15 (d) Value workplace diversity;

16 (e) Facilitate the reorganization and decentralization of
17 governmental services;

18 (f) Enhance mobility and career advancement opportunities; and

19 (g) Consider rates in other public employment and private
20 employment in the state.

21 (2) An appointing authority and an employee organization
22 representing classified employees of the appointing authority for
23 collective bargaining purposes may jointly request the human resources
24 director to initiate a classification study.

25 (3) For institutions of higher education and related boards, the
26 director may adopt special salary ranges to be competitive with
27 positions of a similar nature in the state or the locality in which the
28 institution of higher education or related board is located.

29 (4) The director may undertake salary surveys of positions in other
30 public and private employment to establish market rates. Any salary
31 survey information collected from private employers which identifies a
32 specific employer with salary rates which the employer pays to its
33 employees shall not be subject to public disclosure under chapter 42.56
34 RCW.

35 NEW SECTION. **Sec. 413.** A new section is added to chapter 41.06
36 RCW to read as follows:

1 The director shall adopt and maintain a state salary schedule.
2 Such adoption and revision is subject to approval by the director in
3 accordance with chapter 43.88 RCW.

4 **Sec. 414.** RCW 41.06.167 and 2005 c 274 s 279 are each amended to
5 read as follows:

6 The (~~department of personnel~~) office of financial management
7 shall undertake comprehensive compensation surveys for officers and
8 entry-level officer candidates of the Washington state patrol, with
9 such surveys to be conducted in the year prior to the convening of
10 every other one hundred five day regular session of the state
11 legislature. Salary and fringe benefit survey information collected
12 from private employers which identifies a specific employer with the
13 salary and fringe benefit rates which that employer pays to its
14 employees shall not be subject to public disclosure under chapter 42.56
15 RCW.

16 **Sec. 415.** RCW 41.06.169 and 1985 c 461 s 3 are each amended to
17 read as follows:

18 After consultation with state agency heads, employee organizations,
19 and other interested parties, the (~~state personnel~~) director shall
20 develop standardized employee performance evaluation procedures and
21 forms which shall be used by state agencies for the appraisal of
22 employee job performance at least annually. These procedures shall
23 include means whereby individual agencies may supplement the
24 standardized evaluation process with special performance factors
25 peculiar to specific organizational needs. Performance evaluation
26 procedures shall place primary emphasis on recording how well the
27 employee has contributed to efficiency, effectiveness, and economy in
28 fulfilling state agency and job objectives.

29 **Sec. 416.** RCW 41.06.170 and 2009 c 534 s 3 are each amended to
30 read as follows:

31 (1) The director, in the adoption of rules governing suspensions
32 for cause, shall not authorize an appointing authority to suspend an
33 employee for more than fifteen calendar days as a single penalty or
34 more than thirty calendar days in any one calendar year as an
35 accumulation of several penalties. The director shall require that the

1 appointing authority give written notice to the employee not later than
2 one day after the suspension takes effect, stating the reasons for and
3 the duration thereof.

4 (2) Any employee who is reduced, dismissed, suspended, or demoted,
5 after completing his or her probationary period of service as provided
6 by the rules of the director, or any employee who is adversely affected
7 by a violation of the state civil service law, chapter 41.06 RCW, or
8 rules adopted under it, shall have the right to appeal, either
9 individually or through his or her authorized representative, not later
10 than thirty days after the effective date of such action (~~to the~~
11 ~~personnel appeals board through June 30, 2005, and~~) to the Washington
12 personnel resources board (~~after June 30, 2005~~). The employee shall
13 be furnished with specified charges in writing when a reduction,
14 dismissal, suspension, or demotion action is taken. Such appeal shall
15 be in writing. Decisions of the Washington personnel resources board
16 on appeals filed after June 30, 2005, shall be final and not subject to
17 further appeal.

18 (3) Any employee whose position has been exempted after July 1,
19 1993, shall have the right to appeal, either individually or through
20 his or her authorized representative, not later than thirty days after
21 the effective date of such action to the (~~personnel appeals board~~
22 ~~through June 30, 2005, and to the~~) Washington personnel resources
23 board (~~after June 30, 2005~~). If the position being exempted is
24 vacant, the exclusive bargaining unit representative may act in lieu of
25 an employee for the purposes of appeal.

26 (4) An employee incumbent in a position at the time of its
27 allocation or reallocation, or the agency utilizing the position, may
28 appeal the allocation or reallocation to the (~~personnel appeals board~~
29 ~~through December 31, 2005, and to the~~) Washington personnel resources
30 board (~~after December 31, 2005~~). Notice of such appeal must be filed
31 in writing within thirty days of the action from which appeal is taken.

32 (5) Subsections (1) and (2) of this section do not apply to any
33 employee who is subject to the provisions of a collective bargaining
34 agreement negotiated under RCW 41.80.001 and 41.80.010 through
35 41.80.130.

36 **Sec. 417.** RCW 41.06.220 and 1961 c 1 s 22 are each amended to read
37 as follows:

1 ~~((1) An employee who is terminated from state service may request~~
2 ~~the board to place his name on an appropriate reemployment list and the~~
3 ~~board shall grant this request where the circumstances are found to~~
4 ~~warrant reemployment.~~

5 (2)) Any employee, when fully reinstated after appeal, shall be
6 guaranteed all employee rights and benefits, including back pay, sick
7 leave, vacation accrual, retirement and OASDI credits.

8 **Sec. 418.** RCW 41.06.260 and 1961 c 1 s 26 are each amended to read
9 as follows:

10 If any part of this chapter shall be found to be in conflict with
11 federal requirements which are a condition precedent to the allocation
12 of federal funds to the state, such conflicting part of this chapter is
13 hereby declared to be inoperative solely to the extent of such conflict
14 and with respect to the agencies directly affected, and such findings
15 or determination shall not affect the operation of the remainder of
16 this chapter in its application to the agencies concerned. The
17 ~~((board))~~ office of financial management and the department of
18 enterprise services, as appropriate, shall make such rules and
19 regulations as may be necessary to meet federal requirements which are
20 a condition precedent to the receipt of federal funds by the state.

21 **Sec. 419.** RCW 41.06.270 and 2002 c 354 s 217 are each amended to
22 read as follows:

23 A disbursing officer shall not pay any employee holding a position
24 covered by this chapter unless the employment is in accordance with
25 this chapter or the rules, regulations and orders issued hereunder.
26 The directors of ~~((personnel))~~ enterprise services and financial
27 management shall jointly establish procedures for the certification of
28 payrolls.

29 **Sec. 420.** RCW 41.06.280 and 1993 c 379 s 309 are each amended to
30 read as follows:

31 There is hereby created a fund within the state treasury,
32 designated as the "~~((department of))~~ personnel service fund," to be
33 used by the ~~((board))~~ office of financial management and the department
34 of enterprise services as a revolving fund for the payment of salaries,
35 wages, and operations required for the administration of the provisions

1 of this chapter, applicable provisions of chapter 41.04 RCW, and
2 chapter 41.60 RCW. An amount not to exceed one and one-half percent of
3 the ~~((approved allotments of))~~ salaries and wages for all positions in
4 the classified service in each of the agencies subject to this chapter,
5 except the institutions of higher education, shall be charged to the
6 operations appropriations of each agency and credited to the
7 ~~((department of))~~ personnel service fund as the allotments are approved
8 pursuant to chapter 43.88 RCW. Subject to the above limitations, the
9 amount shall be charged against the allotments pro rata, at a rate to
10 be fixed by the director from time to time which, together with income
11 derived from services rendered under RCW 41.06.080, will provide the
12 ~~((department))~~ office of financial management and the department of
13 enterprise services with funds to meet its anticipated expenditures
14 during the allotment period, including the training requirements in RCW
15 41.06.500 and 41.06.530.

16 The director ~~((of personnel))~~ shall fix the terms and charges for
17 services rendered by the department of ~~((personnel))~~ enterprise
18 services and the office of financial management pursuant to RCW
19 41.06.080, which amounts shall be credited to the ~~((department of))~~
20 personnel service fund and charged against the proper fund or
21 appropriation of the recipient of such services on a ~~((quarterly))~~
22 monthly basis. Payment for services so rendered under RCW 41.06.080
23 shall be made on a ~~((quarterly))~~ monthly basis to the state treasurer
24 and deposited ~~((by him))~~ in the ~~((department of))~~ personnel service
25 fund.

26 Moneys from the ~~((department of))~~ personnel service fund shall be
27 disbursed by the state treasurer by warrants on vouchers duly
28 authorized by the ~~((board))~~ office of financial management and the
29 department of enterprise services.

30 **Sec. 421.** RCW 41.06.285 and 1998 c 245 s 41 are each amended to
31 read as follows:

32 (1) There is hereby created a fund within the state treasury,
33 designated as the "higher education personnel service fund," to be used
34 by the ~~((board))~~ office of financial management as a revolving fund for
35 the payment of salaries, wages, and operations required for the
36 administration of ~~((institutions of higher education and related~~
37 ~~boards, the budget for which shall be subject to review and approval~~

1 ~~and appropriation by the legislature))~~ the provisions of chapter 41.06
2 RCW and applicable provisions of chapters 41.04 and 41.60 RCW. Subject
3 to the requirements of subsection (2) of this section, an amount not to
4 exceed one-half of one percent of the salaries and wages for all
5 positions in the classified service shall be contributed from the
6 operations appropriations of each institution and the state board for
7 community and technical colleges and credited to the higher education
8 personnel service fund as such allotments are approved pursuant to
9 chapter 43.88 RCW. Subject to the above limitations, such amount shall
10 be charged against the allotments pro rata, at a rate to be fixed by
11 the director of financial management from time to time, which will
12 provide the (~~board~~) office of financial management with funds to meet
13 its anticipated expenditures during the allotment period.

14 (2) If employees of institutions of higher education cease to be
15 classified under this chapter pursuant to an agreement authorized by
16 RCW 41.56.201, each institution of higher education and the state board
17 for community and technical colleges shall continue, for six months
18 after the effective date of the agreement, to make contributions to the
19 higher education personnel service fund based on employee salaries and
20 wages that includes the employees under the agreement. At the
21 expiration of the six-month period, the director of financial
22 management shall make across-the-board reductions in allotments of the
23 higher education personnel service fund for the remainder of the
24 biennium so that the charge to the institutions of higher education and
25 state board for community and technical colleges based on the salaries
26 and wages of the remaining employees of institutions of higher
27 education and related boards classified under this chapter does not
28 increase during the biennium, unless an increase is authorized by the
29 legislature.

30 (3) Moneys from the higher education personnel service fund shall
31 be disbursed by the state treasurer by warrants on vouchers duly
32 authorized by the (~~board~~) office of financial management.

33 **Sec. 422.** RCW 41.06.350 and 2002 c 354 s 218 are each amended to
34 read as follows:

35 The director is authorized to receive federal funds now available
36 or hereafter made available for the assistance and improvement of

1 public personnel administration, which may be expended in addition to
2 the ~~((department of))~~ personnel service fund established by RCW
3 41.06.280.

4 **Sec. 423.** RCW 41.06.395 and 2007 c 76 s 1 are each amended to read
5 as follows:

6 The director shall adopt rules establishing guidelines for
7 policies, procedures, and mandatory training programs on sexual
8 harassment for state employees to be adopted by state agencies ~~((and
9 establishing))~~. The department of enterprise services shall establish
10 reporting requirements for state agencies on compliance with RCW
11 43.01.135.

12 **Sec. 424.** RCW 41.06.400 and 2002 c 354 s 219 are each amended to
13 read as follows:

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

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

21 ~~((2) In addition to other powers and duties specified in this~~
22 ~~chapter, the director shall:~~

23 ~~((a) Provide for the evaluation of training and career development~~
24 ~~programs and plans of agencies. The director shall report the results~~
25 ~~of such evaluations to the agency which is the subject of the~~
26 ~~evaluation;))~~

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

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

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

34 ~~((τ))~~ (2) At an agency's request, the ~~((director))~~ department of
35 enterprise services may provide training and career development

1 programs for an agency's internal use which may be conducted more
2 efficiently and economically by the department of (~~personnel~~)
3 enterprise services.

4 **Sec. 425.** RCW 41.06.410 and 2002 c 354 s 220 are each amended to
5 read as follows:

6 Each agency subject to the provisions of this chapter shall:

7 (1) Prepare an employee training and career development plan which
8 shall at least meet minimum standards established by the (~~director.~~
9 ~~A copy of such plan shall be submitted to the director for purposes of~~
10 ~~administering the provisions of RCW 41.06.400(2)) department of
11 enterprise services;~~

12 (2) Provide for training and career development for its employees
13 in accordance with the agency plan;

14 (~~Report on its training and career development program~~
15 ~~operations and costs to the director in accordance with reporting~~
16 ~~procedures adopted by the director;~~

17 (~~4~~)) Budget for training and career development in accordance with
18 procedures of the office of financial management.

19 **Sec. 426.** RCW 41.06.420 and 1980 c 118 s 6 are each amended to
20 read as follows:

21 (1) The (~~board~~) office of financial management, by rule, shall
22 prescribe the conditions under which an employee appointed to a
23 supervisory or management position after June 12, 1980, shall be
24 required to successfully complete an entry-level management training
25 course as approved by the director. Such training shall not be
26 required of any employee who has completed a management training course
27 prior to the employee's appointment which is, in the judgment of the
28 director, at least equivalent to the entry-level course required by
29 this section.

30 (2) The (~~board~~) office of financial management, by rule, shall
31 establish procedures for the suspension of the entry-level training
32 requirement in cases where the ability of an agency to perform its
33 responsibilities is adversely affected, or for the waiver of this
34 requirement in cases where a person has demonstrated experience as a
35 substitute for training.

1 (3) Agencies subject to the provisions of this chapter, in
2 accordance with rules prescribed by the (~~board~~) office of financial
3 management, shall designate individual positions, or groups of
4 positions, as being "supervisory" or "management" positions. Such
5 designations shall be subject to review by the director (~~as part of~~
6 ~~the director's evaluation of training and career development programs~~
7 ~~prescribed by RCW 41.06.400(2)~~)).

8 **Sec. 427.** RCW 41.06.476 and 2001 c 296 s 6 are each amended to
9 read as follows:

10 (1) The (~~board~~) office of financial management shall amend any
11 existing rules established under RCW 41.06.475 and adopt rules
12 developed in cooperation and agreement with the department of social
13 and health services to implement the provisions of chapter 296, Laws of
14 2001.

15 (2) The legislature's delegation of authority to the agency under
16 chapter 296, Laws of 2001 is strictly limited to:

17 (a) The minimum delegation necessary to administer the clear and
18 unambiguous directives of chapter 296, Laws of 2001; and

19 (b) The administration of circumstances and behaviors foreseeable
20 at the time of enactment.

21 **Sec. 428.** RCW 41.06.490 and 2002 c 354 s 223 are each amended to
22 read as follows:

23 (~~(1)~~) In addition to the rules adopted under RCW 41.06.150, the
24 director shall adopt rules establishing a state employee return-to-work
25 program. The program shall, at a minimum:

26 (~~(a)~~) (1) Direct each agency to adopt a return-to-work policy.
27 The program shall allow each agency program to take into consideration
28 the special nature of employment in the agency;

29 (~~(b)~~) (2) Provide for eligibility in the return-to-work program,
30 for a minimum of two years from the date the temporary disability
31 commenced, for any permanent employee who is receiving compensation
32 under RCW 51.32.090 and who is, by reason of his or her temporary
33 disability, unable to return to his or her previous work, but who is
34 physically capable of carrying out work of a lighter or modified
35 nature;

1 ~~((c) Allow opportunity for return to work statewide when~~
2 ~~appropriate job classifications are not available in the agency that is~~
3 ~~the appointing authority at the time of injury;~~

4 ~~(d))~~ (3) Require each agency to name an agency representative
5 responsible for coordinating the return-to-work program of the agency;

6 ~~((e))~~ (4) Provide that applicants receiving appointments for
7 classified service receive an explanation of the return-to-work policy;

8 ~~((f))~~ (5) Require training of supervisors on implementation of
9 the return-to-work policy, including but not limited to assessment of
10 the appropriateness of the return-to-work job for the employee; and

11 ~~((g))~~ (6) Coordinate participation of applicable employee
12 assistance programs, as appropriate.

13 ~~((2) The agency full-time equivalents necessary to implement the~~
14 ~~return to work program established under this section shall be used~~
15 ~~only for the purposes of the return to work program and the net~~
16 ~~increase in full-time equivalents shall be temporary.))~~

17 **Sec. 429.** RCW 41.06.510 and 1993 c 281 s 10 are each amended to
18 read as follows:

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

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

1 **Sec. 430.** RCW 41.06.530 and 1993 c 281 s 12 are each amended to
2 read as follows:

3 (1) The legislature recognizes that:

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

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

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

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

14 (2) To implement this policy(~~(, the department shall)~~):

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

20 (b) (~~In consultation with agencies, employee organizations, and~~
21 ~~employees, institutions of higher education, and related boards,~~
22 ~~develop model policies, procedures, and technical information to be~~
23 ~~made available to such entities for the support of workplace diversity~~
24 ~~programs, including, but not limited to:~~

25 ~~(i) Voluntary mentorship programs;~~

26 ~~(ii) Alternative testing practices for persons of disability where~~
27 ~~deemed appropriate;~~

28 ~~(iii) Career counseling;~~

29 ~~(iv) Training opportunities, including management and employee~~
30 ~~awareness and skills training, English as a second language, and~~
31 ~~individual tutoring;~~

32 ~~(v) Recruitment strategies;~~

33 ~~(vi) Management performance appraisal techniques that focus on~~
34 ~~valuing and managing diversity in the workplace; and~~

35 ~~(vii) Alternative work arrangements;~~

36 ~~(e))~~ The department of enterprise services, in consultation with
37 agencies, employee organizations, and employees, institutions of higher
38 education, and related boards, develop training programs for all

1 managers to enhance their ability to implement diversity policies and
2 to provide a thorough grounding in all aspects of the state civil
3 service law and merit system rules, and how the proper implementation
4 and application thereof can facilitate and further the mission of the
5 agency.

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

10 NEW SECTION. Sec. 431. A new section is added to chapter 43.41
11 RCW to read as follows:

12 (1) The office of financial management shall direct and supervise
13 the personnel policy and application of the civil service laws, chapter
14 41.06 RCW.

15 (2) The human resources director is created in the office of
16 financial management. The human resources director shall be appointed
17 by the governor, and shall serve at the pleasure of the governor. The
18 director shall receive a salary in an amount fixed by the governor.

19 (3) The human resources director has the authority and shall
20 perform the functions as prescribed in chapter 41.06 RCW, or as
21 otherwise prescribed by law.

22 (4) The human resources director may delegate to any agency the
23 authority to perform administrative and technical personnel activities
24 if the agency requests such authority and the human resources director
25 is satisfied that the agency has the personnel management capabilities
26 to effectively perform the delegated activities. The human resources
27 director shall prescribe standards and guidelines for the performance
28 of delegated activities. If the human resources director determines
29 that an agency is not performing delegated activities within the
30 prescribed standards and guidelines, the director shall withdraw the
31 authority from the agency to perform such activities.

32 **Sec. 432.** RCW 34.05.030 and 2006 c 300 s 4 are each amended to
33 read as follows:

34 (1) This chapter shall not apply to:

35 (a) The state militia, or

36 (b) The board of clemency and pardons, or

1 (c) The department of corrections or the indeterminate sentencing
2 review board with respect to persons who are in their custody or are
3 subject to the jurisdiction of those agencies.

4 (2) The provisions of RCW 34.05.410 through 34.05.598 shall not
5 apply:

6 (a) To adjudicative proceedings of the board of industrial
7 insurance appeals except as provided in RCW 7.68.110 and 51.48.131;

8 (b) Except for actions pursuant to chapter 46.29 RCW, to the
9 denial, suspension, or revocation of a driver's license by the
10 department of licensing;

11 (c) To the department of labor and industries where another statute
12 expressly provides for review of adjudicative proceedings of a
13 department action, order, decision, or award before the board of
14 industrial insurance appeals;

15 (d) To actions of the Washington personnel resources board (~~or the~~
16 ~~director of personnel~~), the human resources director, or the office of
17 financial management and the department of enterprise services when
18 carrying out their duties under chapter 41.06 RCW;

19 (e) To adjustments by the department of revenue of the amount of
20 the surcharge imposed under RCW 82.04.261; or

21 (f) To the extent they are inconsistent with any provisions of
22 chapter 43.43 RCW.

23 (3) Unless a party makes an election for a formal hearing pursuant
24 to RCW 82.03.140 or 82.03.190, RCW 34.05.410 through 34.05.598 do not
25 apply to a review hearing conducted by the board of tax appeals.

26 (4) The rule-making provisions of this chapter do not apply to:

27 (a) Reimbursement unit values, fee schedules, arithmetic conversion
28 factors, and similar arithmetic factors used to determine payment rates
29 that apply to goods and services purchased under contract for clients
30 eligible under chapter 74.09 RCW; and

31 (b) Adjustments by the department of revenue of the amount of the
32 surcharge imposed under RCW 82.04.261.

33 (5) All other agencies, whether or not formerly specifically
34 excluded from the provisions of all or any part of the administrative
35 procedure act, shall be subject to the entire act.

36 **Sec. 433.** RCW 41.04.340 and 2002 c 354 s 227 are each amended to
37 read as follows:

1 (1) An attendance incentive program is established for all eligible
2 employees. As used in this section the term "eligible employee" means
3 any employee of the state, other than eligible employees of the
4 community and technical colleges and the state board for community and
5 technical colleges identified in RCW 28B.50.553, and teaching and
6 research faculty at the state and regional universities and The
7 Evergreen State College, entitled to accumulate sick leave and for whom
8 accurate sick leave records have been maintained. No employee may
9 receive compensation under this section for any portion of sick leave
10 accumulated at a rate in excess of one day per month. The state and
11 regional universities and The Evergreen State College shall maintain
12 complete and accurate sick leave records for all teaching and research
13 faculty.

14 (2) In January of the year following any year in which a minimum of
15 sixty days of sick leave is accrued, and each January thereafter, any
16 eligible employee may receive remuneration for unused sick leave
17 accumulated in the previous year at a rate equal to one day's monetary
18 compensation of the employee for each four full days of accrued sick
19 leave in excess of sixty days. Sick leave for which compensation has
20 been received shall be deducted from accrued sick leave at the rate of
21 four days for every one day's monetary compensation.

22 (3) At the time of separation from state service due to retirement
23 or death, an eligible employee or the employee's estate may elect to
24 receive remuneration at a rate equal to one day's current monetary
25 compensation of the employee for each four full days of accrued sick
26 leave.

27 (4) Remuneration or benefits received under this section shall not
28 be included for the purpose of computing a retirement allowance under
29 any public retirement system in this state.

30 (5) Except as provided in subsections (7) through (9) of this
31 section for employees not covered by chapter 41.06 RCW, this section
32 shall be administered, and rules shall be adopted to carry out its
33 purposes, by the human resources director (~~(of personnel)~~) for persons
34 subject to chapter 41.06 RCW: PROVIDED, That determination of classes
35 of eligible employees shall be subject to approval by the office of
36 financial management.

37 (6) Should the legislature revoke any remuneration or benefits

1 granted under this section, no affected employee shall be entitled
2 thereafter to receive such benefits as a matter of contractual right.

3 (7) In lieu of remuneration for unused sick leave at retirement as
4 provided in subsection (3) of this section, an agency head or designee
5 may with equivalent funds, provide eligible employees with a benefit
6 plan that provides for reimbursement for medical expenses. This plan
7 shall be implemented only after consultation with affected groups of
8 employees. For eligible employees covered by chapter 41.06 RCW,
9 procedures for the implementation of these plans shall be adopted by
10 the human resources director (~~(of personnel)~~). For eligible employees
11 exempt from chapter 41.06 RCW, and classified employees who have opted
12 out of coverage of chapter 41.06 RCW as provided in RCW 41.56.201,
13 implementation procedures shall be adopted by an agency head having
14 jurisdiction over the employees.

15 (8) Implementing procedures adopted by the human resources director
16 (~~(of personnel)~~) or agency heads shall require that each medical
17 expense plan authorized by subsection (7) of this section apply to all
18 eligible employees in any one of the following groups: (a) Employees
19 in an agency; (b) employees in a major organizational subdivision of an
20 agency; (c) employees at a major operating location of an agency; (d)
21 exempt employees under the jurisdiction of an elected or appointed
22 Washington state executive; (e) employees of the Washington state
23 senate; (f) employees of the Washington state house of representatives;
24 (g) classified employees in a bargaining unit established by the
25 director of personnel; or (h) other group of employees defined by an
26 agency head that is not designed to provide an individual-employee
27 choice regarding participation in a medical expense plan. However,
28 medical expense plans for eligible employees in any of the groups under
29 (a) through (h) of this subsection who are covered by a collective
30 bargaining agreement shall be implemented only by written agreement
31 with the bargaining unit's exclusive representative and a separate
32 medical expense plan may be provided for unrepresented employees.

33 (9) Medical expense plans authorized by subsection (7) of this
34 section must require as a condition of participation in the plan that
35 employees in the group affected by the plan sign an agreement with the
36 employer. The agreement must include a provision to hold the employer
37 harmless should the United States government find that the employer or
38 the employee is in debt to the United States as a result of the

1 employee not paying income taxes due on the equivalent funds placed
2 into the plan, or as a result of the employer not withholding or
3 deducting a tax, assessment, or other payment on the funds as required
4 by federal law. The agreement must also include a provision that
5 requires an eligible employee to forfeit remuneration under subsection
6 (3) of this section if the employee belongs to a group that has been
7 designated to participate in the medical expense plan permitted under
8 this section and the employee refuses to execute the required
9 agreement.

10 **Sec. 434.** RCW 41.04.385 and 2006 c 265 s 201 are each amended to
11 read as follows:

12 The legislature finds that (1) demographic, economic, and social
13 trends underlie a critical and increasing demand for child care in the
14 state of Washington; (2) working parents and their children benefit
15 when the employees' child care needs have been resolved; (3) the state
16 of Washington should serve as a model employer by creating a supportive
17 atmosphere, to the extent feasible, in which its employees may meet
18 their child care needs; and (4) the state of Washington should
19 encourage the development of partnerships between state agencies, state
20 employees, state employee labor organizations, and private employers to
21 expand the availability of affordable quality child care. The
22 legislature finds further that resolving employee child care concerns
23 not only benefits the employees and their children, but may benefit the
24 employer by reducing absenteeism, increasing employee productivity,
25 improving morale, and enhancing the employer's position in recruiting
26 and retaining employees. Therefore, the legislature declares that it
27 is the policy of the state of Washington to assist state employees by
28 creating a supportive atmosphere in which they may meet their child
29 care needs. Policies and procedures for state agencies to address
30 employee child care needs will be the responsibility of the director of
31 (~~personnel~~) enterprise services in consultation with the director of
32 the department of early learning and state employee representatives.

33 **Sec. 435.** RCW 41.04.395 and 1994 sp.s. c 9 s 801 are each amended
34 to read as follows:

35 (1) The disability accommodation revolving fund is created in the
36 custody of the state treasurer. Disbursements from the fund shall be

1 on authorization of the director of (~~the department of personnel~~)
2 financial management or the director's designee. The fund is subject
3 to the allotment procedure provided under chapter 43.88 RCW, but no
4 appropriation is required for disbursements. The fund shall be used
5 exclusively by state agencies to accommodate the unanticipated job site
6 or equipment needs of persons of disability in state employ.

7 (2) The director of (~~the department of personnel~~) financial
8 management or the director's designee shall consult with the governor's
9 committee on disability issues and employment regarding requests for
10 disbursements from the disability accommodation revolving fund. The
11 department shall establish application procedures, adopt criteria, and
12 provide technical assistance to users of the fund.

13 (3) Agencies that receive moneys from the disability accommodation
14 revolving fund shall return to the fund the amount received from the
15 fund by no later than the end of the first month of the following
16 fiscal biennium.

17 **Sec. 436.** RCW 41.04.665 and 2010 1st sp.s. c 32 s 10 and 2010 c
18 168 s 1 are each reenacted and amended to read as follows:

19 (1) An agency head may permit an employee to receive leave under
20 this section if:

21 (a)(i) The employee suffers from, or has a relative or household
22 member suffering from, an illness, injury, impairment, or physical or
23 mental condition which is of an extraordinary or severe nature;

24 (ii) The employee has been called to service in the uniformed
25 services;

26 (iii) A state of emergency has been declared anywhere within the
27 United States by the federal or any state government and the employee
28 has needed skills to assist in responding to the emergency or its
29 aftermath and volunteers his or her services to either a governmental
30 agency or to a nonprofit organization engaged in humanitarian relief in
31 the devastated area, and the governmental agency or nonprofit
32 organization accepts the employee's offer of volunteer services;

33 (iv) The employee is a victim of domestic violence, sexual assault,
34 or stalking; or

35 (v) During the 2009-2011 fiscal biennium only, the employee is
36 eligible to use leave in lieu of temporary layoff under section 3(5),
37 chapter 32, Laws of 2010 1st sp. sess.;

1 (b) The illness, injury, impairment, condition, call to service,
2 emergency volunteer service, or consequence of domestic violence,
3 sexual assault, temporary layoff under section 3(5), chapter 32, Laws
4 of 2010 1st sp. sess., or stalking has caused, or is likely to cause,
5 the employee to:

6 (i) Go on leave without pay status; or

7 (ii) Terminate state employment;

8 (c) The employee's absence and the use of shared leave are
9 justified;

10 (d) The employee has depleted or will shortly deplete his or her:

11 (i) Annual leave and sick leave reserves if he or she qualifies
12 under (a)(i) of this subsection;

13 (ii) Annual leave and paid military leave allowed under RCW
14 38.40.060 if he or she qualifies under (a)(ii) of this subsection; or

15 (iii) Annual leave if he or she qualifies under (a)(iii), (iv), or
16 (v) of this subsection;

17 (e) The employee has abided by agency rules regarding:

18 (i) Sick leave use if he or she qualifies under (a)(i) or (iv) of
19 this subsection; or

20 (ii) Military leave if he or she qualifies under (a)(ii) of this
21 subsection; and

22 (f) The employee has diligently pursued and been found to be
23 ineligible for benefits under chapter 51.32 RCW if he or she qualifies
24 under (a)(i) of this subsection.

25 (2) The agency head shall determine the amount of leave, if any,
26 which an employee may receive under this section. However, an employee
27 shall not receive a total of more than five hundred twenty-two days of
28 leave, except that, a supervisor may authorize leave in excess of five
29 hundred twenty-two days in extraordinary circumstances for an employee
30 qualifying for the shared leave program because he or she is suffering
31 from an illness, injury, impairment, or physical or mental condition
32 which is of an extraordinary or severe nature. Shared leave received
33 under the uniformed service shared leave pool in RCW 41.04.685 is not
34 included in this total.

35 (3) An employee may transfer annual leave, sick leave, and his or
36 her personal holiday, as follows:

37 (a) An employee who has an accrued annual leave balance of more
38 than ten days may request that the head of the agency for which the

1 employee works transfer a specified amount of annual leave to another
2 employee authorized to receive leave under subsection (1) of this
3 section. In no event may the employee request a transfer of an amount
4 of leave that would result in his or her annual leave account going
5 below ten days. For purposes of this subsection (3)(a), annual leave
6 does not accrue if the employee receives compensation in lieu of
7 accumulating a balance of annual leave.

8 (b) An employee may transfer a specified amount of sick leave to an
9 employee requesting shared leave only when the donating employee
10 retains a minimum of one hundred seventy-six hours of sick leave after
11 the transfer.

12 (c) An employee may transfer, under the provisions of this section
13 relating to the transfer of leave, all or part of his or her personal
14 holiday, as that term is defined under RCW 1.16.050, or as such
15 holidays are provided to employees by agreement with a school
16 district's board of directors if the leave transferred under this
17 subsection does not exceed the amount of time provided for personal
18 holidays under RCW 1.16.050.

19 (4) An employee of an institution of higher education under RCW
20 28B.10.016, school district, or educational service district who does
21 not accrue annual leave but does accrue sick leave and who has an
22 accrued sick leave balance of more than twenty-two days may request
23 that the head of the agency for which the employee works transfer a
24 specified amount of sick leave to another employee authorized to
25 receive leave under subsection (1) of this section. In no event may
26 such an employee request a transfer that would result in his or her
27 sick leave account going below twenty-two days. Transfers of sick
28 leave under this subsection are limited to transfers from employees who
29 do not accrue annual leave. Under this subsection, "sick leave" also
30 includes leave accrued pursuant to RCW 28A.400.300(2) or 28A.310.240(1)
31 with compensation for illness, injury, and emergencies.

32 (5) Transfers of leave made by an agency head under subsections (3)
33 and (4) of this section shall not exceed the requested amount.

34 (6) Leave transferred under this section may be transferred from
35 employees of one agency to an employee of the same agency or, with the
36 approval of the heads of both agencies, to an employee of another state
37 agency.

1 (7) While an employee is on leave transferred under this section,
2 he or she shall continue to be classified as a state employee and shall
3 receive the same treatment in respect to salary, wages, and employee
4 benefits as the employee would normally receive if using accrued annual
5 leave or sick leave.

6 (a) All salary and wage payments made to employees while on leave
7 transferred under this section shall be made by the agency employing
8 the person receiving the leave. The value of leave transferred shall
9 be based upon the leave value of the person receiving the leave.

10 (b) In the case of leave transferred by an employee of one agency
11 to an employee of another agency, the agencies involved shall arrange
12 for the transfer of funds and credit for the appropriate value of
13 leave.

14 (i) Pursuant to rules adopted by the office of financial
15 management, funds shall not be transferred under this section if the
16 transfer would violate any constitutional or statutory restrictions on
17 the funds being transferred.

18 (ii) The office of financial management may adjust the
19 appropriation authority of an agency receiving funds under this section
20 only if and to the extent that the agency's existing appropriation
21 authority would prevent it from expending the funds received.

22 (iii) Where any questions arise in the transfer of funds or the
23 adjustment of appropriation authority, the director of financial
24 management shall determine the appropriate transfer or adjustment.

25 (8) Leave transferred under this section shall not be used in any
26 calculation to determine an agency's allocation of full time equivalent
27 staff positions.

28 (9) The value of any leave transferred under this section which
29 remains unused shall be returned at its original value to the employee
30 or employees who transferred the leave when the agency head finds that
31 the leave is no longer needed or will not be needed at a future time in
32 connection with the illness or injury for which the leave was
33 transferred or for any other qualifying condition. Before the agency
34 head makes a determination to return unused leave in connection with an
35 illness or injury, or any other qualifying condition, he or she must
36 receive from the affected employee a statement from the employee's
37 doctor verifying that the illness or injury is resolved. To the extent

1 administratively feasible, the value of unused leave which was
2 transferred by more than one employee shall be returned on a pro rata
3 basis.

4 (10) An employee who uses leave that is transferred to him or her
5 under this section may not be required to repay the value of the leave
6 that he or she used.

7 (11) The human resources director (~~(of personnel)~~) may adopt rules
8 as necessary to implement subsection (2)(~~(a) through (c)~~) of this
9 section.

10 **Sec. 437.** RCW 41.04.670 and 1993 c 281 s 18 are each amended to
11 read as follows:

12 The (~~Washington personnel resources board~~) office of financial
13 management and other personnel authorities shall each adopt rules
14 applicable to employees under their respective jurisdictions: (1)
15 Establishing appropriate parameters for the program which are
16 consistent with the provisions of RCW 41.04.650 through 41.04.665; (2)
17 providing for equivalent treatment of employees between their
18 respective jurisdictions and allowing transfers of leave in accordance
19 with RCW 41.04.665(5); (3) establishing procedures to ensure that the
20 program does not significantly increase the cost of providing leave;
21 and (4) providing for the administration of the program and providing
22 for maintenance and collection of sufficient information on the program
23 to allow a thorough legislative review.

24 **Sec. 438.** RCW 41.04.680 and 2006 c 356 s 1 are each amended to
25 read as follows:

26 The (~~department of personnel~~) office of financial management and
27 other personnel authorities shall adopt rules or policies governing the
28 accumulation and use of sick leave for state agency and department
29 employees, expressly for the establishment of a plan allowing
30 participating employees to pool sick leave and allowing any sick leave
31 thus pooled to be used by any participating employee who has used all
32 of the sick leave, annual leave, and compensatory leave that has been
33 personally accrued by him or her. Each department or agency of the
34 state may allow employees to participate in a sick leave pool
35 established by the (~~department of personnel~~) office of financial
36 management and other personnel authorities.

1 (1) For purposes of calculating maximum sick leave that may be
2 donated or received by any one employee, pooled sick leave:

3 (a) Is counted and converted in the same manner as sick leave under
4 the Washington state leave sharing program as provided in this chapter;
5 and

6 (b) Does not create a right to sick leave in addition to the amount
7 that may be donated or received under the Washington state leave
8 sharing program as provided in this chapter.

9 (2) The ((department)) office of financial management and other
10 personnel authorities, except the personnel authorities for higher
11 education institutions, shall adopt rules which provide:

12 (a) That employees are eligible to participate in the sick leave
13 pool after one year of employment with the state or agency of the state
14 if the employee has accrued a minimum amount of unused sick leave, to
15 be established by rule;

16 (b) That participation in the sick leave pool shall, at all times,
17 be voluntary on the part of the employees;

18 (c) That any sick leave pooled shall be removed from the personally
19 accumulated sick leave balance of the employee contributing the leave;

20 (d) That any sick leave in the pool that is used by a participating
21 employee may be used only for the employee's personal illness,
22 accident, or injury;

23 (e) That a participating employee is not eligible to use sick leave
24 accumulated in the pool until all of his or her personally accrued
25 sick, annual, and compensatory leave has been used;

26 (f) A maximum number of days of sick leave in the pool that any one
27 employee may use;

28 (g) That a participating employee who uses sick leave from the pool
29 is not required to recontribute such sick leave to the pool, except as
30 otherwise provided in this section;

31 (h) That an employee who cancels his or her membership in the sick
32 leave pool is not eligible to withdraw the days of sick leave
33 contributed by that employee to the pool;

34 (i) That an employee who transfers from one position in state
35 government to another position in state government may transfer from
36 one pool to another if the eligibility criteria of the pools are
37 comparable and the administrators of the pools have agreed on a formula
38 for transfer of credits;

1 (j) That alleged abuse of the use of the sick leave pool shall be
2 investigated, and, on a finding of wrongdoing, the employee shall repay
3 all of the sick leave credits drawn from the sick leave pool and shall
4 be subject to such other disciplinary action as is determined by the
5 agency head;

6 (k) That sick leave credits may be drawn from the sick leave pool
7 by a part-time employee on a pro rata basis; and

8 (l) That each department or agency shall maintain accurate and
9 reliable records showing the amount of sick leave which has been
10 accumulated and is unused by employees, in accordance with guidelines
11 established by the department of personnel.

12 (3) Personnel authorities for higher education institutions shall
13 adopt policies consistent with the needs of the employees under their
14 respective jurisdictions.

15 **Sec. 439.** RCW 41.04.685 and 2007 c 25 s 1 are each amended to read
16 as follows:

17 (1) The uniformed service shared leave pool is created to allow
18 employees to donate leave to be used as shared leave for any employee
19 who has been called to service in the uniformed services and who meets
20 the requirements of RCW 41.04.665. Participation in the pool shall, at
21 all times, be voluntary on the part of the employee. The military
22 department, in consultation with the (~~department of personnel and~~
23 ~~the~~) office of financial management, shall administer the uniformed
24 service shared leave pool.

25 (2) Employees as defined in subsection (10) of this section who are
26 eligible to donate leave under RCW 41.04.665 may donate leave to the
27 uniformed service shared leave pool.

28 (3) An employee as defined in subsection (10) of this section who
29 has been called to service in the uniformed services and is eligible
30 for shared leave under RCW 41.04.665 may request shared leave from the
31 uniformed service shared leave pool.

32 (4) It shall be the responsibility of the employee who has been
33 called to service to provide an earnings statement verifying military
34 salary, orders of service, and notification of a change in orders of
35 service or military salary.

36 (5) Shared leave under this section may not be granted unless the

1 pool has a sufficient balance to fund the requested shared leave for
2 the expected term of service.

3 (6) Shared leave paid under this section, in combination with
4 military salary, shall not exceed the level of the employee's state
5 monthly salary.

6 (7) Any leave donated shall be removed from the personally
7 accumulated leave balance of the employee donating the leave.

8 (8) An employee who receives shared leave from the pool is not
9 required to recontribute such leave to the pool, except as otherwise
10 provided in this section.

11 (9) Leave that may be donated or received by any one employee shall
12 be calculated as in RCW 41.04.665.

13 (10) As used in this section:

14 (a) "Employee" has the meaning provided in RCW 41.04.655, except
15 that "employee" as used in this section does not include employees of
16 school districts and educational service districts.

17 (b) "Service in the uniformed services" has the meaning provided in
18 RCW 41.04.655.

19 (c) "Military salary" includes base, specialty, and other pay, but
20 does not include allowances such as the basic allowance for housing.

21 (d) "Monthly salary" includes monthly salary and special pay and
22 shift differential, or the monthly equivalent for hourly employees.
23 "Monthly salary" does not include:

- 24 (i) Overtime pay;
- 25 (ii) Call back pay;
- 26 (iii) Standby pay; or
- 27 (iv) Performance bonuses.

28 (11) The (~~department of personnel~~) office of financial
29 management, in consultation with the military department (~~and the~~
30 ~~office of financial management~~), shall adopt rules and policies
31 governing the donation and use of shared leave from the uniformed
32 service shared leave pool, including definitions of pay and allowances
33 and guidelines for agencies to use in recordkeeping concerning shared
34 leave.

35 (12) Agencies shall investigate any alleged abuse of the uniformed
36 service shared leave pool and on a finding of wrongdoing, the employee
37 may be required to repay all of the shared leave received from the
38 uniformed service shared leave pool.

1 (13) Higher education institutions shall adopt policies consistent
2 with the needs of the employees under their respective jurisdictions.

3 **Sec. 440.** RCW 41.04.720 and 1990 c 60 s 303 are each amended to
4 read as follows:

5 The director of (~~human resources~~) enterprise services shall:

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

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

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

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

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

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

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

26 (8) Consult with state agencies, institutions of higher education,
27 and employee organizations in carrying out the purposes of RCW
28 41.04.700 through 41.04.730.

29 **Sec. 441.** RCW 41.04.770 and 1997 c 287 s 4 are each amended to
30 read as follows:

31 The department of social and health services and the department of
32 (~~personnel~~) enterprise services shall, after consultation with
33 supported employment provider associations and other interested
34 parties, encourage, educate, and assist state agencies in implementing
35 supported employment programs. The department of (~~personnel~~)
36 enterprise services shall provide human resources technical assistance

1 to agencies implementing supported employment programs. ((The
2 department of personnel shall make available, upon request of the
3 legislature, an annual report that evaluates the overall progress of
4 supported employment in state government.))

5 **Sec. 442.** RCW 41.07.020 and 1979 c 151 s 62 are each amended to
6 read as follows:

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

12 The system shall be operated through state data processing centers.
13 State agencies shall convert personnel and payroll processing to the
14 central personnel-payroll system as soon as administratively and
15 technically feasible as determined by the office of financial
16 management and the department of ((~~personnel~~)) enterprise services. It
17 is the intent of the legislature to provide, through the central
18 personnel-payroll system, for uniform reporting to the office of
19 financial management and to the legislature regarding salaries and
20 related costs, and to reduce present costs of manual procedures in
21 personnel and payroll record keeping and reporting.

22 **Sec. 443.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each
23 amended to read as follows:

24 The costs of administering, maintaining, and operating the central
25 personnel-payroll system shall be distributed to the using state
26 agencies. In order to insure proper and equitable distribution of
27 costs the department of ((~~personnel~~)) enterprise services shall utilize
28 cost accounting procedures to identify all costs incurred in the
29 administration, maintenance, and operation of the central personnel-
30 payroll system. In order to facilitate proper and equitable
31 distribution of costs to the using state agencies the department of
32 ((~~personnel~~)) enterprise services is authorized to utilize the data
33 processing revolving fund created by RCW 43.105.080 (as recodified by
34 this act) and the ((~~department of~~)) personnel service fund created by
35 RCW 41.06.280.

1 **Sec. 444.** RCW 41.60.015 and 2000 c 139 s 1 are each amended to
2 read as follows:

3 (1) There is hereby created the productivity board, which may also
4 be known as the employee involvement and recognition board. The board
5 shall administer the employee suggestion program and the teamwork
6 incentive program under this chapter.

7 (2) The board shall be composed of:

8 (a) The secretary of state who shall act as chairperson;

9 (b) ~~((The director of personnel appointed under the provisions of
10 RCW 41.06.130 or the director's designee;~~

11 ~~(+))~~) The director of financial management or the director's
12 designee;

13 ~~((+d))~~) (c) The director of ~~((general administration))~~ enterprise
14 services or the director's designee;

15 ~~((+e))~~) (d) Three persons with experience in administering
16 incentives such as those used by industry, with the governor,
17 lieutenant governor, and speaker of the house of representatives each
18 appointing one person. The governor's appointee shall be a
19 representative of an employee organization certified as an exclusive
20 representative of at least one bargaining unit of classified employees;

21 ~~((+f))~~) (e) Two persons representing state agencies and
22 institutions with employees subject to chapter 41.06 RCW, and one
23 person representing those subject to chapter 28B.16 RCW, both appointed
24 by the governor; and

25 ~~((+g))~~) (f) In addition, the governor and board chairperson may
26 jointly appoint persons to the board on an ad hoc basis. Ad hoc
27 members shall serve in an advisory capacity and shall not have the
28 right to vote.

29 Members under subsection (2)~~((+e))~~)(d) and ~~((+f))~~) (e) of this
30 section shall be appointed to serve three-year terms.

31 Members of the board appointed pursuant to subsection (2)~~((+e))~~)(d)
32 of this section may be compensated in accordance with RCW 43.03.240.
33 Any board member who is not a state employee may be reimbursed for
34 travel expenses under RCW 43.03.050 and 43.03.060.

35 **Sec. 445.** RCW 41.80.005 and 2002 c 354 s 321 are each amended to
36 read as follows:

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

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

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

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

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

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

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

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

31 (b) Confidential employees;

32 (c) Members of the Washington management service;

33 (d) Internal auditors in any agency; or

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

37 (7) "Employee organization" means any organization, union, or

1 association in which employees participate and that exists for the
2 purpose, in whole or in part, of collective bargaining with employers.

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

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

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

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

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

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

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

30 **Sec. 446.** RCW 41.80.020 and 2010 c 283 s 16 are each amended to
31 read as follows:

32 (1) Except as otherwise provided in this chapter, the matters
33 subject to bargaining include wages, hours, and other terms and
34 conditions of employment, and the negotiation of any question arising
35 under a collective bargaining agreement.

36 (2) The employer is not required to bargain over matters pertaining
37 to:

1 (a) Health care benefits or other employee insurance benefits,
2 except as required in subsection (3) of this section;

3 (b) Any retirement system or retirement benefit; or

4 (c) Rules of the human resources director (~~(of personnel)~~), the
5 director of enterprise services, or the Washington personnel resources
6 board adopted under (~~(section 203, chapter 354, Laws of 2002)~~) section
7 412 of this act.

8 (3) Matters subject to bargaining include the number of names to be
9 certified for vacancies, promotional preferences, and the dollar amount
10 expended on behalf of each employee for health care benefits. However,
11 except as provided otherwise in this subsection for institutions of
12 higher education, negotiations regarding the number of names to be
13 certified for vacancies, promotional preferences, and the dollar amount
14 expended on behalf of each employee for health care benefits shall be
15 conducted between the employer and one coalition of all the exclusive
16 bargaining representatives subject to this chapter. The exclusive
17 bargaining representatives for employees that are subject to chapter
18 47.64 RCW shall bargain the dollar amount expended on behalf of each
19 employee for health care benefits with the employer as part of the
20 coalition under this subsection. Any such provision agreed to by the
21 employer and the coalition shall be included in all master collective
22 bargaining agreements negotiated by the parties. For institutions of
23 higher education, promotional preferences and the number of names to be
24 certified for vacancies shall be bargained under the provisions of RCW
25 41.80.010(4).

26 (4) The employer and the exclusive bargaining representative shall
27 not agree to any proposal that would prevent the implementation of
28 approved affirmative action plans or that would be inconsistent with
29 the comparable worth agreement that provided the basis for the salary
30 changes implemented beginning with the 1983-1985 biennium to achieve
31 comparable worth.

32 (5) The employer and the exclusive bargaining representative shall
33 not bargain over matters pertaining to management rights established in
34 RCW 41.80.040.

35 (6) Except as otherwise provided in this chapter, if a conflict
36 exists between an executive order, administrative rule, or agency
37 policy relating to wages, hours, and terms and conditions of employment
38 and a collective bargaining agreement negotiated under this chapter,

1 the collective bargaining agreement shall prevail. A provision of a
2 collective bargaining agreement that conflicts with the terms of a
3 statute is invalid and unenforceable.

4 (7) This section does not prohibit bargaining that affects
5 contracts authorized by RCW 41.06.142.

6 **Sec. 447.** RCW 42.16.010 and 2008 c 186 s 1 are each amended to
7 read as follows:

8 (1) Except as provided otherwise in subsections (2) and (3) of this
9 section, all state officers and employees shall be paid for services
10 rendered from the first day of the month through the fifteenth day of
11 the month and for services rendered from the sixteenth day of the month
12 through the last calendar day of the month. Paydates for these two pay
13 periods shall be established by the director of financial management
14 through the administrative hearing process and the official paydates
15 shall be established six months prior to the beginning of each
16 subsequent calendar year. Under no circumstance shall the paydate be
17 established more than ten days after the pay period in which the wages
18 are earned except when the designated paydate falls on Sunday, in which
19 case the paydate shall not be later than the following Monday. Payment
20 shall be deemed to have been made by the established paydates if: (a)
21 The salary warrant is available at the geographic work location at
22 which the warrant is normally available to the employee; or (b) the
23 salary has been electronically transferred into the employee's account
24 at the employee's designated financial institution; or (c) the salary
25 warrants are mailed at least two days before the established paydate
26 for those employees engaged in work in remote or varying locations from
27 the geographic location at which the payroll is prepared, provided that
28 the employee has requested payment by mail.

29 The office of financial management shall develop the necessary
30 policies and operating procedures to assure that all remuneration for
31 services rendered including basic salary, shift differential, standby
32 pay, overtime, penalty pay, salary due based on contractual agreements,
33 and special pay provisions, as provided for by law, (~~Washington~~
34 ~~personnel resources board rules,~~) agency policy or rule, or contract,
35 shall be available to the employee on the designated paydate.
36 Overtime, penalty pay, and special pay provisions may be paid by the
37 next following paydate if the postponement of payment is attributable

1 to: The employee's not making a timely or accurate report of the facts
2 which are the basis for the payment, or the employer's lack of
3 reasonable opportunity to verify the claim.

4 Compensable benefits payable because of separation from state
5 service shall be paid with the earnings for the final period worked
6 unless the employee separating has not provided the agency with the
7 proper notification of intent to terminate.

8 One-half of the employee's basic monthly salary shall be paid in
9 each pay period. Employees paid on an hourly basis or employees who
10 work less than a full pay period shall be paid for actual salary
11 earned.

12 (2) Subsection (1) of this section shall not apply in instances
13 where it would conflict with contractual rights or, with the approval
14 of the office of financial management, to short-term, intermittent,
15 noncareer state employees, to student employees of institutions of
16 higher education, to national or state guard members participating in
17 state active duty, and to liquor control agency managers who are paid
18 a percentage of monthly liquor sales.

19 (3) When a national or state guard member is called to participate
20 in state active duty, the paydate shall be no more than seven days
21 following completion of duty or the end of the pay period, whichever is
22 first. When the seventh day falls on Sunday, the paydate shall not be
23 later than the following Monday. This subsection shall apply only to
24 the pay a national or state guard member receives from the military
25 department for state active duty.

26 (4) Notwithstanding subsections (1) and (2) of this section, a
27 bargained contract at an institution of higher education may include a
28 provision for paying part-time academic employees on a pay schedule
29 that coincides with all the paydays used for full-time academic
30 employees.

31 **Sec. 448.** RCW 42.17.370 and 2010 1st sp.s. c 7 s 4 are each
32 amended to read as follows:

33 The commission is empowered to:

34 (1) Adopt, promulgate, amend, and rescind suitable administrative
35 rules to carry out the policies and purposes of this chapter, which
36 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
37 campaign finance, political advertising, or related forms that would

1 otherwise take effect after June 30th of a general election year shall
2 take effect no earlier than the day following the general election in
3 that year;

4 (2) Appoint and set, within the limits established by the
5 (~~department of personnel~~) office of financial management under RCW
6 43.03.028, the compensation of an executive director who shall perform
7 such duties and have such powers as the commission may prescribe and
8 delegate to implement and enforce this chapter efficiently and
9 effectively. The commission shall not delegate its authority to adopt,
10 amend, or rescind rules nor shall it delegate authority to determine
11 whether an actual violation of this chapter has occurred or to assess
12 penalties for such violations;

13 (3) Prepare and publish such reports and technical studies as in
14 its judgment will tend to promote the purposes of this chapter,
15 including reports and statistics concerning campaign financing,
16 lobbying, financial interests of elected officials, and enforcement of
17 this chapter;

18 (4) Make from time to time, on its own motion, audits and field
19 investigations;

20 (5) Make public the time and date of any formal hearing set to
21 determine whether a violation has occurred, the question or questions
22 to be considered, and the results thereof;

23 (6) Administer oaths and affirmations, issue subpoenas, and compel
24 attendance, take evidence and require the production of any books,
25 papers, correspondence, memorandums, or other records relevant or
26 material for the purpose of any investigation authorized under this
27 chapter, or any other proceeding under this chapter;

28 (7) Adopt and promulgate a code of fair campaign practices;

29 (8) Relieve, by rule, candidates or political committees of
30 obligations to comply with the provisions of this chapter relating to
31 election campaigns, if they have not received contributions nor made
32 expenditures in connection with any election campaign of more than one
33 thousand dollars;

34 (9) Adopt rules prescribing reasonable requirements for keeping
35 accounts of and reporting on a quarterly basis costs incurred by state
36 agencies, counties, cities, and other municipalities and political
37 subdivisions in preparing, publishing, and distributing legislative
38 information. The term "legislative information," for the purposes of

1 this subsection, means books, pamphlets, reports, and other materials
2 prepared, published, or distributed at substantial cost, a substantial
3 purpose of which is to influence the passage or defeat of any
4 legislation. The state auditor in his or her regular examination of
5 each agency under chapter 43.09 RCW shall review the rules, accounts,
6 and reports and make appropriate findings, comments, and
7 recommendations in his or her examination reports concerning those
8 agencies;

9 (10) After hearing, by order approved and ratified by a majority of
10 the membership of the commission, suspend or modify any of the
11 reporting requirements of this chapter in a particular case if it finds
12 that literal application of this chapter works a manifestly
13 unreasonable hardship and if it also finds that the suspension or
14 modification will not frustrate the purposes of the chapter. The
15 commission shall find that a manifestly unreasonable hardship exists if
16 reporting the name of an entity required to be reported under RCW
17 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
18 position of any entity in which the person filing the report or any
19 member of his or her immediate family holds any office, directorship,
20 general partnership interest, or an ownership interest of ten percent
21 or more. Any suspension or modification shall be only to the extent
22 necessary to substantially relieve the hardship. The commission shall
23 act to suspend or modify any reporting requirements only if it
24 determines that facts exist that are clear and convincing proof of the
25 findings required under this section. Requests for renewals of
26 reporting modifications may be heard in a brief adjudicative proceeding
27 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
28 the standards established in this section. No initial request may be
29 heard in a brief adjudicative proceeding and no request for renewal may
30 be heard in a brief adjudicative proceeding if the initial request was
31 granted more than three years previously or if the applicant is holding
32 an office or position of employment different from the office or
33 position held when the initial request was granted. The commission
34 shall adopt administrative rules governing the proceedings. Any
35 citizen has standing to bring an action in Thurston county superior
36 court to contest the propriety of any order entered under this section
37 within one year from the date of the entry of the order; ((and))

1 (11) Revise, at least once every five years but no more often than
2 every two years, the monetary reporting thresholds and reporting code
3 values of this chapter. The revisions shall be only for the purpose of
4 recognizing economic changes as reflected by an inflationary index
5 recommended by the office of financial management. The revisions shall
6 be guided by the change in the index for the period commencing with the
7 month of December preceding the last revision and concluding with the
8 month of December preceding the month the revision is adopted. As to
9 each of the three general categories of this chapter (reports of
10 campaign finance, reports of lobbyist activity, and reports of the
11 financial affairs of elected and appointed officials), the revisions
12 shall equally affect all thresholds within each category. Revisions
13 shall be adopted as rules under chapter 34.05 RCW. The first revision
14 authorized by this subsection shall reflect economic changes from the
15 time of the last legislative enactment affecting the respective code or
16 threshold through December 1985; and

17 (12) Develop and provide to filers a system for certification of
18 reports required under this chapter which are transmitted by facsimile
19 or electronically to the commission. Implementation of the program is
20 contingent on the availability of funds.

21 **Sec. 449.** RCW 42.17A.110 and 2010 1st sp.s. c 7 s 4 and 2010 c 204
22 s 303 are each reenacted and amended to read as follows:

23 The commission is empowered to:

24 (1) Adopt, promulgate, amend, and rescind suitable administrative
25 rules to carry out the policies and purposes of this chapter, which
26 rules shall be adopted under chapter 34.05 RCW. Any rule relating to
27 campaign finance, political advertising, or related forms that would
28 otherwise take effect after June 30th of a general election year shall
29 take effect no earlier than the day following the general election in
30 that year;

31 (2) Appoint and set, within the limits established by the
32 (~~committee on agency officials' salaries~~) office of financial
33 management under RCW 43.03.028, the compensation of an executive
34 director who shall perform such duties and have such powers as the
35 commission may prescribe and delegate to implement and enforce this
36 chapter efficiently and effectively. The commission shall not delegate

1 its authority to adopt, amend, or rescind rules nor shall it delegate
2 authority to determine whether an actual violation of this chapter has
3 occurred or to assess penalties for such violations;

4 (3) Prepare and publish such reports and technical studies as in
5 its judgment will tend to promote the purposes of this chapter,
6 including reports and statistics concerning campaign financing,
7 lobbying, financial interests of elected officials, and enforcement of
8 this chapter;

9 (4) Make from time to time, on its own motion, audits and field
10 investigations;

11 (5) Make public the time and date of any formal hearing set to
12 determine whether a violation has occurred, the question or questions
13 to be considered, and the results thereof;

14 (6) Administer oaths and affirmations, issue subpoenas, and compel
15 attendance, take evidence and require the production of any books,
16 papers, correspondence, memorandums, or other records relevant or
17 material for the purpose of any investigation authorized under this
18 chapter, or any other proceeding under this chapter;

19 (7) Adopt and promulgate a code of fair campaign practices;

20 (8) Relieve, by rule, candidates or political committees of
21 obligations to comply with the provisions of this chapter relating to
22 election campaigns, if they have not received contributions nor made
23 expenditures in connection with any election campaign of more than one
24 thousand dollars;

25 (9) Adopt rules prescribing reasonable requirements for keeping
26 accounts of and reporting on a quarterly basis costs incurred by state
27 agencies, counties, cities, and other municipalities and political
28 subdivisions in preparing, publishing, and distributing legislative
29 information. The term "legislative information," for the purposes of
30 this subsection, means books, pamphlets, reports, and other materials
31 prepared, published, or distributed at substantial cost, a substantial
32 purpose of which is to influence the passage or defeat of any
33 legislation. The state auditor in his or her regular examination of
34 each agency under chapter 43.09 RCW shall review the rules, accounts,
35 and reports and make appropriate findings, comments, and
36 recommendations in his or her examination reports concerning those
37 agencies;

1 (10) After hearing, by order approved and ratified by a majority of
2 the membership of the commission, suspend or modify any of the
3 reporting requirements of this chapter in a particular case if it finds
4 that literal application of this chapter works a manifestly
5 unreasonable hardship and if it also finds that the suspension or
6 modification will not frustrate the purposes of the chapter. The
7 commission shall find that a manifestly unreasonable hardship exists if
8 reporting the name of an entity required to be reported under RCW
9 42.17.241(1)(g)(ii) would be likely to adversely affect the competitive
10 position of any entity in which the person filing the report or any
11 member of his or her immediate family holds any office, directorship,
12 general partnership interest, or an ownership interest of ten percent
13 or more. Any suspension or modification shall be only to the extent
14 necessary to substantially relieve the hardship. The commission shall
15 act to suspend or modify any reporting requirements only if it
16 determines that facts exist that are clear and convincing proof of the
17 findings required under this section. Requests for renewals of
18 reporting modifications may be heard in a brief adjudicative proceeding
19 as set forth in RCW 34.05.482 through 34.05.494 and in accordance with
20 the standards established in this section. No initial request may be
21 heard in a brief adjudicative proceeding and no request for renewal may
22 be heard in a brief adjudicative proceeding if the initial request was
23 granted more than three years previously or if the applicant is holding
24 an office or position of employment different from the office or
25 position held when the initial request was granted. The commission
26 shall adopt administrative rules governing the proceedings. Any
27 citizen has standing to bring an action in Thurston county superior
28 court to contest the propriety of any order entered under this section
29 within one year from the date of the entry of the order; and

30 (11) Revise, at least once every five years but no more often than
31 every two years, the monetary reporting thresholds and reporting code
32 values of this chapter. The revisions shall be only for the purpose of
33 recognizing economic changes as reflected by an inflationary index
34 recommended by the office of financial management. The revisions shall
35 be guided by the change in the index for the period commencing with the
36 month of December preceding the last revision and concluding with the
37 month of December preceding the month the revision is adopted. As to
38 each of the three general categories of this chapter (reports of

1 campaign finance, reports of lobbyist activity, and reports of the
2 financial affairs of elected and appointed officials), the revisions
3 shall equally affect all thresholds within each category. Revisions
4 shall be adopted as rules under chapter 34.05 RCW. The first revision
5 authorized by this subsection shall reflect economic changes from the
6 time of the last legislative enactment affecting the respective code or
7 threshold through December 1985;

8 (12) Develop and provide to filers a system for certification of
9 reports required under this chapter which are transmitted by facsimile
10 or electronically to the commission. Implementation of the program is
11 contingent on the availability of funds.

12 **Sec. 450.** RCW 43.01.040 and 2009 c 549 s 5001 are each amended to
13 read as follows:

14 Each subordinate officer and employee of the several offices,
15 departments, and institutions of the state government shall be entitled
16 under their contract of employment with the state government to not
17 less than one working day of vacation leave with full pay for each
18 month of employment if said employment is continuous for six months.

19 Each such subordinate officer and employee shall be entitled under
20 such contract of employment to not less than one additional working day
21 of vacation with full pay each year for satisfactorily completing the
22 first two, three and five continuous years of employment respectively.

23 Such part time officers or employees of the state government who
24 are employed on a regular schedule of duration of not less than one
25 year shall be entitled under their contract of employment to that
26 fractional part of the vacation leave that the total number of hours of
27 such employment bears to the total number of hours of full time
28 employment.

29 Each subordinate officer and employee of the several offices,
30 departments and institutions of the state government shall be entitled
31 under his or her contract of employment with the state government to
32 accrue unused vacation leave not to exceed thirty working days.
33 Officers and employees transferring within the several offices,
34 departments and institutions of the state government shall be entitled
35 to transfer such accrued vacation leave to each succeeding state
36 office, department or institution. All vacation leave shall be taken
37 at the time convenient to the employing office, department or

1 institution: PROVIDED, That if a subordinate officer's or employee's
2 request for vacation leave is deferred by reason of the convenience of
3 the employing office, department or institution, and a statement of the
4 necessity therefor is (~~filed by such employing office, department or
5 institution with the appropriate personnel board or other state agency
6 or officer~~) retained by the agency, then the aforesaid maximum thirty
7 working days of accrued unused vacation leave shall be extended for
8 each month said leave is so deferred.

9 **Sec. 451.** RCW 43.01.135 and 2007 c 76 s 2 are each amended to read
10 as follows:

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

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

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

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

19 (c) Identifies appropriate sanctions and disciplinary actions; and

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

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

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

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

29 (5) Report to the department of (~~personnel~~) enterprise services
30 on compliance with this section.

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

33 **Sec. 452.** RCW 43.03.028 and 2010 1st sp.s. c 7 s 2 are each
34 amended to read as follows:

35 (1) The (~~department of personnel~~) office of financial management
36 shall study the duties and salaries of the directors of the several

1 departments and the members of the several boards and commissions of
2 state government, who are subject to appointment by the governor or
3 whose salaries are fixed by the governor, and of the chief executive
4 officers of the following agencies of state government:

5 The arts commission; the human rights commission; the board of
6 accountancy; (~~the board of pharmacy~~) the eastern Washington
7 historical society; the Washington state historical society; the
8 recreation and conservation office; the criminal justice training
9 commission; (~~the department of personnel; the state library~~) the
10 traffic safety commission; the horse racing commission; (~~the advisory
11 council on vocational education~~) the public disclosure commission;
12 the state conservation commission; the commission on Hispanic affairs;
13 the commission on Asian Pacific American affairs; the state board for
14 volunteer firefighters and reserve officers; the transportation
15 improvement board; the public employment relations commission; (~~the
16 forest practices appeals board~~) and the energy facilities site
17 evaluation council.

18 (2) The (~~department of personnel~~) office of financial management
19 shall report to the governor or the chairperson of the appropriate
20 salary fixing authority at least once in each fiscal biennium on such
21 date as the governor may designate, but not later than seventy-five
22 days prior to the convening of each regular session of the legislature
23 during an odd-numbered year, its recommendations for the salaries to be
24 fixed for each position.

25 **Sec. 453.** RCW 43.03.120 and 2009 c 549 s 5009 are each amended to
26 read as follows:

27 Any state office, commission, department or institution may also
28 pay the moving expenses of a new employee, necessitated by his or her
29 acceptance of state employment, pursuant to mutual agreement with such
30 employee in advance of his or her employment(~~PROVIDED, That if such
31 employee is in the classified service as defined in chapter 41.06 RCW,
32 that said employee has been duly certified from an eligible register.
33 No such offer or agreement for such payment shall be made to a
34 prospective member of the classified service, prior to such
35 certification, except through appropriate public announcement by the
36 department of personnel, or other corresponding personnel agency as
37 provided by chapter 41.06 RCW~~). Payment for all expenses authorized

1 by RCW 43.03.060, 43.03.110 through 43.03.210 including moving expenses
2 of new employees, exempt or classified, and others, shall be subject to
3 reasonable (~~(regulations promulgated)~~) rules adopted by the director of
4 financial management, including regulations defining allowable moving
5 costs: PROVIDED, That, if the new employee terminates or causes
6 termination of his or her employment with the state within one year of
7 the date of employment, the state shall be entitled to reimbursement
8 for the moving costs which have been paid and may withhold such sum as
9 necessary therefor from any amounts due the employee.

10 **Sec. 454.** RCW 43.03.130 and 2000 c 153 s 1 are each amended to
11 read as follows:

12 Any state office, commission, department or institution may agree
13 to pay the travel expenses of a prospective employee as an inducement
14 for such applicant to travel to a designated place to be interviewed by
15 and for the convenience of such agency(~~(:—PROVIDED, That if such~~
16 ~~employment is to be in the classified service, such offer may be made~~
17 ~~only on the express authorization of the state department of personnel,~~
18 ~~or other corresponding personnel agency as provided by chapter 41.06~~
19 ~~RCW, to applicants reporting for a merit system examination or to~~
20 ~~applicants from an eligible register reporting for a pre-employment~~
21 ~~interview)). Travel expenses authorized for prospective employees~~
22 called for interviews shall be payable at rates in accordance with RCW
23 43.03.050 and 43.03.060 as now existing or hereafter amended. When an
24 applicant is called to be interviewed by or on behalf of more than one
25 agency, the authorized travel expenses may be paid directly by the
26 authorizing personnel department or agency, subject to reimbursement
27 from the interviewing agencies on a pro rata basis.

28 In the case of both classified and exempt positions, such travel
29 expenses will be paid only for applicants being considered for the
30 positions of director, deputy director, assistant director, or
31 supervisor of state departments, boards or commissions; or equivalent
32 or higher positions; or engineers, or other personnel having both
33 executive and professional status. In the case of the state investment
34 board, such travel expenses may also be paid for applicants being
35 considered for investment officer positions. In the case of four-year
36 institutions of higher education, such travel expenses will be paid
37 only for applicants being considered for academic positions above the

1 rank of instructor or professional or administrative employees in
2 supervisory positions. In the case of community and technical
3 colleges, such travel expenses may be paid for applicants being
4 considered for full-time faculty positions or administrative employees
5 in supervisory positions.

6 **Sec. 455.** RCW 43.06.013 and 2006 c 45 s 1 are each amended to read
7 as follows:

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

21 **Sec. 456.** RCW 43.06.410 and 1993 c 281 s 47 are each amended to
22 read as follows:

23 There is established within the office of the governor the
24 Washington state internship program to assist students and state
25 employees in gaining valuable experience and knowledge in various areas
26 of state government. In administering the program, the governor shall:

27 (1) Consult with the secretary of state, the director of
28 (~~personnel~~) enterprise services, the commissioner of the employment
29 security department, and representatives of labor;

30 (2) Encourage and assist agencies in developing intern positions;

31 (3) Develop and coordinate a selection process for placing
32 individuals in intern positions. This selection process shall give due
33 regard to the responsibilities of the state to provide equal employment
34 opportunities;

35 (4) Develop and coordinate a training component of the internship

1 program which balances the need for training and exposure to new ideas
2 with the intern's and agency's need for on-the-job work experience;

3 (5) Work with institutions of higher education in developing the
4 program, soliciting qualified applicants, and selecting participants;
5 and

6 (6) Develop guidelines for compensation of the participants.

7 **Sec. 457.** RCW 43.06.425 and 2002 c 354 s 229 are each amended to
8 read as follows:

9 The director of (~~personnel~~) financial management or the
10 director's designee shall adopt rules to provide that:

11 (1) Successful completion of an internship under RCW 43.06.420
12 shall be considered as employment experience at the level at which the
13 intern was placed;

14 (2) Persons leaving classified or exempt positions in state
15 government in order to take an internship under RCW 43.06.420: (a)
16 Have the right of reversion to the previous position at any time during
17 the internship or upon completion of the internship; and (b) shall
18 continue to receive all fringe benefits as if they had never left their
19 classified or exempt positions;

20 (3) Participants in the undergraduate internship program who were
21 not public employees prior to accepting a position in the program
22 receive sick leave allowances commensurate with other state employees;

23 (4) Participants in the executive fellows program who were not
24 public employees prior to accepting a position in the program receive
25 sick and vacation leave allowances commensurate with other state
26 employees.

27 **Sec. 458.** RCW 43.33A.100 and 2008 c 236 s 1 are each amended to
28 read as follows:

29 The state investment board shall maintain appropriate offices and
30 employ such personnel as may be necessary to perform its duties.
31 Employment by the investment board shall include but not be limited to
32 an executive director, investment officers, and a confidential
33 secretary, which positions are exempt from classified service under
34 chapter 41.06 RCW. Employment of the executive director by the board
35 shall be for a term of three years, and such employment shall be
36 subject to confirmation of the state finance committee: PROVIDED, That

1 nothing shall prevent the board from dismissing the director for cause
2 before the expiration of the term nor shall anything prohibit the
3 board, with the confirmation of the state finance committee, from
4 employing the same individual as director in succeeding terms.
5 Compensation levels for the executive director, a confidential
6 secretary, and all investment officers, including the deputy director
7 for investment management, employed by the investment board shall be
8 established by the state investment board. The investment board is
9 authorized to maintain a retention pool within the state investment
10 board expense account under RCW 43.33A.160, from the earnings of the
11 funds managed by the board, pursuant to a performance management and
12 compensation program developed by the investment board, in order to
13 address recruitment and retention problems and to reward performance.
14 The compensation levels and incentive compensation for investment
15 officers shall be limited to the average of total compensation provided
16 by state or other public funds of similar size, based upon a biennial
17 survey conducted by the investment board, with review and comment by
18 the joint legislative audit and review committee. However, in any
19 fiscal year the incentive compensation granted by the investment board
20 from the retention pool to investment officers pursuant to this section
21 may not exceed thirty percent. Disbursements from the retention pool
22 shall be from legislative appropriations and shall be on authorization
23 of the board's executive director or the director's designee.

24 The investment board shall provide notice to (~~the director of the~~
25 ~~department of personnel,~~) the director of financial management((~~7~~))
26 and the chairs of the house of representatives and senate fiscal
27 committees of proposed changes to the compensation levels for the
28 positions. The notice shall be provided not less than sixty days prior
29 to the effective date of the proposed changes.

30 As of July 1, 1981, all employees classified under chapter 41.06
31 RCW and engaged in duties assumed by the state investment board on July
32 1, 1981, are assigned to the state investment board. The transfer
33 shall not diminish any rights granted these employees under chapter
34 41.06 RCW nor exempt the employees from any action which may occur
35 thereafter in accordance with chapter 41.06 RCW.

36 All existing contracts and obligations pertaining to the functions
37 transferred to the state investment board in chapter 3, Laws of 1981
38 shall remain in full force and effect, and shall be performed by the

1 board. None of the transfers directed by chapter 3, Laws of 1981 shall
2 affect the validity of any act performed by a state entity or by any
3 official or employee thereof prior to July 1, 1981.

4 **Sec. 459.** RCW 43.105.052 and 2010 1st sp.s. c 7 s 16 are each
5 amended to read as follows:

6 The department shall:

7 (1) Perform all duties and responsibilities the board delegates to
8 the department, including but not limited to:

9 (a) The review of agency information technology portfolios and
10 related requests; and

11 (b) Implementation of statewide and interagency policies,
12 standards, and guidelines;

13 (2) Make available information services to state agencies and local
14 governments and public benefit nonprofit corporations on a full cost-
15 recovery basis. For the purposes of this section "public benefit
16 nonprofit corporation" means a public benefit nonprofit corporation as
17 defined in RCW 24.03.005 that is receiving local, state, or federal
18 funds either directly or through a public agency other than an Indian
19 tribe or political subdivision of another state. These services may
20 include, but are not limited to:

21 (a) Telecommunications services for voice, data, and video;

22 (b) Mainframe computing services;

23 (c) Support for departmental and microcomputer evaluation,
24 installation, and use;

25 (d) Equipment acquisition assistance, including leasing, brokering,
26 and establishing master contracts;

27 (e) Facilities management services for information technology
28 equipment, equipment repair, and maintenance service;

29 (f) Negotiation with local cable companies and local governments to
30 provide for connection to local cable services to allow for access to
31 these public and educational channels in the state;

32 (g) Office automation services;

33 (h) System development services; and

34 (i) Training.

35 These services are for discretionary use by customers and customers
36 may elect other alternatives for service if those alternatives are more

1 cost-effective or provide better service. Agencies may be required to
2 use the backbone network portions of the telecommunications services
3 during an initial start-up period not to exceed three years;

4 (3) Establish rates and fees for services provided by the
5 department to assure that the services component of the department is
6 self-supporting. A billing rate plan shall be developed for a two-year
7 period to coincide with the budgeting process. The rate plan shall be
8 subject to review at least annually by the office of financial
9 management. The rate plan shall show the proposed rates by each cost
10 center and will show the components of the rate structure as mutually
11 determined by the department and the office of financial management.
12 The same rate structure will apply to all user agencies of each cost
13 center. The rate plan and any adjustments to rates shall be approved
14 by the office of financial management. The services component shall
15 not subsidize the operations of the strategic planning and policy
16 component;

17 (4) With the advice of the information services board and agencies,
18 develop a state strategic information technology plan and performance
19 reports as required under RCW 43.105.160;

20 (5) Develop plans for the department's achievement of statewide
21 goals and objectives set forth in the state strategic information
22 technology plan required under RCW 43.105.160. These plans shall
23 address such services as telecommunications, central and distributed
24 computing, local area networks, office automation, and end user
25 computing. The department shall seek the advice of the board in the
26 development of these plans;

27 (6) Under direction of the information services board and in
28 collaboration with the department of (~~personnel~~) enterprise services,
29 and other agencies as may be appropriate, develop training plans and
30 coordinate training programs that are responsive to the needs of
31 agencies;

32 (7) Identify opportunities for the effective use of information
33 services and coordinate appropriate responses to those opportunities;

34 (8) Assess agencies' projects, acquisitions, plans, information
35 technology portfolios, or overall information processing performance as
36 requested by the board, agencies, the director of financial management,
37 or the legislature. Agencies may be required to reimburse the
38 department for agency-requested reviews;

1 (9) Develop planning, budgeting, and expenditure reporting
2 requirements, in conjunction with the office of financial management,
3 for agencies to follow;

4 (10) Assist the office of financial management with budgetary and
5 policy review of agency plans for information services;

6 (11) Provide staff support from the strategic planning and policy
7 component to the board for:

8 (a) Meeting preparation, notices, and minutes;

9 (b) Promulgation of policies, standards, and guidelines adopted by
10 the board;

11 (c) Supervision of studies and reports requested by the board;

12 (d) Conducting reviews and assessments as directed by the board;

13 (12) Be the lead agency in coordinating video telecommunications
14 services for all state agencies and develop, pursuant to board
15 policies, standards and common specifications for leased and purchased
16 telecommunications equipment. The department shall not evaluate the
17 merits of school curriculum, higher education course offerings, or
18 other education and training programs proposed for transmission and/or
19 reception using video telecommunications resources. Nothing in this
20 section shall abrogate or abridge the legal responsibilities of
21 licensees of telecommunications facilities as licensed by the federal
22 communication commission on March 27, 1990; and

23 (13) Perform all other matters and things necessary to carry out
24 the purposes and provisions of this chapter.

25 **Sec. 460.** RCW 43.130.060 and 1973 2nd ex.s. c 37 s 6 are each
26 amended to read as follows:

27 In order to reimburse the public employees' retirement system for
28 any increased costs occasioned by the provisions of this chapter which
29 affect the retirement system, the ((~~public employees' retirement~~
30 ~~board~~)) director of retirement systems shall, within thirty days of the
31 date upon which any affected employee elects to take advantage of the
32 retirement provisions of this chapter, determine the increased present
33 and future cost to the retirement system of such employee's election.
34 Upon the determination of the amount necessary to offset ((~~said~~)) the
35 increased cost, the ((~~retirement board~~)) director of retirement systems
36 shall bill the department of ((~~personnel~~)) enterprise services for the
37 amount of the increased cost: PROVIDED, That such billing shall not

1 exceed eight hundred sixty-one thousand dollars. Such billing shall be
2 paid by the department as, and the same shall be, a proper charge
3 against any moneys available or appropriated to the department for this
4 purpose.

5 **Sec. 461.** RCW 43.131.090 and 2002 c 354 s 230 are each amended to
6 read as follows:

7 Unless the legislature specifies a shorter period of time, a
8 terminated entity shall continue in existence until June 30th of the
9 next succeeding year for the purpose of concluding its affairs:
10 PROVIDED, That the powers and authority of the entity shall not be
11 reduced or otherwise limited during this period. Unless otherwise
12 provided:

13 (1) All employees of terminated entities classified under chapter
14 41.06 RCW, the state civil service law, shall be transferred as
15 appropriate or as otherwise provided in the procedures adopted by the
16 human resources director (~~(of personnel)~~) pursuant to RCW 41.06.150;

17 (2) All documents and papers, equipment, or other tangible property
18 in the possession of the terminated entity shall be delivered to the
19 custody of the entity assuming the responsibilities of the terminated
20 entity or if such responsibilities have been eliminated, documents and
21 papers shall be delivered to the state archivist and equipment or other
22 tangible property to the department of (~~general administration~~)
23 enterprise services;

24 (3) All funds held by, or other moneys due to, the terminated
25 entity shall revert to the fund from which they were appropriated, or
26 if that fund is abolished to the general fund;

27 (4) Notwithstanding the provisions of RCW 34.05.020, all rules made
28 by a terminated entity shall be repealed, without further action by the
29 entity, at the end of the period provided in this section, unless
30 assumed and reaffirmed by the entity assuming the related legal
31 responsibilities of the terminated entity;

32 (5) All contractual rights and duties of an entity shall be
33 assigned or delegated to the entity assuming the responsibilities of
34 the terminated entity, or if there is none to such entity as the
35 governor shall direct.

1 **Sec. 462.** RCW 48.37.060 and 2008 c 100 s 2 are each amended to
2 read as follows:

3 (1) When the commissioner determines that other market conduct
4 actions identified in RCW 48.37.040(4)(a) have not sufficiently
5 addressed issues raised concerning company activities in Washington
6 state, the commissioner has the discretion to conduct market conduct
7 examinations in accordance with the NAIC market conduct uniform
8 examination procedures and the NAIC market regulation handbook.

9 (2)(a) In lieu of an examination of an insurer licensed in this
10 state, the commissioner shall accept an examination report of another
11 state, unless the commissioner determines that the other state does not
12 have laws substantially similar to those of this state, or does not
13 have a market oversight system that is comparable to the market conduct
14 oversight system set forth in this law.

15 (b) The commissioner's determination under (a) of this subsection
16 is discretionary with the commissioner and is not subject to appeal.

17 (c) If the insurer to be examined is part of an insurance holding
18 company system, the commissioner may also seek to simultaneously
19 examine any affiliates of the insurer under common control and
20 management which are licensed to write the same lines of business in
21 this state.

22 (3) Before commencement of a market conduct examination, market
23 conduct oversight personnel shall prepare a work plan consisting of the
24 following:

- 25 (a) The name and address of the insurer being examined;
- 26 (b) The name and contact information of the examiner-in-charge;
- 27 (c) The name of all market conduct oversight personnel initially
28 assigned to the market conduct examination;
- 29 (d) The justification for the examination;
- 30 (e) The scope of the examination;
- 31 (f) The date the examination is scheduled to begin;
- 32 (g) Notice of any noninsurance department personnel who will assist
33 in the examination;
- 34 (h) A time estimate for the examination;
- 35 (i) A budget for the examination if the cost of the examination is
36 billed to the insurer; and
- 37 (j) An identification of factors that will be included in the
38 billing if the cost of the examination is billed to the insurer.

1 (4)(a) Within ten days of the receipt of the information contained
2 in subsection (3) of this section, insurers may request the
3 commissioner's discretionary review of any alleged conflict of
4 interest, pursuant to RCW 48.37.090(2), of market conduct oversight
5 personnel and noninsurance department personnel assigned to a market
6 conduct examination. The request for review shall specifically
7 describe the alleged conflict of interest in the proposed assignment of
8 any person to the examination.

9 (b) Within five business days of receiving a request for
10 discretionary review of any alleged conflict of interest in the
11 proposed assignment of any person to a market conduct examination, the
12 commissioner or designee shall notify the insurer of any action
13 regarding the assignment of personnel to a market conduct examination
14 based on the insurer's allegation of conflict of interest.

15 (5) Market conduct examinations shall, to the extent feasible, use
16 desk examinations and data requests before an on-site examination.

17 (6) Market conduct examinations shall be conducted in accordance
18 with the provisions set forth in the NAIC market regulation handbook
19 and the NAIC market conduct uniform examinations procedures, subject to
20 the precedence of the provisions of chapter 82, Laws of 2007.

21 (7) The commissioner shall use the NAIC standard data request.

22 (8) Announcement of the examination shall be sent to the insurer
23 and posted on the NAIC's examination tracking system as soon as
24 possible but in no case later than sixty days before the estimated
25 commencement of the examination, except where the examination is
26 conducted in response to extraordinary circumstances as described in
27 RCW 48.37.050(2)(a). The announcement sent to the insurer shall
28 contain the examination work plan and a request for the insurer to name
29 its examination coordinator.

30 (9) If an examination is expanded significantly beyond the original
31 reasons provided to the insurer in the notice of the examination
32 required by subsection (3) of this section, the commissioner shall
33 provide written notice to the insurer, explaining the expansion and
34 reasons for the expansion. The commissioner shall provide a revised
35 work plan if the expansion results in significant changes to the items
36 presented in the original work plan required by subsection (3) of this
37 section.

1 (10) The commissioner shall conduct a preexamination conference
2 with the insurer examination coordinator and key personnel to clarify
3 expectations at least thirty days before commencement of the
4 examination, unless otherwise agreed by the insurer and the
5 commissioner.

6 (11) Before the conclusion of the field work for market conduct
7 examination, the examiner-in-charge shall review examination findings
8 to date with insurer personnel and schedule an exit conference with the
9 insurer, in accordance with procedures in the NAIC market regulation
10 handbook.

11 (12)(a) No later than sixty days after completion of each market
12 conduct examination, the commissioner shall make a full written report
13 of each market conduct examination containing only facts ascertained
14 from the accounts, records, and documents examined and from the sworn
15 testimony of individuals, and such conclusions and recommendations as
16 may reasonably be warranted from such facts.

17 (b) The report shall be certified by the commissioner or by the
18 examiner-in-charge of the examination, and shall be filed in the
19 commissioner's office subject to (c) of this subsection.

20 (c) The commissioner shall furnish a copy of the market conduct
21 examination report to the person examined not less than ten days and,
22 unless the time is extended by the commissioner, not more than thirty
23 days prior to the filing of the report for public inspection in the
24 commissioner's office. If the person so requests in writing within
25 such period, the commissioner shall hold a hearing to consider
26 objections of such person to the report as proposed, and shall not so
27 file the report until after such hearing and until after any
28 modifications in the report deemed necessary by the commissioner have
29 been made.

30 (d) Within thirty days of the end of the period described in (c) of
31 this subsection, unless extended by order of the commissioner, the
32 commissioner shall consider the report, together with any written
33 submissions or rebuttals and any relevant portions of the examiner's
34 work papers and enter an order:

35 (i) Adopting the market conduct examination report as filed or with
36 modification or corrections. If the market conduct examination report
37 reveals that the company is operating in violation of any law, rule, or

1 order of the commissioner, the commissioner may order the company to
2 take any action the commissioner considers necessary and appropriate to
3 cure that violation;

4 (ii) Rejecting the market conduct examination report with
5 directions to the examiners to reopen the examination for purposes of
6 obtaining additional data, documentation, or information, and refileing
7 under this subsection; or

8 (iii) Calling for an investigatory hearing with no less than twenty
9 days' notice to the company for purposes of obtaining additional
10 documentation, data, information, and testimony.

11 (e) All orders entered under (d) of this subsection must be
12 accompanied by findings and conclusions resulting from the
13 commissioner's consideration and review of the market conduct
14 examination report, relevant examiner work papers, and any written
15 submissions or rebuttals. The order is considered a final
16 administrative decision and may be appealed under the administrative
17 procedure act, chapter 34.05 RCW, and must be served upon the company
18 by certified mail or certifiable electronic means, together with a copy
19 of the adopted examination report. A copy of the adopted examination
20 report must be sent by certified mail or certifiable electronic means
21 to each director at the director's residential address or to a personal
22 e-mail account.

23 (f)(i) Upon the adoption of the market conduct examination report
24 under (d) of this subsection, the commissioner shall continue to hold
25 the content of the examination report as private and confidential
26 information for a period of five days except that the order may be
27 disclosed to the person examined. Thereafter, the commissioner may
28 open the report for public inspection so long as no court of competent
29 jurisdiction has stayed its publication.

30 (ii) If the commissioner determines that regulatory action is
31 appropriate as a result of any market conduct examination, he or she
32 may initiate any proceedings or actions as provided by law.

33 (iii) Nothing contained in this subsection requires the
34 commissioner to disclose any information or records that would indicate
35 or show the existence or content of any investigation or activity of a
36 criminal justice agency.

37 (g) The insurer's response shall be included in the commissioner's

1 order adopting the final report as an exhibit to the order. The
2 insurer is not obligated to submit a response.

3 (13) The commissioner may withhold from public inspection any
4 examination or investigation report for so long as he or she deems it
5 advisable.

6 (14)(a) Market conduct examinations within this state of any
7 insurer domiciled or having its home offices in this state, other than
8 a title insurer, made by the commissioner or the commissioner's
9 examiners and employees shall, except as to fees, mileage, and expense
10 incurred as to witnesses, be at the expense of the state.

11 (b) Every other examination, whatsoever, or any part of the market
12 conduct examination of any person domiciled or having its home offices
13 in this state requiring travel and services outside this state, shall
14 be made by the commissioner or by examiners designated by the
15 commissioner and shall be at the expense of the person examined; but a
16 domestic insurer shall not be liable for the compensation of examiners
17 employed by the commissioner for such services outside this state.

18 (c) When making a market conduct examination under this chapter,
19 the commissioner may contract, in accordance with applicable state
20 contracting procedures, for qualified attorneys, appraisers,
21 independent certified public accountants, contract actuaries, and other
22 similar individuals who are independently practicing their professions,
23 even though those persons may from time to time be similarly employed
24 or retained by persons subject to examination under this chapter, as
25 examiners as the commissioner deems necessary for the efficient conduct
26 of a particular examination. The compensation and per diem allowances
27 paid to such contract persons shall be reasonable in the market and
28 time incurred, shall not exceed one hundred twenty-five percent of the
29 compensation and per diem allowances for examiners set forth in the
30 guidelines adopted by the national association of insurance
31 commissioners, unless the commissioner demonstrates that one hundred
32 twenty-five percent is inadequate under the circumstances of the
33 examination, and subject to the provisions of (a) of this subsection.

34 (d)(i) The person examined and liable shall reimburse the state
35 upon presentation of an itemized statement thereof, for the actual
36 travel expenses of the commissioner's examiners, their reasonable
37 living expenses allowance, and their per diem compensation, including
38 salary and the employer's cost of employee benefits, at a reasonable

1 rate approved by the commissioner, incurred on account of the
2 examination. Per diem, salary, and expenses for employees examining
3 insurers domiciled outside the state of Washington shall be established
4 by the commissioner on the basis of the national association of
5 insurance commissioner's recommended salary and expense schedule for
6 zone examiners, or the salary schedule established by the human
7 resources director (~~of the Washington department of personnel~~) and
8 the expense schedule established by the office of financial management,
9 whichever is higher. A domestic title insurer shall pay the
10 examination expense and costs to the commissioner as itemized and
11 billed by the commissioner.

12 (ii) The commissioner or the commissioner's examiners shall not
13 receive or accept any additional emolument on account of any
14 examination.

15 (iii) Market conduct examination fees subject to being reimbursed
16 by an insurer shall be itemized and bills shall be provided to the
17 insurer on a monthly basis for review prior to submission for payment,
18 or as otherwise provided by state law.

19 (e) Nothing contained in this chapter limits the commissioner's
20 authority to terminate or suspend any examination in order to pursue
21 other legal or regulatory action under the insurance laws of this
22 state. Findings of fact and conclusions made pursuant to any
23 examination are prima facie evidence in any legal or regulatory action.

24 (f) The commissioner shall maintain active management and oversight
25 of market conduct examination costs, including costs associated with
26 the commissioner's own examiners, and with retaining qualified contract
27 examiners necessary to perform an examination. Any agreement with a
28 contract examiner shall:

29 (i) Clearly identify the types of functions to be subject to
30 outsourcing;

31 (ii) Provide specific timelines for completion of the outsourced
32 review;

33 (iii) Require disclosure to the insurer of contract examiners'
34 recommendations;

35 (iv) Establish and use a dispute resolution or arbitration
36 mechanism to resolve conflicts with insurers regarding examination
37 fees; and

1 (v) Require disclosure of the terms of the contracts with the
2 outside consultants that will be used, specifically the fees and/or
3 hourly rates that can be charged.

4 (g) The commissioner, or the commissioner's designee, shall review
5 and affirmatively endorse detailed billings from the qualified contract
6 examiner before the detailed billings are sent to the insurer.

7 **Sec. 463.** RCW 49.46.010 and 2010 c 160 s 2 and 2010 c 8 s 12040
8 are each reenacted and amended to read as follows:

9 As used in this chapter:

10 (1) "Director" means the director of labor and industries;

11 (2) "Wage" means compensation due to an employee by reason of
12 employment, payable in legal tender of the United States or checks on
13 banks convertible into cash on demand at full face value, subject to
14 such deductions, charges, or allowances as may be permitted by rules of
15 the director;

16 (3) "Employ" includes to permit to work;

17 (4) "Employer" includes any individual, partnership, association,
18 corporation, business trust, or any person or group of persons acting
19 directly or indirectly in the interest of an employer in relation to an
20 employee;

21 (5) "Employee" includes any individual employed by an employer but
22 shall not include:

23 (a) Any individual (i) employed as a hand harvest laborer and paid
24 on a piece rate basis in an operation which has been, and is generally
25 and customarily recognized as having been, paid on a piece rate basis
26 in the region of employment; (ii) who commutes daily from his or her
27 permanent residence to the farm on which he or she is employed; and
28 (iii) who has been employed in agriculture less than thirteen weeks
29 during the preceding calendar year;

30 (b) Any individual employed in casual labor in or about a private
31 home, unless performed in the course of the employer's trade, business,
32 or profession;

33 (c) Any individual employed in a bona fide executive,
34 administrative, or professional capacity or in the capacity of outside
35 salesperson as those terms are defined and delimited by rules of the
36 director. However, those terms shall be defined and delimited by the

1 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW
2 for employees employed under the director of personnel's jurisdiction;

3 (d) Any individual engaged in the activities of an educational,
4 charitable, religious, state or local governmental body or agency, or
5 nonprofit organization where the employer-employee relationship does
6 not in fact exist or where the services are rendered to such
7 organizations gratuitously. If the individual receives reimbursement
8 in lieu of compensation for normally incurred out-of-pocket expenses or
9 receives a nominal amount of compensation per unit of voluntary service
10 rendered, an employer-employee relationship is deemed not to exist for
11 the purpose of this section or for purposes of membership or
12 qualification in any state, local government, or publicly supported
13 retirement system other than that provided under chapter 41.24 RCW;

14 (e) Any individual employed full time by any state or local
15 governmental body or agency who provides voluntary services but only
16 with regard to the provision of the voluntary services. The voluntary
17 services and any compensation therefor shall not affect or add to
18 qualification, entitlement, or benefit rights under any state, local
19 government, or publicly supported retirement system other than that
20 provided under chapter 41.24 RCW;

21 (f) Any newspaper vendor or carrier;

22 (g) Any carrier subject to regulation by Part 1 of the Interstate
23 Commerce Act;

24 (h) Any individual engaged in forest protection and fire prevention
25 activities;

26 (i) Any individual employed by any charitable institution charged
27 with child care responsibilities engaged primarily in the development
28 of character or citizenship or promoting health or physical fitness or
29 providing or sponsoring recreational opportunities or facilities for
30 young people or members of the armed forces of the United States;

31 (j) Any individual whose duties require that he or she reside or
32 sleep at the place of his or her employment or who otherwise spends a
33 substantial portion of his or her work time subject to call, and not
34 engaged in the performance of active duties;

35 (k) Any resident, inmate, or patient of a state, county, or
36 municipal correctional, detention, treatment or rehabilitative
37 institution;

1 (l) Any individual who holds a public elective or appointive office
2 of the state, any county, city, town, municipal corporation or quasi
3 municipal corporation, political subdivision, or any instrumentality
4 thereof, or any employee of the state legislature;

5 (m) All vessel operating crews of the Washington state ferries
6 operated by the department of transportation;

7 (n) Any individual employed as a seaman on a vessel other than an
8 American vessel;

9 (o) Any farm intern providing his or her services to a small farm
10 which has a special certificate issued under RCW 49.12.465;

11 (6) "Occupation" means any occupation, service, trade, business,
12 industry, or branch or group of industries or employment or class of
13 employment in which employees are gainfully employed;

14 (7) "Retail or service establishment" means an establishment
15 seventy-five percent of whose annual dollar volume of sales of goods or
16 services, or both, is not for resale and is recognized as retail sales
17 or services in the particular industry.

18 **Sec. 464.** RCW 49.46.010 and 2010 c 8 s 12040 are each amended to
19 read as follows:

20 As used in this chapter:

21 (1) "Director" means the director of labor and industries;

22 (2) "Wage" means compensation due to an employee by reason of
23 employment, payable in legal tender of the United States or checks on
24 banks convertible into cash on demand at full face value, subject to
25 such deductions, charges, or allowances as may be permitted by rules of
26 the director;

27 (3) "Employ" includes to permit to work;

28 (4) "Employer" includes any individual, partnership, association,
29 corporation, business trust, or any person or group of persons acting
30 directly or indirectly in the interest of an employer in relation to an
31 employee;

32 (5) "Employee" includes any individual employed by an employer but
33 shall not include:

34 (a) Any individual (i) employed as a hand harvest laborer and paid
35 on a piece rate basis in an operation which has been, and is generally
36 and customarily recognized as having been, paid on a piece rate basis
37 in the region of employment; (ii) who commutes daily from his or her

1 permanent residence to the farm on which he or she is employed; and
2 (iii) who has been employed in agriculture less than thirteen weeks
3 during the preceding calendar year;

4 (b) Any individual employed in casual labor in or about a private
5 home, unless performed in the course of the employer's trade, business,
6 or profession;

7 (c) Any individual employed in a bona fide executive,
8 administrative, or professional capacity or in the capacity of outside
9 salesperson as those terms are defined and delimited by rules of the
10 director. However, those terms shall be defined and delimited by the
11 human resources director (~~(of personnel)~~) pursuant to chapter 41.06 RCW
12 for employees employed under the director of personnel's jurisdiction;

13 (d) Any individual engaged in the activities of an educational,
14 charitable, religious, state or local governmental body or agency, or
15 nonprofit organization where the employer-employee relationship does
16 not in fact exist or where the services are rendered to such
17 organizations gratuitously. If the individual receives reimbursement
18 in lieu of compensation for normally incurred out-of-pocket expenses or
19 receives a nominal amount of compensation per unit of voluntary service
20 rendered, an employer-employee relationship is deemed not to exist for
21 the purpose of this section or for purposes of membership or
22 qualification in any state, local government, or publicly supported
23 retirement system other than that provided under chapter 41.24 RCW;

24 (e) Any individual employed full time by any state or local
25 governmental body or agency who provides voluntary services but only
26 with regard to the provision of the voluntary services. The voluntary
27 services and any compensation therefor shall not affect or add to
28 qualification, entitlement, or benefit rights under any state, local
29 government, or publicly supported retirement system other than that
30 provided under chapter 41.24 RCW;

31 (f) Any newspaper vendor or carrier;

32 (g) Any carrier subject to regulation by Part 1 of the Interstate
33 Commerce Act;

34 (h) Any individual engaged in forest protection and fire prevention
35 activities;

36 (i) Any individual employed by any charitable institution charged
37 with child care responsibilities engaged primarily in the development

1 of character or citizenship or promoting health or physical fitness or
2 providing or sponsoring recreational opportunities or facilities for
3 young people or members of the armed forces of the United States;

4 (j) Any individual whose duties require that he or she reside or
5 sleep at the place of his or her employment or who otherwise spends a
6 substantial portion of his or her work time subject to call, and not
7 engaged in the performance of active duties;

8 (k) Any resident, inmate, or patient of a state, county, or
9 municipal correctional, detention, treatment or rehabilitative
10 institution;

11 (l) Any individual who holds a public elective or appointive office
12 of the state, any county, city, town, municipal corporation or quasi
13 municipal corporation, political subdivision, or any instrumentality
14 thereof, or any employee of the state legislature;

15 (m) All vessel operating crews of the Washington state ferries
16 operated by the department of transportation;

17 (n) Any individual employed as a seaman on a vessel other than an
18 American vessel;

19 (6) "Occupation" means any occupation, service, trade, business,
20 industry, or branch or group of industries or employment or class of
21 employment in which employees are gainfully employed;

22 (7) "Retail or service establishment" means an establishment
23 seventy-five percent of whose annual dollar volume of sales of goods or
24 services, or both, is not for resale and is recognized as retail sales
25 or services in the particular industry.

26 **Sec. 465.** RCW 49.74.020 and 1993 c 281 s 57 are each amended to
27 read as follows:

28 If the commission reasonably believes that a state agency, an
29 institution of higher education, or the state patrol has failed to
30 comply with an affirmative action rule adopted under RCW 41.06.150 or
31 43.43.340, the commission shall notify the director of the state
32 agency, president of the institution of higher education, or chief of
33 the Washington state patrol of the noncompliance, as well as the human
34 resources director ((of ~~personnel~~)). The commission shall give the
35 director of the state agency, president of the institution of higher
36 education, or chief of the Washington state patrol an opportunity to be
37 heard on the failure to comply.

1 **Sec. 466.** RCW 49.74.030 and 2002 c 354 s 246 are each amended to
2 read as follows:

3 The commission in conjunction with the department of (~~personnel~~)
4 enterprise services, the office of financial management, or the state
5 patrol, whichever is appropriate, shall attempt to resolve the
6 noncompliance through conciliation. If an agreement is reached for the
7 elimination of noncompliance, the agreement shall be reduced to writing
8 and an order shall be issued by the commission setting forth the terms
9 of the agreement. The noncomplying state agency, institution of higher
10 education, or state patrol shall make a good faith effort to conciliate
11 and make a full commitment to correct the noncompliance with any action
12 that may be necessary to achieve compliance, provided such action is
13 not inconsistent with the rules adopted under RCW 41.06.150(~~(+6)~~)(5)
14 and 43.43.340(5), whichever is appropriate.

15 **Sec. 467.** RCW 49.90.010 and 2009 c 294 s 5 are each amended to
16 read as follows:

17 (1) Within this section, "sensory disability" means a sensory
18 condition that materially limits, contributes to limiting, or, if not
19 corrected or accommodated, will probably result in limiting an
20 individual's activities or functioning.

21 (2) The (~~department of personnel~~) office of financial management
22 shall adopt rules that authorize state agencies to provide allowances
23 to employees with sensory disabilities who must attend training
24 necessary to attain a new service animal. The employee's absence must
25 be treated in the same manner as that granted to employees who are
26 absent to attend training that supports or improves their job
27 performance, except that the employee shall not be eligible for
28 reimbursement under RCW 43.03.050 or 43.03.060. The (~~department of~~
29 ~~personnel~~) office of financial management shall adopt rules as
30 necessary to implement this chapter.

31 (3) If the necessity to attend training for a new service animal is
32 foreseeable and the training will cause the employee to miss work, the
33 employee shall provide the employer with not less than thirty days'
34 notice, before the date the absence is to begin, of the employee's
35 impending absence. If the date of the training requires the absence to
36 begin in less than thirty days, the employee shall provide notice as is
37 practicable.

1 (4) An agency may require that a request to attend service animal
2 training be supported by a certification issued by the relevant
3 training organization. The employee must provide, in a timely manner,
4 a copy of the certification to the agency. Certification provided
5 under this section is sufficient if it states: (a) The date on which
6 the service animal training session is scheduled to commence; and (b)
7 the session's duration.

8 **Sec. 468.** RCW 50.13.060 and 2008 c 120 s 6 are each amended to
9 read as follows:

10 (1) Governmental agencies, including law enforcement agencies,
11 prosecuting agencies, and the executive branch, whether state, local,
12 or federal shall have access to information or records deemed private
13 and confidential under this chapter if the information or records are
14 needed by the agency for official purposes and:

15 (a) The agency submits an application in writing to the employment
16 security department for the records or information containing a
17 statement of the official purposes for which the information or records
18 are needed and specific identification of the records or information
19 sought from the department; and

20 (b) The director, commissioner, chief executive, or other official
21 of the agency has verified the need for the specific information in
22 writing either on the application or on a separate document; and

23 (c) The agency requesting access has served a copy of the
24 application for records or information on the individual or employing
25 unit whose records or information are sought and has provided the
26 department with proof of service. Service shall be made in a manner
27 which conforms to the civil rules for superior court. The requesting
28 agency shall include with the copy of the application a statement to
29 the effect that the individual or employing unit may contact the public
30 records officer of the employment security department to state any
31 objections to the release of the records or information. The
32 employment security department shall not act upon the application of
33 the requesting agency until at least five days after service on the
34 concerned individual or employing unit. The employment security
35 department shall consider any objections raised by the concerned
36 individual or employing unit in deciding whether the requesting agency
37 needs the information or records for official purposes.

1 (2) The requirements of subsections (1) and (9) of this section
2 shall not apply to the state legislative branch. The state legislature
3 shall have access to information or records deemed private and
4 confidential under this chapter, if the legislature or a legislative
5 committee finds that the information or records are necessary and for
6 official purposes. If the employment security department does not make
7 information or records available as provided in this subsection, the
8 legislature may exercise its authority granted by chapter 44.16 RCW.

9 (3) In cases of emergency the governmental agency requesting access
10 shall not be required to formally comply with the provisions of
11 subsection (1) of this section at the time of the request if the
12 procedures required by subsection (1) of this section are complied with
13 by the requesting agency following the receipt of any records or
14 information deemed private and confidential under this chapter. An
15 emergency is defined as a situation in which irreparable harm or damage
16 could occur if records or information are not released immediately.

17 (4) The requirements of subsection (1)(c) of this section shall not
18 apply to governmental agencies where the procedures would frustrate the
19 investigation of possible violations of criminal laws or to the release
20 of employing unit names, addresses, number of employees, and aggregate
21 employer wage data for the purpose of state governmental agencies
22 preparing small business economic impact statements under chapter 19.85
23 RCW or preparing cost-benefit analyses under RCW 34.05.328(1) (c) and
24 (d). Information provided by the department and held to be private and
25 confidential under state or federal laws must not be misused or
26 released to unauthorized parties. A person who misuses such
27 information or releases such information to unauthorized parties is
28 subject to the sanctions in RCW 50.13.080.

29 (5) Governmental agencies shall have access to certain records or
30 information, limited to such items as names, addresses, social security
31 numbers, and general information about benefit entitlement or employer
32 information possessed by the department, for comparison purposes with
33 records or information possessed by the requesting agency to detect
34 improper or fraudulent claims, or to determine potential tax liability
35 or employer compliance with registration and licensing requirements.
36 In those cases the governmental agency shall not be required to comply
37 with subsection (1)(c) of this section, but the requirements of the
38 remainder of subsection (1) of this section must be satisfied.

1 (6) Governmental agencies may have access to certain records and
2 information, limited to employer information possessed by the
3 department for purposes authorized in chapter 50.38 RCW. Access to
4 these records and information is limited to only those individuals
5 conducting authorized statistical analysis, research, and evaluation
6 studies. Only in cases consistent with the purposes of chapter 50.38
7 RCW are government agencies not required to comply with subsection
8 (1)(c) of this section, but the requirements of the remainder of
9 subsection (1) of this section must be satisfied. Information provided
10 by the department and held to be private and confidential under state
11 or federal laws shall not be misused or released to unauthorized
12 parties subject to the sanctions in RCW 50.13.080.

13 (7) Disclosure to governmental agencies of information or records
14 obtained by the employment security department from the federal
15 government shall be governed by any applicable federal law or any
16 agreement between the federal government and the employment security
17 department where so required by federal law. When federal law does not
18 apply to the records or information state law shall control.

19 (8) The department may provide information for purposes of
20 statistical analysis and evaluation of the WorkFirst program or any
21 successor state welfare program to the department of social and health
22 services, the office of financial management, and other governmental
23 entities with oversight or evaluation responsibilities for the program
24 in accordance with RCW 43.20A.080. The confidential information
25 provided by the department shall remain the property of the department
26 and may be used by the authorized requesting agencies only for
27 statistical analysis, research, and evaluation purposes as provided in
28 RCW 74.08A.410 and 74.08A.420. The department of social and health
29 services, the office of financial management, or other governmental
30 entities with oversight or evaluation responsibilities for the program
31 are not required to comply with subsection (1)(c) of this section, but
32 the requirements of the remainder of subsection (1) of this section and
33 applicable federal laws and regulations must be satisfied. The
34 confidential information used for evaluation and analysis of welfare
35 reform supplied to the authorized requesting entities with regard to
36 the WorkFirst program or any successor state welfare program are exempt
37 from public inspection and copying under chapter 42.56 RCW.

1 (9) The disclosure of any records or information by a governmental
2 agency which has obtained the records or information under this section
3 is prohibited unless the disclosure is (a) directly connected to the
4 official purpose for which the records or information were obtained or
5 (b) to another governmental agency which would be permitted to obtain
6 the records or information under subsection (4) or (5) of this section.

7 (10) In conducting periodic salary or fringe benefit studies
8 pursuant to law, the (~~department of personnel~~) office of financial
9 management shall have access to records of the employment security
10 department as may be required for such studies. For such purposes, the
11 requirements of subsection (1)(c) of this section need not apply.

12 (11)(a) To promote the reemployment of job seekers, the
13 commissioner may enter into data-sharing contracts with partners of the
14 one-stop career development system. The contracts shall provide for
15 the transfer of data only to the extent that the transfer is necessary
16 for the efficient provisions of workforce programs, including but not
17 limited to public labor exchange, unemployment insurance, worker
18 training and retraining, vocational rehabilitation, vocational
19 education, adult education, transition from public assistance, and
20 support services. The transfer of information under contracts with
21 one-stop partners is exempt from subsection (1)(c) of this section.

22 (b) An individual who applies for services from the department and
23 whose information will be shared under (a) of this subsection (11) must
24 be notified that his or her private and confidential information in the
25 department's records will be shared among the one-stop partners to
26 facilitate the delivery of one-stop services to the individual. The
27 notice must advise the individual that he or she may request that
28 private and confidential information not be shared among the one-stop
29 partners and the department must honor the request. In addition, the
30 notice must:

31 (i) Advise the individual that if he or she requests that private
32 and confidential information not be shared among one-stop partners, the
33 request will in no way affect eligibility for services;

34 (ii) Describe the nature of the information to be shared, the
35 general use of the information by one-stop partner representatives, and
36 among whom the information will be shared;

37 (iii) Inform the individual that shared information will be used

1 only for the purpose of delivering one-stop services and that further
2 disclosure of the information is prohibited under contract and is not
3 subject to disclosure under chapter 42.56 RCW; and

4 (iv) Be provided in English and an alternative language selected by
5 the one-stop center or job service center as appropriate for the
6 community where the center is located.

7 If the notice is provided in-person, the individual who does not
8 want private and confidential information shared among the one-stop
9 partners must immediately advise the one-stop partner representative of
10 that decision. The notice must be provided to an individual who
11 applies for services telephonically, electronically, or by mail, in a
12 suitable format and within a reasonable time after applying for
13 services, which shall be no later than ten working days from the
14 department's receipt of the application for services. A one-stop
15 representative must be available to answer specific questions regarding
16 the nature, extent, and purpose for which the information may be
17 shared.

18 (12) To facilitate improved operation and evaluation of state
19 programs, the commissioner may enter into data-sharing contracts with
20 other state agencies only to the extent that such transfer is necessary
21 for the efficient operation or evaluation of outcomes for those
22 programs. The transfer of information by contract under this
23 subsection is exempt from subsection (1)(c) of this section.

24 (13) The misuse or unauthorized release of records or information
25 by any person or organization to which access is permitted by this
26 chapter subjects the person or organization to a civil penalty of five
27 thousand dollars and other applicable sanctions under state and federal
28 law. Suit to enforce this section shall be brought by the attorney
29 general and the amount of any penalties collected shall be paid into
30 the employment security department administrative contingency fund.
31 The attorney general may recover reasonable attorneys' fees for any
32 action brought to enforce this section.

33 **Sec. 469.** RCW 28A.345.060 and 1986 c 158 s 3 are each amended to
34 read as follows:

35 The association shall contract with the (~~department of personnel~~
36 ~~for the department of personnel~~) human resources director in the
37 office of financial management to audit in odd-numbered years the

1 association's staff classifications and employees' salaries. The
2 association shall give copies of the audit reports to the office of
3 financial management and the committees of each house of the
4 legislature dealing with common schools.

5 **Sec. 470.** RCW 28A.400.201 and 2010 c 236 s 7 are each amended to
6 read as follows:

7 (1) The legislature recognizes that providing students with the
8 opportunity to access a world-class educational system depends on our
9 continuing ability to provide students with access to world-class
10 educators. The legislature also understands that continuing to attract
11 and retain the highest quality educators will require increased
12 investments. The legislature intends to enhance the current salary
13 allocation model and recognizes that changes to the current model
14 cannot be imposed without great deliberation and input from teachers,
15 administrators, and classified employees. Therefore, it is the intent
16 of the legislature to begin the process of developing an enhanced
17 salary allocation model that is collaboratively designed to ensure the
18 rationality of any conclusions regarding what constitutes adequate
19 compensation.

20 (2) Beginning July 1, 2011, the office of the superintendent of
21 public instruction, in collaboration with the human resources director
22 in the office of financial management, shall convene a technical
23 working group to recommend the details of an enhanced salary allocation
24 model that aligns state expectations for educator development and
25 certification with the compensation system and establishes
26 recommendations for a concurrent implementation schedule. In addition
27 to any other details the technical working group deems necessary, the
28 technical working group shall make recommendations on the following:

29 (a) How to reduce the number of tiers within the existing salary
30 allocation model;

31 (b) How to account for labor market adjustments;

32 (c) How to account for different geographic regions of the state
33 where districts may encounter difficulty recruiting and retaining
34 teachers;

35 (d) The role of and types of bonuses available;

36 (e) Ways to accomplish salary equalization over a set number of
37 years; and

1 (f) Initial fiscal estimates for implementing the recommendations
2 including a recognition that staff on the existing salary allocation
3 model would have the option to grandfather in permanently to the
4 existing schedule.

5 (3) As part of its work, the technical working group shall conduct
6 or contract for a preliminary comparative labor market analysis of
7 salaries and other compensation for school district employees to be
8 conducted and shall include the results in any reports to the
9 legislature. For the purposes of this subsection, "salaries and other
10 compensation" includes average base salaries, average total salaries,
11 average employee basic benefits, and retirement benefits.

12 (4) The analysis required under subsection (1) of this section
13 must:

14 (a) Examine salaries and other compensation for teachers, other
15 certificated instructional staff, principals, and other building-level
16 certificated administrators, and the types of classified employees for
17 whom salaries are allocated;

18 (b) Be calculated at a statewide level that identifies labor
19 markets in Washington through the use of data from the United States
20 bureau of the census and the bureau of labor statistics; and

21 (c) Include a comparison of salaries and other compensation to the
22 appropriate labor market for at least the following subgroups of
23 educators: Beginning teachers and types of educational staff
24 associates.

25 (5) The working group shall include representatives of the
26 (~~department of personnel~~) office of financial management, the
27 professional educator standards board, the office of the superintendent
28 of public instruction, the Washington education association, the
29 Washington association of school administrators, the association of
30 Washington school principals, the Washington state school directors'
31 association, the public school employees of Washington, and other
32 interested stakeholders with appropriate expertise in compensation
33 related matters. The working group may convene advisory subgroups on
34 specific topics as necessary to assure participation and input from a
35 broad array of diverse stakeholders.

36 (6) The working group shall be monitored and overseen by the
37 legislature and the quality education council created in RCW
38 28A.290.010. The working group shall make an initial report to the

1 legislature by June 30, 2012, and shall include in its report
2 recommendations for whether additional further work of the group is
3 necessary.

4 **Sec. 471.** RCW 34.12.100 and 2010 1st sp.s. c 7 s 3 are each
5 amended to read as follows:

6 The chief administrative law judge shall be paid a salary fixed by
7 the governor after recommendation of the ((~~department of personnel~~))
8 human resources director in the office of financial management. The
9 salaries of administrative law judges appointed under the terms of this
10 chapter shall be determined by the chief administrative law judge after
11 recommendation of the department of personnel.

12 **Sec. 472.** RCW 36.21.011 and 1995 c 134 s 12 are each amended to
13 read as follows:

14 Any assessor who deems it necessary in order to complete the
15 listing and the valuation of the property of the county within the time
16 prescribed by law, (1) may appoint one or more well qualified persons
17 to act as assistants or deputies who shall not engage in the private
18 practice of appraising within the county in which he or she is employed
19 without the written permission of the assessor filed with the auditor;
20 and each such assistant or deputy so appointed shall, under the
21 direction of the assessor, after taking the required oath, perform all
22 the duties enjoined upon, vested in or imposed upon assessors, and (2)
23 may contract with any persons, firms or corporations, who are expert
24 appraisers, to assist in the valuation of property.

25 To assist each assessor in obtaining adequate and well qualified
26 assistants or deputies, the ((~~state department of personnel~~)) office of
27 financial management, after consultation with the Washington state
28 association of county assessors, the Washington state association of
29 counties, and the department of revenue, shall establish by July 1,
30 1967, and shall thereafter maintain, a classification and salary plan
31 for those employees of an assessor who act as appraisers. The plan
32 shall recommend the salary range and employment qualifications for each
33 position encompassed by it, and shall, to the fullest extent
34 practicable, conform to the classification plan, salary schedules and
35 employment qualifications for state employees performing similar
36 appraisal functions.

1 An assessor who intends to put such plan into effect shall inform
2 the department of revenue and the county legislative authority of this
3 intent in writing. The department of revenue and the county
4 legislative authority may thereupon each designate a representative,
5 and such representative or representatives as may be designated by the
6 department of revenue or the county legislative authority, or both,
7 shall form with the assessor a committee. The committee so formed may,
8 by unanimous vote only, determine the required number of certified
9 appraiser positions and their salaries necessary to enable the assessor
10 to carry out the requirements relating to revaluation of property in
11 chapter 84.41 RCW. The determination of the committee shall be
12 certified to the county legislative authority. The committee may be
13 formed only once in a period of four calendar years.

14 After such determination, the assessor may provide, in each of the
15 four next succeeding annual budget estimates, for as many positions as
16 are established in such determination. Each county legislative
17 authority to which such a budget estimate is submitted shall allow
18 sufficient funds for such positions. An employee may be appointed to
19 a position covered by the plan only if the employee meets the
20 employment qualifications established by the plan.

21 **Sec. 473.** RCW 41.04.020 and 1998 c 116 s 1 are each amended to
22 read as follows:

23 Any employee or group of employees of the state of Washington or
24 any of its political subdivisions, or of any institution supported, in
25 whole or in part, by the state or any of its political subdivisions,
26 may authorize the deduction from his or her salaries or wages and
27 payment to another, the amount or amounts of his or her subscription
28 payments or contributions to any person, firm, or corporation
29 administering, furnishing, or providing (1) medical, surgical, and
30 hospital care or either of them, or (2) life insurance or accident and
31 health disability insurance, or (3) any individual retirement account
32 selected by the employee or the employee's spouse established under
33 applicable state or federal law: PROVIDED, That such authorization by
34 said employee or group of employees, shall be first approved by the
35 head of the department, division office or institution of the state or
36 any political subdivision thereof, employing such person or group of
37 persons, and filed with the department of (~~personnel~~) enterprise

1 services; or in the case of political subdivisions of the state of
2 Washington, with the auditor of such political subdivision or the
3 person authorized by law to draw warrants against the funds of said
4 political subdivision.

5 **Sec. 474.** RCW 41.04.460 and 1992 c 234 s 10 are each amended to
6 read as follows:

7 The department of (~~personnel~~) enterprise services, through the
8 combined benefits communication project, shall prepare information
9 encouraging individual financial planning for retirement and describing
10 the potential consequences of early retirement, including members'
11 assumption of health insurance costs, members' receipt of reduced
12 retirement benefits, and the increased period of time before members
13 will become eligible for cost-of-living adjustments. The department of
14 retirement systems shall distribute the information to members who are
15 eligible to retire under the provisions of chapter 234, Laws of 1992.
16 Prior to retiring, such members who elect to retire shall sign a
17 statement acknowledging their receipt and understanding of the
18 information.

19 **Sec. 475.** RCW 41.60.050 and 1991 sp.s. c 16 s 918 are each amended
20 to read as follows:

21 The legislature shall appropriate from the (~~department of~~)
22 personnel service fund for the payment of administrative costs of the
23 productivity board. However, during the 1991-93 fiscal biennium, the
24 administrative costs of the productivity board shall be appropriated
25 from the savings recovery account.

26 **Sec. 476.** RCW 41.68.030 and 1983 1st ex.s. c 15 s 3 are each
27 amended to read as follows:

28 A claim under this chapter may be submitted to the department of
29 (~~personnel~~) enterprise services for the reparation of salary losses
30 suffered during the years 1942 through 1947. The claim shall be
31 supported by appropriate verification, such as the person's name at the
32 time of the dismissal, the name of the employing department, and a
33 social security number, or by evidence of official action of
34 termination. The claimant shall also provide an address to which the

1 department shall mail notification of its determination regarding the
2 claimant's eligibility.

3 **Sec. 477.** RCW 41.68.040 and 1983 1st ex.s. c 15 s 4 are each
4 amended to read as follows:

5 (1) The department of (~~personnel~~) enterprise services shall
6 determine the eligibility of a claimant to receive reparations
7 authorized by this chapter. The department shall then notify the
8 claimant by mail of its determination regarding the claimant's
9 eligibility.

10 (2) The department may adopt rules that will assist in the fair
11 determination of eligibility and the processing of claims. The
12 department, however, has no obligation to directly notify any person of
13 possible eligibility for reparation of salary losses under this
14 chapter.

15 **Sec. 478.** RCW 41.68.050 and 1983 1st ex.s. c 15 s 5 are each
16 amended to read as follows:

17 A claimant under this chapter who is determined eligible by the
18 department of (~~personnel~~) enterprise services shall receive two
19 thousand five hundred dollars each year for two years. All claims
20 which the department determines are eligible for reparation shall be
21 immediately forwarded to the state treasurer, who shall issue warrants
22 in the appropriate amounts upon demand and verification of identity.
23 If a claimant dies after filing a claim but before receiving full
24 payment, payments shall be made to the claimant's estate upon demand
25 and verification of identity.

26 **Sec. 479.** RCW 47.28.251 and 2003 c 363 s 103 are each amended to
27 read as follows:

28 (1) The department of transportation shall work with
29 representatives of transportation labor groups to develop a financial
30 incentive program to aid in retention and recruitment of employee
31 classifications where problems exist and program delivery is negatively
32 affected. The department's financial incentive program must be
33 reviewed and approved by the legislature before it can be implemented.
34 This program must support the goal of enhancing project delivery
35 timelines as outlined in section 101, chapter 363, Laws of 2003. Upon

1 receiving approval from the legislature, the (~~department of~~
2 ~~personnel~~) office of financial management shall implement, as
3 required, specific aspects of the financial incentive package, as
4 developed by the department of transportation.

5 (2) Notwithstanding chapter 41.06 RCW, the department of
6 transportation may acquire services from qualified private firms in
7 order to deliver the transportation construction program to the public.
8 Services may be acquired solely for augmenting the department's
9 workforce capacity and only when the department's transportation
10 construction program cannot be delivered through its existing or
11 readily available workforce. The department of transportation shall
12 work with representatives of transportation labor groups to develop and
13 implement a program identifying those projects requiring contracted
14 services while establishing a program as defined in subsection (1) of
15 this section to provide the classified personnel necessary to deliver
16 future construction programs. The procedures for acquiring
17 construction engineering services from private firms may not be used to
18 displace existing state employees nor diminish the number of existing
19 classified positions in the present construction program. The
20 acquisition procedures must be in accordance with chapter 39.80 RCW.

21 (3) Starting in December 2004, and biennially thereafter, the
22 secretary shall report to the transportation committees of the
23 legislature on the use of construction engineering services from
24 private firms authorized under this section. The information provided
25 to the committees must include an assessment of the benefits and costs
26 associated with using construction engineering services, or other
27 services, from private firms, and a comparison of public versus private
28 sector costs. The secretary may act on these findings to ensure the
29 most cost-effective means of service delivery.

30 NEW SECTION. Sec. 480. The following acts or parts of acts are
31 each repealed:

32 (1) RCW 41.06.030 (Department of personnel established) and 2002 c
33 354 s 201, 1993 c 281 s 20, & 1961 c 1 s 3;

34 (2) RCW 41.06.111 (Personnel appeals board abolished--Powers,
35 duties, and functions transferred to the Washington personnel resources
36 board) and 2002 c 354 s 233;

1 (3) RCW 41.06.130 (Director of personnel--Appointment--Rules--
2 Powers and duties--Delegation of authority) and 1993 c 281 s 26, 1982
3 1st ex.s. c 53 s 3, & 1961 c 1 s 13;

4 (4) RCW 41.06.139 (Classification system for classified service--
5 Director implements--Rules of the board--Appeals) and 2002 c 354 s 206;

6 (5) RCW 41.06.155 (Salaries--Implementation of changes to achieve
7 comparable worth) and 1993 c 281 s 28 & 1983 1st ex.s. c 75 s 6;

8 (6) RCW 41.06.160 (Classification and salary schedules to consider
9 rates in other public and private employment--Wage and fringe benefits
10 surveys--Limited public disclosure exemption) and 2005 c 274 s 278,
11 2002 c 354 s 211, 1993 c 281 s 29, 1985 c 94 s 2, 1980 c 11 s 1, 1979
12 c 151 s 58, 1977 ex.s. c 152 s 2, & 1961 c 1 s 16;

13 (7) RCW 41.06.480 (Background check disqualification--Policy
14 recommendations) and 2001 c 296 s 7; and

15 (8) RCW 41.07.900 (Transfer of personnel, records, equipment, etc)
16 and 1975 1st ex.s. c 239 s 4.

17 NEW SECTION. **Sec. 481.** RCW 41.06.136, 43.31.086, 41.80.900,
18 41.80.901, 41.80.902, 41.80.903, and 41.80.904 are each decodified.

19 NEW SECTION. **Sec. 482.** Section 448 of this act expires January 1,
20 2012.

21 NEW SECTION. **Sec. 483.** Section 449 of this act takes effect
22 January 1, 2012.

23 NEW SECTION. **Sec. 484.** Section 461 of this act expires June 30,
24 2015.

25 NEW SECTION. **Sec. 485.** Section 463 of this act expires December
26 31, 2011.

27 NEW SECTION. **Sec. 486.** Section 464 of this act takes effect
28 December 31, 2011.

29 **PART V**

30 **POWERS AND DUTIES TRANSFERRED FROM THE**

1 of licensed agents or brokers for the procurement and service of
2 insurance.

3 The amounts of insurance or bond coverage shall be as fixed by law,
4 or if not fixed by law, such amounts shall be as fixed by the director.

5 The premium cost for insurance acquired and bonds furnished shall
6 be paid from appropriations or other appropriate resources available to
7 the state agency or agencies for which procurement is made, and all
8 vouchers drawn in payment therefor shall bear the written approval of
9 the office of risk management (~~(division)~~) prior to the issuance of the
10 warrant in payment therefor. Where deemed advisable the premium cost
11 for insurance and bonds may be paid by the risk management
12 administration account which shall be reimbursed by the agency or
13 agencies for which procurement is made.

14 **Sec. 504.** RCW 43.41.320 and 2002 c 332 s 6 are each amended to
15 read as follows:

16 The director, through the office of risk management (~~(division)~~),
17 may purchase, or contract for the purchase of, property and liability
18 insurance for any municipality upon request of the municipality.

19 As used in this section, "municipality" means any city, town,
20 county, special purpose district, municipal corporation, or political
21 subdivision of the state of Washington.

22 **Sec. 505.** RCW 43.41.330 and 2002 c 332 s 8 are each amended to
23 read as follows:

24 The director, through the office of risk management (~~(division)~~),
25 shall receive and enforce bonds posted pursuant to RCW 39.59.010 (3)
26 and (4).

27 **Sec. 506.** RCW 43.41.340 and 2002 c 332 s 9 are each amended to
28 read as follows:

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

32 **Sec. 507.** RCW 43.41.360 and 2009 c 549 s 5121 are each amended to
33 read as follows:

1 (~~In addition to other powers and duties prescribed by this~~
2 ~~chapter,~~) The director shall:

3 (1) Fix the amount of bond to be given by each appointive state
4 officer and each employee of the state in all cases where it is not
5 fixed by law;

6 (2) Require the giving of an additional bond, or a bond in a
7 greater amount than provided by law, in all cases where in his or her
8 judgment the statutory bond is not sufficient in amount to cover the
9 liabilities of the officer or employee;

10 (3) Exempt subordinate employees from giving bond when in his or
11 her judgment their powers and duties are such as not to require a bond.

12 **Sec. 508.** RCW 43.41.370 and 2002 c 333 s 2 are each amended to
13 read as follows:

14 (1) The director (~~(of financial management)~~) shall appoint a loss
15 prevention review team when the death of a person, serious injury to a
16 person, or other substantial loss is alleged or suspected to be caused
17 at least in part by the actions of a state agency, unless the director
18 in his or her discretion determines that the incident does not merit
19 review. A loss prevention review team may also be appointed when any
20 other substantial loss occurs as a result of agency policies,
21 litigation or defense practices, or other management practices. When
22 the director decides not to appoint a loss prevention review team he or
23 she shall issue a statement of the reasons for the director's decision.
24 The statement shall be made available on the department's web site (~~(of~~
25 ~~the office of financial management)~~). The director's decision pursuant
26 to this section to appoint or not appoint a loss prevention review team
27 shall not be admitted into evidence in a civil or administrative
28 proceeding.

29 (2) A loss prevention review team shall consist of at least three
30 but no more than five persons, and may include independent consultants,
31 contractors, or state employees, but it shall not include any person
32 employed by the agency involved in the loss or risk of loss giving rise
33 to the review, nor any person with testimonial knowledge of the
34 incident to be reviewed. At least one member of the review team shall
35 have expertise relevant to the matter under review.

36 (3) The loss prevention review team shall review the death, serious
37 injury, or other incident and the circumstances surrounding it,

1 evaluate its causes, and recommend steps to reduce the risk of such
2 incidents occurring in the future. The loss prevention review team
3 shall accomplish these tasks by reviewing relevant documents,
4 interviewing persons with relevant knowledge, and reporting its
5 recommendations in writing to the director (~~(of financial management)~~)
6 and the director of the agency involved in the loss or risk of loss
7 within the time requested by the director (~~(of financial management)~~).
8 The final report shall not disclose the contents of any documents
9 required by law to be kept confidential.

10 (4) Pursuant to guidelines established by the director, state
11 agencies must notify the (~~(office of financial management)~~) department
12 immediately upon becoming aware of a death, serious injury, or other
13 substantial loss that is alleged or suspected to be caused at least in
14 part by the actions of the state agency. State agencies shall provide
15 the loss prevention review team ready access to relevant documents in
16 their possession and ready access to their employees.

17 **Sec. 509.** RCW 43.41.380 and 2002 c 333 s 3 are each amended to
18 read as follows:

19 (1) The final report from a loss prevention review team to the
20 director (~~(of financial management)~~) shall be made public by the
21 director promptly upon receipt, and shall be subject to public
22 disclosure. The final report shall be subject to discovery in a civil
23 or administrative proceeding. However, the final report shall not be
24 admitted into evidence or otherwise used in a civil or administrative
25 proceeding except pursuant to subsection (2) of this section.

26 (2) The relevant excerpt or excerpts from the final report of a
27 loss prevention review team may be used to impeach a fact witness in a
28 civil or administrative proceeding only if the party wishing to use the
29 excerpt or excerpts from the report first shows the court by clear and
30 convincing evidence that the witness, in testimony provided in
31 deposition or at trial in the present proceeding, has contradicted his
32 or her previous statements to the loss prevention review team on an
33 issue of fact material to the present proceeding. In that case, the
34 party may use only the excerpt or excerpts necessary to demonstrate the
35 contradiction. This section shall not be interpreted as expanding the
36 scope of material that may be used to impeach a witness.

1 (3) No member of a loss prevention review team may be examined in
2 a civil or administrative proceeding as to (a) the work of the loss
3 prevention review team, (b) the incident under review, (c) his or her
4 statements, deliberations, thoughts, analyses, or impressions relating
5 to the work of the loss prevention review team or the incident under
6 review, or (d) the statements, deliberations, thoughts, analyses, or
7 impressions of any other member of the loss prevention review team, or
8 any person who provided information to it, relating to the work of the
9 loss prevention review team or the incident under review.

10 (4) Any document that exists prior to the appointment of a loss
11 prevention review team, or that is created independently of such a
12 team, does not become inadmissible merely because it is reviewed or
13 used by the loss prevention review team. A person does not become
14 unavailable as a witness merely because the person has been interviewed
15 by or has provided a statement to a loss prevention review team.
16 However, if called as a witness, the person may not be examined
17 regarding the person's interactions with the loss prevention review
18 team, including without limitation whether the loss prevention review
19 team interviewed the person, what questions the loss prevention review
20 team asked, and what answers the person provided to the loss prevention
21 review team. This section shall not be construed as restricting the
22 person from testifying fully in any proceeding regarding his or her
23 knowledge of the incident under review.

24 (5) Documents prepared by or for the loss prevention review team
25 are inadmissible and may not be used in a civil or administrative
26 proceeding, except that excerpts may be used to impeach the credibility
27 of a witness under the same circumstances that excerpts of the final
28 report may be used pursuant to subsection (2) of this section.

29 (6) The restrictions set forth in this section shall not apply in
30 a licensing or disciplinary proceeding arising from an agency's effort
31 to revoke or suspend the license of any licensed professional based in
32 whole or in part upon allegations of wrongdoing in connection with the
33 death, injury, or other incident reviewed by the loss prevention review
34 team.

35 (7) Within one hundred twenty days after completion of the final
36 report of a loss prevention review team, the agency under review shall
37 issue to the (~~office of financial management~~) department a response
38 to the report. The response will indicate (a) which of the report's

1 recommendations the agency hopes to implement, (b) whether
2 implementation of those recommendations will require additional funding
3 or legislation, and (c) whatever other information the director may
4 require. This response shall be considered part of the final report
5 and shall be subject to all provisions of this section that apply to
6 the final report, including without limitation the restrictions on
7 admissibility and use in civil or administrative proceedings and the
8 obligation of the director to make the final report public.

9 (8) Nothing in RCW 43.41.370 (as recodified by this act) or this
10 section is intended to limit the scope of a legislative inquiry into or
11 review of an incident that is the subject of a loss prevention review.

12 (9) Nothing in RCW 43.41.370 (as recodified by this act) or in this
13 section affects chapter 70.41 RCW and application of that chapter to
14 state-owned or managed hospitals licensed under chapter 70.41 RCW.

15 **Sec. 510.** RCW 43.41.110 and 2002 c 332 s 23 are each amended to
16 read as follows:

17 The office of financial management shall:

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

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

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

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

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

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

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

1 (8) (~~Carry out the provisions of this chapter and chapter 4.92 RCW~~
2 ~~relating to risk management.~~

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

7 (~~(10)~~) (9) Be the official state center for processing and
8 dissemination of federal decennial or quinquennial census data in
9 cooperation with other state agencies.

10 (~~(11)~~) (10) Be the official state agency certifying annexations,
11 incorporations, or disincorporations to the United States bureau of the
12 census.

13 (~~(12)~~) (11) Review all United States bureau of the census
14 population estimates used for federal revenue sharing purposes and
15 provide a liaison for local governments with the United States bureau
16 of the census in adjusting or correcting revenue sharing population
17 estimates.

18 (~~(13)~~) (12) Provide fiscal notes depicting the expected fiscal
19 impact of proposed legislation in accordance with chapter 43.88A RCW.

20 (~~(14)~~) (13) Be the official state agency to estimate and manage
21 the cash flow of all public funds as provided in chapter 43.88 RCW. To
22 this end, the office shall adopt such rules as are necessary to manage
23 the cash flow of public funds.

24 **Sec. 511.** RCW 4.92.006 and 2002 c 332 s 10 are each amended to
25 read as follows:

26 As used in this chapter:

27 (1) (~~("Office" means the office of financial management.)~~)
28 "Department" means the department of enterprise services.

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

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

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

1 **Sec. 512.** RCW 4.92.040 and 2002 c 332 s 11 are each amended to
2 read as follows:

3 (1) No execution shall issue against the state on any judgment.

4 (2) Whenever a final judgment against the state is obtained in an
5 action on a claim arising out of tortious conduct, the claim shall be
6 paid from the liability account.

7 (3) Whenever a final judgment against the state shall have been
8 obtained in any other action, the clerk of the court shall make and
9 furnish to the office of risk management (~~((division))~~) a duly certified
10 copy of such judgment; the office of risk management (~~((division))~~) shall
11 thereupon audit the amount of damages and costs therein awarded, and
12 the same shall be paid from appropriations specifically provided for
13 such purposes by law.

14 (4) Final judgments for which there are no provisions in state law
15 for payment shall be transmitted by the office of risk management
16 (~~((division))~~) to the senate and house of representatives committees on
17 ways and means as follows:

18 (a) On the first day of each session of the legislature, the office
19 of risk management (~~((division))~~) shall transmit judgments received and
20 audited since the adjournment of the previous session of the
21 legislature.

22 (b) During each session of legislature, the office of
23 risk management (~~((division))~~) shall transmit judgments immediately upon
24 completion of audit.

25 (5) All claims, other than judgments, made to the legislature
26 against the state of Washington for money or property, shall be
27 accompanied by a statement of the facts on which such claim is based
28 and such evidence as the claimant intends to offer in support of the
29 claim and shall be filed with the office of risk management
30 (~~((division))~~), which shall retain the same as a record. All claims of
31 two thousand dollars or less shall be approved or rejected by the
32 office of risk management (~~((division))~~), and if approved shall be paid
33 from appropriations specifically provided for such purpose by law.
34 Such decision, if adverse to the claimant in whole or part, shall not
35 preclude the claimant from seeking relief from the legislature. If the
36 claimant accepts any part of his or her claim which is approved for
37 payment by the office of risk management (~~((division))~~), such acceptance
38 shall constitute a waiver and release of the state from any further

1 claims relating to the damage or injury asserted in the claim so
2 accepted. The office of risk management (~~(division)~~) shall submit to
3 the house and senate committees on ways and means, at the beginning of
4 each regular session, a comprehensive list of all claims paid pursuant
5 to this subsection during the preceding year. For all claims not
6 approved by the office of risk management (~~(division)~~), the office of
7 risk management (~~(division)~~) shall recommend to the legislature whether
8 such claims should be approved or rejected. Recommendations shall be
9 submitted to the senate and house of representatives committees on ways
10 and means not later than the thirtieth day of each regular session of
11 the legislature. Claims which cannot be processed for timely
12 submission of recommendations shall be held for submission during the
13 following regular session of the legislature. The recommendations
14 shall include, but not be limited to:

15 (a) A summary of the facts alleged in the claim, and a statement as
16 to whether these facts can be verified by the office of risk management
17 (~~(division)~~);

18 (b) An estimate by the office of risk management (~~(division)~~) of
19 the value of the loss or damage which was alleged to have occurred;

20 (c) An analysis of the legal liability, if any, of the state for
21 the alleged loss or damage; and

22 (d) A summary of equitable or public policy arguments which might
23 be helpful in resolving the claim.

24 (6) The legislative committees to whom such claims are referred
25 shall make a transcript, recording, or statement of the substance of
26 the evidence given in support of such a claim. If the legislature
27 approves a claim the same shall be paid from appropriations
28 specifically provided for such purpose by law.

29 (7) Subsections (3) through (6) of this section do not apply to
30 judgments or claims against the state housing finance commission
31 created under chapter 43.180 RCW.

32 **Sec. 513.** RCW 4.92.130 and 2009 c 560 s 15 are each amended to
33 read as follows:

34 A liability account in the custody of the treasurer is hereby
35 created as a nonappropriated account to be used solely and exclusively
36 for the payment of liability settlements and judgments against the

1 state under 42 U.S.C. Sec. 1981 et seq. or for the tortious conduct of
2 its officers, employees, and volunteers and all related legal defense
3 costs.

4 (1) The purpose of the liability account is to: (a) Expeditiously
5 pay legal liabilities and defense costs of the state resulting from
6 tortious conduct; (b) promote risk control through a cost allocation
7 system which recognizes agency loss experience, levels of self-
8 retention, and levels of risk exposure; and (c) establish an
9 actuarially sound system to pay incurred losses, within defined limits.

10 (2) The liability account shall be used to pay claims for injury
11 and property damages and legal defense costs exclusive of agency-
12 retained expenses otherwise budgeted.

13 (3) No money shall be paid from the liability account, except for
14 defense costs, unless all proceeds available to the claimant from any
15 valid and collectible liability insurance shall have been exhausted and
16 unless:

17 (a) The claim shall have been reduced to final judgment in a court
18 of competent jurisdiction; or

19 (b) The claim has been approved for payment.

20 (4) The liability account shall be financed through annual premiums
21 assessed to state agencies, based on sound actuarial principles, and
22 shall be for liability coverage in excess of agency-budgeted self-
23 retention levels.

24 (5) Annual premium levels shall be determined by the risk manager.
25 An actuarial study shall be conducted to assist in determining the
26 appropriate level of funding.

27 (6) Disbursements for claims from the liability account shall be
28 made to the claimant, or to the clerk of the court for judgments, upon
29 written request to the state treasurer from the risk manager.

30 (7) The director may direct agencies to transfer moneys from other
31 funds and accounts to the liability account if premiums are delinquent.

32 (8) The liability account shall not exceed fifty percent of the
33 actuarial value of the outstanding liability as determined annually by
34 the office of risk management (~~(division)~~). If the account exceeds the
35 maximum amount specified in this section, premiums may be adjusted by
36 the office of risk management (~~(division)~~) in order to maintain the
37 account balance at the maximum limits. If, after adjustment of

1 premiums, the account balance remains above the limits specified, the
2 excess amount shall be prorated back to the appropriate funds.

3 **Sec. 514.** RCW 4.92.150 and 2002 c 332 s 15 are each amended to
4 read as follows:

5 After commencement of an action in a court of competent
6 jurisdiction upon a claim against the state, or any of its officers,
7 employees, or volunteers arising out of tortious conduct or pursuant to
8 42 U.S.C. Sec. 1981 et seq., or against a foster parent that the
9 attorney general is defending pursuant to RCW 4.92.070, or upon
10 petition by the state, the attorney general, with the prior approval of
11 the office of risk management (~~(division)~~) and with the approval of the
12 court, following such testimony as the court may require, may
13 compromise and settle the same and stipulate for judgment against the
14 state, the affected officer, employee, volunteer, or foster parent.

15 **Sec. 515.** RCW 4.92.160 and 2002 c 332 s 16 are each amended to
16 read as follows:

17 Payment of claims and judgments arising out of tortious conduct or
18 pursuant to 42 U.S.C. Sec. 1981 et seq. shall not be made by any agency
19 or department of state government with the exception of the office of
20 risk management (~~(division)~~), and that (~~(division)~~) office shall
21 authorize and direct the payment of moneys only from the liability
22 account whenever:

23 (1) The head or governing body of any agency or department of state
24 or the designee of any such agency certifies to the office of risk
25 management (~~(division)~~) that a claim has been settled; or

26 (2) The clerk of court has made and forwarded a certified copy of
27 a final judgment in a court of competent jurisdiction and the attorney
28 general certifies that the judgment is final and was entered in an
29 action on a claim arising out of tortious conduct or under and pursuant
30 to 42 U.S.C. Sec. 1981 et seq. Payment of a judgment shall be made to
31 the clerk of the court for the benefit of the judgment creditors. Upon
32 receipt of payment, the clerk shall satisfy the judgment against the
33 state.

34 **Sec. 516.** RCW 4.92.210 and 2002 c 332 s 17 are each amended to
35 read as follows:

1 (1) All liability claims arising out of tortious conduct or under
2 42 U.S.C. Sec. 1981 et seq. that the state of Washington or any of its
3 officers, employees, or volunteers would be liable for shall be filed
4 with the office of risk management (~~(division)~~).

5 (2) A centralized claim tracking system shall be maintained to
6 provide agencies with accurate and timely data on the status of
7 liability claims. Information in this claim file, other than the claim
8 itself, shall be privileged and confidential.

9 (3) Standardized procedures shall be established for filing,
10 reporting, processing, and adjusting claims, which includes the use of
11 qualified claims management personnel.

12 (4) All claims shall be reviewed by the office of risk management
13 (~~(division)~~) to determine an initial valuation, to delegate to the
14 appropriate office to investigate, negotiate, compromise, and settle
15 the claim, or to retain that responsibility on behalf of and with the
16 assistance of the affected state agency.

17 (5) All claims that result in a lawsuit shall be forwarded to the
18 attorney general's office. Thereafter the attorney general and the
19 office of risk management (~~(division)~~) shall collaborate in the
20 investigation, denial, or settlement of the claim.

21 (6) Reserves shall be established for recognizing financial
22 liability and monitoring effectiveness. The valuation of specific
23 claims against the state shall be privileged and confidential.

24 (7) All settlements shall be approved by the responsible agencies,
25 or their designees, prior to settlement.

26 **Sec. 517.** RCW 4.92.270 and 2002 c 332 s 21 are each amended to
27 read as follows:

28 The risk manager shall develop procedures for standard
29 indemnification agreements for state agencies to use whenever the
30 agency agrees to indemnify, or be indemnified by, any person or party.
31 The risk manager shall also develop guidelines for the use of
32 indemnification agreements by state agencies. On request of the risk
33 manager, an agency shall forward to the office of risk management
34 (~~(division)~~) for review and approval any contract or agreement
35 containing an indemnification agreement.

1 **Sec. 518.** RCW 4.92.280 and 1998 c 217 s 4 are each amended to read
2 as follows:

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

8 **Sec. 519.** RCW 10.92.020 and 2008 c 224 s 2 are each amended to
9 read as follows:

10 (1) Tribal police officers under subsection (2) of this section
11 shall be recognized and authorized to act as general authority
12 Washington peace officers. A tribal police officer recognized and
13 authorized to act as a general authority Washington peace officer under
14 this section has the same powers as any other general authority
15 Washington peace officer to enforce state laws in Washington, including
16 the power to make arrests for violations of state laws.

17 (2) A tribal police officer may exercise the powers of law
18 enforcement of a general authority Washington peace officer under this
19 section, subject to the following:

20 (a) The appropriate sovereign tribal nation shall submit to the
21 (~~office of financial management~~) department of enterprise services
22 proof of public liability and property damage insurance for vehicles
23 operated by the peace officers and police professional liability
24 insurance from a company licensed to sell insurance in the state. For
25 purposes of determining adequacy of insurance liability, the sovereign
26 tribal government must submit with the proof of liability insurance a
27 copy of the interlocal agreement between the sovereign tribal
28 government and the local governments that have shared jurisdiction
29 under this chapter where such an agreement has been reached pursuant to
30 subsection (10) of this section.

31 (i) Within the thirty days of receipt of the information from the
32 sovereign tribal nation, the (~~office of financial management~~)
33 department of enterprise services shall either approve or reject the
34 adequacy of insurance, giving consideration to the scope of the
35 interlocal agreement. The adequacy of insurance under this chapter
36 shall be subject to annual review by the (~~state office of financial~~
37 ~~management~~) department of enterprise services.

1 (ii) Each policy of insurance issued under this chapter must
2 include a provision that the insurance shall be available to satisfy
3 settlements or judgments arising from the tortious conduct of tribal
4 police officers when acting in the capacity of a general authority
5 Washington peace officer, and that to the extent of policy coverage
6 neither the sovereign tribal nation nor the insurance carrier will
7 raise a defense of sovereign immunity to preclude an action for damages
8 under state or federal law, the determination of fault in a civil
9 action, or the payment of a settlement or judgment arising from the
10 tortious conduct.

11 (b) The appropriate sovereign tribal nation shall submit to the
12 (~~office of financial management~~) department of enterprise services
13 proof of training requirements for each tribal police officer. To be
14 authorized as a general authority Washington peace officer, a tribal
15 police officer must successfully complete the requirements set forth
16 under RCW 43.101.157. Any applicant not meeting the requirements for
17 certification as a tribal police officer may not act as a general
18 authority Washington peace officer under this chapter. The criminal
19 justice training commission shall notify the (~~office of financial~~
20 ~~management~~) department of enterprise services if:

21 (i) A tribal police officer authorized under this chapter as a
22 general authority Washington state peace officer has been decertified
23 pursuant to RCW 43.101.157; or

24 (ii) An appropriate sovereign tribal government is otherwise in
25 noncompliance with RCW 43.101.157.

26 (3) A copy of any citation or notice of infraction issued, or any
27 incident report taken, by a tribal police officer acting in the
28 capacity of a general authority Washington peace officer as authorized
29 by this chapter must be submitted within three days to the police chief
30 or sheriff within whose jurisdiction the action was taken. Any
31 citation issued under this chapter shall be to a Washington court,
32 except that any citation issued to Indians within the exterior
33 boundaries of an Indian reservation may be cited to a tribal court.
34 Any arrest made or citation issued not in compliance with this chapter
35 is not enforceable.

36 (4) Any authorization granted under this chapter shall not in any
37 way expand the jurisdiction of any tribal court or other tribal
38 authority.

1 (5) The authority granted under this chapter shall be coextensive
2 with the exterior boundaries of the reservation, except that an officer
3 commissioned under this section may act as authorized under RCW
4 10.93.070 beyond the exterior boundaries of the reservation.

5 (6) For purposes of civil liability under this chapter, a tribal
6 police officer shall not be considered an employee of the state of
7 Washington or any local government except where a state or local
8 government has deputized a tribal police officer as a specially
9 commissioned officer. Neither the state of Washington and its
10 individual employees nor any local government and its individual
11 employees shall be liable for the authorization of tribal police
12 officers under this chapter, nor for the negligence or other misconduct
13 of tribal officers. The authorization of tribal police officers under
14 this chapter shall not be deemed to have been a nondelegable duty of
15 the state of Washington or any local government.

16 (7) Nothing in this chapter impairs or affects the existing status
17 and sovereignty of those sovereign tribal governments whose traditional
18 lands and territories lie within the borders of the state of Washington
19 as established under the laws of the United States.

20 (8) Nothing in this chapter limits, impairs, or nullifies the
21 authority of a county sheriff to appoint duly commissioned state or
22 federally certified tribal police officers as deputy sheriffs
23 authorized to enforce the criminal and traffic laws of the state of
24 Washington.

25 (9) Nothing in this chapter limits, impairs, or otherwise affects
26 the existing authority under state or federal law of state or local law
27 enforcement officers to enforce state law within the exterior
28 boundaries of an Indian reservation or to enter Indian country in fresh
29 pursuit, as defined in RCW 10.93.120, of a person suspected of
30 violating state law, where the officer would otherwise not have
31 jurisdiction.

32 (10) An interlocal agreement pursuant to chapter 39.34 RCW is
33 required between the sovereign tribal government and all local
34 government law enforcement agencies that will have shared jurisdiction
35 under this chapter prior to authorization taking effect under this
36 chapter. Nothing in this chapter shall limit, impair, or otherwise
37 affect the implementation of an interlocal agreement completed pursuant

1 to chapter 39.34 RCW by July 1, 2008, between a sovereign tribal
2 government and a local government law enforcement agency for
3 cooperative law enforcement.

4 (a) Sovereign tribal governments that meet all of the requirements
5 of subsection (2) of this section, but do not have an interlocal
6 agreement pursuant to chapter 39.34 RCW and seek authorization under
7 this chapter, may submit proof of liability insurance and training
8 certification to the (~~office of financial management~~) department of
9 enterprise services. Upon confirmation of receipt of the information
10 from the (~~office of financial management~~) department of enterprise
11 services, the sovereign tribal government and the local government law
12 enforcement agencies that will have shared jurisdiction under this
13 chapter have one year to enter into an interlocal agreement pursuant to
14 chapter 39.34 RCW. If the sovereign tribal government and the local
15 government law enforcement agencies that will have shared jurisdiction
16 under this chapter are not able to reach agreement after one year, the
17 sovereign tribal governments and the local government law enforcement
18 agencies shall submit to binding arbitration pursuant to chapter 7.04A
19 RCW with the American arbitration association or successor agency for
20 purposes of completing an agreement prior to authorization going into
21 effect.

22 (b) For the purposes of (a) of this subsection, those sovereign
23 tribal government and local government law enforcement agencies that
24 must enter into binding arbitration shall submit to last best offer
25 arbitration. For purposes of accepting a last best offer, the
26 arbitrator must consider other interlocal agreements between sovereign
27 tribal governments and local law enforcement agencies in Washington
28 state, any model policy developed by the Washington association of
29 sheriffs and police chiefs or successor agency, and national best
30 practices.

31 **Sec. 520.** RCW 48.62.021 and 2004 c 255 s 2 are each amended to
32 read as follows:

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

35 (1) "Local government entity" or "entity" means every unit of local
36 government, both general purpose and special purpose, and includes, but
37 is not limited to, counties, cities, towns, port districts, public

1 utility districts, water-sewer districts, school districts, fire
2 protection districts, irrigation districts, metropolitan municipal
3 corporations, conservation districts, and other political subdivisions,
4 governmental subdivisions, municipal corporations, and quasi-municipal
5 corporations.

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

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

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

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

24 (6) "State risk manager" means the risk manager of the office of
25 risk management (~~(division)~~) within the (~~(office of financial~~
26 ~~management)~~) department of enterprise services.

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

29 **Sec. 521.** RCW 48.64.010 and 2009 c 314 s 2 are each amended to
30 read as follows:

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

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

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

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

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

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

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

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

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

34 **Sec. 522.** RCW 39.29.011 and 2009 c 486 s 7 are each amended to
35 read as follows:

36 All personal service contracts shall be entered into pursuant to
37 competitive solicitation, except for:

- 1 (1) Emergency contracts;
- 2 (2) Sole source contracts;
- 3 (3) Contract amendments;
- 4 (4) Contracts between a consultant and an agency of less than
5 twenty thousand dollars. However, contracts of five thousand dollars
6 or greater but less than twenty thousand dollars shall have documented
7 evidence of competition, which must include agency posting of the
8 contract opportunity on the state's common vendor registration and bid
9 notification system. Agencies shall not structure contracts to evade
10 these requirements; and
- 11 (5) Other specific contracts or classes or groups of contracts
12 exempted from the competitive solicitation process by the director of
13 the (~~office of financial management~~) department of enterprise
14 services when it has been determined that a competitive solicitation
15 process is not appropriate or cost-effective.

16 **Sec. 523.** RCW 39.29.016 and 1998 c 101 s 4 are each amended to
17 read as follows:

18 Emergency contracts shall be filed with the (~~office of financial~~
19 ~~management~~) department of enterprise services and made available for
20 public inspection within three working days following the commencement
21 of work or execution of the contract, whichever occurs first.
22 Documented justification for emergency contracts shall be provided to
23 the (~~office of financial management~~) department of enterprise
24 services when the contract is filed.

25 **Sec. 524.** RCW 39.29.018 and 2009 c 486 s 8 are each amended to
26 read as follows:

27 (1) Sole source contracts shall be filed with the (~~office of~~
28 ~~financial management~~) department of enterprise services and made
29 available for public inspection at least ten working days prior to the
30 proposed starting date of the contract. Documented justification for
31 sole source contracts shall be provided to the (~~office of financial~~
32 ~~management~~) department of enterprise services when the contract is
33 filed, and must include evidence that the agency posted the contract
34 opportunity on the state's common vendor registration and bid
35 notification system. For sole source contracts of twenty thousand

1 dollars or more, documented justification shall also include evidence
2 that the agency attempted to identify potential consultants by
3 advertising through statewide or regional newspapers.

4 (2) The (~~office of financial management~~) department of enterprise
5 services shall approve sole source contracts of twenty thousand dollars
6 or more before any such contract becomes binding and before any
7 services may be performed under the contract. These requirements shall
8 also apply to sole source contracts of less than twenty thousand
9 dollars if the total amount of such contracts between an agency and the
10 same consultant is twenty thousand dollars or more within a fiscal
11 year. Agencies shall ensure that the costs, fees, or rates negotiated
12 in filed sole source contracts of twenty thousand dollars or more are
13 reasonable.

14 **Sec. 525.** RCW 39.29.025 and 1998 c 101 s 6 are each amended to
15 read as follows:

16 (1) Substantial changes in either the scope of work specified in
17 the contract or in the scope of work specified in the formal
18 solicitation document must generally be awarded as new contracts.
19 Substantial changes executed by contract amendments must be submitted
20 to the (~~office of financial management~~) department of enterprise
21 services, and are subject to approval by the (~~office of financial~~
22 ~~management~~) department of enterprise services.

23 (2) An amendment or amendments to personal service contracts, if
24 the value of the amendment or amendments, whether singly or
25 cumulatively, exceeds fifty percent of the value of the original
26 contract must be provided to the (~~office of financial management~~)
27 department of enterprise services.

28 (3) The (~~office of financial management~~) department of enterprise
29 services shall approve amendments provided to it under this section
30 before the amendments become binding and before services may be
31 performed under the amendments.

32 (4) The amendments must be filed with the (~~office of financial~~
33 ~~management~~) department of enterprise services and made available for
34 public inspection at least ten working days prior to the proposed
35 starting date of services under the amendments.

36 (5) The (~~office of financial management~~) department of enterprise
37 services shall approve amendments provided to it under this section

1 only if they meet the criteria for approval of the amendments
2 established by the director of the (~~office of financial management~~)
3 department of enterprise services.

4 **Sec. 526.** RCW 39.29.055 and 1998 c 101 s 8 are each amended to
5 read as follows:

6 (1) Personal service contracts subject to competitive solicitation
7 shall be (a) filed with the (~~office of financial management~~)
8 department of enterprise services and made available for public
9 inspection; and (b) reviewed and approved by the (~~office of financial~~
10 ~~management~~) department of enterprise services when those contracts
11 provide services relating to management consulting, organizational
12 development, marketing, communications, employee training, or employee
13 recruiting.

14 (2) Personal service contracts subject to competitive solicitation
15 that provide services relating to management consulting, organizational
16 development, marketing, communications, employee training, or employee
17 recruiting shall be made available for public inspection at least ten
18 working days before the proposed starting date of the contract. All
19 other contracts shall be effective no earlier than the date they are
20 filed with the (~~office of financial management~~) department of
21 enterprise services.

22 **Sec. 527.** RCW 39.29.065 and 2009 c 486 s 9 are each amended to
23 read as follows:

24 To implement this chapter, the director of the (~~office of~~
25 ~~financial management~~) department of enterprise services shall
26 establish procedures for the competitive solicitation and award of
27 personal service contracts, recordkeeping requirements, and procedures
28 for the reporting and filing of contracts. The director shall develop
29 procurement policies and procedures, such as unbundled contracting and
30 subcontracting, that encourage and facilitate the purchase of products
31 and services by state agencies and institutions from Washington small
32 businesses to the maximum extent practicable and consistent with
33 international trade agreement commitments. For reporting purposes, the
34 director may establish categories for grouping of contracts. The
35 procedures required under this section shall also include the criteria
36 for amending personal service contracts. At the beginning of each

1 biennium, the director may, by administrative policy, adjust the dollar
2 thresholds prescribed in RCW 39.29.011, 39.29.018, and 39.29.040 to
3 levels not to exceed the percentage increase in the implicit price
4 deflator. Adjusted dollar thresholds shall be rounded to the nearest
5 five hundred dollar increment.

6 **Sec. 528.** RCW 39.29.068 and 1998 c 245 s 33 and 1998 c 101 s 10
7 are each reenacted and amended to read as follows:

8 The (~~office of financial management~~) department of enterprise
9 services shall maintain a publicly available list of all personal
10 service contracts entered into by state agencies during each fiscal
11 year. The list shall identify the contracting agency, the contractor,
12 the purpose of the contract, effective dates and periods of
13 performance, the cost of the contract and funding source, any
14 modifications to the contract, and whether the contract was
15 competitively procured or awarded on a sole source basis. The (~~office~~
16 ~~of financial management~~) department of enterprise services shall also
17 ensure that state accounting definitions and procedures are consistent
18 with RCW 39.29.006 and permit the reporting of personal services
19 expenditures by agency and by type of service. Designations of type of
20 services shall include, but not be limited to, management and
21 organizational services, legal and expert witness services, financial
22 services, computer and information services, social or technical
23 research, marketing, communications, and employee training or
24 recruiting services. The (~~office of financial management~~) department
25 of enterprise services shall report annually to the fiscal committees
26 of the senate and house of representatives on sole source contracts
27 filed under this chapter. The report shall describe: (1) The number
28 and aggregate value of contracts for each category established in this
29 section; (2) the number and aggregate value of contracts of five
30 thousand dollars or greater but less than twenty thousand dollars; (3)
31 the number and aggregate value of contracts of twenty thousand dollars
32 or greater; (4) the justification provided by agencies for the use of
33 sole source contracts; and (5) any trends in the use of sole source
34 contracts.

35 **Sec. 529.** RCW 39.29.075 and 1987 c 414 s 9 are each amended to
36 read as follows:

1 As requested by the legislative auditor, the (~~office of financial~~
2 ~~management~~) department of enterprise services shall provide
3 information on contracts filed under this chapter for use in
4 preparation of summary reports on personal services contracts.

5 **Sec. 530.** RCW 39.29.090 and 1998 c 101 s 11 are each amended to
6 read as follows:

7 Personal service contracts awarded by institutions of higher
8 education from nonstate funds do not have to be filed in advance and
9 approved by the (~~office of financial management~~) department of
10 enterprise services. Any such contract is subject to all other
11 requirements of this chapter, including the requirements under RCW
12 39.29.068 for annual reporting of personal service contracts to the
13 (~~office of financial management~~) department of enterprise services.

14 **Sec. 531.** RCW 39.29.100 and 2002 c 260 s 7 are each amended to
15 read as follows:

16 (1) The (~~office of financial management~~) department of enterprise
17 services shall adopt uniform guidelines for the effective and efficient
18 management of personal service contracts and client service contracts
19 by all state agencies. The guidelines must, at a minimum, include:

20 (a) Accounting methods, systems, measures, and principles to be
21 used by agencies and contractors;

22 (b) Precontract procedures for selecting potential contractors
23 based on their qualifications and ability to perform;

24 (c) Incorporation of performance measures and measurable benchmarks
25 in contracts, and the use of performance audits;

26 (d) Uniform contract terms to ensure contract performance and
27 compliance with state and federal standards;

28 (e) Proper payment and reimbursement methods to ensure that the
29 state receives full value for taxpayer moneys, including cost
30 settlements and cost allowance;

31 (f) Postcontract procedures, including methods for recovering
32 improperly spent or overspent moneys for disallowance and adjustment;

33 (g) Adequate contract remedies and sanctions to ensure compliance;

34 (h) Monitoring, fund tracking, risk assessment, and auditing
35 procedures and requirements;

1 (i) Financial reporting, record retention, and record access
2 procedures and requirements;

3 (j) Procedures and criteria for terminating contracts for cause or
4 otherwise; and

5 (k) Any other subject related to effective and efficient contract
6 management.

7 (2) The (~~office of financial management~~) department of enterprise
8 services shall submit the guidelines required by subsection (1) of this
9 section to the governor and the appropriate standing committees of the
10 legislature no later than December 1, 2002.

11 (3) The (~~office of financial management~~) department of enterprise
12 services shall publish a guidebook for use by state agencies containing
13 the guidelines required by subsection (1) of this section.

14 **Sec. 532.** RCW 39.29.110 and 2002 c 260 s 8 are each amended to
15 read as follows:

16 (1) A state agency entering into or renewing personal service
17 contracts or client service contracts shall follow the guidelines
18 required by RCW 39.29.100.

19 (2) A state agency that has entered into or renewed personal
20 service contracts or client service contracts during a calendar year
21 shall, on or before January 1st of the following calendar year, provide
22 the (~~office of financial management~~) department of enterprise
23 services with a report detailing the procedures the agency employed in
24 entering into, renewing, and managing the contracts.

25 (3) The provisions of this section apply to state agencies entering
26 into or renewing contracts after January 1, 2003.

27 **Sec. 533.** RCW 39.29.120 and 2002 c 260 s 9 are each amended to
28 read as follows:

29 (1) The (~~office of financial management~~) department of enterprise
30 services shall provide a training course for agency personnel
31 responsible for executing and managing personal service contracts and
32 client service contracts. The course must contain training on
33 effective and efficient contract management under the guidelines
34 established under RCW 39.29.100. State agencies shall require agency
35 employees responsible for executing or managing personal service
36 contracts and client service contracts to complete the training course

1 to the satisfaction of the (~~office of financial management~~)
2 department of enterprise services. Beginning January 1, 2004, no
3 agency employee may execute or manage personal service contracts or
4 client service contracts unless the employee has completed the training
5 course. Any request for exception to this requirement shall be
6 submitted to the (~~office of financial management~~) department of
7 enterprise services in writing and shall be approved by the (~~office of~~
8 ~~financial management~~) department of enterprise services prior to the
9 employee executing or managing the contract.

10 (2)(a) The (~~office of financial management~~) department of
11 enterprise services shall conduct risk-based audits of the contracting
12 practices associated with individual personal service and client
13 service contracts from multiple state agencies to ensure compliance
14 with the guidelines established in RCW 39.29.110. The (~~office of~~
15 ~~financial management~~) department of enterprise services shall conduct
16 the number of audits deemed appropriate by the director of the (~~office~~
17 ~~of financial management~~) department of enterprise services based on
18 funding provided.

19 (b) The (~~office of financial management~~) department of enterprise
20 services shall forward the results of the audits conducted under this
21 section to the governor, the appropriate standing committees of the
22 legislature, and the joint legislative audit and review committee.

23 **Sec. 534.** RCW 43.88.580 and 2008 c 326 s 3 are each amended to
24 read as follows:

25 (1) The (~~office of financial management~~) department of enterprise
26 services shall make electronically available to the public a database
27 of state agency contracts for personal services required to be filed
28 with the (~~office of financial management~~) department of enterprise
29 services under chapter 39.29 RCW.

30 (2) The state expenditure information web site described in RCW
31 44.48.150 shall include a link to the (~~office of financial~~
32 ~~management~~) department of enterprise services database described in
33 subsection (1) of this section.

34 NEW SECTION. **Sec. 535.** RCW 43.41.280, 43.41.290, 43.41.300,
35 43.41.310, 43.41.320, 43.41.330, 43.41.340, 43.41.350, and 43.41.360
36 are each recodified as sections in chapter 43.19 RCW.

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

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

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

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

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

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

28 **Sec. 603.** RCW 43.105.370 and 2009 c 509 s 2 are each amended to
29 read as follows:

30 (1) The broadband mapping account is established in the custody of
31 the state treasurer. The department shall deposit into the account
32 such funds received from legislative appropriation, federal (~~grants~~
33 ~~authorized under the federal broadband data improvement act, P.L. 110-~~
34 ~~385, Title I~~) funding, and donated funds from private and public
35 sources. Expenditures from the account may be used only for the
36 purposes of RCW 43.105.372 through 43.105.376 (as recodified by this
37 act). Only the director of the department or the director's designee

1 may authorize expenditures from the account. The account is subject to
2 the allotment procedures under chapter 43.88 RCW, but an appropriation
3 is not required for expenditures.

4 (2) The department (~~(of information services)~~) is the single
5 eligible entity in the state for purposes of the federal broadband
6 (~~(data improvement act, P.L. 110-385, Title I)~~) mapping activities.

7 (3) Federal funding received by the department (~~(under the federal~~
8 ~~broadband data improvement act, P.L. 110-385, Title I,~~) for broadband
9 mapping activities must be used in accordance with (~~(the)~~) any federal
10 requirements (~~(of that act)~~) and, subject to those requirements, may be
11 distributed by the department on a competitive basis to other entities
12 in the state (~~(to achieve the purposes of that act)~~).

13 (4) The department (~~(of information services)~~) shall consult with
14 (~~(the department of community, trade, and economic development or its~~
15 ~~successor agency,~~) the office of financial management(~~(7)~~) and the
16 utilities and transportation commission in coordinating broadband
17 mapping activities. In carrying out any broadband mapping activities,
18 the provisions of P.L. 110-385, Title I, regarding trade secrets,
19 commercial or financial information, and privileged or confidential
20 information submitted by the federal communications commission or a
21 broadband provider are deemed to encompass the consulted agencies.

22 **Sec. 604.** RCW 43.105.372 and 2009 c 509 s 3 are each amended to
23 read as follows:

24 (1) Subject to the availability of federal or state funding, the
25 department may:

26 (a) Develop an interactive web site to allow residents to self-
27 report whether high-speed internet is available at their home or
28 residence and at what speed; and

29 (b) Conduct a detailed survey of all high-speed internet
30 infrastructure owned or leased by state agencies and (~~(creating~~
31 ~~[create])~~) create a geographic information system map of all high-speed
32 internet infrastructure owned or leased by the state.

33 (2) State agencies responding to a survey request from the
34 department under subsection (1)(b) of this section shall respond in a
35 reasonable and timely manner, not to exceed one hundred twenty days.
36 The department shall request of state agencies, at a minimum:

1 (a) The total bandwidth of high-speed internet infrastructure owned
2 or leased;

3 (b) The cost of maintaining that high-speed internet
4 infrastructure, if owned, or the price paid for the high-speed internet
5 infrastructure, if leased; and

6 (c) The leasing entity, if applicable.

7 (3) The department may adopt rules as necessary to carry out the
8 provisions of this section.

9 (4) For purposes of this section, "state agency" includes every
10 state office, department, division, bureau, board, commission, or other
11 state agency.

12 **Sec. 605.** RCW 43.105.374 and 2009 c 509 s 4 are each amended to
13 read as follows:

14 (1) The department is authorized, through a competitive bidding
15 process, to procure on behalf of the state a geographic information
16 system map detailing high-speed internet infrastructure, service
17 availability, and adoption. This geographic information system map may
18 include adoption information, availability information, type of high-
19 speed internet deployment technology, and available speed tiers for
20 high-speed internet based on any publicly available data.

21 (2) The department may procure this map either by:

22 (a) Contracting for and purchasing a completed map or updates to a
23 map from a third party; or

24 (b) Working directly with the federal communications commission to
25 accept publicly available data.

26 (3) The department shall establish an accountability and oversight
27 structure to ensure that there is transparency in the bidding and
28 contracting process and full financial and technical accountability for
29 any information or actions taken by a third-party contractor creating
30 this map.

31 (4) In contracting for purchase of the map or updates to a map in
32 subsection (2)(a) of this section, the department may take no action,
33 nor impose any condition on the third party, that causes any record
34 submitted by a public or private broadband service provider to the
35 third party to meet the standard of a public record as defined in RCW
36 42.56.010. This prohibition does not apply to any records delivered to
37 the department by the third party as a component of the ((completed))

1 map. For the purpose of RCW 42.56.010(~~(+2+)~~) (3), the purchase by the
2 department of a completed map or updates to a map may not be deemed use
3 or ownership by the department of the underlying information used by
4 the third party to complete the map.

5 (5) Data or information that is publicly available as of July 1,
6 2009, will not cease to be publicly available due to any provision of
7 chapter 509, Laws of 2009.

8 **Sec. 606.** RCW 43.105.376 and 2009 c 509 s 5 are each amended to
9 read as follows:

10 (1) The department, in coordination with (~~the department of~~
11 ~~community, trade, and economic development and~~) the utilities and
12 transportation commission, and such advisors as the department chooses,
13 may prepare regular reports that identify the following:

14 (a) The geographic areas of greatest priority for the deployment of
15 advanced telecommunications infrastructure in the state;

16 (b) A detailed explanation of how any amount of funding received
17 from the federal government for the purposes of broadband mapping,
18 deployment, and adoption will be or have been used; and

19 (c) A determination of how nonfederal sources may be utilized to
20 achieve the purposes of broadband mapping, deployment, and adoption
21 activities in the state.

22 (2) To the greatest extent possible, the initial report should be
23 based upon the information identified in the geographic system maps
24 developed under the requirements of this chapter.

25 (3) The initial report should be delivered to the appropriate
26 committees of the legislature as soon as feasible, but no later than
27 January 18, 2010.

28 (4) Any future reports prepared by the department based upon the
29 requirements of subsection (1) of this section should be delivered to
30 the appropriate committees of the legislature by January 15th of each
31 year.

32 **Sec. 607.** RCW 43.105.380 and 2009 c 509 s 6 are each amended to
33 read as follows:

34 The community technology opportunity program is created to support
35 the efforts of community technology programs throughout the state. The
36 community technology opportunity program must be administered by the

1 department ((of information services)). The department may contract
2 for services in order to carry out the department's obligations under
3 this section.

4 (1) In implementing the community technology opportunity program
5 the ((administrator)) director must, to the extent funds are
6 appropriated for this purpose:

7 (a) Provide organizational and capacity building support to
8 community technology programs throughout the state, and identify and
9 facilitate the availability of other public and private sources of
10 funds to enhance the purposes of the program and the work of community
11 technology programs. No more than fifteen percent of funds received by
12 the ((administrator)) director for the program may be expended on these
13 functions;

14 (b) Establish a competitive grant program and provide grants to
15 community technology programs to provide training and skill-building
16 opportunities; access to hardware and software; internet connectivity;
17 digital media literacy; assistance in the adoption of information and
18 communication technologies in low-income and underserved areas of the
19 state; and development of locally relevant content and delivery of
20 vital services through technology.

21 (2) Grant applicants must:

22 (a) Provide evidence that the applicant is a nonprofit entity or a
23 public entity that is working in partnership with a nonprofit entity;

24 (b) Define the geographic area or population to be served;

25 (c) Include in the application the results of a needs assessment
26 addressing, in the geographic area or among the population to be
27 served: The impact of inadequacies in technology access or knowledge,
28 barriers faced, and services needed;

29 (d) Explain in detail the strategy for addressing the needs
30 identified and an implementation plan including objectives, tasks, and
31 benchmarks for the applicant and the role that other organizations will
32 play in assisting the applicant's efforts;

33 (e) Provide evidence of matching funds and resources, which are
34 equivalent to at least one-quarter of the grant amount committed to the
35 applicant's strategy;

36 (f) Provide evidence that funds applied for, if received, will be
37 used to provide effective delivery of community technology services in

1 alignment with the goals of this program and to increase the
2 applicant's level of effort beyond the current level; and

3 (g) Comply with such other requirements as the ~~((administrator))~~
4 director establishes.

5 (3) The ~~((administrator))~~ director may use no more than ten percent
6 of funds received for the community technology opportunity program to
7 cover administrative expenses.

8 (4) The ~~((administrator))~~ director must establish expected program
9 outcomes for each grant recipient and must require grant recipients to
10 provide an annual accounting of program outcomes.

11 **Sec. 608.** RCW 43.105.382 and 2009 c 509 s 8 are each amended to
12 read as follows:

13 The Washington community technology opportunity account is
14 established in the state treasury. The governor or the governor's
15 designee and the director or the director's designee shall deposit into
16 the account federal grants to the state ~~((authorized under Division B,~~
17 ~~Title VI of the American recovery and reinvestment act of 2009))~~,
18 legislative appropriations, and donated funds from private and public
19 sources for purposes related to broadband deployment and adoption,
20 including matching funds required by the act. Donated funds from
21 private and public sources may be deposited into the account.
22 Expenditures from the account may be used only as matching funds for
23 federal and other grants to fund the operation of the community
24 technology opportunity program under this chapter, and to fund other
25 broadband-related activities authorized in chapter 509, Laws of 2009.
26 Only the director or the director's designee may authorize expenditures
27 from the account.

28 **Sec. 609.** RCW 43.105.390 and 2009 c 509 s 9 are each amended to
29 read as follows:

30 (1) The governor may take all appropriate steps to ~~((carry out the~~
31 ~~purposes of Division B, Title VI of the American recovery and~~
32 ~~reinvestment act of 2009, P.L. 111-5, and))~~ seek federal funding in
33 order to maximize investment in broadband deployment and adoption in
34 the state of Washington ~~((consistent with chapter 509, Laws of 2009))~~.
35 Such steps may include the designation of a broadband deployment and
36 adoption coordinator; review and prioritization of grant applications

1 by public and private entities as directed by the national
2 telecommunications and information administration, the rural utility
3 services, and the federal communications commission; disbursement of
4 block grant funding; and direction to state agencies to provide
5 staffing as necessary to carry out this section. The authority for
6 overseeing broadband adoption and deployment efforts on behalf of the
7 state is vested in the department.

8 (2) The department may apply for federal funds and other grants or
9 donations, may deposit such funds in the Washington community
10 technology opportunity account created in RCW 43.105.382 (as recodified
11 by this act), may oversee implementation of federally funded or
12 mandated broadband programs for the state and may adopt rules to
13 administer the programs. These programs may include but are not
14 limited to the following:

15 (a) Engaging in periodic statewide surveys of residents,
16 businesses, and nonprofit organizations concerning their use and
17 adoption of high-speed internet, computer, and related information
18 technology for the purpose of identifying barriers to adoption;

19 (b) Working with communities to identify barriers to the adoption
20 of broadband service and related information technology services by
21 individuals, nonprofit organizations, and businesses;

22 (c) Identifying broadband demand opportunities in communities by
23 working cooperatively with local organizations, government agencies,
24 and businesses;

25 (d) Creating, implementing, and administering programs to improve
26 computer ownership, technology literacy, digital media literacy, and
27 high-speed internet access for populations not currently served or
28 underserved in the state. This may include programs to provide low-
29 income families, community-based nonprofit organizations, nonprofit
30 entities, and public entities that work in partnership with nonprofit
31 entities to provide increased access to computers and broadband, with
32 reduced cost internet access;

33 (e) Administering the community technology opportunity program
34 under RCW 43.105.380 and 43.105.382 (as recodified by this act);

35 (f) Creating additional programs to spur the development of high-
36 speed internet resources in the state;

37 (g) Establishing technology literacy and digital inclusion programs

1 and establishing low-cost hardware, software, and internet purchasing
2 programs that may include allowing participation by community
3 technology programs in state purchasing programs; and

4 (h) Developing technology loan programs targeting small businesses
5 or businesses located in unserved and underserved areas.

6 **Sec. 610.** RCW 43.105.400 and 2009 c 509 s 10 are each amended to
7 read as follows:

8 ~~((1))~~ Subject to the availability of federal or state funding,
9 the department may ~~((reconvene the high-speed internet work group
10 previously established by chapter 262, Laws of 2008. The work group is
11 renamed the advisory council on digital inclusion, and is))~~ convene an
12 advisory group ~~((to the department))~~ on digital inclusion and
13 technology planning. The ~~((council must))~~ advisory group may include,
14 but is not limited to, volunteer representatives from community
15 technology organizations, telecommunications providers, higher
16 education institutions, K-12 education institutions, public health
17 institutions, public housing entities, and local government and other
18 governmental entities that are engaged in community technology
19 activities.

20 ~~((2) The council shall prepare a report by January 15th of each
21 year and submit it to the department, the governor, and the appropriate
22 committees of the legislature. The report must contain:~~

23 ~~(a) An analysis of how support from public and private sector
24 partnerships, the philanthropic community, and other not-for-profit
25 organizations in the community, along with strong relationships with
26 the state board for community and technical colleges, the higher
27 education coordinating board, and higher education institutions, could
28 establish a variety of high-speed internet access alternatives for
29 citizens;~~

30 ~~(b) Proposed strategies for continued broadband deployment and
31 adoption efforts, as well as further development of advanced
32 telecommunications applications;~~

33 ~~(c) Recommendations on methods for maximizing the state's research
34 and development capacity at universities and in the private sector for
35 developing advanced telecommunications applications and services, and
36 recommendations on incentives to stimulate the demand for and
37 development of these applications and services;~~

1 ~~(d) An identification of barriers that hinder the advancement of~~
2 ~~technology entrepreneurship in the state; and~~

3 ~~(e) An evaluation of programs designed to advance digital literacy~~
4 ~~and computer access that are made available by the federal government,~~
5 ~~local agencies, telecommunications providers, and business and~~
6 ~~charitable entities.)~~

7 **Sec. 611.** RCW 41.07.030 and 1975 1st ex.s. c 239 s 3 are each
8 amended to read as follows:

9 The costs of administering, maintaining, and operating the central
10 personnel-payroll system shall be distributed to the using state
11 agencies. In order to insure proper and equitable distribution of
12 costs the department of personnel shall utilize cost accounting
13 procedures to identify all costs incurred in the administration,
14 maintenance, and operation of the central personnel-payroll system. In
15 order to facilitate proper and equitable distribution of costs to the
16 using state agencies the department of personnel is authorized to
17 utilize the data processing revolving fund created by RCW 43.105.080
18 (as recodified by this act) and the ~~((department of))~~ personnel service
19 fund created by RCW 41.06.280.

20 **Sec. 612.** RCW 43.99I.040 and 1997 c 456 s 39 are each amended to
21 read as follows:

22 (1) On each date on which any interest or principal and interest
23 payment is due on bonds issued for the purposes of RCW 43.99I.020(4),
24 the state treasurer shall transfer from property taxes in the state
25 general fund levied for this support of the common schools under RCW
26 84.52.065 to the general fund of the state treasury for unrestricted
27 use the amount computed in RCW 43.99I.030 for the bonds issued for the
28 purposes of RCW 43.99I.020(4).

29 (2) On each date on which any interest or principal and interest
30 payment is due on bonds issued for the purposes of RCW 43.99I.020(5),
31 the state treasurer shall transfer from higher education operating fees
32 deposited in the general fund to the general fund of the state treasury
33 for unrestricted use, or if chapter 231, Laws of 1992 (Senate Bill No.
34 6285) becomes law and changes the disposition of higher education
35 operating fees from the general fund to another account, the state
36 treasurer shall transfer the proportional share from the University of

1 Washington operating fees account, the Washington State University
2 operating fees account, and the Central Washington University operating
3 fees account the amount computed in RCW 43.99I.030 for the bonds issued
4 for the purposes of RCW 43.99I.020(6).

5 (3) On each date on which any interest or principal and interest
6 payment is due on bonds issued for the purposes of RCW 43.99I.020(6),
7 the state treasurer shall transfer from the data processing revolving
8 fund created in RCW 43.105.080 (as recodified by this act) to the
9 general fund of the state treasury the amount computed in RCW
10 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6).

11 (4) On each date on which any interest or principal and interest
12 payment is due on bonds issued for the purpose of RCW 43.99I.020(7),
13 the Washington state dairy products commission shall cause the amount
14 computed in RCW 43.99I.030 for the bonds issued for the purposes of RCW
15 43.99I.020(7) to be paid out of the commission's general operating fund
16 to the state treasurer for deposit into the general fund of the state
17 treasury.

18 (5) The higher education operating fee accounts for the University
19 of Washington, Washington State University, and Central Washington
20 University established by chapter 231, Laws of 1992 and repealed by
21 chapter 18, Laws of 1993 1st sp. sess. are reestablished in the state
22 treasury for purposes of fulfilling debt service reimbursement
23 transfers to the general fund required by bond resolutions and
24 covenants for bonds issued for purposes of RCW 43.99I.020(5).

25 (6) For bonds issued for purposes of RCW 43.99I.020(5), on each
26 date on which any interest or principal and interest payment is due,
27 the board of regents or board of trustees of the University of
28 Washington, Washington State University, or Central Washington
29 University shall cause the amount as determined by the state treasurer
30 to be paid out of the local operating fee account for deposit by the
31 universities into the state treasury higher education operating fee
32 accounts. The state treasurer shall transfer the proportional share
33 from the University of Washington operating fees account, the
34 Washington State University operating fees account, and the Central
35 Washington University operating fees account the amount computed in RCW
36 43.99I.030 for the bonds issued for the purposes of RCW 43.99I.020(6)
37 to reimburse the general fund.

1 NEW SECTION. **Sec. 702.** A new section is added to chapter 43.19
2 RCW to read as follows:

3 (1) The department of general administration is hereby abolished
4 and its powers, duties, and functions are transferred to the department
5 of enterprise services. All references to the director or department
6 of general administration in the Revised Code of Washington shall be
7 construed to mean the director or the department of enterprise
8 services.

9 (2)(a) All reports, documents, surveys, books, records, files,
10 papers, or written material in the possession of the department of
11 general administration shall be delivered to the custody of the
12 department of enterprise services. All cabinets, furniture, office
13 equipment, motor vehicles, and other tangible property employed by the
14 department of general administration shall be made available to the
15 department of enterprise services. All funds, credits, or other assets
16 held by the department of general administration shall be assigned to
17 the department of enterprise services.

18 (b) Any appropriations made to the department of general
19 administration shall, on the effective date of this section, be
20 transferred and credited to the department of enterprise services.

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

27 (3) All rules and all pending business before the department of
28 general administration shall be continued and acted upon by the
29 department of enterprise services. All existing contracts and
30 obligations shall remain in full force and shall be performed by the
31 department of enterprise services.

32 (4) The transfer of the powers, duties, functions, and personnel of
33 the department of general administration shall not affect the validity
34 of any act performed before the effective date of this section.

35 (5) If apportionments of budgeted funds are required because of the
36 transfers directed by this section, the director of financial
37 management shall certify the apportionments to the agencies affected,

1 the state auditor, and the state treasurer. Each of these shall make
2 the appropriate transfer and adjustments in funds and appropriation
3 accounts and equipment records in accordance with the certification.

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

13 (7) Unless or until modified by the public employment relations
14 commission pursuant to section 701 of this act:

15 (a) The bargaining units of employees at the department of general
16 administration existing on the effective date of this section shall be
17 considered appropriate units at the department of enterprise services
18 and will be so certified by the public employment relations commission.

19 (b) The exclusive bargaining representatives recognized as
20 representing the bargaining units of employees at the department of
21 general administration existing on the effective date of this section
22 shall continue as the exclusive bargaining representatives of the
23 transferred bargaining units without the necessity of an election.

24 NEW SECTION. **Sec. 703.** A new section is added to chapter 43.19
25 RCW to read as follows:

26 (1) The public printer is hereby abolished and its powers, duties,
27 and functions are transferred to the department of enterprise services.
28 All references to the public printer in the Revised Code of Washington
29 shall be construed to mean the director or the department of enterprise
30 services.

31 (2)(a) All reports, documents, surveys, books, records, files,
32 papers, or written material in the possession of the public printer
33 shall be delivered to the custody of the department of enterprise
34 services. All cabinets, furniture, office equipment, motor vehicles,
35 and other tangible property employed by the public printer shall be
36 made available to the department of enterprise services. All funds,

1 credits, or other assets held by the public printer shall be assigned
2 to the department of enterprise services.

3 (b) Any appropriations made to the public printer shall, on the
4 effective date of this section, be transferred and credited to the
5 department of enterprise services.

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

12 (3) All rules and all pending business before the public printer
13 shall be continued and acted upon by the department of enterprise
14 services. All existing contracts and obligations shall remain in full
15 force and shall be performed by the department of enterprise services.

16 (4) The transfer of the powers, duties, functions, and personnel of
17 the public printer shall not affect the validity of any act performed
18 before the effective date of this section.

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

25 (6) All employees of the public printer engaged in performing the
26 powers, functions, and duties transferred to the department of
27 enterprise services, are transferred to the department of enterprise
28 services.

29 (a) The commercial agreement between the graphic communications
30 conference of the international brotherhood of teamsters, local 767M
31 and the department of printing-bindery that became effective July 1,
32 2007, shall remain in effect during its duration but may not be renewed
33 or extended beyond June 30, 2011. Upon expiration of the commercial
34 agreement, chapter 41.80 RCW shall apply to the department of
35 enterprise services with respect to employees in positions formerly
36 covered under the expired commercial agreement.

37 (b) The commercial agreement between the graphic communications
38 conference of the international brotherhood of teamsters, local 767M

1 and the department of printing-litho that became effective July 1,
2 2007, shall remain in effect during its duration but may not be renewed
3 or extended beyond July 30, 2011. Upon expiration of the commercial
4 agreement, chapter 41.80 RCW shall apply to the department of
5 enterprise services with respect to the employees in positions formerly
6 covered under the expired commercial agreement.

7 (c) The typographical contract between the communications workers
8 of America, the newspaper guild, local 37082, and the department of
9 printing-typographical that became effective July 1, 2007, shall remain
10 in effect during its duration but may not be renewed or extended beyond
11 August 30, 2011. Upon expiration of the typographical contract,
12 chapter 41.80 RCW shall apply to the department of enterprise services
13 with respect to the employees in positions formerly covered under the
14 expired typographical contract.

15 (d) All other employees of the public printer not covered by the
16 contracts and agreements specified in (a) through (c) of this
17 subsection shall be exempt from chapter 41.06 RCW until July 1, 2011,
18 at which time these employees shall be subject to chapter 41.06 RCW,
19 unless otherwise deemed exempt in accordance with that chapter.

20 (7) Unless or until modified by the public employment relations
21 commission pursuant to section 701 of this act:

22 (a) The bargaining units of printing craft employees existing on
23 the effective date of this section shall be considered an appropriate
24 unit at the department of enterprise services and will be so certified
25 by the public employment relations commission.

26 (b) The exclusive bargaining representatives recognized as
27 representing the bargaining units of printing craft employees existing
28 on the effective date of this section shall continue as the exclusive
29 bargaining representatives of the transferred bargaining units without
30 the necessity of an election.

31 NEW SECTION. **Sec. 704.** A new section is added to chapter 43.19
32 RCW to read as follows:

33 (1) The powers, duties, and functions of the department of
34 information services as set forth in sections 601, 602, and 614 of this
35 act are hereby transferred to the department of enterprise services.

36 (2)(a) All reports, documents, surveys, books, records, files,
37 papers, or written material in the possession of the department of

1 information services pertaining to the powers, duties, and functions
2 transferred shall be delivered to the custody of the department of
3 enterprise services. All cabinets, furniture, office equipment, motor
4 vehicles, and other tangible property employed by the department of
5 information services in carrying out the powers, duties, and functions
6 transferred shall be made available to the department of enterprise
7 services. All funds, credits, or other assets held by the department
8 of information services in connection with the powers, duties, and
9 functions transferred shall be assigned to the department of enterprise
10 services.

11 (b) Any appropriations made to the department of information
12 services for carrying out the powers, functions, and duties transferred
13 shall, on the effective date of this section, be transferred and
14 credited to the department of enterprise services.

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

21 (3) All rules and all pending business before the department of
22 information services pertaining to the powers, duties, and functions
23 transferred shall be continued and acted upon by the department of
24 enterprise services. All existing contracts and obligations shall
25 remain in full force and shall be performed by the department of
26 enterprise services.

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

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

36 (6) All employees of the department of information services engaged
37 in performing the powers, functions, and duties transferred to the
38 department of enterprise services, are transferred to the department of

1 enterprise services. All employees classified under chapter 41.06 RCW,
2 the state civil service law, are assigned to the department of
3 enterprise services to perform their usual duties upon the same terms
4 as formerly, without any loss of rights, subject to any action that may
5 be appropriate thereafter in accordance with the laws and rules
6 governing state civil service law.

7 (7) Unless or until modified by the public employment relations
8 commission pursuant to section 701 of this act:

9 (a) The portions of the bargaining units of employees at the
10 department of information services existing on the effective date of
11 this section shall be considered appropriate units at the department of
12 enterprise services and will be so certified by the public employment
13 relations commission.

14 (b) The exclusive bargaining representatives recognized as
15 representing the portions of the bargaining units of employees at the
16 department of information services existing on the effective date of
17 this section shall continue as the exclusive bargaining representative
18 of the transferred bargaining units without the necessity of an
19 election.

20 NEW SECTION. **Sec. 705.** A new section is added to chapter 43.19
21 RCW to read as follows:

22 (1) Those powers, duties, and functions of the department of
23 personnel being transferred to the department of enterprise services as
24 set forth in Part IV of this act are hereby transferred to the
25 department of enterprise services.

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

1 (b) Any appropriations made to the department of personnel for
2 carrying out the powers, functions, and duties transferred shall, on
3 the effective date of this section, be transferred and credited to the
4 department of enterprise services.

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

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

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

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

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

34 NEW SECTION. **Sec. 706.** A new section is added to chapter 43.41
35 RCW to read as follows:

36 (1) Those powers, duties, and functions of the department of

1 personnel being transferred to the office of financial management as
2 set forth in Part IV of this act are hereby transferred to the office
3 of financial management.

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

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

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

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

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

34 (5) If apportionments of budgeted funds are required because of the
35 transfers directed by this section, the director of financial
36 management shall certify the apportionments to the agencies affected,
37 the state auditor, and the state treasurer. Each of these shall make

1 the appropriate transfer and adjustments in funds and appropriation
2 accounts and equipment records in accordance with the certification.

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

12 NEW SECTION. **Sec. 707.** A new section is added to chapter 43.19
13 RCW to read as follows:

14 (1) The powers, duties, and functions of the office of financial
15 management as set forth in Part V of this act are hereby transferred to
16 the department of enterprise services.

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

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

33 (c) If any question arises as to the transfer of any personnel,
34 funds, books, documents, records, papers, files, equipment, or other
35 tangible property used or held in the exercise of the powers and the
36 performance of the duties and functions transferred, the director of

1 financial management shall make a determination as to the proper
2 allocation and certify the same to the state agencies concerned.

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

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

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

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

27 NEW SECTION. **Sec. 708.** A new section is added to chapter 43.330
28 RCW to read as follows:

29 (1) All powers, duties, and functions of the department of
30 information services pertaining to high-speed internet activities are
31 transferred to the department of commerce. All references to the
32 director or the department of information services in the Revised Code
33 of Washington shall be construed to mean the director or the department
34 of commerce when referring to the functions transferred in this
35 section.

36 (2)(a) All reports, documents, surveys, books, records, files,
37 papers, or written material in the possession of the department of

1 information services pertaining to the powers, functions, and duties
2 transferred shall be delivered to the custody of the department of
3 commerce. All cabinets, furniture, office equipment, motor vehicles,
4 and other tangible property employed by the department of information
5 services in carrying out the powers, functions, and duties transferred
6 shall be made available to the department of commerce. All funds,
7 credits, or other assets held in connection with the powers, functions,
8 and duties transferred shall be assigned to the department of commerce.

9 (b) Any appropriations made to the department of information
10 services for carrying out the powers, functions, and duties transferred
11 shall, on the effective date of this section, be transferred and
12 credited to the department of commerce.

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

19 (3) All employees of the department of information services engaged
20 in performing the powers, functions, and duties transferred are
21 transferred to the jurisdiction of the department of commerce. All
22 employees classified under chapter 41.06 RCW, the state civil service
23 law, are assigned to the department of commerce to perform their usual
24 duties upon the same terms as formerly, without any loss of rights,
25 subject to any action that may be appropriate thereafter in accordance
26 with the laws and rules governing state civil service.

27 (4) All rules and all pending business before the department of
28 information services pertaining to the powers, functions, and duties
29 transferred shall be continued and acted upon by the department of
30 commerce. All existing contracts and obligations shall remain in full
31 force and shall be performed by the department of commerce.

32 (5) The transfer of the powers, duties, functions, and personnel of
33 the department of information services shall not affect the validity of
34 any act performed before the effective date of this section.

35 (6) If apportionments of budgeted funds are required because of the
36 transfers directed by this section, the director of financial
37 management shall certify the apportionments to the agencies affected,

1 the state auditor, and the state treasurer. Each of these shall make
2 the appropriate transfer and adjustments in funds and appropriation
3 accounts and equipment records in accordance with the certification.

4 (7) All classified employees of the department of information
5 services assigned to the department of commerce under this section
6 whose positions are within an existing bargaining unit description at
7 the department of commerce shall become a part of the existing
8 bargaining unit at the department of commerce and shall be considered
9 an appropriate inclusion or modification of the existing bargaining
10 unit under the provisions of chapter 41.80 RCW.

11 NEW SECTION. **Sec. 709.** The code reviser shall note wherever the
12 director or department of any agency or agency's duties transferred or
13 consolidated under this act is used or referred to in statute that the
14 name of the director or department has changed. The code reviser shall
15 prepare legislation for the 2012 regular session that (1) changes all
16 statutory references to the director or department of any agency
17 transferred or consolidated under this act, and (2) changes statutory
18 references to sections recodified by this act but not amended in this
19 act.

20 NEW SECTION. **Sec. 710.** Except for sections 109, 449, and 464 of
21 this act, this act is necessary for the immediate preservation of the
22 public peace, health, or safety, or support of the state government and
23 its existing public institutions, and takes effect July 1, 2011.

--- END ---