

1 retirement account selected by the employee or the employee's spouse
2 established under applicable state or federal law: PROVIDED, That
3 such authorization by said employee or group of employees, shall be
4 first approved by the head of the department, division office or
5 institution of the state or any political subdivision thereof,
6 employing such person or group of persons, and filed with the
7 ~~((department of enterprise services))~~ office of financial management;
8 or in the case of political subdivisions of the state of Washington,
9 with the auditor of such political subdivision or the person
10 authorized by law to draw warrants against the funds of said
11 political subdivision.

12 **Sec. 102.** RCW 41.04.220 and 2015 c 225 s 52 are each amended to
13 read as follows:

14 Any governmental entity other than state agencies((~~7~~)) may use
15 the services of the ~~((department of enterprise services))~~ office of
16 financial management upon the approval of the director((~~7~~)) in
17 procuring health benefit programs as provided by RCW 41.04.180,
18 28A.400.350, and 28B.10.660: PROVIDED, That the ~~((department of~~
19 ~~enterprise services))~~ office of financial management may charge for
20 the administrative cost incurred in the procuring of such services.

21 **Sec. 103.** RCW 41.04.460 and 2011 1st sp.s. c 43 s 472 are each
22 amended to read as follows:

23 The ~~((department of enterprise services))~~ office of financial
24 management, through the combined benefits communication project,
25 shall prepare information encouraging individual financial planning
26 for retirement and describing the potential consequences of early
27 retirement, including members' assumption of health insurance costs,
28 members' receipt of reduced retirement benefits, and the increased
29 period of time before members will become eligible for cost-of-living
30 adjustments. The department of retirement systems shall distribute
31 the information to members who are eligible to retire under the
32 provisions of chapter 234, Laws of 1992. Prior to retiring, such
33 members who elect to retire shall sign a statement acknowledging
34 their receipt and understanding of the information.

35 **Sec. 104.** RCW 41.04.720 and 2011 1st sp.s. c 43 s 439 are each
36 amended to read as follows:

1 The director of (~~enterprise services~~) the office of financial
2 management shall:

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

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

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

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

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

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

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

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

26 **Sec. 105.** RCW 41.04.770 and 2011 1st sp.s. c 43 s 440 are each
27 amended to read as follows:

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

36 **Sec. 106.** RCW 41.06.400 and 2011 1st sp.s. c 43 s 423 are each
37 amended to read as follows:

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

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

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

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

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

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

19 **Sec. 107.** RCW 41.06.080 and 2011 1st sp.s. c 43 s 403 are each
20 amended to read as follows:

21 Notwithstanding the provisions of this chapter, the office of
22 financial management (~~and the department of enterprise services~~)
23 may make their human resource services available on request, on a
24 reimbursable basis, to:

25 (1) Either the legislative or the judicial branch of the state
26 government;

27 (2) Any county, city, town, or other municipal subdivision of the
28 state;

29 (3) The institutions of higher learning;

30 (4) Any agency, class, or position set forth in RCW 41.06.070.

31 **Sec. 108.** RCW 41.06.395 and 2011 1st sp.s. c 43 s 422 are each
32 amended to read as follows:

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

1 **Sec. 109.** RCW 41.06.410 and 2011 1st sp.s. c 43 s 424 are each
2 amended to read as follows:

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

4 (1) Prepare an employee training and career development plan
5 which shall at least meet minimum standards established by the
6 (~~department of enterprise services~~) office of financial management;

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

9 (3) Budget for training and career development in accordance with
10 procedures of the office of financial management.

11 **Sec. 110.** RCW 43.41.450 and 2016 sp.s. c 36 s 927 are each
12 amended to read as follows:

13 The office of financial management central service account is
14 created in the state treasury. The account is to be used by the
15 office as a revolving fund for the payment of salaries, wages, and
16 other costs required for the operation and maintenance of statewide
17 budgeting, accounting, forecasting, policy, and other functions and
18 activities in the office. All receipts from agency fees and charges
19 for services collected from public agencies must be deposited into
20 the account. The director shall fix the terms and charges to agencies
21 based on each agency's share of the office statewide cost allocation
22 plan for federal funds. Moneys in the account may be spent only after
23 appropriation.

24 **PART II**
25 **IT FUNCTIONS**

26 NEW SECTION. **Sec. 201.** A new section is added to chapter 43.41
27 RCW to read as follows:

28 (1) The information technology investment account is created in
29 the custody of the state treasurer. All receipts from legislative
30 appropriations and transfers must be deposited into the account. Only
31 the director of financial management or the director's designee may
32 authorize expenditures from the account. The account is subject to
33 allotment procedures under chapter 43.88 RCW, but an appropriation is
34 not required for expenditures.

35 (2) Funds in the account are provided solely for the information
36 technology projects as provided in the omnibus appropriations act.

1 (3) Agencies may apply to the office of financial management to
2 receive funds from the information technology investment account.
3 Preference must be given to projects that utilize commercial off-the-
4 shelf or software as a service technology solution.

5 (4) Allocations and allotments may be made only during discrete
6 stages of projects, which at a minimum must include a planning stage,
7 procurement stage, and implementation and integration stage. At least
8 fourteen days prior to an allocation or allotment of funds to an
9 agency, the office of financial management, jointly with the office
10 of the chief information officer, must deliver to the legislative
11 fiscal committees the following information for each project
12 receiving an allocation from the account:

13 (a) A technology budget using a method similar to the state
14 capital budget, identifying project costs, funding sources, and
15 anticipated deliverables through each stage of the investment and
16 across fiscal periods and biennia from project initiation to
17 implementation. If the project affects more than one agency, a
18 technology budget must be prepared for each agency;

19 (b) The technology implementation plan that includes:

20 (i) An organizational chart of the project management team that
21 identifies team members and their roles and responsibilities;

22 (ii) The office of the chief information officer staff assigned
23 to the project;

24 (iii) An implementation schedule covering activities, critical
25 milestones, and deliverables at each stage of the project for the
26 life of the project at each agency affected by the project; and

27 (iv) Performance measures used to determine that the project is
28 on time, within budget, and meeting expectations for quality of work
29 product;

30 (c) A letter from the office of the chief information officer
31 certifying that:

32 (i) The project is consistent with the state's enterprise
33 architecture and other policies developed by the office of the chief
34 information officer;

35 (ii) The agency has the organizational capacity, preparedness,
36 and leadership to implement the project successfully;

37 (iii) The agency has adequately assessed and minimized the risks
38 inherent with the project;

1 (iv) The project has the management, staffing, and oversight
2 resources needed for the cost, complexity, and risks associated with
3 the project;

4 (v) The project has implementation schedules and performance
5 measures for timeliness, deliverables, quality, and budget;

6 (vi) The agency has an adequate risk management plan that also
7 enables the office of the chief information officer to assess,
8 intervene, and take necessary action when performance measures are
9 not being met; and

10 (vii) For any investment that does not use commercial off-the-
11 shelf or software as a service technology solution, the proposed
12 project represents the best business solution and should not be
13 delayed.

14 (5) For any project that exceeds two million dollars in total
15 funds to complete, requires more than one biennium to complete, or is
16 financed through financial contracts, bonds, or other indebtedness:

17 (a) Quality assurance for the project must report independently
18 to the office of the chief information officer;

19 (b) The office of the chief information officer must review and,
20 if necessary, revise the proposed project to ensure it is flexible
21 and adaptable to advances in technology;

22 (c) The technology budget must specifically identify the uses of
23 any financing proceeds. No more than thirty percent of the financing
24 proceeds may be used for payroll-related costs for state employees
25 assigned to project management, installation, testing, or training;

26 (d) The agency must consult with the office of the state
27 treasurer during the competitive procurement process to evaluate
28 early in the process whether products and services to be solicited
29 and the responsive bids from a solicitation may be financed; and

30 (e) The agency must consult with the contracting division of the
31 department of enterprise services for a review of all contracts and
32 agreements related to the project's information technology
33 procurements.

34 (6) The office of the chief information officer may suspend or
35 terminate a project at any time if the office of the chief
36 information officer determines that the project is not meeting or is
37 not expected to meet anticipated performance measures. Once
38 suspension or termination occurs, the agency shall not make
39 additional expenditures on the project without approval of the state
40 chief information officer. If a project is terminated, the office of

1 financial management must terminate the agency's allocation from the
2 information technology investment account and the agency shall return
3 any remaining funds to the account to be reallocated to other
4 projects by the office of financial management.

5 (7) Any cost to administer, oversee, or implement a project must
6 be paid from the information technology investment account.

7 **PART III**
8 **REAL ESTATE FUNCTIONS**

9 **Sec. 301.** RCW 43.82.010 and 2015 c 99 s 1 are each amended to
10 read as follows:

11 (1) The director of enterprise services, on behalf of the agency
12 involved and after consultation with the office of financial
13 management, shall purchase, lease, lease purchase, rent, or otherwise
14 acquire all real estate, improved or unimproved, as may be required
15 by elected state officials, institutions, departments, commissions,
16 boards, and other state agencies, or federal agencies where joint
17 state and federal activities are undertaken and may grant easements
18 and transfer, exchange, sell, lease, or sublease all or part of any
19 surplus real estate for those state agencies which do not otherwise
20 have the specific authority to dispose of real estate. This section
21 does not transfer financial liability for the acquired property to
22 the department of enterprise services.

23 (2) Except for real estate occupied by federal agencies, the
24 director shall determine the location, size, and design of any real
25 estate or improvements thereon acquired or held pursuant to
26 subsection (1) of this section. ~~((Facilities acquired or held~~
27 ~~pursuant to this chapter, and any improvements thereon, shall conform~~
28 ~~to standards adopted by the director and approved by the office of~~
29 ~~financial management governing facility efficiency unless a specific~~
30 ~~exemption from such standards is provided by the director of~~
31 ~~enterprise services. The director of enterprise services shall report~~
32 ~~to the office of financial management and the appropriate committees~~
33 ~~of the legislature annually on any exemptions granted pursuant to~~
34 ~~this subsection.))~~

35 (3) Except for leases permitted under subsection (4) of this
36 section, the director of enterprise services may fix the terms and
37 conditions of each lease entered into under this chapter, except that
38 no lease shall extend greater than twenty years in duration. The

1 director of enterprise services may enter into a long-term lease
2 greater than ten years in duration upon a determination by the
3 director of the office of financial management that the long-term
4 lease provides a more favorable rate than would otherwise be
5 available, it appears to a substantial certainty that the facility is
6 necessary for use by the state for the full length of the lease term,
7 and the facility meets the standards adopted pursuant to subsection
8 (2) of this section. The director of enterprise services may enter
9 into a long-term lease greater than ten years in duration if an
10 analysis shows that the life-cycle cost of leasing the facility is
11 less than the life-cycle cost of purchasing or constructing a
12 facility in lieu of leasing the facility.

13 (4) The director of enterprise services may fix the terms of
14 leases for property under the department of enterprise services'
15 control at the former Northern State Hospital site for up to sixty
16 years.

17 (5) Except as permitted under chapter 39.94 RCW, no lease for or
18 on behalf of any state agency may be used or referred to as
19 collateral or security for the payment of securities offered for sale
20 through a public offering. Except as permitted under chapter 39.94
21 RCW, no lease for or on behalf of any state agency may be used or
22 referred to as collateral or security for the payment of securities
23 offered for sale through a private placement without the prior
24 written approval of the state treasurer. However, this limitation
25 shall not prevent a lessor from assigning or encumbering its interest
26 in a lease as security for the repayment of a promissory note
27 provided that the transaction would otherwise be an exempt
28 transaction under RCW 21.20.320. The state treasurer shall adopt
29 rules that establish the criteria under which any such approval may
30 be granted. In establishing such criteria the state treasurer shall
31 give primary consideration to the protection of the state's credit
32 rating and the integrity of the state's debt management program. If
33 it appears to the state treasurer that any lease has been used or
34 referred to in violation of this subsection or rules adopted under
35 this subsection, then he or she may recommend that the governor cause
36 such lease to be terminated. The department of enterprise services
37 shall promptly notify the state treasurer whenever it may appear to
38 the department that any lease has been used or referred to in
39 violation of this subsection or rules adopted under this subsection.

1 (6) It is the policy of the state to encourage the colocation and
2 consolidation of state services into single or adjacent facilities,
3 whenever appropriate, to improve public service delivery, minimize
4 duplication of facilities, increase efficiency of operations, and
5 promote sound growth management planning.

6 ~~((The director of enterprise services shall provide~~
7 ~~coordinated long range planning services to identify and evaluate~~
8 ~~opportunities for colocating and consolidating state facilities. Upon~~
9 ~~the renewal of any lease, the inception of a new lease, or the~~
10 ~~purchase of a facility, the director of enterprise services shall~~
11 ~~determine whether an opportunity exists for colocating the agency or~~
12 ~~agencies in a single facility with other agencies located in the same~~
13 ~~geographic area. If a colocation opportunity exists, the director of~~
14 ~~enterprise services shall consult with the affected state agencies~~
15 ~~and the office of financial management to evaluate the impact~~
16 ~~colocation would have on the cost and delivery of agency programs,~~
17 ~~including whether program delivery would be enhanced due to the~~
18 ~~centralization of services. The director of enterprise services, in~~
19 ~~consultation with the office of financial management, shall develop~~
20 ~~procedures for implementing colocation and consolidation of state~~
21 ~~facilities.~~

22 ~~(+8+))~~ The director of enterprise services is authorized to
23 purchase, lease, rent, or otherwise acquire improved or unimproved
24 real estate as owner or lessee and to lease or sublet all or a part
25 of such real estate to state or federal agencies. The director of
26 enterprise services shall charge each using agency its proportionate
27 rental which shall include an amount sufficient to pay all costs,
28 including, but not limited to, those for utilities, janitorial and
29 accounting services, and sufficient to provide for contingencies;
30 which shall not exceed five percent of the average annual rental, to
31 meet unforeseen expenses incident to management of the real estate.

32 ~~((+9+))~~ (8) If the director of enterprise services determines
33 that it is necessary or advisable to undertake any work,
34 construction, alteration, repair, or improvement on any real estate
35 acquired pursuant to subsection (1) or ~~((+8+))~~ (7) of this section,
36 the director shall cause plans and specifications thereof and an
37 estimate of the cost of such work to be made and filed in his or her
38 office and the state agency benefiting thereby is hereby authorized
39 to pay for such work out of any available funds: PROVIDED, That the
40 cost of executing such work shall not exceed the sum of twenty-five

1 thousand dollars. Work, construction, alteration, repair, or
2 improvement in excess of twenty-five thousand dollars, other than
3 that done by the owner of the property if other than the state, shall
4 be performed in accordance with the public works law of this state.

5 ~~((+10+))~~ (9) In order to obtain maximum utilization of space, the
6 ~~((director of enterprise services))~~ office of financial management
7 shall make space utilization studies, and shall establish standards
8 for use of space by state agencies. Such studies shall include the
9 identification of opportunities for colocation and consolidation of
10 state agency office and support facilities.

11 ~~((+11+))~~ (10) The director of enterprise services may construct
12 new buildings on, or improve existing facilities, and furnish and
13 equip, all real estate under his or her management. Prior to the
14 construction of new buildings or major improvements to existing
15 facilities or acquisition of facilities using a lease purchase
16 contract, the director of enterprise services shall conduct an
17 evaluation of the facility design and budget using life-cycle cost
18 analysis, value-engineering, and other techniques to maximize the
19 long-term effectiveness and efficiency of the facility or
20 improvement.

21 ~~((+12+))~~ (11) All conveyances and contracts to purchase, lease,
22 rent, transfer, exchange, or sell real estate and to grant and accept
23 easements shall be approved as to form by the attorney general,
24 signed by the director of enterprise services or the director's
25 designee, and recorded with the county auditor of the county in which
26 the property is located.

27 ~~((+13+))~~ (12) The director of enterprise services may delegate
28 any or all of the functions specified in this section to any agency
29 upon such terms and conditions as the director deems advisable. By
30 January 1st of each year, beginning January 1, 2008, the department
31 shall submit an annual report to the office of financial management
32 and the appropriate committees of the legislature on all delegated
33 leases.

34 ~~((+14+))~~ (13) This section does not apply to the acquisition of
35 real estate by:

36 (a) The state college and universities for research or
37 experimental purposes;

38 (b) ~~((The state liquor control board for liquor stores and~~
39 ~~warehouses;~~

1 ~~((e))~~) The department of natural resources, the department of fish
2 and wildlife, the department of transportation, and the state parks
3 and recreation commission for purposes other than the leasing of
4 offices, warehouses, and real estate for similar purposes; and

5 ~~((d))~~) (c) The department of commerce for community college
6 health career training programs, offices for the department of
7 commerce or other appropriate state agencies, and other nonprofit
8 community uses, including community meeting and training facilities,
9 where the real estate is acquired during the 2013-2015 fiscal
10 biennium.

11 ~~((15))~~) (14) Notwithstanding any provision in this chapter to
12 the contrary, the department of enterprise services may negotiate
13 ground leases for public lands on which property is to be acquired
14 under a financing contract pursuant to chapter 39.94 RCW under terms
15 approved by the state finance committee.

16 ~~((16))~~) (15) The department of enterprise services shall report
17 annually to the office of financial management and the appropriate
18 fiscal committees of the legislature on facility leases executed for
19 all state agencies for the preceding year, lease terms, and annual
20 lease costs. The report must include leases executed under RCW
21 43.82.045 and subsection ~~((13))~~) (12) of this section.

22 **Sec. 302.** RCW 43.82.055 and 2015 3rd sp.s. c 1 s 301 are each
23 amended to read as follows:

24 The office of financial management shall:

25 (1) Work with the department of enterprise services and all other
26 state agencies to determine the long-term facility needs of state
27 government;

28 (2) Develop and submit a six-year facility plan to the
29 legislature by January 1st of every odd-numbered year that includes
30 state agency space requirements and other pertinent data necessary
31 for cost-effective facility planning. The department of enterprise
32 services shall assist with this effort as required by the office of
33 financial management; ~~((and))~~

34 (3) Establish and enforce policies and workplace strategies that
35 promote the efficient use of state facilities; and

36 (4) Evaluate opportunities for colocating and consolidating state
37 facilities in the same geographic area. This includes evaluating the
38 impact colocation would have on the cost and delivery of agency

1 programs, including whether program delivery would be enhanced due to
2 the centralization of services.

3 **Sec. 303.** RCW 43.82.150 and 2015 3rd sp.s. c 1 s 302 are each
4 amended to read as follows:

5 (1) The office of financial management shall develop and maintain
6 an inventory system to account for all facilities owned or leased by
7 state government. At a minimum, the inventory system must include the
8 facility owner, location, type, condition, use data, and size of each
9 facility. In addition, for owned facilities, the inventory system
10 must include the date and cost of original construction and the cost
11 of any major remodeling or renovation. The inventory must be updated
12 by all agencies, departments, boards, commissions, and institutions
13 by June 30th of each year. The office of financial management shall
14 publish a report summarizing information contained in the inventory
15 system for each agency by October 1st of each year, beginning in 2010
16 and shall submit this report to the appropriate fiscal committees of
17 the legislature.

18 (2) The inventory required under this subsection must be
19 submitted in a standard format prescribed by the office of financial
20 management.

21 (3) Agencies must report space use data for office facilities.

22 (4) For the purposes of this section, "facilities" means
23 buildings and other structures with walls and a roof. "Facilities"
24 does not mean roads, bridges, parking areas, utility systems, and
25 other similar improvements to real property.

26 **PART IV**
27 **CONTRACTING FUNCTIONS**

28 NEW SECTION. **Sec. 401.** A new section is added to chapter 41.04
29 RCW to read as follows:

30 (1) All current and prospective employees of and contractors with
31 the state of Washington who are or may be authorized by the agency
32 for which he or she is employed to access federal tax information are
33 required to have a criminal history record check through the
34 Washington state patrol criminal identification system and through
35 the federal bureau of investigation. The record check must include a
36 fingerprint check using a complete Washington state criminal

1 identification fingerprint card, which must be forwarded by the state
2 patrol to the federal bureau of investigation.

3 (2) Agencies must establish background investigation policies
4 applicable to current and prospective employees and contractors
5 subject to subsection (1) of this section. Agency background
6 investigation policies must also satisfy any specific background
7 investigation standards established by the internal revenue service.
8 The office of financial management shall create a model background
9 investigation policy.

10 (3) The cost of the background investigation for current and
11 prospective employees shall be paid by the agency. The agency may
12 charge contractors the cost of the background investigation.

13 (4) Information received by the employing agency pursuant to this
14 section may be used only for the purposes of making, supporting, or
15 defending decisions regarding the appointment, hiring, or retention
16 of persons, or for complying with any requirements from the internal
17 revenue service. Further dissemination or use of the information is
18 prohibited, notwithstanding any other provision of law.

19 (5) The office of financial management may adopt rules to
20 implement this section.

21 NEW SECTION. **Sec. 402.** A new section is added to chapter 43.41
22 RCW to read as follows:

23 (1) The office must develop a state agency contract oversight and
24 management program. The program will have the following duties and
25 powers:

26 (a) To conduct, assist, or oversee large, complex, or
27 legislatively directed procurements; and

28 (b) To conduct compliance reviews, including but not limited to
29 reviewing performance and fiscal compliance, of state agency contract
30 management activities.

31 (2) The office's activities under subsection (1)(b) of this
32 section are intended to supplement, and not supplant, the contract
33 management activities of the department of enterprise services and
34 includes, but is not limited to:

35 (a) Reviewing standard contracts or contract terms used by state
36 agencies;

37 (b) Assisting state agencies with the implementation of
38 performance-based contracts such as developing performance measures
39 and outcomes and contract techniques to incentivize performance;

1 (c) Providing an assessment and making recommendations to state
2 agencies to improve the effectiveness of an agency's contract terms
3 or contract management;

4 (d) Establishing minimum standards to be used in all state agency
5 contracts to reduce state risk and enhance contract performance; and

6 (e) Collaborating with the department of enterprise services to
7 incorporate the office's findings and recommendations in the policies
8 and procedures adopted under RCW 39.26.180.

9 (3) To ensure service delivery and to protect public funds, the
10 office may direct a state agency to:

11 (a) Take action to enforce and compel contractor performance and
12 other contract terms;

13 (b) Suspend or terminate a contract or to exercise other contract
14 remedies if a contract is not meeting expectations or performance
15 measures;

16 (c) Include the office as a named party to a contract or to
17 include other contract terms that allow the office to take
18 independent action to enforce and compel contractor performance and
19 other contract terms; or

20 (d) Refer a contract to the state auditor for review under RCW
21 43.09.055.

22 (4) The office's activities under subsection (1)(b) of this
23 section must first concentrate on managed care contracts, medicaid
24 funded contracts, and information technology contracts.

25 (5) The office must report by January 1st of each year to the
26 governor and the appropriate committees of the legislature on its
27 activities under subsection (1)(b) of this section. The report must
28 identify the agencies reviewed, recommendations made for improvement,
29 any reduction in any costs or risks from changes to agency contracts,
30 and any actions taken under subsection (3) of this section.

31 **PART V**
32 **MISCELLANEOUS**

33 NEW SECTION. **Sec. 501.** A new section is added to chapter 43.41
34 RCW to read as follows:

35 (1) Those powers, duties, and functions of the department of
36 enterprise services being transferred to the office of financial
37 management as set forth in sections 101 through 110 of this act are
38 hereby transferred to the office of financial management.

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

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

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

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

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

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

39 (6) All employees of the department of enterprise services
40 engaged in performing the powers, functions, and duties transferred

1 to the office of financial management, are transferred to the office
2 of financial management. Except as provided in chapter 41.80 RCW, all
3 employees classified under chapter 41.06 RCW, the state civil service
4 law, are assigned to the office of financial management to perform
5 their usual duties upon the same terms as formerly, without any loss
6 of rights, subject to any action that may be appropriate thereafter
7 in accordance with the laws and rules governing state civil service
8 law.

9 NEW SECTION. **Sec. 502.** Except for section 201 of this act, this
10 act is necessary for the immediate preservation of the public peace,
11 health, or safety, or support of the state government and its
12 existing public institutions, and takes effect July 1, 2017.

13 NEW SECTION. **Sec. 503.** Section 201 of this act is necessary for
14 the immediate preservation of the public peace, health, or safety, or
15 support of the state government and its existing public institutions,
16 and takes effect immediately.

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