
Ways & Means Committee

E2SSB 6409

Brief Description: Creating the Washington opportunity pathways account.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Kastama, Rockefeller, Shin and Kohl-Welles).

Brief Summary of Engrossed Second Substitute Bill

- Creates the Washington Opportunity Pathways Account (Account) in the State Treasury.
- Directs lottery account moneys previously directed to the Education Construction Account and the General Fund-State into the Washington Opportunity Pathways Account.
- Dedicates moneys in the Account for the recruitment of entrepreneurial researchers, innovation partnership zones and research teams, early childhood education, opportunity grants, educational opportunity grants, GET Ready for Math and Science Scholarships, Passport to College Promise Scholarships, College Bound Scholarships, the State Work Study program, the State Need Grant, Washington Scholars awards, the Washington Award for Vocational Excellence, and Washington Promise Scholarships.
- Redirects a portion of General Fund-State revenues to the Education Construction Account.
- Directs the Joint Legislative Audit and Review Committee to conduct a review of practices and programs at the State Lottery Commission to identify cost savings and efficiencies.

Hearing Date: 3/9/10

Staff: Serah Stetson (786-7109).

Background:

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

Legislation creating Washington's lottery was approved during a 1982 special session of the Legislature called to deal with a projected budget deficit. The bill required that the state general fund receive the state's share of the revenue. In 2000 Washington voters approved I-728 (the K-12 2000 Student Achievement Act), which redirected lottery revenue contributions from the state general fund to education funds beginning July 1, 2001. On April 3, 2002, Governor Gary Locke signed legislation which allowed Washington's lottery to join the multistate lottery Mega Millions effective June 2002.

Profit from all lottery games must benefit education up to the level of \$102 million annually. Once the \$102 million contribution level for education has been reached, any additional net revenues from Mega Millions benefit the general fund while other lottery games continue to benefit education. From July 1, 2004, to July 1, 2009, all lottery net revenues allocated for education were sent to the Education Construction Account to help build, renovate, and remodel schools throughout the state.

In 2009 the Legislature redirected lottery dollars for education as well as economic development contributions to the state general fund to support a range of state programs, including education. On July 1, 2009, lottery funds were redirected from the Education Construction Account to the General Fund-State for the 2009-11 biennium. Also in 2009 the Legislature approved the sale of the multi-state game Powerball. While the education construction fund has been lottery's largest beneficiary, the lottery has been directed by the Legislature to make contributions to stadium funding and problem gambling prevention and treatment.

Summary of Bill:

The Washington Opportunity Pathways Account (Account) is created. Beginning in state fiscal year 2011, all net revenues from in-state lottery games that are not otherwise dedicated to debt service on the Safeco Stadium and Qwest Field and Exhibition Center are dedicated to the new Account. All net income from the multi-state lottery games, other than those dedicated to the Problem Gambling Account, are deposited into the Washington Opportunity Pathways Account rather than into the General Fund-State.

The Washington Opportunity Pathways Account is subject to appropriation by the Legislature, and may only be used for the following programs: recruitment of entrepreneurial researchers, innovation partnership zones, and research teams; the early childhood education and assistance program (ECEAP); the State Need Grant; the State Work Study program; College Bound Scholarships; Washington Promise Scholarships; Washington Scholars; the Washington Award for Vocational Excellence (WAVE); the Passport to College Promise; the Educational Opportunity Grant; and GET Ready for Math & Science Scholarships.

Each year beginning in fiscal year 2011, \$102 million is transferred from the General Fund-State to the Education Construction Account.

The Lottery Commission is to report to the legislative committees on commerce, economic development, and higher education on marketing strategies and revenue projections for the re-branded lottery by September 1 and by December 1, 2010. The implementation of new marketing strategies may begin prior to the required report to the Legislature.

The Joint Legislative Audit and Review Committee is to complete a performance review of the Lottery Commission's marketing expenditures and incentive pay structure by November 2010.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.