

CERTIFICATION OF ENROLLMENT

**SUBSTITUTE SENATE BILL 6727**

Chapter 302, Laws of 1998

55th Legislature  
1998 Regular Session

SAVINGS INCENTIVE AND EDUCATION SAVINGS ACCOUNTS--REVISIONS

EFFECTIVE DATE: 6/11/98

Passed by the Senate February 16, 1998  
YEAS 47 NAYS 0

BRAD OWEN

\_\_\_\_\_  
**President of the Senate**

Passed by the House March 10, 1998  
YEAS 98 NAYS 0

CLYDE BALLARD

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**Speaker of the  
House of Representatives**

Approved April 2, 1998

CERTIFICATE

I, Mike O Connell, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SUBSTITUTE SENATE BILL 6727** as passed by the Senate and the House of Representatives on the dates hereon set forth.

MIKE O'CONNELL

\_\_\_\_\_  
**Secretary**

FILED

April 2, 1998 - 2:53 p.m.

GARY LOCKE

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**Governor of the State of Washington**

**Secretary of State  
State of Washington**

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**SUBSTITUTE SENATE BILL 6727**

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Passed Legislature - 1998 Regular Session

**State of Washington                      55th Legislature                      1998 Regular Session**

**By** Senate Committee on Ways & Means (originally sponsored by Senators West, Wood, Hale, Kohl, Winsley, Prince, B. Sheldon, McDonald, Brown, Bauer, Rasmussen and Oke)

Read first time 02/10/98.

1            AN ACT Relating to investments in education; amending RCW 43.79.460  
2 and 28A.305.235; adding a new section to chapter 43.79 RCW; creating a  
3 new section; and recodifying RCW 28A.305.235.

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

5            **Sec. 1.** RCW 43.79.460 and 1997 c 261 s 1 are each amended to read  
6 as follows:

7            (1) The savings incentive account is created in the custody of the  
8 state treasurer. The account shall consist of all moneys appropriated  
9 to the account by the legislature. The account is subject to the  
10 allotment procedures under chapter 43.88 RCW, but no appropriation is  
11 required for expenditures from the account.

12            (2) Within the savings incentive account, the state treasurer may  
13 create subaccounts to be credited with (~~moneys~~) incentive savings  
14 attributable to individual state agencies, as determined by the office  
15 of financial management in consultation with the legislative fiscal  
16 committees. Moneys deposited in the subaccounts may be expended only  
17 on the authorization of the agency's executive head or designee and  
18 only for the purpose of one-time expenditures to improve the quality,  
19 efficiency, and effectiveness of services to customers of the state,

1 such as one-time expenditures for employee training, employee  
2 incentives, technology improvements, new work processes, or performance  
3 measurement. Funds may not be expended from the account to establish  
4 new programs or services, expand existing programs or services, or  
5 incur ongoing costs that would require future expenditures.

6 (3) For purposes of this section, "incentive savings" means state  
7 general fund appropriations that are unspent as of June 30th of a  
8 fiscal year, excluding any amounts included in across-the-board  
9 reductions under RCW 43.88.110 and excluding unspent appropriations  
10 for:

11 (a) Caseload and enrollment in entitlement programs, except to the  
12 extent that an agency has clearly demonstrated that efficiencies have  
13 been achieved in the administration of the entitlement program.  
14 "Entitlement program," as used in this section, includes programs for  
15 which specific sums of money are appropriated for pass-through to third  
16 parties or other entities;

17 (b) Enrollments in state institutions of higher education((~~7~~))i

18 (c) A specific amount contained in a condition or limitation to an  
19 appropriation in the biennial appropriations act, if the agency did not  
20 achieve the specific purpose or objective of the condition or  
21 limitation((~~7~~))i

22 (d) Debt service on state obligations((~~7~~))i and

23 (e) State retirement system obligations.

24 (4) The office of fiscal management, after consulting with the  
25 legislative fiscal committees, shall report to the treasurer the amount  
26 of savings incentives achieved. ((~~4~~)) By December 1, 1998, and each  
27 December 1st thereafter, the office of financial management shall  
28 submit a report to the fiscal committees of the legislature on the  
29 implementation of this section. The report shall (a) evaluate the  
30 impact of this section on agency reversions and end-of-biennium  
31 expenditure patterns, and (b) itemize agency expenditures from the  
32 savings recovery account.

33 **Sec. 2.** RCW 28A.305.235 and 1997 c 261 s 2 are each amended to  
34 read as follows:

35 The education savings account is created in ((~~the custody of~~)) the  
36 state ((~~treasurer~~)) treasury. The account shall consist of all moneys  
37 appropriated to the account by the legislature. ((~~The account is~~

1 subject to the allotment procedures under chapter 43.88 RCW, but no  
2 appropriation is required for expenditures from the account.

3 ~~Expenditures from the~~) (1) Ten percent of legislative  
4 appropriations to the education savings account shall be distributed as  
5 follows: (a) Fifty percent to the distinguished professorship trust  
6 fund under RCW 28B.10.868; (b) seventeen percent to the graduate  
7 fellowship trust fund under RCW 28B.10.882; and (c) thirty-three  
8 percent to the college faculty awards trust fund under RCW 28B.50.837.

9 (2) The remaining moneys in the education savings account may be  
10 ((authorized solely by the state board of education and)) appropriated  
11 solely for ((+1)) (a) common school construction projects that are  
12 eligible for funding from the common school construction account, and  
13 ((+2)) (b) technology improvements in the common schools.

14 NEW SECTION. Sec. 3. RCW 28A.305.235, as amended by this act, is  
15 recodified as a section in chapter 43.79 RCW.

16 NEW SECTION. Sec. 4. On the effective date of this act, the state  
17 treasurer shall transfer ten percent of the unappropriated balance of  
18 the education savings account, to be distributed as follows: (1) Fifty  
19 percent to the distinguished professorship trust fund under RCW  
20 28B.10.868; (2) seventeen percent to the graduate fellowship trust fund  
21 under RCW 28B.10.882; and (3) thirty-three percent to the college  
22 faculty awards trust fund under RCW 28B.50.837.

Passed the Senate February 16, 1998.

Passed the House March 10, 1998.

Approved by the Governor April 2, 1998.

Filed in Office of Secretary of State April 2, 1998.