

**E2SSB 6409** - H COMM AMD  
By Committee on Ways & Means

NOT CONSIDERED 03/11/2010

1 Strike everything after the enacting clause and insert the  
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that institutions of  
4 higher education are key to the future employment opportunities of  
5 Washington citizens and to the economic well-being of the state. The  
6 legislature further finds that current student financial aid programs  
7 are underfunded and subject to the unpredictability of the state  
8 budget. It is the intent of the legislature to direct increases in  
9 lottery account moneys toward stabilizing and increasing existing  
10 resources for opportunity grants, GET ready for math and science  
11 scholarships, passport to college scholarships, college bound  
12 scholarships, the state work study program, the state need grant,  
13 Washington scholars awards, and the Washington award for vocational  
14 excellence.

15 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.76 RCW  
16 to read as follows:

17 The Washington opportunity pathways account is created in the state  
18 treasury. Expenditures from the account may be used only for programs  
19 in chapter 28B.12 RCW (state work-study), chapter 28B.50 RCW  
20 (opportunity grant), RCW 28B.76.660 (Washington scholars award), RCW  
21 28B.76.670 (Washington award for vocational excellence), chapter 28B.92  
22 RCW (state need grant program), chapter 28B.105 RCW (GET ready for math  
23 and science scholarship), chapter 28B.117 RCW (passport to college  
24 promise), and chapter 28B.118 RCW (college bound scholarship).

25 **Sec. 3.** RCW 67.70.340 and 2009 c 576 s 2 and 2009 c 479 s 45 are  
26 each reenacted and amended to read as follows:

27 (1) The legislature recognizes that creating a shared game lottery  
28 could result in less revenue being raised by the existing state lottery

1 ticket sales. The legislature further recognizes that the fund most  
2 impacted by this potential event is the education construction account.  
3 Therefore, it is the intent of the legislature to use some of the  
4 proceeds from the shared game lottery to make up the difference that  
5 the potential state lottery revenue loss would have on the education  
6 construction account. The legislature further intends to use some of  
7 the proceeds from the shared game lottery to fund programs and services  
8 related to problem and pathological gambling.

9 (2) The education construction account is expected to receive one  
10 hundred two million dollars annually from state lottery games other  
11 than the shared game lottery. For fiscal year 2003 and thereafter, if  
12 the amount of lottery revenues earmarked for the education construction  
13 account is less than one hundred two million dollars, the commission,  
14 after making the transfer required under subsection (3) of this  
15 section, must transfer sufficient moneys from revenues derived from the  
16 shared game lottery into the education construction account to bring  
17 the total revenue up to one hundred two million dollars.

18 (3)(a) The commission shall transfer, from revenue derived from the  
19 shared game lottery, to the problem gambling account created in RCW  
20 43.20A.892, an amount equal to the percentage specified in (b) of this  
21 subsection of net receipts. For purposes of this subsection, "net  
22 receipts" means the difference between (i) revenue received from the  
23 sale of lottery tickets or shares and revenue received from the sale of  
24 shared game lottery tickets or shares; and (ii) the sum of payments  
25 made to winners.

26 (b) In fiscal year 2006, the percentage to be transferred to the  
27 problem gambling account is one-tenth of one percent. In fiscal year  
28 2007 and subsequent fiscal years, the percentage to be transferred to  
29 the problem gambling account is thirteen one-hundredths of one percent.

30 (4) The commission shall transfer the remaining net revenues, if  
31 any, derived from the shared game lottery "Powerball" authorized in RCW  
32 67.70.044(1) after the transfers pursuant to this section into the  
33 state general fund for the student achievement program under RCW  
34 28A.505.220.

35 (5) The remaining net revenues, if any, in the shared game lottery  
36 account after the transfers pursuant to this section shall be deposited  
37 into the (~~general fund~~) Washington opportunity pathways account.

1        NEW SECTION.    **Sec. 4.** In consultation with independent experts and  
2 in collaboration with the higher education coordinating board, the  
3 state lottery commission shall upon the effective date of this act  
4 develop and begin implementation of a strategy and plan for actively  
5 marketing the state lottery as an essential contributor to higher  
6 education. The commission shall report to the appropriate committees  
7 of the legislature on the key messages, components, performance  
8 objectives, and anticipated revenue impacts of the strategy by December  
9 1, 2010.

10        NEW SECTION.    **Sec. 5.** The joint legislative audit and review  
11 committee shall conduct a review of marketing and vendor expenditures  
12 and incentive payment programs at the state lottery commission to  
13 identify cost savings and efficiencies to maximize contributions to  
14 beneficiaries under this act. This review shall include examination of  
15 the following:

16        (1) The expenditures at the state lottery commission related to  
17 marketing and vendors compared with ticket sales. This review shall  
18 include an analysis of: Marketing expenses for fiscal years 2005 to  
19 2010 and the impact on ticket sales; the impact to sales of tickets  
20 from the change in lottery beneficiaries provided in this act from the  
21 education construction fund to the Washington opportunity pathways  
22 account; and the competitive bidding process for vendors in Washington.  
23 In its final report on this subject, due to the legislature by November  
24 2010, the joint legislative audit and review committee shall provide:  
25 A description of the competitive contracting processes for marketing  
26 services and vendors, and any marketing programs or expenditures funded  
27 through the lottery administrative account; an all-state survey of  
28 marketing and vendor contractors for other state lotteries;  
29 identification of whether there are duplicative or unproductive  
30 marketing activities; identification of whether savings may occur from  
31 changing vendors; and an analysis of marketing expenses and ticket  
32 sales for fiscal year 2000 through the months of fiscal year 2011 for  
33 which data are available.

34        (2) The incentive payment program for employees at the state  
35 lottery commission. This review shall include an analysis of the  
36 state's laws, policies, procedures, and practices as they relate to  
37 incentive payments. In its final report on this subject, due to the

1 legislature by November 2010, the joint legislative audit and review  
2 committee shall provide: A description of how the incentive payment  
3 program at the state lottery commission operates, and comparison to  
4 best practices for outcome-based performance payments."

5 Correct the title.

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