

# FINAL BILL REPORT

## E2SSB 6409

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### PARTIAL VETO C 27 L 10 E 1 Synopsis as Enacted

**Brief Description:** Creating the Washington opportunity pathways account.

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

**Senate Committee on Higher Education & Workforce Development**  
**Senate Committee on Ways & Means**  
**House Committee on Ways & Means**

**Background:** 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 multi-state 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 fund 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 fund to the General Fund 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:** The Washington Opportunity Pathways Account is created. Beginning in state fiscal year 2011, all net revenues from in-state lottery games that are not otherwise dedicated

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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.

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 state General Fund 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.

**Votes on Final Passage:**

Senate 35 13

First Special Session

Senate 32 10

House 55 42

**Effective:** July 13, 2010

**Partial Veto Summary:** The Joint Legislative Audit and Review Committee study of the marketing and vendor expenditures and incentive payment programs of the Lottery Commission by November 1, 2010, was removed.