
HOUSE BILL 2763

State of Washington

62nd Legislature

2012 Regular Session

By Representatives Eddy and Finn

1 AN ACT Relating to repurposing and funding previously enacted
2 education initiatives; amending RCW 28A.400.205, 28B.50.465,
3 28B.50.468, 43.135.045, 28A.505.210, 28A.505.220, 82.08.020,
4 28A.600.405, 43.135.045, 67.70.340, and 83.100.230; reenacting and
5 amending RCW 28A.150.380 and 28A.150.380; creating a new section;
6 repealing RCW 28A.400.205, 28A.400.206, 28A.505.210, 28A.505.220,
7 28B.50.465, and 28B.50.468; providing a contingent effective date; and
8 providing for submission of certain sections of this act to a vote of
9 the people.

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

11 NEW SECTION. **Sec. 1.** (1) In 2001, more than sixty percent of the
12 voters of the state of Washington supported the policies of providing
13 regular compensation cost-of-living adjustments for public school and
14 community and technical college employees as well as providing student
15 achievement funds for school districts to reduce class size, provide
16 professional development, and offer full-day kindergarten. However,
17 these policies were not accompanied by a revenue source to pay for
18 their cost.

1 (2) The legislature further finds that the nature and needs of
2 educational programming evolve over time. In 2009 and 2010, the
3 legislature embarked on a significant reform of the program of basic
4 education, including making commitments to provide increased funding in
5 four key areas: Reduced K-3 class size; statewide provision of all-day
6 kindergarten; enhanced state funding for maintenance, supplies, and
7 operating costs; and a new funding formula to support transportation of
8 students to and from school. The legislature maintains that,
9 particularly in light of recent rulings by the state supreme court
10 regarding adequacy of education funding, the voters of the state should
11 have the opportunity to repurpose the student achievement program in
12 support of these key areas. The legislature believes that such a
13 repurposing adheres to the spirit and intent of the original initiative
14 to support student achievement.

15 (3) Therefore the legislature intends to submit to the voters of
16 the state of Washington the opportunity to reauthorize both the policy
17 and the revenue to provide education cost-of-living adjustment and to
18 repurpose the policy and the revenue for the student achievement
19 program. If the voters do not support both policy and revenue, the
20 previous policies should be removed as an ongoing obligation of the
21 state. The legislature acknowledges that such a rejection does not
22 negate the state's obligation to fully fund the program of basic
23 education as defined by the legislature.

24 **Sec. 2.** RCW 28A.400.205 and 2011 1st sp.s. c 18 s 1 are each
25 amended to read as follows:

26 (1) From state general funds that must be appropriated from the
27 revenue generated under RCW 82.08.020(5) and other funds as may be
28 necessary, school district employees shall be provided an annual salary
29 cost-of-living increase in accordance with this section.

30 (a) The cost-of-living increase shall be calculated by applying the
31 rate of the yearly increase in the cost-of-living index to any state-
32 funded salary base used in state funding formulas for teachers and
33 other school district employees. Beginning with the ~~((2001-02))~~ 2014-
34 15 school year, and for each subsequent school year, ~~((except for the~~
35 ~~2011-12 and 2012-13 school years,))~~ each school district shall be
36 provided a cost-of-living allocation sufficient to grant this cost-of-
37 living increase.

1 (b) A school district shall distribute its cost-of-living
2 allocation for salaries and salary-related benefits in accordance with
3 the district's salary schedules, collective bargaining agreements, and
4 compensation policies. No later than the end of the school year, each
5 school district shall certify to the superintendent of public
6 instruction that it has spent funds provided for cost-of-living
7 increases on salaries and salary-related benefits.

8 (c) Any funded cost-of-living increase shall be included in the
9 salary base used to determine cost-of-living increases for school
10 employees in subsequent years. For teachers and other certificated
11 instructional staff, the rate of the annual cost-of-living increase
12 funded for certificated instructional staff shall be applied to the
13 base salary used with the statewide salary allocation schedule
14 established under RCW 28A.150.410 and to any other salary models used
15 to recognize school district personnel costs.

16 (2) For the purposes of this section, "cost-of-living index" means,
17 for any school year, the previous calendar year's annual average
18 consumer price index, using the official current base, compiled by the
19 bureau of labor statistics, United States department of labor for the
20 state of Washington. If the bureau of labor statistics develops more
21 than one consumer price index for areas within the state, the index
22 covering the greatest number of people, covering areas exclusively
23 within the boundaries of the state, and including all items shall be
24 used for the cost-of-living index in this section.

25 **Sec. 3.** RCW 28B.50.465 and 2011 1st sp.s. c 18 s 2 are each
26 amended to read as follows:

27 (1) From state general funds that must be appropriated from the
28 revenue generated under RCW 82.08.020(5) and other funds as may be
29 necessary, academic employees of community and technical college
30 districts shall be provided an annual salary cost-of-living increase in
31 accordance with this section. For purposes of this section, "academic
32 employee" has the same meaning as defined in RCW 28B.52.020.

33 (a) Beginning with the ((2001-2002)) 2014-2015 fiscal year, and for
34 each subsequent fiscal year, ((except as provided in (d) of this
35 subsection,)) each college district shall receive a cost-of-living
36 allocation sufficient to increase academic employee salaries, including

1 mandatory salary-related benefits, by the rate of the yearly increase
2 in the cost-of-living index.

3 (b) A college district shall distribute its cost-of-living
4 allocation for salaries and salary-related benefits in accordance with
5 the district's salary schedules, collective bargaining agreements, and
6 other compensation policies. No later than the end of the fiscal year,
7 each college district shall certify to the college board that it has
8 spent funds provided for cost-of-living increases on salaries and
9 salary-related benefits.

10 (c) The college board shall include any funded cost-of-living
11 increase in the salary base used to determine cost-of-living increases
12 for academic employees in subsequent years.

13 (d) Beginning with the (~~2001-2002~~) 2014-2015 fiscal year, and for
14 each subsequent fiscal year (~~except for the 2011-2012 and 2012-2013~~
15 ~~fiscal years~~), the state shall fully fund the cost-of-living increase
16 set forth in this section.

17 (2) For the purposes of this section, "cost-of-living index" means,
18 for any fiscal year, the previous calendar year's annual average
19 consumer price index, using the official current base, compiled by the
20 bureau of labor statistics, United States department of labor for the
21 state of Washington. If the bureau of labor statistics develops more
22 than one consumer price index for areas within the state, the index
23 covering the greatest number of people, covering areas exclusively
24 within the boundaries of the state, and including all items shall be
25 used for the cost-of-living index in this section.

26 **Sec. 4.** RCW 28B.50.468 and 2011 1st sp.s. c 18 s 3 are each
27 amended to read as follows:

28 (1) From state general funds that must be appropriated from the
29 revenue generated under RCW 82.08.020(5) and other funds as may be
30 necessary, classified employees of technical colleges shall be provided
31 an annual salary cost-of-living increase in accordance with this
32 section. For purposes of this section, "technical college" has the
33 same meaning as defined in RCW 28B.50.030. This section applies to
34 only those classified employees under the jurisdiction of chapter 41.56
35 RCW.

36 (a) Beginning with the (~~2001-2002~~) 2014-2015 fiscal year, and for
37 each subsequent fiscal year, (~~except as provided in (d) of this~~

1 ~~subsection 7~~) each technical college board of trustees shall receive a
2 cost-of-living allocation sufficient to increase classified employee
3 salaries, including mandatory salary-related benefits, by the rate of
4 the yearly increase in the cost-of-living index.

5 (b) A technical college board of trustees shall distribute its
6 cost-of-living allocation for salaries and salary-related benefits in
7 accordance with the technical college's salary schedules, collective
8 bargaining agreements, and other compensation policies. No later than
9 the end of the fiscal year, each technical college shall certify to the
10 college board that it has spent funds provided for cost-of-living
11 increases on salaries and salary-related benefits.

12 (c) The college board shall include any funded cost-of-living
13 increase in the salary base used to determine cost-of-living increases
14 for technical college classified employees in subsequent years.

15 (d) Beginning with the (~~2001-2002~~) 2014-2015 fiscal year, and for
16 each subsequent fiscal year (~~except for the 2011-2012 and 2012-2013~~
17 ~~fiscal years~~), the state shall fully fund the cost-of-living increase
18 set forth in this section.

19 (2) For the purposes of this section, "cost-of-living index" means,
20 for any fiscal year, the previous calendar year's annual average
21 consumer price index, using the official current base, compiled by the
22 bureau of labor statistics, United States department of labor for the
23 state of Washington. If the bureau of labor statistics develops more
24 than one consumer price index for areas within the state, the index
25 covering the greatest number of people, covering areas exclusively
26 within the boundaries of the state, and including all items shall be
27 used for the cost-of-living index in this section.

28 **Sec. 5.** RCW 28A.150.380 and 2009 c 548 s 110 and 2009 c 479 s 16
29 are each reenacted and amended to read as follows:

30 (1) The state legislature shall, at each regular session in an odd-
31 numbered year, appropriate for the current use of the common schools
32 such amounts as needed for state support to school districts during the
33 ensuing biennium for the program of basic education under RCW
34 28A.150.200.

35 (2) In addition to those state funds provided to school districts
36 for basic education, the legislature may appropriate funds to be

1 distributed to school districts for other factors and for other special
2 programs to enhance or enrich the program of basic education.

3 (3) The state legislature shall also, at each regular session in an
4 odd-numbered year, appropriate from the general fund (~~and~~) from the
5 revenue generated under RCW 82.08.020(5), the education construction
6 fund, and other funds as may be necessary for the purposes of and in
7 accordance with the provisions of the student achievement (~~act~~)
8 program during the ensuing biennium.

9 **Sec. 6.** RCW 43.135.045 and 2011 1st sp.s. c 50 s 950 are each
10 amended to read as follows:

11 The education construction fund is hereby created in the state
12 treasury.

13 (1) Funds may be appropriated from the education construction fund
14 exclusively for common school construction or higher education
15 construction. During the 2007-2009 fiscal biennium, funds may also be
16 used for higher education facilities preservation and maintenance.
17 During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may
18 transfer from the education construction fund to the state general fund
19 such amounts as reflect the excess fund balance of the fund.

20 (2) Funds may be appropriated for any other purpose only if
21 approved by a two-thirds vote of each house of the legislature and if
22 approved by a vote of the people at the next general election. An
23 appropriation approved by the people under this subsection shall result
24 in an adjustment to the state expenditure limit only for the fiscal
25 period for which the appropriation is made and shall not affect any
26 subsequent fiscal period.

27 (3) Funds for the student achievement program in RCW 28A.505.210
28 and 28A.505.220 shall be appropriated to the superintendent of public
29 instruction strictly for distribution to school districts to meet the
30 provisions set out in the student achievement act. (~~Allocations shall~~
31 ~~be made on an equal per full-time equivalent student basis to each~~
32 ~~school district.))~~

33 (4) After July 1, 2010, the state treasurer shall transfer one
34 hundred two million dollars from the general fund to the education
35 construction fund by June 30th of each year.

1 **Sec. 7.** RCW 28A.505.210 and 2009 c 479 s 17 are each amended to
2 read as follows:

3 ~~((School districts shall have the authority to decide the best use~~
4 ~~of funds distributed for))~~ (1) The purpose of the student achievement
5 program ((under RCW 28A.505.220)) is to assist students in meeting and
6 exceeding the new, higher academic standards in each district
7 ((consistent with the provisions of chapter 3, Laws of 2001)) and to
8 support implementation of revised definitions and funding formulas for
9 basic education.

10 ~~((1))~~ (2) Beginning September 1, 2014, funds for the student
11 achievement program provided under RCW 28A.505.220 shall be allocated
12 ((for the following uses)) to support implementation of the following
13 provisions of chapter 236, Laws of 2010:

14 (a) ~~To reduce class size ((by hiring certificated elementary~~
15 ~~classroom teachers in grades K-4 and paying nonemployee related costs~~
16 ~~associated with those new teachers;~~

17 ~~(b) To make selected reductions in class size in grades 5-12, such~~
18 ~~as small high school writing classes;~~

19 ~~(c) To provide extended learning opportunities to improve student~~
20 ~~academic achievement in grades K-12, including, but not limited to,~~
21 ~~extended school year, extended school day, before and after school~~
22 ~~programs, special tutoring programs, weekend school programs, summer~~
23 ~~school, and all-day kindergarten;~~

24 ~~(d) To provide additional professional development for educators,~~
25 ~~including additional paid time for curriculum and lesson redesign and~~
26 ~~alignment, training to ensure that instruction is aligned with state~~
27 ~~standards and student needs, reimbursement for higher education costs~~
28 ~~related to enhancing teaching skills and knowledge, and mentoring~~
29 ~~programs to match teachers with skilled, master teachers. The funding~~
30 ~~shall not be used for salary increases or additional compensation for~~
31 ~~existing teaching duties, but may be used for extended year and~~
32 ~~extended day teaching contracts;~~

33 ~~(e) To provide early assistance for children who need~~
34 ~~prekindergarten support in order to be successful in school;~~

35 ~~(f) To provide improvements or additions to school building~~
36 ~~facilities which are directly related to the class size reductions and~~
37 ~~extended learning opportunities under (a) through (c) of this~~
38 ~~subsection.~~

1 ~~(2) Annually on or before May 1st, the school district board of~~
2 ~~directors shall meet at the time and place designated for the purpose~~
3 ~~of a public hearing on the proposed use of these funds to improve~~
4 ~~student achievement for the coming year. Any person may appear or by~~
5 ~~written submission have the opportunity to comment on the proposed plan~~
6 ~~for the use of these funds. No later than August 31st, as a part of~~
7 ~~the process under RCW 28A.505.060, each school district shall adopt a~~
8 ~~plan for the use of these funds for the upcoming school year.~~
9 ~~Annually, each school district shall provide to the citizens of their~~
10 ~~district a public accounting of the funds made available to the~~
11 ~~district during the previous school year under chapter 3, Laws of 2001,~~
12 ~~how the funds were used, and the progress the district has made in~~
13 ~~increasing student achievement, as measured by required state~~
14 ~~assessments and other assessments deemed appropriate by the district.~~
15 ~~Copies of this report shall be provided to the superintendent of public~~
16 ~~instruction)) for grades K-3 under RCW 28A.150.260(4)(b);~~

17 (b) To increase the minimum allocations for maintenance, supplies,
18 and operating costs under RCW 28A.150.260(8)(b);

19 (c) To continue phasing-in implementation of all-day kindergarten
20 under RCW 28A.150.315; and

21 (d) To implement the revised funding distribution formula for pupil
22 transportation under RCW 28A.160.192.

23 **Sec. 8.** RCW 28A.505.220 and 2011 1st sp.s. c 17 s 1 are each
24 amended to read as follows:

25 (1) Total distributions for the student achievement program from
26 the general fund (~~(to each school district)~~) shall be based upon the
27 average number of full-time equivalent students (~~(in the school~~
28 ~~district)~~) statewide during the previous school year as reported to the
29 office of the superintendent of public instruction by August 31st of
30 the previous school year. (~~(The superintendent of public instruction~~
31 ~~shall ensure that moneys generated by skill center students are~~
32 ~~returned to skill centers.))~~)

33 (2) The allocation rate per full-time equivalent student shall be
34 (~~(three)~~) five hundred two dollars in the (~~(2005-06 school year, three~~
35 ~~hundred seventy five dollars in the 2006-07 school year, and four~~
36 ~~hundred fifty dollars in the 2007-08)) 2014-15 school year. For each
37 subsequent school year, the amount allocated per full-time equivalent~~

1 student shall be adjusted for inflation by the implicit price deflator
2 as published by the federal bureau of labor statistics. (~~However, for~~
3 ~~the 2011-12 and 2012-13 school years, the amount allocated per full-~~
4 ~~time equivalent student shall be as specified in the omnibus~~
5 ~~appropriations act.~~) These allocations per full-time equivalent
6 student shall be supported from the distributions from the education
7 legacy trust account created in RCW 83.100.230 (~~and~~), the state
8 general fund from the revenue generated under RCW 82.08.020(5), and
9 other funds as may be necessary.

10 (3) The (~~school district~~) annual amounts as defined in subsection
11 (2) of this section shall be distributed (~~on the monthly apportionment~~
12 ~~schedule as defined in RCW 28A.510.250~~) to school districts through
13 applicable state funding formulas, but the omnibus appropriations act
14 must separately specify the annual amounts distributed under this
15 section for each of the purposes under RCW 28A.505.210.

16 **Sec. 9.** RCW 82.08.020 and 2011 c 171 s 120 are each amended to
17 read as follows:

18 (1) There is levied and collected a tax equal to six and five-
19 tenths percent of the selling price on each retail sale in this state
20 of:

21 (a) Tangible personal property, unless the sale is specifically
22 excluded from the RCW 82.04.050 definition of retail sale;

23 (b) Digital goods, digital codes, and digital automated services,
24 if the sale is included within the RCW 82.04.050 definition of retail
25 sale;

26 (c) Services, other than digital automated services, included
27 within the RCW 82.04.050 definition of retail sale;

28 (d) Extended warranties to consumers; and

29 (e) Anything else, the sale of which is included within the RCW
30 82.04.050 definition of retail sale.

31 (2) There is levied and collected an additional tax on each retail
32 car rental, regardless of whether the vehicle is licensed in this
33 state, equal to five and nine-tenths percent of the selling price. The
34 revenue collected under this subsection must be deposited in the
35 multimodal transportation account created in RCW 47.66.070.

36 (3) Beginning July 1, 2003, there is levied and collected an
37 additional tax of three-tenths of one percent of the selling price on

1 each retail sale of a motor vehicle in this state, other than retail
2 car rentals taxed under subsection (2) of this section. The revenue
3 collected under this subsection must be deposited in the multimodal
4 transportation account created in RCW 47.66.070.

5 (4) For purposes of subsection (3) of this section, "motor vehicle"
6 has the meaning provided in RCW 46.04.320, but does not include farm
7 tractors or farm vehicles as defined in RCW 46.04.180 and 46.04.181,
8 off-road vehicles as defined in RCW 46.04.365, nonhighway vehicles as
9 defined in RCW 46.09.310, and snowmobiles as defined in RCW 46.04.546.

10 ~~((Beginning on December 8, 2005,))~~ (a) Beginning July 1, 2014,
11 there is levied and collected an additional tax equal to four-tenths of
12 one percent of the selling price on each retail sale in this state of
13 any property, product, warranty, or service subject to tax under
14 subsection (1) of this section.

15 (b) Beginning July 1, 2015, the rate under (a) of this subsection
16 must be increased as follows:

17 (i) On July 1, 2015, by an increment of one-tenth of one percent;

18 (ii) On July 1, 2016, by an increment of one-tenth of one percent;

19 (iii) On July 1, 2017, by an increment of one-tenth of one percent;

20 (iv) On July 1, 2018, no change;

21 (v) On July 1, 2019, by an increment of one-tenth of one percent;

22 (vi) On July 1, 2020, no change;

23 (vii) On July 1, 2021, by an increment of one-tenth of one percent;

24 (viii) On July 1, 2022, no change; and

25 (ix) On July 1, 2023, by an increment of one-tenth of one percent.

26 (c) The tax imposed under this subsection must be used only for
27 funding the cost-of-living adjustments under RCW 28A.400.205,
28 28B.50.465, and 28B.50.468, and funding the student achievement program
29 under RCW 28A.505.210 and 28A.505.220.

30 (6)(a) Except as provided in (b) of this subsection, 0.16 percent
31 of the taxes collected under subsection (1) of this section must be
32 dedicated to funding comprehensive performance audits required under
33 RCW 43.09.470. The revenue identified in this subsection must be
34 deposited in the performance audits of government account created in
35 RCW 43.09.475.

36 ~~((+6))~~ (b) This subsection does not apply to taxes collected under
37 subsection (5) of this section.

1 (7) The taxes imposed under this chapter apply to successive retail
2 sales of the same property.

3 ~~((7))~~ (8) The rates provided in this section apply to taxes
4 imposed under chapter 82.12 RCW as provided in RCW 82.12.020.

5 **Sec. 10.** RCW 28A.150.380 and 2009 c 548 s 110 and 2009 c 479 s 16
6 are each reenacted and amended to read as follows:

7 (1) The state legislature shall, at each regular session in an odd-
8 numbered year, appropriate for the current use of the common schools
9 such amounts as needed for state support to school districts during the
10 ensuing biennium for the program of basic education under RCW
11 28A.150.200.

12 (2) In addition to those state funds provided to school districts
13 for basic education, the legislature may appropriate funds to be
14 distributed to school districts for other factors and for other special
15 programs to enhance or enrich the program of basic education.

16 ~~((3) The state legislature shall also, at each regular session in
17 an odd-numbered year, appropriate from the general fund and education
18 construction fund for the purposes of and in accordance with the
19 provisions of the student achievement act during the ensuing
20 biennium.))~~

21 **Sec. 11.** RCW 28A.600.405 and 2007 c 355 s 4 are each amended to
22 read as follows:

23 (1) For purposes of this section and RCW 28B.50.534, "eligible
24 student" means a student who has completed all state and local high
25 school graduation requirements except the certificate of academic
26 achievement under RCW 28A.655.061 or the certificate of individual
27 achievement under RCW 28A.155.045, who is less than age twenty-one as
28 of September 1st of the academic year the student enrolls at a
29 community and technical college under this section, and who meets the
30 following criteria:

31 (a) Receives a level 2 (basic) score on the reading and writing
32 content areas of the high school (~~Washington assessment of student
33 learning~~) statewide student assessment;

34 (b) Has not successfully met state standards on a retake of the
35 assessment or an alternative assessment;

36 (c) Has participated in assessment remediation; and

1 (d) Receives a recommendation to enroll in courses or a program of
2 study made available under RCW 28B.50.534 from his or her high school
3 principal.

4 (2) An eligible student may enroll in courses or a program of study
5 made available by a community or technical college participating in the
6 pilot program created under RCW 28B.50.534 for the purpose of obtaining
7 a high school diploma.

8 (3) For eligible students in courses or programs delivered directly
9 by the community or technical college participating in the pilot
10 program under RCW 28B.50.534 and only for enrollment in courses that
11 lead to a high school diploma, the superintendent of public instruction
12 shall transmit to the colleges participating in the pilot program an
13 amount per each full-time equivalent college student at statewide
14 uniform rates. The amount shall be the sum of (a), (b), and (c) (~~, and~~
15 ~~(d)~~) of this subsection, as applicable.

16 (a) The superintendent shall separately calculate and allocate
17 moneys appropriated for basic education under RCW 28A.150.260 for
18 purposes of making payments under this section. The calculations and
19 allocations shall be based upon the estimated statewide annual average
20 per full-time equivalent high school student allocations under RCW
21 28A.150.260, excluding small high school enhancements, and applicable
22 rules adopted under chapter 34.05 RCW.

23 (b) The superintendent shall allocate an amount equal to the per
24 funded student state allocation for the learning assistance program
25 under chapter 28A.165 RCW for each full-time equivalent college student
26 or a pro rata amount for less than full-time enrollment.

27 ~~(c) ((The superintendent shall allocate an amount equal to the per~~
28 ~~full-time equivalent student allocation for the student achievement~~
29 ~~program under RCW 28A.505.210 for each full-time equivalent college~~
30 ~~student or a pro rata amount for less than full-time enrollment.~~

31 ~~(d))~~ For eligible students who meet eligibility criteria for the
32 state transitional bilingual instruction program under chapter 28A.180
33 RCW, the superintendent shall allocate an amount equal to the per
34 student state allocation for the transitional bilingual instruction
35 program or a pro rata amount for less than full-time enrollment.

36 (4) The superintendent may adopt rules establishing enrollment
37 reporting, recordkeeping, and accounting requirements necessary to

1 ensure accountability for the use of basic education, learning
2 assistance, and transitional bilingual program funds under this section
3 for the pilot program created under RCW 28B.50.534.

4 (5) All school districts in the geographic area of the two
5 community and technical colleges selected pursuant to section 8,
6 chapter 355, Laws of 2007 to participate in the pilot program shall
7 provide information about the high school completion option under RCW
8 28B.50.534 to students in grades ten, eleven, and twelve and the
9 parents or guardians of those students.

10 **Sec. 12.** RCW 43.135.045 and 2011 1st sp.s. c 50 s 950 are each
11 amended to read as follows:

12 The education construction fund is hereby created in the state
13 treasury.

14 (1) Funds may be appropriated from the education construction fund
15 exclusively for common school construction or higher education
16 construction. During the 2007-2009 fiscal biennium, funds may also be
17 used for higher education facilities preservation and maintenance.
18 During the 2009-2011 and 2011-2013 fiscal biennia, the legislature may
19 transfer from the education construction fund to the state general fund
20 such amounts as reflect the excess fund balance of the fund.

21 (2) Funds may be appropriated for any other purpose only if
22 approved by a two-thirds vote of each house of the legislature and if
23 approved by a vote of the people at the next general election. An
24 appropriation approved by the people under this subsection shall result
25 in an adjustment to the state expenditure limit only for the fiscal
26 period for which the appropriation is made and shall not affect any
27 subsequent fiscal period.

28 ~~(3) ((Funds for the student achievement program in RCW 28A.505.210
29 and 28A.505.220 shall be appropriated to the superintendent of public
30 instruction strictly for distribution to school districts to meet the
31 provisions set out in the student achievement act. Allocations shall
32 be made on an equal per full-time equivalent student basis to each
33 school district.~~

34 (4)) After July 1, 2010, the state treasurer shall transfer one
35 hundred two million dollars from the general fund to the education
36 construction fund by June 30th of each year.

1 **Sec. 13.** RCW 67.70.340 and 2010 1st sp.s. c 27 s 4 are each
2 amended to read as follows:

3 (1) The legislature recognizes that creating a shared game lottery
4 could result in less revenue being raised by the existing state lottery
5 ticket sales. The legislature further recognizes that the fund most
6 impacted by this potential event is the Washington opportunity pathways
7 account. Therefore, it is the intent of the legislature to use some of
8 the proceeds from the shared game lottery to make up the difference
9 that the potential state lottery revenue loss would have on the
10 Washington opportunity pathways account. The legislature further
11 intends to use some of the proceeds from the shared game lottery to
12 fund programs and services related to problem and pathological
13 gambling.

14 (2) The Washington opportunity pathways account is expected to
15 receive one hundred two million dollars annually from state lottery
16 games other than the shared game lottery. For fiscal year 2011 and
17 thereafter, if the amount of lottery revenues earmarked for the
18 Washington opportunity pathways account is less than one hundred two
19 million dollars, the commission, after making the transfer required
20 under subsection (3) of this section, must transfer sufficient moneys
21 from revenues derived from the shared game lottery into the Washington
22 opportunity pathways account to bring the total revenue up to one
23 hundred two million dollars.

24 (3)(a) The commission shall transfer, from revenue derived from the
25 shared game lottery, to the problem gambling account created in RCW
26 43.20A.892, an amount equal to the percentage specified in (b) of this
27 subsection of net receipts. For purposes of this subsection, "net
28 receipts" means the difference between (i) revenue received from the
29 sale of lottery tickets or shares and revenue received from the sale of
30 shared game lottery tickets or shares; and (ii) the sum of payments
31 made to winners.

32 (b) In fiscal year 2006, the percentage to be transferred to the
33 problem gambling account is one-tenth of one percent. In fiscal year
34 2007 and subsequent fiscal years, the percentage to be transferred to
35 the problem gambling account is thirteen one-hundredths of one percent.

36 (4) The commission shall transfer the remaining net revenues, if
37 any, derived from the shared game lottery "Powerball" authorized in RCW

1 67.70.044(1) after the transfers pursuant to this section into the
2 state general fund for (~~the student achievement program under RCW~~
3 ~~28A.505.220~~) support for the common schools.

4 (5) The remaining net revenues, if any, in the shared game lottery
5 account after the transfers pursuant to this section shall be deposited
6 into the Washington opportunity pathways account.

7 **Sec. 14.** RCW 83.100.230 and 2010 1st sp.s. c 37 s 953 are each
8 amended to read as follows:

9 The education legacy trust account is created in the state
10 treasury. Money in the account may be spent only after appropriation.
11 Expenditures from the account may be used only for (~~deposit into the~~
12 ~~student achievement fund~~) support of the common schools and for
13 expanding access to higher education through funding for new
14 enrollments and financial aid, and other educational improvement
15 efforts. (~~During the 2009-2011 fiscal biennium, moneys in the account~~
16 ~~may also be transferred into the state general fund.~~)

17 NEW SECTION. **Sec. 15.** The following acts or parts of acts are
18 each repealed:

19 (1) RCW 28A.400.205 (Cost-of-living increases for employees) and
20 2011 1st sp.s. c 18 s 1, 2009 c 573 s 1, 2003 1st sp.s. c 20 s 1, &
21 2001 c 4 s 2;

22 (2) RCW 28A.400.206 (Cost-of-living increases--Duty of state) and
23 2003 1st sp.s. c 20 s 2 & 2001 c 4 s 1;

24 (3) RCW 28A.505.210 (Student achievement funds--Use and accounting
25 of funds--Public hearing--Report) and 2009 c 479 s 17, 2005 c 497 s
26 105, & 2001 c 3 s 3;

27 (4) RCW 28A.505.220 (Student achievement program--General fund
28 allocation) and 2011 1st sp.s. c 17 s 1;

29 (5) RCW 28B.50.465 (Cost-of-living increases--Academic employees)
30 and 2011 1st sp.s. c 18 s 2, 2009 c 573 s 2, 2003 1st sp.s. c 20 s 3,
31 & 2001 c 4 s 3; and

32 (6) RCW 28B.50.468 (Cost-of-living increases--Classified employees)
33 and 2011 1st sp.s. c 18 s 3, 2009 c 573 s 3, 2003 1st sp.s. c 20 s 4,
34 & 2001 c 4 s 4.

1 NEW SECTION. **Sec. 16.** The secretary of state shall submit
2 sections 1 through 9 of this act to the people for their adoption and
3 ratification, or rejection, at the general election to be held in this
4 state on the first Tuesday after the first Monday in November, 2013, in
5 accordance with Article II, section 1 of the state Constitution and the
6 laws adopted to facilitate its operation.

7 NEW SECTION. **Sec. 17.** Sections 10 through 15 of this act take
8 effect January 1, 2014, if Referendum (sections 1 through 9 of
9 this act) is not approved by December 31, 2013.

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