

ARTICLE 2

RELATING TO STATE FUNDS

SECTION 1. Chapter 16-1 of the General Laws entitled "State Department of Elementary and Secondary Education [See Title 16 Chapter 97 - The Rhode Island Board of Education Act]" is hereby amended by adding thereto the following section:

16-1-15. Restricted receipts.

There is hereby created a restricted receipt account with the department of elementary and secondary education for the purpose of receiving and expending monies from any other sources, public or private, limited to gifts, grants, and donations. The department shall deposit any revenues from such sources into the restricted receipt account to be used for the same educational purposes that its state appropriation is used, unless otherwise limited by any agreement to use such funds.

SECTION 2. Sections 21-28.10-8 and 21-28.10-10 of the General Laws in Chapter 21-28.10 entitled "Opioid Stewardship Act" are hereby amended to read as follows:

21-28.10-8. Departmental annual reporting.

By January of each calendar year, the department of behavioral healthcare, developmental disabilities and hospitals (BHDDH), the executive office of health and human services (EOHHS), the department of children, youth and families (DCYF), the Rhode Island department of education (RIDE), the Rhode Island office of veterans' services, the department of corrections (DOC), ~~and~~ the department of labor and training (DLT), and any other department or agency receiving opioid stewardship funds shall report annually to the governor, the speaker of the house, and the senate president which programs in their respective departments were funded using monies from the opioid stewardship fund and the total amount of funds spent on each program.

21-28.10-10. Creation of opioid stewardship fund.

(a) There is hereby established, in the custody of the department, a restricted-receipt account to be known as the "opioid stewardship fund."

(b) Monies in the opioid stewardship fund shall be kept separate and shall not be commingled with any other monies in the custody of the department.

(c) The opioid stewardship fund shall consist of monies appropriated for the purpose of such account, monies transferred to such account pursuant to law, contributions consisting of promises or grants of any money or property of any kind or value, or any other thing of value,

1 including grants or other financial assistance from any agency of government and monies required
2 by the provisions of this chapter or any other law to be paid into or credited to this account.

3 (d) Monies of the opioid stewardship fund shall be available to provide opioid treatment,
4 recovery, prevention, education services, and other related programs, subject to appropriation by
5 the general assembly.

6 (e) The budget officer is hereby authorized to create restricted receipt accounts entitled
7 "opioid stewardship fund allocation" in any department or agency of state government wherein
8 monies from the opioid stewardship fund are appropriated by the general assembly for the
9 programmatic purposes set forth in subsection (d) of this section.

10 SECTION 3. Section 35-1.1-5 of the General Laws in Chapter 35-1.1 entitled, "Office of
11 Management and Budget" is hereby amended to read as follows:

12 **35-1.1-5. Federal grants management.**

13 (a) The controller shall be responsible for managing federal grant applications; providing
14 administrative assistance to agencies regarding reporting requirements; providing technical
15 assistance; and approving agreements with federal agencies pursuant to § 35-1-1. The controller
16 shall:

17 (1) Establish state goals and objectives for maximizing the utilization of federal aid
18 programs;

19 (2) Ensure that the state establishes and maintains statewide federally mandated grants
20 management processes and procedures as mandated by the federal Office of Management and
21 Budget;

22 (3) Promulgate procedures and guidelines for all state departments, agencies, advisory
23 councils, instrumentalities of the state, and public higher education institutions covering
24 applications for federal grants;

25 (4) Require, upon request, any state department, agency, advisory council, instrumentality
26 of the state, or public higher education institution receiving a grant of money from the federal
27 government to submit a report to the controller of expenditures and program measures for the fiscal
28 period in question;

29 (5) Ensure state departments and agencies adhere to the requirements of § 42-41-5
30 regarding legislative appropriation authority and delegation thereof;

31 (6) Manage and oversee the disbursements of federal funds in accordance with § 35-6-42;

32 (7) Prepare the statewide cost allocation plan and serve as the monitoring agency to ensure
33 that state departments and agencies are working within the guidelines contained in the plan; and

34 (8) Provide technical assistance to agencies to ensure resolution and closure of all single

1 state audit findings and recommendations made by the auditor general related to federal funding.

2 (b) The division of accounts and control shall serve as the state clearinghouse for purposes
3 of coordinating federal grants, aid, and assistance applied for and/or received by any state
4 department, agency, advisory council, or instrumentality of the state. Any state department, agency,
5 advisory council, or instrumentality of the state applying for federal funds, aids, loans, or grants
6 shall file a summary notification of the intended application with the controller.

7 (1) When as a condition to receiving federal funds, the state is required to match the federal
8 funds, a statement shall be filed with the notice of intent or summary of the application stating:

9 (i) The amount and source of state funds needed for matching purposes;

10 (ii) The length of time the matching funds shall be required;

11 (iii) The growth of the program;

12 (iv) How the program will be evaluated;

13 (v) What action will be necessary should the federal funds be canceled, curtailed, or
14 restricted; and

15 (vi) Any other financial and program management data required by the office or by law.

16 (2) Except as otherwise required, any application submitted by an executive agency for
17 federal funds, aids, loans, or grants which will require state matching or replacement funds at the
18 time of application or at any time in the future, must be approved by the director of the office of
19 management and budget, or his or her designated agents, prior to its filing with the appropriate
20 federal agency. Any application submitted by an executive agency for federal funds, aids, loans, or
21 grants which will require state matching or replacement funds at the time of application or at any
22 time in the future, when funds have not been appropriated for that express purpose, must be
23 approved by the general assembly in accordance with § 42-41-5. When the general assembly is not
24 in session, the application shall be reported to and reviewed by the director pursuant to rules and
25 regulations promulgated by the director.

26 (3) When any federal funds, aids, loans, or grants are received by any state department,
27 agency, advisory council, or instrumentality of the state, a report of the amount of funds received
28 shall be filed with the office; and this report shall specify the amount of funds that would reimburse
29 an agency for indirect costs, as provided for under federal requirements.

30 (4) The controller may refuse to issue approval for the disbursement of any state or federal
31 funds from the state treasury as the result of any application that is not approved as provided by
32 this section, or in regard to which the statement or reports required by this section were not filed.

33 (5) The controller shall be responsible for the orderly administration of this section and for
34 issuing the appropriate guidelines and regulations from each source of funds used.

1 (c) There is hereby created in the general fund and housed within the budget of the
2 department of administration a restricted receipt account entitled "Grants Management
3 Administration." This account shall be used to fund centralized services relating to managing
4 federal grant applications; providing administrative assistance to agencies regarding reporting
5 requirements; providing technical assistance; approving agreements with federal agencies pursuant
6 to § 35-1-1; and, may include costs associated with the development, implementation, and ongoing
7 operation of a grants management information technology system. Every state department and
8 agency, as defined in R.I. General Laws § 35-1-4, which receives federal assistance funds shall set
9 aside an amount of the funds received equal to a percentage as determined annually by the state
10 controller multiplied by federal funds received. The state controller shall determine this rate
11 annually in proportion with budgeted expenditures for uses consistent with the purpose of this
12 subsection within the department of administration. For federal awards in response to the COVID-
13 19 pandemic and subsequent stimulus awards, there is hereby authorized an additional assessment
14 which shall be deposited into the restricted receipt account established by this subsection and shall
15 be equal to a uniform percentage of the amount of stimulus and other awards received, excluding
16 Medicaid, associated with the COVID-19 pandemic and subsequent stimulus acts. The state
17 controller shall calculate the rate of this additional assessment, not to exceed one percent (1%) of
18 the total awards received during a fiscal year, in proportion with budgeted expenditures necessary
19 to finance the planning, oversight, compliance, and reporting functions within the department of
20 administration related to federal awards issued in response to the pandemic and subsequent stimulus
21 awards in addition to the costs of planning, development, and implementation of a grants
22 management information technology system. For the additional assessment related to federal
23 awards issued in response to the pandemic and subsequent stimulus awards no funds shall be
24 deposited into the restricted receipt account after December 31, 2026. All funds set aside and
25 designated to be used for grants management shall be deposited into the restricted receipt account
26 established in this subsection.

27 Prior to any deposits being made into the restricted receipt account established by this
28 subsection and thereafter prior to the commencement of each fiscal year, the state controller shall
29 provide a report to the director of administration and the chairpersons of the house and senate
30 finance committees that includes the rate and calculation thereof for the following fiscal year.

31 SECTION 4. Section 35-3-20 of the General Laws in Chapter 35-3 entitled "State Budget"
32 is hereby amended to read as follows:

33 **35-3-20. State budget reserve and cash stabilization account.**

34 (a) There is hereby created within the general fund a state budget reserve and cash

1 stabilization account, which shall be administered by the state controller and which shall be used
2 solely for the purpose of providing such sums as may be appropriated to fund any unanticipated
3 general revenue deficit caused by a general revenue shortfall.

4 (b) In carrying out the provisions of § 35-3-20.1, the state controller shall, based on that
5 fiscal years estimate, transfer the amounts needed to fund cash requirements during the fiscal year;
6 the transfer shall be adjusted at the end of the fiscal year in order to conform to the requirements of
7 § 35-3-20.1. To the extent that funds so transferred are not needed by the Rhode Island Capital Plan
8 fund the funds may be loaned back to the general fund.

9 (c) For the fiscal year ending June 30, 2009, whenever the aggregate of the monies and
10 securities held for the credit of the state budget reserve and cash stabilization account exceeds three
11 and four tenths of one percent (3.4%) of total fiscal year resources, consisting of the aggregate of
12 (1) actual revenues from taxes and other departmental general revenue sources; and (2) the general
13 revenue balance available for appropriations at the beginning of the fiscal year; the excess shall be
14 transferred to the Rhode Island Capital Plan fund, to be used solely for capital projects. Provided
15 further, the applicable percentage shall increase by four-tenths of one percent (.4%) for the
16 succeeding four (4) fiscal years as follows:

17	Fiscal year ending June 30, 2010	3.8%
18	Fiscal year ending June 30, 2011	4.2%
19	Fiscal year ending June 30, 2012	4.6%
20	Fiscal years ending June 30, 2013, and thereafter	5.0%

21 (d) At any time after the third quarter of a fiscal year, that it is indicated that total resources
22 which are defined to be the aggregate of estimated general revenue, general revenue receivables,
23 and available free surplus in the general fund will be less than the estimates upon which current
24 appropriations were based, the general assembly may make appropriations from the state budget
25 reserve and cash stabilization account for the difference between the estimated total resources and
26 the original estimates upon which enacted appropriations were based, but only in the amount of the
27 difference based upon the revenues projected at the latest state revenue estimating conference
28 pursuant to chapter 16 of this title as reported by the chairperson of that conference.

29 (e) Whenever a transfer has been made pursuant to subsection (d), that transfer shall be
30 considered as estimated general revenues for the purposes of determining the amount to be
31 transferred to the Rhode Island Capital Plan fund for the purposes of § 35-3-20.1(b).

32 (f) Whenever a transfer has been made pursuant to subsection (d), the amount of the transfer
33 shall be transferred to the Rhode Island Capital Plan fund from funds payable into the general
34 revenue fund pursuant to § 35-3-20.1 in the fiscal year following the fiscal year in which the transfer

1 was made, except that in fiscal year 2010 there shall be no repayment of the amount transferred,
2 and the repayment shall be made in fiscal year 2011, ~~and except that in fiscal year 2021,~~
3 ~~\$90,000,000 of the repayment amount shall be transferred and the remainder of the repayment shall~~
4 ~~be made in fiscal year 2022.~~

5 SECTION 5. Sections 35-4-22.1, 35-4-22.2 and 34-4-27 of the General Laws in Chapter
6 35-4 entitled "State Funds" are hereby amended to read as follows:

7 **35-4-22.1. Legislative appropriation authority.**

8 (a) No agency shall establish new programs, or expand existing programs, including any
9 program involving nonstate monies, beyond the scope of those already established, recognized, and
10 appropriated for by the general assembly until the program and the availability of money is
11 submitted by the agency to the budget officer for recommendation to the general assembly.

12 (b) No state agency may make expenditures of any restricted or special revenue funds,
13 whether these monies are received prior to expenditure or as reimbursement, unless these
14 expenditures are made pursuant to specific appropriations of the general assembly.

15 (c) To the extent permitted by federal law, any federal funds or assistance appropriated,
16 authorized, allocated or apportioned to the state of Rhode Island shall be subject to appropriation
17 by the general assembly except where otherwise provided in this chapter or chapter 41 of title 42.

18 **35-4-22.2. Use of restricted or special revenue funds.**

19 (a) Any restricted or special revenue funds which are received by a state agency which is
20 not otherwise appropriated to that state agency by the annual appropriation acts of the regular
21 session of the general assembly are hereby appropriated for that state agency for the purpose set
22 forth, except that no expenditure shall be made from and no obligation shall be incurred against
23 any restricted receipts or special revenue fund which has not been previously appropriated or
24 reappropriated or approved by the governor, the speaker of the house, and the president of the
25 senate, until that authorization has been transmitted to the state agency to make expenditure
26 therefrom.

27 (b) State agencies desiring the governor's approval to expend or obligate receipts not
28 appropriated or reappropriated by the general assembly in the annual appropriation act or
29 supplemental appropriation act shall forward a request to the state budget officer, who shall forward
30 a copy to the speaker of the house and the president of the senate.

31 (c) Notwithstanding any law to the contrary, the budget officer is hereby authorized to
32 create restricted receipt accounts within the budget of any state agency to account for the receipt
33 and expenditure of a multistate settlement administered by the office of the attorney general.
34 Expenditures from these accounts shall remain subject to the provisions of §§ 35-4-22, 35-4-22.1,

1 [35-4-22.2 and 35-4-27.](#)

2 [\(d\) Upon the directive of the controller, with the consent of the auditor general, the budget](#)
3 [officer is hereby authorized to convert any escrow liability accounts that were established before](#)
4 [July 1, 2021 to a restricted receipt account.](#)

5 **35-4-27. Indirect cost recoveries on restricted receipt accounts.**

6 Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all
7 restricted-receipt accounts, to be recorded as general revenues in the general fund. However, there
8 shall be no transfer from cash receipts with restrictions received exclusively: (1) From contributions
9 from non-profit charitable organizations; (2) From the assessment of indirect cost-recovery rates
10 on federal grant funds; or (3) Through transfers from state agencies to the department of
11 administration for the payment of debt service. These indirect cost recoveries shall be applied to all
12 accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
13 following restricted receipt accounts shall not be subject to the provisions of this section:

- 14 Executive Office of Health and Human Services
- 15 Organ Transplant Fund
- 16 HIV Care Grant Drug Rebates
- 17 Health System Transformation Project
- 18 Department of Human Services
- 19 Veterans' home – Restricted account
- 20 Veterans' home – Resident benefits
- 21 Pharmaceutical Rebates Account
- 22 Demand Side Management Grants
- 23 Veteran's Cemetery Memorial Fund
- 24 Donations – New Veterans' Home Construction
- 25 Department of Health
- 26 Pandemic medications and equipment account
- 27 Miscellaneous Donations/Grants from Non-Profits
- 28 State Loan Repayment Match
- 29 Healthcare Information Technology
- 30 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 31 Eleanor Slater non-Medicaid third-party payor account
- 32 Hospital Medicare Part D Receipts
- 33 RICLAS Group Home Operations
- 34 Commission on the Deaf and Hard of Hearing

1 Emergency and public communication access account
2 Department of Environmental Management
3 National heritage revolving fund
4 Environmental response fund II
5 Underground storage tanks registration fees
6 De Coppet Estate Fund
7 Rhode Island Historical Preservation and Heritage Commission
8 Historic preservation revolving loan fund
9 Historic Preservation loan fund – Interest revenue
10 Department of Public Safety
11 E-911 Uniform Emergency Telephone System
12 Forfeited property – Retained
13 Forfeitures – Federal
14 Forfeited property – Gambling
15 Donation – Polygraph and Law Enforcement Training
16 Rhode Island State Firefighter's League Training Account
17 Fire Academy Training Fees Account
18 Attorney General
19 Forfeiture of property
20 Federal forfeitures
21 Attorney General multi-state account
22 Forfeited property – Gambling
23 Department of Administration
24 OER Reconciliation Funding
25 Health Insurance Market Integrity Fund
26 RI Health Benefits Exchange
27 Information Technology Investment Fund
28 Restore and replacement – Insurance coverage
29 Convention Center Authority rental payments
30 Investment Receipts – TANS
31 OPEB System Restricted Receipt Account
32 Car Rental Tax/Surcharge-Warwick Share
33 [Grants Management Administration](#)
34 Executive Office of Commerce

1 Housing Resources Commission Restricted Account
2 [Housing Production Fund](#)
3 Department of Revenue
4 DMV Modernization Project
5 Jobs Tax Credit Redemption Fund
6 Legislature
7 Audit of federal assisted programs
8 Department of Children, Youth and Families
9 Children's Trust Accounts – SSI
10 Military Staff
11 RI Military Family Relief Fund
12 RI National Guard Counterdrug Program
13 Treasury
14 Admin. Expenses – State Retirement System
15 Retirement – Treasury Investment Options
16 Defined Contribution – Administration - RR
17 Violent Crimes Compensation – Refunds
18 Treasury Research Fellowship
19 Business Regulation
20 Banking Division Reimbursement Account
21 Office of the Health Insurance Commissioner Reimbursement Account
22 Securities Division Reimbursement Account
23 Commercial Licensing and Racing and Athletics Division Reimbursement Account
24 Insurance Division Reimbursement Account
25 Historic Preservation Tax Credit Account
26 Judiciary
27 Arbitration Fund Restricted Receipt Account
28 Third-Party Grants
29 RI Judiciary Technology Surcharge Account
30 Department of Elementary and Secondary Education
31 Statewide Student Transportation Services Account
32 School for the Deaf Fee-for-Service Account
33 School for the Deaf – School Breakfast and Lunch Program
34 Davies Career and Technical School Local Education Aid Account

1 Davies – National School Breakfast & Lunch Program
2 School Construction Services
3 Office of the Postsecondary Commissioner
4 Higher Education and Industry Center
5 Department of Labor and Training
6 Job Development Fund

7 [Rhode Island Council on the Arts](#)
8 [Governors' Portrait Donation Fund](#)

9 SECTION 6. Section 39-18.1-5 of the General Laws in Chapter 39-18.1 entitled
10 "Transportation Investment and Debt Reduction Act of 2011" is hereby amended to read as follows:

11 **39-18.1-5. Allocation of funds.**

12 (a) The monies in the highway maintenance fund to be directed to the department of
13 transportation pursuant to § 39-18.1-4(b)(1) – (b)(3) shall be allocated through the transportation
14 improvement program process to provide the state match for federal transportation funds, in place
15 of borrowing, as approved by the state planning council. The expenditure of moneys in the highway
16 maintenance fund shall only be authorized for projects that appear in the state's transportation
17 improvement program.

18 (b) Provided, however, that beginning with fiscal year 2015 and annually thereafter, the
19 department of transportation will allocate necessary funding to programs that are designed to
20 eliminate structural deficiencies of the state's bridge, road, and maintenance systems and
21 infrastructure.

22 (c) Provided, further, that beginning July 1, 2015, five percent (5%) of available proceeds
23 in the Rhode Island highway maintenance account shall be allocated annually to the Rhode Island
24 public transit authority for operating expenditures.

25 (d) Provided, further, that from July 1, 2017, and annually thereafter, in addition to the
26 amount above, the Rhode Island public transit authority shall receive an amount of not less than
27 five million dollars (\$5,000,000) each fiscal year, [except for the period July 1, 2019 through June](#)
28 [30, 2022 during which such amount or a portion thereof may come from federal coronavirus relief](#)
29 [funds.](#)

30 (e) Provided, further, that the Rhode Island public transit authority shall convene a
31 coordinating council consisting of those state agencies responsible for meeting the needs of low-
32 income seniors and persons with disabilities, along with those stakeholders that the authority deems
33 appropriate and are necessary to inform, develop, and implement the federally required coordinated
34 public transit human services transportation plan.

1 The council shall develop, as part of the state's federally required plan, recommendations
2 for the appropriate and sustainable funding of the free-fare program for low-income seniors and
3 persons with disabilities, while maximizing the use of federal funds available to support the
4 transportation needs of this population.

5 The council shall report these recommendations to the governor, the speaker of the house
6 of representatives, and the president of the senate no later than November 1, 2018.

7 SECTION 7. Chapter 40.1-1 of the General Laws entitled "Department of Behavioral
8 Healthcare, Developmental Disabilities and Hospitals" is hereby amended by adding thereto the
9 following section:

10 **40.1-1-21. Restricted receipts.**

11 There is hereby created a restricted receipt within the department of behavioral healthcare,
12 developmental disability and hospitals for the purposes of receiving and expending monies from
13 any other sources, public or private, limited to gifts, grants and donations. The department shall
14 deposit any revenues into the restricted receipt account to be used for the same purposes that its
15 state appropriation is used, unless otherwise limited by agreement of such funds.

16 SECTION 8. Section 42-13.1-16 of the General Laws in Chapter 42-13.1 entitled "The
17 Rhode Island Bridge Replacement, Reconstruction, and Maintenance Fund" is hereby amended to
18 read as follows:

19 **42-13.1-16. Reporting.**

20 The department shall submit to the office of management and budget, the house fiscal
21 advisor, and the senate fiscal advisor, a report on the progress of implementation of this chapter
22 within thirty (30) days of the close of each of the fiscal quarters of each year. The reports shall also
23 be posted on the department's website. The reports shall include, at a minimum:

24 (1) Construction and design contracts of five hundred thousand dollars (\$500,000) or
25 greater planned to be advertised in the upcoming federal fiscal year, their value, and expected award
26 date;

27 (2) Construction and design contracts of five hundred thousand dollars (\$500,000) or
28 greater awarded in the prior federal fiscal year, date of award, value, and expected substantial
29 completion date;

30 (3) Expected final cost of:

31 (i) Any construction contracts of five hundred thousand dollars (\$500,000) or greater that
32 reached substantial completion in the prior federal fiscal year; and

33 (ii) Any design contracts of five hundred thousand dollars (\$500,000) or greater completed
34 in the prior federal fiscal year; and

1 (4) Total number of workers employed through the contract and the number of the workers
2 in that total with a Rhode Island address.

3 (5) This report shall also include a current list of all federal, discretionary and any other
4 grants that the department has applied for and the status of that application and identify any changes
5 from the prior report. For any grants that require a state match, the department shall identify if the
6 source for the state's match is available under currently authorized funding.

7 SECTION 9. Section 42-75-13 of the General Laws in Chapter 42-75 entitled "Council on
8 the Arts" is hereby amended to read as follows:

9 **42-75-13. Appropriation.**

10 (a) During the fiscal year ending June 30, 2008, the state lottery division within the
11 department of revenue shall conduct, pursuant to chapter 61 of title 42, an instant game to be known
12 as the "Arts Lottery Game." The net revenue from the first three (3) months of the running of the
13 "Arts Lottery Game" shall be deposited in a restricted-revenue account to be used by the Rhode
14 Island Council on the Arts for the support and improvement of the arts in this state. The provisions
15 of this section shall prevail over any inconsistent provisions of chapter 61 of title 42.

16 (b) The Rhode Island Council on the Arts shall deposit any funds received from ~~the Rhode~~
17 ~~Island Foundation~~ an entity exempt from tax under § 501(c)(3) of the Internal Revenue Code in a
18 restricted-receipt account to be used for the support and improvement of the arts in this state. All
19 such funds deposited shall be exempt from the indirect cost-recovery provisions of § 35-24-27.

20 (c) Notwithstanding any law to the contrary, there is hereby created in the general fund of
21 the state and housed within the budget of the Rhode Island Council on the Arts a restricted receipt
22 account entitled "Governors' Portrait Donation Fund." This account shall be used to record all
23 receipts and expenditures of donations made for the purpose of supplementing the state
24 appropriation for the purchase of a governor's portrait as set forth in R.I. Gen. Laws 37-8-9, and for
25 other related expenses as deemed appropriate by the Rhode Island Council on the Arts.

26 SECTION 10. This article shall take effect upon passage.