

2016 -- S 2569

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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2016

A N A C T

RELATING LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION

Introduced By: Senators Archambault, Lombardi, Jabour, McCaffrey, and Conley

Date Introduced: February 25, 2016

Referred To: Senate Labor

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 28-37-1 of the General Laws in Chapter 28-37 entitled "Workers'
2 Compensation Administrative Fund" is hereby amended to read as follows:

3 **28-37-1. Establishment -- Sources -- Administration.** -- (a) There is established in the
4 department of labor and training a special account to be known as the workers' compensation
5 administrative account, an account within the general fund. This account, referred to as the
6 "workers' compensation administrative account", shall consist of payments made to it as provided
7 in this chapter, or penalties paid pursuant to this chapter, and of all other moneys paid into and
8 received by the fund, of property and securities acquired by and through the use of moneys
9 belonging to the fund, and of interest earned upon the moneys belonging to the fund. All moneys
10 in the fund shall be mingled and undivided. The fund shall be administered by the director of
11 labor and training or his or her designee.

12 (b) The purposes for which this fund shall be used are as follows:

13 (1) To provide funds to the Dr. John E. Donley rehabilitation center for suitable
14 structures, personnel, and equipment necessary for the rendering of rehabilitative services,
15 including, but not limited to, physical therapy, psychotherapy, and occupational therapy to injured
16 workers coming within the purview of chapters 29 -- 38 of this title;

17 (2) To provide funds for all expenditures of the education unit created pursuant to § 42-
18 16-4 and all expenditures of the workers' compensation fraud prevention unit created pursuant to
19 § 42-16.1-12;

1 (3) To provide funds for all expenditures of the workers' compensation court. The
2 administrator of the fund shall on July 1st of each fiscal year transfer those funds that are
3 reasonable and necessary to fund all expenditures of the workers' compensation court for the
4 fiscal year from the administrative account, to a restricted receipt account to be established in the
5 judicial department. The administrator of the workers' compensation court is authorized to draw
6 funds from the restricted receipt account for all court expenditures;

7 (4) To provide funds to the department of labor and training for all expenditures incurred
8 in administering its responsibilities under chapters 29 -- 38 of this title;

9 (5) To provide funds to the department of labor and training for all expenditures incurred
10 in investigating and processing or otherwise administering its responsibilities regarding claims for
11 benefits or payments under §§ 28-35-20, 28-37-4, and 28-37-8;

12 (6) To provide funds to the department of labor and training for the maintenance and
13 operation of a system of data collection as provided for in § 28-37-31. The director shall be
14 authorized to purchase and/or lease equipment necessary to effectuate the purposes of § 28-37-31;

15 (7) To provide funds for loans to the state compensation insurance fund as provided in
16 §§ 27-7.2-19 and 27-7.2-20.1; and

17 (8) To provide funds for the payment or reimbursement of actual incremental costs of
18 COLA increases mandated by § 28-33-17 respecting injuries occurring prior to September 1,
19 1990, in such amounts as the director, in his or her sole discretion, deems appropriate. These
20 amounts may be paid out of the fund by order of the director and shall be made by order drawn on
21 the general treasury to be charged against the fund.

22 (9) To provide funds to the workers' compensation advisory council created pursuant to
23 the provisions of § 28-29-30 for expenditures to carry out its responsibilities.

24 (10) To provide funds to the department of business regulation relating to the evaluation
25 of rate filings, reviews, and pricing procedures pursuant to the provisions of § 27-9-52.

26 [\(11\) To provide funds for the Rhode Island uninsured employers' fund as established by](#)
27 [chapter 53 of title 28.](#)

28 SECTION 2. Section 35-4-27 of the General Laws in Chapter 35-4 entitled "State Funds"
29 is hereby amended to read as follows:

30 **35-4-27. Indirect cost recoveries on restricted receipt accounts.** -- Indirect cost
31 recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt
32 accounts, to be recorded as general revenues in the general fund. However, there shall be no
33 transfer from cash receipts with restrictions received exclusively: (1) From contributions from
34 non-profit charitable organizations; (2) From the assessment of indirect cost recovery rates on

1 federal grant funds; or (3) Through transfers from state agencies to the department of
2 administration for the payment of debt service. These indirect cost recoveries shall be applied to
3 all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
4 following restricted receipt accounts shall not be subject to the provisions of this section:

- 5 Executive Office of Health and Human Services
- 6 Organ Transplant Fund
- 7 HIV Care Grant Drug Rebates
- 8 Department of Human Services
- 9 Veterans' home -- Restricted account
- 10 Veterans' home -- Resident benefits
- 11 Pharmaceutical Rebates Account
- 12 Demand Side Management Grants
- 13 Veteran's Cemetery Memorial Fund
- 14 Donations -- New Veterans' Home Construction
- 15 Department of Health
- 16 Providence Water Lead Grant
- 17 Pandemic medications and equipment account
- 18 Miscellaneous Donations/Grants from Non-Profits
- 19 State Loan Repayment Match
- 20 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 21 Eleanor Slater non-Medicaid third-party payor account
- 22 Hospital Medicare Part D Receipts
- 23 RICLAS Group Home Operations
- 24 Commission on the Deaf and Hard of Hearing
- 25 Emergency and public communication access account
- 26 Department of Environmental Management
- 27 National heritage revolving fund
- 28 Environmental response fund II
- 29 Underground storage tanks registration fees
- 30 Rhode Island Historical Preservation and Heritage Commission
- 31 Historic preservation revolving loan fund
- 32 Historic Preservation loan fund -- Interest revenue
- 33 Department of Public Safety
- 34 Forfeited property -- Retained

1 Forfeitures -- Federal
2 Forfeited property -- Gambling
3 Donation -- Polygraph and Law Enforcement Training
4 Rhode Island State Firefighter's League Training Account
5 Fire Academy Training Fees Account
6 Attorney General
7 Forfeiture of property
8 Federal forfeitures
9 Attorney General multi-state account
10 Forfeited property -- Gambling
11 Department of Administration
12 RI Health Benefits Exchange
13 Office of Management and Budget
14 Information Technology Investment Fund
15 Restore and replacement -- Insurance coverage
16 Convention Center Authority rental payments
17 Investment Receipts -- TANS
18 Car Rental Tax/Surcharge-Warwick Share
19 Housing Resources Commission Restricted Account
20 Department of Revenue
21 Jobs Tax Credit Redemption Fund
22 Legislature
23 Audit of federal assisted programs
24 Department of Children, Youth and Families
25 Children's Trust Accounts -- SSI
26 Military Staff
27 RI Military Family Relief Fund
28 RI National Guard Counterdrug Program
29 Treasury
30 Admin. Expenses -- State Retirement System
31 Retirement -- Treasury Investment Options
32 Defined Contribution -- Administration - RR
33 Violent Crimes Compensation -- Refunds
34 Treasury Research Fellowship

- 1 Business Regulation
- 2 Banking Division Reimbursement Account
- 3 Office of the Health Insurance Commissioner Reimbursement Account
- 4 Securities Division Reimbursement Account
- 5 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 6 Insurance Division Reimbursement Account
- 7 Historic Preservation Tax Credit Account.
- 8 Judiciary
- 9 Arbitration Fund Restricted Receipt Account
- 10 Third-Party Grants
- 11 RI Judiciary Technology Surcharge Account
- 12 Department of Elementary and Secondary Education
- 13 Statewide Student Transportation Services Account
- 14 School for the Deaf Fee for Service Account
- 15 Davies Career and Technical School Local Education Aid Account
- 16 Davies -- National School Breakfast & Lunch Program
- 17 Department of Labor and Training
- 18 Job Development Fund
- 19 Department of Transportation
- 20 Rhode Island Highway Maintenance Account
- 21 [Workers' Compensation Administrative Fund](#)
- 22 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION

1 This act would prevent funds from the worker's compensation administrative fund
2 restricted receipts account from being transferred to the general fund. The act would also
3 authorize the workers' compensation administrative fund to transfer funds to the Rhode Island
4 uninsured employers' fund.

5 This act would take effect upon passage.

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