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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2017

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A N A C T

RELATING LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION

Introduced By: Senators Archambault, Lombardi, P Fogarty, and Ciccone

Date Introduced: February 01, 2017

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.**

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

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

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

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

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

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

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would prevent funds from the workers' 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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