

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

ARTICLE 2

RELATING TO STATE FUNDS

SECTION 1. Chapter 16-57 of the General Laws entitled "Rhode Island Higher Education Assistance Act [See Title 16 Chapter 97 — The Rhode Island Board of Education Act]" is hereby amended by adding thereto the following sections:

16-57-4.1. Dissolution of division of higher education assistance -- Transfer of functions.

(a) Effective July 1, 2025, the division of higher education assistance shall be dissolved. Upon said dissolution and date, all functions, powers, duties and authority of the division of higher education assistance shall transfer to the office of postsecondary commissioner.

(b) On July 1, 2025, the office of postsecondary commissioner shall assume all rights, responsibilities, duties, assets, liabilities and obligations of the dissolved division of higher education assistance, and the office of postsecondary commissioner shall be considered for all purposes the successor in interest to the division of higher education assistance.

(c) All contracts and agreements of whatsoever kind of the division of higher education assistance are hereby assigned, transferred to, and assumed by the office of postsecondary commissioner.

(d) Whenever in any general law, public law or rule or regulation reference is made to "the division of higher education assistance", the reference shall be deemed to refer to and mean "the office of postsecondary commissioner", which also may be referred to as the "office".

16-57-4.2. Tuition savings program fund.

There is hereby established a restricted receipt account in the general fund and housed in the office of postsecondary commissioner to be known as the "tuition savings program fund". The purpose of the fund is to receive and disburse scholarship funds pursuant to the provisions of this chapter.

SECTION 2. Sections 16-57-2, 16-57-3, 16-57-4, 16-57-6.1, 16-57-7, 16-57-8, 16-57-9, 16-57-10 and 16-57-12 of the General Laws in Chapter 16-57 entitled "Rhode Island Higher Education Assistance Act [See Title 16 Chapter 97 — The Rhode Island Board of Education Act]" are hereby amended to read as follows:

16-57-2. Findings.

1 The purpose of this chapter is to authorize a system of financial assistance, consisting of
2 loan guaranties, savings programs, and other aids, for qualified students, parents, and others
3 responsible for paying the costs of education to enable them to obtain an education beyond the high
4 school level by attending public or private educational institutions. The general assembly has found
5 and declares that it is in the public interest and essential to the welfare and well being of the
6 inhabitants of the state and to the proper growth and development of the state to foster and provide
7 financial assistance to qualified students, parents, and others responsible for paying the costs of
8 education in order to help prospective students to obtain an education beyond the high school level.
9 The general assembly has found that many inhabitants of the state who are fully qualified to enroll
10 in appropriate educational institutions for furthering their education beyond the high school level
11 lack the financial means and are unable, without financial assistance as authorized under this
12 chapter, to pay the cost of their education, with a consequent irreparable loss to the state of valuable
13 talents vital to its welfare. The general assembly also recognizes that educational institutions for
14 higher education are in need of appropriate additional means to provide financial assistance to
15 qualified students, parents, and others responsible for paying the costs of education. The general
16 assembly has determined that the establishment of a proper system of financial assistance,
17 containing eligibility opportunities for students and residents of this state and other states serves a
18 public purpose and is fully consistent with the long established policy of the state to encourage,
19 promote, and assist the education of the people of the state. The general assembly further finds that
20 higher education financial assistance needs of Rhode Islanders will be better served by transferring
21 all of the functions and programs of the [former](#) Rhode Island higher education assistance authority
22 to [and of](#) the Rhode Island division of higher education assistance [to the office of postsecondary](#)
23 [commissioner](#) and the office of the general treasurer.

24 **16-57-3. Definitions.**

25 As used in this chapter, the following words and terms have the following meanings unless
26 the context indicates another or different meaning or intent:

27 (1) “Authority” means the ~~governmental agency and public instrumentality previously~~
28 ~~authorized, created, and established pursuant to § 16-57-4~~ [commissioner of postsecondary](#)
29 [education](#).

30 (2) “Commissioner of postsecondary education” means the commissioner appointed by the
31 council on postsecondary education pursuant to § 16-59-6 or ~~his or her~~ [the commissioner's](#)
32 designee.

33 (3) “Eligible borrower” means a student, or the parent of a student, who is either a resident
34 of the state or who, under rules promulgated by the office, is qualified to make an eligible loan.

1 (4) “Eligible institution,” subject to further particular or more restrictive definition by
2 regulation of the office, means:

3 (i) An institution of higher learning;

4 (ii) A vocational school; or

5 (iii) With respect to students who are nationals of the United States, an institution outside
6 the United States that is comparable to an institution of higher education or to a vocational school
7 and that has been approved by the commissioner of postsecondary education for purposes of the
8 guaranteed student loan program.

9 (5) “Eligible loan” means a loan to a student or to the parent of a student insured or
10 guaranteed by the commissioner of postsecondary education, or by any other governmental or
11 private agency, corporation, or organization having a reinsurance or guaranty agreement with the
12 commissioner applicable to the student loan.

13 (6) “Guaranteed student loan program” means the program of federal student loan
14 insurance and reinsurance administered by the commissioner of postsecondary education.

15 (7) “Lender,” subject to further particular or more restrictive definition by regulation of the
16 office, means any governmental or private agency, corporation, organization, or institution
17 designated as an “eligible lender” by federal statute, regulation, or administrative ruling for the
18 purposes of the guaranteed student loan program.

19 (8) “Participant” means an individual, corporation, trust, or other “person” within the
20 meaning of § 529 of the Internal Revenue Code [26 U.S.C. § 529], who makes contributions to the
21 tuition savings program established pursuant to § 16-57-6.1 for purposes of paying qualified higher
22 education expenses on behalf of a beneficiary.

23 (9) “Participating institution” means an institution for higher education that agrees to
24 participate in a savings program or pre-paid tuition program established pursuant to this chapter.

25 (10) “Pre-paid tuition program” means a program administered by the division, in
26 conjunction with the executive director of the Rhode Island Student Loan Authority and the
27 commissioner of postsecondary education, that provides a means for qualified students, parents,
28 and others responsible for paying the costs of education to fix all or a portion of the direct cost of
29 attendance at participating institutions in one or more future years.

30 (11) “Program” means the tuition savings program established pursuant to § 16-57-6.1.

31 (12) “Qualified higher education expenses” means the costs of tuition, fees, books, supplies
32 and equipment required for enrollment or attendance at an institution of higher education, and other
33 education costs defined by federal law.

34 (13) “Secretary” means the United States secretary of education.

1 (14) “State” means the state of Rhode Island.

2 (15) “Student,” as used with reference to the guaranteed student loan program and the
3 parent loan program, means an individual who, under rules promulgated by the ~~division~~
4 commissioner of postsecondary education, is enrolled or accepted for enrollment at an eligible
5 institution and who is making suitable progress in ~~his or her~~ the student's education toward
6 obtaining a degree or other appropriate certification in accordance with standards acceptable to the
7 authority.

8 (16) “Tuition savings program” or “savings program” means a program approved and
9 administered by the general treasurer, in conjunction with the executive director of the Rhode Island
10 Student Loan Authority, and the commissioner of postsecondary education, designed to facilitate
11 and encourage savings by, or on behalf of, students, future students, and parents for the purpose of
12 paying the costs of attending institutions of higher education.

13 (17) “Council” means the council on postsecondary education established pursuant to § 16-
14 59-1.

15 (18) “Division” means the Rhode Island division of higher education assistance, the
16 division authorized, created, and established pursuant to § 16-57-4, and dissolved pursuant to the
17 provisions of § 16-57-4.1.

18 **16-57-4. ~~Creation~~ Authorization and powers.**

19 (a) ~~There is authorized, created, and established within the~~ The office of the commissioner
20 of postsecondary education, ~~a division of higher education assistance~~ is hereby granted and
21 authorized to use all of the powers set forth in this chapter for the purposes of guaranteeing eligible
22 loans to students in eligible institutions and to parents of those students and administering other
23 programs of postsecondary student financial assistance assigned by law to the ~~division~~
24 commissioner of postsecondary education.

25 (b) The exercise by the ~~division~~ commissioner of postsecondary education of the powers
26 conferred by this chapter shall be deemed and held to be the performance of an essential
27 governmental function of the state for public purposes. It is the intent of the general assembly by
28 the passage of this chapter to vest in the ~~office~~ commissioner all powers, authority, rights,
29 privileges, and titles that may be necessary to enable it to accomplish the purposes set forth in this
30 section and this chapter, and the powers granted by it shall be liberally construed in conformity
31 with these purposes.

32 ~~(c) The authority and its corporate existence shall be terminated on July 1, 2015, or upon~~
33 ~~approval by the U.S. Department of Education, whichever is later, and all its rights and properties~~
34 ~~shall pass to and be vested in the division of higher education assistance, except as otherwise~~

1 ~~provided in § 16-57-6.1, and except for any real property held by the authority, the legal title to~~
2 ~~which is hereby passed to and vested in (in trust for the state) the council on postsecondary~~
3 ~~education. The division shall continue until terminated by law or until the division shall cease~~
4 ~~entirely and continuously to conduct or be involved in any business in furtherance of its purposes;~~
5 ~~provided, that no termination shall take effect so long as the division shall have guaranties or other~~
6 ~~obligations outstanding, unless adequate provision shall have been made for the payment of the~~
7 ~~obligations pursuant to the documents securing them or to this law. Upon termination of the~~
8 ~~existence of the division, all its rights and properties shall pass to and be vested in the state. At no~~
9 ~~time shall the assets or other property of the division enure to the benefit of any person or other~~
10 ~~corporation or entity.~~

11 ~~(d)~~(c) Except as provided in § 16-57-6.1, effective July 1, ~~2015~~ 2025, or upon approval by
12 the U.S. Department of Education, whichever is later:

13 (i) All functions formerly administered by the Rhode Island higher education assistance
14 authority ~~are hereby transferred to the~~ and by Rhode Island division of higher education assistance
15 are hereby transferred to the office of postsecondary commissioner;

16 (ii) The ~~Rhode Island division of higher education assistance~~ office of postsecondary
17 commission shall assume all rights, duties, assets, liabilities, and obligations of the former Rhode
18 Island higher education assistance authority and the Rhode Island division of higher education
19 assistance. The office of postsecondary commissioner shall be considered to be the successor in
20 interest to both the Rhode Island higher education assistance authority and the Rhode Island
21 division of higher education assistance; and

22 (iii) All contracts and agreements of whatsoever kind of the Rhode Island higher education
23 assistance authority ~~are hereby assigned, transferred to, and assumed by~~ and by the Rhode Island
24 division of higher education assistance are hereby assigned, transferred to and assumed by office
25 of postsecondary commissioner.

26 ~~(e)~~(d) Upon the completion of the transfer, the ~~corporation known as the “Rhode Island~~
27 ~~higher education assistance authority”~~ Rhode Island division of higher education assistance shall
28 cease to exist. Whenever in any general law, ~~or~~ public law or rule or regulation reference is made
29 to the “Rhode Island higher education assistance authority,” ~~the reference shall be deemed to refer~~
30 ~~to and mean~~ or the “Rhode Island division of higher education assistance,” ~~which also may be~~
31 ~~referred to as the “division.”~~ the reference shall be deemed to refer to and mean the office of
32 postsecondary commissioner.

33 **16-57-6.1. Tuition savings program.**

34 (a) The general treasurer, in conjunction with ~~the division,~~ the state investment

1 commission, executive director of the Rhode Island student loan authority, and the commissioner
2 of postsecondary education, shall establish, in any form as he or she deems appropriate, a tuition
3 savings program to allow persons to save money for the sole purpose of meeting qualified higher
4 education expenses.

5 (b) All money received in connection with the tuition savings program shall be segregated
6 from all other funds into two (2) funds, a program fund and an administrative fund. No more than
7 two percent (2%) of money in the program fund may be transferred annually to the administrative
8 fund for the purpose of paying operating costs of administering the tuition savings program. Money
9 accrued by participants in the program fund may be used for payments to an eligible institution. All
10 proceeds from the tuition savings program shall be directed to the administrative fund, and to the
11 extent they exceed the operating costs of administering the tuition savings program, said excess
12 shall be used for financial aid-related activities in Rhode Island pursuant to § 16-56-6.

13 (c) The state investment commission shall invest money within the program fund in any
14 investments that are authorized by the general laws, including equities and fixed-income securities.
15 The composition of investments shall be determined by the state investment commission.

16 (d) A participant may at any time withdraw funds from the participant's account in the
17 tuition savings program in an amount up to the value of the account at the time the withdrawal is
18 implemented, less such administrative fee as may be levied by the treasurer in connection with the
19 withdrawal.

20 (e) Notwithstanding any of the foregoing provisions, no administrative fee may be levied
21 by the treasurer in the event that a participant requests withdrawal of funds from the participant's
22 account in the tuition savings program on account of, and within the meanings of § 529 of the
23 Internal Revenue Code [26 U.S.C. § 529]:

24 (1) The death of the beneficiary of the account;

25 (2) The disability of the beneficiary; or

26 (3) A scholarship, allowance, or payment received by the beneficiary to the extent that the
27 amount of the refund does not exceed the amount of the scholarship, allowance, or payment.

28 (f) In the event that a participant requests a withdrawal from an account in the tuition
29 savings program other than: (1) A withdrawal used for qualified higher education expenses of the
30 beneficiary of the account or (2): For a reason referred to in subdivision (e)(1), (e)(2), or (e)(3) of
31 this section, the treasurer shall impose a more than de minimis penalty on the earnings portion of
32 the withdrawal in accordance with § 529 of the Internal Revenue Code [26 U.S.C. § 529]; provided
33 that no penalty shall be imposed with respect to any such withdrawal, or any other withdrawal,
34 from any account in the tuition savings plan to which the tax made applicable by § 529 of the

1 Internal Revenue Code [26 U.S.C. § 529] is effective.

2 (g) [Deleted by P.L. 2015, ch. 141, art. 7, § 6.]

3 **16-57-7. Council on postsecondary education.**

4 ~~(a)~~ The council on postsecondary education established pursuant to § 16-59-1 shall retain
5 all authority formerly vested in the higher education assistance authority board of directors, except
6 as provided by § 16-57-6.1. Whenever in any general or public law reference is made to the “board
7 of directors of the higher education assistance authority,” the reference shall be deemed to refer to
8 and mean the “council on postsecondary education.” ~~The council on postsecondary education shall
9 be the employer of record for the division of higher education assistance.~~

10 ~~(b) No full-time employee shall, during the period of his or her employment by the division,
11 engage in any other private employment, profession, or business, except with the approval of the
12 commissioner of postsecondary education; provided, that the executive director shall not engage in
13 any other private employment, profession, or business, including, but not limited to, consulting.~~

14 **16-57-8. Designated agency.**

15 The ~~division established within the~~ office of the postsecondary commissioner is designated
16 the state agency to apply for, receive, accept, and disburse federal funds, and funds from other
17 public and private sources, made available to the state for use as reserves to guarantee student loans
18 or as administrative money to operate student loan programs, and is designated to administer any
19 statewide programs of student assistance that shall be established under federal law.

20 **16-57-9. Loans to minors — Loan obligations.**

21 (a) Any person qualifying for an eligible loan shall not be disqualified to receive a loan
22 guaranteed by the ~~division~~ office of the postsecondary commissioner by reason of ~~his or her~~ the
23 person being a minor. For the purpose of applying for, securing, receiving, and repaying a loan,
24 any person shall be deemed to have full legal capacity to act and shall have all the rights, powers,
25 privileges, and obligations of a person of full age with respect to a loan.

26 (b) No loan obligation incurred by any individual under the provisions of this chapter may
27 be expunged, reduced, or discharged in any proceeding, including any proceeding in federal
28 bankruptcy court. Any individual receiving a loan under the provisions of this chapter shall be
29 required to sign an affidavit acknowledging the loan and agreeing to this condition.

30 **16-57-10. Reserve funds.**

31 (a) To ensure the continued operation and solvency of the guaranteed student loan program,
32 the office of the postsecondary commissioner shall create and establish reserve funds, and may pay
33 into the funds any money appropriated and made available by the state or any other source for the
34 purpose of the funds, and any money collected by the ~~division~~ office as fees for the guaranty of

1 eligible loans.

2 (b) Furthermore, it is the intent of the general assembly that these funds eventually be used
3 to increase financial assistance to Rhode Island students in the form of scholarships and grants as
4 approved by the commissioner of postsecondary education and as directed by the U.S. Department
5 of Education and in accordance with federal statutes and regulations governing the use of funds in
6 the guaranty agency's operating fund pursuant to the provisions and restrictions of the 1998
7 reauthorization of the federal Higher Education Act.

8 (c) [Deleted by P.L. 2015, ch. 141, art. 7, § 6.]

9 **16-57-12. Credit of state.**

10 Guaranties made under the provisions of this chapter shall not constitute debts, liabilities,
11 or obligations of the state or of any political subdivision of the state other than the ~~division of higher~~
12 ~~education assistance~~ office of the postsecondary commissioner or a pledge of the faith and credit
13 of the state or any political subdivision other than the ~~division of higher education assistance~~ office
14 of the postsecondary commissioner, but shall be payable solely from the revenues or assets of
15 reserve funds set forth in § 16-57-10.

16 SECTION 3. Section 24-18-7 of the General Laws in Chapter 24-18 entitled "Municipal
17 Road and Bridge Revolving Fund" is hereby amended to read as follows:

18 **24-18-7. Procedure for project approval.**

19 (a) By September 1, 2013, the department shall promulgate rules and regulations
20 establishing the project evaluation criteria and the process through which a city or town may submit
21 an infrastructure plan. By December 31, 2013, the agency shall promulgate rules and regulations
22 to effectuate the provisions of this chapter which may include, without limitation, forms for
23 financial assistance applications, loan agreements, and other instruments. All rules and regulations
24 promulgated pursuant to this chapter shall be promulgated in accordance with the provisions of
25 chapter 35 of title 42.

26 (b) Cities and towns shall submit infrastructure plans to the department in accordance with
27 the department's rules and regulations promulgated pursuant to subsection (a) of this section.

28 (c) The department shall evaluate all submitted infrastructure plans and, in accordance with
29 the project evaluation criteria, identify all eligible projects, and after a public hearing, the
30 department shall finalize and provide the agency and statewide planning with a project priority list.
31 The agency shall not award financial assistance to any project not listed on the project priority list
32 other than as set forth in subsection (f) herein.

33 (d) The agency shall not obligate more than fifty percent (50%) of available funding in any
34 calendar year to any one city or town unless there are no other eligible projects on the project

1 priority list.

2 (e) Upon issuance of the project priority list, the agency shall award financial assistance to
3 cities and towns for approved projects. The agency may decline to award financial assistance to an
4 approved project that the agency determines will have a substantial adverse effect on the interests
5 of holders of bonds or other indebtedness of the agency or the interests of other participants in the
6 financial assistance program, or for good and sufficient cause affecting the finances of the agency.
7 All financial assistance shall be made pursuant to a loan agreement between the agency and the city
8 or town, acting by and through the officer or officers, board, committee, or other body authorized
9 by law, or otherwise its chief executive officer, according to terms and conditions as determined
10 by the agency, and each loan shall be evidenced and secured by the issue to the agency of city or
11 town obligations in fully marketable form in principal amount, bearing interest at the rate or rates
12 specified in the applicable loan agreement, and shall otherwise bear such terms and conditions as
13 authorized by this chapter and/or the loan agreement.

14 (f) Notwithstanding any other provision of this chapter, the agency may provide financial
15 assistance for an approved project without the necessity of the approved project being listed on a
16 project priority list if the financial assistance for the approved project is to provide match to other
17 state funding for the approved project.

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

20 **35-4-27. Indirect cost recoveries on restricted receipt accounts. [Effective January 1,**
21 **2025.]**

22 Indirect cost recoveries of fifteen percent (15%) ~~ten percent (10%)~~ of cash receipts shall
23 be transferred from all restricted receipt accounts, to be recorded as general revenues in the general
24 fund. However, there shall be no transfer from cash receipts with restrictions received exclusively:
25 (1) From contributions from nonprofit charitable organizations; (2) From the assessment of indirect
26 cost-recovery rates on federal grant funds; or (3) Through transfers from state agencies to the
27 department of administration for the payment of debt service. These indirect cost recoveries shall
28 be applied to all accounts, unless prohibited by federal law or regulation, court order, or court
29 settlement. The following restricted receipt accounts shall not be subject to the provisions of this
30 section:

31 Executive Office of Health and Human Services
32 Organ Transplant Fund
33 HIV Care Grant Drug Rebates
34 Health System Transformation Project

1	Rhode Island Statewide Opioid Abatement Account
2	HCBS Support-ARPA
3	HCBS Admin Support-ARPA
4	Department of Human Services
5	Veterans' home — Restricted account
6	Veterans' home — Resident benefits
7	Pharmaceutical Rebates Account
8	Demand Side Management Grants
9	Veteran's Cemetery Memorial Fund
10	Donations — New Veterans' Home Construction
11	Commodity Supplemental Food Program-Claims
12	Department of Health
13	Pandemic medications and equipment account
14	Miscellaneous Donations/Grants from Non-Profits
15	State Loan Repayment Match
16	Healthcare Information Technology
17	Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
18	Eleanor Slater non-Medicaid third-party payor account
19	Hospital Medicare Part D Receipts
20	RICLAS Group Home Operations
21	Group Home Facility Improvement Fund
22	Commission on the Deaf and Hard of Hearing
23	Emergency and public communication access account
24	Department of Environmental Management
25	National heritage revolving fund
26	Environmental response fund II
27	Underground storage tanks registration fees
28	De Coppet Estate Fund
29	Rhode Island Historical Preservation and Heritage Commission
30	Historic preservation revolving loan fund
31	Historic Preservation loan fund — Interest revenue
32	Department of Public Safety
33	E-911 Uniform Emergency Telephone System
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 ~~OER Reconciliation Funding~~
13 Health Insurance Market Integrity Fund
14 RI Health Benefits Exchange
15 Information Technology restricted receipt account
16 Restore and replacement — Insurance coverage
17 Convention Center Authority rental payments
18 Investment Receipts — TANS
19 OPEB System Restricted Receipt Account
20 ~~Car Rental Tax/Surcharge-Warwick Share~~
21 Grants Management Administration
22 ~~RGGI Executive Climate Change Coordinating Council Projects~~
23 ~~Electric Vehicle Charging Stations Operating and Maintenance Account~~
24 Office of Energy Resources
25 OER Reconciliation Funding
26 RGGI Executive Climate Change Coordinating Council Projects
27 Electric Vehicle Charging Stations Operating and Maintenance Account
28 Clean Transportation Programs
29 Department of Housing
30 Housing Resources and Homelessness Restricted Receipt Account
31 Housing Production Fund
32 Low-Income Housing Tax Credit Fund
33 Department of Revenue
34 Car Rental Tax/Surcharge-Warwick Share

1 DMV Modernization Project
2 Jobs Tax Credit Redemption Fund
3 Legislature
4 Audit of federal assisted programs
5 Department of Children, Youth and Families
6 Children’s Trust Accounts — SSI
7 Military Staff
8 RI Military Family Relief Fund
9 RI National Guard Counterdrug Program
10 Treasury
11 Admin. Expenses — State Retirement System
12 Retirement — Treasury Investment Options
13 Defined Contribution — Administration - RR
14 Violent Crimes Compensation — Refunds
15 Treasury Research Fellowship
16 Business Regulation
17 Banking Division Reimbursement Account
18 Office of the Health Insurance Commissioner Reimbursement Account
19 Securities Division Reimbursement Account
20 Commercial Licensing and Racing and Athletics Division Reimbursement Account
21 Insurance Division Reimbursement Account
22 Historic Preservation Tax Credit Account
23 [Rhode Island Cannabis Control Commission](#)
24 Marijuana Trust Fund
25 Social Equity Assistance Fund
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 IGT STEM Scholarships
6 Department of Labor and Training
7 Job Development Fund
8 Contractor Training Restricted Receipt Account
9 [Workers' Compensation Administrative Account](#)
10 Rhode Island Council on the Arts
11 Governors' Portrait Donation Fund
12 Statewide records management system account
13 SECTION 5. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and
14 Control" is hereby amended to read as follows:
15 **35-6-1. Controller — Duties in general.**
16 (a) Within the department of administration there shall be a controller who shall be
17 appointed by the director of administration pursuant to chapter 4 of title 36. The controller shall be
18 responsible for accounting and expenditure control and shall be required to:
19 (1) Administer a comprehensive accounting and recording system that will classify the
20 transactions of the state departments and agencies in accordance with the budget plan;
21 (2) Maintain control accounts for all supplies, materials, and equipment for all departments
22 and agencies except as otherwise provided by law;
23 (3) Prescribe a financial, accounting, and cost accounting system for state departments and
24 agencies;
25 (4) Identify federal grant-funding opportunities to support the governor's and general
26 assembly's major policy initiatives and provide technical assistance with the application process
27 and post-award grants management;
28 (5) Manage federal fiscal proposals and guidelines and serve as the state clearinghouse for
29 the application of federal grants;
30 (6) Pre-audit all state receipts and expenditures;
31 (7) Prepare financial statements required by the several departments and agencies, by the
32 governor, or by the general assembly;
33 (8) Approve the orders drawn on the general treasurer; provided, that the pre-audit of all
34 expenditures under authority of the legislative department and the judicial department by the state

1 controller shall be purely ministerial, concerned only with the legality of the expenditure and
2 availability of the funds, and in no event shall the state controller interpose his or her judgment
3 regarding the wisdom or expediency of any item or items of expenditure;

4 (9) Prepare and timely file, on behalf of the state, any and all reports required by the United
5 States, including, but not limited to, the Internal Revenue Service, or required by any department
6 or agency of the state, with respect to the state payroll; and

7 (10) Prepare a preliminary closing statement for each fiscal year. The controller shall
8 forward the statement to the chairpersons of the house finance committee and the senate finance
9 committee, with copies to the house fiscal advisor and the senate fiscal and policy advisor, by
10 September 1 following the fiscal year ending the prior June 30 or thirty (30) days after enactment
11 of the appropriations act, whichever is later. The report shall include but is not limited to:

12 (i) A report of all revenues received by the state in the completed fiscal year, together with
13 the estimates adopted for that year as contained in the final enacted budget, and together with all
14 deviations between estimated revenues and actual collections. The report shall also include cash
15 collections and accrual adjustments;

16 (ii) A comparison of actual expenditures with each of the actual appropriations, including
17 supplemental appropriations and other adjustments provided for in the Rhode Island general laws;

18 (iii) A statement of the opening and closing surplus in the general revenue account; and

19 (iv) A statement of the opening surplus, activity, and closing surplus in the state budget
20 reserve and cash stabilization account and the state bond capital fund.

21 (b) The controller shall provide supporting information on revenues, expenditures, capital
22 projects, and debt service upon request of the house finance committee chairperson, senate finance
23 committee chairperson, house fiscal advisor, or senate fiscal and policy advisor.

24 (c) Upon issuance of the audited annual financial statement, the controller shall provide a
25 report of the differences between the preliminary financial report and the final report as contained
26 in the audited annual financial statement.

27 (d) The controller shall create a special fund not part of the general fund and shall deposit
28 amounts equivalent to all deferred contributions under this act into that fund. Any amounts
29 remaining in the fund on June 15, 2010, shall be transferred to the general treasurer who shall
30 transfer such amounts into the retirement system as appropriate.

31 (e) Upon issuance of the audited financial statement, the controller shall transfer fifty
32 percent (50%) of all general revenues received in the completed fiscal year net of transfer to the
33 state budget reserve and cash stabilization account as required by § 35-3-20 in excess of those
34 estimates adopted for that year as contained in the final enacted budget to the employees' retirement

1 system of the state of Rhode Island as defined in § 36-8-2 and fifty percent (50%) to the
2 supplemental state budget reserve account as defined in § 35-3-20.2, except that excess revenues
3 from fiscal ~~year 2023~~ [years 2023 and 2024](#) shall not be transferred to the supplemental state budget
4 reserve account.

5 (f) The controller shall implement a direct deposit payroll system for state employees.

6 (1) There shall be no service charge of any type paid by the state employee at any time
7 which shall decrease the net amount of the employee's salary deposited to the financial institution
8 of the personal choice of the employee as a result of the use of direct deposit.

9 (2) Employees hired after September 30, 2014, shall participate in the direct deposit
10 system. At the time the employee is hired, the employee shall identify a financial institution that
11 will serve as a personal depository agent for the employee.

12 (3) No later than June 30, 2016, each employee hired before September 30, 2014, who is
13 not a participant in the direct deposit system, shall identify a financial institution that will serve as
14 a personal depository agent for the employee.

15 (4) The controller shall promulgate rules and regulations as necessary for implementation
16 and administration of the direct deposit system, which shall include limited exceptions to required
17 participation.

18 [\(g\) The controller shall oversee the office of risk management \(§ 37-11-1 et seq.\)](#)

19 SECTION 6. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled
20 "Department of Behavioral Healthcare, Developmental Disabilities and Hospitals" is hereby
21 amended to read as follows:

22 **40.1-1-13. Powers and duties of the office.**

23 Notwithstanding any provision of the Rhode Island general laws to the contrary, the
24 department of behavioral healthcare, developmental disabilities and hospitals shall have the
25 following powers and duties:

26 (1) To establish and promulgate the overall plans, policies, objectives, and priorities for
27 state substance abuse education, prevention, and treatment; provided, however, that the director
28 shall obtain and consider input from all interested state departments and agencies prior to the
29 promulgation of any such plans or policies;

30 (2) Evaluate and monitor all state grants and contracts to local substance abuse service
31 providers;

32 (3) Develop, provide for, and coordinate the implementation of a comprehensive state plan
33 for substance abuse education, prevention, and treatment;

34 (4) Ensure the collection, analysis, and dissemination of information for planning and

1 evaluation of substance abuse services;

2 (5) Provide support, guidance, and technical assistance to individuals, local governments,
3 community service providers, public and private organizations in their substance abuse education,
4 prevention, and treatment activities;

5 (6) Confer with all interested department directors to coordinate the administration of state
6 programs and policies that directly affect substance abuse treatment and prevention;

7 (7) Seek and receive funds from the federal government and private sources in order to
8 further the purposes of this chapter;

9 (8) To act in conjunction with the executive office of health and human services as the
10 state's co-designated agency (42 U.S.C. § 300x-30(a)) for administering federal aid and for the
11 purposes of the calculation of the expenditures relative to the substance abuse block grant and
12 federal funding maintenance of effort. The department of behavioral healthcare, developmental
13 disabilities and hospitals, as the state's substance abuse authority, will have the sole responsibility
14 for the planning, policy and implementation efforts as it relates to the requirements set forth in
15 pertinent substance abuse laws and regulations including 42 U.S.C. § 300x-21 et seq.;

16 (9) Propose, review, and/or approve, as appropriate, proposals, policies, or plans involving
17 insurance and managed care systems for substance abuse services in Rhode Island;

18 (10) To enter into, in compliance with the provisions of chapter 2 of title 37, contractual
19 relationships and memoranda of agreement as necessary for the purposes of this chapter;

20 (11) To license facilities and programs for the care and treatment of substance abusers and
21 for the prevention of substance abuse, and provide the list of licensed chemical dependency
22 professionals (LCDP) and licensed chemical dependency clinical supervisors (LCDCS) (licensed
23 by the department of health pursuant to chapter 69 of title 5) for use by state agencies including,
24 but not limited to, the adjudication office of the department of transportation, the district court and
25 superior court and the division of probation and parole for referral of individuals requiring
26 substance use disorder treatment;

27 (12) To promulgate rules and regulations necessary to carry out the requirements of this
28 chapter;

29 (13) Perform other acts and exercise any other powers necessary or convenient to carry out
30 the intent and purposes of this chapter;

31 (14) To exercise the authority and responsibilities relating to education, prevention, and
32 treatment of substance abuse, as contained in, but not limited to, the following chapters: chapters
33 1.10, 10.1, and 28.2 of title 23; chapters 21.2 and 21.3 of title 16; chapter 50.1 of title 42 [repealed];
34 chapter 109 of title 42; chapter 69 of title 5; and § 35-4-18;

1 (15) To establish a Medicare Part D restricted-receipt account in the hospitals and
2 community rehabilitation services program [and the Rhode Island state psychiatric hospital program](#)
3 to receive and expend Medicare Part D reimbursements from pharmacy benefit providers consistent
4 with the purposes of this chapter;

5 (16) To establish a RICLAS group home operations restricted-receipt account in the
6 services for the developmentally disabled program to receive and expend rental income from
7 RICLAS group clients for group home-related expenditures, including food, utilities, community
8 activities, and the maintenance of group homes;

9 (17) To establish a non-Medicaid, third-party payor restricted-receipt account in the
10 hospitals and community rehabilitation services program to receive and expend reimbursement
11 from non-Medicaid, third-party payors to fund hospital patient services that are not Medicaid
12 eligible; and

13 (18) To certify any and all recovery housing facilities directly, or through a contracted
14 entity, as defined by department guidelines, which includes adherence to using National Alliance
15 for Recovery Residences (NARR) standards. In accordance with a schedule to be determined by
16 the department, all referrals from state agencies or state-funded facilities shall be to certified
17 houses, and only certified recovery housing facilities shall be eligible to receive state funding to
18 deliver recovery housing services. As of January 1, 2027, all recovery housing facilities shall be
19 registered with the department and shall adhere to the NARR certification process.

20 SECTION 7. Section 42-11-2.5 of the General Laws in Chapter 42-11 entitled "Department
21 of Administration" is hereby amended to read as follows:

22 **42-11-2.5. Information technology restricted receipt account and large systems**
23 **initiatives fund.**

24 (a) All sums from the sale of any land and the buildings and improvements thereon, and
25 other real property, title to which is vested in the state, except as provided in § 37-7-15(b) through
26 (d), shall be transferred to an information technology restricted receipt account (ITRR account) that
27 is hereby established. This ITRR account shall consist of such sums from the sale of any land and
28 the buildings and improvements thereon, and other real property, title to which is vested in the state,
29 except as provided in § 37-7-15(b) through (d), as well as a share of first response surcharge
30 revenues collected under the provisions of § 39-21.1-14. This ITRR account may also consist of
31 such sums as the state may from time to time appropriate; as well as money received from the
32 disposal of information technology hardware, loan, interest, and service charge payments from
33 benefiting state agencies; as well as interest earnings, money received from the federal government,
34 gifts, bequests, donations, or otherwise from any public or private source. Any such funds shall be

1 exempt from the indirect cost recovery provisions of § 35-4-27.

2 (1) This ITRR account shall be used for the purpose of acquiring information technology
3 improvements, including, but not limited to: hardware, software, consulting services, and ongoing
4 maintenance and upgrade contracts for state departments and agencies.

5 (2) The division of enterprise technology strategy and services of the Rhode Island
6 department of administration shall adopt rules and regulations consistent with the purposes of this
7 chapter and chapter 35 of this title, in order to provide for the orderly and equitable disbursement
8 of funds from this ITRR account.

9 (3) For all requests for proposals that are issued for information technology projects, a
10 corresponding information technology project manager shall be assigned.

11 (b) There is also hereby established a special fund to be known as the large systems
12 initiatives fund (LSI fund), separate and apart from the general fund of the state, to be administered
13 by the chief information officer within the department of administration for the purpose of
14 implementing and maintaining enterprise-wide software projects for executive branch departments.
15 The LSI fund shall consist of such sums as the state may from time to time directly appropriate to
16 the LSI fund, any accrued interest, and any funds collected pursuant to § 42-11-2.5(b)(1). After the
17 completion of any project, the chief digital officer shall inform the state controller of unexpended
18 sums previously transferred to the LSI Fund for that project and the state controller shall
19 subsequently transfer any such unexpended funds to the information technology restricted receipt
20 account. The state controller shall transfer any excess interest accrued in the LSI fund and any funds
21 collected pursuant to § 42-11-2.5(b)(1) to the ITRR account.

22 (1) The director of the department of administration may allocate and charge capitalized
23 costs, in accordance with statewide cost allocation plan, to agencies that benefit from initiatives
24 funded through the LSI Fund. The department of administration shall include as part of its budget
25 submission pursuant to § 35-3-4 an expected billing schedule for any capitalized costs that the
26 department intends to charge to agencies for the next ensuing fiscal year.

27 (c) For any new project initiated using sums expended from the LSI Fund, as part of its
28 budget submission pursuant to § 35-3-4 relative to state fiscal year 2025 and thereafter, the
29 department of administration shall include a statement of project purpose and the estimated project
30 cost.

31 SECTION 8. Section 45-12-33 of the General Laws in Chapter 45-12 entitled
32 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

33 **45-12-33. Borrowing for road and bridge, infrastructure, and school building**
34 **projects.**

1 (a)(1) In addition to other authority previously granted, during calendar year 2014 a city or
2 town may authorize the issuance of bonds, notes, or other evidences of indebtedness to evidence
3 loans from the municipal road and bridge revolving fund administered by the ~~Rhode Island clean~~
4 ~~water finance agency~~ Rhode Island infrastructure bank in accordance with chapter 18 of title 24.
5 Beginning July 1, 2025, and thereafter, a city or town may authorize the issuance of bonds, notes,
6 or other evidences of indebtedness to evidence loans from the municipal road and bridge revolving
7 fund administered by the Rhode Island infrastructure bank in accordance with chapter 18 of title
8 24 to provide a match to other state funding for an approved project from the municipal road and
9 bridge revolving fund.

10 (2) In addition to other authority previously granted, from July 1, 2015 to June 30, 2016, a
11 city or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to
12 evidence loans from the efficient buildings fund administered by the Rhode Island ~~clean water~~
13 ~~finance agency~~ infrastructure bank in accordance with chapter 12.2 of title 46 or the school building
14 authority capital fund administered by the Rhode Island health and educational building corporation
15 in accordance with chapter 38.2 of this title.

16 (b) These bonds, notes, or other evidences of indebtedness are subject to the maximum
17 aggregate indebtedness permitted to be issued by any city or town under § 45-12-2.

18 (c) The denominations, maturities, interest rates, methods of sale, and other terms,
19 conditions, and details of any bonds or notes issued under the provisions of this section may be
20 fixed by resolution of the city or town council authorizing them, or if no provision is made in the
21 resolution, by the treasurer or other officer authorized to issue the bonds, notes or evidences of
22 indebtedness; provided, that the payment of principal shall be by sufficient annual payments that
23 will extinguish the debt at maturity, the first of these annual payments to be made not later than
24 three (3) years, and the last payment not later than twenty (20) years after the date of the bonds.

25 The bonds, notes, or other evidences of indebtedness may be issued under this section by
26 any political subdivision without obtaining the approval of its electors, notwithstanding the
27 provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the
28 contrary.

29 SECTION 9. Sections 46-23-18.5 and 46-23-18.6 of the General Laws in Chapter 46-23
30 entitled "Coastal Resources Management Council" are hereby amended to read as follows:

31 **46-23-18.5. Fees for disposal.**

32 The council is authorized to impose a fee of not less than ~~eleven dollars and sixty five cents~~
33 ~~(\$11.65)~~ thirty-five dollars (\$35.00) per cubic yard for the disposal of dredge materials at the sites
34 established by the council pursuant to § 46-23-18.3, ~~with eleven dollars and sixty five cents~~

1 ~~(\$11.65) being deposited into the general fund.~~ The amount of the fee established by the council
2 pursuant to the section shall be reviewed by the council on an annual basis and revised as the council
3 deems necessary, but in no event shall the fee be set at an amount less than ~~eleven dollars and sixty-~~
4 ~~five cents (\$11.65)~~ thirty-five dollars (\$35.00) per cubic yard of material.

5 **46-23-18.6. Coastal Resources Management Council Dredge Fund.**

6 There is hereby created a separate fund to be held by the coastal resources management
7 council to be known as the dredge fund. ~~Any amount~~ All amounts ~~charged above the eleven dollars~~
8 ~~and sixty five cents (\$11.65)~~ pursuant to § 46-23-18.5 must be deposited into the fund and shall
9 not be deposited into the general fund of the state, ~~but~~ and shall be kept by the general treasurer of
10 the state in a separate fund for the coastal resources management council, and shall be paid out by
11 the treasurer upon the order of the council, without the necessity of appropriation or re-
12 appropriation by the general assembly. Funds must be used to create additional dredging and
13 disposal options and for the management of said disposal options.

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