

1 **ARTICLE 2**

2 **RELATING TO STATE FUNDS**

3 SECTION 1. Section 24-18-7 of the General Laws in Chapter 24-18 entitled "Municipal  
4 Road and Bridge Revolving Fund" is hereby amended to read as follows:

5 **24-18-7. Procedure for project approval.**

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

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

15 (c) The department shall evaluate all submitted infrastructure plans and, in accordance with  
16 the project evaluation criteria, identify all eligible projects, and after a public hearing, the  
17 department shall finalize and provide the agency and statewide planning with a project priority list.  
18 The agency shall not award financial assistance to any project not listed on the project priority list  
19 [other than as set forth in subsection \(f\) herein.](#)

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

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

1 (f) Notwithstanding any other provision of this chapter, the agency may provide financial  
2 assistance for an approved project without the necessity of the approved project being listed on a  
3 project priority list if the financial assistance for the approved project is to provide match to other  
4 federal, state, local or other funding for the approved project.

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

7 **35-4-27. Indirect cost recoveries on restricted receipt accounts. [Effective January 1,**  
8 **2025.]**

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

- 18 Executive Office of Health and Human Services
- 19 Organ Transplant Fund
- 20 HIV Care Grant Drug Rebates
- 21 Health System Transformation Project
- 22 Rhode Island Statewide Opioid Abatement Account
- 23 HCBS Support-ARPA
- 24 HCBS Admin Support-ARPA
- 25 Department of Human Services
- 26 Veterans' home — Restricted account
- 27 Veterans' home — Resident benefits
- 28 Pharmaceutical Rebates Account
- 29 Demand Side Management Grants
- 30 Veteran's Cemetery Memorial Fund
- 31 Donations — New Veterans' Home Construction
- 32 Commodity Supplemental Food Program-Claims
- 33 Department of Health
- 34 Pandemic medications and equipment account

1 Miscellaneous Donations/Grants from Non-Profits  
2 State Loan Repayment Match  
3 Healthcare Information Technology  
4 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals  
5 Eleanor Slater non-Medicaid third-party payor account  
6 Hospital Medicare Part D Receipts  
7 RICLAS Group Home Operations  
8 Group Home Facility Improvement Fund  
9 Commission on the Deaf and Hard of Hearing  
10 Emergency and public communication access account  
11 Department of Environmental Management  
12 National heritage revolving fund  
13 Environmental response fund II  
14 Underground storage tanks registration fees  
15 De Coppet Estate Fund  
16 Rhode Island Historical Preservation and Heritage Commission  
17 Historic preservation revolving loan fund  
18 Historic Preservation loan fund — Interest revenue  
19 Department of Public Safety  
20 E-911 Uniform Emergency Telephone System  
21 Forfeited property — Retained  
22 Forfeitures — Federal  
23 Forfeited property — Gambling  
24 Donation — Polygraph and Law Enforcement Training  
25 Rhode Island State Firefighter’s League Training Account  
26 Fire Academy Training Fees Account  
27 Attorney General  
28 Forfeiture of property  
29 Federal forfeitures  
30 Attorney General multi-state account  
31 Forfeited property — Gambling  
32 Department of Administration  
33 ~~OER Reconciliation Funding~~  
34 Health Insurance Market Integrity Fund

- 1 RI Health Benefits Exchange
- 2 Information Technology restricted receipt account
- 3 Restore and replacement — Insurance coverage
- 4 Convention Center Authority rental payments
- 5 Investment Receipts — TANS
- 6 OPEB System Restricted Receipt Account
- 7 Car Rental Tax/Surcharge-Warwick Share
- 8 Grants Management Administration
- 9 ~~RGGI Executive Climate Change Coordinating Council Projects~~
- 10 ~~Electric Vehicle Charging Stations Operating and Maintenance Account~~
- 11 [Office of Energy Resources](#)
- 12 [OER Reconciliation Funding](#)
- 13 [RGGI Executive Climate Change Coordinating Council Projects](#)
- 14 [Electric Vehicle Charging Stations Operating and Maintenance Account](#)
- 15 [Clean Transportation Programs](#)
- 16 Department of Housing
- 17 Housing Resources and Homelessness Restricted Receipt Account
- 18 Housing Production Fund
- 19 Low-Income Housing Tax Credit Fund
- 20 Department of Revenue
- 21 DMV Modernization Project
- 22 Jobs Tax Credit Redemption Fund
- 23 Legislature
- 24 Audit of federal assisted programs
- 25 Department of Children, Youth and Families
- 26 Children's Trust Accounts — SSI
- 27 Military Staff
- 28 RI Military Family Relief Fund
- 29 RI National Guard Counterdrug Program
- 30 Treasury
- 31 Admin. Expenses — State Retirement System
- 32 Retirement — Treasury Investment Options
- 33 Defined Contribution — Administration - RR
- 34 Violent Crimes Compensation — Refunds

1 Treasury Research Fellowship  
2 Business Regulation  
3 Banking Division Reimbursement Account  
4 Office of the Health Insurance Commissioner Reimbursement Account  
5 Securities Division Reimbursement Account  
6 Commercial Licensing and Racing and Athletics Division Reimbursement Account  
7 Insurance Division Reimbursement Account  
8 Historic Preservation Tax Credit Account  
9 [Rhode Island Cannabis Control Commission](#)  
10 Marijuana Trust Fund  
11 Social Equity Assistance Fund  
12 Judiciary  
13 Arbitration Fund Restricted Receipt Account  
14 Third-Party Grants  
15 RI Judiciary Technology Surcharge Account  
16 Department of Elementary and Secondary Education  
17 Statewide Student Transportation Services Account  
18 School for the Deaf Fee-for-Service Account  
19 School for the Deaf — School Breakfast and Lunch Program  
20 Davies Career and Technical School Local Education Aid Account  
21 Davies — National School Breakfast & Lunch Program  
22 School Construction Services  
23 Office of the Postsecondary Commissioner  
24 Higher Education and Industry Center  
25 IGT STEM Scholarships  
26 Department of Labor and Training  
27 Job Development Fund  
28 Contractor Training Restricted Receipt Account  
29 Rhode Island Council on the Arts  
30 Governors’ Portrait Donation Fund  
31 Statewide records management system account

32 SECTION 3. Section 35-6-1 of the General Laws in Chapter 35-6 entitled "Accounts and  
33 Control” is hereby amended to read as follows:

34 **35-6-1. Controller — Duties in general.**

1           **(a)** Within the department of administration there shall be a controller who shall be  
2 appointed by the director of administration pursuant to chapter 4 of title 36. The controller shall  
3 be responsible for accounting and expenditure control and shall be required to:

4           **(1)** Administer a comprehensive accounting and recording system that will classify the  
5 transactions of the state departments and agencies in accordance with the budget plan;

6           **(2)** Maintain control accounts for all supplies, materials, and equipment for all  
7 departments and agencies except as otherwise provided by law;

8           **(3)** Prescribe a financial, accounting, and cost accounting system for state departments  
9 and agencies;

10          **(4)** Identify federal grant-funding opportunities to support the governor's and general  
11 assembly's major policy initiatives and provide technical assistance with the application process  
12 and post-award grants management;

13          **(5)** Manage federal fiscal proposals and guidelines and serve as the state clearinghouse  
14 for the application of federal grants;

15          **(6)** Pre-audit all state receipts and expenditures;

16          **(7)** Prepare financial statements required by the several departments and agencies, by the  
17 governor, or by the general assembly;

18          **(8)** Approve the orders drawn on the general treasurer; provided, that the pre-audit of all  
19 expenditures under authority of the legislative department and the judicial department by the state  
20 controller shall be purely ministerial, concerned only with the legality of the expenditure and  
21 availability of the funds, and in no event shall the state controller interpose his or her judgment  
22 regarding the wisdom or expediency of any item or items of expenditure;

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

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

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

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

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

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

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

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

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

16           (e) Upon issuance of the audited financial statement, the controller shall transfer fifty  
17 percent (50%) of all general revenues received in the completed fiscal year net of transfer to the  
18 state budget reserve and cash stabilization account as required by § 35-3-20 in excess of those  
19 estimates adopted for that year as contained in the final enacted budget to the employees'  
20 retirement system of the state of Rhode Island as defined in § 36-8-2 and fifty percent (50%) to  
21 the supplemental state budget reserve account as defined in § 35-3-20.2, except that excess  
22 revenues from fiscal year 2023 shall not be transferred to the supplemental state budget reserve  
23 account; and that excess revenues from fiscal year 2024 shall not be transferred to the employees'  
24 retirement system of the state of Rhode Island and the supplemental state budget reserve account.

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

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

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

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

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

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

5           SECTION 4. Section 40.1-1-13 of the General Laws in Chapter 40.1-1 entitled  
6 “Department of Behavioral Healthcare, Developmental Disabilities and Hospitals” is hereby  
7 amended to read as follows:

8           **40.1-1-13. Powers and duties of the office.**

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

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

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

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

20           (4) Ensure the collection, analysis, and dissemination of information for planning and  
21 evaluation of substance abuse services;

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

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

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

29           (8) To act in conjunction with the executive office of health and human services as the  
30 state’s co-designated agency (42 U.S.C. § 300x-30(a)) for administering federal aid and for the  
31 purposes of the calculation of the expenditures relative to the substance abuse block grant and  
32 federal funding maintenance of effort. The department of behavioral healthcare, developmental  
33 disabilities and hospitals, as the state’s substance abuse authority, will have the sole responsibility  
34 for the planning, policy and implementation efforts as it relates to the requirements set forth in



1 pertinent substance abuse laws and regulations including 42 U.S.C. § 300x-21 et seq.;

2 (9) Propose, review, and/or approve, as appropriate, proposals, policies, or plans involving

3 insurance and managed care systems for substance abuse services in Rhode Island;

4 (10) To enter into, in compliance with the provisions of chapter 2 of title 37, contractual

5 relationships and memoranda of agreement as necessary for the purposes of this chapter;

6 (11) To license facilities and programs for the care and treatment of substance abusers and

7 for the prevention of substance abuse, and provide the list of licensed chemical dependency

8 professionals (LCDP) and licensed chemical dependency clinical supervisors (LCDCS) (licensed

9 by the department of health pursuant to chapter 69 of title 5) for use by state agencies including,

10 but not limited to, the adjudication office of the department of transportation, the district court and

11 superior court and the division of probation and parole for referral of individuals requiring

12 substance use disorder treatment;

13 (12) To promulgate rules and regulations necessary to carry out the requirements of this

14 chapter;

15 (13) Perform other acts and exercise any other powers necessary or convenient to carry out

16 the intent and purposes of this chapter;

17 (14) To exercise the authority and responsibilities relating to education, prevention, and

18 treatment of substance abuse, as contained in, but not limited to, the following chapters: chapters

19 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];

20 chapter 109 of title 42; chapter 69 of title 5; and § 35-4-18;

21 (15) To establish a Medicare Part D restricted-receipt account in the hospitals and

22 community rehabilitation services program [and the Rhode Island state psychiatric hospital program](#)

23 to receive and expend Medicare Part D reimbursements from pharmacy benefit providers consistent

24 with the purposes of this chapter;

25 (16) To establish a RICLAS group home operations restricted-receipt account in the

26 services for the developmentally disabled program to receive and expend rental income from

27 RICLAS group clients for group home-related expenditures, including food, utilities, community

28 activities, and the maintenance of group homes;

29 (17) To establish a non-Medicaid, third-party payor restricted-receipt account in the

30 hospitals and community rehabilitation services program to receive and expend reimbursement

31 from non-Medicaid, third-party payors to fund hospital patient services that are not Medicaid

32 eligible; and

33 (18) To certify any and all recovery housing facilities directly, or through a contracted

34 entity, as defined by department guidelines, which includes adherence to using National Alliance

1 for Recovery Residences (NARR) standards. In accordance with a schedule to be determined by  
2 the department, all referrals from state agencies or state-funded facilities shall be to certified  
3 houses, and only certified recovery housing facilities shall be eligible to receive state funding to  
4 deliver recovery housing services. As of January 1, 2027, all recovery housing facilities shall be  
5 registered with the department and shall adhere to the NARR certification process.

6 SECTION 5. Section 45-12-33 of the General Laws in Chapter 45-12 entitled  
7 "Indebtedness of Towns and Cities" is hereby amended to read as follows:

8 **45-12-33. Borrowing for road and bridge, infrastructure, and school building**  
9 **projects.**

10 (a)(1) In addition to other authority previously granted, during calendar year 2014 a city  
11 or town may authorize the issuance of bonds, notes, or other evidences of indebtedness to  
12 evidence loans from the municipal road and bridge revolving fund administered by the ~~Rhode~~  
13 ~~Island clean water finance agency~~ [Rhode Island infrastructure bank](#) in accordance with chapter 18  
14 of title 24. [Beginning July 1, 2025, and thereafter, a city or town may authorize the issuance of](#)  
15 [bonds, notes, or other evidences of indebtedness to evidence loans from the municipal road and](#)  
16 [bridge revolving fund administered by the Rhode Island infrastructure bank in accordance with](#)  
17 [chapter 18 of title 24 to provide a match to other federal, state, local or other funding for an](#)  
18 [approved project from the municipal road and bridge revolving fund.](#)

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

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

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

34 The bonds, notes, or other evidences of indebtedness may be issued under this section by

- 1 any political subdivision without obtaining the approval of its electors, notwithstanding the
- 2 provisions of §§ 45-12-19 and 45-12-20 and notwithstanding any provision of its charter to the
- 3 contrary.
- 4 SECTION 6. This article shall take effect upon passage.