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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2009

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A N A C T

MAKING REVISED APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2009

Introduced By: Representative Robert A. Watson

Date Introduced: January 07, 2009

Referred To: House Finance

It is enacted by the General Assembly as follows:

- | | | |
|----|------------|---|
| 1 | ARTICLE 1 | RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF |
| 2 | | FY 2009 |
| 3 | ARTICLE 2 | RELATING TO INTERFUND BORROWING |
| 4 | ARTICLE 3 | RELATING TO CLEAN WATER FINANCE AGENCY |
| 5 | ARTICLE 4 | RELATING TO RETIREE HEALTH CARE TRUST FUND |
| 6 | ARTICLE 5 | RELATING TO UNEMPLOYMENT INSURANCE BENEFITS |
| 7 | ARTICLE 6 | RELATING TO TELECOMMUNICATIONS TAX |
| 8 | ARTICLE 7 | RELATING TO STATE AID |
| 9 | ARTICLE 8 | RELATING TO PERSONNEL REFORM |
| 10 | ARTICLE 9 | RELATING TO ENERGY REVOLVING FUND |
| 11 | ARTICLE 10 | RELATING TO REVENUES |
| 12 | ARTICLE 11 | RELATING DEFERRED CONTRIBUTIONS |
| 13 | ARTICLE 12 | RELATING TO THE RHODE ISLAND ECONOMIC DEVELOPMENT |
| 14 | | CORPORATIONS AND THE RHODE ISLAND INDUSTRIAL FACILITIES |
| 15 | | CORPORATION |
| 16 | ARTICLE 13 | RELATING TO TRANSPORTATION OF PUPILS |
| 17 | ARTICLE 14 | RELATING TO EDUCATION AID |
| 18 | ARTICLE 15 | RELATING TO NURSING FACILITIES |

- 1 ARTICLE 16 RELATING TO MEDICAL ASSISTANCE – OUT OF STATE HOSPITALS
- 2 ARTICLE 17 RELATING TO HOSPITAL PAYMENTS
- 3 ARTICLE 18 RELATING TO EFFECTIVE DATE

1 **ARTICLE 1**

2 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2009

3 SECTION 1. Subject to the conditions, limitations and restrictions hereinafter contained
4 in this article, the following general revenue amounts are hereby appropriated out of any money
5 in the treasury not otherwise appropriated to be expended during the fiscal year ending June 30,
6 2009. The amounts identified for federal funds and restricted receipts shall be made available
7 pursuant to Section 35-4-22 and Chapter 42-41 of the Rhode Island General Laws. For the
8 purposes and functions hereinafter mentioned, the state controller is hereby authorized and
9 directed to draw his or her orders upon the general treasurer for the payment of such sums or such
10 portions thereof as may be required from time to time upon receipt by him or her of properly
11 authenticated vouchers.

	FY 2009	FY 2009	FY 2009
	Enacted	Change	Final
Administration			
<i>Central Management</i>			
General Revenues	1,664,118	(102,995)	1,561,123
Federal Funds	191,205	(54,596)	136,609
Restricted Receipts	0	77,610	77,610
Total - Central Management	1,855,323	(79,981)	1,775,342
<i>Legal Services</i>			
General Revenues	2,134,616	(1,014,645)	1,119,971
Legal Support/DOT	249,305	(224,082)	25,223
Total - Legal Services	2,383,921	(1,238,727)	1,145,194
<i>Accounts and Control</i>			
General Revenues	3,886,437	(117,142)	3,769,295
<i>Budgeting</i>			
General Revenues	2,126,819	(172,765)	1,954,054
<i>Purchasing</i>			
General Revenues	2,280,079	(281,394)	1,998,685
<i>Auditing</i>			
General Revenues	1,848,952	(508,914)	1,340,038
<i>Human Resources</i>			
General Revenues	10,366,561	(286,106)	10,080,455
Federal Funds	1,871,902	(1,164,373)	707,529

1	Restricted Receipts	320,923	90,472	411,395
2	Other Funds	550,917	635,522	1,186,439
3	Total - Human Resources	13,110,303	(724,485)	12,385,818
4	<i>Personnel Appeal Board</i>			
5	General Revenues	111,226	(20,253)	90,973
6	<i>Facilities Management</i>			
7	General Revenues	39,299,779	(2,630,266)	36,669,513
8	Federal Funds	8,242,199	(7,176,387)	1,065,812
9	Restricted Receipts	1,144,994	(229,464)	915,530
10	Other Funds	615,715	3,203,568	3,819,283
11	Total – Facilities Management	49,302,687	(6,832,549)	42,470,138
12	<i>Capital Projects and Property Management</i>			
13	General Revenues	3,887,058	(1,296,818)	2,590,240
14	Restricted Receipts	0	929,303	929,303
15	Total – Capital Projects and Property Management	3,887,058	(367,515)	3,519,543
16	<i>Information Technology</i>			
17	General Revenues	20,195,145	(981,985)	19,213,160
18	Federal Funds	6,667,124	(804,783)	5,862,341
19	Restricted Receipts	2,060,780	(1,109,084)	951,696
20	Other Funds	2,408,197	(722,047)	1,686,150
21	Total – Information Technology	31,331,246	(3,617,899)	27,713,347
22	<i>Library and Information Services</i>			
23	General Revenues	927,319	(41,493)	885,826
24	Federal Funds	1,079,587	(149,583)	930,004
25	Restricted Receipts	5,000	1,000	6,000
26	Total - Library and Information Services	2,011,906	(190,076)	1,821,830
27	<i>Planning</i>			
28	General Revenues	3,731,488	6,413	3,737,901
29	Federal Funds	12,343,976	173,676	12,517,652
30	Federal Highway - PL Systems Planning	1,634,147	363,361	1,997,508
31	Air Quality Modeling	20,800	(10,800)	10,000
32	Total - Planning	17,730,411	532,650	18,263,061
33	<i>General</i>			
34	General Revenues			

1	Economic Development Corporation	6,028,807	0	6,028,807
2	EDC – RI Airport Corporation Impact Aid	1,000,754	0	1,000,754
3	Sixty percent (60%) of the first \$1,000,000 appropriated funds shall be distributed to each			
4	airport serving more than 1,000,000 passengers based upon its percentage of the total passengers			
5	served by all airports serving more than 1,000,000 passengers. Forty percent (40%) of the first			
6	\$1,000,000 shall be distributed to North Central Airport, Newport-Middletown Airport, Block			
7	Island Airport, Quonset Airport, TF Green Airport, and Westerly Airport based on the share of			
8	landings during the calendar year 2006, respectively. No airport shall receive less than \$25,000.			
9	East <u>Each</u> airport receiving any portion of the amount appropriated shall make an impact			
10	payment to the towns or cities in which the airport is located in the full amounts received from the			
11	Corporation within thirty (30) days of the payment from the Corporation.			
12	Each community upon which any parts of the above airports are located shall receive at			
13	least \$25,000.			
14	EDC – EPScore (Research Alliance)	1,500,000	0	1,500,000
15	Miscellaneous Grants	400,456	0	400,456
16	Slater Centers of Excellence	3,000,000	0	3,000,000
17	Torts – Courts	400,000	0	400,000
18	Convention Center	4,100,000	0	4,100,000
19	State Employees/Teachers Retiree Health Subsidy	479,502	1,100,000	1,579,502
20	Motor Vehicle Excise Tax Payment	139,586,645	(4,216,328)	135,370,317
21	Property Valuation	1,272,000	(140,000)	1,132,000
22	General Revenue Sharing Program	55,111,876	(55,111,876)	0
23	Payment in Lieu of Tax Exempt Properties	27,766,967	(186,558)	27,580,409
24	Distressed Communities Relief Program	10,384,458	0	10,384,458
25	Resource Sharing and State Library Aid	8,773,398	0	8,773,398
26	Library Construction Aid	2,765,729	(178,282)	2,587,447
27	Restricted Receipts	1,378,997	0	1,378,997
28	Rhode Island Capital Plan Funds			
29	Statehouse Renovations	2,000,000	(1,400,000)	600,000
30	Lead Mitigation Group Homes	300,000	(171,993)	128,007
31	Cranston Street Armory	1,300,000	(149,278)	1,150,722
32	Cannon Building	515,000	(435,000)	80,000
33	Pastore Center Rehab. DOA	1,000,000	(550,000)	450,000
34	Zambarano Building Rehabilitation	600,000	200,000	800,000

1	Pastore Center Master Plan	350,000	100,000	450,000
2	Old State House	1,000,000	(800,000)	200,000
3	State Office Building	500,000	100,000	600,000
4	Old Colony House	300,000	(140,000)	160,000
5	William Powers Building	750,000	300,000	1,050,000
6	Fire Code Compliance State Buildings	500,000	(9,638)	490,362
7	Pastore Center Fire Code Compliance	500,000	0	500,000
8	Pastore Center Water Tanks	520,000	(170,000)	350,000
9	Ladd Center Water System	50,000	0	50,000
10	Pastore Center Power Plant	500,000	(200,000)	300,000
11	Replacement of Fueling Tanks	1,150,000	(600,000)	550,000
12	Environmental Compliance	250,000	0	250,000
13	Pastore Utilities Upgrade	1,200,000	(818,530)	381,470
14	Pastore Center Building Demolition	125,000	0	125,000
15	Health Laboratory Feasibility Study	175,500	(175,000)	500
16	Neighborhood Opportunities Program	2,500,000	2,500,000	5,000,000
17	McCoy Stadium	432,500	583,808	1,016,308
18	Registry	5,500,000	(5,500,000)	0
19	Washington County Government Center	160,000	(65,528)	94,472
20	Virks Building Renovations	265,000	35,000	300,000
21	DOIT Computer Center	8,975,000	(2,500)	8,972,500
22	Forand Building Exterior Shell	0	1,082,655	1,082,655
23	OHHS Relocation	0	1,274	1,274
24	Business Regulation Relocation	0	10,000	10,000
25	Total – General	295,367,589	(65,007,774)	230,359,815
26	<i>Debt Service Payments</i>			
27	General Revenues	141,624,151	(8,221,767)	133,402,384
28	Federal Funds	735,248	(85,171)	650,077
29	Restricted Receipts	4,383,227	(342,495)	4,040,732
30	RIPTA Debt Service	765,484	(5,606)	759,878
31	Transportation Debt Service	41,454,976	(5,028,352)	36,426,624
32	Investment Receipts Bond Funds	0	100,000	100,000
33	RIRBA - DLT – Temporary Disability Insurance	45,586	0	45,586
34	COPS - DLT Building – TDI	213,880	3,799	217,679

1	COPS – DLT Building	5,357	(5,357)	0
2	Total - Debt Service Payments	189,227,909	(13,584,949)	175,642,960
3	<i>Energy Resources</i>			
4	Federal Funds	18,079,657	31,367,898	49,447,555
5	American Electric Power – Weatherization Grant	0	240,000	240,000
6	Overcharge Interest Earnings	350,000	(170,238)	179,762
7	Energy Efficiency and Resources Mgmt. Council	72,035	3,400	75,435
8	Regional Greenhouse Gas Initiative	71,562	3,628,438	3,700,000
9	Renewable Energy Fund Administration	182,538	114,519	297,057
10	Renewable Energy Dev. Fund Administration	66,483	(66,483)	0
11	Demand Side Management Grants	2,127,716	88,583	2,216,299
12	Total – Energy Resources	20,949,991	35,206,117	56,156,108
13	<i>Personnel Savings</i>			
14	General Revenues			
15	Savings from Retirement Vacancies	(16,836,489)	16,836,489	0
16	Personnel Savings	(33,391,483)	33,391,483	0
17	Federal Funds			
18	Savings from Retirement Vacancies	(5,024,646)	5,024,646	0
19	Personnel Savings	(9,981,083)	9,981,083	0
20	Restricted Receipts			
21	Savings from Retirement Vacancies	(1,039,274)	1,039,274	0
22	Personnel Savings	(2,066,513)	2,066,513	0
23	Other Funds			
24	Savings from Retirement Vacancies	(7,641,748)	7,641,748	0
25	Personnel Savings	(15,162,522)	15,162,522	0
26	Total – Personnel Savings	(91,143,758)	91,143,758	0
27	<i>Operational Savings</i>			
28	General Revenues	(560,942)	560,942	0
29	Federal Funds	(253,130)	253,130	0
30	Restricted Receipts	(182,434)	182,434	0
31	Other Funds	(182,434)	182,434	0
32	Total – Operational Savings	(1,178,940)	1,178,940	0
33	<i>Sheriffs</i>			
34	General Revenues	15,488,294	945,688	16,433,982

1	<i>Fire Safety Code Board of Appeal and Review</i>			
2	General Revenues	306,552	1,553	308,105
3	<i>Undistributed Statewide Savings</i>	0	(4,609,000)	(4,609,000)
4	Grand Total – Administration	560,884,005	31,655,283	592,539,288
5	Business Regulation			
6	<i>Central Management</i>			
7	General Revenues	1,133,343	(69,742)	1,063,601
8	<i>Banking and Securities Regulation</i>			
9	General Revenues	2,909,442	(394,967)	2,514,475
10	Restricted Receipts	150,000	(10,000)	140,000
11	Total - Banking and Securities Regulation	3,059,442	(404,967)	2,654,475
12	<i>Commercial Licensing and Racing & Athletics</i>			
13	General Revenues	963,559	(186,060)	777,499
14	Restricted Receipts	488,248	(64,960)	423,288
15	Total - Commercial Licensing and Racing and			
16	Athletics	1,451,807	(251,020)	1,200,787
17	<i>Insurance Regulation</i>			
18	General Revenues	4,626,900	(151,664)	4,475,236
19	Federal Funds	0	87,641	87,641
20	Restricted Receipts	907,390	237,277	1,144,667
21	Total - Insurance Regulation	5,534,290	173,254	5,707,544
22	<i>Board of Accountancy</i>			
23	General Revenues	156,595	4,267	160,862
24	<i>Board for Design Professionals</i>			
25	General Revenues	328,227	(12,655)	315,572
26	Grand Total - Business Regulation	11,663,704	(560,863)	11,102,841
27	Labor and Training			
28	<i>Central Management</i>			
29	General Revenues	184,235	104,757	288,992
30	Restricted Receipts	490,567	59,539	550,106
31	Total - Central Management	674,802	164,296	839,098
32	<i>Workforce Development Services</i>			
33	General Revenues	101,561	(5,972)	95,589
34	Federal Funds	19,334,057	2,236,999	21,571,056

1	Restricted Receipts	11,286,454	(577,405)	10,709,049
2	Reed Act – Workforce Development	1,484,894	2,032,133	3,517,027
3	All of the \$3.5 million appropriated from Reed Act funds, may be for the administration of			
4	this state’s employment compensation law and public employment services offices.			
5	Total - Workforce Development Services	32,206,966	3,685,755	35,892,721
6	<i>Workforce Regulation and Safety</i>			
7	General Revenues	2,377,263	(241,005)	2,136,258
8	<i>Income Support</i>			
9	General Revenues	3,388,454	360,581	3,749,035
10	Federal Funds	16,260,698	18,745,440	35,006,138
11	Restricted Receipts	1,514,338	(175,468)	1,338,870
12	Temporary Disability Insurance Fund	177,616,856	4,823,484	182,440,340
13	Employment Security Fund	238,690,431	135,659,569	374,350,000
14	Total - Income Support	437,470,777	159,413,606	596,884,383
15	<i>Injured Workers Services</i>			
16	Restricted Receipts	11,614,555	489,141	12,103,696
17	<i>Labor Relations Board</i>			
18	General Revenues	461,579	(35,373)	426,206
19	Grand Total - Labor and Training	484,805,942	163,476,420	648,282,362
20	Department of Revenue			
21	<i>Director of Revenue</i>			
22	General Revenues	632,972	(11,022)	621,950
23	<i>Office of Revenue Analysis</i>			
24	General Revenues	719,927	(221,860)	498,067
25	<i>Lottery Division</i>			
26	Lottery Funds	207,489,225	(14,732,464)	192,756,761
27	<i>Property Valuation</i>			
28	General Revenues	852,759	(79,530)	773,229
29	<i>Taxation</i>			
30	General Revenues	17,347,998	(2,410,502)	14,937,496
31	Federal Funds	1,439,789	(212,579)	1,227,210
32	Restricted Receipts	910,563	(126,180)	784,383
33	Other Funds			
34	Motor Fuel Tax Invasion	130,877	16,723	147,600

1	Temporary Disability Insurance	849,899	32,572	882,471
2	Total – Taxation	20,679,126	(2,699,966)	17,979,160
3	<i>Registry of Motor Vehicles</i>			
4	General Revenues	18,296,260	(1,872,186)	16,424,074
5	Federal Funds	454,306	1,017,081	1,471,387
6	Restricted Receipts	15,100	0	15,100
7	Rhode Island Capital Plan Funds –Registry	0	1,200,000	1,200,000
8	Total – Registry of Motor Vehicles	18,765,666	344,895	19,110,561
9	Grand Total – Revenue	249,139,675	(17,399,947)	231,739,728
10	Legislature			
11	General Revenues	34,099,202	(647,867)	33,451,335
12	Restricted Receipts	1,516,351	(8,018)	1,508,333
13	Grand Total – Legislature	35,615,553	(655,885)	34,959,668
14	Lieutenant Governor			
15	General Revenues	901,418	(40,647)	860,771
16	State			
17	<i>Administration</i>			
18	General Revenues	1,879,212	(139,409)	1,739,803
19	<i>Corporations</i>			
20	General Revenues	1,840,798	(49,379)	1,791,419
21	<i>State Archives</i>			
22	General Revenues	55,000	100,000	155,000
23	Federal Funds	0	9,871	9,871
24	Restricted Receipts	555,581	(161,743)	393,838
25	Total - State Archives	610,581	(51,872)	558,709
26	<i>Elections</i>			
27	General Revenues	1,676,069	159,634	1,835,703
28	Federal Funds	541,139	(254,723)	286,416
29	Total – Elections	2,217,208	(95,089)	2,122,119
30	<i>State Library</i>			
31	General Revenues	552,708	14,338	567,046
32	<i>Office of Civics and Public Information</i>			
33	General Revenues	303,357	15,199	318,556
34	Grand Total – State	7,403,864	(306,212)	7,097,652

1	General Treasurer			
2	<i>Treasury</i>			
3	General Revenues	2,477,685	(141,717)	2,335,968
4	Federal Funds	295,276	(55,929)	239,347
5	Temporary Disability Insurance Fund	253,375	(57,181)	196,194
6	Total – Treasury	3,026,336	(254,827)	2,771,509
7	<i>State Retirement System</i>			
8	Restricted Receipts			
9	Admin Expenses - State Retirement System	6,711,780	147,990	6,859,770
10	Retirement - Treasury Investment Operations	954,281	133,999	1,088,280
11	Total - State Retirement System	7,666,061	281,989	7,948,050
12	<i>Unclaimed Property</i>			
13	Restricted Receipts	18,290,775	(3,227,661)	15,063,114
14	<i>RI Refunding Bond Authority</i>			
15	General Revenues	38,075	3,030	41,105
16	<i>Crime Victim Compensation Program</i>			
17	General Revenues	48,007	40,854	88,861
18	Federal Funds	874,805	(13,663)	861,142
19	Restricted Receipts	1,545,224	(69,939)	1,475,285
20	Total - Crime Victim Compensation Program	2,468,036	(42,748)	2,425,288
21	Grand Total – General Treasurer	31,489,283	(3,240,217)	28,249,066
22	Board of Elections			
23	General Revenues	1,512,874	39,816	1,552,690
24	Federal Funds	662,344	(167,074)	495,270
25	Grand Total - Board of Elections	2,175,218	(127,258)	2,047,960
26	Rhode Island Ethics Commission			
27	General Revenues	1,405,309	4,141	1,409,450
28	Office of Governor			
29	General Revenues	4,658,611	(159,932)	4,698,679
30	Contingency Fund	500,000	(300,000)	200,000
31	Grand Total – Office of			
32	the Governor	5,158,611	(459,932)	4,698,679

33 From the appropriation for contingency shall be paid such sums as may be required at the
34 discretion of the Governor to fund expenses for which appropriations may not exist. Such

1 contingency funds may also be used for expenditures in departments and agencies where
 2 appropriations are insufficient, or where such requirements are due to unforeseen conditions or
 3 are non-recurring items of an unusual nature. Said appropriation may also be used for the
 4 payment of bills incurred due to emergencies or to any offense against public peace and property,
 5 in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as amended.

6 All expenditures and transfers from this account shall be approved by the Governor.

7 **Commission for Human Rights**

8	General Revenues	991,659	(59,241)	932,418
9	Federal Funds	391,309	81,146	472,455
10	Grand Total - Commission for Human Rights	1,382,968	21,905	1,404,873

11 **Public Utilities Commission**

12	Federal Funds	100,547	2,112	102,659
13	Restricted Receipts	6,768,667	(22,632)	6,746,035
14	Grand Total - Public Utilities Commission	6,869,214	(20,520)	6,848,694

15 **Rhode Island Commission on Women**

16	General Revenues	107,208	1,169	108,377
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17 **Office of Health and Human Services**

18	General Revenues	5,223,297	(1,386,721)	3,836,576
19	Federal Funds	7,593,011	(3,268,089)	4,324,922
20	Restricted Receipts	1,970,773	(1,298,611)	672,162
21	Grand Total – Health and Human Services	14,787,081	(5,953,421)	8,833,660

22 **Children, Youth, and Families**

23 *Central Management*

24	General Revenues	5,162,842	114,991	5,277,833
25	Federal Funds	1,964,369	367,575	2,331,944
26	Total - Central Management	7,127,211	482,566	7,609,777

27 *Children's Behavioral Health Services*

28	General Revenues	16,087,176	(4,527,857)	11,559,319
29	Federal Funds	12,287,901	(1,177,512)	11,110,389
30	Federal Funds – Stimulus	0	570,200	570,200
31	Rhode Island Capital Plan Funds			
32	Spurwink/RI – Pine Swamp Road	95,000	(95,000)	0
33	Groden Center Mt. Hope	0	16,445	16,445
34	NAFI Center	550,000	(550,000)	0

1	Total - Children's Behavioral Health Services	29,020,077	(5,763,724)	23,256,353
2	<i>Juvenile Correctional Services</i>			
3	General Revenues	31,406,268	2,622,614	34,028,882
4	Federal Funds	522,437	1,226,874	1,749,311
5	Federal Funds – Stimulus	0	237,878	237,878
6	Restricted Receipts	10,000	13,059	23,059
7	Total - Juvenile Correctional Services	31,938,705	4,100,425	36,039,130
8	<i>Child Welfare</i>			
9	General Revenues			
10	General Revenues	78,277,434	25,312,167	103,589,601
11	18 to 21 Year Olds	6,000,000	1,396,152	7,396,152
12	Federal Funds			
13	Federal Funds	50,174,339	7,408,710	57,583,049
14	18 to 21 Year Olds	4,890,545	564,221	5,454,766
15	Federal Stimulus – Medicaid	0	5,486,453	5,486,453
16	Restricted Receipts	1,747,941	513,059	2,261,000
17	Rhode Island Capital Plan Funds			
18	Camp E-Hun-Tee	65,000	0	65,000
19	Fire Code Upgrades	500,000	61,287	561,287
20	Total - Child Welfare	141,655,259	40,742,049	182,397,308
21	<i>Higher Education Incentive Grants</i>			
22	General Revenues	200,000	0	200,000
23	Grand Total - Children, Youth, and Families	209,941,252	39,561,316	249,502,568
24	Elderly Affairs			
25	General Revenues			
26	General Revenues	14,639,532	(1,763,992)	12,875,540
27	RIPAE	1,431,654	(350,000)	1,081,654
28	Safety and Care of the Elderly	600	0	600
29	Federal Funds	12,257,937	1,757,077	14,015,014
30	Federal Funds – Stimulus	0	663,022	663,022
31	Restricted Receipts	620,000	350,000	970,000
32	Other Funds			
33	Intermodal Surface Transportation Fund	4,630,000	0	4,630,000
34	Grand Total - Elderly Affairs	33,579,723	656,107	34,235,830

1	Health			
2	<i>Central Management</i>			
3	General Revenues	2,682,917	(339,172)	2,343,745
4	Federal Funds	8,296,936	2,558,335	10,855,271
5	Restricted Receipts	3,848,879	(1,174,114)	2,674,765
6	Total - Central Management	14,828,732	1,045,049	15,873,781
7	<i>State Medical Examiner</i>			
8	General Revenues	2,360,089	423,131	2,783,220
9	Federal Funds	23,983	140,834	164,817
10	Total - State Medical Examiner	2,384,072	563,965	2,948,037
11	<i>Environmental and Health Services Regulation</i>			
12	General Revenues	9,509,529	(300,731)	9,208,798
13	Federal Funds	3,836,460	920,463	4,756,923
14	Restricted Receipts	3,301,038	(123,368)	3,177,670
15	RI Airport Corporation Funds	100,000	(100,000)	0
16	Total - Environmental and Health Services			
17	Regulation	16,747,027	396,364	17,143,391
18	<i>Health Laboratories</i>			
19	General Revenues	7,317,549	(788,779)	6,528,770
20	Federal Funds	1,015,438	167,534	1,182,972
21	Total - Health Laboratories	8,332,987	(621,245)	7,711,742
22	<i>Public Health Information</i>			
23	General Revenues	1,882,500	41,263	1,923,763
24	Federal Funds	2,110,972	271,478	2,382,450
25	Total – Public Health Information	3,993,472	312,741	4,306,213
26	<i>Community and Family Health and Equity</i>			
27	General Revenues			
28	General Revenues	6,151,991	(88,531)	6,063,460
29	Federal Funds			
30	Federal Funds	50,537,986	5,932,460	56,470,446
31	Federal Stimulus – Medicaid	0	93,743	93,743
32	Restricted Receipts	18,336,110	528,869	18,864,979
33	Walkable Communities Initiative	29,410	16,853	46,263
34	RI Airport Corporation Funds	0	185,162	185,162

1	Total - Family Health	75,055,497	6,668,556	81,724,053
2	<i>Infectious Disease and Epidemiology</i>			
3	General Revenues	2,377,099	(474,879)	1,902,220
4	Federal Funds	2,358,890	(44,182)	2,314,708
5	Total – Infectious Disease and Epidemiology	4,735,989	(519,061)	4,216,928
6	Grand Total – Health	126,077,776	7,846,369	133,924,145
7	Human Services			
8	<i>Central Management</i>			
9	General Revenues	5,526,859	(989,212)	4,537,647
10	Federal Funds	4,540,655	(36,722)	4,503,933
11	Federal Funds – Stimulus	0	1,540,000	1,540,000
12	Restricted Receipts	820,609	180,658	1,001,267
13	Total - Central Management	10,888,123	694,724	11,582,847
14	<i>Child Support Enforcement</i>			
15	General Revenues	2,741,244	(361,989)	2,379,255
16	Federal Funds	6,834,361	(899,252)	5,935,109
17	Federal Funds – Stimulus	0	792,000	792,000
18	Total – Child Support Enforcement	9,575,605	(469,241)	9,106,364
19	<i>Individual and Family Support</i>			
20	General Revenues	23,024,743	(2,611,951)	20,412,792
21	Federal Funds	55,350,650	2,313,323	57,663,973
22	Federal Funds – Stimulus	0	250,000	250,000
23	Restricted Receipts	134,150	45,850	180,000
24	Food Stamp Bonus Funding	0	195,000	195,000
25	Rhode Island Capital Plan Funds			
26	Blind Vending Facilities	125,000	(92,500)	32,500
27	Total - Individual and Family Support	78,634,543	99,722	78,734,265
28	<i>Veterans' Affairs</i>			
29	General Revenues	17,692,025	(472,530)	17,219,495
30	Federal Funds	7,737,090	2,951,937	10,689,027
31	Restricted Receipts	1,763,038	(310,754)	1,452,284
32	Total - Veterans' Affairs	27,192,153	2,168,653	29,360,806
33	<i>Health Care Quality, Financing and Purchasing</i>			
34	General Revenues	20,993,847	(1,237,016)	19,756,831

1	Federal Funds	41,241,728	2,067,451	43,309,179
2	Restricted Receipts	60,000	0	60,000
3	Total - Health Care Quality,			
4	Financing & Purchasing	62,295,575	830,435	63,126,010
5	<i>Medical Benefits</i>			
6	General Revenues			
7	Hospitals	141,964,859	(53,067,741)	88,897,118
8	Nursing Facilities	131,223,489	(24,175,543)	107,047,946
9	Managed Care	237,398,676	(29,645,123)	207,753,553
10	Pharmacy	62,950,000	(20,297,874)	42,652,126
11	Other	51,699,999	(21,833,119)	29,866,880
12	Home and Community Based Services	24,088,135	6,305	24,094,440
13	Rhody Health	0	39,956,296	39,956,296
14	Federal Funds			
15	Hospitals	145,251,890	(35,640,260)	109,611,630
16	Nursing Facilities	143,923,675	11,507,316	155,430,991
17	Managed Care	273,031,108	1,171,230	274,202,338
18	Home and Community Based Services	26,698,574	6,986	26,705,560
19	Other	66,053,090	(24,738,200)	41,314,890
20	Pharmacy	23,525,374	(13,852,494)	9,672,880
21	Rhody Health	0	53,916,668	53,916,668
22	Special Education	20,733,240	0	20,733,240
23	Federal Stimulus – Medicaid	0	90,977,102	90,977,102
24	Restricted Receipts	5,246,911	0	5,246,911
25	Total - Medical Benefits	1,353,789,020	(25,708,451)	1,328,080,569
26	<i>Supplemental Security Income Program</i>			
27	General Revenues	25,906,519	(811,771)	25,094,748
28	<i>Family Independence Program</i>			
29	General Revenues			
30	Child Care	7,100,000	3,172,921	10,272,921
31	TANF/Family Independence Program	11,178,290	(3,172,921)	8,005,369
32	Federal Funds	86,802,810	(4,794,900)	82,007,910
33	Federal Funds – Stimulus	0	500,000	500,000
34	Total - Family Independence Program	105,081,100	(4,294,900)	100,786,200

1	<i>State Funded Programs</i>			
2	General Revenues			
3	General Public Assistance	3,735,450	(967,770)	2,767,680
4	Federal Funds	98,083,948	20,501,052	118,585,000
5	Federal Funds – Stimulus	0	8,000,000	8,000,000
6	Total - State Funded Programs	101,819,398	27,533,282	129,352,680
7	Grand Total - Human Services	1,775,182,036	42,453	1,775,224,489
8	Mental Health, Retardation, and Hospitals			
9	<i>Central Management</i>			
10	General Revenues	2,048,521	(1,022,259)	1,026,262
11	Federal Funds	67,081	0	67,081
12	Total - Central Management	2,115,602	(1,022,259)	1,093,343
13	<i>Hospital and Community System Support</i>			
14	General Revenues	3,218,806	(551,949)	2,666,857
15	Federal Funds	849,939	0	849,939
16	Rhode Island Capital Plan Funds			
17	Medical Center Rehabilitation	750,000	(488,615)	261,385
18	Community Facilities Fire Code	750,000	(35,009)	714,991
19	DD Private Waiver Com Facilities-Fire Code	767,201	(132,364)	634,837
20	Total - Hospital and Community System Support	6,335,946	(1,207,937)	5,128,009
21	<i>Services for the Developmentally Disabled</i>			
22	General Revenues			
23	General Revenues	106,666,111	(15,158,716)	91,507,395
24	Federal Funds			
25	Federal Funds	123,058,038	4,821,728	127,879,766
26	Federal Funds Stimulus	0	19,337,809	19,337,809
27	Restricted Receipts	2,200,000	668,101	2,868,101
28	Rhode Island Capital Plan Funds			
29	Regional Center Repair/Rehabilitation	500,000	0	500,000
30	MR Community Facilities	1,199,430	(325,000)	874,430
31	Developmental Disability Group Homes	1,500,000	(400,000)	1,100,000
32	Total - Services for the Developmentally			
33	Disabled	235,123,579	8,943,922	244,067,501
34	<i>Integrated Mental Health Services</i>			

1	General Revenues	40,125,116	(7,675,581)	32,449,535
2	Federal Funds	37,980,470	2,711,734	40,692,204
3	Federal Funds Stimulus	0	6,412,829	6,412,829
4	Rhode Island Capital Plan Funds			
5	MH Community Facilities Repair	250,000	(90,000)	160,000
6	MH Housing Development-Thresholds	400,000	0	400,000
7	Total - Integrated Mental Health Services	78,755,586	1,358,982	80,114,568
8	<i>Hospital and Community Rehabilitation Services</i>			
9	General Revenues	52,426,023	(11,238,694)	41,187,329
10	Federal Funds	46,316,249	2,928,801	49,245,050
11	Federal Funds Stimulus	0	7,933,157	7,933,157
12	Restricted Receipts	2,300,000	0	2,300,000
13	Rhode Island Capital Plan Funds			
14	Zambarano Buildings and Utilities	760,000	240,000	1,000,000
15	Hospital Consolidation	3,700,000	(3,380,000)	320,000
16	Eleanor Slater HVAC	5,000	(5,000)	0
17	Total - Hospital and Community			
18	Rehabilitative Services	105,507,272	(3,521,736)	101,985,536
19	<i>Substance Abuse</i>			
20	General Revenues	14,877,287	(1,866,014)	13,011,273
21	Federal Funds	14,485,237	3,744,865	18,230,102
22	Federal Funds Stimulus	0	382,212	382,212
23	Restricted Receipts	90,000	0	90,000
24	Rhode Island Capital Plan Funds			
25	Asset Protection	200,000	(100,000)	100,000
26	Total - Substance Abuse	29,652,524	2,161,063	31,813,587
27	Grand Total - Mental Health, Retardation,			
28	and Hospitals	457,490,509	6,712,035	464,202,544
29	Office of the Child Advocate			
30	General Revenues	519,657	(5,215)	514,442
31	Federal Funds	39,143	1,412	40,555
32	Grand Total – Office of the Child Advocate	558,800	(3,803)	554,997
33	Commission on the Deaf and Hard of Hearing			
34	General Revenues	368,807	2,493	371,300

1	Governor's Commission on Disabilities			
2	General Revenues	413,651	(25,789)	387,862
3	Federal Funds	189,769	(53,918)	135,851
4	Restricted Receipts	8,565	2,562	11,127
5	Other Funds	300,000	(133,449)	166,551
6	Grand Total - Governor's Commission on			
7	Disabilities	911,985	(210,594)	701,391
8	Mental Health Advocate			
9	General Revenues	431,171	9,312	440,483
10	Elementary and Secondary Education			
11	<i>Administration of the Comprehensive Education Strategy</i>			
12	General Revenues	20,365,958	(216,168)	20,149,790
13	Federal Funds	189,382,311	4,398,669	193,780,980
14	Stimulus – Special Education	0	18,900,437	18,900,437
15	Stimulus – Title I	0	15,259,321	15,259,321
16	Restricted Receipts			
17	Restricted Receipts	1,140,955	(289,716)	851,239
18	HRIC Adult Education Grants	4,500,000	140,000	4,640,000
19	Rhode Island Capital Plan Funds			
20	Shepard Building Air Quality	0	275,250	275,250
21	Met School East Bay	1,100,000	(1,100,000)	0
22	Total – Administration of the Comprehensive			
23	Education Strategy	216,489,224	37,367,793	253,857,017
24	<i>Davies Career and Technical School</i>			
25	General Revenues	14,537,841	(64,506)	14,473,335
26	Federal Funds	1,356,073	152,418	1,508,491
27	Stimulus – Special Education	0	103,932	103,932
28	Stimulus – Title I	0	133,048	133,048
29	Rhode Island Capital Plan Funds			
30	Davies HVAC	400,000	(300,000)	100,000
31	Davies Asset Protection	100,000	0	100,000
32	Davies Roof Repair	740,000	167,850	907,850
33	Total - Davies Career and Technical School	17,133,914	192,742	17,326,656
34	<i>RI School for the Deaf</i>			

1	General Revenues	6,624,798	(16,136)	6,608,662
2	Federal Funds	270,027	49,985	320,012
3	Stimulus – Medicaid	0	15,641	15,641
4	Stimulus – Special Education	0	42,610	42,610
5	Stimulus – Title 1	0	13,158	13,158
6	Restricted Receipts	0	1,418	1,418
7	Rhode Island Capital Funds			
8	School for the Deaf	0	280,851	280,851
9	Total - RI School for the Deaf	6,894,825	387,527	7,282,352
10	<i>Metropolitan Career and Technical School</i>			
11	General Revenues	11,565,603	0	11,565,603
12	Stimulus – Special Education	0	66,889	66,889
13	Stimulus – Title I	0	197,811	197,811
14	Rhode Island Capital Plan Funds			
15	Met School East Bay	0	100,000	100,000
16	Total – Metropolitan Career and			
17	Technical School	11,565,603	364,700	11,930,303
18	<i>Education Aid</i>			
19	General Revenues	680,333,012	(89,222,006)	591,111,006
20	Local Pension Savings	0	41,100,000	41,100,000
21	Federal Funds	0	67,046	67,046
22	Stimulus – Fiscal Stabilization	0	36,259,559	36,259,559
23	Stimulus – Special Education	0	185,668	185,668
24	Stimulus – Title I	0	441,875	441,875
25	Restricted Receipts	1,722,210	35,973	1,758,183
26	Permanent School Fund	13,600,000	0	13,600,000
27	Total – Education Aid	695,655,222	(11,131,885)	684,523,337
28	<i>Central Falls School District</i>			
29	General Revenues	43,795,411	(2,339,407)	41,456,004
30	Stimulus – Fiscal Stabilization	0	2,065,263	2,065,263
31	Stimulus – Special Education	0	495,314	495,314
32	Stimulus – Title I	0	976,367	976,367
33	Permanent School Fund – Central Falls	0	183,624	183,624
34	Total - Central Falls School District	43,795,411	1,381,161	45,176,572

1	<i>Housing Aid</i>			
2	General Revenues	56,996,248	(2,856,196)	54,140,052
3	<i>Teachers' Retirement</i>			
4	General Revenues	96,999,600	(30,413,582)	66,586,018
5	Pension Savings	0	28,200,000	28,200,000
6	Total – Teachers' Retirement	96,999,600	(2,213,582)	94,786,018
7	Grand Total - Elementary and Secondary	1,145,530,047	23,492,260	1,169,022,307
8	Public Higher Education			
9	<i>Board of Governors/Office of Higher Education</i>			
10	General Revenues	6,865,787	(117,509)	6,748,278
11	Federal Funds	3,646,277	379,999	4,026,276
12	Restricted Receipts	400,000	(400,000)	0
13	Total - Board of Governors/Office of			
14	Higher Education	10,912,064	(137,510)	10,774,554
15	<i>University of Rhode Island</i>			
16	General Revenues			
17	General Revenues	65,370,365	(2,480,545)	62,889,820
18	Debt Service	12,740,210	(150,130)	12,590,080
19	Federal Funds			
20	RI Developmental Disabilities Council	450,543	11,772	462,315
21	University and College Funds			
22	University and College Funds	447,650,315	12,220,538	459,870,853
23	Debt – Dining Services	1,146,768	(8,743)	1,138,025
24	Debt – Education and General	5,346,026	(2,814,154)	2,531,872
25	Debt – Health Services	130,074	200	130,274
26	Debt – Housing Loan Funds	7,582,070	(1,523,580)	6,058,490
27	Debt – Memorial Union	148,051	(22,069)	125,982
28	Debt – Ryan Center	2,799,947	(3,959)	2,795,988
29	Debt – Alton Jones Services	149,203	100	149,303
30	Debt - Parking Authority	881,295	(119,305)	761,990
31	Debt – Sponsored Research	99,370	0	99,370
32	Debt – Energy Conservation	0	734,925	734,925
33	Debt – Lease Payment – Vehicles	0	88,897	88,897
34	Rhode Island Capital Plan Funds			

1	Asset Protection	4,315,185	0	4,315,185
2	Lippitt Hall	1,600,000	198,798	1,798,798
3	New Chemistry Building	300,000	0	300,000
4	Nursing & Assoc. Health Building	300,000	0	300,000
5	Superfund Site Remediation	629,000	139,490	768,490
6	URI Biotechnology Center	0	5,100,000	5,100,000
7	Total – University of Rhode Island	551,638,422	11,372,235	563,010,657

8 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
9 unencumbered balances as of June 30, 2009 relating to the University of Rhode Island are hereby
10 reappropriated to fiscal year 2010.

11 *Rhode Island College*

12	General Revenues			
13	General Revenues	42,416,817	(2,005,695)	40,411,122
14	Debt Service	2,985,082	0	2,985,082
15	RIRBA – Rhode Island College	293,886	0	293,886
16	University and College Funds			
17	University and College Funds	89,146,859	1,384,753	90,531,612
18	Debt – Education and General	295,196	0	295,196
19	Debt – Housing	2,025,570	0	2,025,570
20	Debt – Student Center and Dining	172,639	0	172,639
21	Debt – Student Union	231,856	0	231,856
22	Debt – Lease Payments – Vehicles	0	12,573	12,573
23	Rhode Island Capital Plan Funds			
24	Asset Protection	1,873,700	126,300	2,000,000
25	Campus Entrance	600,000	0	600,000
26	Total – Rhode Island College	140,041,605	(482,069)	139,559,536

27 Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or
28 unencumbered balances as of June 30, 2009 relating to Rhode Island College are hereby
29 reappropriated to fiscal year 2010.

30 *Community College of Rhode Island*

31	General Revenues			
32	General Revenues	47,679,712	(2,241,297)	45,438,415
33	Debt Service	1,504,159	0	1,504,159
34	Restricted Receipts	641,526	24,907	666,433

1	University and College Funds			
2	University and College Funds	62,924,141	7,994,529	70,918,670
3	Debt – Bookstore	105,568	0	105,568
4	Rhode Island Capital Plan Funds			
5	Knight Campus Nursing Program	125,000	(125,000)	0
6	Asset Protection	1,192,355	213,977	1,406,332
7	Fire Code and HVAC	3,275,000	(1,723,485)	1,551,515
8	Total – Community College of RI	117,447,461	4,143,631	121,591,092
9	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or			
10	unencumbered balances as of June 30, 2009 relating to the Community College of Rhode Island			
11	are hereby reappropriated to fiscal year 2010.			
12	Grand Total – Public Higher Education	820,039,552	14,896,287	834,935,839
13	RI State Council on the Arts			
14	General Revenues			
15	Operating Support	753,552	(94,826)	658,726
16	Grants	1,341,295	(94,225)	1,247,070
17	Federal Funds	741,355	60,074	801,429
18	Restricted Receipts	0	94,225	94,225
19	Other Funds			
20	Arts for Public Facilities	439,453	(14,453)	425,000
21	Grand Total - RI State Council on the Arts	3,275,655	(49,205)	3,226,450
22	RI Atomic Energy Commission			
23	General Revenues	824,470	(37,623)	786,847
24	Federal Funds	407,277	(304,161)	103,116
25	URI Sponsored Research	251,153	(7,284)	243,869
26	Rhode Island Capital Plan Funds			
27	RINSC Asset Protection	50,000	0	50,000
28	Grand Total - RI Atomic Energy Commission	1,532,900	(349,068)	1,183,832
29	RI Higher Education Assistance Authority			
30	General Revenues			
31	Needs Based Grants and Work Opportunities	6,382,700	0	6,382,700
32	Authority Operations and Other Grants	940,351	(30,067)	910,284
33	Federal Funds	12,550,536	6,216,242	18,766,778
34	Tuition Savings Pgm. – Needs Based Grants	6,017,300	157,700	6,175,000

1	Tuition Savings Program – Administration	758,920	(34,289)	724,631
2	Grand Total - Higher Education Assistance	26,649,807	6,309,586	32,959,393
3	RI Historical Preservation and Heritage Commission			
4	General Revenues	1,348,825	(51,309)	1,297,516
5	Federal Funds	479,640	365,822	845,462
6	Restricted Receipts	494,649	23,364	518,013
7	Grand Total – RI Historical Preservation			
8	and Heritage Commission	2,323,114	337,877	2,660,991
9	RI Public Telecommunications Authority			
10	General Revenues	1,365,306	(115,797)	1,249,509
11	Corporation for Public Broadcasting	767,060	0	767,060
12	Grand Total – RI Public Telecommunications			
13	Authority	2,132,366	(115,797)	2,016,569
14	Attorney General			
15	<i>Criminal</i>			
16	General Revenues	13,441,955	(189,784)	13,252,171
17	Federal Funds	1,207,109	36,635	1,243,744
18	Restricted Receipts	343,296	(3,929)	339,367
19	Total – Criminal	14,992,360	(157,078)	14,835,282
20	<i>Civil</i>			
21	General Revenues	4,159,643	109,146	4,268,789
22	Restricted Receipts	637,570	137,496	775,066
23	Total – Civil	4,797,213	246,642	5,043,855
24	<i>Bureau of Criminal Identification</i>			
25	General Revenues	1,009,599	(33,460)	976,139
26	Federal Funds	56,500	13,050	69,550
27	Total - Bureau of Criminal Identification	1,066,099	(20,410)	1,045,689
28	<i>General</i>			
29	General Revenues	2,600,842	36,469	2,637,311
30	Rhode Island Capital Plan Funds			
31	Building Renovations and Repairs	275,000	472,726	747,726
32	Total – General	2,875,842	509,195	3,385,037
33	Grand Total - Attorney General	23,731,514	578,349	24,309,863
34	Corrections			

1	<i>Central Management</i>			
2	General Revenues	9,757,572	(1,231,649)	8,525,923
3	Federal Funds	62,000	0	62,000
4	Total - Central Management	9,819,572	(1,231,649)	8,587,923
5	<i>Parole Board</i>			
6	General Revenues	1,272,304	31,072	1,303,376
7	Federal Funds	53,000	(28,700)	24,300
8	Total - Parole Board	1,325,304	2,372	1,327,676
9	<i>Institutional Corrections</i>			
10	General Revenues	151,309,377	3,256,366	154,565,743
11	Federal Funds	2,068,317	390,384	2,458,701
12	Rhode Island Capital Funds			
13	Maximum General Renovations	450,000	(31,600)	418,400
14	General Renovations – Women’s	600,000	(600,000)	0
15	Women’s Bath Room Renovations	681,000	(681,000)	0
16	Bernadette Guay Bldg. Roof	930,000	(930,000)	0
17	Asset Protection	2,500,000	(167,217)	2,332,783
18	Total - Institutional Corrections	158,538,694	1,236,933	159,775,627
19	<i>Community Corrections</i>			
20	General Revenues	16,284,251	(1,997,232)	14,287,019
21	Federal Funds	529,418	206,455	735,873
22	Total – Community Corrections	16,813,669	(1,790,777)	15,022,892
23	Grand Total – Corrections	186,497,239	(1,783,121)	184,714,118
24	Judiciary			
25	<i>Supreme Court</i>			
26	General Revenues			
27	General Revenues	25,809,646	(1,228,600)	24,581,046
28	Defense of Indigents	3,065,689	0	3,065,689
29	Federal Funds	145,000	321,327	466,327
30	Restricted Receipts	1,184,111	300,255	1,484,366
31	Rhode Island Capital Plan Funds			
32	Judicial HVAC	300,000	0	300,000
33	Garrahy Lighting and Ceiling	900,000	72,948	972,948
34	Asset Protection	500,000	(64,317)	435,683

1	Total - Supreme Court	31,904,446	(598,387)	31,306,059
2	<i>Judicial Tenure and Discipline</i>			
3	General Revenues	115,432	13,660	129,092
4	<i>Superior Court</i>			
5	General Revenues	20,157,910	(517,491)	19,640,419
6	Federal Funds	100,000	30,000	130,000
7	Total - Superior Court	20,257,910	(487,491)	19,770,419
8	<i>Family Court</i>			
9	General Revenues	18,148,020	(462,611)	17,685,409
10	Federal Funds	1,694,312	416,302	2,110,614
11	Total - Family Court	19,842,332	(46,309)	19,796,023
12	<i>District Court</i>			
13	General Revenues	10,264,212	(138,664)	10,125,548
14	Restricted Receipts	0	264,920	264,920
15	Total - District Court	10,264,212	126,256	10,390,468
16	<i>Traffic Tribunal</i>			
17	General Revenues	7,439,091	130,937	7,570,028
18	<i>Workers' Compensation Court</i>			
19	Restricted Receipts	7,526,297	48,566	7,574,863
20	Grand Total – Judiciary	97,349,720	(812,768)	96,536,952
21	Military Staff			
22	<i>National Guard</i>			
23	General Revenues	1,681,849	(40,856)	1,640,993
24	Military Funerals	0	149,426	149,426
25	Federal Funds	9,399,739	1,120,292	10,520,031
26	Restricted Receipts	160,000	30,000	190,000
27	Rhode Island Capital Plan Funds			
28	Federal Armories Fire Code Comp.	12,500	59,395	71,895
29	AMC – Roof Replacement	1,100,000	321,661	1,421,661
30	State Armories Fire Code Comp.	75,000	134,753	209,753
31	Asset Protection	220,500	141,902	362,402
32	Logistics/Maint Facilities Fire Code	7,500	50,000	57,500
33	Quonset Point Hangar	0	501,675	501,675
34	Schofield Armory Rehabilitation	0	10,500	10,500

1	Total - National Guard	12,657,088	2,478,748	15,135,836
2	<i>Emergency Management</i>			
3	General Revenues	2,058,099	(273,258)	1,784,841
4	Federal Funds	13,549,284	12,717,613	26,266,897
5	Restricted Receipts	155,321	1,512	156,833
6	Total - Emergency Management	15,762,704	12,445,867	28,208,571
7	Grand Total - Military Staff	28,419,792	14,924,615	43,344,407
8	Public Safety			
9	<i>Central Management</i>			
10	General Revenues	514,329	112,040	626,369
11	Federal Funds	4,340,421	2,890,372	7,230,793
12	Restricted Receipts	133,000	0	133,000
13	Total – Central Management	4,987,750	3,002,412	7,990,162
14	<i>E-911 Emergency Telephone System</i>			
15	General Revenues	4,994,940	65,925	5,060,865
16	Federal Funds	400,000	337,819	737,819
17	Rhode Island Capital Plan Funds			
18	E-911 PSAP Building Renovations	55,000	(55,000)	0
19	Grand Total - E-911 Emergency Telephone System	5,449,940	348,744	5,798,684
20	<i>State Fire Marshal</i>			
21	General Revenues	2,614,889	(81,161)	2,533,728
22	Federal Funds	24,000	1,547,399	1,571,399
23	Grand Total - State Fire Marshal	2,638,889	1,466,238	4,105,127
24	<i>Capitol Police</i>			
25	General Revenues	3,744,088	(219,454)	3,524,634
26	<i>Municipal Police Training Academy</i>			
27	General Revenues	431,195	(58,481)	372,714
28	Federal Funds	66,000	107,602	173,602
29	Grand Total - Municipal Police Training Academy	497,195	49,121	546,316
30	<i>State Police</i>			
31	General Revenues	54,528,653	(11,990,025)	42,538,628
32	Federal Funds	1,401,699	3,282,301	4,684,000
33	Stimulus – State Fiscal Stabilization	0	10,000,000	10,000,000
34	Restricted Receipts	301,000	401,000	702,000

1	Rhode Island Capital Plan Funds			
2	Barracks & Training	750,000	(204,327)	545,673
3	State Police New Headquarters	8,000,000	0	8,000,000
4	Parking Area Improvements	225,000	(225,000)	0
5	Statewide Microwave Upgrade	2,470,000	0	2,470,000
6	Headquarters Sewer Project	0	300,000	300,000
7	Traffic Enforcement - Municipal Training	152,157	(45,007)	107,150
8	Lottery Commission Assistance	142,844	26,301	169,145
9	Airport Corporation	144,700	42,765	187,465
10	Road Construction Reimbursement	2,391,544	(524,404)	1,867,140
11	Grand Total - State Police	70,507,597	1,063,604	71,571,201
12	Grand Total – Public Safety	87,825,459	5,710,665	93,536,124
13	Office of Public Defender			
14	General Revenues	9,468,259	(150,212)	9,318,047
15	Federal Funds	248,470	77,121	325,591
16	Grand Total - Office of Public Defender	9,716,729	(73,091)	9,643,638
17	Environmental Management			
18	<i>Office of the Director</i>			
19	General Revenues	5,539,371	(792,444)	4,746,927
20	Federal Funds	536,513	(15,000)	521,513
21	Restricted Receipts	2,681,835	(81,683)	2,600,152
22	Total – Office of the Director	8,757,719	(889,127)	7,868,592
23	<i>Natural Resources</i>			
24	General Revenues	18,853,058	(644,264)	18,208,794
25	Federal Funds	21,581,338	(708,742)	20,872,596
26	Restricted Receipts	3,542,167	124,491	3,666,658
27	DOT Recreational Projects	71,126	322	71,448
28	Blackstone Bikepath Design	980,329	125,345	1,105,674
29	Rhode Island Capital Plan Funds			
30	Dam Repair	0	76,458	76,458
31	Recreational Facilities Improvement	1,030,000	865,639	1,895,639
32	Fort Adams Rehabilitation	250,000	72,218	322,218
33	Jamestown Fishing Pier	0	2,648	2,648
34	Galilee Piers Upgrade	750,000	(291,436)	458,564

1	Newport Piers	250,000	400,000	650,000
2	Total - Natural Resources	47,308,018	22,679	47,330,697
3	<i>Environmental Protection</i>			
4	General Revenues	11,386,955	(331,314)	11,055,641
5	Federal Funds	11,317,587	1,796,708	13,114,295
6	Restricted Receipts	10,187,873	(2,940,546)	7,247,327
7	Rhode Island Capital Plan Funds			
8	Rose Hill Superfund Site	0	151,851	151,851
9	Retrofit Heavy Duty Diesel Vehicle	0	400,000	400,000
10	Total - Environmental Protection	32,892,415	(923,301)	31,969,114
11	Grand Total - Environmental Management	88,958,152	(1,789,749)	87,168,403
12	Coastal Resources Management Council			
13	General Revenues	1,877,703	156,651	2,034,354
14	Federal Funds	1,453,450	205,659	1,659,109
15	Restricted Receipts	250,000	145,000	395,000
16	Rhode Island Capital Plan Funds			
17	Providence River Dredging	1,655,509	(1,655,509)	0
18	Grand Total - Coastal Resources Mgmt. Council	5,236,662	(1,148,199)	4,088,463
19	State Water Resources Board			
20	General Revenues	1,378,002	(25,956)	1,352,046
21	Restricted Receipts	0	109,817	109,817
22	Rhode Island Capital Plan Funds			
23	Big River Management Area	100,000	0	100,000
24	Grand Total - State Water Resources Board	1,478,002	83,861	1,561,863
25	Transportation			
26	<i>Central Management</i>			
27	Federal Funds	17,371,666	(4,666,118)	12,705,548
28	Other Funds			
29	Gasoline Tax	1,916,115	(5,493)	1,910,622
30	Total - Central Management	19,287,781	(4,671,611)	14,616,170
31	<i>Management and Budget</i>			
32	Other Funds			
33	Gasoline Tax	2,162,403	(810,467)	1,351,936
34	Total - Management and Budget	2,162,403	(810,467)	1,351,936

1	<i>Infrastructure Engineering</i>			
2	Federal Funds	246,065,687	27,298,241	273,363,928
3	Restricted Receipts	1,447,246	2,754	1,450,000
4	Gasoline Tax	46,424,931	888,769	47,313,700
5	Land Sale Revenue	5,598,459	(3,598,459)	2,000,000
6	Highway Logo Program	100,000	0	100,000
7	State Infrastructure Bank	1,343,714	44,270	1,387,984
8	Rhode Island Capital Plan Funds			
9	RIPTA - Land and Buildings	4,774,023	0	4,774,023
10	Pawtucket – Central Falls Train Station	20,000	(20,000)	0
11	Total - Infrastructure Engineering	305,774,060	24,615,575	330,389,635
12	<i>Infrastructure Maintenance</i>			
13	Gasoline Tax	39,335,813	4,971,428	44,307,241
14	Non-Land Surplus Property	15,000	0	15,000
15	Outdoor Advertising	264,323	235,677	500,000
16	Utility Permit Applications	1,000,000	(1,000,000)	0
17	Radio System Upgrade	0	335,000	335,000
18	Rhode Island Capital Plan Funds			
19	Cherry Hill/Lincoln Facility	625,000	0	625,000
20	Maintenance Facilities Improvements	0	200,000	200,000
21	East Providence Facility	862,000	(862,000)	0
22	Salt Storage Facilities	700,000	(75,000)	625,000
23	Total - Infrastructure Maintenance	42,802,136	3,805,105	46,607,241
24	Grand Total – Transportation	370,026,380	22,938,602	392,964,982
25	Statewide Totals			
26	General Revenues	3,276,156,221	(247,403,005)	3,028,753,216
27	Federal Funds	1,997,927,181	391,404,281	2,389,331,462
28	Restricted Receipts	152,502,978	732,857	153,235,835
29	Other Funds	1,492,467,822	159,426,675	1,651,894,497
30	Statewide Grand Total	6,919,054,202	304,160,808	7,223,215,010

31 SECTION 2. Each line appearing in Section 1 of this Article shall constitute an
32 appropriation.

33 SECTION 3. Notwithstanding any provisions of Chapter 1-42 in Title 39 of the Rhode
34 Island General Laws, the Public Utilities Commission shall transfer the sum of one hundred

1 eighty three thousand two hundred forty six dollars (\$183,246) from the Dual Party Phone Relay
 2 Fund to the General Fund by June 30, 2009.

3 SECTION 4. The State Controller is hereby authorized to pool the amount established as
 4 escrows for workers compensation claims from defunct companies and transfer \$700,000 of the
 5 \$1.2 million balance to General Fund surplus by June 30, 2009.

6 SECTION 5. (a) The general assembly authorizes the state controller to establish the
 7 internal service accounts shown below, and no other, to finance and account for the operations of
 8 state agencies that provide services to other agencies, institutions and other governmental units on
 9 a cost reimbursed basis. The purpose of these accounts is to ensure that certain activities are
 10 managed in a businesslike manner, promote efficient use of services by making agencies pay the
 11 full costs associated with providing the services, and allocate the costs of central administrative
 12 services across all fund types, so that federal and other non-general fund programs share in the
 13 costs of general government support. The controller is authorized to reimburse these accounts for
 14 the cost of work or services performed for any other department or agency subject to the
 15 following expenditure limitations:

16		FY 2009	FY 2009	FY 2009
17	<u>Account</u>	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
18	State Assessed Fringe Benefit Internal Service Account	28,747,957	10,019,803	38,767,760
19	Administration Central Utilities Internal Service Account	24,635,247	(113,892)	24,521,355
20	State Central Mail Internal Service Account	5,605,880	(155,285)	5,450,595
21	State Telecommunications Internal Service Account	2,847,323	568,362	3,415,685
22	State Automotive Fleet Internal Service Account	14,610,172	(542,117)	14,068,055
23	State Fleet Replacement Revolving Loan Fund	2,500,000	2,300,000	4,800,000
24	Capital Police Internal Service Account	586,142	158,080	744,222
25	Health Insurance Internal Service Fund	257,686,908	20,416,007	278,102,915
26	MHRH Central Pharmacy Internal Service Account	9,241,973	(334,961)	8,907,012
27	MHRH Laundry Services Internal Service Account	1,125,579	94,386	1,219,965
28	Corrections General Services & Warehouse Internal Service Account	262,296	6,487,971	6,750,267
29	Correctional Industries Internal Service Account	7,489,514	(285,781)	7,203,733
30	Secretary of State Record Center Internal Service Account	802,825	38	802,863

31 SECTION 6. Departments and agencies listed below may not exceed the number of full-
 32 time equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions
 33 do not include seasonal or intermittent positions whose scheduled period of employment does not
 34 exceed twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and

1 twenty-five (925) hours, excluding overtime, in a one-year period. Nor do they include
 2 individuals engaged in training, the completion of which is a prerequisite of employment.
 3 Provided, however, that the Governor or designee, Speaker of the House of Representatives or
 4 designee, and President of the Senate or designee may authorize an adjustment to any limitation.
 5 Prior to the authorization, the State Budget Officer shall make a detailed written recommendation
 6 to the Governor, the Speaker of the House, and the President of the Senate. A copy of the
 7 recommendation and authorization to adjust shall be transmitted to the chairman of the House
 8 Finance Committee, the chairman of the Senate Finance Committee, the House Fiscal Advisor
 9 and the Senate Fiscal Advisor.

10 No agency or department may employ contracted employees or employee services where
 11 the contracted employees would work under state employee supervisors without determination of
 12 need by the Director of Administration acting upon the positive recommendations of the Budget
 13 Officer and the Personnel Administrator and 15 days after a public hearing.

14 Nor may any agency or department contract for services replacing work done by state
 15 employees at that time without determination of need by the Director of Administration acting
 16 upon the positive recommendations of the Budget Officer and the Personnel Administrator and 30
 17 days after a public hearing.

18 State employees whose funding is from non-state general revenue funds that are time
 19 limited shall receive limited term appointment with the term limited to the availability of the non-
 20 state general revenue funding source.

21 FTE POSITION AUTHORIZATION

22 <u>Departments and Agencies</u>	<u>Full-Time Equivalent</u>
23 Administration	955.8 845.6
24 Business Regulation	97.0 91.0
25 Labor and Training	407.2 395.3
26 Revenue	464.0 410.0
27 Legislature	297.9
28 Office of the Lieutenant Governor	8.0
29 Secretary of State	57.0 55.0
30 General Treasurer	86.0 83.0
31 Board of Elections	14.0 12.0
32 Rhode Island Ethics Commission	12.0
33 Office of the Governor	39.0
34 Commission for Human Rights	14.5

1	Public Utilities Commission	44.0
2	Rhode Island Commission on Women	1.0
3	Office of Health and Human Services	92.2 85.1
4	Children, Youth, and Families	738.5 694.0
5	Elderly Affairs	35.0 32.0
6	Health	413.5 409.6
7	Human Services	994.4 884.6
8	Mental Health, Retardation, and Hospitals	1,534.6 1,352.4
9	Office of the Child Advocate	5.8 5.7
10	Commission on the Deaf and Hard of Hearing	3.0
11	RI Developmental Disabilities Council	-
12	Governor's Commission on Disabilities	4.6 4.0
13	Office of the Mental Health Advocate	3.7
14	Elementary and Secondary Education	140.2 128.4
15	School for the Deaf	65.8 50.0
16	Davies Career and Technical School	133.0
17	Office of Higher Education	21.1 20.4
18	Provided that 1.0 of the total authorization would be available only for a position that is supported	
19	by third-party funds.	
20	University of Rhode Island	2504.1 2451.9
21	Provided that 602.0 of the total authorization would be available only for positions that are	
22	supported by third-party funds.	
23	Rhode Island College	917.5 894.6
24	Provided that 82.0 of the total authorization would be available only for positions that are	
25	supported by third-party funds.	
26	Community College of Rhode Island	833.2 813.1
27	Provided that 100.0 of the total authorization would be available only for positions that are	
28	supported by third-party funds.	
29	Rhode Island State Council on the Arts	8.6 7.6
30	RI Atomic Energy Commission	8.6
31	Higher Education Assistance Authority	42.6
32	Historical Preservation and Heritage Commission	16.6
33	Public Telecommunications Authority	20.0 18.0
34	Office of the Attorney General	231.1

1	Corrections	1,515.0	<u>1,423.0</u>
2	Judicial	729.3	
3	Military Staff	103.0	<u>101.0</u>
4	Public Safety	414.5	<u>396.1</u>
5	Office of the Public Defender	93.5	<u>91.0</u>
6	Environmental Management	473.0	<u>409.0</u>
7	Coastal Resources Management Council	30.0	
8	Water Resources Board		<u>6.0</u>
9	Transportation	729.2	<u>691.2</u>
10	Total	15,358.6	<u>14,474.9</u>

11 ~~Provided further that, as of October 1, 2008, the total filled positions shall not exceed 14,958.6.~~

12 SECTION 7. This article shall take effect upon passage.

13 **ARTICLE 2**

14 RELATING TO INTERFUND BORROWING

15 SECTION 1. Section 35-3-23 of the General Laws in Chapter 35-3 entitled “State
16 Budget” is hereby amended to read as follows:

17 **35-3-23. Interfund transfers.** -- (a) The governor may make an interfund transfer to the
18 general fund. Prior to making an interfund transfer the governor shall give five (5) days written
19 notification of the proposed interfund transfer to the speaker of the house, the president of the
20 senate, the chairperson of the house finance committee, the chairperson of the senate finance
21 committee, the minority leader of the senate, and the minority leader of the house.

22 An interfund transfer must comply with this section. An interfund transfer can be made
23 under the following circumstances and on the following conditions:

24 (1) The governor must make the findings that:

25 (i) All cash in the general fund, including the payroll clearing account, has been or is
26 about to be exhausted;

27 (ii) The anticipated cash expenditures exceed the anticipated cash available.

28 (2) The governor may make an interfund transfer to the general fund from the:

29 (i) Temporary disability fund created in § 28-39-4; and/or

30 (ii) Intermodal surface transportation fund created in § 35-4-11 ~~and/or~~;

31 ~~(iii) Tobacco settlement financing trust fund created in § 42-133-9.~~

32 (3) ~~Once in each fiscal quarter from each fund the governor may make an interfund~~
33 ~~transfer.~~ The fund(s) from which money is transferred must be made whole by ~~June 30th in the~~
34 ~~same fiscal year as the transfer is made~~ September 30th of the following fiscal year. A subsequent

1 [transfer from a fund shall not be made until at least six \(6\) months after the fund has been made](#)
2 [whole from the previous transfer.](#)

3 (4) The interfund transfer may be made notwithstanding the provisions of §§ 28-37-3 and
4 28-39-4.

5 SECTION 2. This article shall take effect upon passage.

6 ARTICLE 3

7 RELATING TO CLEAN WATER FINANCE AGENCY

8 SECTION 1. Section 46-12.2-2 of the General Laws in Chapter 46-12.2 entitled "Rhode
9 Island Clean Water Finance Agency" is hereby amended to read as follows:

10 **46-12.2-2. Definitions.** -- As used in this chapter, unless the context clearly indicates
11 otherwise, the following words and phrases shall have the following meanings:

12 (1) "Agency" means the Rhode Island clean water finance agency;

13 (2) "Approved project" means any project or portion thereof that has been issued a
14 certificate of approval by the department for financial assistance from the agency;

15 (3) "Board" means board of directors of the agency;

16 (4) "Bond act" means any general or special law authorizing a local governmental unit to
17 incur indebtedness for all or any part of the cost of projects coming within the scope of a water
18 pollution abatement project, including but not limited to section 45-12-2;

19 (5) "Bonds" means bonds, notes, or other evidence of indebtedness of the agency;

20 (6) "Certificate of approval" means the certificate of approval contemplated by section
21 46-12.2-8;

22 (7) "Chief executive officer" means the mayor in any city, the president of the town
23 council in any town, and the executive director of any authority or commission, unless some other
24 officer or body is designated to perform the functions of a chief executive officer under any bond
25 act or under the provisions of a local charter or other law;

26 (8) "Clean Water Act" or "act" means the Federal Water Pollution Control Act, act of
27 June 30, 1948, ch. 758, as added Oct. 18, 1972, Pub. L. No. 92-500, 86 Stat. 896, as added Dec.
28 27, 1977, Pub. L. No. 95-217, 91 Stat. 1566 (codified at 33 U.S.C. section 1251 et seq., as
29 amended and as hereafter amended from time to time);

30 (9) "Cost" as applied to any approved project, means any or all costs, whenever incurred,
31 approved by the agency in accordance with section eight of this chapter, of planning, designing,
32 acquiring, constructing, and carrying out and placing the project in operation, including, without
33 limiting the generality of the foregoing, amounts for the following: planning, design, acquisition,
34 construction, expansion, improvement and rehabilitation of facilities; acquisition of real or

1 personal property; demolitions and relocations; labor, materials, machinery and equipment;
2 services of architects, engineers, and environmental and financial experts and other consultants;
3 feasibility studies, plans, specifications, and surveys; interest prior to and during the carrying out
4 of any project and for a reasonable period thereafter; reserves for debt service or other capital or
5 current expenses; costs of issuance of local governmental obligations issued to finance the
6 obligations including, without limitation, fees, charges, and expenses and costs of the agency
7 relating to the loan evidenced thereby, fees of trustees and other depositories, legal and auditing
8 fees, premiums and fees for insurance, letters or lines of credit or other credit facilities securing
9 local governmental obligations and other costs, fees, and charges in connection with the
10 foregoing; and working capital, administrative expenses, legal expenses, and other expenses
11 necessary or incidental to the aforesaid, to the financing of a project and to the issuance therefor
12 of local government obligations under the provisions of this chapter;

13 (10) "Department" means the department of environmental management;

14 (11) "Financial assistance" means any form of financial assistance other than grants
15 provided by the agency to a local governmental unit in accordance with this chapter for all or any
16 part of the cost of an approved project, including, without limitation, temporary and permanent
17 loans, with or without interest, guarantees, insurance, subsidies for the payment of debt service on
18 loans, lines of credit, and similar forms of financial assistance; provided, however,
19 notwithstanding the foregoing, for purposes of the State Revolving Fund Capitalization Grants
20 appropriated pursuant to the American Recovery and Reinvestment Act of 2009 (P.L. 111-5),
21 financial assistance shall also include principal forgiveness and negative interest loans;

22 (12) "Fully marketable form" means a local governmental obligation in form satisfactory
23 to the agency duly executed and accompanied by an opinion of counsel of recognized standing in
24 the field of municipal law whose opinions have been and are accepted by purchasers of like
25 obligations to the effect that the obligation is a valid and binding obligation of the local
26 governmental unit issuing the obligation, enforceable in accordance with its terms;

27 (13) "General revenues" , when used with reference to a local governmental unit, means
28 revenues, receipts, assessments, and other moneys of the local governmental unit received from
29 or on account of the exercise of its powers and all rights to receive the same, including without
30 limitation:

31 (i) Taxes,

32 (ii) Wastewater system revenues,

33 (iii) Assessments upon or payments received from any other local governmental unit
34 which is a member or service recipient of the local governmental unit, whether by law, contract,

1 or otherwise,

2 (iv) Proceeds of local governmental obligations and loans and grants received by the
3 local governmental unit in accordance with this chapter,

4 (v) Investment earnings,

5 (vi) Reserves for debt service or other capital or current expenses,

6 (vii) Receipts from any tax, excise, or fee heretofore or hereafter imposed by any general
7 or special law all or a part of the receipts of which are payable or distributable to or for the
8 account of the local governmental unit,

9 (viii) Local aid distributions, and

10 (ix) Receipts, distributions, reimbursements, and other assistance received by or for the
11 account of the local governmental unit from the United States or any agency, department, or
12 instrumentality thereof;

13 (14) "Loan" means a loan by the agency to a local governmental unit for costs of an
14 approved project, including, without limitation, temporary and permanent loans, and lines of
15 credit;

16 (15) "Loan agreement" means any agreement entered into by the agency with a local
17 governmental unit pertaining to a loan, other financial assistance, or local governmental
18 obligations including, without limitation, a loan agreement, trust agreement, security agreement,
19 reimbursement agreement, guarantee agreement, or similar instrument;

20 (16) "Local aid distributions" means receipts, distributions, reimbursements, and other
21 assistance payable by the state to or for the account of a local governmental unit, except such
22 receipts, distributions, reimbursements, and other assistance restricted by law to specific
23 statutorily defined purposes;

24 (17) "Local governmental obligations" means bonds, notes, and other evidences of
25 indebtedness in fully marketable form issued by a local governmental unit to evidence a loan
26 from the agency in accordance with this chapter or otherwise as provided herein;

27 (18) "Local governmental unit" means any town, city, district, commission, agency,
28 authority, board, or other political subdivision or instrumentality of the state or of any political
29 subdivision thereof responsible for the ownership or operation of a water pollution abatement
30 project, including the Narragansett Bay water quality management district commission; and, for
31 purposes of dam safety or dam maintenance projects, any person seeking financial assistance as a
32 joint applicant with any of the above entities;

33 (19) "Local interest subsidy trust fund" means the local interest subsidy trust fund
34 established under section 46-12.2-6;

1 (20) "Person" means any natural or corporate person, including bodies politic and
2 corporate, public departments, offices, agencies, authorities, and political subdivisions of the
3 state, corporations, societies, associations, and partnerships, and subordinate instrumentalities of
4 any one or more political subdivisions of the state;

5 (21) "Priority determination system" means the system by which water pollution
6 abatement projects are rated on the basis of environmental benefit and other criteria for funding
7 assistance pursuant to rules and regulations promulgated by the department as they may be
8 amended from time to time;

9 (22) "Revenues" , when used with reference to the agency, means any receipts, fees,
10 payments, moneys, revenues, or other payments received or to be received by the agency in the
11 exercise of its corporate powers under this chapter, including, without limitation, loan
12 repayments, payments on local governmental obligations, grants, aid, appropriations, and other
13 assistance from the state, the United States, or any agency, department, or instrumentality of
14 either or of a political subdivision thereof, bond proceeds, investment earnings, insurance
15 proceeds, amounts in reserves, and other funds and accounts established by or pursuant to this
16 chapter or in connection with the issuance of bonds, including, without limitation, the water
17 pollution control revolving fund, the Rhode Island water pollution control revolving fund, and the
18 local interest subsidy fund, and any other fees, charges or other income received or receivable by
19 the agency;

20 (23) "Rhode Island water pollution control revolving fund" means the Rhode Island
21 water pollution control revolving fund established pursuant to section 46-12.2-6;

22 (24) "Trust agreement" means a trust agreement, loan agreement, security agreement,
23 reimbursement agreement, currency or interest rate exchange agreement, or other security
24 instrument, and a resolution, loan order, or other vote authorizing, securing, or otherwise
25 providing for the issue of bonds, loans, or local governmental obligations;

26 (25) "Wastewater system revenues" means all rates, rents, fee assessments, charges, and
27 other receipts derived or to be derived by a local governmental unit from wastewater collection
28 and treatment facilities and water pollution abatement projects under its ownership or control, or
29 from the services provided thereby, including, without limitation, proceeds of grants, gifts,
30 appropriations, and loans, including the proceeds of loans or grants awarded by the agency or the
31 department in accordance with this chapter, investment earnings, reserves for capital and current
32 expenses, proceeds of insurance or condemnation, and the sale or other disposition of property;
33 wastewater system revenues may also include rates, rents, fees, charges, and other receipts
34 derived by the local governmental unit from any water supply of distribution facilities or other

1 revenue producing facilities under its ownership or control; wastewater system revenues shall not
2 include any ad valorem taxes levied directly by the local governmental unit on any real and
3 personal property;

4 (26) "Water pollution abatement project" or "project" means any wastewater treatment or
5 conveyance project that contributes to removal, curtailment, or mitigation of pollution of the
6 surface water of the state, and conforms with any applicable comprehensive land use plan which
7 has been adopted or any dam safety or dam maintenance project; it also means a project to
8 enhance the waters of the state, which the agency has been authorized by statute to participate in;

9 (27) "Water pollution control revolving fund" means the water pollution control
10 revolving fund contemplated by title VI of the Water Quality Act and established under section
11 46-12.2-6;

12 (28) "Water Quality Act" means the Water Quality Act of 1987, Pub. L. No. 100-4, 101
13 Stat. 7, 33 U.S.C. section 1251 et seq., as amended from time to time.

14 SECTION 2. Section 46-12.8-2 of the General Laws in Chapter 46-12.8 entitled "Water
15 Projects Revolving Loan Fund" is hereby amended to read as follows:

16 **46-12.8-2. Definitions.** -- (a) "Agency" means the Rhode Island clean water finance
17 agency.

18 (b) "Approved project" means any project or portion thereof of a governmental unit or
19 privately organized water supplier that has been issued a certificate of approval by the department
20 for assistance through the agency.

21 (c) "Department" means the department of health.

22 (d) "Local governmental obligations" means bonds, notes or other evidences of
23 indebtedness in fully marketable form issued by a governmental unit to evidence a loan from the
24 agency in accordance with this chapter or otherwise as provided herein.

25 (e) "Local governmental unit" means any town, city, district, commission, agency,
26 authority, board or other political subdivision or instrumentality of the state or of any political
27 subdivision thereof responsible for the ownership or operation of water supply facilities within
28 the state.

29 (f) "Obligations of private water companies" means bonds, notes or other evidences of
30 indebtedness, of private water companies, in fully marketable form.

31 (g) "Privately organized water supplier" means any water company not owned or
32 operated by a local governmental unit, existing under the laws of the state, and in the business of
33 operating a safe drinking water facility.

34 (h) "Water supply facility or facilities" means water reservoirs, wells and well sites,

1 transmission or distribution system, any and all real estate or interests in real estate held in
2 connection therewith, all equipment and improvements held in connection therewith, and any
3 property or interests therein, real, personal or mixed, used or held on to be used in connection
4 therewith.

5 (i) "Financial assistance" means any form of financial assistance other than grants
6 provided by the agency to a local governmental unit or private water company in accordance with
7 this chapter for all or any part of the cost of an approved project, including, without limitation,
8 temporary and permanent loans, with or without interest, guarantees, insurance, subsidies for the
9 payment of debt service on loans, lines of credit, and similar forms of financial assistance;
10 provided, however, notwithstanding the foregoing, for purposes of the State Revolving Fund
11 Capitalization Grants appropriated pursuant to the American Recovery and Reinvestment Act of
12 2009 (P.L. 111-5), financial assistance shall also include principal forgiveness and negative
13 interest loans.

14 SECTION 3. This act shall take effect upon passage.

15 ARTICLE 4

16 RELATING TO RETIREE HEALTH CARE TRUST FUND

17 SECTION 1. Sections 36-12.1-5, 36-12.1-12, 36-12.1-13, 36-12.1-15, 36-12.1-18 and
18 36-12.1-19 of the General Laws in Chapter 36-12.1 entitled "Retiree Health Care Trust Fund" are
19 hereby amended to read as follows:

20 **36-12.1-5. Establishment of OPEB system.** -- An OPEB System is hereby established
21 and placed under the management of the OPEB Board for the purpose of providing and
22 administering OPEB Benefits for Retired Employees of the State of Rhode Island and their
23 dependants under the provisions of chapter 36-12, entitled "Insurance Benefits", of this title, and
24 for retired non-classified employees who are participants in the Board of Governors for Higher
25 Education's alternate retirement plans. The OPEB System so created shall begin operation as of
26 July 1, ~~2008~~ 2010. It shall have the power and privileges of a corporation and shall be known as
27 the "Rhode Island State Employees' and Electing Teachers OPEB System" and by that name all
28 of its business shall be transacted.

29 **36-12.1-12. Annual report and statement.** -- The OPEB Board shall submit to the
30 governor for transmittal to the general assembly, on or before the first day of January in each year
31 beginning in 2011, an annual report showing the financial transactions of the system for the fiscal
32 year of the state next preceding said date. The report shall contain, among other things, a
33 statement of plan net assets, a statement of changes in plan net assets, a valuation balance sheet as
34 prepared by the actuary on a schedule in accordance with generally accepted accounting

1 [principles](#), and other statistical data as are deemed necessary for a proper interpretation of the
2 condition of the system and the results of its operations. The report shall also embody such other
3 data as may be of use in the advancement of knowledge concerning state employee OPEB and
4 any recommendations of the board for changes in the laws pertaining to the system. The OPEB
5 Board shall cause to be published for distribution among the members of the system a financial
6 statement summarizing the results of operations for the fiscal year. All financial statements issued
7 by the OPEB Board shall conform to the requirements of GAAP.

8 **36-12.1-13. Executive officers and secretary.** -- (a) The Board shall elect a Chairperson
9 and Secretary. Moreover, the State Controller shall serve as the Treasurer.

10 (b) Any negotiated agreement entered into after July 1, ~~2008~~ [2010](#), between any state or
11 municipal agency or department and an employee or employees, whose conditions are contrary to
12 the general laws or the rules, regulations, and policies as adopted and promulgated by the OPEB
13 Board shall be null and void unless and until approved by formal action of the OPEB Board for
14 good cause shown.

15 **36-12.1-15. Payment of administrative expenses of the OPEB board and**
16 **maintaining the OPEB system – Restricted receipts account.** -- (a) There is hereby created
17 within the general fund a restricted receipt account entitled the "OPEB system restricted receipt
18 account", the proceeds of which shall be used solely to pay the expenses of the OPEB Board, the
19 cost of maintaining the OPEB System, and the costs of administering the OPEB System.

20 (b) For fiscal years ~~2009~~ [2011](#) through 2014, the State Controller is authorized to
21 disburse from the fund the cost of the actuarial valuation, and the allocated share of investment
22 manager fees incurred by the State Investment Commission. In fiscal years, 2015 and thereafter,
23 there shall be transferred to this restricted receipt account twenty five (25) basis points where one
24 hundred (100.0) basis points equals one percent (1.0%), of the average total investments before
25 lending activities as reported in the annual report of the auditor general for the next preceding five
26 fiscal years. Any non-encumbered funds on June 30 of any fiscal year shall be credited to the
27 OPEB System.

28 **36-12.1-18. Periodic actuarial investigations and valuations.** -- Every year beginning
29 with fiscal year ~~2009~~ [2012 on a schedule in accordance with generally accepted accounting](#)
30 [principles](#), the actuary shall make an actuarial investigation into the mortality, service, and
31 compensation experience of the members and beneficiaries of the OPEB System, and shall make
32 a valuation of the assets and liabilities of the system, and, taking into account the result of the
33 investigation and valuation, the OPEB Board shall:

34 (1) Adopt for the OPEB System, such mortality, service, and other tables as shall be

1 deemed necessary in the OPEB System; and

2 (2) Certify the levels of contribution payable by the state of Rhode Island to carry out the
3 provisions of chapters 12, 12.1, and 12.2 of this title.

4 (3) Certify the levels of contribution payable by the Board of Governors for Higher
5 Education to carry out the provisions of chapter 17.1 of title 16.

6 On the basis of such tables as the OPEB Board shall adopt, the actuary shall make ~~an~~
7 ~~annual~~ a valuation of the liabilities of the funds of the system created by this chapter and the
8 investment advisor or investment manager appointed by the OPEB Board shall make ~~an annual~~ a
9 valuation of the assets of the OPEB System.

10 **36-12.1-19. State contributions.** -- (a) The State of Rhode Island shall make its
11 contribution for the maintenance of the system, including the proper and timely payment of
12 benefits, by annually appropriating an amount equal to a percentage of the total compensation
13 paid to the active membership and teacher payroll base. The percentage shall be computed by the
14 actuary employed by the OPEB Board and shall be certified by the OPEB Board to the director of
15 administration on or before the fifteenth day of October in each year, beginning in 2011. In
16 arriving at the yearly employer contribution the actuary shall determine the value of:

17 (1) The contributions made by the members;

18 (2) Income on investments; and

19 (3) Other income of the system.

20 (b) The Actuary shall thereupon compute the yearly employer contribution that will:

21 (1) Pay the actuarial estimate of the normal cost for the next succeeding fiscal year;

22 (2) Amortize the unfunded liability of the system as of June 30, 2006 utilizing a time
23 period not to exceed thirty (30) years.

24 (c) The State of Rhode Island shall remit to the general treasurer the employer's share of
25 the contribution for state employees, state police, legislators, and judges on a payroll frequency
26 basis, and for teachers in a manner consistent with sound accounting and actuarial practice.

27 (d) The Board of Governors for Higher Education shall remit to the general treasurer that
28 employer's share of the contribution for its non-classified employees, and those of the University
29 of Rhode Island, Rhode Island College, and the Community College of Rhode Island, pursuant to
30 § 16-17.1-1 et seq., and in a manner consistent with sound accounting and actuarial practice.

31 SECTION 2. Chapter 36-12.1 of the General Laws entitled "Retiree Health Care Trust
32 Fund" is hereby amended by adding thereto the following section:

33 **36-12.1-28. Implementation.** -- Notwithstanding any law to the contrary, the provisions
34 of Chapter 36-12.1 entitled "Retiree Health Care Trust Fund" shall be implemented by July 1,

1 [2010.](#)

2 SECTION 3. This article shall take effect upon passage.

3 **ARTICLE 5**

4 RELATING TO UNEMPLOYMENT INSURANCE BENEFITS

5 SECTION 1. Section 28-44-14 of the General Laws in Chapter 28-44 entitled
6 “Employment Security – Benefits” is hereby amended to read as follows:

7 **28-44-14. Waiting period.** -- (a) Subject to the provisions of subsection (e) of this
8 section, the waiting period of any individual shall be either:

9 (1) Seven (7) consecutive days, commencing with the Sunday of the week in which the
10 claimant filed a claim for benefits, during which that individual is totally unemployed due to lack
11 of work; or

12 (2) Seven (7) consecutive days, commencing with the Sunday of the week in which the
13 claimant filed a claim for benefits, during which that individual is employed less than full time
14 due to lack of work and during which he or she has earned remuneration for services performed
15 in an amount less than his or her weekly benefit rate; provided, that no waiting period credit can
16 be given in either case if a disqualification has been imposed with respect to the whole or any
17 portion of that seven (7) day period under § 28-44-12 or §§ 28-44-16 – 28-44-21.

18 (b) No waiting period shall be given to any individual unless he or she has filed a valid
19 claim in accordance with regulations adopted as prescribed.

20 (c) Benefits shall be payable to an eligible individual only for those weeks of his or her
21 unemployment within a benefit year which occur subsequent to one waiting period, which shall
22 be served at any time during the benefit year.

23 (d) No period of total or partial unemployment shall be counted towards an individual's
24 required waiting period if, with respect to any portion of that period of unemployment, benefits
25 have been paid under the employment security or temporary disability insurance acts of any other
26 state or of any similar acts of any foreign government, or if benefits have been paid under the
27 Temporary Disability Insurance Act of this state or under any similar acts of the United States.

28 (e) In the event that an individual's unemployment is due to a natural disaster or state of
29 emergency, there shall be no waiting period.

30 [\(f\) Notwithstanding the provisions of this section, no waiting period shall be in effect](#)
31 [from the date of enactment of this article through June 30, 2009.](#)

32 SECTION 2. This article shall take effect upon passage.

33 **ARTICLE 6**

34 RELATING TO TELECOMMUNICATIONS TAX

1 SECTION 1. Section 44-13-13 of the General Laws in Chapter 44-13 entitled "Public
2 Service Corporation Act" is hereby amended to read as follows:

3 44-13-13. Taxation of certain tangible personal property. -- The lines, cables,
4 conduits, ducts, pipes, machines and machinery, equipment, and other tangible personal property
5 within this state of telegraph, cable, and telecommunications corporations and express
6 corporations, used exclusively in the carrying on of the business of the corporation shall be
7 exempt from local taxation; provided, that nothing in this section shall be construed to exempt
8 any "community antenna television system company" (CATV) from local taxation; and provided,
9 that the tangible personal property of companies exempted from local taxation by the provisions
10 of this section shall be subject to taxation in the following manner:

11 (1) Definitions. Whenever used in this section and in §§ 44-13-13.1 and 44-13-13.2,
12 unless the context otherwise requires:

13 (i) "Average assessment ratio" means the total assessed valuation as certified on tax rolls
14 for the reference year divided by the full market value of the valuation as computed by the Rhode
15 Island department of revenue in accordance with § 16-7-21;

16 (ii) "Average property tax rate" means the statewide total property levy divided by the
17 statewide total assessed valuation as certified on tax rolls for the most recent tax year;

18 (iii) "Company" means any telegraph, cable, telecommunications, or express company
19 doing business within the state of Rhode Island;

20 (iv) "Department" means the department of revenue;

21 (v) "Population" shall mean the population as determined by the most recent census;

22 (vi) "Reference year" means the calendar year two (2) years prior to the calendar year
23 preceding that in which the tax payment provided for by this section is levied;

24 (vii) "Value of tangible personal property" of companies means the net book value of
25 tangible personal property of each company doing business in this state as computed by the
26 department of revenue. "Net book value" means the original cost less accumulated depreciation;
27 provided, that no tangible personal property shall be depreciated more than seventy-five percent
28 (75%) of its original cost.

29 (2) On or before March 1 of each year, each company shall declare to the department, on
30 forms provided by the department, the value of its tangible personal property in the state of
31 Rhode Island on the preceding December 31.

32 (3) On or before April 1, 1982 and each April 1 thereafter of each year, the division of
33 property evaluation shall certify to the tax administrator the average property tax rate, the average
34 assessment ratio, and the value of tangible personal property of each company.

1 (4) The tax administrator shall apply the average assessment ratio and the average tax rate
2 to the value of tangible personal property of each company and, by April 15 of each year, shall
3 notify the companies of the amount of tax due. [For each filing relating to tangible personal](#)
4 [property as of December 31, 2008 and thereafter the tax rate applied by the tax administrator shall](#)
5 [be not less than the rate applied in the prior year.](#)

6 (5) The tax shall be due and payable within sixty (60) days of the mailing of the notice by
7 the tax administrator. If the entire tax is not paid to the tax administrator when due, there shall be
8 added to the unpaid portion of the tax, and made a part of the tax, interest at the rate provided for
9 in § 44-1-7 from the date the tax was due until the date of the payment. The amount of any tax,
10 including interest, imposed by this section shall be a debt due from the company to the state, shall
11 be recoverable at law in the same manner as other debts, and shall, until collected, constitute a
12 lien upon all the company's property located in this state.

13 (6) The proceeds from the tax shall be allocated in the following manner:

14 (i) Payment of reasonable administrative expenses incurred by the department of revenue,
15 not to exceed three quarters of one percent (.75%), the payment to be identified as general
16 revenue and appropriated directly to the department;

17 (ii) The remainder of the proceeds shall be deposited in a restricted revenue account and
18 shall be apportioned to the cities and towns within this state on the basis of the ratio of the city or
19 town population to the population of the state as a whole. Estimated revenues shall be distributed
20 to cities and towns by July 30 and may be recorded as a receivable by each city and town for the
21 prior fiscal year.

22 **SECTION 2.** This article shall take effect as of March 31, 2009.

23 **ARTICLE 7**

24 **RELATING TO STATE AID**

25 **SECTION 1.** Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled "Video
26 Lottery Terminal" is hereby amended to read as follows:

27 **42-61.2-7. Division of revenue.** -- (a) Notwithstanding the provisions of § 42-61-15, the
28 allocation of net terminal income derived from video lottery games is as follows:

29 (1) For deposit in the general fund and to the state lottery division fund for
30 administrative purposes: Net terminal income not otherwise disbursed in accordance with
31 subdivisions (a)(2) – (a)(6) herein;

32 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one
33 percent (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally
34 allocated to the distressed communities as defined in § 45-13-12 provided that no eligible

1 community shall receive more than twenty-five percent (25%) of that community's currently
2 enacted municipal budget as its share under this specific subsection. Distributions made under
3 this specific subsection are supplemental to all other distributions made under any portion of
4 general laws § 45-13-12. For the fiscal year ending June 30, 2008 distributions by community
5 shall be identical to the distributions made in the fiscal year ending June 30, 2007 and shall be
6 made from general appropriations. For the fiscal year ending June 30, 2009, the total state
7 distribution shall be the same total amount distributed in the fiscal year ending June 30, 2008 and
8 shall be made from general appropriations.

9 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million
10 dollars (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of §
11 44-33-2.1. The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum
12 amount to the nearest five dollar (\$5.00) increment within the allocation until a maximum credit
13 of five hundred dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be
14 less than the prior fiscal year.

15 (iii) One and twenty-two one hundredths of one percent (1.22%) to fund § 44-34.1-1,
16 entitled "Motor Vehicle and Trailer Excise Tax Elimination Act of 1998", to the maximum
17 amount to the nearest two hundred fifty dollar (\$250) increment within the allocation. In no event
18 shall the exemption in any fiscal year be less than the prior fiscal year.

19 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
20 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
21 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
22 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
23 distributions by community shall be identical to the distributions made in the fiscal year ending
24 June 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30,
25 2009, ~~the total state distribution shall be the same total amount distributed in the fiscal year~~
26 ~~ending June 30, 2008 and shall be made from general appropriations~~ no funding shall be
27 disbursed.

28 (2) To the licensed video lottery retailer:

29 (a) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-six
30 percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
31 (\$384,996);

32 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
33 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
34 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars

1 (\$384,996).

2 (b) Prior to the effective date of the UTGR Master Contract, to the present licensed
3 video lottery retailer at Lincoln Park which is not a party to the UTGR Master Contract, twenty-
4 eight and eighty-five one hundredths percent (28.85%) minus seven hundred sixty-seven
5 thousand six hundred eighty-seven dollars (\$767,687);

6 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
7 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
8 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
9 (\$767,687).

10 (3) To the technology providers who are not a party to the GTECH Master Contract as
11 set forth and referenced in Public Law 2003, Chapter 32, seven percent (7%) of the net terminal
12 income of the provider's terminals;

13 (ii) To contractors who are a party to the Master Contract as set forth and referenced in
14 Public Law 2003, Chapter 32, all sums due and payable under said Master Contract;

15 (iii) Notwithstanding paragraphs (i) and (ii) above, there shall be subtracted
16 proportionately from the payments to technology providers the sum of six hundred twenty-eight
17 thousand seven hundred thirty-seven dollars (\$628,737);

18 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal
19 income of authorized machines at Newport Grand and to the town of Lincoln one and twenty-six
20 hundredths (1.26%) of net terminal income of authorized machines at Lincoln Park; and

21 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of
22 net terminal income of authorized machines at Lincoln Park up to a maximum of ten million
23 dollars (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the
24 account of a Tribal Development Fund to be used for the purpose of encouraging and promoting:
25 home ownership and improvement, elderly housing, adult vocational training; health and social
26 services; childcare; natural resource protection; and economic development consistent with state
27 law. Provided, however, such distribution shall terminate upon the opening of any gaming facility
28 in which the Narragansett Indians are entitled to any payments or other incentives; and provided
29 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
30 debts.

31 (6) Unclaimed prizes and credits shall remit to the general fund of the state;

32 (7) Payments into the state's general fund specified in subdivisions (a)(1) and (a)(6)
33 shall be made on an estimated monthly basis. Payment shall be made on the tenth day following
34 the close of the month except for the last month when payment shall be on the last business day.

1 SECTION 2. Section 45-13-1 of the General Laws in Chapter 45-13 entitled "State Aid"
2 is hereby amended to read as follows:

3 **45-13-1. Apportionment of annual appropriation for state aid.** -- (a) As used in this
4 chapter, the following words and terms have the following meanings:

5 (1) "Population" means the most recent estimates of population for each city and town
6 as reported by the United States department of commerce, bureau of the census.

7 (2) "Income" means the most recent estimate of per-capita income for a city, town or
8 county as reported by the United States department of commerce, bureau of the census.

9 (3) "Tax effort" means the total taxes imposed by a city or town for public purposes or
10 the totals of those taxes for the cities or towns within a county (except employee and employer
11 assessments and contributions to finance retirement and social insurance systems and other
12 special assessments for capital outlay) determined by the United States secretary of commerce for
13 general statistical purposes and adjusted to exclude amounts properly allocated to education
14 expenses.

15 (4) "Reference year" means the second fiscal year preceding the beginning of the fiscal
16 year in which the distribution of state aid to cities and towns is made provided however that the
17 reference year for distributions made in fiscal year 2007-2008 shall be the third fiscal year
18 preceding the beginning of the fiscal year 2007-2008 and provided further that the reference year
19 for distributions made in fiscal year 2008-2009 shall be the fourth fiscal year preceding the
20 beginning of the fiscal year 2008-2009.

21 (b) Aid to cities and towns shall be apportioned as follows: For each county, city or
22 town, let R be the tax effort divided by the square of per capita income, i.e., $R = (\text{tax}$
23 $\text{effort})/(\text{income} \times \text{income})$.

24 The amount to be allocated to the counties shall be apportioned in the ratio of the value
25 of R for each county divided by the sum of the values of R for all five (5) counties.

26 The amount to be allocated for all cities and for all towns within a county shall be the
27 allocation for that county apportioned proportionally to the total tax effort of the towns and cities
28 in that county.

29 The amount to be allocated to any city or town is the amount allocated to all cities or all
30 towns within the county apportioned in the ratio of the value of R for that city (or town) divided
31 by the sum of the values of R for all cities (or all towns) in that county; provided, further, that no
32 city or town shall receive an entitlement in excess of one hundred forty-five percent (145%) of
33 that city or town's population multiplied by the average per capita statewide amount of the annual
34 appropriation for state aid to cities and towns. Any excess entitlement shall be allocated to the

1 remainder of the cities and towns in the respective county in accordance with the provisions of
2 this section.

3 For fiscal year 2004, notwithstanding the provisions of subsection (a), aid calculations
4 shall be based on a blended rate of ninety percent (90%) of the data from the 1990 census and ten
5 percent (10%) of the data from the 2000 census. In each of the succeeding nine (9) fiscal years,
6 the calculations shall be based on a blended rate that increases the percentage of data utilized
7 from the 2000 census by ten percent (10%) from the previous year and decreases the percentage
8 of the data utilized from the 1990 census by ten percent (10%) from the previous year.

9 (c) The total amount of aid to be apportioned pursuant to subsection (b) above shall be
10 specified in the annual appropriation act of the state and shall be equal to the following:

11 (1) For fiscal years ending June 30, 1994 through June 30, 1998, the total amount of aid
12 shall be based upon one percent (1%) of total state tax revenues in the reference year.

13 (2) For the fiscal year ending June 30, 1999, the total amount of aid shall be based upon
14 one and three-tenths percent (1.3%) of total state tax revenues in the reference year.

15 (3) For the fiscal year ending June 30, 2000, the total amount of aid shall be based upon
16 one and seven-tenths percent (1.7%) of total state tax revenues in the reference year.

17 (4) For the fiscal year ending June 30, 2001, the total amount of aid shall be based upon
18 two percent (2.0%) of total state tax revenues in the reference year.

19 (5) For the fiscal year ending June 30, 2002, the total amount of aid shall be based upon
20 two and four-tenths percent (2.4%) of total state tax revenues in the reference year.

21 (6) For the fiscal year ending June 30, 2003, the total amount of aid shall be based upon
22 two and four-tenths percent (2.4%) of total state tax revenues in the reference year.

23 (7) For the fiscal year ending June 30, 2004, the total amount of aid shall be based upon
24 two and seven-tenths percent (2.7%) of total state tax revenues in the reference year.

25 (8) For the fiscal year ending June 30, 2005, the total amount of aid shall be fifty-two
26 million four hundred thirty-eight thousand five hundred thirty-two dollars (\$52,438,532).

27 (9) For the fiscal year ending June 30, 2006, the total amount of aid shall be based upon
28 three percent (3.0%) of total state tax revenues in the reference year.

29 (10) For the fiscal year ending June 30, 2007 the total amount of aid shall be sixty-four
30 million six hundred ninety-nine thousand three dollars (\$64,699,003).

31 (11) For the fiscal year ending June 30, 2008, the total amount of aid shall be sixty-four
32 million six hundred ninety-nine thousand three dollars (\$64,699,003).

33 (12) For the fiscal year ending June 30, 2010 and each year thereafter, the total amount
34 of aid shall be based upon three percent (3.0%) of total state tax revenues in the reference year.

1 (13) [Deleted by P.L. 2007, ch. 73, art. 25, § 1.]

2 (14) [Deleted by P.L. 2007, ch. 73, art. 25, § 1.]

3 (d) The assent of two-thirds (2/3) of the members elected to each house of the general
4 assembly shall be required to repeal or amend this section.

5 (e) For the fiscal year ending June 30, 2008 the apportionments of state aid as derived
6 through the calculations as required by subsections (a) through (c) of this section shall be adjusted
7 downward statewide by (\$10,000,000).

8 (f) For the fiscal year ending June 30, 2009, ~~the total amount of aid shall be fifty four~~
9 ~~million six hundred ninety nine thousand three dollars (\$54,699,003)~~ no such funding shall be
10 appropriated.

11 SECTION 3. This article shall take effect upon passage.

12 **ARTICLE 8**

13 RELATING TO PERSONNEL REFORM

14 SECTION 1. Section 36-11-1 of the General Laws in Chapter 36-11 entitled “Public
15 Officers and Employees” is hereby amended to read as follows:

16 **36-11-1. Right to organize – Bargaining representatives.** -- (a) State employees,
17 except for casual employees or seasonal employees, shall have the right to organize and designate
18 representatives of their own choosing for the purpose of collective bargaining with respect to
19 wages, hours, and other conditions of employment. State employees, as used in this chapter, shall
20 include employees and members of the department of state police below the rank of lieutenant.

21 (b) The representatives of state employees are hereby granted the right to negotiate with
22 the chief executive or his or her designee (appointed, elected, or possessing classified status) on
23 matters pertaining to wages, hours, and working conditions.

24 (c) The chief executive or his or her designee (appointed, elected, or possessing classified
25 status) is hereby authorized and required to recognize an organization designated by state
26 employees for the purpose of collective bargaining as the collective bargaining agency for its
27 members.

28 (d) Notwithstanding any other provision of law to the contrary, no collective bargaining
29 agreement entered into between the state of Rhode Island and any entity shall be effective until
30 review and approval by the director of administration and the governor.

31 SECTION 2. This article shall take effect upon passage.

32 **ARTICLE 9**

33 RELATING TO ENERGY REVOLVING FUND

34 SECTION 1. Section 37-8-17.2 of the General Laws in Chapter 37-8 entitled “Public

1 Buildings” is hereby repealed in its entirety.

2 ~~37-8-17.2. Energy revolving fund.~~ (a) There is hereby created as a separate fund
3 within the treasury the energy revolving fund which shall be administered by the general treasurer
4 in accordance with the same laws and fiscal procedures as the general funds of the state. The fund
5 shall consist of such sums as the state may from time to time appropriate, as well as money
6 received from the federal government, gifts, bequests, donations, utility provided subsidies, or
7 otherwise from any public or private source, which money is intended to implement and
8 encourage energy efficiency and cost reduction measures in state and municipal owned and
9 leased facilities or alternative fuel vehicles.

10 (b) All money placed in the energy revolving fund shall be made available to make loans
11 for the purchase of or lease of alternative fuel vehicles the implementation of energy conservation
12 and energy cost reduction measures, water conservation, and water and sewer cost reduction
13 measures in facilities and buildings owned or leased by the state of Rhode Island or buildings
14 owned by municipal governments. This funding will become available to municipal governments
15 on January 1, 1999.

16 (c) Loans made under the provisions of this section may be made directly, or in
17 cooperation with other lenders or any agency, department, or bureau of the federal government or
18 state of Rhode Island. The proceeds from the repayment of any loans made for that purpose shall
19 be deposited in and returned to the energy revolving fund, to constitute a continuing revolving
20 fund for the purposes listed above.

21 (d) The Rhode Island state energy office of the Rhode Island department of
22 administration shall adopt rules and regulations consistent with the purposes of this chapter and
23 chapter 35 of title 42, administrative procedures, which provide for an orderly and equitable
24 disbursement and repayment of funds.

25 SECTION 2. Any balances remaining in the energy revolving fund as of June 30, 2008
26 shall be transferred to the general fund.

27 SECTION 3. This article shall take effect as of June 30, 2008.

28 ARTICLE 10

29 RELATING TO REVENUES

30 SECTION 1. Sections 31-3.1-6, 31-3.1-11, 31-3.1-12, 31-3.1-19, and 31-3.1-20 of the
31 General Laws in Chapter 31-3.1 entitled “Certificates of Title and Security Interests” are hereby
32 amended to read as follows:

33 31-3.1-6. Issuance and records. -- (a) The division of motor vehicles shall file each
34 application received and, when satisfied as to its genuineness and regularity and that the applicant

1 is entitled to the issuance of a certificate of title, shall issue, upon payment of a fee of ~~twenty-five~~
2 ~~dollars (\$25.00)~~ fifty dollars (\$50.00), a certificate of title of the vehicle.

3 (b) The division of motor vehicles shall maintain a record of all certificates of title
4 issued by it:

5 (1) Under a distinctive title number assigned to the vehicle;

6 (2) Under the identifying number of the vehicle;

7 (3) Alphabetically, under the name of the owner; and

8 (4) At the discretion of the division of motor vehicles, in any other method it
9 determines.

10 (c) Title searches, lien searches, and other transactions not cited and involving titles
11 shall be conducted upon payment of a fee of ~~twenty-five dollars (\$25.00)~~ fifty dollars (\$50.00).

12 **31-3.1-11. Lost, stolen or mutilated certificates.** -- (a) If a certificate of title is lost,
13 stolen, mutilated, destroyed, or becomes illegible, the first lienholder or, if none, the owner or
14 legal representative of the owner named in the certificate, as shown by the records of the division
15 of motor vehicles, shall promptly apply for and may obtain a duplicate upon furnishing
16 information satisfactory to the division of motor vehicles and pay a ~~twenty-five dollar (\$25.00)~~
17 fifty dollar (\$50.00) fee. The duplicate certificate of title shall contain the legend "this is a
18 duplicate certificate and may be subject to the rights of a person under the original certificate." It
19 shall be mailed to the first lienholder named in it or, if none, to the owner.

20 (b) The division of motor vehicles shall not issue a certificate of title to a transferee
21 upon application made on a duplicate until fifteen (15) days after receipt of the application.

22 (c) A person recovering an original certificate of title for which a duplicate has been
23 issued shall promptly surrender the original certificate to the division of motor vehicles.

24 (d) A person applying for a duplicate title may designate an automobile dealer as the
25 designated recipient of the duplicate title provided, that there is no current lien holder and the
26 applicant/owner signs an affidavit stating that the vehicle has been sold or traded to the dealer in
27 such form as designated by the administrator of the division of motor vehicles.

28 **31-3.1-12. Transfer.** -- (a) If the owner transfers his or her interest in a vehicle, other
29 than by the creation of a security interest, he or she shall, at the time of the delivery of the
30 vehicle, execute an assignment and warranty of title to the transferee in the space provided for it
31 on the certificate or as the division of motor vehicles prescribes, and cause the certificate and
32 assignment to be mailed or delivered to the transferee or to the division of motor vehicles.

33 (b) Except as provided in § 31-3.1-13, the transferee shall, promptly after delivery to
34 him or her of the vehicle, execute the application for a new certificate of title in the space

1 provided for it on the certificate or as the division of motor vehicles prescribes, and cause the
2 certificate and application to be mailed or delivered to the division of motor vehicles.

3 (c) Upon request of the owner or transferee, a lienholder in possession of the certificate
4 of title shall, unless the transfer was a breach of his or her security agreement, either deliver the
5 certificate to the transferee for delivery to the division of motor vehicles or upon receipt from the
6 transferee of the owner's assignment, the transferee's application for a new certificate, the
7 registration card, license plates and the required fee of ~~twenty-five dollars (\$25.00)~~ fifty dollars
8 (\$50.00), mail or deliver them to the division of motor vehicles. The delivery of the certificate
9 does not affect the rights of the lienholder under his or her security agreement.

10 (d) If a security interest is reserved or created at the time of the transfer, the certificate
11 of title shall be retained by or delivered to the person who becomes the lienholder, and the parties
12 shall comply with the provisions of § 31-3.1-20.

13 (e) Except as provided in § 31-3.1-13 and as between the parties, a transfer by an owner
14 is not effective until the provisions of this section and § 31-3.1-15, have been complied with.
15 However, an owner who has delivered possession of the vehicle to the transferee and has
16 complied with the provisions of this section and § 31-3.1-15, requiring action by him or her, is
17 not liable as owner for any subsequent damages resulting from operation of the vehicle.

18 (f) The administrator of the division of motor vehicles shall prescribe and/or approve a
19 power-of-attorney form which complies with § 408(d)(1)(C) of the Motor Vehicle Information
20 and Cost Savings Act, 49 U.S.C. § 32705(b)(2), as amended, and any regulations promulgated
21 pursuant to it, and this form may be used in connection with transfers of title under this section to
22 the full extent permitted by federal law.

23 **31-3.1-19. Perfection of security interests.** -- (a) Unless excepted by § 31-3.1-18, a
24 security interest in a vehicle of a type for which a certificate of title is required is not valid against
25 creditors of the owner or subsequent transferees or lienholders of the vehicle unless perfected as
26 provided in this chapter.

27 (b) A security interest is perfected by the delivery to the division of motor vehicles of the
28 existing certificate of title, if any, an application for a certificate of title containing the name and
29 address of the lienholder, and the date of his or her security agreement. A security interest may
30 also be perfected by the execution of a security lien statement and the required fee of ~~twenty-five~~
31 ~~dollars (\$25.00)~~ fifty dollars (\$50.00) and registration card.

32 (c) If a vehicle is subject to the security interest when brought into this state, the validity
33 of the security interest is determined by the law of the jurisdiction where the vehicle was when
34 the security interest attached, subject to the following:

1 (1) If the parties understood at the time the security interest attached that the vehicle
2 would be kept in this state and it was brought into this state within the following thirty (30) days
3 for purposes other than transportation through this state, the validity of the security interest in this
4 state is determined by the law of this state.

5 (2) If the security interest was perfected under the law of the jurisdiction where the
6 vehicle was when the security interest attached, the following rules apply:

7 (i) If the name of the lienholder is shown on an existing certificate of title issued by that
8 jurisdiction, his security interest continues perfected in this state.

9 (ii) If the name of the lienholder is not shown on an existing certificate of title issued by
10 that jurisdiction, the security interest continues perfected in this state for four (4) months after a
11 first certificate of title of the vehicle is issued in this state and beyond that if, within the four (4)
12 month period, it is perfected in this state. The security interest may also be perfected in this state
13 after the expiration of the four (4) month period. If done at that time, perfection dates from the
14 time of perfection in this state.

15 (3) If the security interest was not perfected under the law of the jurisdiction where the
16 vehicle was when the security interest attached, it may be perfected in this state. If done at that
17 time, perfection dates from the time of perfection in this state.

18 (4) A security interest may be perfected under subsection (c)(2)(ii) or subsection (c)(3)
19 either as provided in subsection (b), or by the lienholder delivering to the division of motor
20 vehicles a notice of security interest in the form the division of motor vehicles prescribes and the
21 required fee.

22 **31-3.1-20. Security interest – Change of certificate.** -- If an owner creates a security
23 interest in a vehicle:

24 (1) The owner shall immediately execute the application, in the space provided for it on
25 the certificate of title or on a separate form the division of motor vehicles prescribes, to name the
26 lienholder on the certificate, showing the name and address of the lienholder and the date of his
27 security agreement, and cause the certificate of application and the required fee and registration
28 card to be delivered to the lienholder.

29 (2) The lienholder shall immediately cause the certificate, application, and the required
30 fee and registration card to be mailed or delivered to the division of motor vehicles.

31 (3) Upon request of the owner or subordinate lienholder, a lienholder in possession of the
32 certificate of title shall either mail or deliver the certificate to the subordinate lienholder for
33 delivery to the division of motor vehicles or, upon receipt from the subordinate lienholder of the
34 owner's application and the required fee and registration card, mail or deliver them to the division

1 of motor vehicles with the certificate. The delivery of the certificate does not affect the rights of
2 the first lienholder under his or her security agreement.

3 (4) Upon receipt of the certificate of title, the application, the required fee of ~~twenty-five~~
4 ~~dollars (\$25.00)~~ fifty dollars (\$50.00), and the registration card, the division of motor vehicles
5 shall either endorse on the certificate or issue a new certificate containing the name and address
6 of the new lienholder, and mail the certificate to the first lienholder named in it.

7 SECTION 2. Section 31-8-4 of the General Laws in Chapter 31-8 entitled “Offenses
8 Against Registration and Certificate of Title Laws” is hereby amended to read as follows:

9 **31-8-4. Suspension or revocation of registration or certificate of title.** -- (a) The
10 division of motor vehicles is authorized to suspend or revoke the registration of a vehicle or a
11 certificate of title, registration card, or registration plate, or any nonresident or other permit, in
12 any of the following events:

13 (1) When the division of motor vehicles is satisfied that the registration or that the
14 certificate, card, plate, or permit was fraudulently or erroneously issued;

15 (2) When the division of motor vehicles determines that a registered vehicle is
16 mechanically unfit or unsafe to be operated or moved upon the highways;

17 (3) When a registered vehicle has been dismantled or wrecked;

18 (4) When the division of motor vehicles determines that the required fee has not been
19 paid and the fee is not paid upon reasonable notice and demand;

20 (5) When a registration plate or permit is knowingly displayed upon a vehicle other than
21 the one for which issued;

22 (6) When the division of motor vehicles determines that the owner has committed any
23 offense under chapters 3 – 9 of this title involving the registration or the certificate, card, plate, or
24 permit to be suspended or revoked; or

25 (7) When the division of motor vehicles is so authorized under any other provision of
26 law.

27 (8) Upon receipt or notice the carrier and/or operator of a commercial motor vehicle has
28 violated or is not in compliance with 49 CFR 386.72 or 49 CFR 390.5 et seq. of the motor carrier
29 safety regulation or chapter 23 of this title.

30 (b) Upon removal of cause for which the registration or certificate of title was revoked,
31 denied or suspended, the division of motor vehicles shall require the registrant or applicant to pay
32 a restoration fee of ~~fifty dollars (\$50.00)~~ two hundred and fifty dollars (\$250.00).

33 SECTION 3. Section 31-11-10 of the General Laws in Chapter 31-11 entitled
34 “Suspension or Revocation of Licenses - Violations” is hereby amended to read as follows:

1 **31-11-10. Reinstatement after revocation or suspension.** -- (a) Any person whose
2 license or privilege to drive a motor vehicle on the public highways has been revoked or
3 suspended shall not be entitled to have a license or privilege renewed or restored unless the
4 revocation or suspension was for a cause which has been removed. After the expiration of the
5 term of the revocation or suspension he or she may apply to be restored to his or her right to
6 drive, but the division of motor vehicles shall not grant the application unless and until it is
7 satisfied after investigation of the driving ability of the person that it will be safe to license him or
8 her to drive a motor vehicle on the public highways and it has received a reinstatement fee of
9 ~~seventy-five dollars (\$75.00)~~ one hundred and fifty dollars (\$150.00). The reinstatement fee and
10 assessment fee shall not be required by any person whose license was suspended on the basis of
11 physical or mental fitness and who has later been declared competent to operate a motor vehicle.

12 (b) Any person whose license has been suspended on the basis of physical or mental
13 fitness shall have the right to request review at any time of the suspension determination in
14 accordance with the hearing procedures of § 31-11-7(d) – (f).

15 (c) If the license or privilege to drive a motor vehicle on the public highways has been
16 revoked or suspended as a result of a violation of sections 31-27-2 or 31-27-2.1, the reinstatement
17 fee shall be three hundred and fifty (\$350.00) dollars.

18 SECTION 4. Sections 31-46-2 and 31-46-3 of the General Laws in Chapter 31-46
19 entitled “Rhode Island Salvage Law” are hereby amended to read as follows:

20 **31-46-2. Salvage by insurer.** -- If the insurance company sells the motor vehicle for any
21 reason, it shall make application for a salvage certificate of title. The division of motor vehicles
22 shall issue the salvage certificate of title on a form prescribed for by the administrator of the
23 division of motor vehicles, that shall be of a color easily distinguished from the original
24 certificate of title, and shall bear the same number and information as the original certificate of
25 title. The salvage certificate of title shall be assigned by the insurance company to a salvage
26 dealer or any other person for use as evidence of ownership upon the sale or other disposition of
27 the salvage motor vehicle, and the title shall be assignable to any other person. The division of
28 motor vehicles shall charge the insurance company a fee of ~~twenty-five dollars (\$25.00)~~ fifty
29 dollars (\$50.00) for the cost of processing each salvage certificate title.

30 **31-46-3. Salvage by non-insurer.** -- If the total cost of repairs to rebuild or reconstruct
31 the motor vehicle to its condition immediately before it was wrecked, destroyed or damaged, and
32 for legal operations on the roads or highways, exceeds seventy-five percent (75%) of the fair
33 market value of the motor vehicle immediately preceding the time it was wrecked, destroyed or
34 damaged, and the motor vehicle is less than seven (7) years beyond the date of manufacture, the

1 owner shall return within ten (10) days to the division of motor vehicles, the certificate of title of
2 that vehicle and obtain a salvage certificate of title for that vehicle as prescribed for by the
3 administrator of the division of motor vehicles. For the purposes of this section, "fair market
4 value" shall mean the retail value of a motor vehicle as set forth in a current edition of any
5 nationally recognized compilation of retail values, including automated databases, or from
6 publications commonly used by the automotive industry to establish the values of motor vehicles,
7 or determined pursuant to market survey of comparable vehicles with regard to condition and
8 equipment. If any person, individual, or corporation or other owner sells the motor vehicle for any
9 reason, that owner shall make application for a salvage certificate of title. The division of motor
10 vehicles shall issue the salvage certificate of title on a form prescribed by the administrator of the
11 division of motor vehicles that shall be of a color easily distinguished from the original certificate
12 of title and shall bear the same number and information as the original certificate of title. The
13 administrator of the division of motor vehicles shall charge the owner a fee of ~~twenty five dollars~~
14 ~~(\$25.00)~~ fifty dollars (\$50.00) for the cost of processing each salvage certificate of title.

15 SECTION 5. Section 44-19-10.2 of the General Laws in Chapter 44-19 entitled "Sales
16 and Use Taxes - Enforcement and Collection" are hereby amended to read as follows:

17 **44-19-10.2. Floor stock tax on inventory.** -- (a) A floor tax is imposed on the inventory
18 of stamped packages of cigarettes held for sale in this state at 12:01 A.M. on ~~July 1, 2005~~, other
19 ~~than the inventory of cigarettes offered for sale to a consumer at retail~~ April 10, 2009. The floor
20 tax will apply to the stamped cigarette inventory of distributors, ~~and dealers but not to the~~
21 ~~inventory of retail sellers to the extent the inventory is held for retail sale. If a distributor or dealer~~
22 ~~also sells at the retail level, the stamped inventory held for sale at a retail location shall not be~~
23 ~~included in the inventory subject to the floor tax.~~ In addition, the floor tax will apply to any
24 unaffixed tax stamps in the possession of a distributor or dealer at 12:01 A.M. on ~~July 1, 2005~~
25 April 10, 2009 that had been issued prior to that date. The inventory necessary to account for the
26 floor tax must be taken as of the close of business on ~~June 30, 2005~~ April 9, 2009.

27 (b) The floor tax shall be computed in the same manner as the prepayment of sales tax on
28 cigarettes as set forth in subsection 44-19-10.1(a); provided, that credit shall be allowed for any
29 sales tax paid on said cigarettes or unaffixed tax stamps prior to April 10, 2009.

30 SECTION 6. Sections 44-20-12 and 44-20-13 of the General Laws in Chapter 44-20
31 entitled "Cigarette Tax" are hereby amended to read as follows:

32 **44-20-12. Tax imposed on cigarettes sold.** -- A tax is imposed on all cigarettes sold or
33 held for sale in the state. The payment of the tax to be evidenced by stamps, which may be
34 affixed only by licensed distributors to the packages containing such cigarettes. Any cigarettes on

1 which the proper amount of tax provided for in this chapter has been paid, payment being
2 evidenced by the stamp, is not subject to a further tax under this chapter. The tax is at the rate of
3 ~~one hundred twenty three (123)~~ one hundred seventy-three (173) mills for each cigarette.

4 **44-20-13. Tax imposed on unstamped cigarettes.** -- A tax is imposed at the rate of ~~one~~
5 ~~hundred twenty three (123)~~ one hundred seventy-three (173) mills for each cigarette upon the
6 storage or use within this state of any cigarettes not stamped in accordance with the provisions of
7 this chapter in the possession of any consumer within this state.

8 SECTION 7. Chapter 44-20 of the General Laws entitled "Cigarette Tax" is hereby
9 amended by adding thereto the following section:

10 **44-20-12.3. Floor stock tax on cigarettes and stamps.** -- (a) Whenever used in this
11 section, unless the context requires otherwise:

12 (1) "Cigarette" means and includes any cigarette as defined in § 44-20-1(2);

13 (2) "Person" means and includes each individual, firm, fiduciary, partnership,
14 corporation, trust, or association, however formed.

15 (b) Each person engaging in the business of selling cigarettes at retail in this state shall
16 pay a tax or excise to the state for the privilege of engaging in that business during any part of the
17 calendar year 2009. In calendar year 2009, the tax shall be measured by the number of cigarettes
18 held by the person in this state at 12:01 a.m. on April 10, 2009 and is computed at the rate of fifty
19 (50.0) mills for each cigarette on April 10, 2009.

20 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay
21 a tax or excise to the state for the privilege of engaging in business during any part of the calendar
22 year 2009. The tax is measured by the number of stamps, whether affixed or to be affixed to
23 packages of cigarettes, as required by § 44-20-28. In calendar year 2009 the tax is measured by
24 the number of stamps, as defined in § 44-20-1(10), whether affixed or to be affixed, held by the
25 distributor at 12:01 a.m. on April 10, 2009, and is computed at the rate of fifty (50.0) mills per
26 cigarette in the package to which the stamps are affixed or to be affixed.

27 (d) Each person subject to the payment of the tax imposed by this section shall, on or
28 before April 20, 2009, file a return with the tax administrator on forms furnished by him or her,
29 under oath or certified under the penalties of perjury, showing the amount of cigarettes or stamps
30 in that person's possession in this state at 12:01 a.m. on April 10, 2009, and the amount of tax
31 due, and shall at the time of filing the return pay the tax to the tax administrator. Failure to obtain
32 forms shall not be an excuse for the failure to make a return containing the information required
33 by the tax administrator.

34 (e) The tax administrator may promulgate rules and regulations, not inconsistent with

1 [law, with regard to the assessment and collection of the tax imposed by this section.](#)

2 SECTION 8. Section 44-20-13.2 of the General Laws in Chapter 44-20 entitled
3 "Cigarette Tax" is hereby amended to read as follows:

4 **44-20-13.2. Tax imposed on smokeless tobacco, cigars, and pipe tobacco products. --**

5 (a) A tax is imposed on all smokeless tobacco, cigars, and pipe tobacco products sold or held for
6 sale in the state by any person, the payment of the tax to be accomplished according to a
7 mechanism established by the administrator, division of taxation, department of administration.
8 Any tobacco product on which the proper amount of tax provided for in this chapter has been
9 paid, payment being evidenced by a stamp, is not subject to a further tax under this chapter. The
10 tax imposed by this section shall be as follows:

11 (1) At the rate of ~~forty percent (40%)~~ [eighty percent \(80%\)](#) of the wholesale cost of
12 cigars, pipe tobacco products and smokeless tobacco other than snuff.

13 (2) Notwithstanding the ~~forty percent (40%)~~ [eighty percent \(80%\)](#) rate in subsection (a)
14 above, in the case of cigars, the tax shall not exceed fifty cents (\$.50) for each cigar.

15 (3) At the rate of one dollar (\$1.00) per ounce of snuff, and a proportionate tax at the like
16 rate on all fractional parts of an ounce thereof. Such tax shall be computed based on the net
17 weight as listed by the manufacturer, provided, however, that any product listed by the
18 manufacturer as having a net weight of less than 1.2 ounces shall be taxed as if the product has a
19 net weight of 1.2 ounces.

20 (b) The proceeds collected are paid into the general fund.

21 SECTION 9. Section 44-17-1 of the General Laws in Chapter 44-17 entitled "Taxation
22 of Insurance Companies" is hereby amended to read as follows:

23 **44-17-1. Companies required to file -- Payment of tax -- Retaliatory rates. [Effective**

24 **January 1, 2009.] --** (a) Every domestic, foreign, or alien insurance company, mutual
25 association, organization, or other insurer, including any health maintenance organization, as
26 defined in section 27-41-1, any nonprofit dental service corporation as defined in section 27-20.1-
27 2 and any nonprofit hospital or medical service corporation, as defined in chapters 27-19 and 27-
28 20, except companies mentioned in section 44-17-6, and organizations defined in section 27-25-1,
29 transacting business in this state, shall, on or before March 1 in each year, file with the tax
30 administrator, in the form that he or she may prescribe, a return under oath or affirmation signed
31 by a duly authorized officer or agent of the company, containing information that may be deemed
32 necessary for the determination of the tax imposed by this chapter, and shall at the same time pay
33 an annual tax to the tax administrator of two percent (2%) of the gross premiums on contracts of
34 insurance, except:

1 ~~(1) Entities subject to chapters 27-19, 27-20, and 27-20.1 shall pay the following: one~~
2 ~~and three quarters percent (1.75%) of the gross premiums on contracts of insurance, excluding~~
3 ~~any business related to the administration of programs under Title XIX of the Social Security Act,~~
4 ~~42 U.S.C.; provided, further, notwithstanding any provision of the law to the contrary, installment~~
5 ~~payments shall equal at least ninety percent (90%) of estimated liability in the first year; or~~

6 ~~(2) Health maintenance organizations as defined in section 27-41-1, shall pay the~~
7 ~~following: one and three quarters percent (1.75%) of the gross premiums on contracts of~~
8 ~~insurance, excluding any business related to the administration of programs under Title XIX of~~
9 ~~the Social Security Act, 42 U.S.C.; provided, further, notwithstanding any provision of the law to~~
10 ~~the contrary, installment payments shall equal at least ninety percent (90%) of estimated liability~~
11 ~~in the first year; or~~

12 ~~(3) Ocean marine insurance, as referred to in section 44-17-6, covering property and~~
13 ~~risks within the state, written during the calendar year ending December 31st next preceding, but~~
14 ~~in the case of foreign or alien companies, except as provided in section 27-2-17(d) the tax is not~~
15 ~~less in amount than is imposed by the laws of the state or country under which the companies are~~
16 ~~organized upon like companies incorporated in this state or upon its agents, if doing business to~~
17 ~~the same extent in the state or country.~~

18 SECTION 10. Sections 46-12.9-8 and 46-12.9-11 of the General Laws in Chapter 46-
19 12.9 entitled “Rhode Island Underground Storage Tank Financial Responsibility Act” are hereby
20 amended to read as follows:

21 **46-12.9-8. Review board.** -- (a) There is hereby authorized, created and established the
22 "underground storage tank review board," to approve, modify, or deny disbursements to eligible
23 parties and to have such other powers as are provided herein.

24 (b) The review board shall consist of nine (9) members, as follows: the director of the
25 department of environmental management or his or her designee who shall be a subordinate
26 within the department of environmental management. The governor, with the advice and consent
27 of the senate, shall appoint eight (8) public members one of whom shall have expertise and
28 experience in financial matters. In making these appointments the governor shall give due
29 consideration to recommendations from the American Petroleum Institute, the Independent Oil
30 Marketers Association, the Oil Heat Institute, the Environment Council, the Independent Oil
31 Dealers Association and the Rhode Island Marine Trade Association. The newly appointed
32 members will serve for a term of three (3) years commencing on the day they are qualified. Any
33 vacancy which may occur on the board shall be filled by the governor, with the advice and
34 consent of the senate, for the remainder of the unexpired term in the same manner as the

1 member's predecessor as prescribed in this section. The members of the board shall be eligible to
2 succeed themselves. Members shall serve until their successors are appointed and qualified. No
3 one shall be eligible for appointment unless he or she is a resident of this state. The members of
4 the board shall serve without compensation. Those members of the board as of the effective date
5 of this act [July 15, 2005] who were appointed to the board by members of the general assembly
6 shall cease to be members of the board on the effective date of this act, and the governor shall
7 thereupon nominate three (3) members, each of whom shall serve the balance of the unexpired
8 term of his or her predecessor. Those members of the board as of the effective date of this act
9 [July 15, 2005] who were appointed to the board by the governor shall continue to serve the
10 balance of their current terms. Thereafter, the appointments shall be made by the governor as
11 prescribed in this section.

12 (c) When claims are pending, the review board shall meet at the call of the chair ~~no less~~
13 ~~than four (4) times per year~~. All meetings shall be held consistent with chapter 46 of title 42.

14 (d) The review board and its corporate existence shall continue until terminated by law.
15 Upon termination of the existence of the review board, all its rights and properties shall pass to
16 and be vested in the state.

17 (e) The review board shall have the following powers and duties, together with all powers
18 incidental thereto or necessary for the performance of those stated in this chapter:

19 (1) To elect or appoint officers and agents of the review board, and to define their duties:

20 (2) To make and alter bylaws, not inconsistent with this chapter, for the administration of
21 the affairs of the review board. Such bylaws may contain provisions indemnifying any person
22 who is or was a director or a member of the review board, in the manner and to the extent
23 provided in § 7-6-6 of the Rhode Island nonprofit corporation act;

24 (3) To approve and submit an annual report within ninety (90) days after the end of each
25 fiscal year to the governor, the speaker of the house of representatives, the president of the senate,
26 and the secretary of state, of its activities during that fiscal year. The report shall provide: an
27 operating statement summarizing meetings or hearings held, including meeting minutes, subjects
28 addressed, and decisions rendered; a summary of the review board's actions, fees levied, collected
29 or received as prescribed in §§ 46-12.9-7 and 46-12.9-11, claims submitted, verified, approved,
30 modified, and denied as prescribed in § 46-12.9-7, and reconsideration hearings held as
31 prescribed in § 46-12.9-9; a synopsis of any law suits or other legal matters related to the
32 authority of the review board; and a summary of performance during the previous fiscal year
33 including accomplishments, shortcomings and remedies; a briefing on anticipated activities in the
34 upcoming fiscal year; and findings and recommendations for improvements; and a summary of

1 any training courses held pursuant to subdivision (f)(15) of this section. The report shall be posted
2 electronically as prescribed in § 42-20-8.2.

3 (4) To conduct a training course for newly appointed and qualified members and new
4 designees of ex-officio members within six (6) months of their qualification or designation. The
5 course shall be developed by the executive director, approved by the board, and conducted by the
6 executive director. The board may approve the use of any board or staff members or other
7 individuals to assist with training. The training course shall include instruction in the following
8 areas: the provisions of chapters 46-12.9, 42-46, 36-14, and 38-2; and the boards rules and
9 regulations. The director of the department of administration shall, within ninety (90) days of the
10 effective date of this act [July 15, 2005], prepare and disseminate training materials relating to the
11 provisions of chapters 36-14, 38-2, and 42-46.

12 (f) Upon the passage of this act and the appointment and qualification of the three (3)
13 new members prescribed in subsection (b) of this section, the board shall elect from among its
14 members a chair. Thereafter, the board shall elect annually in February a chair from among the
15 members. The board may elect from among its members such other officers as it deems
16 necessary.

17 (g) Six (6) members of the board shall constitute a quorum and the vote of the majority
18 of the members present shall be necessary and shall suffice for any action taken by the board. No
19 vacancy in the membership of the board shall impair the right of a quorum to exercise all of the
20 rights and perform all of the duties of the board.

21 (h) Members of the board shall be removable by the governor pursuant to section 36-17
22 and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office
23 shall be unlawful.

24 **46-12.9-11. Fundings.** -- (a) There is hereby imposed an environmental protection
25 regulatory fee of ~~at the rate of~~ one cent (\$0.01) per gallon payable of motor fuel, to be collected
26 by distributors of motor fuel when the product is sold to owners and/or operators of underground
27 storage tanks. Each distributor shall be responsible to the tax administrator for the collection of
28 the regulatory fee, and if the distributor is unable to recover the fee from the person who ordered
29 the product, the distributor shall nonetheless remit to the tax administrator the regulatory fee
30 associated with the delivery. In accordance with the regulations to be promulgated hereunder, the
31 fee shall be collected, reported, and paid to the Rhode Island division of taxation as a separate
32 line item entry, on a quarterly tax report by those persons charged with the collection, reporting,
33 and payment of motor fuels taxes. This fee shall be administered and collected by the division of
34 taxation. Notwithstanding the provisions of this section, the fee shall not be applicable to

1 purchases by the United States government.

2 (b) Of the one cent (\$0.01) per gallon environmental protection regulatory fee collected
3 by distributors of motor fuel and paid to the Rhode Island division of taxation, one-half cent
4 (\$0.005) shall be deposited in the Intermodal Surface Transportation Fund to be distributed
5 pursuant to § 31-36-20 and one-half cent (\$0.005) shall be paid to the underground storage tank
6 review board. ~~All fees derived under the provisions of this chapter~~ All environmental protection
7 regulatory fees paid to the review board, including tank registration fees assessed pursuant to §
8 46-12.9-7(9), shall be ~~paid to and~~ received by the review board, which shall keep such money in a
9 distinct interest bearing restricted receipt account to the credit of and for the exclusive use of the
10 fund, provided that for the period January 1, 2008 through June 30, 2008, all revenues generated
11 by the environmental protection regulatory fee up to a maximum of two million dollars
12 (\$2,000,000) shall be deposited into the general fund. In fiscal year 2009, all revenues generated
13 by the environmental protection regulatory fee up to a maximum equivalent to two million two
14 hundred thirty-seven thousand five hundred dollars (\$2,237,500) shall be deposited into the
15 Intermodal Surface Transportation Fund. All fees collected may be invested as provided by law
16 and all interest received on such investment shall be credited to the fund.

17 (c) When the fund reaches the sum of eight million dollars (\$8,000,000), the imposition
18 of the fee set forth in this chapter shall be suspended, and the division of taxation shall notify all
19 persons responsible for the collection, reporting and payments of the fee of the suspension. In the
20 event that the account balance of the fund subsequently is reduced to a sum less than five million
21 dollars (\$5,000,000) as a result of fund activity, the fee shall be reinstated by the division of
22 taxation, following proper notice thereof, and once reinstated, the collection, reporting, and
23 payment of the fee shall continue until the account balance again reaches the sum of eight million
24 dollars (\$8,000,000).

25 (d) Upon the determination by the review board and the department that the fund has
26 reached a balance sufficient to satisfy all pending or future claims, the review board shall
27 recommend to the general assembly the discontinuation of the imposition of the fee created in this
28 section.

29 SECTION 11. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor
30 Fuel Tax" is hereby amended to read as follows:

31 **31-36-20. Disposition of proceeds.** -- (a) Notwithstanding any other provision of law to
32 the contrary, all moneys paid into the general treasury under the provisions of this chapter or
33 chapter 37 of this title, and title 46 shall be applied to and held in a separate fund and be
34 deposited in any depositories that may be selected by the general treasurer to the credit of the

1 fund, which fund shall be known as the Intermodal Surface Transportation Fund; provided, that in
2 fiscal year 2004 for the months of July through April six and eighty-five hundredth cents
3 (\$0.0685) per gallon of the tax imposed and accruing for the liability under the provisions of §
4 31-36-7, less refunds and credits, shall be transferred to the Rhode Island public transit authority
5 as provided under § 39-18-21. For the months of May and June in fiscal year 2004, the allocation
6 shall be five and five hundredth cents (\$0.0505). Thereafter, until fiscal year 2006, the allocation
7 shall be six and twenty-five hundredth cents (\$0.0625). For fiscal ~~year~~ years 2006 ~~and thereafter~~
8 through FY 2008, the allocation shall be seven and twenty-five hundredth cents (\$0.0725);
9 provided, that expenditures shall include the costs of a market survey of non-transit users and a
10 management study of the agency to include the feasibility of moving the Authority into the
11 Department of Transportation, both to be conducted under the auspices of the state budget officer.
12 The state budget officer shall hire necessary consultants to perform the studies, and shall direct
13 payment by the Authority. Both studies shall be transmitted by the Budget Officer to the 2006
14 session of the General Assembly, with comments from the Authority. For fiscal year 2009 and
15 thereafter, the allocation shall be seven and seventy-five hundredth cents (\$0.775), of which one-
16 half cent (\$0.005) shall be derived from the one cent (\$0.01) per gallon environmental protection
17 fee pursuant to § 46-12.9-11. One cent (\$0.01) per gallon shall be transferred to the
18 Elderly/Disabled Transportation Program of the department of elderly affairs, and the remaining
19 cents per gallon shall be available for general revenue as determined by the following schedule:
20 (i) For the fiscal year 2000, three and one fourth cents (\$0.0325) shall be available for
21 general revenue.
22 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
23 general revenue.
24 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
25 revenue.
26 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
27 general revenue.
28 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
29 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
30 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
31 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year
32 2006 and thereafter one cent (\$0.01) shall be available for general revenue.
33 (2) All deposits and transfers of funds made by the tax administrator under this section,
34 including those to the Rhode Island public transit authority, the department of elderly affairs and

1 the general fund, shall be made within twenty-four (24) hours of receipt or previous deposit of the
2 funds in question.

3 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
4 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined
5 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
6 election of the Director of the Rhode Island Department of Transportation, with the approval of
7 the Director of the Department of Administration, to an indenture trustee, administrator, or other
8 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax
9 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint
10 Resolution and Enactment Approving the Financing of Various Department of Transportation
11 Projects adopted during the 2003 session of the General Assembly, and approved by the
12 Governor.

13 (b) Notwithstanding any other provision of law to the contrary, all other funds in the
14 fund shall be dedicated to the department of transportation, subject to annual appropriation by the
15 general assembly. The director of transportation shall submit to the general assembly, budget
16 office and office of the governor annually an accounting of all amounts deposited in and credited
17 to the fund together with a budget for proposed expenditures for the succeeding fiscal year in
18 compliance with §§ 35-3-1 and 35-3-4. On order of the director of transportation, the state
19 controller is authorized and directed to draw his or her orders upon the general treasurer for the
20 payments of any sum or portion of the sum that may be required from time to time upon receipt
21 of properly authenticated vouchers.

22 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
23 department of transportation, not to exceed the amount authorized by the general assembly, the
24 general treasurer is authorized, with the approval of the governor and the director of
25 administration, in anticipation of the receipts of monies enumerated in § 31-36-20 to advance
26 sums to the fund, for the purposes specified in § 31-36-20, any funds of the state not specifically
27 held for any particular purpose. However, all the advances made to the fund shall be returned to
28 the general fund immediately upon the receipt by the fund of proceeds resulting from the receipt
29 of monies to the extent of the advances.

30 SECTION 12. Chapter 24-5 of the General Laws entitled "Maintenance of Town
31 Highways" is hereby amended by adding thereto the following section:

32 **24-5-35. Rhode Island local pothole fund.** -- There is hereby established a Rhode Island
33 local pothole fund to receive funds pursuant to section 31-36-20 (d) to be distributed to the cities
34 and towns for the purpose of road and street maintenance and repair.

1 SECTION 13. Section 31-36-7 of the General Laws in Chapter 31-36 entitled "Motor
2 Fuel Tax" is hereby amended to read as follows:

3 **31-36-7. Monthly report of distributors -- Payment of tax. --** (a) State requirements. -
4 Every distributor shall, on or before the twentieth (20th) day of each month, render a report to the
5 tax administrator, upon forms to be obtained from the tax administrator, of the amount (number
6 of gallons) of fuels purchased, sold, or used by the distributor within this state and the amount of
7 fuels sold by the distributor without this state from fuels within this state during the preceding
8 calendar month, and, if required by the tax administrator as to purchases, the name or names of
9 the person or persons from whom purchased and the date and amount of each purchase, and as to
10 sales, the name or names of the person or persons to whom sold and the amount of each sale, and
11 shall pay at the same time to the administrator tax at the rate of thirty two cents (~~\$.30~~)(\$0.32) per
12 gallon on all taxable gallons of fuel sold or used in this state.

13 (b) Federal requirements. - In the event the federal government requires a certain portion
14 of the gasoline tax to be dedicated for highway improvements, then the state controller is directed
15 to establish a restricted receipt account and deposit that portion of gasoline tax receipts which
16 brings the state into federal compliance.

17 SECTION 14. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor
18 Fuel Tax" is hereby amended to read as follows:

19 **31-36-20. Disposition of proceeds. --** (a) Notwithstanding any other provision of law to
20 the contrary, all moneys paid into the general treasury under the provisions of this chapter or
21 chapter 37 of this title, except for the proceeds distributed pursuant to subsection (d), shall be
22 applied to and held in a separate fund and be deposited in any depositories that may be selected
23 by the general treasurer to the credit of the fund, which fund shall be known as the Intermodal
24 Surface Transportation Fund; provided, that in fiscal year 2004 for the months of July through
25 April six and eighty-five hundredth cents (\$0.0685) per gallon of the tax imposed and accruing
26 for the liability under the provisions of section 31-36-7, less refunds and credits, shall be
27 transferred to the Rhode Island public transit authority as provided under section 39-18-21. For
28 the months of May and June in fiscal year 2004, the allocation shall be five and five hundredth
29 cents (\$0.0505). Thereafter, until fiscal year 2006, the allocation shall be six and twenty-five
30 hundredth cents (\$0.0625). For fiscal year 2006 and thereafter the allocation shall be seven and
31 twenty-five hundredth cents (\$0.0725); provided, from October 1, 2009 through March 31, 2010
32 and after September 30, 2010 the allocation shall be nine and twenty-five hundredths cents
33 (\$0.0925); provided, that expenditures shall include the costs of a market survey of non-transit
34 users and a management study of the agency to include the feasibility of moving the Authority

1 into the Department of Transportation, both to be conducted under the auspices of the state
2 budget officer. The state budget officer shall hire necessary consultants to perform the studies,
3 and shall direct payment by the Authority. Both studies shall be transmitted by the Budget Officer
4 to the 2006 session of the General Assembly, with comments from the Authority. One cent
5 (\$0.01) per gallon shall be transferred to the Elderly/Disabled Transportation Program of the
6 department of elderly affairs, and the remaining cents per gallon shall be available for general
7 revenue as determined by the following schedule:

8 (i) For the fiscal year 2000, three and one fourth cents (\$0.0325) shall be available for
9 general revenue.

10 (ii) For the fiscal year 2001, one and three-fourth cents (\$0.0175) shall be available for
11 general revenue.

12 (iii) For the fiscal year 2002, one-fourth cent (\$0.0025) shall be available for general
13 revenue.

14 (iv) For the fiscal year 2003, two and one-fourth cent (\$0.0225) shall be available for
15 general revenue.

16 (v) For the months of July through April in fiscal year 2004, one and four-tenths cents
17 (\$0.014) shall be available for general revenue. For the months of May through June in fiscal year
18 2004, three and two-tenths cents (\$0.032) shall be available for general revenue, and thereafter,
19 until fiscal year 2006, two cents (\$0.02) shall be available for general revenue. For fiscal year
20 2006 and thereafter one cent (\$0.01) shall be available for general revenue.

21 (2) All deposits and transfers of funds made by the tax administrator under this section,
22 including those to the Rhode Island public transit authority, the department of elderly affairs and
23 the general fund, shall be made within twenty-four (24) hours of receipt or previous deposit of the
24 funds in question.

25 (3) Commencing in fiscal year 2004, the Director of the Rhode Island Department of
26 Transportation is authorized to remit, on a monthly or less frequent basis as shall be determined
27 by the Director of the Rhode Island Department of Transportation, or his or her designee, or at the
28 election of the Director of the Rhode Island Department of Transportation, with the approval of
29 the Director of the Department of Administration, to an indenture trustee, administrator, or other
30 third party fiduciary, in an amount not to exceed two cents (\$0.02) per gallon of the gas tax
31 imposed, in order to satisfy debt service payments on aggregate bonds issued pursuant to a Joint
32 Resolution and Enactment Approving the Financing of Various Department of Transportation
33 Projects adopted during the 2003 session of the General Assembly, and approved by the
34 Governor.

1 (b) Notwithstanding any other provision of law to the contrary, all other funds in the
2 fund shall be dedicated to the department of transportation, subject to annual appropriation by the
3 general assembly. The director of transportation shall submit to the general assembly, budget
4 office and office of the governor annually an accounting of all amounts deposited in and credited
5 to the fund together with a budget for proposed expenditures for the succeeding fiscal year in
6 compliance with sections 35-3-1 and 35-3-4. On order of the director of transportation, the state
7 controller is authorized and directed to draw his or her orders upon the general treasurer for the
8 payments of any sum or portion of the sum that may be required from time to time upon receipt
9 of properly authenticated vouchers.

10 (c) At any time the amount of the fund is insufficient to fund the expenditures of the
11 department of transportation, not to exceed the amount authorized by the general assembly, the
12 general treasurer is authorized, with the approval of the governor and the director of
13 administration, in anticipation of the receipts of monies enumerated in section 31-36-20 to
14 advance sums to the fund, for the purposes specified in section 31-36-20, any funds of the state
15 not specifically held for any particular purpose. However, all the advances made to the fund shall
16 be returned to the general fund immediately upon the receipt by the fund of proceeds resulting
17 from the receipt of monies to the extent of the advances.

18 (d) The tax administrator shall deposit two cents (\$0.02) per gallon on the tax imposed in
19 section 31-36-7 to the Rhode Island local pothole fund from April 1, 2009 through September 30,
20 2009 and from April 1, 2010 through September 30, 2010; provided, further, the tax administrator
21 shall distribute the monies in the pothole fund to the cities and towns on a monthly or less
22 frequent basis. Fifty percent (50%) of the funds shall be proportionally distributed on the basis of
23 population and the remaining fifty percent (50%) shall be proportionally distributed on the basis
24 of the number of miles of local roads and streets not designated as part of the federal aid highway
25 system, as determined by the director of the department of transportation.

26 SECTION 15. Section 44-30-12 of the General Laws in Chapter 44-30 entitled "Personal
27 Income Tax" is hereby amended to read as follows:

28 **44-30-12. Rhode Island income of a resident individual. --** (a) General. - The Rhode
29 Island income of a resident individual means his or her adjusted gross income for federal income
30 tax purposes, with the modifications specified in this section.

31 (b) Modifications increasing federal adjusted gross income. - There shall be added to
32 federal adjusted gross income:

33 (1) Interest income on obligations of any state, or its political subdivisions, other than
34 Rhode Island or its political subdivisions;

1 (2) Interest or dividend income on obligations or securities of any authority, commission,
2 or instrumentality of the United States, but not of Rhode Island or its political subdivisions, to the
3 extent exempted by the laws of the United States from federal income tax but not from state
4 income taxes;

5 (3) The modification described in section 44-30-25(g);

6 (4) (i) The amount defined below of a nonqualified withdrawal made from an account in
7 the tuition savings program pursuant to section 16-57-6.1. For purposes of this section, a
8 nonqualified withdrawal is:

9 (A) A transfer or rollover to a qualified tuition program under Section 529 of the Internal
10 Revenue Code, 26 U.S.C. section 529, other than to the tuition savings program referred to in
11 section 16-57-6.1; and

12 (B) A withdrawal or distribution which is:

13 (I) Not applied on a timely basis to pay "qualified higher education expenses" as defined
14 in section 16-57-3(12) of the beneficiary of the account from which the withdrawal is made;

15 (II) Not made for a reason referred to in section 16-57-6.1(e); or

16 (III) Not made in other circumstances for which an exclusion from tax made applicable
17 by Section 529 of the Internal Revenue Code, 26 U.S.C. section 529, pertains if the transfer,
18 rollover, withdrawal or distribution is made within two (2) taxable years following the taxable
19 year for which a contributions modification pursuant to subdivision (c)(4) of this section is taken
20 based on contributions to any tuition savings program account by the person who is the
21 participant of the account at the time of the contribution, whether or not the person is the
22 participant of the account at the time of the transfer, rollover, withdrawal or distribution;

23 (ii) In the event of a nonqualified withdrawal under subparagraphs (i)(A) or (i)(B) of this
24 subdivision, there shall be added to the federal adjusted gross income of that person for the
25 taxable year of the withdrawal an amount equal to the lesser of:

26 (A) The amount equal to the nonqualified withdrawal reduced by the sum of any
27 administrative fee or penalty imposed under the tuition savings program in connection with the
28 nonqualified withdrawal plus the earnings portion thereof, if any, includible in computing the
29 person's federal adjusted gross income for the taxable year; and

30 (B) The amount of the person's contribution modification pursuant to subdivision (c)(4)
31 of this section for the person's taxable year of the withdrawal and the two (2) prior taxable years
32 less the amount of any nonqualified withdrawal for the two (2) prior taxable years included in
33 computing the person's Rhode Island income by application of this subsection for those years.
34 Any amount added to federal adjusted gross income pursuant to this subdivision shall constitute

1 Rhode Island income for residents, nonresidents and part-year residents; and

2 (5) The modification described in section 44-30-25.1(d)(3)(i).

3 (6) The amount equal to any unemployment compensation received but not included in
4 federal adjusted gross income.

5 (7) The amount equal to the deduction allowed for sales tax paid for a purchase of a
6 qualified motor vehicle as defined by the Internal Revenue Code section 164(a)(6).

7 (c) Modifications reducing federal adjusted gross income. - There shall be subtracted
8 from federal adjusted gross income:

9 (1) Any interest income on obligations of the United States and its possessions to the
10 extent includible in gross income for federal income tax purposes, and any interest or dividend
11 income on obligations, or securities of any authority, commission, or instrumentality of the
12 United States to the extent includible in gross income for federal income tax purposes but exempt
13 from state income taxes under the laws of the United States; provided, that the amount to be
14 subtracted shall in any case be reduced by any interest on indebtedness incurred or continued to
15 purchase or carry obligations or securities the income of which is exempt from Rhode Island
16 personal income tax, to the extent the interest has been deducted in determining federal adjusted
17 gross income or taxable income;

18 (2) A modification described in section 44-30-25(f) or section 44-30-1.1(c)(1);

19 (3) The amount of any withdrawal or distribution from the "tuition savings program"
20 referred to in section 16-57-6.1 which is included in federal adjusted gross income, other than a
21 withdrawal or distribution or portion of a withdrawal or distribution that is a nonqualified
22 withdrawal;

23 (4) Contributions made to an account under the tuition savings program, including the
24 "contributions carryover" pursuant to paragraph (iv) of this subdivision, if any, subject to the
25 following limitations, restrictions and qualifications:

26 (i) The aggregate subtraction pursuant to this subdivision for any taxable year of the
27 taxpayer shall not exceed five hundred dollars (\$500) or one thousand dollars (\$1,000) if a joint
28 return;

29 (ii) The following shall not be considered contributions:

30 (A) Contributions made by any person to an account who is not a participant of the
31 account at the time the contribution is made;

32 (B) Transfers or rollovers to an account from any other tuition savings program account
33 or from any other "qualified tuition program" under section 529 of the Internal Revenue Code, 26
34 U.S.C. section 529; or

- 1 (C) A change of the beneficiary of the account;
- 2 (iii) The subtraction pursuant to this subdivision shall not reduce the taxpayer's federal
3 adjusted gross income to less than zero (0);
- 4 (iv) The contributions carryover to a taxable year for purpose of this subdivision is the
5 excess, if any, of the total amount of contributions actually made by the taxpayer to the tuition
6 savings program for all preceding taxable years for which this subsection is effective over the
7 sum of:
- 8 (A) The total of the subtractions under this subdivision allowable to the taxpayer for all
9 such preceding taxable years; and
- 10 (B) That part of any remaining contribution carryover at the end of the taxable year
11 which exceeds the amount of any nonqualified withdrawals during the year and the prior two (2)
12 taxable years not included in the addition provided for in this subdivision for those years. Any
13 such part shall be disregarded in computing the contributions carryover for any subsequent
14 taxable year;
- 15 (v) For any taxable year for which a contributions carryover is applicable, the taxpayer
16 shall include a computation of the carryover with the taxpayer's Rhode Island personal income
17 tax return for that year, and if for any taxable year on which the carryover is based the taxpayer
18 filed a joint Rhode Island personal income tax return but filed a return on a basis other than
19 jointly for a subsequent taxable year, the computation shall reflect how the carryover is being
20 allocated between the prior joint filers; and
- 21 (5) The modification described in section 44-30-25.1(d)(1).
- 22 (6) Amounts deemed taxable income to the taxpayer due to payment or provision of
23 insurance benefits to a dependent, including a domestic partner pursuant to chapter 12 of title 36
24 or other coverage plan.
- 25 (d) Modification for Rhode Island fiduciary adjustment. - There shall be added to or
26 subtracted from federal adjusted gross income (as the case may be) the taxpayer's share, as
27 beneficiary of an estate or trust, of the Rhode Island fiduciary adjustment determined under
28 section 44-30-17.
- 29 (e) Partners. - The amounts of modifications required to be made under this section by a
30 partner, which relate to items of income or deduction of a partnership, shall be determined under
31 section 44-30-15.

32 SECTION 16. Section 10-16-4 of the General Laws in Chapter 10-16 entitled "Small
33 Claims and Consumer Claims" is hereby amended to read as follows:

34 **10-16-4. Filing fee – Waiver of appeal.** -- (a) The plaintiff shall pay into the court an

1 entry fee of ~~thirty dollars (\$30.00)~~ fifty dollars (\$50.00), of which ~~ten dollars (\$10.00)~~ twenty
2 dollars (\$20.00) shall be placed in a "small claims mediation ~~fund~~ restricted receipt account"
3 together with an amount equal to the then prevailing postal rate, for mailing notices in the case,
4 which shall be deemed the beginning of the action. The "small claims mediation ~~fund~~ restricted
5 receipt account" shall be established under the control of the state court director of finance; the
6 chief judge of the district court shall be authorized to ~~retain~~ pay for the services of qualified
7 mediators and ~~to direct payment for such services~~ other related expenses from the "small claims
8 mediation ~~fund~~ restricted receipt account."

9 (b) The plaintiff shall also file with his or her claim a written waiver of right of appeal.

10 SECTION 17. Section 9-29-1 of the General Laws in Chapter 9-29 entitled "Fees" is
11 hereby amended to read as follows:

12 **9-29-1. District court fees.** -- (a) Every district court shall be allowed the following fees
13 in full, to be taxed in the bill of costs in every civil action:

- 14 (1) For the entry of every small claim ~~\$30.00~~ \$50.00
- 15 (2) For the entry of every other action \$60.00
- 16 (3) For every writ of execution \$10.00

17 (b) In addition to the fees set forth herein, a surcharge shall be placed on all filing fees.

18 SECTION 18. Sections 5 through 8 of this article shall take effect on April 10, 2009.
19 Section 9 of this article shall take effect upon passage and shall apply to tax years beginning on or
20 after January 1, 2009. The remainder of this article shall take effect upon passage.

21 **ARTICLE 11**

22 **RELATING TO DEFERRED CONTRIBUTIONS**

23 **Section 1. Legislative Findings.**

24 The Governor's revised budget as contained in 09-H-5019, introduced January 7, 2009,
25 contained article 32 which would have allowed inflation to reduce pensions of most state
26 employees and teachers that did not retire prior to April 1, 2009 or their beneficiaries, by at least
27 half, and which would not have allowed qualified retirees to fully access their pensions until age
28 59.

29 The Assembly received testimony that indicated as many as 1,400 teachers and 1,600
30 state employees were eligible and likely to retire by April 1, 2009.

31 The Governor included savings of \$112.3 million based upon passage of that legislation,
32 consisting of \$95.2 million from state general revenues and \$17.1 million from all other funds.
33 Those savings included estimated savings by local educational agencies of \$28.1 million of state
34 share of employer contributions and \$41.1 million of local share, all of which he recommended

1 withdrawing from local education aid payments.

2 Those estimates were included without benefit of the actuarial studies required by
3 sections 12.1-1 of Title 22 and 36-10-9 of Title 36 of the Rhode Island General Laws or
4 appropriate legal analysis of the proposal.

5 The Governor subsequently provided an actuarial study dated January 28 indicating most
6 of the Governor's budgeted savings are unachievable. The study reduced projected savings to
7 \$39.2 million.

8 The Governor subsequently requested an amendment to 09-H 5019 on March 9 that
9 would make the changes apply to state employees and teachers that are not eligible to retire prior
10 to July 1 rather than those that had not retired by April 1. He provided an actuarial study dated
11 February 25 that was based upon the subsequently requested amendment that estimated savings
12 of \$54.3 million.

13 The Assembly finds that changes to public employee pension systems of the magnitude
14 the Governor recommended should not be made without significant due diligence that would
15 include procurement and review of actuarial analyses of options, testimony from taxpayers as
16 well as affected employees, estimates of the impact on current and future workforces including
17 selection, recruitment and retention of high quality public employees, and the impact said
18 changes might have on the long-term fiscal condition of the State.

19 The General Assembly shall perform such due diligence and shall amend 09-H 5983 to
20 include necessary amendments to make changes to the public employee retirement systems
21 designed to be fair and equitable to current employees, and reduce the future unfunded liability of
22 the systems through benefit changes. Those changes will produce significant savings for FY
23 2009.

24 SECTION 2. Section 36-10-2 of the General Laws in Chapter 36-10 entitled "Retirement
25 System-Contributions and Benefits" is hereby amended to read as follows:

26 **36-10-2. State contributions.** -- (a) The State of Rhode Island shall make its contribution
27 for the maintenance of the system, including the proper and timely payment of benefits in
28 accordance with the provisions of this chapter and chapters 8, 16, 28, 31 and 42 of this title, by
29 annually appropriating an amount equal to a percentage of the total compensation paid to the
30 active membership. The percentage shall be computed by the actuary employed by the retirement
31 system and shall be certified by the retirement board to the director of administration on or before
32 the fifteenth day of October in each year. In arriving at the yearly employer contribution the
33 actuary shall determine the value of:

34 (1) The contributions made by the members;

1 (2) Income on investments; and

2 (3) Other income of the system.

3 (b) The Actuary shall thereupon compute the yearly employer contribution that will:

4 (1) Pay the actuarial estimate of the normal cost for the next succeeding fiscal year;

5 (2) Amortize the unfunded liability of the system as of June 30, 1999 utilizing a time
6 period not to exceed thirty (30) years.

7 (3) Provided, that the fiscal year 2009, the employer contribution shall be deferred from
8 April 2 until June 30, 2009. The amounts that would have been contributed shall be deposited in a
9 special fund and not used for any purpose.

10 (c) The State of Rhode Island shall remit to the general treasurer the employer's share of
11 the contribution for state employees, state police, and judges on a payroll frequency basis, and for
12 teachers in a manner pursuant to section 16-16-22.

13 (d) (1) In accordance with the intent of section 36-8-20 that the retirement system satisfy
14 the requirements of section 401(a) of the Internal Revenue Code of 1986, the state shall pay to the
15 retirement system:

16 (i) By June 30, 1995, an amount equal to the sum of the benefits paid to state legislators
17 pursuant to section 36-10-10.1 in excess of ten thousand dollars (\$10,000) per member (plus
18 accrued interest on such amount at eight percent (8%)) for all fiscal years beginning July 1, 1991,
19 and ending June 30, 1995, but this amount shall be paid only if section 36-10-10.1(e) becomes
20 effective January 1, 1995; and

21 (ii) By December 31, 1994, twenty million seven hundred eighty eight thousand eight
22 hundred twelve dollars and nineteen cents (\$20,788,812.19) plus accrued interest on that amount
23 at eight percent (8%) compounded monthly beginning March 1, 1991, and ending on the date this
24 payment is completed (reduced by amortized amounts already repaid to the retirement system
25 with respect to the amounts withdrawn by the state during the fiscal year July 1, 1990 -- June 30,
26 1991); and

27 (iii) By June 30, 1995, the sum of the amounts paid by the retirement system for retiree
28 health benefits described in section 36-12-4 for all fiscal years beginning July 1, 1989, and ending
29 June 30, 1994, to the extent that the amounts were not paid from the restricted fund described in
30 subsection (c).

31 (2) Any and all amounts paid to the retirement system under this subsection shall not
32 increase the amount otherwise payable to the system by the state of Rhode Island under
33 subsection (a) for the applicable fiscal year. The actuary shall make such adjustments in the
34 amortization bases and other accounts of the retirement system as he or she deems appropriate to

1 carry out the provisions and intent of this subsection.

2 (e) In addition to the contributions provided for in subsection (a) through (c) and in order
3 to provide supplemental employer contributions to the retirement system, commencing in fiscal
4 year 2006, and each year thereafter:

5 (1) For each fiscal year in which the actuarially determined state contribution rate for
6 state employees is lower than that for the prior fiscal year, the governor shall include an
7 appropriation to that system equivalent to twenty percent (20%) of the rate reduction for the
8 state's contribution rate for state employees to be applied to the actuarial accrued liability of the
9 state employees' retirement system for state employees for each fiscal year;

10 (2) For each fiscal year in which the actuarially determined state contribution rate for
11 teachers is lower than that for the prior fiscal year, the governor shall include an appropriation to
12 that system equivalent to twenty percent (20%) of the rate reduction for the state's share of the
13 contribution rate for teachers to be applied to the actuarial accrued liability of the state employees'
14 retirement system for teachers for each fiscal year;

15 (3) The amounts to be appropriated shall be included in the annual appropriation bill and
16 shall be paid by the general treasurer into the retirement system.

17 (f) While the retirement system's actuary shall not adjust the computation of the annual
18 required contribution for the year in which supplemental contributions are received, such
19 contributions once made may be treated as reducing the actuarial liability remaining for
20 amortization in the next following actuarial valuation to be performed.

21 **SECTION 3. Section 16-16-22 of the General Laws in Chapter 16-16 entitled "Teachers'**
22 **Retirement" is hereby amended to read as follows:**

23 **16-16-22. Contributions to state system.** -- (a) Each member shall contribute into the
24 system nine and one-half percent (9.5%) of compensation as his or her share of the cost of
25 annuities, benefits, and allowances. The employer contribution on behalf of teacher members of
26 the system shall be in an amount that will pay a rate percent of the compensation paid to the
27 members, according to the method of financing prescribed in the State Retirement Act in chapters
28 8 -- 10 of title 36. This amount shall be paid by the state, and sixty percent (60%) by the city,
29 town, local educational agency, or any formalized commissioner approved cooperative service
30 arrangement by whom the teacher members are employed, with the exception of teachers who
31 work in federally funded projects. Provided, however, that the rate percent paid shall be rounded
32 to the nearest hundredth of one percent (.01%).

33 (b) The employer contribution on behalf of teacher members of the system who work in
34 fully or partially federally funded programs shall be prorated in accordance with the share of the

1 contribution paid from the funds of the federal, city, town, or local educational agency, or any
2 formalized commissioner approved cooperative service arrangement by whom the teacher
3 members are approved.

4 (c) In case of the failure of any city, town, or local educational agency, or any formalized
5 commissioner approved cooperative service arrangement to pay to the state retirement system the
6 amounts due from it under this section within the time prescribed, the general treasurer is
7 authorized to deduct the amount from any money due the city, town, or local educational agency
8 from the state.

9 (d) The employer's contribution shared by the state shall be paid in the amounts
10 prescribed in this section for the city, town, or local educational agency and under the same
11 payment schedule. Notwithstanding any other provisions of this chapter, the city, town, or local
12 educational agency or any formalized commissioner approved cooperative service arrangement
13 shall remit to the general treasurer of the state the local employer's share of the teacher's
14 retirement payments on a monthly basis, payable by the fifteenth (15th) of the following month,
15 provided that the employer contribution from the effective date of this act shall be deferred until
16 June 30, 2009. The amounts that would have been contributed shall be deposited by the state in a
17 special fund and not used for any purpose. The general treasurer, upon receipt of the local
18 employer's share, shall effect transfer of a matching amount of money from the state funds
19 appropriated for this purpose by the general assembly into the retirement fund, provided that for
20 the period beginning April 2 to June 30 the general treasurer shall not make such transfer.

21 Upon reconciliation of the final amount owed to the retirement fund for the employer
22 share, the state shall ensure that any local education aid reduction assumed for the FY 2009
23 revised budget in excess of the actual savings is restored to the respective local entities.

24 (e) This section is not subject to sections 45-13-7 through 45-13-10.

25 SECTION 4. Section 8-3-17 of the General Laws in Chapter 8-3 entitled "Justices of
26 Supreme, Superior, and Family Courts" is hereby amended to read as follows:

27 **8-3-17. State contributions.** -- The state of Rhode Island shall make its contribution for
28 the maintaining of the system established by section 8-3-16 and providing the annuities, benefits,
29 and retirement allowances in accordance with the provisions of this chapter by annually
30 appropriating an amount which will pay a rate percent of the compensation paid after December
31 31, 1989 to judges engaged after December 31, 1989. Such rate percent shall be computed and
32 certified in accordance with the procedures set forth in sections 36-8-13 and 36-10-2 under rules
33 and regulations promulgated by the retirement board pursuant to section 36-8-3. Provided, that
34 the employer contribution from the effective date of this act shall be deferred until June 30, 2009.

1 The amounts that would have been contributed shall be deposited in a special fund and not used
2 for any purpose.

3 SECTION 5. Section 42-28-22.2 of the General Laws in Chapter 42-28 entitled "State
4 Police" is hereby amended to read as follows:

5 **42-28-22.2. State contributions. --** The state of Rhode Island shall make its contribution
6 for the maintaining of the system established by section 42-28-22.1 and providing the annuities,
7 benefits, and retirement allowances in accordance with the provisions of this chapter by annually
8 appropriating an amount which will pay a rate percent of the compensation paid after July 1, 1989
9 to members of the state police hired after July 1, 1987. This rate percent shall be computed and
10 certified in accordance with the procedures set forth in sections 36-8-13 and 36-10-2 under rules
11 and regulations promulgated by the retirement board pursuant to section 36-8-3. Provided, that
12 the employer contribution from the effective date of this act shall be deferred until June 30, 2009.
13 The amount that would have been contributed shall be deposited in a special fund and not used
14 for any purpose.

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

17 **35-6-1. Controller -- Duties in general. --** (a) Within the department of administration
18 there shall be a controller who shall be appointed by the director of administration pursuant to
19 chapter 4 of title 36. The controller shall be responsible for accounting and expenditure control
20 and shall be required to:

21 (1) Administer a comprehensive accounting and recording system which will classify the
22 transactions of the state departments and agencies in accordance with the budget plan;

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

25 (3) Prescribe a financial, accounting, and cost accounting system for state departments
26 and agencies;

27 (4) Preaudit all state receipts and expenditures;

28 (5) Prepare financial statements required by the several departments and agencies, by the
29 governor, or by the general assembly;

30 (6) Approve the orders drawn on the general treasurer; provided, that the preaudit of all
31 expenditures under authority of the legislative department and the judicial department by the state
32 controller shall be purely ministerial, concerned only with the legality of the expenditure and
33 availability of the funds, and in no event shall the state controller interpose his or her judgment
34 regarding the wisdom or expediency of any item or items of expenditure;

1 (7) Prepare and timely file, on behalf of the state, any and all reports required by the
2 United States, including, but not limited to, the internal revenue service, or required by any
3 department or agency of the state, with respect to the state payroll; and

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

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

13 (ii) A comparison of actual expenditures with each of the actual appropriations,
14 including supplemental appropriations and other adjustments provided for in the Rhode Island
15 General Laws;

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

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

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

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

25 (d) Upon issuance of the audited financial statement, the controller shall transfer all
26 general revenues received in the completed fiscal year net of transfer to the state budget reserve
27 and cash stabilization account as required by section 35-3-20 in excess of those estimates adopted
28 for that year as contained in the final enacted budget to the employees' retirement system of the
29 state of Rhode Island as defined in section 36-8-2.

30 (9) The controller shall create a special fund not part of the general fund and shall deposit
31 amounts equivalent to all deferred contributions under this act into that fund. Any amounts
32 remaining in the fund on June 30 shall be transferred to the general treasurer who shall transfer
33 such amounts into the retirement fund as appropriate.

34 SECTION 7. Section 45-21-59 of the General Laws in Chapter 45-21 entitled

1 "Retirement of Municipal Employees" is hereby amended to read as follows:

2 **45-21-59. Effect of deferral and/or reduction of salary.** -- (a) If subsequent to January
3 1, 1991, a member sustains a loss of salary due to a deferral of salary or a reduction of salary in
4 order to avoid shutdowns or layoffs, or because of a retrenchment of state or local finances, then
5 in calculating the service retirement allowance of the member, the amount of salary deferred
6 and/or the amount of the reduction of salary shall not reduce the amount of annual compensation
7 of the member for the purpose of establishing his or her highest three (3) consecutive years of
8 compensation. This provision is subject to subsection (c).

9 (b) (1) For purposes of subsection (a), reduction of salary means:

10 (i) The actual dollar amount which represents the difference between the employee's
11 salary prior to the voluntary reduction of salary and the employee's salary after the voluntary
12 reduction of salary; or

13 (ii) The actual dollar amount which represents the difference between the employee's
14 salary prior to the renegotiation and/or alteration of an existing collective bargaining agreement
15 and the employee's salary after the renegotiation and/or alteration of an existing collective
16 bargaining agreement.

17 (2) Reduction of salary also means the voluntary or negotiated reduction in the number
18 of hours that an employee works in a pay period and for which he or she is paid.

19 (c) An employee who has sustained a reduction in salary ~~and who desires to retire prior~~
20 ~~to June 30, 1994~~ in accordance with subsection (a) shall pay, prior to retirement, to the retirement
21 board an amount equal to the difference between the amount of contribution the employee would
22 have paid on his or her salary prior to the reduction in salary and the amount that the employee
23 actually contributed plus interest.

24 SECTION 8. Section 7 of this article shall take effect as of July 1, 2008. The remainder
25 of this article shall take effect upon passage.

26 ARTICLE 12

27 RELATING TO THE RHODE ISLAND ECONOMIC DEVELOPMENT CORPORATION

28 AND THE RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION

29 SECTION 1. Section 42-64-20 of the General Laws in Chapter 42-64 entitled "Rhode
30 Island Economic Development Corporation" is hereby amended to read as follows:

31 **42-64-20. Exemption from taxation.** -- (a) The exercise of the powers granted by this
32 chapter will be in all respects for the benefit of the people of this state, the increase of their
33 commerce, welfare, and prosperity and for the improvement of their health and living conditions
34 and will constitute the performance of an essential governmental function and the corporation

1 shall not be required to pay any taxes or assessments upon or in respect of any project or of any
2 property or moneys of the Rhode Island economic development corporation, levied by any
3 municipality or political subdivision of the state; provided, that the corporation shall make
4 payments in lieu of real property taxes and assessments to municipalities and political
5 subdivisions with respect to projects of the corporation located in the municipalities and political
6 subdivisions during those times that the corporation derives revenue from the lease or operation
7 of the projects. Payments in lieu of taxes shall be in amounts agreed upon by the corporation and
8 the affected municipalities and political subdivisions. Failing the agreement, the amounts of
9 payments in lieu of taxes shall be determined by the corporation using a formula that shall
10 reasonably ensure that the amounts approximate the average amount of real property taxes due
11 throughout the state with respect to facilities of a similar nature and size. Any municipality or
12 political subdivision is empowered to accept at its option an amount of payments in lieu of taxes
13 less than that determined by the corporation. If, pursuant to section 42-64-13(f), the corporation
14 shall have agreed with a municipality or political subdivision that it shall not provide all of the
15 specified services, the payments in lieu of taxes shall be reduced by the cost incurred by the
16 corporation or any other person in providing the services not provided by the municipality or
17 political subdivision.

18 (b) The corporation shall not be required to pay state taxes of any kind, and the
19 corporation, its projects, property, and moneys and, except for estate, inheritance, and gift taxes,
20 any bonds or notes issued under the provisions of this chapter and the income (including gain
21 from sale or exchange) from these shall at all times be free from taxation of every kind by the
22 state and by the municipalities and all political subdivisions of the state. The corporation shall not
23 be required to pay any transfer tax of any kind on account of instruments recorded by it or on its
24 behalf.

25 (c) For purposes of the exemption from taxes and assessments upon or in respect of any
26 project under subsections (a) or (b) of this section, the corporation shall not be required to hold
27 legal title to any real or personal property, including any fixtures, furnishings or equipment which
28 are acquired and used in the construction and development of the project, but the legal title may
29 be held in the name of a lessee (including sublessees) from the corporation. This property, which
30 shall not include any goods or inventory used in the project after completion of construction, shall
31 be exempt from taxation to the same extent as if legal title of the property were in the name of the
32 corporation; provided that the board of directors of the corporation adopts a resolution confirming
33 use of the tax exemption for the project by the lessee. ~~No resolution shall be adopted without the~~
34 ~~prior approval of the general assembly.~~ [Such resolution shall not take effect until thirty \(30\) days](#)

1 from passage. The resolution shall include findings that: (1) the project is a project of the
2 corporation under section 42-64-3(20), and (2) it is in the interest of the corporation and of the
3 project that legal title be held by the lessee from the corporation. In adopting the resolution, the
4 board of directors may consider any factors it deems relevant to the interests of the corporation or
5 the project including, for example, but without limitation, reduction in potential liability or costs
6 to the corporation or designation of the project as a "Project of Critical Economic Concern"
7 pursuant to Chapter 117 of this title.

8 (d) For purposes of the exemption from taxes and assessments for any project of the
9 corporation held by a lessee of the corporation under subsection (c) of this section, any such
10 project shall be subject to the following additional requirements:

11 (1) The total sales tax exemption benefit to the lessee will be implemented through a
12 reimbursement process as determined by the division of taxation rather than an up-front purchase
13 exemption;

14 (2) The sales tax benefits granted pursuant to RIGL 42-64-20(c) shall: (i) only apply to
15 materials used in the construction, reconstruction or rehabilitation of the project and to the
16 acquisition of furniture, fixtures and equipment, except automobiles, trucks or other motor
17 vehicles, or materials that otherwise are depreciable and have a useful life of one year or more,
18 for the project for a period not to exceed six (6) months after receipt of a certificate of occupancy
19 for any given phase of the project for which sales tax benefits are utilized; and (ii) not exceed an
20 amount equal to the income tax revenue received by the state from the new full-time jobs with
21 benefits excluding project construction jobs, generated by the project within a period of three (3)
22 years from after the receipt of a certificate of occupancy for any given phase of the project. "Full-
23 time jobs with benefits" means jobs that require working a minimum of thirty (30) hours per
24 week within the state, with a median wage that exceeds by five percent (5%) the median annual
25 wage for the preceding year for full-time jobs in Rhode Island, as certified by the department of
26 labor and training with a benefit package that is typical of companies within the lessee's industry.

27 (3) The corporation shall transmit the analysis required by RIGL 42-64-10(a)(2) to the
28 house and senate fiscal committee chairs, the department of labor and training and the division of
29 taxation promptly upon completion. Annually thereafter, the department of labor and training
30 shall certify to the house and senate fiscal committee chairs, the house and senate fiscal advisors,
31 the corporation and the division of taxation the actual number of new full-time jobs with benefits
32 created by the project, in addition to construction jobs, and whether such new jobs are on target to
33 meet or exceed the estimated number of new jobs identified in the analysis above. This
34 certification shall no longer be required when the total amount of new income tax revenue

1 received by the state exceeds the amount of the sales tax exemption benefit granted above. For
2 purposes of this section.

3 (4) The department of labor and training shall certify to the house and senate fiscal
4 committee chairs and the division of taxation that jobs created by the project are “new jobs” in
5 the state of Rhode Island, meaning that the employees of the project are in addition to, and
6 without a reduction of, those employees of the lessee currently employed in Rhode Island, are not
7 relocated from another facility of the lessee’s in Rhode Island or are employees assumed by the
8 lessee as the result of a merger or acquisition of a company already located in Rhode Island.
9 Additionally, the corporation, with the assistance of the lessee, the department of labor and
10 training, the department of human services and the division of taxation shall provide annually an
11 analysis of whether any of the employees of the project qualify for RIte Care or RIte Share
12 benefits and the impact such benefits or assistance may have on the state budget.

13 (5) Notwithstanding any other provision of law, the division of taxation, the department
14 of labor and training and the department of human services are authorized to present, review and
15 discuss lessee specific tax or employment information or data with the corporation, the house and
16 senate fiscal committee chairs, and/or the house and senate fiscal advisors for the purpose of
17 verification and compliance with this resolution; and

18 (6) The corporation and the project lessee shall agree that, if at any time prior to the state
19 recouping the amount of the sales tax exemption through new income tax collections from the
20 project, not including construction job income taxes, the lessee will be unable to continue the
21 project, or otherwise defaults on its obligations to the corporation, the lessee shall be liable to the
22 state for all the sales tax benefits granted to the project plus interest, as determined in RIGL 44-1-
23 7, calculated from the date the lessee received the sales tax benefits.

24 SECTION 2. Sections 45-37.1-9 and 45-37.1-9.1 of the General Laws in Chapter 45-37.1
25 entitled "Industrial Facilities Corporation" are hereby amended to read as follows:

26 **45-37.1-9. Exemption from taxation.** -- (a) The exercise of the powers granted by this
27 chapter will be in all respects for the benefit of the people of this state, for the increase of their
28 commerce, welfare and prosperity, and for the improvement of their health and living conditions,
29 and will constitute the performance of an essential government function, and the corporation is
30 not required to pay any taxes or assessments upon or in respect of a project, or any property or
31 moneys of the corporation, levied by any municipality or political subdivision of the state, nor is
32 the corporation required to pay state taxes of any kind, and the corporation, its projects, property,
33 and moneys, and any bonds and notes issued under the provisions of this chapter, their transfer
34 and the income from them, including any profit made on their sale, are at all times free from

1 taxation of every kind by the state and by the municipalities and all other political subdivisions of
2 the state, and the corporation is not required to pay any transfer tax of any kind on account of
3 instruments recorded by or on its behalf or in connection with the financing of any of its projects;
4 provided, that any person, partnership, corporation, or concern leasing a project from the
5 corporation shall pay to the city, town, school district, or other political subdivision or special
6 district having taxing powers, in which the project is located, a payment in lieu of taxes which
7 equals the taxes on real and personal property which the lessee would have been required to pay,
8 had it been the owner of the property during the period for which the payment is made, and under
9 no circumstances are the corporation or its projects, properties, money, bonds, or notes obligated,
10 liable, or subject to a lien of any kind for their enforcement, collection, or payment; and provided,
11 further, that in the case of any person, partnership, corporation, or concern leasing a project from
12 the corporation any such person, partnership, corporation or concern so leased shall be exempt
13 from payment of state sales tax applicable to materials used in construction of such a facility only
14 to the extent that the costs of such materials do not exceed the amount financed through the
15 corporation ~~and the exemption has the prior approval of the general assembly.~~

16 (b) If and to the extent the proceedings under which the bonds or notes authorized to be
17 issued under the provisions of this chapter so provide, the corporation may agree to cooperate
18 with the lessee of a project in connection with any administrative or judicial proceedings for
19 determining the validity or amount of payments, and may agree to appoint or designate and
20 reserve the right in and for the lessee to take all action which the corporation may lawfully take in
21 respect of those payments and all matters relating to them, provided, that the lessee bears and pay
22 all costs and expenses of the corporation thereby incurred at the request of the lessee or by reason
23 of any action taken by the lessee in behalf of the corporation. Any lessee of a project, which has
24 paid the amounts in lieu of taxes required by the first sentence of this section, is not required to
25 pay any taxes for which a payment in lieu thereof has been made to the state or to any city, town,
26 school district, or other political subdivision or special district having taxing powers,
27 notwithstanding any other statute to the contrary.

28 **45-37.1-9.1. Procedure.** – (a) An exemption from payment of state sales tax applicable
29 to materials used in construction of a facility only to the extent that the costs of such materials do
30 not exceed the amount financed through the corporation as required in section 45-37.1-9 shall be
31 deemed to have been ~~approved by the general assembly when the general assembly passes a~~
32 ~~concurrent resolution of approval which the corporation requests, that the exemption from~~
33 ~~payment of state sales tax applicable to materials used in construction of a facility only to the~~
34 ~~extent that the costs of such materials do not exceed the amount financed through the corporation,~~

1 ~~be approved by the general assembly. These requests shall be transmitted to the speaker of the~~
2 ~~house and the president of the senate with copies to the chairpersons of the respective finance~~
3 ~~committees and fiscal advisors. The request for approval shall include: [authorized thirty \(30\) days](#)~~
4 ~~[from the date of the completion by the corporation of an economic analysis that shall include:](#)~~

5 (1) A full description of the project to which the tax exemption is related; and

6 (2) The corporation's analysis of the impact of the proposed project will or may have on
7 the state. The analysis shall be supported by such appropriate data and documentation and shall
8 consider, but not be limited to, the following factors:

9 (i) The impact on the industry or industries in which the completed project will be
10 involved;

11 (ii) State fiscal matters, including the state budget (revenues and expenses);

12 (iii) The financial exposure of the taxpayers of the state under the plans for the proposed
13 project and negative foreseeable contingencies that may arise therefrom;

14 (iv) The approximate number of jobs projected to be created, construction and
15 nonconstruction;

16 (v) Identification of geographic sources of the staffing for identified jobs;

17 (vi) The projected duration of the identified construction jobs;

18 (vii) The approximate wage rates for the identified jobs;

19 (viii) The types of fringe benefits to be provided with the identified jobs, including
20 healthcare insurance and any retirement benefits;

21 (ix) The projected fiscal impact on increased personal income taxes to the state of Rhode
22 Island; and

23 (x) The description of any plan or process intended to stimulate hiring from the host
24 community, training of employees or potential employees and outreach to minority job applicants
25 and minority businesses-

26 ~~[\(b\) For purposes of the exemption from taxes and assessments for any project of the](#)~~
27 ~~[corporation held by a lessee of the corporation under section 9 of this chapter and subsection \(a\)](#)~~
28 ~~[of this section, any such project shall be subject to the following additional requirements:](#)~~

29 ~~[\(1\) The total sales tax exemption benefit to the lessee will be implemented through a](#)~~
30 ~~[reimbursement process as determined by the division of taxation rather than an up-front purchase](#)~~
31 ~~[exemption;](#)~~

32 ~~[\(2\) The sales tax benefits granted pursuant to section 9 of this chapter shall: \(i\) only apply](#)~~
33 ~~[to materials used in the construction, reconstruction or rehabilitation of the project and to the](#)~~
34 ~~[acquisition of furniture, fixtures and equipment, except automobiles, trucks or other motor](#)~~

1 vehicles, or materials that otherwise are depreciable and have a useful life of one year or more,
2 for the project for a period not to exceed six (6) months after receipt of a certificate of occupancy
3 for any given phase of the project for which sales tax benefits are utilized; and (ii) not exceed an
4 amount equal to the income tax revenue received by the state from the new full-time jobs with
5 benefits excluding project construction jobs, generated by the project within a period of three (3)
6 years from after the receipt of a certificate of occupancy for any given phase of the project. For
7 purposes of this section, “full-time jobs with benefits” means jobs that require working a
8 minimum of thirty (30) hours per week within the state, with a median wage that exceeds by five
9 percent (5%) the median annual wage for the preceding year for full-time jobs in Rhode Island, as
10 certified by the department of labor and training, with a benefit package that is typical of
11 companies within the lessee’s industry.

12 (3) The corporation shall transmit the analysis required under section 9 of this chapter to
13 the house and senate fiscal committee chairs, the department of labor and training and the
14 division of taxation promptly upon completion. Annually thereafter, the department of labor and
15 training shall certify to the house and senate fiscal committee chairs, the house and senate fiscal
16 advisors, the corporation and the division of taxation the actual number of new full-time jobs with
17 benefits created by the project, in addition to construction jobs, and whether such new jobs are on
18 target to meet or exceed the estimated number of new jobs identified in the analysis above. This
19 certification shall no longer be required when the total amount of new income tax revenue
20 received by the state exceeds the amount of the sales tax exemption benefit granted above.

21 (4) The department of labor and training shall certify to the house and senate fiscal
22 committee chairs and the division of taxation that jobs created by the project are “new jobs” in
23 the state of Rhode Island, meaning that the employees of the project are in addition to, and
24 without a reduction of, those employees of the lessee currently employed in Rhode Island, are not
25 relocated from another facility of the lessee’s in Rhode Island or are employees assumed by the
26 lessee as the result of a merger or acquisition of a company already located in Rhode Island.
27 Additionally, the corporation, with the assistance of the lessee, the department of labor and
28 training, the department of human services and the division of taxation shall provide annually an
29 analysis of whether any of the employees of the project qualify for RIte Care or RIte Share
30 benefits and the impact such benefits or assistance may have on the state budget.

31 (5) Notwithstanding any other provision of law, the division of taxation, the department
32 of labor and training and the department of human services are authorized to present, review and
33 discuss lessee specific tax or employment information or data with the corporation, the house and
34 senate fiscal committee chairs, and/or the house and senate fiscal advisors for the purpose of

1 [verification and compliance with this resolution; and](#)

2 [\(6\) The corporation and the project lessee shall agree that, if any time prior to the state](#)
3 [recouping the amount of the sales tax exemption through new income tax collections from the](#)
4 [project, not including construction job income taxes, the lessee will be unable to continue the](#)
5 [project, or otherwise defaults on its obligations to the corporation, the lessee shall be liable to the](#)
6 [state for all the sales tax benefits granted to the project plus interest, as determined in RIGL 44-1-](#)
7 [7, calculated from the date the lessee received the sales tax benefits.](#)

8 SECTION 3. This Article shall take effect upon passage.

9 **ARTICLE 13**

10 RELATING TO TRANSPORTATION OF PUPILS

11 SECTION 1. Section 16-21-1 of the General Laws in Chapter 16-21 entitled
12 “Transportation of public and private school pupils” is hereby amended to read as follows:

13 **16-21-1. Transportation of public and private school pupils. --** (a) The school
14 committee of any town or city shall provide suitable transportation to and from school for pupils
15 attending public and private schools of elementary and high school grades, except private schools
16 that are operated for profit, who reside so far from the public or private school which the pupil
17 attends as to make the pupil's regular attendance at school impractical and for any pupil whose
18 regular attendance would otherwise be impracticable on account of physical disability or
19 infirmity.

20 (b) For transportation provided to children enrolled in grades kindergarten through five
21 (5), school bus monitors, other than the school bus driver, shall be required on all school bound
22 and home bound routes. Variances to the requirement for a school bus monitor may be granted by
23 the commissioner of elementary and secondary education if he or she finds that an alternative
24 plan provides substantially equivalent safety for children. For the purposes of this section a
25 "school bus monitor" means any person sixteen (16) years of age or older.

26 [\(c\) No school committee shall negotiate, extend, or renew any transportation contract](#)
27 [unless such contract enables the district to participate in the statewide transportation system,](#)
28 [without penalty to the district, upon implementation of the statewide transportation system](#)
29 [described in RIGL sections 16-21.1-7 and 16-21.1-8. Notice of the implementation of the](#)
30 [statewide transportation system for in-district transportation shall be provided in writing by the](#)
31 [department of elementary and secondary education to the superintendent of each district upon](#)
32 [implementation. Upon implementation of the statewide system of transportation for all students,](#)
33 [each school committee shall purchase transportation services for their own resident students by](#)
34 [accessing the statewide system on a fee-for-service basis for each student; provided, however,](#)

1 [that any school committee that fulfills its transportation obligations primarily through the use of](#)
2 [district-owned buses and district employees may continue to do so.](#)

3 SECTION 2. Sections 16-21.1-7 and 16-21.1-8 of the General Laws in Chapter 16-21.1
4 entitled “Transportation of School Pupils Beyond City and Town Limits” are hereby amended to
5 read as follows:

6 **16-21.1-7. Statewide transportation of students with special needs. --** Notwithstanding
7 the regional structure created in this chapter, and pursuant to the obligation of school committees
8 to transport children with special needs to and from school either within the school district or in
9 another school district of the state created by section 16-24-4, the department of elementary and
10 secondary education, in collaboration with the office of statewide planning of the department of
11 administration, and the Rhode Island public transit authority shall develop a plan for the creation
12 and implementation of a statewide system of transportation of students with special needs to and
13 from school. The statewide school transportation system for children with special needs shall be
14 provided through a competitive request for proposals to which vendors of transportation services
15 may respond. Effective upon the implementation of this statewide system of transportation for
16 students with special needs, each school committee ~~may~~ shall purchase the transportation services
17 for their own resident students with special needs by accessing this integrated statewide system of
18 transportation for children with special needs on a fee-for-service basis for each child; provided,
19 however, that any school committee that fulfills its transportation obligations primarily through
20 the use of district-owned buses and district employees may continue to do so. The goal of the
21 statewide system of transportation for students with special needs shall be the reduction of
22 duplication of cost and routes in transporting children from the various cities and towns to the
23 same special education program providers using different buses from each city and town, the
24 improvement of services to children through the development of shorter ride times and more
25 efficient routes of travel, and the reduction of cost to local school committees through achieving
26 efficiency in eliminating the need for each school district to contract for and provide these
27 specialized transportation services separately. The department of elementary and secondary
28 education shall submit a report of their findings and plans to the general assembly by March 30,
29 2008.

30 **16-21.1-8. Statewide transportation system for all students to be established.-**
31 Notwithstanding the regional structure created in this chapter, the department of elementary and
32 secondary education, in collaboration with the office of statewide planning of the department of
33 administration, and the Rhode Island public transit authority shall conduct a comprehensive study
34 of all current transportation services for students in Rhode Island school districts in order to

1 develop a plan for the creation and implementation of a statewide system of transportation of all
2 students to and from school. The statewide school transportation system for all students shall be
3 provided through a competitive request for proposals to which vendors of transportation services
4 may respond. Effective upon the implementation of this statewide system of transportation for all
5 students, each school committee ~~may~~ shall purchase the transportation services for their own
6 resident students by accessing this integrated statewide system of transportation on a fee-for-
7 service basis for each child; provided, however, that any school committee that fulfills its
8 transportation obligations primarily through the use of district-owned buses and district
9 employees may continue to do so. The goals of the statewide system of transportation for all
10 students shall be the reduction of duplication of cost and routes in transporting children from the
11 various cities and towns using different buses within and between each city and town, the
12 improvement of services to children through the development of shorter ride times and more
13 efficient routes of travel, and the reduction of cost to local school committees through achieving
14 efficiency in eliminating the need for each school district to contract for and provide these
15 transportation services separately. The comprehensive study of all current transportation services
16 for students in Rhode Island school districts and development of a plan for a statewide system of
17 transportation of all students to and from school shall be completed, with a report to the general
18 assembly by March 30, 2008.

19 SECTION 3. Chapter 16-21.1 of the General Laws entitled “Transportation of School
20 Pupils Beyond City and Town Limits” is hereby amended by adding hereto the following section:

21 **16-21.1-9. Oversight of statewide transportation system.** -- Upon implementation of
22 the statewide system of transportation, the department of elementary and secondary education
23 shall manage and oversee the system in collaboration with the office of statewide planning at the
24 department of administration, and the Rhode Island public transit authority. Should outsourcing
25 of this function be deemed more efficient, management of the system may be delegated to an
26 outside consultant through a competitive request for proposals.

27 SECTION 4. This article shall take effect upon passage.

28 ARTICLE 14

29 RELATING TO EDUCATION AID

30 SECTION 1. Sections 16-7.1-10 and 16-7.1-15 of the General Laws in Chapter 16-7.1
31 entitled “The Paul W. Crowley Rhode Island Student Investment Initiative” are hereby amended
32 to read as follows:

33 **16-7.1-10. Professional development investment fund.** -- (a) In order to continue
34 developing the skills of Rhode Island's teachers, administrators and staff, the general assembly

1 establishes a Professional Development Investment Fund. The general assembly shall annually
2 appropriate some sum and distribute it based on a pupil-teacher ratio that shall be adjusted
3 annually by the commissioner of elementary and secondary education. School districts, including
4 collaboratives established pursuant to chapter 3.1 of this title, may use funds received under this
5 category of education aid to replace up to, but no more than, fifty percent (50%) of the amount
6 the school district spent for professional development programs in the previous fiscal year. The
7 expenditure of these funds shall be determined by a committee at each school consisting of the
8 school principal, two (2) teachers selected by the teaching staff of the school, and two (2) parents
9 of students attending the school. Schools that enroll students in the early grades (kindergarten
10 through grade three (3)) must expend these funds on the development of scientific research based,
11 as described in the No Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C.
12 section 6368], reading instruction to improve students reading performance.

13 Schools that have met their performance targets in reading for the current academic
14 year and are not designated as a school in need of improvement, may expend their Professional
15 Development Investment Funds on professional development in the core academic subjects of
16 mathematics, writing, or reading to improve student performance.

17 Collaborative programs between schools are encouraged. These resources shall be used
18 to close student performance gaps in accordance with the school's and district's strategic plan
19 pursuant to section 16-7.1-2. Additional funds shall be allocated to the department of elementary
20 and secondary education to support teacher and administrator professional development in all
21 districts, including, but not limited to:

22 (1) Supporting mentoring systems;

23 (2) Providing school districts with program support to assist teachers in local school
24 districts to improve reading instruction and enhance the integration of reading throughout the
25 curriculum with the goal of improving student performance to high standards;

26 (3) Support for the design and implementation of leadership development for the
27 teacher to assume leadership roles or ultimately prepare for administrator;

28 (4) Development of a plan for formal training of school leaders in standards based
29 instruction, school improvement planning, effective use of data in the decision-making process,
30 community involvement and creation of governance structures;

31 (5) Support for national board certification of teachers, application fees for a certificate
32 of clinical competence issued by the American speech-language hearing association, and grants
33 for coordination and support of school based teacher professional development; and

34 (6) The practice of scientific research based reading instruction to improve reading

1 performance.

2 (b) In FY 2003, the additional funds allocated to the department of elementary and
3 secondary education pursuant to this section shall be used only to support the activities described
4 in subdivisions (a)(2) and (a)(5) of this section.

5 (c) Out of the funds appropriated by the general assembly for professional development
6 in subsection (a) of this section, twenty-five percent (25%) shall be set aside for district-wide
7 professional development activities. The expenditure of this district-wide professional
8 development set-aside shall be determined by a committee in each district consisting of the
9 superintendent or his or her designee, three (3) teachers appointed by the collective bargaining
10 agent, and one member of the Rhode Island department of elementary and secondary education
11 field service team servicing that school district designated by the commissioner of elementary and
12 secondary education. The expenditure must be aligned with the district strategic plan as well as
13 ongoing professional development programs approved by the department of elementary and
14 secondary education. Collaborative programs between school districts are permissible.

15 (d) Beginning in FY 2006, professional development funds shall only be spent with the
16 prior approval of the commissioner of elementary and secondary education upon submission of a
17 district level plan which incorporates the school level plans and which details the use of the
18 funds. These plans shall to the extent possible call for professional development activities that are
19 embedded or do not otherwise encroach upon student instruction time. The requirements of this
20 paragraph shall apply to both district-wide professional development activities and professional
21 development activities determined by the school-level committees.

22 [\(e\) In FY 2009 payments from the professional development investment fund are hereby](#)
23 [suspended through June 30, 2009. Notwithstanding, school districts may continue to maintain](#)
24 [professional development programs and may reduce other education programs to achieve savings.](#)

25 **16-7.1-15. The Paul W. Crowley Rhode Island student investment initiative.** -- (a)
26 Each locally or regionally operated school district shall receive as a base the same amount of
27 school aid as each district received in fiscal year 1997-1998, adjusted to reflect the increases or
28 decreases in aid enacted to meet the minimum and maximum funding levels established for FY
29 2000 through FY 2008. Each school district shall also receive school aid through each investment
30 fund for which that district qualifies pursuant to sections 16-7.1-8, 16-7.1-9, 16-7.1-10, 16-7.1-11,
31 16-7.1-12, 16-7.1-16 and 16-7.1-19. These sums shall be in addition to the base amount described
32 in this section. For FY 2009, the reference year for the data used in the calculation of aid pursuant
33 to section 16-7.1-8, section 16-7.1-9, section 16-7.1-10, section 16-7.1-11, section 16-7.1-11.1,
34 section 16-7.1-12, section 16-7.1-16, section 16-7.1-19 and 16-77.1-2(b) shall be FY 2004.

1 Calculation and distribution of education aid under sections 16-5-31, 16-5-32, 16-7-20, 16-7-20.5,
 2 16-7-34.2, 16-7-34.3, 16-24-6, 16-54-4, and 16-67-4 is hereby suspended. Provided, however,
 3 calculation and distribution of education aid under §16-7.1-10 is suspended for FY 2009. School
 4 districts may continue to maintain professional development programs and may reduce other
 5 education programs to achieve savings during FY 2009. The funding of the purposes and
 6 activities of chapter 67 of this title, the Rhode Island Literacy and Dropout Prevention Act of
 7 1967, shall be the same amount of the base amount of each district funded for that purpose in
 8 fiscal year 1997-1998. In addition each district shall expend three percent (3%) of its student
 9 equity and early childhood funds under the provisions of chapter 67 of this title.

10 (b) Funding for full day kindergarten programs in accordance with section 16-7.1-11.1
 11 shall be in addition to funding received under this section.

12 (c) Funding distributed under sections 16-77.1-2(b) and 16-64-1.1 shall be in addition
 13 to funding distributed under this section.

14 (d) For FY 2009, aid to school districts shall be reduced by the equivalent savings that are
 15 realized due to a reduction of payments to the teachers' retirement system. The reduction for the
 16 Chariho regional school district shall be prorated among the member communities. In addition,
 17 for FY 2009 aid to school districts shall be reduced by any amount of previously appropriated
 18 school housing aid determined to be ineligible for reimbursement in accordance with section 16-
 19 7-44.2. For FY 2009 aid shall also be reduced by the amount of projected revenue for the period
 20 December 1, 2008 through June 30, 2009 from the permanent school fund. The projected revenue
 21 shall be determined by annualizing actual earnings from the period May 12, 2008 through
 22 November 30, 2008. The department of elementary and secondary education shall reduce aid in
 23 two equal installments, payable in May and June; provided however, that East Providence shall
 24 receive one payment of reduced aid in May.

25 For FY 2009, aid to school districts shall include thirty eight million, three hundred
 26 twenty-four thousand, eight hundred twenty-two dollars (\$38,324,822) from federal fiscal
 27 stabilization funds offset by a like reduction from general revenues. The distribution shall be in
 28 the same proportion as general operating aid.

29 ~~(d)~~(e) There shall be an appropriation to ensure that total aid distributed to communities
 30 in FY 2009 under this section and sections 16-7.1-11.1, 16-64-1.1 and 16-77.1-2(b) shall be as
 31 follows:

	<u>General Revenues</u>	<u>Stimulus Fiscal Stabilization</u>
Barrington 2,599,526	<u>1,277,920</u>	<u>251,083</u>
Burrillville 13,854,743	<u>12,416,932</u>	<u>751,100</u>

1	Charlestown 2,002,838	1,667,853	135,786
2	Coventry 20,075,081	16,998,821	1,166,987
3	Cranston 35,475,911	29,591,104	2,090,303
4	Cumberland 13,257,009	11,038,431	823,601
5	East Greenwich 1,949,761	992,445	185,222
6	East Providence 26,888,254	23,380,338	1,497,450
7	Foster 1,416,463	1,223,700	80,345
8	Glocester 3,213,847	2,793,626	180,413
9	Hopkinton 6,241,352	5,346,048	346,643
10	Jamestown 531,908	295,372	54,277
11	Johnston 10,750,364	8,990,856	632,253
12	Lincoln 7,403,268	5,697,378	483,059
13	Little Compton 368,810	218,957	34,414
14	Middletown 10,497,116	9,010,090	597,011
15	Narragansett 1,897,159	1,141,871	154,558
16	Newport 11,871,080	10,327,939	665,740
17	New Shoreham 106,345	10,061	10,457
18	North Kingstown 11,986,005	9,857,889	733,791
19	North Providence 13,382,872	11,404,679	761,356
20	North Smithfield 4,834,237	3,964,895	301,153
21	Pawtucket 67,023,559	60,456,639	3,533,129
22	Portsmouth 6,700,042	5,429,639	427,374
23	Providence 193,869,756	173,513,330	10,213,530
24	Richmond 6,188,615	5,305,023	341,512
25	Scituate 3,407,183	2,616,104	228,213
26	Smithfield 5,743,568	4,526,164	373,470
27	South Kingstown 10,548,698	8,420,480	656,514
28	Tiverton 5,932,058	4,898,786	363,307
29	Warwick 37,626,000	31,136,499	2,224,260
30	Westerly 6,843,077	5,056,525	467,083
31	West Warwick 20,440,547	17,994,252	1,109,170
32	Woonsocket 47,421,613	42,914,456	2,490,378
33	Bristol-Warren 20,438,190	18,047,696	1,101,467
34	Exeter-West Greenwich 7,586,019	6,406,468	438,869

1	Chariho 398,334	<u>369,091</u>	<u>18,752</u>
2	Foster-Glocester 5,729,861	<u>4,930,835</u>	<u>335,529</u>
3	Central Falls 43,873,873	<u>40,523,665</u>	<u>2,065,263</u>

4 In addition to the amounts listed above, the department of elementary and secondary
5 education shall allocate monthly to each school district all funds received into the permanent
6 school fund pursuant to section 42-61.2-7, as amended by chapter 13 of the 2008 Public Laws
7 entitled "An Act Relating to State Affairs and Government", up to \$14.1 million, in the same
8 proportion as the aid distribution ~~contained in § 16-7.1-15(d)~~ in the FY 2009 enacted
9 appropriations act.

10 This special provision shall not limit entitlements as determined by application of other
11 formula provisions in this section.

12 (f) For FY 2009 payments to charter public schools shall be reduced by the equivalent
13 savings that are realized due to a reduction of payments to the teachers' retirement system. The
14 reduction for district sponsored charter schools shall be incorporated in the sponsoring school
15 district's aid as noted in subsection (e). Aid to charter public schools shall be reduced in the April
16 quarterly payment. For FY 2009, charter public school funding is as follows:

- 17 Beacon Charter School 1,512,785
- 18 Blackstone Academy 1,469,349
- 19 Compass 614,485
- 20 Paul Cuffee 4,449,006
- 21 CVS Highlander 2,596,782
- 22 International 2,863,818
- 23 Kingston Hill Academy 736,784
- 24 Learning Community 3,669,529
- 25 NE Laborer's 1,508,866
- 26 Textron 2,361,370
- 27 Times 2 Academy 6,870,410

28 ~~(e)~~(g) *Children with disabilities.* (1) Based on its review of special education within the
29 context of Rhode Island school reform, the general assembly recommends addressing the needs of
30 all children and preventing disability through scientific research based, as described in the No
31 Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C. § 6368], reading
32 instruction and the development of Personal Literacy Programs for students in the early grades
33 performing below grade level in reading and implement a system of student accountability that
34 will enable the state to track individual students over time. Additionally, the department of

1 elementary and secondary education must provide districts with rigorous criteria and procedures
2 for identifying students with learning disabilities and speech/language impairments. Additional
3 study is required of factors that influence programming for students with low incidence
4 disabilities; those with disabilities that severely compromise life functions; and programming for
5 students with disabilities through urban special education. Alternatives for funding special
6 education require examination.

7 (2) All departments and agencies of the state shall furnish any advice and information,
8 documentary and otherwise, to the general assembly and its agents that is deemed necessary or
9 desirable by the study to facilitate the purposes of this section.

10 SECTION 2. Chapter 16-7 of the General Laws entitled "Foundation Level School
11 Support" is hereby amended by adding thereto the following section:

12 **16-7-44.2. Repayment of school housing aid.** – (a) If an audit or subsequent review by
13 the commissioner of elementary and secondary education determines that a community was
14 overpaid school housing aid, the community shall repay the determined amount over a number of
15 years that is calculated by dividing the total amount of the overpayment by the total amount of
16 revenues reported by the school district for the most recently completed fiscal year.

17 (b) If the percentage derived from section (a) above is one-half percent (0.5%) or less, the
18 community shall repay the entire amount of the overpayment in the same fiscal year in which the
19 overpayment is determined.

20 (c) If the percentage derived from section (a) above is greater than one-half percent
21 (0.5%), the community shall repay the amount of the overpayment over a number of years that
22 equals the percentage derived from section (a) divided by one-half percent (0.5%).

23 (d) Repayments of more than one year shall be made in equal installments over the term
24 derived from section (c) above. The department of elementary and secondary education will
25 submit an invoice to the community on July 1st.

26 (e) If the department of elementary and secondary education has not received the required
27 amount by June 30 of the applicable fiscal year, education aid for the community calculated
28 pursuant to section 16-7.1-15 shall be reduced by the amount due.

29 (f) If the entire overpayment is not received in full in the first year, interest will be
30 applied annually at a rate equal to the consumer price index.

31 SECTION 3. This article shall take effect upon passage.

32 **ARTICLE 15**

33 RELATING TO NURSING FACILITIES

34 SECTION 1. Section 40-8-19 of the General Laws in Chapter 40-8 entitled "Medical

1 Assistance” is hereby amended to read as follows:

2 **40-8-19. Rates of payment to nursing facilities.** -- (a) *Rate reform.* The rates to be paid
3 by the state to nursing facilities licensed pursuant to chapter 17 of title 23, and certified to
4 participate in the Title XIX Medicaid program for services rendered to Medicaid-eligible
5 residents, shall be reasonable and adequate to meet the costs which must be incurred by
6 efficiently and economically operated facilities in accordance with 42 U.S.C. § 1396a(a)(13). The
7 department of human services shall promulgate or modify the principles of reimbursement for
8 nursing facilities currently in effect on July 1, 2003 to be consistent with the provisions of this
9 section and Title XIX, 42 U.S.C. § 1396 et seq., of the Social Security Act.

10 (b) *Rate reform.* Subject to the phase-in provisions in subsections (c) and (d), the
11 department shall, on or before October 1, 2005, modify the principles of reimbursement for
12 nursing facilities to include the following elements:

13 (1) Annual base years;

14 (2) Four (4) cost centers: direct labor, property, other operating, and pass through items;

15 (3) Re-array of costs of all facilities in the labor and other operating cost centers every
16 three (3) years beginning with calendar year 2002;

17 (4) A ceiling maximum for allowable costs in the direct labor cost center to be
18 established by the department between one hundred ten percent (110%) and one hundred twenty-
19 five percent (125%) of the median for all facilities for the most recent array year.

20 (5) A ceiling maximum for allowable costs in the other operating cost center to be
21 established by the department between ninety percent (90%) and one hundred fifteen percent
22 (115%) of the median for all facilities for the most recent array year;

23 (6) Adjustment of costs and ceiling maximums by the increase in the National Nursing
24 Home Price Index ("NNHPI") for the direct labor cost center and the other operating cost center
25 for year between array years; such adjustments to be applied on October 1st of each year
26 beginning October 1, 2003 for the direct labor cost center and October 1, 2005 for the other
27 operating cost center, except for the fiscal year beginning July 1, 2006 for which the price index
28 shall be applied on February 1, 2007 and for the fiscal year beginning October 1, 2007 for which
29 the adjustment of costs and ceiling maximums shall be one and one-tenth percent (1.1%). For the
30 fiscal year beginning July 1, 2008, the price index shall be applied on ~~April~~ July 1, 2009.

31 (7) Application of a fair rental value system to be developed by the department for
32 calculating allowable reimbursement for the property cost center;

33 (8) Such quality of care and cost containment incentives as may be established by
34 departmental regulations.

1 (9) Notwithstanding the above provisions, for FY 2009 the department is authorized to
2 reduce the per diem room and board rate calculated in accordance with the principles of
3 reimbursement as described above, paid to the nursing facilities certified to participate in the Title
4 XIX Medicaid program for services rendered to Medicaid-eligible residents by five percent (5%).
5 This reduction is deemed to be reasonable and adequate to meet the costs which must be incurred
6 by efficiently and economically operated facilities in accordance with 42 U.S.C. section
7 1396a(a)(13).

8 (c) *Phase I Implementation.* The department shall file a state plan amendment with the
9 U.S. Department of Health and Human Services on or before August 1, 2003 to modify the
10 principles of reimbursement for nursing facilities, to be effective on October 1, 2003, or as soon
11 thereafter as is authorized by an approved state plan amendment, to establish the direct labor cost
12 center and the pass through items cost center utilizing calendar year 2002 cost data, and to apply
13 the ceiling maximums in subsections (b)(4) and (b)(5). Nursing facilities whose allowable 2002
14 direct labor costs are below the median in the direct labor cost center may make application to the
15 department for a direct labor cost interim payment adjustment equal to twenty-five percent (25%)
16 of the amount such allowable 2002 direct labor costs are below the median in the direct labor cost
17 center, provided that the interim payment adjustment granted by the department on or after
18 October 1, 2003 must be expended by the facility on expenses allowable within the direct labor
19 cost center, and any portion of the interim payment not expended on allowable direct labor cost
20 center expenses shall be subject to retroactive adjustment and recoupment by the department
21 upon the department's determination of a final direct labor payment adjustment after review of the
22 facility's actual direct labor expenditures. The final direct labor payment adjustment will be
23 included in the facility's October 1, 2004 rate until the facility's next base year.

24 (d) *Phase II Implementation.* The department shall file a state plan amendment with the
25 U.S. Department of Health and Human Services to modify the principles of reimbursement for
26 nursing facilities, to be effective on September 1, 2004, or as soon thereafter as is authorized by
27 an approved state plan amendment, to establish a fair rental value system for calculating
28 allowable reimbursement for the property cost center in accordance with subsection (b)(7);
29 provided, however, that no facility shall receive a payment as of September 1, 2004 for property-
30 related expenses pursuant to the fair rental value system that is less than the property-related
31 payment they would have received for the other property-related ("OPR") cost center system in
32 effect as of June 30, 2004.

33 SECTION 2. This article shall take effect upon passage.

34 **ARTICLE 16**

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RELATING TO MEDICAL ASSISTANCE -
OUT-OF-STATE HOSPITALS

SECTION 1. Section 40-8-13.1 of the General Laws in Chapter 40-8 entitled “Medical Assistance” is hereby amended to read as follows:

40-8-13.1. Reimbursement for out-of-state hospital services. -- (a) The department of human services is hereby authorized and directed to amend, effective July 1, 1995, its regulations, fee schedules and the Rhode Island state plan for medical assistance (Medicaid) pursuant to Title XIX of the federal Social Security Act to provide for reimbursement to out-of-state hospitals for services provided to eligible recipients in accordance with this section.

(b) Authorized inpatient hospital services shall be reimbursed at a rate equal to fifty percent (50%) of the out-of-state hospital's customary charge(s) for such services to Title XIX recipients in that state; provided, however, that in-patient hospital organ transplant services shall be reimbursed at sixty-one percent (61%) of the out-of-state hospital's customary charge(s) for such organ transplant services to Title XIX recipients in that state. Authorized outpatient hospital services (other than laboratory services) shall be reimbursed at a rate equal to fifty-three percent (53%) of the out-of-state hospital's customary charge(s) for such services to Title XIX recipients in that state; outpatient laboratory services shall be reimbursed at the Medicare allowable rate.

(c) The department may periodically adjust the inpatient and/or outpatient service reimbursement rate(s) based upon a medical care cost index to be determined by the department.

(d) Notwithstanding any provision of the law to the contrary, the department will reimburse out-of-state hospitals for services incurred on or after March 1, 2009 at rates determined by the department and in accordance with federal regulations.

SECTION 2. This article shall take effect upon passage.

ARTICLE 17

RELATING TO HOSPITAL PAYMENTS

SECTION 1. Sections 40-8.3-5, 40-8.3-6 and 40-8.3-7 of the General Laws in Chapter 40-8.3 entitled “Uncompensated Care” are hereby repealed:

~~**40-8.3-5. Hospital payments.** — Due to the high ratio of unqualified uncompensated care expenses to qualified uncompensated care expenses, the department of human services is hereby authorized and directed to pay during state fiscal year 2009: (1) any acute care hospital in Washington County the amount of five hundred thousand dollars (\$500,000); (2) any acute care hospital in Kent County the amount of eight hundred thousand dollars (\$800,000); and (3) Miriam Hospital the amount of one million six hundred thousand dollars (\$1,600,000).~~

~~**40-8.3-6. Outpatient adjustment payments.** Effective July 1, 2008, the department~~

1 of human services is hereby authorized and directed to amend its regulations and the Rhode
2 Island State Plan for Medical Assistance pursuant to Title XIX of the Social Security Act for
3 reimbursement to hospitals for outpatient service as follows:

4 (a) Each hospital in the state of Rhode Island, as defined in subdivision 23-17-38.1(b)(1),
5 shall receive a quarterly adjustment payment during state fiscal year 2009 of an amount
6 determined as follows:

7 (1) Determine the percent of the state's total Medicaid outpatient and emergency
8 department services (exclusive of physician services) provided by each hospital during the
9 hospital's fiscal year ending during 2007;

10 (2) Determine the sum of all Medicaid payments to hospitals made for outpatient and
11 emergency department services (exclusive of physician services) provided during each hospital's
12 fiscal year ending during 2007 not including any recoupments or settlements;

13 (3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by fifty-
14 seven percent (57.0%) and then multiply that result by each hospital's percentage of the state's
15 total Medicaid outpatient and emergency department services as determined in subdivision (1) to
16 obtain the total outpatient adjustment for each hospital to be paid in SFY 2009;

17 (4) Pay each hospital on or about July 20, 2008, October 20, 2008, January 20, 2009, and
18 April 20, 2009 one quarter (.25) of its total outpatient adjustment as determined in subdivision (3)
19 above.

20 (b) The amounts determined in subsection (a) are in addition to Medicaid outpatient
21 payments and emergency services payments (exclusive of physician services) paid to hospitals in
22 accordance with current state regulation and the Rhode Island Plan for Medicaid assistance
23 pursuant to Title XIX of the Social Security Act and are not subject to recoupment or settlement.

24 (c) The payments are expressly conditioned upon approval by the secretary of the United
25 States Department of Health and Human Services, or his or her authorized representative, of any
26 Medicaid state plan amendment necessary to secure for the state the benefit of federal financial
27 participation in federal fiscal year 2009 for such payments, such amendment to be filed not later
28 than July 9, 2008.

29 40-8.3-7. Inpatient adjustment payments. Effective July 1, 2008, the department of
30 human services is hereby authorized and directed to amend its regulations and the Rhode Island
31 State Plan for Medical Assistance pursuant to Title XIX of the Social Security Act for
32 reimbursement to hospitals for outpatient services as follows:

33 (a) Each hospital in the state of Rhode Island as defined in subdivision 23-17-38.1(b)(1),
34 shall receive a quarterly adjustment payment during state fiscal year 2009 of an amount

1 ~~determined as follows:~~

2 ~~(1) Determine the percent of the state's total Medicaid inpatient services provided by each~~
3 ~~hospital during the hospital's fiscal year ending during 2007;~~

4 ~~(2) Determine the sum of all Medicaid payments to hospitals made for inpatient services~~
5 ~~provided during each hospital's fiscal year ending during 2007 not including any recoupments or~~
6 ~~settlements;~~

7 ~~(3) Multiply the sum of all Medicaid payments as determined in subdivision (2) by two~~
8 ~~and ninety eight hundredths percent (2.98%) and then multiply that result by each hospital's~~
9 ~~percentage of the state's total Medicaid inpatient services as determined in subdivision (1) to~~
10 ~~obtain the total outpatient adjustment for each hospital to be paid in SFY 2009;~~

11 ~~(4) Pay each hospital on or about July 20, 2008, October 20, 2008, January 20, 2009, and~~
12 ~~April 20, 2009 one quarter (.25) of its total outpatient adjustment as determined in subdivision (3)~~
13 ~~above.~~

14 ~~(b) The amounts determined in subsection (a) are in addition to Medicaid inpatient~~
15 ~~payments paid to hospitals in accordance with current state regulation and the Rhode Island Plan~~
16 ~~for Medicaid assistance pursuant to Title XIX of the Social Security Act and are not subject to~~
17 ~~recoupment or settlement.~~

18 ~~(c) The payments are expressly conditioned upon approval by the secretary of the United~~
19 ~~States Department of Health and Human Services, or his or her authorized representative, of any~~
20 ~~Medicaid state plan amendment necessary to secure for the state the benefit of federal financial~~
21 ~~participation in federal fiscal year 2009 for such payments, such amendment to be filed not later~~
22 ~~than July 9, 2008.~~

23 ~~SECTION 2. This article shall take effect upon passage.~~

24 **ARTICLE 18**

25 **RELATING TO EFFECTIVE DATE**

26 This act shall take effect upon passage, except as otherwise provided herein.

S.

H.

A N A C T

MAKING REVISED APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE
FISCAL YEAR ENDING JUNE 30, 2009

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LC00256/A
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Presented by

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H

A N A C T

MAKING REVISED APPROPRIATIONS FOR THE SUPPORT OF THE STATE FOR THE FISCAL
YEAR ENDING JUNE 30, 2009

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LC00256/SUB A
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Presented by