AN ACT
RELATING LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION

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

Date Introduced: February 25, 2016

Referred To: Senate Labor

It is enacted by the General Assembly as follows:

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

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

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

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

(2) To provide funds for all expenditures of the education unit created pursuant to § 42-16-4 and all expenditures of the workers' compensation fraud prevention unit created pursuant to § 42-16.1-12;
(3) To provide funds for all expenditures of the workers' compensation court. The administrator of the fund shall on July 1st of each fiscal year transfer those funds that are reasonable and necessary to fund all expenditures of the workers' compensation court for the fiscal year from the administrative account, to a restricted receipt account to be established in the judicial department. The administrator of the workers' compensation court is authorized to draw funds from the restricted receipt account for all court expenditures;

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

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

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

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

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

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

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

(11) To provide funds for the Rhode Island uninsured employers' fund as established by chapter 53 of title 28.

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

35-4-27. Indirect cost recoveries on restricted receipt accounts. -- Indirect cost recoveries of ten percent (10%) of cash receipts shall be transferred from all restricted receipt accounts, to be recorded as general revenues in the general fund. However, there shall be no transfer from cash receipts with restrictions received exclusively: (1) From contributions from non-profit charitable organizations; (2) From the assessment of indirect cost recovery rates on...
federal grant funds; or (3) Through transfers from state agencies to the department of
administration for the payment of debt service. These indirect cost recoveries shall be applied to
all accounts, unless prohibited by federal law or regulation, court order, or court settlement. The
following restricted receipt accounts shall not be subject to the provisions of this section:

- Executive Office of Health and Human Services
- Organ Transplant Fund
- HIV Care Grant Drug Rebates
- Department of Human Services
- Veterans' home -- Restricted account
- Veterans' home -- Resident benefits
- Pharmaceutical Rebates Account
- Demand Side Management Grants
- Veteran's Cemetery Memorial Fund
- Donations -- New Veterans' Home Construction
- Department of Health
- Providence Water Lead Grant
- Pandemic medications and equipment account
- Miscellaneous Donations/Grants from Non-Profits
- State Loan Repayment Match
- Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- Eleanor Slater non-Medicaid third-party payor account
- Hospital Medicare Part D Receipts
- RICLAS Group Home Operations
- Commission on the Deaf and Hard of Hearing
- Emergency and public communication access account
- Department of Environmental Management
- National heritage revolving fund
- Environmental response fund II
- Underground storage tanks registration fees
- Rhode Island Historical Preservation and Heritage Commission
- Historic preservation revolving loan fund
- Historic Preservation loan fund -- Interest revenue
- Department of Public Safety
- Forfeited property -- Retained
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Forfeitures -- Federal</td>
</tr>
<tr>
<td>2</td>
<td>Forfeited property -- Gambling</td>
</tr>
<tr>
<td>3</td>
<td>Donation -- Polygraph and Law Enforcement Training</td>
</tr>
<tr>
<td>4</td>
<td>Rhode Island State Firefighter's League Training Account</td>
</tr>
<tr>
<td>5</td>
<td>Fire Academy Training Fees Account</td>
</tr>
<tr>
<td>6</td>
<td>Attorney General</td>
</tr>
<tr>
<td>7</td>
<td>Forfeiture of property</td>
</tr>
<tr>
<td>8</td>
<td>Federal forfeitures</td>
</tr>
<tr>
<td>9</td>
<td>Attorney General multi-state account</td>
</tr>
<tr>
<td>10</td>
<td>Forfeited property -- Gambling</td>
</tr>
<tr>
<td>11</td>
<td>Department of Administration</td>
</tr>
<tr>
<td>12</td>
<td>RI Health Benefits Exchange</td>
</tr>
<tr>
<td>13</td>
<td>Office of Management and Budget</td>
</tr>
<tr>
<td>14</td>
<td>Information Technology Investment Fund</td>
</tr>
<tr>
<td>15</td>
<td>Restore and replacement -- Insurance coverage</td>
</tr>
<tr>
<td>16</td>
<td>Convention Center Authority rental payments</td>
</tr>
<tr>
<td>17</td>
<td>Investment Receipts -- TANS</td>
</tr>
<tr>
<td>18</td>
<td>Car Rental Tax/Surcharge-Warwick Share</td>
</tr>
<tr>
<td>19</td>
<td>Housing Resources Commission Restricted Account</td>
</tr>
<tr>
<td>20</td>
<td>Department of Revenue</td>
</tr>
<tr>
<td>21</td>
<td>Jobs Tax Credit Redemption Fund</td>
</tr>
<tr>
<td>22</td>
<td>Legislature</td>
</tr>
<tr>
<td>23</td>
<td>Audit of federal assisted programs</td>
</tr>
<tr>
<td>24</td>
<td>Department of Children, Youth and Families</td>
</tr>
<tr>
<td>25</td>
<td>Children's Trust Accounts -- SSI</td>
</tr>
<tr>
<td>26</td>
<td>Military Staff</td>
</tr>
<tr>
<td>27</td>
<td>RI Military Family Relief Fund</td>
</tr>
<tr>
<td>28</td>
<td>RI National Guard Counterdrug Program</td>
</tr>
<tr>
<td>29</td>
<td>Treasury</td>
</tr>
<tr>
<td>30</td>
<td>Admin. Expenses -- State Retirement System</td>
</tr>
<tr>
<td>31</td>
<td>Retirement -- Treasury Investment Options</td>
</tr>
<tr>
<td>32</td>
<td>Defined Contribution -- Administration - RR</td>
</tr>
<tr>
<td>33</td>
<td>Violent Crimes Compensation -- Refunds</td>
</tr>
<tr>
<td>34</td>
<td>Treasury Research Fellowship</td>
</tr>
</tbody>
</table>
Business Regulation
Banking Division Reimbursement Account
Office of the Health Insurance Commissioner Reimbursement Account
Securities Division Reimbursement Account
Commercial Licensing and Racing and Athletics Division Reimbursement Account
Insurance Division Reimbursement Account
Historic Preservation Tax Credit Account.
Judiciary
Arbitration Fund Restricted Receipt Account
Third-Party Grants
RI Judiciary Technology Surcharge Account
Department of Elementary and Secondary Education
Statewide Student Transportation Services Account
School for the Deaf Fee for Service Account
Davies Career and Technical School Local Education Aid Account
Davies -- National School Breakfast & Lunch Program
Department of Labor and Training
Job Development Fund
Department of Transportation
Rhode Island Highway Maintenance Account
Workers' Compensation Administrative Fund

SECTION 3. This act shall take effect upon passage.
EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
AN ACT
RELATING LABOR AND LABOR RELATIONS -- WORKERS' COMPENSATION

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

5 This act would take effect upon passage.

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