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STATE OF RHODE ISLAND
IN GENERAL ASSEMBLY
JANUARY SESSION, A.D. 2009

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

Introduced By:
Date Introduced:
Referred To:

It is enacted by the General Assembly as follows:

- ARTICLE 1 RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF
FY 2009
- ARTICLE 2 RELATING TO GUBERNATORIAL AUTHORITY
- ARTICLE 3 RELATING TO BUDGET RESERVE FUND
- ARTICLE 4 RELATING TO RETIREE HEALTH CARE TRUST FUND
- ARTICLE 5 RELATING TO UNEMPLOYMENT INSURANCE BENEFITS
- ARTICLE 6 RELATING TO EMPLOYMENT SECURITY FUND – LOANS AND
INTEREST
- ARTICLE 7 RELATING TO STATE AID
- ARTICLE 8 RELATING TO PUBLIC UTILITIES COMMISSION
- ARTICLE 9 RELATING TO ENERGY REVOLVING FUND
- ARTICLE 10 RELATING TO DIVISION OF MOTOR VEHICLES
- ARTICLE 11 RELATING TO CIGARETTE TAX
- ARTICLE 12 RELATING TO GROSS PREMIUMS TAX ON HEALTH INSURANCE
COMPANIES
- ARTICLE 13 RELATING TO UNDERGROUND STORAGE TANK REVIEW BOARD
- ARTICLE 14 RELATING TO SMALL BUSINESS TAX CREDIT

1 ARTICLE 15 RELATING TO RHODE ISLAND SMALL BUSINESS STIMULUS
2 GUARANTY PROGRAM
3 ARTICLE 16 RELATING TO TELECOMMUNICATIONS TAX
4 ARTICLE 17 RELATING TO STATEWIDE SCHOOL FOOD SERVICES
5 PROGRAM
6 ARTICLE 18 RELATING TO SCHOOL BUS MONITORS
7 ARTICLE 19 RELATING TO STATEWIDE PUBLIC SCHOOL EMPLOYEES HEALTH
8 CARE AND DENTAL INSURANCE PROGRAM
9 ARTICLE 20 RELATING TO STATEWIDE PURCHASING SYSTEM AND PROGRAMS
10 ARTICLE 21 RELATING TO SCHOOL BUDGET RESOLUTION
11 ARTICLE 22 RELATING TO TRANSPORTATION OF PUPILS
12 ARTICLE 23 RELATING TO HEALTH AND SAFETY OF PUPILS – SCHOOL NURSES
13 ARTICLE 24 RELATING TO DISMISSAL OF TEACHERS
14 ARTICLE 25 RELATING TO TEACHERS’ TENURE
15 ARTICLE 26 RELATING TO COLLECTIVE BARGAINING FISCAL IMPACT
16 STATEMENTS
17 ARTICLE 27 RELATING TO CERTIFIED SCHOOL TEACHERS’ ARBITRATION
18 ARTICLE 28 RELATING TO INTERVENTION AND SUPPORT FOR FAILING SCHOOLS
19 ARTICLE 29 RELATING TO SCHOOL COMMITTEES AND SUPERINTENDENTS –
20 MANAGEMENT RIGHTS OF SCHOOL COMMITTEE
21 ARTICLE 30 RELATING TO MEDICAL ASSISTANCE FOR FAMILIES
22 ARTICLE 31 RELATING TO EDUCATION AID
23 ARTICLE 32 RELATING TO PENSION REFORM
24 ARTICLE 33 RELATING TO MEDICAL ASSISTANCE RECIPIENTS
25 ARTICLE 34 RELATING TO TRANSFERS TO STATE BUDGET RESERVE AND CASH
26 STABILIZATION ACCOUNT
27 ARTICLE 35 RELATING TO COURT MEDIATION FEES
28 ARTICLE 36 RELATING TO MEDICAL ASSISTANCE FOR DISABLED CHILDREN
29 ARTICLE 37 RELATING TO NURSING FACILITIES
30 ARTICLE 38 RELATING TO MEDICAL ASSISTANCE – OUT OF STATE HOSPITALS
31 ARTICLE 39 RELATING TO HOSPITAL PAYMENTS
32 ARTICLE 40 RELATING TO FIREFIGHTERS’ AND MUNICIPAL POLICE – LAST BEST
33 OFFER

1	ARTICLE 41	RELATING TO SCHOOL AND MUNICIPAL REALIGNMENT
2		COMMISSIONS
3	ARTICLE 42	RELATING TO FIREFIGHTERS' AND MUNICIPAL POLICE ARBITRATION
4	ARTICLE 43	RELATING TO FIREFIGHTERS' AND MUNICIPAL POLICE MANNING
5	ARTICLE 44	RELATING TO MUNICIPAL HEALTH INSURANCE COST SHARING
6	ARTICLE 45	RELATING TO MUNICIPAL RETIREMENT
7	ARTICLE 46	RELATING TO POLICE OFFICERS AND FIREFIGHTERS – INJURED ON
8		DUTY
9	ARTICLE 47	RELATING TO PRE-JUDGMENT INTEREST
10	ARTICLE 48	RELATING TO PERSONNEL REFORM
11	ARTICLE 49	RELATING TO DEBT MANAGEMENT
12	ARTICLE 50	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 in
4 this article, the following general revenue amounts are hereby appropriated out of any money in the
5 treasury not otherwise appropriated to be expended during the fiscal year ending June 30, 2009. The
6 amounts identified for federal funds and restricted receipts shall be made available pursuant to
7 Section 35-4-22 and Chapter 42-41 of the Rhode Island General Laws. For the purposes and
8 functions hereinafter mentioned, the state controller is hereby authorized and directed to draw his or
9 her orders upon the general treasurer for the payment of such sums or such portions thereof as may be
10 required from time to time upon receipt by him or her of properly authenticated vouchers.

	FY 2009	FY 2009	FY 2009
	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
Administration			
<i>Central Management</i>			
General Revenues	1,664,118	(79,961)	1,584,157
Federal Funds	191,205	(77,630)	113,575
Restricted Receipts	0	77,610	77,610
Total - Central Management	1,855,323	(79,981)	1,775,342
<i>Legal Services</i>			
General Revenue	2,134,616	(1,014,645)	1,119,971
Other Funds			
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	(116,920)	2,009,899
<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
Restricted Receipts	320,923	90,472	411,395
Other Funds	550,917	635,522	1,186,439

1	Total - Human Resources	13,110,303	(724,485)	12,385,818
2	<i>Personnel Appeal Board</i>			
3	General Revenues	111,226	(20,253)	90,973
4	Facilities Management			
5	General Revenues	39,299,779	(2,630,266)	36,669,513
6	Federal Funds	8,242,199	(7,176,387)	1,065,812
7	Restricted Receipts	1,144,994	(229,464)	915,530
8	Other Funds	615,715	3,203,568	3,819,283
9	Total – Facilities Management	49,302,687	(6,832,549)	42,470,138
10	Capital Projects and Property Management			
11	General Revenues	3,887,058	(1,237,580)	2,649,478
12	Restricted Receipts	0	929,303	929,303
13	Total – Capital Projects and Property Management	3,887,058	(308,277)	3,578,781
14	Information Technology			
15	General Revenues	20,195,145	(981,985)	19,213,160
16	Federal Funds	6,667,124	3,554,237	10,221,361
17	Restricted Receipts	2,060,780	691,719	2,752,499
18	Other Funds	2,408,197	(736,214)	1,671,983
19	Total – Information Technology	31,331,246	2,527,757	33,859,003
20	<i>Library and Information Services</i>			
21	General Revenues	927,319	(41,493)	885,826
22	Federal Funds	1,079,587	(149,583)	930,004
23	Restricted Receipts	5,000	1,000	6,000
24	Total - Library and Information Services	2,011,906	(190,076)	1,821,830
25	<i>Planning</i>			
26	General Revenues	3,731,488	6,413	3,737,901
27	Federal Funds	12,343,976	10,053,676	22,397,652
28	Other Funds			
29	Federal Highway - PL Systems Planning	1,634,147	363,361	1,997,508
30	Air Quality Modeling	20,800	(10,800)	10,000
31	Total - Planning	17,730,411	10,412,650	28,143,061
32	<i>General</i>			
33	General Revenues			
34	Economic Development Corporation	6,028,807	0	6,028,807
35	EDC – RI Airport Corporation Impact Aid	1,000,754	0	1,000,754
36	Sixty percent (60%) of the first \$1,000,000 appropriated funds shall be distributed to each airport serving			
37	more than 1,000,000 passengers based upon its percentage of the total passengers served by all airports serving			

1 more than 1,000,000 passengers. Forty percent (40%) of the first \$1,000,000 shall be distributed to North
 2 Central Airport, Newport-Middletown Airport, Block Island Airport, Quonset Airport, TF Green Airport, and
 3 Westerly Airport based on the share of landings during the calendar year 2006, respectively. No airport shall
 4 receive less than \$25,000.

5 ~~Each~~ Each airport receiving any portion of the amount appropriated shall make an impact payment to the
 6 towns or cities in which the airport is located in the full amounts received from the Corporation within thirty
 7 (30) days of the payment from the Corporation.

8 Each community upon which any parts of the above airports are located shall receive at least \$25,000.

9	EDC – EPScore (Research Alliance)	1,500,000	0	1,500,000
10	Miscellaneous Grants	400,456	0	400,456
11	Slater Centers of Excellence	3,000,000	0	3,000,000
12	Torts – Courts	400,000	0	400,000
13	Convention Center	4,100,000	0	4,100,000
14	State Employees/Teachers Retiree Health Subsidy	479,502	1,100,000	1,579,502
15	Motor Vehicle Excise Tax Payment	139,586,645	(4,206,292)	135,380,353
16	Property Valuation	1,272,000	(140,000)	1,132,000
17	General Revenue Sharing Program	55,111,876	(55,111,876)	0
18	Payment in Lieu of Tax Exempt Properties	27,766,967	0	27,766,967
19	Distressed Communities Relief Program	10,384,458	0	10,384,458
20	Resource Sharing and State Library Aid	8,773,398	0	8,773,398
21	Library Construction Aid	2,765,729	(178,282)	2,587,447
22	Restricted Receipts Total	1,378,997	0	1,378,997
23	Rhode Island Capital Plan Funds			
24	Statehouse Renovations	2,000,000	(1,400,000)	600,000
25	Lead Mitigation Group Homes	300,000	(171,993)	128,007
26	Cranston Street Armory	1,300,000	500,722	1,800,722
27	Cannon Building	515,000	(365,000)	150,000
28	Pastore Center Rehab. DOA	1,000,000	(550,000)	450,000
29	Zambarano Building Rehabilitation	600,000	200,000	800,000
30	Pastore Center Master Plan	350,000	100,000	450,000
31	Old State House	1,000,000	(800,000)	200,000
32	State Office Building	500,000	100,000	600,000
33	Old Colony House	300,000	(140,000)	160,000
34	William Powers Building	750,000	300,000	1,050,000
35	Fire Code Compliance State Buildings	500,000	(9,638)	490,362
36	Pastore Center Fire Code Compliance	500,000	0	500,000
37	Pastore Center Water Tanks	520,000	(170,000)	350,000
38	Ladd Center Water System	50,000	0	50,000

1	Pastore Center Power Plant	500,000	600,000	1,100,000
2	Replacement of Fueling Tanks	1,150,000	(600,000)	550,000
3	Environmental Compliance	250,000	0	250,000
4	Pastore Utilities Upgrade	1,200,000	(168,530)	1,031,470
5	Pastore Center Building Demolition	125,000	0	125,000
6	Health Laboratory Feasibility Study	175,500	0	175,500
7	Neighborhood Opportunities Program	2,500,000	2,500,000	5,000,000
8	McCoy Stadium	432,500	583,808	1,016,308
9	Registry	5,500,000	(3,800,000)	1,700,000
10	Washington County Government Center	160,000	84,472	244,472
11	Virks Building Renovations	265,000	1,735,000	2,000,000
12	DOIT Computer Center	8,975,000	(2,500)	8,972,500
13	Forand Building Exterior Shell	0	1,182,655	1,182,655
14	OHHS Relocation	0	1,274	1,274
15	Business Regulation Relocation	0	10,000	10,000
16	Total – General	295,367,589	(58,816,180)	236,551,409
17	<i>Debt Service Payments</i>			
18	General Revenues	141,624,151	(8,221,767)	133,402,384
19	Federal Funds	735,248	(85,171)	650,077
20	Restricted Receipts	4,383,227	(342,495)	4,040,732
21	Other Funds			
22	RIPTA Debt Service	765,484	(5,606)	759,878
23	Transportation Debt Service	41,454,976	(5,028,352)	36,426,624
24	RIRBA - DLT – Temporary Disability Insurance	45,586	0	45,586
25	COPS - DLT Building – TDI	213,880	3,799	217,679
26	COPS – DLT Building	5,357	(5,357)	0
27	Total - Debt Service Payments	189,227,909	(13,684,949)	175,542,960
28	<i>Energy Resources</i>			
29	Federal Funds	18,079,657	15,483,672	33,563,329
30	Restricted Receipts			
31	American Electric Power – Weatherization Grant	0	240,000	240,000
32	Overcharge Interest Earnings	350,000	(170,238)	179,762
33	Energy Efficiency and Resources Mgmt. Council	72,035	3,400	75,435
34	Regional Greenhouse Gas Initiative	71,562	1,238,438	1,310,000
35	Renewable Energy Fund Administration	182,538	114,519	297,057
36	Renewable Energy Dev. Fund Administration	66,483	(66,483)	0
37	Demand Side Management Grants	2,127,716	88,583	2,216,299
38	Total – Energy Resources	20,949,991	16,931,891	37,881,882

1	<i>Personnel Reform</i>			
2	General Revenues			
3	Savings from Retirement Vacancies	(16,836,489)	16,836,489	0
4	Personnel Savings	(33,391,483)	33,391,483	0
5	Pension Reform	0	(25,942,333)	(25,942,333)
6	Federal Funds			
7	Savings from Retirement Vacancies	(5,024,646)	5,024,646	0
8	Personnel Savings	(9,981,083)	9,981,083	0
9	Pension Reform	0	(9,055,950)	(9,055,950)
10	Restricted Receipts			
11	Savings from Retirement Vacancies	(1,039,274)	1,039,274	0
12	Personnel Savings	(2,066,513)	2,066,513	0
13	Pension Reform	0	(1,966,166)	(1,966,166)
14	Other Funds			
15	Savings from Retirement Vacancies	(7,641,748)	7,641,748	0
16	Personnel Savings	(15,162,522)	15,162,522	0
17	Pension Reform	0	(6,074,607)	(6,074,607)
18	Total – Personnel Reform	(91,143,758)	48,104,702	(43,039,056)
19	<i>Operational Savings</i>			
20	General Revenues	(560,942)	560,942	0
21	Federal Funds	(253,130)	253,130	0
22	Restricted Receipts	(182,434)	182,434	0
23	Other Funds	(182,434)	182,434	0
24	Total – Operational Savings	(1,178,940)	1,178,940	0
25	<i>Sheriffs</i>			
26	General Revenues	15,488,294	945,688	16,433,982
27	<i>Fire Safety Code Board of Appeal and Review</i>			
28	General Revenues	306,552	1,553	308,105
29	Grand Total – General Revenues	461,660,272	(48,274,641)	413,385,631
30	Grand Total – Administration	560,884,005	(2,816,666)	558,067,339
31	Business Regulation			
32	<i>Central Management</i>			
33	General Revenues	1,133,343	(69,742)	1,063,601
34	<i>Banking and Securities Regulation</i>			
35	General Revenues	2,909,442	(394,967)	2,514,475
36	Restricted Receipts Total	150,000	(10,000)	140,000
37	Total - Banking and Securities Regulation	3,059,442	(404,967)	2,654,475

1	<i>Commercial Licensing and Racing & Athletics</i>			
2	General Revenues	963,559	(186,060)	777,499
3	Restricted Receipts	488,248	(64,960)	423,288
4	Total - Commercial Licensing and Racing and			
5	Athletics	1,451,807	(251,020)	1,200,787
6	<i>Insurance Regulation</i>			
7	General Revenues	4,626,900	(151,664)	4,475,236
8	Federal Funds	0	87,641	87,641
9	Restricted Receipts	907,390	237,277	1,144,667
10	Total - Insurance Regulation			
11	<i>Board of Accountancy</i>			
12	General Revenues	156,595	4,267	160,862
13	<i>Board for Design Professionals</i>			
14	General Revenues	328,227	(12,655)	315,572
15	Grand Total - General Revenue Funds			
16	Grand Total - Business Regulation	11,663,704	(560,863)	11,102,841
17	Labor and Training			
18	<i>Central Management</i>			
19	General Revenues	184,235	104,757	288,992
20	Restricted Receipts	490,567	59,539	550,106
21	Rhode Island Capital Plan Funds			
22	Center General Roof	0	5,631	5,631
23	Total - Central Management			
24	<i>Workforce Development Services</i>			
25	General Revenues	101,561	(5,972)	95,589
26	Federal Funds	19,334,057	917,442	20,251,499
27	Restricted Receipts	11,286,454	(577,405)	10,709,049
28	Other Funds			
29	Reed Act – Woonsocket Network Office	1,484,894	(534,789)	950,105
30	All of the \$1.5 million appropriated from Reed Act funds, may be for the administration of this state's			
31	employment compensation law and public employment services offices.			
32	Total - Workforce Development Services			
33	Workforce Regulation and Safety	32,206,966	(200,724)	32,006,242
34	General Revenues	2,377,263	(241,005)	2,136,258
35	<i>Income Support</i>			
36	General Revenues	3,388,454	360,581	3,749,035
37	Federal Funds	16,260,698	2,495,440	18,756,138

1	Restricted Receipts	1,514,338	(175,468)	1,338,870
2	Other Funds			
3	Temporary Disability Insurance Fund	177,616,856	4,823,484	182,440,340
4	Employment Security Fund	238,690,431	106,959,569	345,650,000
5	Total - Income Support	437,470,777	114,463,606	551,934,383
6	<i>Injured Workers Services</i>			
7	Restricted Receipts	11,614,555	489,141	12,103,696
8	<i>Labor Relations Board</i>			
9	General Revenues	461,579	(35,373)	426,206
10	Grand Total - General Revenue Funds	6,513,092	182,988	6,696,080
11	Grand Total - Labor and Training	484,805,942	114,645,572	599,451,514
12	Department of Revenue			
13	<i>Director of Revenue</i>			
14	General Revenues	632,972	(11,022)	621,950
15	<i>Office of Revenue Analysis</i>			
16	General Revenues	719,927	(221,860)	498,067
17	<i>Lottery Division</i>			
18	Lottery Funds	207,489,225	(14,732,464)	192,756,761
19	<i>Property Valuation</i>			
20	General Revenues	852,759	(79,530)	773,229
21	<i>Taxation</i>			
22	General Revenues	17,347,998	(2,410,502)	14,937,496
23	Federal Funds	1,439,789	(212,579)	1,227,210
24	Restricted Receipts	910,563	(126,180)	784,383
25	Other Funds			
26	Motor Fuel Tax Invasion	130,877	16,723	147,600
27	Temporary Disability Insurance	849,899	32,572	882,471
28	Total – Taxation	20,679,126	(2,699,966)	17,979,160
29	<i>Registry of Motor Vehicles</i>			
30	General Revenues	18,296,260	(1,872,186)	16,424,074
31	Federal Funds	454,306	1,017,081	1,471,387
32	Restricted Receipts	15,100	0	15,100
33	Total – Registry of Motor Vehicles	18,765,666	(855,105)	17,910,561
34	Grand Total – General Revenue	37,849,916	(4,595,100)	33,254,816
35	Grand Total – Revenue	249,139,675	(18,599,947)	230,539,728
36	Legislature			
37	General Revenues	34,099,202	(647,867)	33,451,335

1	Restricted Receipts	1,516,351	(8,018)	1,508,333
2	Grand Total – Legislature	35,615,553	(655,885)	34,959,668
3	Lieutenant Governor			
4	General Revenues	901,418	(40,647)	860,771
5	State			
6	<i>Administration</i>			
7	General Revenues	1,879,212	(139,409)	1,739,803
8	<i>Corporations</i>			
9	General Revenues	1,840,798	(49,379)	1,791,419
10	<i>State Archives</i>			
11	General Revenues	55,000	80,762	135,762
12	Federal Funds	0	9,871	9,871
13	Restricted Receipts	555,581	(142,505)	413,076
14	Total - State Archives	610,581	(51,872)	558,709
15	<i>Elections</i>			
16	General Revenues	1,676,069	178,872	1,854,941
17	Federal Funds	541,139	(254,723)	286,416
18	Total – Elections	2,217,208	(75,851)	2,141,357
19	<i>State Library</i>			
20	General Revenues	552,708	14,338	567,046
21	<i>Office of Civics and Public Information</i>			
22	General Revenues	303,357	15,199	318,556
23	Grand Total - General Revenue Funds	6,307,144	100,383	6,407,527
24	Grand Total – State	7,403,864	(286,974)	7,116,890
25	General Treasurer			
26	<i>Treasury</i>			
27	General Revenues	2,477,685	(141,717)	2,335,968
28	Federal Funds	295,276	(55,929)	239,347
29	Other Funds			
30	Temporary Disability Insurance Fund	253,375	(57,181)	196,194
31	Total – Treasury	3,026,336	(254,827)	2,771,509
32	<i>State Retirement System</i>			
33	Restricted Receipts			
34	Admin Expenses - State Retirement System	6,711,780	147,990	6,859,770
35	Retirement - Treasury Investment Operations	954,281	133,999	1,088,280
36	Total - State Retirement System	7,666,061	281,989	7,948,050

1	<i>Unclaimed Property</i>			
2	Restricted Receipts	18,290,775	(3,227,661)	15,063,114
3	<i>RI Refunding Bond Authority</i>			
4	General Revenues	38,075	3,030	41,105
5	<i>Crime Victim Compensation Program</i>			
6	General Revenues	48,007	40,854	88,861
7	Federal Funds	874,805	(18,359)	856,446
8	Restricted Receipts	1,545,224	(69,939)	1,475,285
9	Total - Crime Victim Compensation Program	2,468,036	(47,444)	2,420,592
10	Grand Total - General Revenue Funds	2,563,767	(97,833)	2,465,934
11	Grand Total – General Treasurer	31,489,283	(3,244,913)	28,244,370
12	Board of Elections			
13	General Revenues	1,512,874	39,816	1,552,690
14	Federal Funds	662,344	(167,074)	495,270
15	Grand Total - Board of Elections	2,175,218	(127,258)	2,047,960
16	Rhode Island Ethics Commission			
17	General Revenues	1,405,309	4,141	1,409,450
18	Office of Governor			
19	General Revenues	5,158,611	264,745	5,423,356
20	From the appropriation for contingency shall be paid such sums as may be required at the discretion of the			
21	Governor to fund expenses for which appropriations may not exist. Such contingency funds may also be used			
22	for expenditures in departments and agencies where appropriations are insufficient, or where such requirements			
23	are due to unforeseen conditions or are non-recurring items of an unusual nature. Said appropriation may also			
24	be used for the payment of bills incurred due to emergencies or to any offense against public peace and			
25	property, in accordance with the provisions of Titles 11 and 45 of the General Laws of 1956, as amended. All			
26	expenditures and transfers from this account shall be approved by the Governor.			
27	Commission for Human Rights			
28	General Revenues	991,659	(59,241)	932,418
29	Federal Funds	391,309	81,146	472,455
30	Grand Total - Commission for Human Rights	1,382,968	21,905	1,404,873
31	Public Utilities Commission			
32	Federal Funds	100,547	2,112	102,659
33	Restricted Receipts	6,768,667	(22,632)	6,746,035
34	Grand Total - Public Utilities Commission	6,869,214	(20,520)	6,848,694
35	Rhode Island Commission on Women			
36	General Revenues	107,208	1,169	108,377
37	Office of Health and Human Services			

1	General Revenues	5,223,297	(1,432,747)	3,790,550
2	Federal Funds	7,593,011	(2,878,093)	4,714,918
3	Restricted Receipts	1,970,773	(1,298,611)	672,162
4	Grand Total – Health and Human Services	14,787,081	(5,609,451)	9,177,630
5	Children, Youth, and Families			
6	<i>Central Management</i>			
7	General Revenues	5,162,842	114,991	5,277,833
8	Federal Funds	1,964,369	367,575	2,331,944
9	Total - Central Management	7,127,211	482,566	7,609,777
10	<i>Children's Behavioral Health Services</i>			
11	General Revenues	16,087,176	(3,957,657)	12,129,519
12	Federal Funds	12,287,901	(1,177,512)	11,110,389
13	Rhode Island Capital Plan Funds			
14	Spurwink/RI – Pine Swamp Road	95,000	(95,000)	0
15	Grodan Center Mt. Hope	0	16,445	16,445
16	NAFI Center	550,000	0	550,000
17	Total - Children's Behavioral Health Services	29,020,077	(5,213,724)	23,806,353
18	<i>Juvenile Correctional Services</i>			
19	General Revenues	31,406,268	2,860,492	34,266,760
20	Federal Funds	522,437	1,216,874	1,739,311
21	Restricted Receipts	10,000	13,059	23,059
22	Total - Juvenile Correctional Services	31,938,705	4,090,425	36,029,130
23	<i>Child Welfare</i>			
24	General Revenues			
25	General Revenues	78,277,434	29,918,652	108,196,086
26	18 to 21 Year Olds	6,000,000	2,275,196	8,275,196
27	General Revenue Savings – Federal Stimulus Medicaid	0	(1,458,999)	(1,458,999)
28	Federal Funds			
29	Federal Funds	50,174,339	7,408,710	57,583,049
30	18 to 21 Year Olds	4,890,545	564,221	5,454,766
31	Federal Stimulus – Medicaid	0	1,458,999	1,458,999
32	Restricted Receipts	1,747,941	432,059	2,180,000
33	Rhode Island Capital Plan Funds			
34	Camp E-Hun-Tee	65,000	0	65,000
35	Fire Code Upgrades	500,000	61,287	561,287
36	Total - Child Welfare	141,655,259	40,660,125	182,315,384

1	<i>Higher Education Incentive Grants</i>			
2	General Revenues	200,000	0	200,000
3	Grand Total - General Revenue Funds	137,133,720	29,752,675	166,886,395
4	Grand Total - Children, Youth, and Families	209,941,252	40,019,392	249,960,644
5	Elderly Affairs			
6	General Revenue			
7	General Revenues	14,639,532	(1,334,287)	13,305,245
8	RIPAE	1,431,654	(200,000)	1,231,654
9	Safety and Care of the Elderly	600	0	600
10	Federal Funds	12,257,937	1,936,644	14,194,581
11	Restricted Receipts	620,000	200,000	820,000
12	Other Funds			
13	Intermodal Surface Transportation Fund	4,630,000	0	4,630,000
14	Grand Total – General Revenues	16,071,786	(1,534,287)	14,537,499
15	Grand Total - Elderly Affairs	33,579,723	602,357	34,182,080
16	Health			
17	<i>Central Management</i>			
18	General Revenues	2,682,917	(339,172)	2,343,745
19	Federal Funds	8,296,936	2,558,335	10,855,271
20	Restricted Receipts	3,848,879	(1,174,114)	2,674,765
21	Total - Central Management	14,828,732	1,045,049	15,873,781
22	<i>State Medical Examiner</i>			
23	General Revenues	2,360,089	423,131	2,783,220
24	Federal Funds	23,983	140,834	164,817
25	Total - State Medical Examiner	2,384,072	563,965	2,948,037
26	<i>Environmental and Health Services Regulation</i>			
27	General Revenues	9,509,529	(300,731)	9,208,798
28	Federal Funds	3,836,460	26,107	3,862,567
29	Restricted Receipts	3,301,038	(123,368)	3,177,670
30	Other Funds			
31	RI Airport Corporation Funds	100,000	(100,000)	0
32	Total - Environmental and Health Services			
33	Regulation	16,747,027	(497,992)	16,249,035
34	<i>Health Laboratories</i>			
35	General Revenues	7,317,549	(788,779)	6,528,770
36	Federal Funds	1,015,438	167,534	1,182,972
37	Total - Health Laboratories	8,332,987	(621,245)	7,711,742

1	<i>Public Health Information</i>			
2	General Revenues	1,882,500	41,263	1,923,763
3	Federal Funds	2,110,972	211,956	2,322,928
4	Total – Public Health Information	3,993,472	253,219	4,246,691
5	<i>Community and Family Health and Equity</i>			
6	General Revenues			
7	General Revenue	6,151,991	5,212	6,157,203
8	General Revenue Savings – Federal Stimulus Medicaid	0	(65,503)	(65,503)
9	Federal Funds			
10	Federal Funds	50,537,986	5,841,973	56,379,959
11	Federal Stimulus – Medicaid	0	65,503	65,503
12	Restricted Receipts	18,336,110	528,869	18,864,979
13	Other Funds			
14	Walkable Communities Initiative	29,410	16,853	46,263
15	RI Airport Corporation Funds	0	185,162	185,162
16	Total - Family Health	75,055,497	6,578,069	81,633,566
17	<i>Infectious Disease and Epidemiology</i>			
18	General Revenues	2,377,099	(474,879)	1,902,220
19	Federal Funds	2,358,890	(44,182)	2,314,708
20	Total – Infectious Disease and Epidemiology	4,735,989	(519,061)	4,216,928
21	Grand Total - General Revenue Funds	32,281,674	(1,499,458)	30,782,216
22	Grand Total – Health	126,077,776	6,802,004	132,879,780
23	Human Services			
24	<i>Central Management</i>			
25	General Revenues	5,526,859	(1,089,212)	4,437,647
26	Federal Funds	4,540,655	(36,722)	4,503,933
27	Restricted Receipts	820,609	180,658	1,001,267
28	Total - Central Management	10,888,123	(945,276)	9,942,847
29	<i>Child Support Enforcement</i>			
30	General Revenues	2,741,244	(361,989)	2,379,255
31	Federal Funds	6,834,361	(899,252)	5,935,109
32	Total – Child Support Enforcement	9,575,605	(1,261,241)	8,314,364
33	<i>Individual and Family Support</i>			
34	General Revenues	23,024,743	(2,615,508)	20,409,235
35	Federal Funds	55,350,650	2,316,880	57,667,530
36	Restricted Receipts	134,150	45,850	180,000
37	Other Funds			

1	Food Stamp Bonus Funding	0	195,000	195,000
2	Rhode Island Capital Plan Funds			
3	Blind Vending Facilities	125,000	(62,500)	62,500
4	Total - Individual and Family Support	78,634,543	(120,278)	78,514,265
5	<i>Veterans' Affairs</i>			
6	General Revenues	17,692,025	(472,530)	17,219,495
7	Federal Funds	7,737,090	2,951,937	10,689,027
8	Restricted Receipts	1,763,038	(310,754)	1,452,284
9	Total - Veterans' Affairs	27,192,153	2,168,653	29,360,806
10	<i>Health Care Quality, Financing and Purchasing</i>			
11	General Revenues	20,993,847	(1,237,016)	19,756,831
12	Federal Funds	41,241,728	1,723,481	42,965,209
13	Restricted Receipts	60,000	0	60,000
14	Total - Health Care Quality,			
15	Financing & Purchasing	62,295,575	486,465	62,782,040
16	<i>Medical Benefits</i>			
17	General Revenues			
18	Hospitals	141,964,859	(47,244,176)	94,720,683
19	Nursing Facilities	131,223,489	6,849,363	138,072,852
20	Managed Care	237,398,676	6,956,972	244,355,648
21	Pharmacy	62,950,000	(11,022,880)	51,927,120
22	Other	51,699,999	(19,051,745)	32,648,254
23	Home and Community Based Services	24,088,135	6,305	24,094,440
24	Rhody Health	0	48,645,051	48,645,051
25	General Revenue Savings – Federal Stimulus Medicaid	0	(19,535,534)	(19,535,534)
26	Federal Funds			
27	Hospitals	145,251,890	(35,064,657)	110,187,233
28	Nursing Facilities	143,923,675	11,507,316	155,430,991
29	Managed Care	273,031,108	1,155,691	274,186,799
30	Home and Community Based Services	26,698,574	6,986	26,705,560
31	Other	66,053,090	(30,145,858)	35,907,232
32	Pharmacy	23,525,374	(13,852,494)	9,672,880
33	Rhody Health	0	53,916,668	53,916,668
34	Special Education	20,733,240	0	20,733,240
35	Federal Stimulus – Medicaid	0	19,535,534	19,535,534
36	Restricted Receipts	5,246,911	0	5,246,911
37	Total - Medical Benefits	1,353,789,020	(27,337,458)	1,326,451,562

1	<i>Supplemental Security Income Program</i>			
2	General Revenues	25,906,519	(811,771)	25,094,748
3	<i>Family Independence Program</i>			
4	General Revenues			
5	Child Care	7,100,000	3,172,921	10,272,921
6	TANF/Family Independence Program	11,178,290	(3,172,921)	8,005,369
7	Federal Funds	86,802,810	(4,794,900)	82,007,910
8	Total - Family Independence Program	105,081,100	(4,794,900)	100,286,200
9	<i>State Funded Programs</i>			
10	General Revenues			
11	General Public Assistance	3,735,450	(967,770)	2,767,680
12	Federal Funds	98,083,948	20,501,052	118,585,000
13	Total - State Funded Programs	101,819,398	19,533,282	121,352,680
14	Grand Total - General Revenue Funds	767,224,135	(41,952,440)	725,271,695
15	Grand Total - Human Services	1,775,182,036	(13,082,524)	1,762,099,512
16	Mental Health, Retardation, and Hospitals			
17	<i>Central Management</i>			
18	General Revenues	2,048,521	(1,022,259)	1,026,262
19	Federal Funds	67,081	0	67,081
20	Total - Central Management	2,115,602	(1,022,259)	1,093,343
21	<i>Hospital and Community System Support</i>			
22	General Revenues	3,218,806	(551,949)	2,666,857
23	Federal Funds	849,939	0	849,939
24	Rhode Island Capital Plan Funds			
25	Medical Center Rehabilitation	750,000	11,385	761,385
26	Community Facilities Fire Code	750,000	(35,009)	714,991
27	DD Private Waiver Com Facilities-Fire Code	767,201	(132,364)	634,837
28	Total - Hospital and Community System Support	6,335,946	(707,937)	5,628,009
29	<i>Services for the Developmentally Disabled</i>			
30	General Revenues			
31	General Revenue	106,666,111	3,534,093	110,200,204
32	General Revenue Savings – Federal Stimulus Medicaid	0	(6,263,192)	(6,263,192)
33	Federal Funds			
34	Federal Funds	123,058,038	4,821,728	127,879,766
35	Federal Stimulus – Medicaid	0	6,263,192	6,263,192
36	Restricted Receipts	2,200,000	668,101	2,868,101
37	Rhode Island Capital Plan Funds			

1	Regional Center Repair/Rehabilitation	500,000	0	500,000
2	MR Community Facilities	1,199,430	(325,000)	874,430
3	Developmental Disability Group Homes	1,500,000	0	1,500,000
4	Total - Services for the Developmentally			
5	Disabled	235,123,579	8,698,922	243,822,501
6	<i>Integrated Mental Health Services</i>			
7	General Revenues	40,125,116	(658,856)	39,466,260
8	Federal Funds	37,980,470	2,647,638	40,628,108
9	Rhode Island Capital Plan Fund			
10	MH Community Facilities Repair	250,000	0	250,000
11	MH Housing Development-Thresholds	400,000	0	400,000
12	Total - Integrated Mental Health Services	78,755,586	1,988,782	80,744,368
13	<i>Hospital and Community Rehabilitation Services</i>			
14	General Revenues	52,426,023	(3,305,537)	49,120,486
15	Federal Funds	46,316,249	2,928,801	49,245,050
16	Restricted Receipts	2,300,000	0	2,300,000
17	Rhode Island Capital Plan Funds			
18	Zambarano Buildings and Utilities	760,000	240,000	1,000,000
19	Hospital Consolidation	3,700,000	(3,200,000)	500,000
20	Eleanor Slater HVAC	5,000	(5,000)	0
21	Total - Hospital and Community			
22	Rehabilitative Services	105,507,272	(3,341,736)	102,165,536
23	<i>Substance Abuse</i>			
24	General Revenues	14,877,287	(2,232,408)	12,644,879
25	Federal Funds	14,485,237	204,365	14,689,602
26	Restricted Receipts	90,000	0	90,000
27	Rhode Island Capital Plan Funds			
28	Asset Protection	200,000	0	200,000
29	Total - Substance Abuse	29,652,524	(2,028,043)	27,624,481
30	Grand Total - General Revenue Funds	219,361,864	(10,500,108)	208,861,756
31	Grand Total - Mental Health, Retardation,			
32	and Hospitals	457,490,509	3,587,729	461,078,238
33	Office of the Child Advocate			
34	General Revenues	519,657	(5,215)	514,442
35	Federal Funds	39,143	1,412	40,555
36	Grand Total – Office of the Child Advocate	558,800	(3,803)	554,997

1	Commission on the Deaf and Hard of Hearing			
2	General Revenues	368,807	2,493	371,300
3	Governor's Commission on Disabilities			
4	General Revenues	413,651	(25,789)	387,862
5	Federal Funds	189,769	(53,918)	135,851
6	Restricted Receipts	8,565	2,562	11,127
7	Other Funds	300,000	111,551	411,551
8	Grand Total - Governor's Commission on			
9	Disabilities	911,985	34,406	946,391
10	Mental Health Advocate			
11	General Revenues	431,171	9,312	440,483
12	Elementary and Secondary Education			
13	<i>Administration of the Comprehensive Education Strategy</i>			
14	General Revenues	20,365,958	(216,168)	20,149,790
15	Federal Funds	189,382,311	4,398,669	193,780,980
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	0	1,100,000
22	Total – Administration of the Comprehensive			
23	Education Strategy	216,489,224	4,308,035	220,797,259
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	Rhode Island Capital Plan Funds			
28	Davies HVAC	400,000	875,000	1,275,000
29	Davies Asset Protection	100,000	82,400	182,400
30	Davies Roof Repair	740,000	1,150,800	1,890,800
31	Total - Davies Career and Technical School	17,133,914	2,196,112	19,330,026
32	<i>RI School for the Deaf</i>			
33	General Revenues	6,624,798	(495)	6,624,303
34	Federal Funds	270,027	49,985	320,012
35	Restricted Receipts	0	1,418	1,418
36	Rhode Island Capital Funds			
37	School for the Deaf	0	280,851	280,851

1	Total - RI School for the Deaf	6,894,825	331,759	7,226,584
2	<i>Metropolitan Career and Technical School</i>			
3	General Revenues	11,565,603	0	11,565,603
4	<i>Education Aid</i>			
5	General Revenues	680,333,012	(61,318,496)	619,014,516
6	Federal Funds	0	67,046	67,046
7	Restricted Receipts	1,722,210	35,973	1,758,183
8	Permanent School Fund	13,600,000	0	13,600,000
9	Total – Education Aid	695,655,222	(61,215,477)	634,439,745
10	<i>Central Falls School District</i>			
11	General Revenues	43,795,411	0	43,795,411
12	Permanent School Fund – Central Falls	0	183,624	183,624
13	Total - Central Falls School District	43,795,411	183,624	43,979,035
14	<i>Housing Aid</i>			
15	General Revenues	56,996,248	(2,856,196)	54,140,052
16	<i>Teachers' Retirement</i>			
17	General Revenues	96,999,600	(30,413,582)	66,586,018
18	Grand Total - General Revenue Funds	931,218,471	(94,869,443)	836,349,028
19	Grand Total - Elementary and Secondary	1,145,530,047	(87,465,725)	1,058,064,322
20	Public Higher Education			
21	<i>Board of Governors/Office of Higher Education</i>			
22	General Revenues	6,865,787	(117,509)	6,748,278
23	Federal Funds	3,646,277	379,999	4,026,276
24	Restricted Receipts	400,000	(400,000)	0
25	Total - Board of Governors/Office of			
26	Higher Education	10,912,064	(137,510)	10,774,554
27	<i>University of Rhode Island</i>			
28	General Revenue			
29	General Revenues	65,370,365	(2,480,545)	62,889,820
30	Debt Service	12,740,210	(150,130)	12,590,080
31	Federal Funds			
32	RI Developmental Disabilities Council	450,543	2,627	453,170
33	University and College Funds			
34	University and College Funds	447,650,315	12,309,435	459,959,750
35	Debt – Dining Services	1,146,768	(8,743)	1,138,025
36	Debt – Education and General	5,346,026	(2,814,154)	2,531,872
37	Debt – Health Services	130,074	200	130,274

1	Debt – Housing Loan Funds	7,582,070	(1,523,580)	6,058,490
2	Debt – Memorial Union	148,051	(22,069)	125,982
3	Debt – Ryan Center	2,799,947	(3,959)	2,795,988
4	Debt – Alton Jones Services	149,203	100	149,303
5	Debt - Parking Authority	881,295	(119,305)	761,990
6	Debt – Sponsored Research	99,370	0	99,370
7	Rhode Island Capital Plan Funds			
8	Asset Protection	4,315,185	0	4,315,185
9	Lippitt Hall	1,600,000	198,798	1,798,798
10	New Chemistry Building	300,000	0	300,000
11	Nursing & Assoc. Health Building	300,000	0	300,000
12	Superfund Site Remediation	629,000	139,490	768,490
13	URI Biotechnology Center	0	5,100,000	5,100,000
14	Total – University of Rhode Island	551,638,422	10,628,165	562,266,587
15	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered			
16	balances as of June 30, 2009 relating to the University of Rhode Island are hereby reappropriated to fiscal year			
17	2010.			
18	<i>Rhode Island College</i>			
19	General Revenues			
20	General Revenues	42,416,817	(2,005,695)	40,411,122
21	Debt Service	2,985,082	0	2,985,082
22	RIRBA – Rhode Island College	293,886	0	293,886
23	University and College Funds			
24	University and College Funds	89,146,859	1,397,326	90,544,185
25	Debt – Education and General	295,196	0	295,196
26	Debt – Housing	2,025,570	0	2,025,570
27	Debt – Student Center and Dining	172,639	0	172,639
28	Debt – Student Union	231,856	0	231,856
29	Rhode Island Capital Plan Funds			
30	Asset Protection	1,873,700	1,073,359	2,947,059
31	Campus Entrance	600,000	0	600,000
32	Total – Rhode Island College	140,041,605	464,990	140,506,595
33	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered			
34	balances as of June 30, 2009 relating to Rhode Island College are hereby reappropriated to fiscal year 2010.			
35	<i>Community College of Rhode Island</i>			
36	General Revenues			
37	General Revenues	47,679,712	(2,241,297)	45,438,415
38	Debt Service	1,504,159	0	1,504,159

1	Restricted Receipts	641,526	24,907	666,433
2	University and College Funds			
3	University and College Funds	62,924,141	7,994,529	70,918,670
4	Debt – Bookstore	105,568	0	105,568
5	Rhode Island Capital Plan Funds			
6	Knight Campus Nursing Program	125,000	0	125,000
7	Asset Protection	1,192,355	2,213,977	3,406,332
8	Fire Code and HVAC	3,275,000	(1,723,485)	1,551,515
9	Total – Community College of RI	117,447,461	6,268,631	123,716,092
10	Notwithstanding the provisions of section 35-3-15 of the general laws, all unexpended or unencumbered			
11	balances as of June 30, 2009 relating to the Community College of Rhode Island are hereby reappropriated to			
12	fiscal year 2010.			
13	Grand Total – General Revenue Funds	179,856,018	(6,995,176)	172,860,842
14	Grand Total – Public Higher Education	820,039,552	17,224,276	837,263,828
15	RI State Council on the Arts			
16	General Revenues			
17	Operating Support	753,552	(94,826)	658,726
18	Grants	1,341,295	(94,225)	1,247,070
19	Federal Funds	741,355	60,074	801,429
20	Restricted Receipts	0	94,225	94,225
21	Other Funds			
22	Arts for Public Facilities	439,453	(14,453)	425,000
23	Grand Total - RI State Council on the Arts	3,275,655	(49,205)	3,226,450
24	RI Atomic Energy Commission			
25	General Revenues	824,470	(37,623)	786,847
26	Federal Funds	407,277	(312,340)	94,937
27	Other Funds			
28	URI Sponsored Research	251,153	(7,284)	243,869
29	Rhode Island Capital Plan Funds			
30	RINSC Asset Protection	50,000	0	50,000
31	Grand Total - RI Atomic Energy Commission	1,532,900	(357,247)	1,175,653
32	RI Higher Education Assistance Authority			
33	General Revenues			
34	Needs Based Grants and Work Opportunities	6,382,700	0	6,382,700
35	Authority Operations and Other Grants	940,351	(30,067)	910,284
36	General Revenue Total	7,323,051	(30,067)	7,292,984
37	Federal Funds	12,550,536	6,216,242	18,766,778

1	Other Funds			
2	Tuition Savings Pgm. – Needs Based Grants	6,017,300	157,700	6,175,000
3	Tuition Savings Program – Administration	758,920	(34,289)	724,631
4	Grand Total - Higher Education Assistance	26,649,807	6,309,586	32,959,393
5	RI Historical Preservation and Heritage Commission			
6	General Revenues	1,348,825	(51,309)	1,297,516
7	Federal Funds	479,640	365,822	845,462
8	Restricted Receipts	494,649	23,364	518,013
9	Grand Total – RI Historical Preservation			
10	and Heritage Commission	2,323,114	337,877	2,660,991
11	RI Public Telecommunications Authority			
12	General Revenues	1,365,306	(115,797)	1,249,509
13	Other Funds			
14	Corporation for Public Broadcasting	767,060	0	767,060
15	Grand Total – RI Public Telecommunications			
16	Authority	2,132,366	(115,797)	2,016,569
17	Attorney General			
18	<i>Criminal</i>			
19	General Revenues	13,441,955	(189,784)	13,252,171
20	Federal Funds	1,207,109	36,635	1,243,744
21	Restricted Receipts	343,296	(3,929)	339,367
22	Total – Criminal	14,992,360	(157,078)	14,835,282
23	<i>Civil</i>			
24	General Revenues	4,159,643	109,146	4,268,789
25	Restricted Receipts	637,570	137,496	775,066
26	Total – Civil	4,797,213	246,642	5,043,855
27	<i>Bureau of Criminal Identification</i>			
28	General Revenues	1,009,599	(33,460)	976,139
29	Federal Funds	56,500	4,100	60,600
30	Total - Bureau of Criminal Identification	1,066,099	(29,360)	1,036,739
31	<i>General</i>			
32	General Revenues	2,600,842	36,469	2,637,311
33	Rhode Island Capital Plan Funds			
34	Building Renovations and Repairs	275,000	472,726	747,726
35	Total – General	2,875,842	509,195	3,385,037
36	Grand Total - General Revenue Funds	21,212,039	(77,629)	21,134,410
37	Grand Total - Attorney General	23,731,514	569,399	24,300,913

1	Corrections			
2	<i>Central Management</i>			
3	General Revenues	9,757,572	(1,231,649)	8,525,923
4	Federal Funds	62,000	0	62,000
5	Total - Central Management	9,819,572	(1,231,649)	8,587,923
6	<i>Parole Board</i>			
7	General Revenues	1,272,304	31,072	1,303,376
8	Federal Funds	53,000	(28,700)	24,300
9	Total - Parole Board	1,325,304	2,372	1,327,676
10	<i>Institutional Corrections</i>			
11	General Revenues	151,309,377	3,256,366	154,565,743
12	Federal Funds	2,068,317	390,384	2,458,701
13	Rhode Island Capital Fund			
14	Reintegration Center State Match	450,000	318,400	768,400
15	General Renovations – Women’s	600,000	(275,000)	325,000
16	Women’s Bath Room Renovations	681,000	(531,000)	150,000
17	Bernadette Guay Bldg. Roof	930,000	(905,000)	25,000
18	Asset Protection	2,500,000	1,132,783	3,632,783
19	Reintegration Center Match	0	503,500	503,500
20	Total - Institutional Corrections	158,538,694	3,890,433	162,429,127
21	<i>Community Corrections</i>			
22	General Revenues	16,284,251	(1,997,232)	14,287,019
23	Federal Funds	529,418	206,455	735,873
24	Total – Community Corrections	16,813,669	(1,790,777)	15,022,892
25	Grand Total - General Revenue Funds	178,623,504	58,557	178,682,061
26	Grand Total – Corrections	186,497,239	870,379	187,367,618
27	Judiciary			
28	<i>Supreme Court</i>			
29	General Revenues			
30	General Revenues	25,809,646	(1,228,600)	24,581,046
31	Defense of Indigents	3,065,689	0	3,065,689
32	Federal Funds	145,000	321,327	466,327
33	Restricted Receipts	1,184,111	300,255	1,484,366
34	Rhode Island Capital Plan Funds			
35	Judicial HVAC	300,000	0	300,000
36	Garrahy Lighting and Ceiling	900,000	72,948	972,948
37	Blackstone Valley Court	0	116,430	116,430

1	Asset Protection	500,000	5,683	505,683
2	Total - Supreme Court	31,904,446	(411,957)	31,492,489
3	<i>Judicial Tenure and Discipline</i>			
4	General Revenues	115,432	13,660	129,092
5	<i>Superior Court</i>			
6	General Revenues	20,157,910	(517,491)	19,640,419
7	Federal Funds	100,000	30,000	130,000
8	Total - Superior Court	20,257,910	(487,491)	19,770,419
9	<i>Family Court</i>			
10	General Revenues	18,148,020	(462,611)	17,685,409
11	Federal Funds	1,694,312	416,302	2,110,614
12	Total - Family Court	19,842,332	(46,309)	19,796,023
13	<i>District Court</i>			
14	General Revenues	10,264,212	(138,664)	10,125,548
15	Restricted Receipts	0	264,920	264,920
16	Total - District Court	10,264,212	126,256	10,390,468
17	<i>Traffic Tribunal</i>			
18	General Revenues	7,439,091	130,937	7,570,028
19	<i>Workers' Compensation Court</i>			
20	Restricted Receipts Total	7,526,297	48,566	7,574,863
21	Grand Total - General Revenue Funds	85,000,000	(2,202,769)	82,797,231
22	Grand Total – Judiciary	97,349,720	(626,338)	96,723,382
23	Military Staff			
24	<i>National Guard</i>			
25	General Revenues	1,681,849	108,570	1,790,419
26	Federal Funds	9,399,739	(204,649)	9,195,090
27	Restricted Receipts	160,000	30,000	190,000
28	Rhode Island Capital Plan Funds			
29	Federal Armories Fire Code Comp.	12,500	59,395	71,895
30	AMC – Roof Replacement	1,100,000	321,661	1,421,661
31	State Armories Fire Code Comp.	75,000	134,753	209,753
32	Asset Protection	220,500	191,902	412,402
33	Logistics/Maint Facilities Fire Code	7,500	50,000	57,500
34	Quonset Point Hangar	0	501,675	501,675
35	Woonsocket Building Demolition	0	63,340	63,340
36	Schofield Armory Rehabilitation	0	10,500	10,500
37	Total - National Guard	12,657,088	1,267,147	13,924,235

1	<i>Emergency Management</i>			
2	General Revenues	2,058,099	(273,258)	1,784,841
3	Federal Funds	13,549,284	10,477,866	24,027,150
4	Restricted Receipts	155,321	1,512	156,833
5	Total - Emergency Management	15,762,704	10,206,120	25,968,824
6	Grand Total - General Revenue Funds	3,739,948	(164,688)	3,575,260
7	Grand Total - Military Staff	28,419,792	11,473,267	39,893,059
8	Public Safety			
9	Central Management			
10				
11	General Revenues	514,329	112,040	626,369
12	Federal Funds	4,340,421	(776,199)	3,564,222
13	Restricted Receipts	133,000	0	133,000
14	Total – Central Management	4,987,750	(664,159)	4,323,591
15				
16	<i>E-911 Emergency Telephone System</i>			
17	General Revenues	4,994,940	65,925	5,060,865
18	Federal Funds	400,000	337,819	737,819
19	Rhode Island Capital Plan Funds			
20	E-911 PSAP Building Renovations	55,000	(55,000)	0
21	Grand Total - E-911 Emergency Telephone System	5,449,940	348,744	5,798,684
22	<i>State Fire Marshal</i>			
23	General Revenues	2,614,889	(81,161)	2,533,728
24	Federal Funds	24,000	1,262,399	1,286,399
25	Grand Total - State Fire Marshal	2,638,889	1,181,238	3,820,127
26	<i>Capitol Police</i>			
27	General Revenues	3,744,088	(219,454)	3,524,634
28	<i>Municipal Police Training Academy</i>			
29	General Revenues	431,195	(58,481)	372,714
30	Federal Funds	66,000	91,657	157,657
31	Grand Total - Municipal Police Training Academy	497,195	33,176	530,371
32	<i>State Police</i>			
33	General Revenues	54,528,653	(1,990,025)	52,538,628
34	Federal Funds	1,401,699	2,828,659	4,230,358
35	Restricted Receipts	301,000	401,000	702,000
36	Rhode Island Capital Plan Funds			
37	Barracks & Training	750,000	(204,327)	545,673
38	State Police New Headquarters	8,000,000	0	8,000,000
39	Parking Area Improvements	225,000	0	225,000

1	Statewide Microwave Upgrade	2,470,000	0	2,470,000
2	Headquarters Repairs/Rehabilitation	0	50,150	50,150
3	Headquarters Sewer Project	0	300,000	300,000
4	Other Funds			
5	Traffic Enforcement - Municipal Training	152,157	(45,007)	107,150
6	Lottery Commission Assistance	142,844	26,301	169,145
7	Airport Corporation	144,700	42,765	187,465
8	Road Construction Reimbursement	2,391,544	(524,404)	1,867,140
9	Grand Total - State Police	70,507,597	885,112	71,392,709
10	Grand Total - General Revenue Funds	66,828,094	(2,171,156)	64,656,938
11	Grand Total – Public Safety	87,825,459	1,564,657	89,390,116
12	Office of Public Defender			
13	General Revenues	9,468,259	(150,212)	9,318,047
14	Federal Funds	248,470	77,121	325,591
15	Grand Total - Office of Public Defender	9,716,729	(73,091)	9,643,638
16	Environmental Management			
17	<i>Office of the Director</i>			
18	General Revenues	5,539,371	(792,444)	4,746,927
19	Federal Funds	536,513	(15,000)	521,513
20	Restricted Receipts	2,681,835	(81,683)	2,600,152
21	Total – Office of the Director	8,757,719	(889,127)	7,868,592
22	<i>Natural Resources</i>			
23	General Revenues	18,853,058	(644,264)	18,208,794
24	Federal Funds	21,581,338	(3,698,742)	17,882,596
25	Restricted Receipts	3,542,167	124,491	3,666,658
26	Other Funds			
27	DOT Recreational Projects	71,126	322	71,448
28	Blackstone Bikepath Design	980,329	345	980,674
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	3,000	3,000
34	Galilee Piers Upgrade	750,000	(191,436)	558,564
35	Newport Piers	250,000	400,000	650,000
36	Total - Natural Resources	47,308,018	(2,991,969)	44,316,049

1	<i>Environmental Protection</i>			
2	General Revenues	11,386,955	(331,314)	11,055,641
3	Federal Funds	11,317,587	701,708	12,019,295
4	Restricted Receipts	10,187,873	(2,940,546)	7,247,327
5	Rhode Island Capital Plan Funds			
6	Rose Hill Superfund Site	0	151,851	151,851
7	Other Funds			
8	Retrofit Heavy Duty Diesel Vehicle	0	400,000	400,000
9	Total - Environmental Protection	32,892,415	(2,018,301)	30,874,114
10	Grand Total - General Revenue Funds	35,779,384	(1,768,022)	34,011,362
11	Grand Total - Environmental Management	88,958,152	(5,899,397)	83,058,755
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	19,635	119,635
24	Grand Total - State Water Resources Board	1,478,002	103,496	1,581,498
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
35	<i>Infrastructure Engineering</i>			
36	Federal Funds	246,065,687	7,298,241	253,363,928
37	Restricted Receipts	1,447,246	2,754	1,450,000
38	Other Funds			

1	Gasoline Tax	46,424,931	888,769	47,313,700
2	Land Sale Revenue	5,598,459	(3,598,459)	2,000,000
3	Highway Logo Program	100,000	0	100,000
4	State Infrastructure Bank	1,343,714	44,270	1,387,984
5	Rhode Island Capital Plan Funds			
6	RIPTA - Land and Buildings	4,774,023	0	4,774,023
7	Pawtucket – Central Falls Train Station	20,000	267	20,267
8	Total - Infrastructure Engineering	305,774,060	4,635,842	310,409,902
9	<i>Infrastructure Maintenance</i>			
10	Other Funds			
11	Gasoline Tax	39,335,813	496,428	39,832,241
12	Non-Land Surplus Property	15,000	0	15,000
13	Outdoor Advertising	264,323	235,677	500,000
14	Utility Permit Applications	1,000,000	(1,000,000)	0
15	Radio System Upgrade	0	335,000	335,000
16	Rhode Island Capital Plan Funds			
17	Cherry Hill/Lincoln Facility	625,000	0	625,000
18	Maintenance Facilities Improvements	0	200,000	200,000
19	East Providence Facility	862,000	(862,000)	0
20	Salt Storage Facilities	700,000	0	700,000
21	Total - Infrastructure Maintenance	42,802,136	(594,895)	42,207,241
22	Grand Total – Transportation	370,026,380	(1,441,131)	368,585,249
23	Statewide Totals			
24	General Revenues	3,276,156,221	(189,752,162)	3,086,404,059
25	Federal Funds	1,997,927,181	120,721,243	2,118,648,424
26	Restricted Receipts	152,502,978	(2,034,268)	150,468,710
27	Other Funds	1,492,467,822	133,287,768	1,625,755,590
28	Statewide Grand Total	6,919,054,202	62,222,581	6,981,276,783

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

31 SECTION 3. Notwithstanding any provisions of Chapter 1-42 in Title 39 of the Rhode Island
32 General Laws, the Public Utilities Commission shall transfer the sum of three hundred eighty five
33 thousand two hundred forty six dollars (\$385,246) from the Dual Party Phone Relay Fund to the
34 General Fund by June 30, 2009.

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

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

11		FY 2009	FY 2009	FY 2009
12	<u>Account</u>	<u>Enacted</u>	<u>Change</u>	<u>Final</u>
13				
14	State Assessed Fringe Benefit Internal Service Account	28,747,957	10,019,803	38,767,760
15	Administration Central Utilities Internal Service Account	24,635,247	(113,892)	24,521,355
16	State Central Mail Internal Service Account	5,605,880	(155,285)	5,450,595
17	State Telecommunications Internal Service Account	2,847,323	568,362	3,415,685
18	State Automotive Fleet Internal Service Account	14,610,172	(542,117)	14,068,055
19	State Fleet Replacement Revolving Loan Fund	2,500,000	2,300,000	4,800,000
20	Capital Police Internal Service Account	586,142	158,080	744,222
21	Health Insurance Internal Service Fund	257,686,908	20,416,007	278,102,915
22	MHRH Central Pharmacy Internal Service Account	9,241,973	(334,961)	8,907,012
23	MHRH Laundry Services Internal Service Account	1,125,579	94,386	1,219,965
24	Corrections General Services & Warehouse Internal Service Account	262,296	6,487,971	6,750,267
25	Correctional Industries Internal Service Account	7,489,514	(285,781)	7,203,733
26	Secretary of State Record Center Internal Service Account	802,825	38	802,863

27 SECTION 6. Departments and agencies listed below may not exceed the number of full-time
 28 equivalent (FTE) positions shown below in any pay period. Full-time equivalent positions do not
 29 include seasonal or intermittent positions whose scheduled period of employment does not exceed
 30 twenty-six consecutive weeks or whose scheduled hours do not exceed nine hundred and twenty-five
 31 (925) hours, excluding overtime, in a one-year period. Nor do they include individuals engaged in
 32 training, the completion of which is a prerequisite of employment. Provided, however, that the
 33 Governor or designee, Speaker of the House of Representatives or designee, and President of the
 34 Senate or designee may authorize an adjustment to any limitation. Prior to the authorization, the State
 35 Budget Officer shall make a detailed written recommendation to the Governor, the Speaker of the
 36 House, and the President of the Senate. A copy of the recommendation and authorization to adjust

1 shall be transmitted to the chairman of the House Finance Committee, the chairman of the Senate
 2 Finance Committee, the House Fiscal Advisor and the Senate Fiscal Advisor.

3 FTE POSITION AUTHORIZATION

4 <u>Departments and Agencies</u>	5 <u>Full-Time Equivalent</u>
6 Administration	955.8 <u>845.6</u>
7 Business Regulation	97.0 <u>91.0</u>
8 Labor and Training	407.2 <u>395.3</u>
9 Revenue	464.0 <u>410.0</u>
10 Legislature	297.9 <u>289.8</u>
11 Office of the Lieutenant Governor	8.0 <u>7.0</u>
12 Secretary of State	57.0 <u>55.0</u>
13 General Treasurer	86.0 <u>83.0</u>
14 Board of Elections	14.0 <u>12.0</u>
15 Rhode Island Ethics Commission	12.0
16 Office of the Governor	39.0
17 Commission for Human Rights	14.5
18 Public Utilities Commission	44.0
19 Rhode Island Commission on Women	1.0
20 Office of Health and Human Services	92.2 <u>85.1</u>
21 Children, Youth, and Families	738.5 <u>694.0</u>
22 Elderly Affairs	35.0 <u>32.0</u>
23 Health	413.5 <u>409.6</u>
24 Human Services	994.4 <u>884.6</u>
25 Mental Health, Retardation, and Hospitals	1,534.6 <u>1,352.4</u>
26 Office of the Child Advocate	5.8 <u>5.7</u>
27 Commission on the Deaf and Hard of Hearing	3.0
28 RI Developmental Disabilities Council	-
29 Governor's Commission on Disabilities	4.6 <u>4.0</u>
30 Office of the Mental Health Advocate	3.7
31 Elementary and Secondary Education	140.2 <u>128.4</u>
32 School for the Deaf	65.8 <u>50.0</u>
33 Davies Career and Technical School	133.0
Office of Higher Education	21.1 <u>20.4</u>

1 Provided that 1.0 of the total authorization would be available only for a position that is supported
2 by third- party funds.

3 University of Rhode Island ~~2504.1~~ 2451.9

4 Provided that 602.0 of the total authorization would be available only for positions that are
5 supported by third-party funds.

6 Rhode Island College ~~917.5~~ 894.6

7 Provided that 82.0 of the total authorization would be available only for positions that are supported
8 by third-party funds.

9 Community College of Rhode Island ~~833.2~~ 813.1

10 Provided that 100.0 of the total authorization would be available only for positions that are
11 supported by third-party funds.

12 Rhode Island State Council on the Arts ~~8.6~~ 7.6

13 RI Atomic Energy Commission 8.6

14 Higher Education Assistance Authority 42.6

15 Historical Preservation and Heritage Commission 16.6

16 Public Telecommunications Authority ~~20.0~~ 18.0

17 Office of the Attorney General 231.1

18 Corrections ~~1,515.0~~ 1,423.0

19 Judicial 729.3

20 Military Staff ~~103.0~~ 101.0

21 Public Safety ~~414.5~~ 396.1

22 Office of the Public Defender ~~93.5~~ 91.0

23 Environmental Management ~~473.0~~ 409.0

24 Coastal Resources Management Council 30.0

25 Water Resources Board 6.0

26 Transportation ~~729.2~~ 691.2

27 **Total** ~~**15,358.6**~~ **14,465.8**

28 ~~Provided further that, as of October 1, 2008, the total filled positions shall not exceed~~
29 ~~14,958.6.~~

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

31 **ARTICLE 2**

32 **RELATING TO GUBERNATORIAL AUTHORITY**

1 SECTION 1. Chapter 35-3 of the General Laws in entitled "State Budget" is hereby
2 amended by adding thereto the following section:

3 **§ 35-3-16 Reduction or suspension of appropriations to maintain balanced budget.**

4 Based upon revenue estimates adopted by the revenue estimating conference and at any time during
5 the fiscal year , if it is indicated that actual revenue receipts or resources will not equal the original
6 estimates upon which appropriations were based, or if the state budget officer projects that spending
7 for caseload costs as estimated by the caseload estimating conference, will result in expenditures
8 exceeding appropriations, the governor, for the purpose of maintaining a balanced budget, shall
9 have the power to reduce or suspend appropriations for any or all departments or subdivisions
10 thereof, excepting the general assembly, legislative agencies, and legislative committees and
11 commissions, and shall have the power to reduce the payment of aid to local governments that is
12 appropriated within line items contained in department budgets. At least ten (10) business days
13 prior to taking any such action, the governor shall thereupon notify, in writing, the speaker of the
14 house, the president of the senate, and the chairpersons of the house and senate finance committees.
15 Said writing shall state specifically the action to be taken and shall state the specific reasons which
16 necessitated such action.

17 SECTION 2. Sections 35-3-5 and 35-3-23 of the General Laws in Chapter 35-3 entitled
18 "State Budget" are hereby amended to read as follows:

19 **§ 35-3-5 Estimates for legislature and judiciary.** – Itemized estimates of the financial

20 needs of the legislature and of the judiciary shall be submitted, ~~without revision, by the budget~~
21 ~~officer~~ to the ~~governor~~ budget officer on or before the first day of October for inclusion in the
22 budget. ~~The Governor shall submit the financial needs as requested by the legislature and judiciary~~
23 ~~without revision for inclusion in the budget recommendation to the general assembly.~~ ~~The budget~~
24 ~~officer shall provide copies to the house fiscal advisor and the senate fiscal advisor.~~ The governor
25 shall attempt to include these estimates, without revision, in the annual, consolidated state budget
26 presented to the general assembly. The governor's recommendations within the consolidated state
27 budget shall be based upon the anticipated resources available and the needs of all three branches of
28 government.

29 **§ 35-3-23 Interfund transfers.** – (a) The governor may make an interfund transfer to the

30 general fund. Prior to making an interfund transfer the governor shall give five (5) days written
31 notification of the proposed interfund transfer to the speaker of the house, the president of the
32 senate, the chairperson of the house finance committee, the chairperson of the senate finance
33 committee, the minority leader of the senate, and the minority leader of the house.

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

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

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

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

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

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

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

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

11 ~~(3) Once in each fiscal quarter from each fund the governor may make an interfund~~
12 ~~transfer. The fund(s) from which money is transferred must be made whole by June 30th in the~~
13 ~~same fiscal year as the transfer is made.~~

14 (3) There is no restriction on the number of times interfund borrowings may occur during a
15 year. Furthermore, if necessary to assure general fund liquidity, such transfers may remain
16 outstanding into the next fiscal year.

17 (4) The interfund transfer may be made notwithstanding the provisions of §§ 28-37-3 and
18 28-39-4.

19 (b) The Governor may make interfund transfers to the Employment Security Fund from the
20 Temporary Disability Insurance Fund during the 2009 and 2010 fiscal years, pursuant to Section
21 28-39-5 of the General Laws in Chapter 28-39 entitled "Temporary Disability Insurance – General
22 Provisions". At least ten (10) business days prior to taking any such action, the governor shall
23 thereupon notify, in writing, the speaker of the house, the president of the senate, and the
24 chairpersons of the house and senate finance committees. Said writing shall state specifically the
25 action to be taken and shall state the specific reasons which necessitated such action.

26 SECTION 3. Any rule or regulation promulgated by an agency or department that is
27 deemed necessary or advisable to achieve budgetary savings during fiscal years 2009 or 2010 shall
28 be effective immediately as an emergency rule upon the agency's or department's filing thereof
29 with the secretary of state, as it is hereby found that the current fiscal crisis in this state has caused
30 an imminent peril to the public health, safety, and welfare. As such, agencies or departments are
31 hereby exempted from the requirements of §§ 42-35-3(b) relating to agency findings of imminent
32 peril to public health, safety and welfare and the filing of statements of the agency's reasons
33 thereof.

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

2 **ARTICLE 3**

3 **RELATING TO BUDGET RESERVE FUND**

4 SECTION 1. There is hereby appropriated \$38,374,852 from the Budget Reserve and
5 Cash Stabilization Account for FY 2008.

6 SECTION 2. This article shall take effect upon passage and shall be retroactive to June 30,
7 2008.

8 **ARTICLE 4**

9 **RELATING TO RETIREE HEALTH CARE TRUST FUND**

10 SECTION 1. Sections 36-12.1-5, 36-12.1-12, 36-12.1-13, 36-12.1-15, 36-12.1-18 and 36-
11 12.1-19 of the General Laws in Chapter 36-12.1 entitled "Retiree Health Care Trust Fund" are hereby
12 amended to read as follows:

13 **§ 36-12.1-5 Establishment of OPEB system.** – An OPEB System is hereby established and
14 placed under the management of the OPEB Board for the purpose of providing and administering
15 OPEB Benefits for Retired Employees of the State of Rhode Island and their dependants under the
16 provisions of chapter 36-12, entitled "Insurance Benefits", of this title, and for retired non-classified
17 employees who are participants in the Board of Governors for Higher Education's alternate retirement
18 plans. The OPEB System so created shall begin operation as of July 1, ~~2008~~ 2010. It shall have the
19 power and privileges of a corporation and shall be known as the "Rhode Island State Employees' and
20 Electing Teachers OPEB System" and by that name all of its business shall be transacted.

21 **§ 36-12.1-12 Annual report and statement.** – The OPEB Board shall submit to the
22 governor for transmittal to the general assembly, on or before the first day of January in each year
23 beginning in 2011, an annual report showing the financial transactions of the system for the fiscal
24 year of the state next preceding said date. The report shall contain, among other things, a statement of
25 plan net assets, a statement of changes in plan net assets, a valuation balance sheet as prepared by the
26 actuary, and other statistical data as are deemed necessary for a proper interpretation of the condition
27 of the system and the results of its operations. The report shall also embody such other data as may be
28 of use in the advancement of knowledge concerning state employee OPEB and any recommendations
29 of the board for changes in the laws pertaining to the system. The OPEB Board shall cause to be
30 published for distribution among the members of the system a financial statement summarizing the
31 results of operations for the fiscal year. All financial statements issued by the OPEB Board shall
32 conform to the requirements of GAAP.

33 **§ 36-12.1-13 Executive officers and secretary.** – (a) The Board shall elect a Chairperson
34 and Secretary. Moreover, the State Controller shall serve as the Treasurer.

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

5 **§ 36-12.1-15 Payment of administrative expenses of the OPEB board and maintaining**
6 **the OPEB system – Restricted receipts account.** – (a) There is hereby created within the general
7 fund a restricted receipt account entitled the "OPEB system restricted receipt account", the proceeds
8 of which shall be used solely to pay the expenses of the OPEB Board, the cost of maintaining the
9 OPEB System, and the costs of administering the OPEB System.

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

17 **§ 36-12.1-18 Periodic actuarial investigations and valuations.** – Every year beginning
18 with fiscal year ~~2009~~ 2012, the actuary shall make an actuarial investigation into the mortality,
19 service, and compensation experience of the members and beneficiaries of the OPEB System, and
20 shall make a valuation of the assets and liabilities of the system, and, taking into account the result of
21 the investigation and valuation, the OPEB Board shall:

22 (1) Adopt for the OPEB System, such mortality, service, and other tables as shall be deemed
23 necessary in the OPEB System; and

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

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

28 On the basis of such tables as the OPEB Board shall adopt, the actuary shall make an annual
29 valuation of the liabilities of the funds of the system created by this chapter and the investment
30 advisor or investment manager appointed by the OPEB Board shall make an annual valuation of the
31 assets of the OPEB System.

32 **§ 36-12.1-19 State contributions.** – (a) The State of Rhode Island shall make its
33 contribution for the maintenance of the system, including the proper and timely payment of benefits,
34 by annually appropriating an amount equal to a percentage of the total compensation paid to the

1 active membership and teacher payroll base. The percentage shall be computed by the actuary
2 employed by the OPEB Board and shall be certified by the OPEB Board to the director of
3 administration on or before the fifteenth day of October in each year, beginning in 2011. In arriving at
4 the yearly employer contribution the actuary shall determine the value of:

5 (1) The contributions made by the members;

6 (2) Income on investments; and

7 (3) Other income of the system.

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

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

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

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

15 (d) The Board of Governors for Higher Education shall remit to the general treasurer that
16 employer's share of the contribution for its non-classified employees, and those of the University of
17 Rhode Island, Rhode Island College, and the Community College of Rhode Island, pursuant to § 16-
18 17.1-1 et seq., and in a manner consistent with sound accounting and actuarial practice.

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

21 **§ 36-12.1-28. Implementation** - Notwithstanding any law to the contrary, the provisions of
22 Chapter 36-12.1 entitled "Retiree Health Care Trust Fund" shall be implemented by July 1, 2010.

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

24 ARTICLE 5

25 RELATING TO UNEMPLOYMENT INSURANCE BENEFITS

26 SECTION 1. Sections 28-44-14 and 28-44-19 of the General Laws in Chapter 28-44
27 entitled "Employment Security – Benefits" are hereby amended to read as follows:

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

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

33 (2) Seven (7) consecutive days, commencing with the Sunday of the week in which the
34 claimant filed a claim for benefits, during which that individual is employed less than full time due

1 to lack of work and during which he or she has earned remuneration for services performed in an
2 amount less than his or her weekly benefit rate; provided, that no waiting period credit can be given
3 in either case if a disqualification has been imposed with respect to the whole or any portion of that
4 seven (7) day period under § 28-44-12 or §§ 28-44-16 – 28-44-21.

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

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

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

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

17 (f) Notwithstanding the provisions of this section, no waiting period shall be in effect from
18 the date of enactment of this article through June 30, 2009.

19 **§ 28-44-19 Receipt of compensation.** – (a) An individual shall be disqualified from
20 receiving benefits for any week of his or her unemployment occurring within any period with
21 respect to which that individual is currently receiving, or has received, remuneration in the form of:

22 (1) Compensation for temporary partial disability under a workers' compensation law of
23 any state or under a similar law of the United States; or

24 (2) Benefits under an unemployment compensation law of any state or of the United States;
25 or

26 (3) Severance pay from his or her last employer prorated on a weekly basis beginning the
27 individual's first week of unemployment.

28 (b) If the remuneration designated in subsection (a) of this section is less than the benefits
29 which would otherwise be due under chapters 42 – 44 of this title, he or she shall be entitled to
30 receive for that week, if otherwise eligible, benefits reduced by the amount of that remuneration.

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

32 **ARTICLE 6**
33 **RELATING TO EMPLOYMENT SECURITY FUND – LOANS AND INTEREST**

1 SECTION 1. Section 28-39-5 of the General Laws in Chapter 28-39 entitled “Temporary
2 Disability Insurance – General Provisions” is hereby amended to read as follows:

3 **§ 28-39-5 Withdrawals from fund.** – (a) The temporary disability insurance fund shall be
4 administered and used solely to pay benefits upon vouchers drawn on the fund by the director
5 pursuant to regulations and no other disbursements shall be made from it except as provided in §§
6 28-39-33, 28-39-34, and 28-40-6. Those regulations shall be governed by and be consistent with
7 any applicable constitutional requirements, but the procedure prescribed by those rules shall be
8 deemed to satisfy and shall be in lieu of any and all statutory requirements for specific
9 appropriation or other formal release by state officers of state moneys prior to their expenditure
10 which might otherwise be applicable to withdrawals from the fund.

11 (b) The governor may make an interfund transfer from the temporary disability insurance
12 fund to the employment security fund for the payment of unemployment compensation benefits. An
13 interfund transfer can be made under the following circumstances and on the following conditions:

14 (1) The governor must find that:

15 (i) All funds in the employment security fund, exclusive of any remaining Reed Act monies
16 received from the federal government, have been or are about to be exhausted;

17 (ii) The anticipated cash expenditures exceed the anticipated cash available; and

18 (iii) It is in the best interest of the state to avoid borrowing from the federal government for
19 the payment of unemployment compensation benefits.

20 (2) Once in each fiscal quarter the governor may make an interfund transfer from the
21 temporary disability insurance fund to the employment security fund. The temporary disability
22 insurance fund from which money is transferred must be made whole by June 30th in the same
23 fiscal year as the transfer is made.

24 SECTION 2. Section 28-42-84 of the General Laws in Chapter 28-44 entitled
25 “Employment Security – General Provisions” is hereby amended to read as follows:

26 **§ 28-42-84 Job development fund – Disbursements – Unexpended balance.** – (a)

27 The moneys in the job development fund shall be used for the following purposes:

28 (1) To reimburse the department of labor and training for the loss of any federal funds
29 resulting from the collection and maintenance of the fund by the department;

30 (2) To make refunds of contributions erroneously collected and deposited in the fund;

31 (3) To pay any administrative expenses incurred by the department of labor and training
32 associated with the collection of the contributions for employers paid pursuant to § 28-43-8.5, and

1 any other administrative expenses associated with the maintenance of the fund, including the
2 payment of all premiums upon bonds required pursuant to § 28-42-85;

3 (4) To provide for job training, counseling and assessment services, and other related
4 activities and services. Services will include, but are not limited to, research, development,
5 coordination, and training activities to promote workforce development and business development
6 as established by the human resource investment council;

7 (5) To support the state's job training for economic development; and

8 (6) Beginning January 1, 2001, two hundredths of one percent (0.02%) out of the twenty-
9 one hundredths of one percent (0.21%) job development assessment paid pursuant to § 28-43-8.5
10 shall be used to support necessary core services in the unemployment insurance and employment
11 services programs operated by the department of labor and training;

12 (b) In addition to the purposes outlined in subsection (a), for the period from January 1,
13 2009 through June 30, 2011, the moneys in the job development fund may also be used for the
14 following purposes:

15 (1) To make payments of interest due on funds transferred from the temporary disability
16 insurance fund to the employment security fund; and

17 (2) To make payments of interest due on federal advances received from the federal
18 unemployment account under 42 U.S.C. § 1321 et. seq., in accordance with applicable federal law
19 and regulations.

20 ~~(b)~~(c) The general treasurer shall pay all vouchers duly drawn by the council upon the fund,
21 in any amounts and in any manner that the council may prescribe. Vouchers so drawn upon the
22 fund shall be referred to the controller within the department of administration. Upon receipt of
23 those vouchers, the controller shall immediately record and sign them and shall promptly transfer
24 those signed vouchers to the general treasurer. Those expenditures shall be used solely for the
25 purposes specified in this section and its balance shall not lapse at any time but shall remain
26 continuously available for expenditures consistent with this section. The general assembly shall
27 annually appropriate the funds contained in the fund for the use of the human resource investment
28 council and, in addition, for the use of the department of labor and training effective July 1, 2000.

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

ARTICLE 7

RELATING TO STATE AID

30 SECTION 1. Section 42-61.2-7 of the General Laws in Chapter 42-61.2 entitled
31 “Video Lottery Terminal” is hereby amended to read as follows:

1 **§ 42-61.2-7 Division of revenue.** – (a) Notwithstanding the provisions of § 42-61-15, the
2 allocation of net terminal income derived from video lottery games is as follows:

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

6 (i) Except for the fiscal year ending June 30, 2008, nineteen one hundredths of one percent
7 (0.19%) up to a maximum of twenty million dollars (\$20,000,000) shall be equally allocated to the
8 distressed communities as defined in § 45-13-12 provided that no eligible community shall receive
9 more than twenty-five percent (25%) of that community's currently enacted municipal budget as its
10 share under this specific subsection. Distributions made under this specific subsection are
11 supplemental to all other distributions made under any portion of general laws § 45-13-12. For the
12 fiscal year ending June 30, 2008 distributions by community shall be identical to the distributions
13 made in the fiscal year ending June 30, 2007 and shall be made from general appropriations. For
14 the fiscal year ending June 30, 2009, the total state distribution shall be the same total amount
15 distributed in the fiscal year ending June 30, 2008 and shall be made from general appropriations.

16 (ii) Five one hundredths of one percent (0.05%) up to a maximum of five million dollars
17 (\$5,000,000) shall be appropriated to property tax relief to fully fund the provisions of § 44-33-2.1.
18 The maximum credit defined in subdivision 44-33-9(2) shall increase to the maximum amount to the
19 nearest five dollar (\$5.00) increment within the allocation until a maximum credit of five hundred
20 dollars (\$500) is obtained. In no event shall the exemption in any fiscal year be less than the prior
21 fiscal year.

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

26 (iv) Except for the fiscal year ending June 30, 2008, ten one hundredths of one percent
27 (0.10%) to a maximum of ten million dollars (\$10,000,000) for supplemental distribution to
28 communities not included in paragraph (a)(1)(i) above distributed proportionately on the basis of
29 general revenue sharing distributed for that fiscal year. For the fiscal year ending June 30, 2008
30 distributions by community shall be identical to the distributions made in the fiscal year ending June
31 30, 2007 and shall be made from general appropriations. For the fiscal year ending June 30, 2009,
32 ~~the total state distribution shall be the same total amount distributed in the fiscal year ending June~~
33 ~~30, 2008 and shall be made from general appropriations~~ no funding shall be disbursed.

1 (2) To the licensed video lottery retailer:

2 (a) Prior to the effective date of the NGJA Master Contract, Newport Jai Ali twenty-six
3 percent (26%) minus three hundred eighty four thousand nine hundred ninety-six dollars
4 (\$384,996);

5 (ii) On and after the effective date of the NGJA Master Contract, to the licensed video
6 lottery retailer who is a party to the NGJA Master Contract, all sums due and payable under said
7 Master Contract minus three hundred eighty four thousand nine hundred ninety-six dollars
8 (\$384,996).

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

13 (ii) On and after the effective date of the UTGR Master Contract, to the licensed video
14 lottery retailer who is a party to the UTGR Master Contract, all sums due and payable under said
15 Master Contract minus seven hundred sixty-seven thousand six hundred eighty-seven dollars
16 (\$767,687).

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

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

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

25 (4) To the city of Newport one and one hundredth percent (1.01%) of net terminal income of
26 authorized machines at Newport Grand and to the town of Lincoln one and twenty-six hundredths
27 (1.26%) of net terminal income of authorized machines at Lincoln Park; and

28 (5) To the Narragansett Indian Tribe, seventeen hundredths of one percent (0.17%) of net
29 terminal income of authorized machines at Lincoln Park up to a maximum of ten million dollars
30 (\$10,000,000) per year, which shall be paid to the Narragansett Indian Tribe for the account of a
31 Tribal Development Fund to be used for the purpose of encouraging and promoting: home
32 ownership and improvement, elderly housing, adult vocational training; health and social services;
33 childcare; natural resource protection; and economic development consistent with state law.

1 Provided, however, such distribution shall terminate upon the opening of any gaming facility in
2 which the Narragansett Indians are entitled to any payments or other incentives; and provided
3 further, any monies distributed hereunder shall not be used for, or spent on previously contracted
4 debts.

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

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

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

11 **§ 45-13-1 Apportionment of annual appropriation for state aid.** – (a) As used in this
12 chapter, the following words and terms have the following meanings:

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

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

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

22 (4) "Reference year" means the second fiscal year preceding the beginning of the fiscal year
23 in which the distribution of state aid to cities and towns is made provided however that the
24 reference year for distributions made in fiscal year 2007-2008 shall be the third fiscal year
25 preceding the beginning of the fiscal year 2007-2008 and provided further that the reference year
26 for distributions made in fiscal year 2008-2009 shall be the fourth fiscal year preceding the
27 beginning of the fiscal year 2008-2009.

28 (b) Aid to cities and towns shall be apportioned as follows: For each county, city or town,
29 let R be the tax effort divided by the square of per capita income, i.e., $R = (\text{tax effort})/(\text{income} \times$
30 $\text{income})$.

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

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

4 The amount to be allocated to any city or town is the amount allocated to all cities or all
5 towns within the county apportioned in the ratio of the value of R for that city (or town) divided by
6 the sum of the values of R for all cities (or all towns) in that county; provided, further, that no city
7 or town shall receive an entitlement in excess of one hundred forty-five percent (145%) of that city
8 or town's population multiplied by the average per capita statewide amount of the annual
9 appropriation for state aid to cities and towns. Any excess entitlement shall be allocated to the
10 remainder of the cities and towns in the respective county in accordance with the provisions of this
11 section.

12 For fiscal year 2004, notwithstanding the provisions of subsection (a), aid calculations shall
13 be based on a blended rate of ninety percent (90%) of the data from the 1990 census and ten
14 percent (10%) of the data from the 2000 census. In each of the succeeding nine (9) fiscal years, the
15 calculations shall be based on a blended rate that increases the percentage of data utilized from the
16 2000 census by ten percent (10%) from the previous year and decreases the percentage of the data
17 utilized from the 1990 census by ten percent (10%) from the previous year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 ARTICLE 8

23 RELATING TO PUBLIC UTILITIES COMMISSION

24 SECTION 1. Sections 39-1-4 and 39-1-8 of the General Laws in Chapter 39-1 entitled
25 "Public Utilities Commission" are hereby amended to read as follows:

26 **§ 39-1-4. Composition of commission -- Terms -- Vacancies.** -- (a) The public utilities
27 commission shall consist of ~~five (5)~~ three (3) electors selected with regard to their qualifications and
28 experience in law and government, energy matters, economics and finance, engineering and
29 accounting, and appointed by the governor with the advice and consent of the senate. ~~At least three~~
30 ~~(3) of the five (5) commissioners shall not be, nor shall have been within the previous five (5)~~
31 ~~years, an employee, officer or director of any business whose activities are subject to regulation by~~
32 ~~the commission, or any affiliate of it.~~ The term of each commissioner shall be six (6) years. The

1 director of administration, with the approval of the governor, shall allocate the position of each
2 commissioner to one of the grades established by the pay plan for unclassified employees.

3 (b) ~~Within thirty (30) days after January 1, 2004, the governor, with the advice and consent~~
4 ~~of the senate, shall appoint one commissioner to serve until the first day of March, 2010, and until~~
5 ~~his or her successor is appointed and qualified, and one commissioner to serve until the first day of~~
6 ~~March, 2008, and until his or her successor is appointed and qualified.~~ During the month prior to
7 the expiration of the term of a commissioner the governor, with the advice and consent of the
8 senate shall appoint a commissioner to succeed the commissioner whose term will then next expire,
9 to serve for a term of six (6) years commencing on the first day of March then next following, and
10 until his or her successor is appointed and qualified. A commissioner shall be eligible to succeed
11 him or herself. Upon the expiration of the term of the chairperson, the governor may designate any
12 commissioner as chairperson.

13 (c) A vacancy in the office of a commissioner, other than by expiration, shall be filled in
14 like manner as an original appointment, but only for the unexpired portion of the term. If a vacancy
15 occurs when the senate is not in session, the governor shall appoint a person to fill the vacancy, but
16 only until the senate shall next convene and give its advice and consent to a new appointment.

17 § 39-1-8. Quorum -- Meetings. -- ~~A majority of the Two (2)~~ commissioners shall
18 constitute a quorum for the transaction of any business, except as provided in § 39-1-11. Meetings
19 of the commission may be held at any time or place upon the call of any member, after a reasonable
20 notice by mail or ~~telegraph~~ telephone to the other members, and shall be held at such times and
21 places as in the judgment of the commission will best serve the convenience of all parties in
22 interest.

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

24 ARTICLE 9

25 RELATING TO ENERGY REVOLVING FUND

26 SECTION 1. Section 37-8-17.2 of the General Laws in Chapter 37-8 entitled "Public
27 Buildings" is hereby repealed in its entirety.

28 § 37-8-17.2 Energy revolving fund. ~~(a) There is hereby created as a separate fund~~
29 ~~within the treasury the energy revolving fund which shall be administered by the general treasurer~~
30 ~~in accordance with the same laws and fiscal procedures as the general funds of the state. The fund~~
31 ~~shall consist of such sums as the state may from time to time appropriate, as well as money~~
32 ~~received from the federal government, gifts, bequests, donations, utility provided subsidies, or~~
33 ~~otherwise from any public or private source, which money is intended to implement and encourage~~

1 ~~energy efficiency and cost reduction measures in state and municipal owned and leased facilities or~~
2 ~~alternative fuel vehicles.~~

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

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

14 ~~(d) The Rhode Island state energy office of the Rhode Island department of administration~~
15 ~~shall adopt rules and regulations consistent with the purposes of this chapter and chapter 35 of title~~
16 ~~42, administrative procedures, which provide for an orderly and equitable disbursement and~~
17 ~~repayment of funds.~~

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

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

ARTICLE 10

RELATING TO DIVISION OF MOTOR VEHICLES

21 SECTION 1. Section 31-2-6 of the General Laws in Chapter 31-2 entitled "Division of
22 Motor Vehicles" is hereby repealed.

23 ~~**§ 31-2-6 Offices.** The administrator shall maintain offices in those places in the state that~~
24 ~~he or she may deem necessary to properly carry out the powers and duties vested in the division of~~
25 ~~motor vehicles. The administrator shall maintain a branch office in the town of Warren and keep~~
26 ~~that office open for business at least three (3) days per week.~~

27 SECTION 2. Sections 31-3.1-6, 31-3.1-11, 31-3.1-12, 31-3.1-19, and 31-3.1-20 of the
28 General Laws in Chapter 31-3.1 entitled "Certificates of Title and Security Interests" are hereby
29 amended to read as follows:

30 **§ 31-3.1-6 Issuance and records.** - (a) The division of motor vehicles shall file each
31 application received and, when satisfied as to its genuineness and regularity and that the applicant is

1 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 issued
4 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 determines.

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

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

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

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

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

27 **§ 31-3.1-12 Transfer.** – (a) If the owner transfers his or her interest in a vehicle, other
28 than by the creation of a security interest, he or she shall, at the time of the delivery of the vehicle,
29 execute an assignment and warranty of title to the transferee in the space provided for it on the
30 certificate or as the division of motor vehicles prescribes, and cause the certificate and assignment
31 to be mailed or delivered to the transferee or to the division of motor vehicles.

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

1 it on the certificate or as the division of motor vehicles prescribes, and cause the certificate and
2 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 of
4 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 does
9 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 of
11 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 is
14 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 complied
16 with the provisions of this section and § 31-3.1-15, requiring action by him or her, is not liable as
17 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 and
20 Cost Savings Act, 49 U.S.C. § 32705(b)(2), as amended, and any regulations promulgated pursuant
21 to it, and this form may be used in connection with transfers of title under this section to the full
22 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 also
30 be perfected by the execution of a security lien statement and the required fee of ~~twenty five dollars~~
31 ~~(\$25.00)~~ fifty dollars (\$50.00) and registration card.

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

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

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

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

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

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

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

25 **§ 31-3.1-20 Security interest – Change of certificate.** – If an owner creates a security
26 interest in a vehicle:

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

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

1 (3) Upon request of the owner or subordinate lienholder, a lienholder in possession of the
2 certificate of title shall either mail or deliver the certificate to the subordinate lienholder for
3 delivery to the division of motor vehicles or, upon receipt from the subordinate lienholder of the
4 owner's application and the required fee and registration card, mail or deliver them to the division
5 of motor vehicles with the certificate. The delivery of the certificate does not affect the rights of the
6 first lienholder under his or her security agreement.

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

11 SECTION 3. Section 31-8-4 of the General Laws in Chapter 31-8 entitled "Offenses
12 Against Registration and Certificate of Title Laws" is hereby amended to read as follows:

13 **§ 31-8-4 Suspension or revocation of registration or certificate of title.** – (a) The
14 division of motor vehicles is authorized to suspend or revoke the registration of a vehicle or a
15 certificate of title, registration card, or registration plate, or any nonresident or other permit, in any
16 of the following events:

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

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

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

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

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

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

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

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

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

4 SECTION 4. Section 31-11-10 of the General Laws in Chapter 31-11 entitled “Suspension
5 or Revocation of Licenses - Violations” is hereby amended to read as follows:

6 **§ 31-11-10 Reinstatement after revocation or suspension.** – (a) Any person whose
7 license or privilege to drive a motor vehicle on the public highways has been revoked or suspended
8 shall not be entitled to have a license or privilege renewed or restored unless the revocation or
9 suspension was for a cause which has been removed. After the expiration of the term of the
10 revocation or suspension he or she may apply to be restored to his or her right to drive, but the
11 division of motor vehicles shall not grant the application unless and until it is satisfied after
12 investigation of the driving ability of the person that it will be safe to license him or her to drive a
13 motor vehicle on the public highways and it has received a reinstatement fee of ~~seventy five dollars~~
14 ~~(\$75.00)~~ two hundred and fifty dollars (\$250.00). The reinstatement fee and assessment fee shall
15 not be required by any person whose license was suspended on the basis of physical or mental
16 fitness and who has later been declared competent to operate a motor vehicle.

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

20 SECTION 5. Sections 31-46-2 and 31-46-3 of the General Laws in Chapter 31-46 entitled
21 “Rhode Island Salvage Law” are hereby amended to read as follows:

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

32 **§ 31-46-3. Salvage by non-insurer.** – If the total cost of repairs to rebuild or reconstruct
33 the motor vehicle to its condition immediately before it was wrecked, destroyed or damaged, and

1 for legal operations on the roads or highways, exceeds seventy-five percent (75%) of the fair
2 market value of the motor vehicle immediately preceding the time it was wrecked, destroyed or
3 damaged, and the motor vehicle is less than seven (7) years beyond the date of manufacture, the
4 owner shall return within ten (10) days to the division of motor vehicles, the certificate of title of
5 that vehicle and obtain a salvage certificate of title for that vehicle as prescribed for by the
6 administrator of the division of motor vehicles. For the purposes of this section, "fair market value"
7 shall mean the retail value of a motor vehicle as set forth in a current edition of any nationally
8 recognized compilation of retail values, including automated databases, or from publications
9 commonly used by the automotive industry to establish the values of motor vehicles, or determined
10 pursuant to market survey of comparable vehicles with regard to condition and equipment. If any
11 person, individual, or corporation or other owner sells the motor vehicle for any reason, that owner
12 shall make application for a salvage certificate of title. The division of motor vehicles shall issue
13 the salvage certificate of title on a form prescribed by the administrator of the division of motor
14 vehicles that shall be of a color easily distinguished from the original certificate of title and shall
15 bear the same number and information as the original certificate of title. The administrator of the
16 division of motor vehicles shall charge the owner a fee of ~~twenty-five dollars (\$25.00)~~ fifty dollars
17 (\$50.00) for the cost of processing each salvage certificate of title.

18 SECTION 6. Sections 1 and 3 shall take effect as of February 1, 2009. Section 2 shall
19 take effect as of March 1, 2009.

20 **ARTICLE 11**

21 **RELATING TO CIGARETTE TAX**

22 SECTION 1. Sections 44-19-10.1 and 44-19-10.2 of the General Laws in Chapter 44-19
23 entitled "Sales and Use Taxes - Enforcement and Collection" are hereby amended to read as
24 follows:

25 **§ 44-19-10.1. Prepayment of sales tax on cigarettes.** - (a) Every distributor and dealer
26 licensed pursuant to chapter 20 of this title shall pay, as a prepayment for the taxes imposed by
27 chapter 18 of this title, a tax on cigarettes possessed for sale or use in this state and upon which the
28 distributor or dealer is required to affix cigarette stamps pursuant to chapter 20 of this title. The tax
29 shall be computed annually by multiplying the minimum price of standard brands of cigarettes in
30 effect as of ~~April 1, 2005~~ February 3, 2009 and subject to review each April 1 thereafter, by the
31 tax rate imposed by §§ 44-18-18 and 44-18-20. The minimum price of standard brands of cigarettes
32 shall be determined in accordance with chapter 6 of title 13 and the regulations promulgated by the
33 tax administrator. The tax shall be prepaid at the time the distributor or dealer purchases such

1 stamps from the tax administrator. However, the tax administrator may, in his or her discretion,
2 permit a licensed distributor or licensed dealer to pay for the prepayment within thirty (30) days
3 after the date of purchase, provided that a bond satisfactory to the tax administrator in an amount
4 not less than the prepayment due shall have been filed with the tax administrator conditioned upon
5 payment for the prepayment of sales tax. The tax administrator shall keep accurate records of all
6 stamps sold to each distributor and dealer.

7 (b) The provisions of § 44-20-12 relating to the use of stamps to evidence payment of the
8 tax imposed by chapter 20 of this title shall be applicable to the prepayment requirement of the
9 sales/use tax imposed by this section. Provided, however, no sales/use tax is required to be prepaid
10 on sales of cigarettes sold to the United States, its agencies and instrumentalities or the armed
11 forces of the United States, this state (including any city, town, district or other political
12 subdivision) and any other organization qualifying as exempt under § 44-18-30(5).

13 (c) Except as otherwise provided in this section, all other provisions of chapters 18 and 19
14 of this title applicable to administration and collection of sales/use tax shall apply to the prepayment
15 requirement pursuant to this section.

16 (d) All taxes paid pursuant to this section are conclusively presumed to be a direct tax on
17 the retail consumer, precollected for the purpose of convenience and facility only.

18 **§ 44-19-10.2. Floor stock tax on inventory.** – (a) A floor tax is imposed on the inventory
19 of stamped packages of cigarettes held for sale in this state at 12:01 A.M. on ~~July 1, 2005~~, other
20 ~~than the inventory of cigarettes offered for sale to a consumer at retail~~ February 3, 2009. The floor
21 tax will apply to the stamped cigarette inventory of distributors, ~~and dealers but not to the inventory~~
22 ~~of retail sellers to the extent the inventory is held for retail sale. If a distributor or dealer also sells~~
23 ~~at the retail level, the stamped inventory held for sale at a retail location shall not be included in the~~
24 ~~inventory subject to the floor tax.~~ In addition, the floor tax will apply to any unaffixed tax stamps in
25 the possession of a distributor or dealer at 12:01 A.M. on ~~July 1, 2005~~ February 3, 2009 that had
26 been issued prior to that date. The inventory necessary to account for the floor tax must be taken as
27 of the close of business on ~~June 30, 2005~~ February 2, 2009.

28 (b) The floor tax shall be computed in the same manner as the prepayment of sales tax on
29 cigarettes as set forth in subsection 44-19-10.1(a); provided that credit shall be allowed for any
30 sales tax paid on said cigarettes or unaffixed tax stamps prior to February 3, 2009.

31 SECTION 2. Sections 44-20-12, 44-20-13 and 44-20-19 of the General Laws in Chapter
32 44-20 entitled “Cigarette Tax” are hereby amended to read as follows:

1 **§ 44-20-12. Tax imposed on cigarettes sold.** – A tax is imposed on all cigarettes sold or
2 held for sale in the state. The payment of the tax to be evidenced by stamps, which may be affixed
3 only by licensed distributors to the packages containing such cigarettes. Any cigarettes on which the
4 proper amount of tax provided for in this chapter has been paid, payment being evidenced by the
5 stamp, is not subject to a further tax under this chapter. The tax is at the rate of ~~one hundred~~
6 ~~twenty three (123)~~ one hundred sixty-five (165) mills for each cigarette.

7 **§ 44-20-13. Tax imposed on unstamped cigarettes.** - A tax is imposed at the rate of ~~one~~
8 ~~hundred twenty three (123)~~ one hundred sixty-five (165) mills for each cigarette upon the storage or
9 use within this state of any cigarettes not stamped in accordance with the provisions of this chapter
10 in the possession of any consumer within this state.

11 **§ 44-20-19. Sales of stamps to distributors.** – The tax administrator shall sell stamps only
12 to licensed distributors at a discount. The distributor remits to the division of taxation ~~ninety-eight~~
13 ~~and three-fourths percent (98.75%)~~ ninety-nine percent (99.00%) of the face value of the stamps
14 thereby receiving a discount of ~~one and one-quarter percent (1.25%)~~ one percent (1.00%) of the
15 face value of the stamps. The ~~ninety-eight and three-fourths percent (98.75%)~~ ninety-nine percent
16 (99.00%) remitted to the tax administrator is paid over to the general revenue. The tax
17 administrator may, in his or her discretion, permit a licensed distributor to pay for the stamps
18 within thirty (30) days after the date of purchase; provided, that a bond satisfactory to the tax
19 administrator in an amount not less than the sale price of the stamps has been filed with the tax
20 administrator conditioned upon payment for the stamps. The tax administrator shall keep accurate
21 records of all stamps sold to each distributor.

22 SECTION 3. Chapter 44-20 of the General Laws entitled “Cigarette Tax” is hereby
23 amended by adding thereto the following section:

24 **§ 44-20-12.3. Floor stock tax on cigarettes and stamps.** – (a) Whenever used in this
25 section, unless the context requires otherwise:

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

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

29 (b) Each person engaging in the business of selling cigarettes at retail in this state shall pay
30 a tax or excise to the state for the privilege of engaging in that business during any part of the
31 calendar year 2009. In calendar year 2009, the tax shall be measured by the number of cigarettes
32 held by the person in this state at 12:01 a.m. on February 3, 2009 and is computed at the rate of
33 forty-two (42.0) mills for each cigarette on February 3, 2009.

1 (c) Each distributor licensed to do business in this state pursuant to this chapter shall pay a
2 tax or excise to the state for the privilege of engaging in business during any part of the calendar
3 year 2009. The tax is measured by the number of stamps, whether affixed or to be affixed to
4 packages of cigarettes, as required by § 44-20-28. In calendar year 2009 the tax is measured by the
5 number of stamps, as defined in § 44-20-1(10), whether affixed or to be affixed, held by the
6 distributor at 12:01 a.m. on February 3, 2009, and is computed at the rate of forty-two (42.0) mills
7 per cigarette in the package to which the stamps are affixed or to be affixed.

8 (d) Each person subject to the payment of the tax imposed by this section shall, on or
9 before February 15, 2009, file a return with the tax administrator on forms furnished by him or
10 her, under oath or certified under the penalties of perjury, showing the amount of cigarettes or
11 stamps in that person's possession in this state at 12:01 a.m. on February 3, 2009, and the amount
12 of tax due, and shall at the time of filing the return pay the tax to the tax administrator. Failure to
13 obtain forms shall not be an excuse for the failure to make a return containing the information
14 required by the tax administrator.

15 (e) The tax administrator may promulgate rules and regulations, not inconsistent with law,
16 with regard to the assessment and collection of the tax imposed by this section.

17 SECTION 4. This article shall take effect as of February 3, 2009.

1 **ARTICLE 12**

RELATING TO GROSS PREMIUMS TAX ON HEALTH INSURANCE COMPANIES

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

4 **§ 44-17-1 Companies required to file - Payment of tax - Retaliatory rates.** - (a) Every
5 domestic, foreign, or alien insurance company, mutual association, organization, or other insurer,
6 including any health maintenance organization, as defined in § 27-41-1, any nonprofit dental service
7 corporation as defined in § 27-20.1-2 and any nonprofit hospital or medical service corporation, as
8 defined in chapters 27-19 and 27-20, except companies mentioned in § 44-17-6, and organizations
9 defined in § 27-25-1, transacting business in this state, shall, on or before March 1 in each year,
10 file with the tax administrator, in the form that he or she may prescribe, a return under oath or
11 affirmation signed by a duly authorized officer or agent of the company, containing information that
12 may be deemed necessary for the determination of the tax imposed by this chapter, and shall at the
13 same time pay an annual tax to the tax administrator of two percent (2%) of the gross premiums on
14 contracts of insurance, except:

15 (1) Entities subject to chapters 27-19, 27-20, and 27-20.1 shall pay the following: ~~one and~~
16 ~~three quarters percent (1.75%)~~ two (2.0%) percent of the gross premiums on contracts of
17 insurance, excluding any business related to the administration of programs under Title XIX of the
18 Social Security Act, 42 U.S.C.; provided, further, notwithstanding any provision of the law to the
19 contrary, installment payments shall equal at least ninety percent (90%) of estimated liability in the
20 first year; or

21 (2) Health maintenance organizations as defined in § 27-41-1, shall pay the following: ~~one~~
22 ~~and three quarters percent (1.75%)~~ two (2.0%) percent of the gross premiums on contracts of
23 insurance, excluding any business related to the administration of programs under Title XIX of the
24 Social Security Act, 42 U.S.C.; provided, further, notwithstanding any provision of the law to the
25 contrary, installment payments shall equal at least ninety percent (90%) of estimated liability in the
26 first year; or

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

1 SECTION 2. This article shall take effect upon passage and shall apply to tax years
2 beginning on or after January 1, 2009.

3 **ARTICLE 13**

4 **RELATING TO UNDERGROUND STORAGE TANK REVIEW BOARD**

5 SECTION 1. Sections 46-12.9-8 and 46-12.9-11 of the General Laws in Chapter 46-12.9
6 entitled "Rhode Island Underground Storage Tank Financial Responsibility Act" are hereby
7 amended to read as follows:

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

11 (b) The review board shall consist of nine (9) members, as follows: the director of the
12 department of environmental management or his or her designee who shall be a subordinate within
13 the department of environmental management. The governor, with the advice and consent of the
14 senate, shall appoint eight (8) public members one of whom shall have expertise and experience in
15 financial matters. In making these appointments the governor shall give due consideration to
16 recommendations from the American Petroleum Institute, the Independent Oil Marketers
17 Association, the Oil Heat Institute, the Environment Council, the Independent Oil Dealers
18 Association and the Rhode Island Marine Trade Association. The newly appointed members will
19 serve for a term of three (3) years commencing on the day they are qualified. Any vacancy which
20 may occur on the board shall be filled by the governor, with the advice and consent of the senate,
21 for the remainder of the unexpired term in the same manner as the member's predecessor as
22 prescribed in this section. The members of the board shall be eligible to succeed themselves.
23 Members shall serve until their successors are appointed and qualified. No one shall be eligible for
24 appointment unless he or she is a resident of this state. The members of the board shall serve
25 without compensation. Those members of the board as of the effective date of this act [July 15,
26 2005] who were appointed to the board by members of the general assembly shall cease to be
27 members of the board on the effective date of this act, and the governor shall thereupon nominate
28 three (3) members, each of whom shall serve the balance of the unexpired term of his or her
29 predecessor. Those members of the board as of the effective date of this act [July 15, 2005] who
30 were appointed to the board by the governor shall continue to serve the balance of their current
31 terms. Thereafter, the appointments shall be made by the governor as prescribed in this section.

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

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

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

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

7 (2) To make and alter bylaws, not inconsistent with this chapter, for the administration of
8 the affairs of the review board. Such bylaws may contain provisions indemnifying any person who
9 is or was a director or a member of the review board, in the manner and to the extent provided in §
10 7-6-6 of the Rhode Island nonprofit corporation act;

11 (3) To approve and submit an annual report within ninety (90) days after the end of each
12 fiscal year to the governor, the speaker of the house of representatives, the president of the senate,
13 and the secretary of state, of its activities during that fiscal year. The report shall provide: an
14 operating statement summarizing meetings or hearings held, including meeting minutes, subjects
15 addressed, and decisions rendered; a summary of the review board's actions, fees levied, collected
16 or received as prescribed in §§ 46-12.9-7 and 46-12.9-11, claims submitted, verified, approved,
17 modified, and denied as prescribed in § 46-12.9-7, and reconsideration hearings held as prescribed
18 in § 46-12.9-9; a synopsis of any law suits or other legal matters related to the authority of the
19 review board; and a summary of performance during the previous fiscal year including
20 accomplishments, shortcomings and remedies; a briefing on anticipated activities in the upcoming
21 fiscal year; and findings and recommendations for improvements; and a summary of any training
22 courses held pursuant to subdivision (f)(15) of this section. The report shall be posted electronically
23 as prescribed in § 42-20-8.2.

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

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

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

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

12 **§ 46-12.9-11 Fundings.** – (a) There is hereby imposed an environmental protection
13 regulatory fee of ~~at the rate of~~ one cent (\$0.01) per gallon payable of motor fuel, to be collected by
14 distributors of motor fuel when the product is sold to owners and/or operators of underground
15 storage tanks. Each distributor shall be responsible to the tax administrator for the collection of the
16 regulatory fee, and if the distributor is unable to recover the fee from the person who ordered the
17 product, the distributor shall nonetheless remit to the tax administrator the regulatory fee
18 associated with the delivery. In accordance with the regulations to be promulgated hereunder, the
19 fee shall be collected, reported, and paid to the Rhode Island division of taxation as a separate line
20 item entry, on a quarterly tax report by those persons charged with the collection, reporting, and
21 payment of motor fuels taxes. This fee shall be administered and collected by the division of
22 taxation. Notwithstanding the provisions of this section, the fee shall not be applicable to purchases
23 by the United States government.

24 (b) Of the one cent (\$0.01) per gallon environmental protection regulatory fee collected by
25 distributors of motor fuel and paid to the Rhode Island division of taxation, one-half cent (\$0.005)
26 shall be deposited in the Intermodal Surface Transportation Fund to be distributed pursuant to § 31-
27 36-20 and one-half cent (\$0.005) shall be paid to the underground storage tank review board. ~~All~~
28 fees derived under the provisions of this chapter. All environmental protection regulatory fees paid
29 to the review board, including tank registration fees assessed pursuant to § 46-12.9-7(9), shall be
30 paid to and received by the review board, which shall keep such money in a distinct interest bearing
31 restricted receipt account to the credit of and for the exclusive use of the fund, provided that for the
32 period January 1, 2008 through June 30, 2008, all revenues generated by the environmental
33 protection regulatory fee up to a maximum of two million dollars (\$2,000,000) shall be deposited

1 into the general fund. In fiscal year 2009, all revenues generated by the environmental protection
2 regulatory fee up to a maximum equivalent to two million two hundred thirty-seven five hundred
3 dollars (\$2,237,500) shall be deposited into the general fund. All fees collected may be invested as
4 provided by law and all interest received on such investment shall be credited to the fund.

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

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

17 SECTION 2. Section 31-36-20 of the General Laws in Chapter 31-36 entitled "Motor Fuel
18 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, and Title 46 shall be applied to and held in a separate fund and be deposited
22 in any depositories that may be selected by the general treasurer to the credit of the fund, which
23 fund shall be known as the Intermodal Surface Transportation Fund; provided, that in fiscal year
24 2004 for the months of July through April six and eighty-five hundredth cents (\$0.0685) per gallon
25 of the tax imposed and accruing for the liability under the provisions of § 31-36-7, less refunds and
26 credits, shall be transferred to the Rhode Island public transit authority as provided under § 39-18-
27 21. For the months of May and June in fiscal year 2004, the allocation shall be five and five
28 hundredth cents (\$0.0505). Thereafter, until fiscal year 2006, the allocation shall be six and twenty-
29 five hundredth cents (\$0.0625). For fiscal ~~year~~ years 2006 ~~and thereafter~~ through FY 2008, the
30 allocation shall be seven and twenty-five hundredth cents (\$0.0725); provided, that expenditures
31 shall include the costs of a market survey of non-transit users and a management study of the
32 agency to include the feasibility of moving the Authority into the Department of Transportation,
33 both to be conducted under the auspices of the state budget officer. The state budget officer shall

1 hire necessary consultants to perform the studies, and shall direct payment by the Authority. Both
2 studies shall be transmitted by the Budget Officer to the 2006 session of the General Assembly,
3 with comments from the Authority. For fiscal year 2009 and thereafter, the allocation shall be
4 seven and seventy-five hundredth cents (\$0.775), of which one-half cent (\$0.005) shall be derived
5 from the one cent (\$0.01) per gallon environmental protection fee pursuant to § 46-12.9-11. One
6 cent (\$0.01) per gallon shall be transferred to the Elderly/Disabled Transportation Program of the
7 department of elderly affairs, and the remaining cents per gallon shall be available for general
8 revenue as determined by the following schedule:

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

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

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

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

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

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

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

1 Enactment Approving the Financing of Various Department of Transportation Projects adopted
2 during the 2003 session of the General Assembly, and approved by the Governor.

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

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

20 SECTION 3. This article shall take effect on February 1, 2009.

ARTICLE 14

RELATING TO SMALL BUSINESS TAX CREDIT

21 SECTION 1. Title 44 of the General Laws entitled "Taxation" is hereby amended by
22 adding thereto the following chapter:

CHAPTER 43.1

SMALL BUSINESS TAX CREDIT

25 § 44-43.1-1. Application. – For the purposes of this chapter, a "small business" means
26 any corporation, partnership, sole proprietorship, or other business entity qualifying as "small"
27 under the standards contained in Title 13, code of federal regulations, section 121.

28 § 44-43.1-2. Credit against tax imposed. - Every small business formed under the laws of
29 the state of Rhode Island and operating within the state of Rhode Island shall be entitled to claim as
30 a credit against the tax imposed by chapters 11, 17 and 30 of this title any amount paid to the U.S.

1 small business administration (SBA) as a guaranty fee pursuant to the obtaining of SBA guaranteed
2 financing. This credit will be available to the small business up to sixty (60) months after payment
3 of the guaranty fee, provided, however, where a minimum tax is provided under this title, the
4 credit shall not reduce the tax below the minimum tax and shall be claimable only by the small
5 business which is the primary obligor in the financing transaction and which actually paid the
6 guaranty fee.

7 SECTION 2. This article shall take effect upon passage and is applicable to tax years
8 beginning on or after January 1, 2009.

1 **ARTICLE 15**

2 **RELATING TO RHODE ISLAND SMALL BUSINESS**

3 **STIMULUS GUARANTY PROGRAM**

4 SECTION 1. This Joint Resolution is submitted pursuant to Chapter 35-18 of the General
5 Laws entitled "Public Corporation Debt Management" as follows:

6 WHEREAS, the Rhode Island economic development corporation was created by the
7 general assembly pursuant to chapter 64 of title 42 of the general laws in order to, among other
8 things, promote the retention and expansion of businesses and the creation of jobs in Rhode Island;
9 and

10 WHEREAS, one of the methods utilized by the Rhode Island economic development
11 corporation to help promote and expand businesses in Rhode Island is the use of its quasi public
12 corporation powers to issue bonds and debt and guarantees of debt; and

13 WHEREAS, Rhode Island's small businesses have been limited in their ability to obtain
14 reasonable credit by the national economic downturn and recession of 2008; and

15 WHEREAS, the Rhode Island economic development corporation desires to create a loan
16 guarantee program pursuant to which it will be able to guarantee loan repayments in order to induce
17 lending to small businesses in Rhode Island; and

18 WHEREAS, the Rhode Island economic development corporation seeks to have authority
19 pursuant to chapter 18 of title 35 of the general laws to guarantee debts not to exceed \$25,000,000
20 in the aggregate of unpaid principal, interest and costs, thereby limiting the contingent cost of such
21 program to the state to such maximum amount of \$25,000,000; and

22 WHEREAS, the Rhode Island economic development corporation requests the approval of
23 the general assembly prior to undertaking such program; now, therefore, be it

24 RESOLVED, that the Rhode Island economic development corporation (the "corporation")
25 is hereby empowered and authorized pursuant to chapter 18, title 35 of the general laws to
26 guarantee the indebtedness of a borrower pursuant to the corporation's Small Business Stimulus
27 Guaranty Program as follows: (a)(i) the corporation is empowered and authorized to guaranty the
28 indebtedness of a small business borrower of up to fifteen percent (15%) of a loan that is
29 guaranteed by the United States Small Business Administration pursuant to its certified lender 7a
30 program as authorized by the United States Small Business Investment Act of 1958 and the Small
31 Business Act; and (ii) the corporation is empowered and authorized to guaranty the indebtedness of
32 a small business borrower of up to forty percent (40%) of a loan that is guaranteed by the United
33 States Small Business Administration pursuant to its SBA Express program as authorized by the

1 United States Small Business Investment Act of 1958 and the Small Business Act, provided that any
2 individual guaranty of a Small Business Administration guaranteed loan of any single small business
3 by the corporation shall not exceed \$200,000; and (b) the corporation is empowered and authorized
4 to guaranty up to ninety percent (90%) of the indebtedness of a small business borrower, provided
5 that any individual guaranty of such institutional lender loan shall not exceed \$500,000; and be it
6 further

7 RESOLVED, that the guaranties issued by the corporation shall be approved by its board of
8 directors and shall be executed by its executive director or his designee as authorized in a resolution
9 approved by the board of directors of the corporation from time to time in a form the corporation
10 may prescribe. The board of directors of the corporation may delegate approval of any guaranty to
11 the executive director when the aggregate maximum exposure of the corporation under the guaranty
12 does not exceed \$50,000. The board of directors of the corporation, or the executive director, if
13 such authorization is delegated, shall consider, among other things, a favorable underwriting
14 decision made by the borrower's lender and the Small Business Administration and reflected in a
15 well-defined written commitment of such lender to make such loan. The corporation may utilize
16 such data and retain such experts as necessary to assess and validate associated guaranty risk, and
17 the corporation may charge such borrower reasonable fees for the corporation's guaranty and
18 reimbursement of expenses; and be it further

19 RESOLVED, that in order to assure the continued operation and solvency of the
20 corporation for the carrying out of its corporate purposes, and to assure any payments due on
21 guarantees issued by the corporation pursuant to this joint resolution (i) the corporation shall create
22 a guaranty reserve fund from which shall be charged any and all expenses of the corporation with
23 respect to loan defaults that are guaranteed by the corporation pursuant to these resolutions; and (ii)
24 the corporation shall credit to the guaranty reserve fund all receipts of the corporation including
25 guaranty premiums and any other receipts or recoveries from collections received pursuant to the
26 corporation's rights to recover payments as a guarantor; and (iii) to the extent the corporation's
27 obligations as a guarantor are not satisfied by amounts in its guaranty reserve fund, the executive
28 director of the corporation shall annually, on or before December 1st, make and deliver to the
29 governor a certificate stating the minimum amount, if any, required for the corporation to make
30 payments due on such guarantees. During each January session of the general assembly, the
31 governor shall submit to the general assembly printed copies of a budget including the total of such
32 sums, if any, as part of the governor's budget required to pay any and all obligations of the
33 corporation under such guarantees pursuant to the terms of this joint resolution. All sums

1 appropriated by the general assembly for that purpose, and paid to the corporation, if any, shall be
2 utilized by the corporation to make payments due on such guarantees. Any recoveries by the
3 corporation of guaranteed payments are to be returned to the guaranty reserve fund and utilized to
4 reduce any obligation of the state pursuant to any guarantees entered into by the corporation; and be
5 it further

6 RESOLVED, that on or before January 1 of each year, the corporation shall issue a report
7 on all guarantees issued by the corporation pursuant to this joint resolution. The report shall
8 include at a minimum: a list of each guarantee issued; a description of the borrower on behalf of
9 which the guarantee was issued; the lender that made the loan, and the amount of such loan, to such
10 borrower; the amount of principal and interest on each such loan outstanding as of the date of such
11 report; a summary of the collateral securing the repayment of such loan for which the guarantee
12 was issued; and a summary of the economic impacts made by such borrower as a result of the
13 guaranteed loan, including but not limited to the number, type and wages of jobs created by such
14 borrower, any impacts on the industry in which the borrower operates and an estimate of income
15 taxes for the state of Rhode Island generated by the employees of such borrower and the borrower
16 itself.

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

ARTICLE 16

RELATING TO TELECOMMUNICATIONS TAX

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

20 **§ 44-13-13 Taxation of certain tangible personal property.** – The lines, cables, conduits,
21 ducts, pipes, machines and machinery, equipment, and other tangible personal property within this
22 state of telegraph, cable, and telecommunications corporations and express corporations, used
23 exclusively in the carrying on of the business of the corporation shall be exempt from local
24 taxation; provided, that nothing in this section shall be construed to exempt any "community
25 antenna television system company" (CATV) from local taxation; and provided, that the tangible
26 personal property of companies exempted from local taxation by the provisions of this section shall
27 be subject to taxation in the following manner:

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

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

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

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

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

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

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

12 (vii) "Value of tangible personal property" of companies means the net book value of
13 tangible personal property of each company doing business in this state as computed by the
14 department of revenue. "Net book value" means the original cost less accumulated depreciation;
15 provided, that no tangible personal property shall be depreciated more than seventy-five percent
16 (75%) of its original cost.

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

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

23 (4) The tax administrator shall apply the average assessment ratio and the average tax rate
24 to the value of tangible personal property of each company and, by April 15 of each year, shall
25 notify the companies of the amount of tax due. For each filing relating to tangible personal
26 property as of December 31, 2008 and thereafter the tax rate applied by the tax administrator shall
27 be not less than the rate applied in the prior year.

28 (5) The tax shall be due and payable within sixty (60) days of the mailing of the notice by
29 the tax administrator. If the entire tax is not paid to the tax administrator when due, there shall be
30 added to the unpaid portion of the tax, and made a part of the tax, interest at the rate provided for
31 in § 44-1-7 from the date the tax was due until the date of the payment. The amount of any tax,
32 including interest, imposed by this section shall be a debt due from the company to the state, shall

1 be recoverable at law in the same manner as other debts, and shall, until collected, constitute a lien
2 upon all the company's property located in this state.

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

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

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

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

13 **ARTICLE 17**

14 **RELATING TO STATEWIDE SCHOOL FOOD SERVICES PROGRAM**

15
16 SECTION 1. Chapter 16-60 of the General Laws entitled "Board of Regents for
17 Elementary and Secondary Education" is hereby amended by adding thereto the following section:

18 **§ 16-60-7.5 Statewide School Food Services Program.**—(a) The department of elementary
19 and secondary education is authorized to develop and implement a statewide school food services
20 program for all school districts (local and regional), charter schools and state schools. The
21 department, along with the department of administration, may procure the services of a food service
22 management company to provide school food services management for the aforementioned public
23 schools pursuant to a statewide school food services agreement. The statewide school food
24 services agreement will provide districts and schools with a master agreement under which they will
25 receive nutritious food (locally grown, if possible); menu planning; state of the art equipment; on-
26 line technology for accurate meal counts at point of service; ease of payment collection and direct
27 upload of meal counts to the department; wellness activities; and other food management services.

28 (b) All school districts, charter schools and state schools shall participate in the statewide
29 school food services program upon the expiration of any current contractual obligation under a food
30 services management agreement.

31 (c) Each school district, charter school and state school shall participate in the statewide
32 school food services program by executing a district or school contract which includes the
33 standardized terms and conditions of the statewide agreement and any additional terms not

1 inconsistent with the terms of the statewide agreement, unless prior written consent of the
2 department is obtained.

3 (d) School districts, charter schools and state schools participating in the statewide school
4 food services program shall not be required to follow additional procurement procedures imposed
5 by any local ordinance or local law.

6 (e) The statewide school food services program shall be operated in compliance with all
7 applicable provisions of U.S. Department of Agriculture rules and regulations.

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

9 **ARTICLE 18**

10 **RELATING TO SCHOOL BUS MONITORS**

11 SECTION 1. Section 16-21-1 of the General Laws in Chapter 16-21 entitled “Health and
12 Safety of 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 infirmity.

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

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

26 **ARTICLE 19**

27 **RELATING TO STATEWIDE PUBLIC SCHOOL EMPLOYEES**

28 **HEALTHCARE AND DENTAL INSURANCE PROGRAM**

29 SECTION 1. Section 28-9.3-2 of the General Laws in Chapter 28-9.3 entitled “Certified
30 School Teachers’ Arbitration” is hereby amended to read as follows:

31 **§ 28-9.3-2 Right to organize and bargain collectively.** – (a) The certified teachers in the
32 public school system in any city, town, or regional school district have the right to negotiate
33 professionally and to bargain collectively with their respective school committees and to be

1 represented by an association or labor organization in the negotiation or collective bargaining
2 concerning hours, salary, working conditions, and all other terms and conditions of professional
3 employment.

4 (b) For purposes of this chapter, "certified teachers" means certified teaching personnel
5 employed in the public school systems in the state of Rhode Island engaged in teaching duties,
6 including support personnel whose positions require a professional certificate issued by the state
7 department of education and personnel licensed by the department of health; or other non-
8 administrative professional employees. For purposes of this chapter, "future retirees" means those
9 individuals currently actively employed in a public school district who meet the eligibility
10 requirements for retirement set forth by the Employees Retirement System of Rhode Island, or their
11 employer's private pension plan, and who retire during the term of the collective bargaining
12 agreement presently in effect.

13 (c) Superintendents, assistant superintendents, principals, and assistant principals, and other
14 supervisors above the rank of assistant principal, are excluded from the provisions of this chapter.

15 (d) Notwithstanding the provisions of subsection (a), the right to bargain collectively shall
16 not extend to the subjects of health care, vision and dental benefits and health/dental insurance
17 coverage. Collective bargaining agreements shall not include provisions with respect to health and
18 vision care, and dental benefits and health/dental insurance coverage for certified employees.

19 (1) Active certified employees and future retirees whose collective bargaining agreements
20 expire after the effective date of this article and prior to July 1, 2010 shall continue to receive from
21 their employers the health care, vision and dental benefits and health/dental insurance coverage
22 previously provided at the cost, and under the terms and conditions, of the prior agreement, but
23 only up to July 1, 2010 at which time they will participate in the Statewide Public Employees
24 Healthcare and Dental Insurance Program authorized in R.I.G.L. section 16-60-7.4.

25 (2) Certified employees and future retirees whose collective bargaining agreements expire
26 on or after July 1, 2010 shall, upon expiration of such collective bargaining agreements, receive
27 health care, vision and dental benefits and health/dental insurance coverage as provided under the
28 Statewide Public Employees Healthcare and Dental Insurance Program authorized in R.I.G.L.
29 section 16-60-7.4.

30 SECTION 2. Section 28-9.4-3 of the General Laws in Chapter 28-9.4 entitled "Municipal
31 Employees' Arbitration" is hereby amended to read as follows:

32 **§ 28-9.4-3 Right to organize and bargain collectively.** – (a) The municipal employees of
33 any municipal employer in any city, town, or regional school district shall have the right to

1 negotiate and to bargain collectively with their respective municipal employers and to be
2 represented by an employee organization in the negotiation or collective bargaining concerning
3 hours, salary, working conditions, and all other terms and conditions of employment.

4 (b) Notwithstanding the provisions of subsection (a), for those municipal employees who
5 are employed by school districts, the right to bargain collectively shall not extend to the subjects of
6 health care, vision and dental benefits and health/dental insurance coverage. Collective bargaining
7 agreements for these employees shall not include provisions with respect to health care, vision and
8 dental benefits and health/dental insurance coverage.

9 (1) Active school district employees and future retirees whose collective bargaining
10 agreements expire after the effective date of this act and prior to July 1, 2010 shall continue to
11 receive from their employers the health care, vision and dental benefits and health/dental insurance
12 coverage previously provided, and at the cost, and under the terms and conditions, of the prior
13 agreement, but only up to July 1, 2010 at which time they will participate in the Statewide Public
14 Employees Healthcare and Dental Insurance Program as authorized in R.I.G.L. section 16-60-7.4.

15 (2) School district employees and future retirees whose collective bargaining agreements
16 expire on or after July 1, 2010 shall, upon expiration of such collective bargaining agreements,
17 receive health care, vision and dental benefits and health/dental insurance coverage as provided
18 under the Statewide Public School Employees Healthcare and Dental Insurance Program as
19 authorized in R.I.G.L. section 16-60-7.4.

20 (3) For purposes of this chapter, “future retirees” means those individuals currently
21 actively employed in a public school district who meet the eligibility requirements for retirement set
22 forth by the Municipal Employees Retirement System of Rhode Island, or by their employer’s
23 private pension plan, and who retire during the term of this agreement.

24 (c) Notwithstanding the provisions of subsection (a), for those municipal employees who
25 are employed by municipalities, the right to bargain collectively shall not extend to the subjects of
26 health care, vision, and dental benefits and health/dental insurance coverage. Collective bargaining
27 agreements for municipal employees shall not include provisions with respect to health care, vision,
28 and dental benefits and health/dental insurance coverage.

29 (1) Active municipal employees and future retirees whose collective bargaining agreements
30 expire after the effective date of this article and prior to July 1, 2010 shall continue to receive from
31 their employers the health care, vision, and dental benefits and health/dental insurance coverage
32 previously provided at the cost, and under the terms and conditions, of the prior agreement, but

1 only up to July 1, 2010 at which time they will participate in the Statewide Public Employees
2 Healthcare and Dental Insurance Program as described in R.I.G.L. section 16-60-7.4.

3 (2) Municipal employees and future retirees whose collect bargaining agreements expire on
4 or after July 1, 2010 shall, upon expiration of such collective bargaining agreements, receive health
5 care, vision, and dental benefits and health/dental insurance coverage as provided under the
6 Statewide Public School Employees Healthcare and Dental insurance Program described in
7 R.I.G.L. section 16-60-7.4. It is further provided, however, that any municipality or consortium of
8 municipalities which is able to document to the department of revenue that the prospective working
9 rates for the municipally determined proposed health plan effective after July 1, 2010 is less costly
10 than would result from application of the provisions of section 16-60-7.4 may be exempt from
11 participation in the state program and may proceed to enter into a municipally administered or
12 consortium contract for a period of no longer than three (3) years.

13 SECTION 3. Chapter 16-60 of the General Laws entitled “Board of Regents for
14 Elementary and Secondary Education” is hereby amended by adding thereto the following section:

15 **§ 16-60-7.4 Statewide Public School Employees Healthcare and Dental Insurance**
16 **Program.** — (a) The department of elementary and secondary education shall develop and
17 implement a statewide healthcare, vision and dental insurance program for eligible active employees
18 and future retirees of school districts and charter schools.

19 (b) The state health, vision and dental care program shall provide for standardized
20 coverages, premiums, co-share and buy-back provisions and such other healthcare, vision and
21 dental benefits as may be agreed upon. Such program shall include a co-sharing arrangement that
22 requires a minimum of 25% of the working rate from the employee, and shall also include a
23 provision for a waiver or buy-back payment that is not greater than 10% of the working rate in any
24 year of the agreement. Said agreement must also include a provision that prohibits spouses or
25 domestic partners who are both employed by a government in Rhode Island from receiving double
26 health, vision or dental coverage through multiple public employers. Additional insurance for
27 excess health care costs (“Stop Loss” insurance) shall be made available as part of the statewide
28 program upon the development of sufficient data by the department. The department of
29 administration shall procure the services of an insurance carrier or carriers to provide health, vision
30 and dental insurance coverage to all eligible active employees and future retirees as provided in a
31 state health, vision and dental care program.

32 (c) The department of administration shall establish a “Healthcare Advisory Council” which
33 shall include representatives from the department of elementary and secondary education, the

1 department of administration, the Rhode Island School Superintendents Association, the Rhode
2 Island Association of School Business Officers, the Rhode Island Association of School
3 Committees, the National Education Association, the American Federation of Teachers, the
4 AFL/CIO, the Governmental Health Group of Rhode Island, West Bay Community Health, and the
5 Rhode Island Municipal Insurance Corporation. The members of the Healthcare Advisory Council
6 shall make recommendations on the terms of the state health and dental care program, including
7 provisions for billing rates, coverages, plan options, premiums, co-share and buy-back provisions
8 and such other terms and conditions. Such program shall include a co-sharing arrangement that
9 requires a minimum of 25% of the working rate from the employee, and shall also include a
10 provision for a waiver or buy-back payment that is not greater than 10% of the working rate in any
11 year of the agreement. Said agreement must also include a provision that prohibits spouses or
12 domestic partners who are both employed a government in Rhode Island from receiving double
13 health or dental coverage through multiple public employers.

14 (d) Districts that are fully insured must transition to a self-insurance financing model for
15 health and dental insurance by joining an existing joint purchase group within ninety (90) days of
16 the effective date of this article.

17 (e) Upon implementation of the state health and dental care program or at such other time
18 as specified herein or as specified in chapter 28-9.3-2 and 28-9.4-3, all districts and charter schools
19 shall participate in the program as either an individually self-insured entity or as a member of an
20 existing joint purchase group.

21 (f) Districts that have collective bargaining agreements which expire on or before June 30,
22 2010 but are obligated to a health/dental insurance carrier beyond that date, must immediately
23 implement the terms of the state health and dental care program with respect to health, vision and
24 dental care benefits, e.g. co-share payments, buy backs, and future retiree benefits and must
25 thereafter fully participate in the state health, vision and dental care program, upon expiration of
26 the contractual obligation to the carrier.

27 (g) If a district has a contractual obligation to a health/dental insurance carrier that expires
28 before the expiration of the collective bargaining agreement but after July 1, 2010 and a specific
29 carrier is not designated in the collective bargaining agreement, such district shall be required to
30 purchase comparable health/dental insurance coverage from the carrier procured under the state
31 health, vision and dental care program (provided that the cost does not exceed that of the contract
32 with its existing carrier) and must fully participate in the state health, vision and dental care
33 program upon expiration of the collective bargaining agreement.

1 (h) If a specific carrier is designated under the terms of the collective bargaining agreement,
2 the district may extend the contractual obligation with its carrier only to the date upon which the
3 collective bargaining agreement is due to expire and must thereafter fully participate in the state
4 health, vision and dental care program.

5 (i) Districts and charter schools shall submit payments for the cost of their employees’
6 coverage to the joint purchase group for which they are a member for transmittal to the carrier in
7 accordance with the provisions of the program. Districts or charter schools that are individually
8 self-insured shall submit their payments directly to the carrier.

9 (j) The joint purchase group, or individually self-insured district, may purchase “Stop
10 Loss” insurance from the carrier providing such coverage when available under the state program.

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

1 ~~cost saving efficiencies that could be achieved by including these employees in a state health~~
2 ~~insurance contract.~~

3 SECTION 2. Chapter 16-60 of the General Laws entitled “Board of Regents for
4 Elementary and Secondary Education” is hereby amended by adding hereto the following section:

5 § 16-60-7.3 Statewide purchasing system and programs. -The department of elementary
6 and secondary education, together with the department of administration, is authorized to develop
7 and implement a mandatory statewide purchasing system for all public schools in this state,
8 including regional school districts. Said system shall be utilized for the purchase of all goods,
9 supplies and services to support and enhance public school operations under a statewide contract,
10 goods, supplies and services shall include but not be limited to the following items:

11 (a) General school supplies such as paper goods, office supplies, and cleaning products that
12 are or may be utilized by school departments;

13 (b) Textbooks, telecommunications, wireless services, and software that have been
14 identified by local school departments as needed to support curriculum objectives;

15 (c) A statewide school transportation system for all students. Local school departments,
16 charter schools and state schools shall be eligible to participate in this system by purchasing
17 transportation services on a fee-for-service basis. The goals of this system shall be: (1) to reduce
18 duplication of bus routes, (2) to improve services to students through shorter, more efficient bus
19 routes, and (3) to reduce transportation costs of school districts through greater efficiency and cost-
20 effective measures;

21 (d) A statewide school food services management program for all districts, charter schools
22 and state schools. The goals of this program shall be: (1) to build collective purchasing power and
23 reduce the costs to districts of operating school food services programs, (2) to improve food
24 services and the nutritional quality of food provided to students at school, and (3) to increase
25 student participation in the program and improve the overall health of public school students.

26 (e) A statewide healthcare and dental insurance program for eligible, active employees and
27 future retirees of all districts and charter schools. The goals of this program shall be: (1) to reduce
28 the costs of health care coverage and dental insurance to districts, employees and retirees, (2) to
29 standardize health coverage, buy-backs/medical waiver, and co-sharing of premiums and future
30 retiree benefits among all school districts, and (3) to consolidate negotiations relating to health care
31 coverage at the state level.

32 SECTION 3. Section 37-2-56 of the General Laws in Chapter 37-2 entitled “State
33 Purchases” is hereby amended to read as follows:

1 **§ 37-2-56 Purchasing for municipalities and regional school districts.** **–(a)** Any
2 municipality or regional school district of the state may participate in state master price agreement
3 contracts for the purchase of materials, supplies, services and equipment entered into by the
4 purchasing agent until the full implementation of the statewide purchasing system established under
5 RIGL section 16-60-7.3, provided, however, that the contractor is willing, when requested by the
6 municipality or school district, to extend the terms and conditions of the contract and that the
7 municipality or school district will be responsible for payment directly to the vendor under each
8 purchase contract. Unless a state contract is the result of an intergovernmental cooperative purchase
9 contract to which a municipality or school district is a party, the purchasing agent shall not compel
10 a successful bidder to extend the same terms and conditions to a municipality or school district.
11 However, the purchasing agent may, in the interest of obtaining better pricing on behalf of the state
12 and local entities, solicit offers based upon anticipated master price agreement utilization by
13 municipalities and school districts.

14 **(b)** In implementing the statewide purchasing system for public schools as provided in
15 RIGL section 16-60-7.3 and when necessary to insure that total purchases for public schools are at
16 the lowest possible cost, the Rhode Island department of elementary and secondary education may
17 be exempted from the provisions of this chapter, but only upon the specific approval of the chief
18 purchasing officer. Upon receipt of such approval from the chief purchasing officer, the
19 department may participate in purchasing consortia and enter into purchasing agreements with both
20 public and other non-profit entities.

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

ARTICLE 21

RELATING TO SCHOOL BUDGET RESOLUTION

22 SECTION 1. Sections 16-2-21 and 16-2-21.4 of the General Laws in Chapter 16-2 entitled
23 “School Committees and Superintendents” are hereby amended to read as follows:

24 **§ 16-2-21 Pre-budget consultation – Annual reports – Appropriation requests –**
25 **Budgets.** – (a) At least sixty (60) days but not more than ninety (90) days prior to the formal
26 submission of the school budget to the appropriate city or town officials by the school committee,
27 there shall be a joint pre-budget meeting between the school committee and the city or town
28 council(s). At or before this meeting:

29 (1) The highest elected official of the city or town shall submit to the school committee an
30 estimate, prepared in a manner approved by the department of administration, of projected revenues

1 for the next fiscal year. In the case of the property tax, the projections shall include only changes in
2 the property tax base, not property tax rates;

3 (2) The school committee shall submit to the city or town council a statement for the next
4 ensuing fiscal year of anticipated total expenditures, projected enrollments with resultant staff and
5 facility requirements, and any necessary or mandated changes in school programs or operations;
6 and

7 (3) The school committee shall prepare and submit, annually, to the department of
8 elementary and secondary education, on or before the first day of August, a report in the manner
9 and form prescribed by the state board of regents for elementary and secondary education; the
10 committee shall also prepare not less than thirty (30) days before the date of the annual financial
11 town meeting, or the date of the meeting of the city council at which annual appropriations are
12 made, on forms prescribed and furnished by the department of elementary and secondary education,
13 the estimates and recommendations of the amounts necessary to be appropriated for the support of
14 public schools for the fiscal year ensuing; provided, that a copy of these estimates and
15 recommendations shall be sent to the department of elementary and secondary education, and until
16 the report is made, and if the estimates and recommendations are not presented to the department, it
17 may refuse to draw its orders for the money in the state treasury apportioned to the city or town;
18 provided, that the necessary blank for the report has been furnished by the department on or before
19 the first day of June, next preceding, and the necessary forms for the estimates and
20 recommendations shall have been furnished by the department not less than sixty (60) days before
21 the date of the annual appropriations meeting of the city council; the committee shall also prepare
22 and submit annually to the department of elementary and secondary education and at the annual
23 financial town meeting a report to the city or town, setting forth its doings, the state and condition
24 of the schools, and plans for their improvement, which report, unless printed, shall be read in open
25 meeting; and if printed, at least three (3) copies shall be transmitted to the department on or before
26 the day of the annual financial town meeting in each year.

27 (b) If the amount appropriated by the town meeting, the city or town council, or budget
28 referendum is either more or less than the amount recommended and requested by the school
29 committee, the school committee shall, within thirty (30) days after the appropriation is made,
30 amend its estimates and recommendations so that expenses are no greater than the total of all
31 revenue appropriated by the state or town or provided for public schools under the care, control,
32 and management of the school committee.

1 (c) Only a school budget in which total expenses are less than or equal to appropriations
2 and revenues shall be considered an adopted school budget.

3 (d) Notwithstanding any provision of the general or public laws to the contrary:

4 (i) the budget adopted and presented by any school committee for the fiscal year 2008 shall
5 not propose the appropriation of municipal funds (exclusive of state and federal aid) in excess of
6 one hundred five and one-quarter percent (105.25%) of the total of municipal funds appropriated by
7 the city or town council for school purposes for fiscal year 2007;

8 (ii) the budget adopted and presented by any school committee for the fiscal year 2009 shall
9 not propose the appropriation of municipal funds (exclusive of state and federal aid) in excess of
10 one hundred five percent (105%) of the total of municipal funds appropriated by the city or town
11 council for school purposes for fiscal year 2008;

12 (iii) the budget adopted and presented by any school committee for the fiscal year 2010
13 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in excess
14 of one hundred four and three-quarters percent (104.75%) of the total of municipal funds
15 appropriated by the city or town council for school purposes for fiscal year 2009;

16 (iv) the budget adopted and presented by any school committee for the fiscal year 2011
17 shall not propose the appropriation of municipal funds (exclusive of state and federal aid) in excess
18 of one hundred four and one-half percent (104.5%) of the total of municipal funds appropriated by
19 the city or town council for school purposes for fiscal year 2010;

20 (v) the budget adopted and presented by any school committee for the fiscal year 2012 shall
21 not propose the appropriation of municipal funds (exclusive of state and federal aid) in excess of
22 one hundred four and one-quarter percent (104.25%) of the total of municipal funds appropriated
23 by the city or town council for school purposes for fiscal year 2011; and

24 (vi) the budget adopted and presented by any school committee for the fiscal year 2013 and
25 for each fiscal year thereafter shall not propose the appropriation of municipal funds (exclusive of
26 state and federal aid) in excess of one hundred four percent (104%) of the total of municipal funds
27 appropriated by the city or town council for school purposes for fiscal year 2012.

28 (e) Notwithstanding any provision of the general or public laws to the contrary, any
29 judgment rendered pursuant to subsection 16-2-21.4(b) shall ~~consider~~ not exceed the percentage
30 caps on school district budgets set forth in subsection (d) of this section.

31 **§ 16-2-21.4 School budgets – Compliance with certain requirements.** – (a)

32 Notwithstanding any provision of the general or public laws to the contrary, whenever a city, town,
33 or regional school committee determines that its budget is insufficient to comply with the provisions

1 of § 16-2-21, 16-7-23, or 16-7-24, the city, town, or regional school committee shall adhere to the
2 appropriated budget or the provisions of § 16-2-23 in the absence of an appropriated budget. The
3 chairperson of the city, town, or regional school committee, in accordance with the provisions of §
4 16-2-9, shall be required to petition the commissioner, in writing, to seek alternatives for the
5 district to comply with state regulations and/or provide waivers to state regulations and, in
6 particular, those which are more restrictive than federal regulations that allow the school committee
7 to operate with a balanced budget. Waivers which affect the health and safety of students and staff
8 or which violate the provisions of chapter 24 of this title shall not be granted. The commissioner
9 must consider alternatives for districts to comply with regulations and/or provide waivers to
10 regulations in order that the school committee may operate with a balanced budget within the
11 previously authorized appropriation. In the petition to the commissioner, the school committee shall
12 be required to identify the alternatives to meet regulations and/or identify the waivers it seeks in
13 order to provide the commissioner with the revised budget which allows it to have a balanced
14 budget within the previously authorized appropriation. The commissioner shall respond within
15 fifteen (15) calendar days from the date of the written petition from the school committee. If the
16 commissioner does not approve of the alternatives to meet regulations or the waivers from
17 regulations which are sought by the school committee, or if the commissioner does not approve of
18 the modified expenditure plan submitted by the school committee, then: (1) within ten (10) days of
19 receiving the commissioner's response, the school committee may submit a written request to the
20 city or town council for the council of the municipality to decide whether to increase the
21 appropriation for schools to meet expenditures. The decision to increase any appropriations shall be
22 conducted pursuant to the local charter or the public law controlling the approval of appropriations
23 within the municipality; or (2) in a regional school district, the chairperson of the school
24 committee may, within ten (10) days of receiving the commissioner's response, submit a written
25 request to the chief elected official of each of the municipalities to request that the city or town
26 council in each of their respective towns meet to decide whether or not to increase the appropriation
27 for schools to meet expenditures. The decision to increase any appropriations shall be conducted
28 pursuant to the local charter or the public law controlling the approval of appropriations within the
29 municipality.

30 (b) In the event of a negative vote by the appropriating authority, the school committee
31 shall have the right to seek additional appropriations by bringing an action in the superior court for
32 the county of Providence and shall be required to demonstrate that the school committee lacks the
33 ability to adequately run the schools for that school year with a balanced budget within the

1 previously authorized appropriation or in accordance with §§ 16-2-21, 16-2-23, 16-7-23, and 16-7-
2 24. In no event shall any court order obtained by the school committee have force and effect for
3 any period longer than the fiscal year for which the litigation is brought. Any action filed pursuant
4 to this section shall be set down for a hearing at the earliest possible time and shall be given
5 precedence over all matters except older matters of the same character. The court shall render its
6 decision within thirty (30) days of the close of the hearings. Upon the bringing of an action in the
7 superior court by the school committee to increase appropriations, the chief executive officer of the
8 municipality, or in the case of a regional school district the chief elected officials from each of the
9 member municipalities, shall cause to have a financial and performance audit in compliance with
10 the generally acceptable governmental auditing standards of the school department conducted by the
11 auditor general, the bureau of audits, or a certified public accounting firm qualified in performance
12 audits. The results of the audit shall be made public upon completion and paid for by the school
13 committee to the state or private certified public accounting firm.

14 (c) The auditor general shall select the auditor if the audit is not directly performed by his
15 or her office.

16 (d) Notwithstanding any provision of general or public laws to the contrary, for any
17 reductions after January 1, 2009 when a category of state aid to education or general revenue
18 sharing is reduced or suspended to any local school district or municipal government, the provisions
19 of subsections 16-2-21.4(a), 16-2-21.4(b), 16-2-21.4(c) shall be suspended for the fiscal year in
20 which the reduction or suspension of any aid is implemented. The Governor shall convene a three
21 (3) member panel to create a remedy, or a municipality or school committee may petition the
22 Governor to convene a three (3) member panel, if there is a reduction in state aid in the enacted
23 budget. The three (3) member panel shall act as binding arbitrators and shall consist of the
24 commissioner of education or his/her designee, the director of revenue or his/her designee, and the
25 auditor general or his/her designee. The panel shall select a chairperson. A corrective action plan
26 shall be developed by the panel within sixty (60) days of convening. The plan may include the
27 suspension of any contracts or non-contractual provisions to the extent that state aid has been
28 reduced and to the extent legally permissible. Should the suggested alterations to the terms of the
29 contract not be permissible until the expiration of the bargaining agreement, such alterations and
30 terms should be considered in upcoming contractual negotiations. The corrective action plan must
31 be monitored and enforced by the department of education.

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

33 **ARTICLE 22**

1 RELATING TO TRANSPORTATION OF PUPILS

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

4 **§ 16-21-1 Transportation of public and private school pupils.** (a) The school committee
5 of any town or city shall provide suitable transportation to and from school for pupils attending
6 public and private schools of elementary and high school grades, except private schools that are
7 operated for profit, who reside so far from the public or private school which the pupil attends as to
8 make the pupil's regular attendance at school impractical and for any pupil whose regular
9 attendance would otherwise be impracticable on account of physical disability or infirmity.

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

16 (c) No school committee shall negotiate, extend, or renew any transportation contract
17 unless such contract enables the district to participate in the statewide transportation system,
18 without penalty to the district, upon implementation of the statewide transportation system
19 described in to RIGL sections 16-21.1-7 and 16-21.1-8. Notice of the implementation of the
20 statewide transportation system for in-district transportation shall be provided in writing by the
21 department of elementary and secondary education to the superintendent of each district upon
22 implementation. Upon implementation of the statewide system of transportation for all students,
23 each school committee shall purchase transportation services for their own resident students by
24 accessing the statewide system on a fee-for-service basis for each student; provided, however, that
25 any school committee that fulfills its transportation obligations primarily through the use of district-
26 owned buses and district employees may continue to do so.

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

30 **§ 16-21.1-7. Statewide transportation of students with special needs.** – Notwithstanding
31 the regional structure created in this chapter, and pursuant to the obligation of school committees to
32 transport children with special needs to and from school either within the school district or in
33 another school district of the state created by section 16-24-4, the department of elementary and

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

21 **§ 16-21.1-8. Statewide transportation system for all students to be established.-**

22 Notwithstanding the regional structure created in this chapter, the department of elementary and
23 secondary education, in collaboration with the office of statewide planning of the department of
24 administration, and the Rhode Island public transit authority shall conduct a comprehensive study of
25 all current transportation services for students in Rhode Island school districts in order to develop a
26 plan for the creation and implementation of a statewide system of transportation of all students to
27 and from school. The statewide school transportation system for all students shall be provided
28 through a competitive request for proposals to which vendors of transportation services may
29 respond. Effective upon the implementation of this statewide system of transportation for all
30 students, each school committee ~~may~~ shall purchase the transportation services for their own
31 resident students by accessing this integrated statewide system of transportation on a fee-for-service
32 basis for each child; provided, however, that any school committee that fulfills its transportation
33 obligations primarily through the use of district-owned buses and district employees may continue

1 to do so. The goals of the statewide system of transportation for all students shall be the reduction
2 of duplication of cost and routes in transporting children from the various cities and towns using
3 different buses within and between each city and town, the improvement of services to children
4 through the development of shorter ride times and more efficient routes of travel, and the reduction
5 of cost to local school committees through achieving efficiency in eliminating the need for each
6 school district to contract for and provide these transportation services separately. The
7 comprehensive study of all current transportation services for students in Rhode Island school
8 districts and development of a plan for a statewide system of transportation of all students to and
9 from school shall be completed, with a report to the general assembly by March 30, 2008.

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

12
13 **§ 16-21.1-9 Oversight of statewide transportation system.** Upon implementation of the
14 statewide system of transportation, the department of elementary and secondary education shall
15 manage and oversee the system in collaboration with the office of statewide planning at the
16 department of administration, and the Rhode Island public transit authority. Should outsourcing of
17 this function be deemed more efficient, management of the system may be delegated to an outside
18 consultant through a competitive request for proposals.

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

20 **ARTICLE 23**

21 **RELATING TO HEALTH AND SAFETY OF PUPILS –**

22 **SCHOOL NURSES**

23 SECTION 1. Section 16-21-7 of the General Laws in Chapter 16-21 entitled “Health and
24 Safety of Pupils” is hereby amended to read as follows:

25 **§ 16-21-7. School health program.** – (a) All schools that are approved for the purposes of
26 16-19-1 and 16-19-2 shall have a school health program which shall be approved by the state
27 director of the department of health and the commissioner of elementary and secondary education
28 or the commissioner of higher education, as appropriate. The program shall provide for the
29 organized direction and supervision of a healthful school environment, health education, and
30 services. The program shall include and provide, within and consistent with existing school
31 facilities, for the administration of nursing care by certified nurses ~~teachers, as defined in 16-21-8,~~
32 as shall be requested, in writing, by the attending physician of any student and authorized, in
33 writing, by the parent or legal guardian of the student. No instruction in the characteristics,

1 symptoms, and the treatment of disease shall be given to any child whose parent or guardian shall
2 present a written statement signed by them stating that the instructions should not be given the child
3 because of religious beliefs. The board of regents for elementary and secondary education shall
4 develop such policies, procedures and regulations, deemed necessary, to ensure all students,
5 enrolled in public school districts, charter schools and regional educational collaboratives, are
6 guaranteed a healthful school environment, receive a comprehensive health education, and receive
7 the benefit of all other related health care services.

8 (b) All Rhode Island elementary, middle and junior high schools that sell or distribute
9 beverages and snacks on their premises, including those sold through vending machines, shall be
10 required to offer healthier beverages effective January 1, 2007, and healthier snacks effective
11 January 1, 2008 as defined in chapter 21 of this title.

12 (c) All Rhode Island senior high schools that sell or distribute beverages and snacks on their
13 premises, including those sold through vending machines, shall be required to offer only healthier
14 beverages and snacks effective January 1, 2008 as defined in chapter 21 of this title.

15 (d) Schools may permit the sale of beverages and snacks that do not comply with the above
16 paragraph as part of school fundraising in any of the following circumstances:

17 (1) The items are sold by pupils of the school and the sale of those items takes place off and
18 away from the premises of the school.

19 (2) The items are sold by pupils of the school and the sale of those items takes place one
20 hour or more after the end of the school day.

21 (3) The items sold during a school sponsored pupil activity after the end of the school day.

22 SECTION 2. Section 16-21-8 of the General Laws in Chapter 16-21 entitled "Health and
23 Safety of Pupils" is hereby repealed:

24 ~~§ 16-21-8 Certified nurse teacher. Each school system shall employ certified nurse~~
25 ~~teacher personnel certified by the state department of elementary and secondary education;~~
26 ~~provided, however, that this section shall not apply to those school districts which are currently~~
27 ~~allowed to share certified nurse teacher personnel by the department of elementary and secondary~~
28 ~~education. The school health program as defined in § 16-21-7 shall only be staffed by certified~~
29 ~~personnel.~~

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

31 **ARTICLE 24**

32 **RELATING TO DISMISSAL OF TEACHERS**

1 SECTION 1. Section 16-12-6 of the General Laws in Chapter 16-12 entitled “Rights and
2 Duties of Teachers Generally” is hereby amended to read as follows:

3 **§ 16-12-6. Dismissal of teachers – ~~Special rules as to Woonsocket and Cumberland.~~** –

4 The school committee of any town may, on reasonable notice and hearing, dismiss any teacher for
5 refusal to conform to the regulations made by the committee, or for other just cause; ~~provided,~~
6 ~~however, the respective school committee of the city of Woonsocket and the town of Cumberland in~~
7 ~~electing teachers shall elect to serve at its discretion all teachers who have served in the schools~~
8 ~~under its direction for the previous three (3) consecutive school years; provided, that the respective~~
9 ~~school committee of the city of Woonsocket and the town of Cumberland may elect to serve at its~~
10 ~~discretion any person who has served more than one previous consecutive year. The respective~~
11 ~~school committee of the city of Woonsocket and the town of Cumberland may dismiss a teacher~~
12 ~~within the year of employment in the instance of teachers not employed at discretion, and at any~~
13 ~~time in the instance of teachers employed at discretion by a two thirds (2/3) vote of the whole~~
14 ~~school committee for cause, which may be a violation of law, flagrant or persistent violation of the~~
15 ~~rules and regulations legally prescribed by the school committee, inefficiency, incapacity,~~
16 ~~insubordination, conduct unbecoming a teacher, or other just cause; provided, that no teacher shall~~
17 ~~be dismissed unless he or she has received a written copy of the charge or charges against him or~~
18 ~~her not less than thirty (30) days before the meeting at which the charge or charges are to be~~
19 ~~considered, and unless the teacher if he or she so requests it has been given a hearing before the~~
20 ~~school committee, and unless the charge or charges has or have been admitted or substantiated; and~~
21 ~~provided, further, that nothing in this section shall prevent the retirement of any teacher under a~~
22 ~~rule of the respective school committee affecting marriage or for the purpose of chapter 15 of this~~
23 ~~title; or the retirement at the end of any school year of any teacher whose services may no longer~~
24 ~~be required by reason of the closing of schools or the discontinuance of classes; and provided,~~
25 ~~further, that the respective school committee of the city of Woonsocket and the town of~~
26 ~~Cumberland may suspend any teacher for cause pending a hearing, but that suspension shall not~~
27 ~~involve loss of salary unless the cause is sufficient to justify dismissal as provided in this section.~~

28 SECTION 2: This article shall take effect upon passage.

29 **ARTICLE 25**

30 **RELATING TO TEACHERS’ TENURE**

31 SECTION 1. Sections 16-13-2, 16-13-3, 16-13-4, 16-13-6, and 16-13-8 of the General
32 Laws in Chapter 16-13 entitled “Teachers’ Tenure” are hereby amended to read as follows:

1 **§ 16-13-2 Annual contract basis – Automatic continuation.** – (a) Teaching service shall
2 be on the basis of an annual contract, except as hereinafter provided, and the contract shall be
3 deemed to be continuous unless the governing body of the schools shall notify the teacher in writing
4 on or before ~~March~~ June 1 that the contract for the ensuing year will not be renewed; provided,
5 however, that a teacher, upon request, shall be furnished a statement of cause for dismissal or
6 nonrenewal of his or her contract by the school committee; provided further, that whenever any
7 contract is not renewed or the teacher is dismissed, the teacher shall be entitled to a hearing and
8 appeal, pursuant to the procedure set forth in § 16-13-4, except in instances when a nonrenewal is a
9 result of reduction in the district’s personnel budget.

10 (b) Nothing contained in this section shall be construed to prohibit or at any time to have
11 prohibited a school committee from agreeing, in a collective bargaining agreement, to the
12 arbitration of disputes arising out of a dismissal or nonrenewal of a non-tenured teacher pursuant to
13 subsection (a) of this section.

14 **§ 16-13-3 Probationary period – Tenure after probation.** – (a) Three (3) annual contracts
15 within five (5) successive school years shall be considered evidence of satisfactory teaching and
16 shall constitute a probationary period. Teachers who complete the probationary period shall be
17 considered in continuous service and shall not be subject to annual renewal or nonrenewal of their
18 contracts. No tenured teacher in continuous service shall be dismissed except for good and just
19 cause, or as a result of a reduction in a school district’s personnel budget. Whenever a tenured
20 teacher in continuous service is to be dismissed, the notice of the dismissal shall be given to the
21 teacher, in writing, on or before ~~March~~ June 1st of the school year immediately preceding the
22 school year in which the dismissal is to become effective. The teacher shall be furnished with a
23 complete statement of the cause(s) for the dismissal by the governing body of the school and shall
24 be entitled to a hearing and appeal pursuant to the procedure set forth in § 16-13-4, except in
25 instances when a nonrenewal or dismissal is a result of reduction in the district’s personnel budget.

26 (b) Nothing contained in this section shall be construed to prohibit or at any time to have
27 prohibited a school committee from agreeing, in a collective bargaining agreement, to the
28 arbitration of disputes arising out of the dismissal of a tenured teacher pursuant to subsection (a) of
29 this section.

30 (c) Any teacher appointed to a position of principal, assistant principal, or vice principal
31 within the school system in which the teacher has attained tenure shall, upon termination or
32 resignation of the administrative position, be allowed to return to his or her former status as a
33 tenured teacher within the system.

1 **§ 16-13-4 Statement of cause for dismissal – Hearing – Appeals – Arbitration.** – (a) The
2 statement of cause for dismissal shall be given to the teacher, in writing, by the governing body of
3 the schools ~~at least one month prior to the close of the school year.~~ The teacher may, within fifteen
4 (15) days of the notification, request, in writing, a hearing before the full board, except in instances
5 when a nonrenewal or dismissal is a result of reduction in the district’s personnel budget. The
6 hearing shall be public or private, in the discretion of the teacher. Both teacher and school board
7 shall be entitled to be represented by counsel and to present witnesses. The board shall keep a
8 complete record of the hearing and shall furnish the teacher with a copy. Any teacher aggrieved by
9 the decision of the school board shall have the right of appeal to the department of elementary and
10 secondary education and shall have the right of further appeal to the superior court.

11 (b) Nothing contained in this section shall be construed to prohibit or at any time to have
12 prohibited a school committee from agreeing, in a collective bargaining agreement, to the
13 arbitration of disputes arising out of the nonrenewal, dismissal, and/or suspension of a teacher
14 pursuant to §§ 16-13-2, 16-13-3, and/or 16-13-5.

15 **§ 16-13-6. Suspension because of decrease in school population or reduction in**
16 **personnel budget – Seniority – Reinstatement.** – (a) A school board may, by reason of a
17 substantial decrease of pupil population or as a result of a reduction in the personnel budget within
18 its school system, suspend teachers in numbers necessitated by the decrease in pupil population or
19 reduction in personnel budget; provided, however, that suspension of teachers shall be in the
20 inverse order of their employment unless it is necessary to retain certain teachers of technical
21 subjects whose places cannot be filled by teachers of earlier appointment or to meet the
22 requirements of state and or federal mandates; and, provided, further, that teachers that are
23 suspended shall be reinstated in the inverse order of their suspension. No new appointments shall be
24 made while there are available teachers so suspended, unless the appointments are necessary to
25 meet state and or federal mandates.

26 (b) Notice of suspension under this section and § 16-13-5 shall be given, in writing, by the
27 governing body of schools ~~on or before March 1~~ notifying the teacher that his or her employment
28 for the ensuing or existing year shall be suspended, provided however, notice by that date need not
29 be provided in the instance of an emergency performance related cause.

30 **§ 16-13-8 Continuity of tenure upon transfer.** – Any teacher in continuing service who
31 voluntarily resigns and transfers to another community in Rhode Island without interrupting his or
32 her professional career, shall be considered to remain under tenure unless the teacher is notified to
33 the contrary, in writing, ~~prior to March 1 of the second school year in which the teacher transfers.~~

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

2 **ARTICLE 26**

3
4 **RELATING TO COLLECTIVE BARGAINING FISCAL IMPACT STATEMENTS**

5 SECTION 1. Section 16-2-21.6 of the General Laws in Chapter 16-2 entitled “School
6 Committees and Superintendents” is hereby amended to read as follows:

7 **§ 16-2-21.6. Collective bargaining fiscal impact statements.** – (a) Prior to executing any
8 collective bargaining agreement between a school committee and representatives of teachers and/or
9 other school employees, the school committee shall prepare or cause to be prepared a collective
10 bargaining fiscal impact statement. These statements shall set forth, in dollar amounts, estimates of
11 the fiscal impact, during the term of the proposed agreement. No comment or opinion relative to
12 the merits of the terms of the contract shall be included, except that technical or mechanical errors
13 or defects may be noted.

14 (b) The fiscal impact statement and the ~~awarded~~ contract, prior to ratification, shall be
15 publicized ~~and shall be made immediately available upon~~ on the website of the city or town at least
16 thirty (30) days prior to ratification of the contract.

17 SECTION 2. Section 45-5-22 of the General Laws in Chapter 45-5 entitled “Councils and
18 Governing Bodies” is hereby amended to read as follows:

19 **§ 45-5-22. Collective bargaining fiscal impact statements.** – (a) Prior to executing any
20 collective bargaining agreement between a city or town and representatives of police personnel,
21 firefighters, and/or other municipal employees, (other than teachers and/or other school
22 employees), the city or town council shall prepare or cause to be prepared a collective bargaining
23 fiscal impact statement. These statements shall set forth, in dollar amounts, estimates of the fiscal
24 impact, during the term of the proposed agreement. No comment or opinion relative to the merits
25 of the terms of the contract shall be included, except that technical or mechanical errors or defects
26 may be noted.

27 (b) The fiscal impact statement and the ~~awarded~~ contract, prior to ratification, shall be
28 publicized ~~and shall be made immediately available upon~~ on the website of the city or town at least
29 thirty (30) days prior to ratification of the contract.

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

31 **ARTICLE 27**

32 **RELATING TO CERTIFIED SCHOOL TEACHERS’ ARBITRATION ACT**

33 SECTION 1. Section 28-9.3-1 of the General Laws in Chapter 28-9.3 entitled “Certified
34 School Teachers’ Arbitration” is hereby amended to read as follows:

1 **§ 28-9.3-1. Declaration of Policy - Purpose.** – (a) In pursuance of the duty imposed upon it
2 by the constitution to promote public schools and to adopt all means necessary and proper to secure to
3 the people the advantages and opportunities of education, the general assembly declares that it
4 recognizes teaching as a profession which requires special educational qualifications and that to
5 achieve high quality education it is indispensable that good relations exist between teaching personnel
6 and school committees.

7 (b) It is declared to be the public policy of this state to accord to certified public school
8 teachers the right to organize, to be represented, to negotiate professionally, and to bargain on a
9 collective basis with school committees covering hours, salary, working conditions, and other terms
10 of professional employment; provided, that nothing contained in this chapter shall be construed to
11 ~~accord to certified public school teachers the right to strike~~ restrict the professional responsibilities of
12 teachers to those items included in a collective bargaining agreement, nor to diminish the professional
13 responsibility and accountability of teachers to ensure that their professional actions have as their
14 guiding principle the best interests of the students committed to their educational care.

15 (c) It is declared that strikes by public school teachers are prohibited in this state. The term
16 “strike” means any strike or other concerted job action, commonly referred to as “work to rule.” The
17 term includes, without limitation, any stoppage of work, slowdown, or curtailment of one or more
18 customary teaching practices that are typically provided or performed by teachers in the absence of a
19 strike. A certified teacher who is absent from work without permission, or who abstains wholly or in
20 part from the full performance of his or her duties in his or her normal manner without permission, on
21 the date or dates when a strike occurs, shall be presumed to have engaged in such strike on such date
22 or dates.

23 (d) No person exercising any authority, supervision or direction over any public employee,
24 shall authorize, approve, condone or consent to a strike, or the engaging in a strike, by one or more
25 public employees, and such person shall not authorize, approve, condone, or consent to such strike or
26 engagement.

27 (e) Individuals or labor organizations which violate this provision shall be subject to the
28 penalties enumerated in R.I.G.L. section 28-9.3-1.1.

29 SECTION 2. Chapter 29-9.3 of the General Laws entitled “Certified School Teachers’
30 Arbitration” is hereby amended by adding thereto the following sections:

31 **§ 29-9.3-1.1. Penalties for strikes or other concerted work actions** – Any certified public
32 school teacher who strikes shall forfeit two days pay to the state’s permanent school fund for every
33 day that he or she engages in any such strike. Any certified collective association or labor
34 organization which orders, calls for, promotes aids, abets, or counsels a strike of its members shall

1 lose its authority as a recognized bargaining agent for a period of three years and shall not collect any
2 dues during this period of suspension. Nothing herein shall be construed to prohibit the dismissal or
3 suspension of a certified teacher who strikes or to prohibit the commissioner of education from taking
4 action against the teacher's teaching certificate for engaging in a strike.

5 **§ 28-9.3-1.2. Imposition of monetary penalties – procedure.** – (a) When a school
6 committee receives affidavits from its superintendent indicating that a strike is occurring or that it has
7 taken place, the school committee, on the basis of these affidavits, or such further investigation as it
8 deems necessary, shall determine the dates or dates upon which a strike took place and the names of
9 those employees who participated in the strike. Notice of this determination shall be sent by mail or
10 by other equally effective means of communication to those teachers who have been determined to
11 have engaged in a strike. Such determination shall not be deemed to be final until completion of the
12 procedures provided for in this section.

13 (b) Within 15 days after notification has been given a teacher may file an affidavit with the
14 superintendent of schools setting forth facts which, if proved, would show that the teacher had not
15 participated in a strike. If such affidavits raise material issues of fact, the superintendent shall
16 schedule a hearing before a hearing officer who shall, after a hearing, forward a proposed decision to
17 the school committee and to the teacher concerned. At any such hearing the burden of proof shall be
18 on the teacher to demonstrate that he or she did not participate in a strike. The school committee shall
19 be bound by the record of the hearing, but it may accept or reject the proposed decision of the hearing
20 officer in whole or in part and write its own decision. If the school committee finds that the teacher
21 engaged in a strike it shall forthwith order its chief financial officer to forfeit from the teacher's pay a
22 sum equivalent to double the amount the teacher would have earned for each day the teacher engaged
23 in the strike.

24 (c) The school committee's decision may be appealed to the commissioner of education. The
25 hearing before the commissioner shall be limited to the record compiled before the local school
26 district hearing officer unless the commissioner, for good cause shown, allows additional testimony in
27 the matter.

28 (d) Proceedings against an employee organization under this section shall be commenced by a
29 school committee by the filing of a complaint with the Rhode Island labor board and service of this
30 complaint upon the employee organization. The employee organization shall have eight days within
31 which to serve its written answer to such charges. The board's hearing shall be held promptly
32 thereafter and at such hearing, the parties shall be permitted to be represented by counsel and to
33 summon witnesses in their behalf. Compliance with the technical rules of evidence shall not be
34 required.

1 (2) For those districts subject to this section, the department of elementary and secondary
2 education is authorized to require and approve a rigorous evaluation framework based upon criteria to
3 be developed and adopted by the board of regents for elementary and secondary education. Said
4 criteria shall require district administrators to assess school administrator effectiveness annually, and
5 shall require school administrators to assess teacher effectiveness annually, and to use conclusions of
6 such evaluations as a basis for teacher and administrator assignments. These criteria shall supersede
7 any prior evaluation systems in use by the districts and/or schools subject to this section.

8 (3) If the provisions in this section are in direct conflict with the terms of a collective
9 bargaining agreement in effect on January 1, 2008, the terms of this section shall apply to employees
10 covered by that agreement upon its expiration.

11 (c) This control by the department of elementary and secondary education may be exercised
12 in collaboration with the school district and the municipality. If further needed, the school shall be
13 reconstituted. Reconstitution responsibility is delegated to the board of regents and may range from
14 restructuring the school's governance, budget, program, personnel, and/or may include decisions
15 regarding the continued operation of the school. The board of regents shall assess the district's
16 capacity and may recommend the provision of additional district, municipal and/or state resources.

17 (d) If a school or school district is under the board of regents' control as a result of actions
18 taken by the board pursuant to this section, the local school committee shall be responsible for
19 funding that school or school district at the same level as in the prior academic year increased by the
20 same percentage as the state total of school aid is increased.

21 ~~(b)~~(e) For FY 2007, the department shall dedicate one hundred thousand dollars (\$100,000)
22 from funds appropriated to support progressive support and intervention and SALT visits to support
23 the Rhode Island Consortium for Instructional Leadership and Training. This consortium is engaged
24 in training school leaders to be more effective instructional leaders in the standards based instruction
25 environment.

26 SECTION 2. Section 16-60-4 of the General Laws in Chapter 16-60 entitled "Board of
27 Regents for Elementary and Secondary Education" is hereby amended to read as follows:

28 § 16-60-4 Board of regents for elementary and secondary education – Powers and
29 duties. – The board of regents for elementary and secondary education shall have in addition to those
30 enumerated in § 16-60-1, the following powers and duties:

31 (1) To approve a systematic program of information gathering, processing, and analysis
32 addressed to every aspect of elementary and secondary education in this state especially as that
33 information relates to current and future educational needs so that current needs may be met with

1 reasonable promptness and plans formulated to meet future needs as they arise in the most efficient
2 and economical manner possible.

3 (2) To approve a master plan defining broad goals and objectives for elementary and
4 secondary education in the state. These goals and objectives shall be expressed in terms of what men
5 and women should know and be able to do as a result of their educational experience. The regents
6 shall continually evaluate the efforts and results of education in the light of these objectives.

7 (3) To formulate broad policy to implement the goals and objectives established and adopted
8 by the board of regents; to adopt standards and require enforcement and to exercise general
9 supervision over all elementary and secondary public and nonpublic education in the state as provided
10 in subdivision (8) of this section. The board of regents shall not engage in the operation or
11 administration of any subordinate committee, local school district, school, school service, or school
12 program, except its own department of elementary and secondary education, and except as
13 specifically authorized by an act of the general assembly. The adoption and submittal of the budget
14 and the allocation of appropriations, the acquisition, holding, disposition, and general management of
15 property shall not be construed to come within the purview of the preceding prohibition. The regents
16 shall communicate with and seek the advice of the commissioner of elementary and secondary
17 education and all those concerned with and affected by its determinations as a regular procedure in
18 arriving at its conclusions and in setting its policy.

19 (4) To allocate and coordinate the various educational functions among the educational
20 agencies of the state and local school districts and to promote cooperation among them so that
21 maximum efficiency and economy shall be achieved.

22 (5)(i) To prepare with the assistance of the commissioner of elementary and secondary
23 education and to present annually to the state budget officer, in accordance with § 35-3-4, a total
24 educational budget for the elementary and secondary sector which shall include, but not be limited to,
25 the budgets of the department of elementary and secondary education, subordinate boards and
26 agencies, and state aid to local school districts.

27 (ii) In the preparation of the budget, the regents shall determine priorities of expenditures for
28 elementary and secondary education purposes of state revenues and other public resources made
29 available for the support of public elementary and secondary education among the various education
30 agencies of the state. Nothing contained in this section shall authorize any individual or group of
31 individuals to reallocate resources in a manner other than that prescribed in the budget as
32 appropriations by the general assembly.

33 (6) To maintain a department of elementary and secondary education, to provide for its
34 staffing and organization and to appoint a commissioner of elementary and secondary education

1 pursuant to § 16-60-6 who shall serve at its pleasure. The commissioner of elementary and secondary
2 education and the department of elementary and secondary education shall have any duties and
3 responsibilities as defined in §§ 16-60-6 and 16-60-7.

4 (7) To establish other educational agencies or subcommittees necessary or desirable for the
5 conduct of any or all aspects of elementary and secondary education and to determine all powers,
6 functions, and composition of any agencies or subcommittees and to dissolve them when their
7 purpose shall have been fulfilled; provided that nothing contained in this subdivision shall be
8 construed to grant the regents the power to establish subcommittees or agencies performing the duties
9 and functions of local school committees except as provided in § 16-1-10.

10 (8) To exercise the authority previously vested in the board of regents for education with
11 relation to secondary nonpublic educational institutions within the state under the terms of chapter 40
12 of this title and other laws affecting nonpublic education in the state, and to cause the department of
13 elementary and secondary education to administer the provisions of that section.

14 (9) To exercise all the functions, powers and duties which previously were vested in the
15 board of regents for education, under the provisions of former § 16-49-4(9), including but not limited
16 to the following specific functions:

17 (i) To approve the basic subjects and courses of study to be taught and instructional standards
18 required to be maintained in the public elementary and secondary schools of the state.

19 (ii) To adopt standards and qualifications for the certification of teachers and to provide for
20 the issuance of certificates, and to establish fees for the certification of teachers. The fees collected
21 for the certification of teachers along with various education licensing and testing fees shall be
22 deposited by the board of regents as general revenues. The funds appropriated by the general
23 assembly shall be utilized by the department of elementary and secondary education to establish and
24 support programs which enhance the quality and diversity of the teaching profession. The
25 commissioner of elementary and secondary education shall regularly make recommendations to the
26 board about specific programs and projects to be supported by those funds. The commissioner shall
27 oversee the funds, assess the effectiveness of its programs and projects, and make recommendations
28 about the general use and operation of the funds to the board.

29 (iii) To be responsible for the distribution of state school funds.

30 (iv) To determine the necessity of school construction and to approve standards for design
31 and construction of school buildings throughout the state.

32 (v) To set standards for school libraries and school library services.

33 (vi) To make recommendations relative to transportation of pupils to school, school bus
34 routes, time schedules, and other matters relating to pupil transportation.

- 1 (vii) To enforce the provisions of all laws relating to elementary and secondary education.
- 2 (viii) To decide and determine appeals from decisions of the commissioner.
- 3 (ix) To prescribe forms for the use of local school committees and local officers when
4 reporting to the department of elementary and secondary education.
- 5 (x) To adopt and require standard accounting procedures for local school districts, except as
6 provided for in subdivision (3) of § 16-24-2.
- 7 (xi) To adopt and require standard uniform operating and capital budgeting procedures for
8 local school districts.
- 9 (10) To establish rules for the approval and accrediting of elementary and secondary schools.
- 10 (11) To recommend to the general assembly changes in the size and number of the school
11 districts within the state; and to make any further and other recommendations to the general assembly
12 as the board of regents may determine to be necessary or desirable, including, but not limited to,
13 proposals for incentives for the coordination of services and facilities of certain school districts and
14 the feasibility of granting taxing authority to local school committees upon their request, and the
15 impact upon the quality of education within that particular community by granting the request. In
16 carrying out this duty, the board of regents shall periodically issue reports in school district
17 organizations for selected regions and school districts.
- 18 (12) To exercise all other powers with relation to the field of elementary and secondary
19 education within this state not specifically granted to any other department, board, or agency, and not
20 incompatible with law, which the board of regents for elementary and secondary education may deem
21 advisable.
- 22 (13) To exercise the authority previously vested in the board of regents for education with
23 relation to adult education as defined in § 16-58-2 and to establish definitive goals for and operate a
24 comprehensive delivery system for adult education programs and services, including the counseling
25 and testing of persons interested in obtaining high school equivalency diplomas, the issuance of
26 diplomas, and the maintenance of a permanent record of applications, tests, and equivalency
27 diplomas.
- 28 (14) To promote maximum efficiency and economy in the delivery of elementary and
29 secondary educational services in the state.
- 30 (15) To approve a training program for school committee members to enhance their
31 individual skills and their effectiveness as a corporate body. The training program should include, but
32 not be limited to, the following roles and responsibilities of school committees: strategic planning,
33 human and community relations, and school finance and budgeting.

1 (16) Within ninety (90) days after the end of each fiscal year, the board shall submit an
2 annual report to the governor, the speaker of the house of representatives, and the president of the
3 senate of its activities during that fiscal year. The report shall provide: an operating statement
4 summarizing meetings or hearings held, subjects addressed, decisions rendered, rules or regulations
5 promulgated, studies conducted, policies and plans developed, approved, or modified, and programs
6 administered or initiated; a consolidated financial statement of all funds received and expended
7 including the source of the funds, a listing of any staff supported by these funds, and a summary of
8 any clerical, administrative or technical support received; a summary of performance during the
9 previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings,
10 complaints, suspensions, or other legal matters related to the authority of the board; a briefing on
11 anticipated activities in the upcoming fiscal year; and findings and recommendations for
12 improvements. The director of the department of administration shall be responsible for the
13 enforcement of the provisions of this subsection.

14 (17) To prepare with the assistance of the commissioner a multi-year plan of priority
15 educational goals and objectives. This plan should recommend policy objectives, implementation
16 strategies, and a timetable for major policy initiatives.

17 (18) Each year the governor shall by writing notify the board of regents for elementary and
18 secondary education concerning broad economic, cultural, and social needs that the education system
19 needs to consider which the board shall address in developing educational plans and programs.

20 (19) Appoint a standing committee that will develop a schedule to systematically review all
21 board policies over a three (3) year period.

22 (20) To prepare with the assistance of the commissioner a statement of regulatory policy.
23 This policy should set forth the goals and objectives of state regulations which are expressed in terms
24 of what educational inputs and outputs the board expects regulations to address.

25 (21)(i) To prepare with the assistance of the commissioner of elementary and secondary
26 education and to present annually to the general assembly by January 1 a report on school discipline
27 in Rhode Island schools. This report shall include:

28 (A) Expulsions by district, including duration and the reason for each action.

29 (B) Suspensions by district, including duration and the reason for each action.

30 (C) Placements to alternative programs for disciplinary reasons.

31 (D) Assaults of teachers, students, and school staff by students.

32 (E) Incidents involving possession of weapons on school property. For the purpose of this
33 section, a weapon shall be considered any of those weapons described in §§ 11-47-2 and 11-47-42.

34 (F) Incidents of the sale of controlled substances by students.

1 (G) Incidents of the possession with the intent to sell controlled substances by students.

2 (H) Additional demographic information including, but not limited to, the ethnic and racial
3 classifications, age, and gender, as prescribed by the commissioner, of each of the students involved
4 in the incidents, events or actions described in subparagraphs (A) through (G) of this subdivision.

5 (I) A description of the education program provided to each student suspended for over ten
6 (10) consecutive school days in a school year.

7 (ii) All school superintendents shall supply the necessary information on forms established by
8 the commissioner of elementary and secondary education to the board of regents to assist in the
9 preparation of the board of regents' report on school discipline.

10 (22) To prepare and promulgate a uniform statewide school reporting system which would
11 provide information including, but not limited to, the following:

12 (i) Student and teacher attendance rates;

13 (ii) Standardized test scores;

14 (iii) Demographic profiles;

15 (iv) Results of polls of students, parents, and teachers;

16 (v) Descriptions of goals, initiatives, and achievements;

17 (vi) Best teaching practices;

18 (vii) Alternative student assessments;

19 (viii) Special programs;

20 (ix) Number of student suspensions and teacher grievances and the amount of parental
21 involvement.

22 (x) Criteria for a fair, accurate, and objective performance-based statewide evaluation system,
23 based upon established state standards for administrator and teacher efficacy, in order to provide an
24 opportunity for annual educator evaluations for all certified professional educators.

25 (23) The board shall conduct a training course for newly appointed and qualified members
26 within six (6) months of their qualification. The course shall be developed by the chairperson of the
27 board, approved by the board, and conducted by the chairperson of the board. The board may approve
28 the use of any board or staff members or other individuals to assist with training. The training course
29 shall include instruction in the following areas: the provisions of chapters 42-46, 36-14, and 38-2; and
30 the board's own rules. The director of the department of administration shall, within ninety (90) days
31 of the effective date of this act, prepare and disseminate training materials relating to the provisions of
32 chapters 42-46, 36-14, and 38-2.

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

34 **ARTICLE 29**

1 RELATING TO SCHOOL COMMITTEES AND SUPERINTENDENTS –

2 MANAGEMENT RIGHTS OF SCHOOL COMMITTEE

3 SECTION 1. Section 16-2-9 of the General Laws in Chapter 16-2 entitled "School
4 Committees and Superintendents" is hereby amended to read as follows:

5 **§ 16-2-9. General powers and duties of school committees.** -- (a) The entire care, control,
6 and management of all public school interests of the several cities and towns shall be vested in the
7 school committees of the several cities and towns. School committees shall have, in addition to those
8 enumerated in this title, the following powers and duties:

9 (1) To identify educational needs in the community.

10 (2) To develop education policies to meet the needs of the community. This shall include, but
11 not necessarily be limited to, consulting with individual teachers, parents, students and other
12 interested persons, and developing and revising curriculum, establishing class sizes, establishing
13 academic achievement criteria and methods of measurement.

14 (3) To provide for and assure the implementation of federal and state laws, the regulations of
15 the board of regents for elementary and secondary education, and of local school policies, programs,
16 and directives.

17 (4) To provide for the evaluation of the performance of the school system.

18 (5) To have responsibility for the care and control of local schools.

19 (6) To have ~~overall policy responsibility~~ the authority for the employment, assignment and
20 discipline of all school department personnel.

21 (7) To approve a master plan defining goals and objectives of the school system. These goals
22 and objectives shall be expressed in terms of what men and women should know and be able to do as
23 a result of their educational experience. The committee shall periodically evaluate the efforts and
24 results of education in light of these objectives.

25 (8) To provide for the location, care, control, and management of school facilities and
26 equipment.

27 (9) To adopt a school budget to submit to the local appropriating authority.

28 (10) To adopt any changes in the school budget during the course of the school year.

29 (11) To approve expenditures in the absence of a budget, consistent with state law.

30 (12) To employ a superintendent of schools and assign any compensation and other terms and
31 conditions as the school committee and superintendent shall agree, provided that in no event shall the
32 term of employment of the superintendent exceed three (3) years. Nothing contained in this chapter
33 shall be construed as invalidating or impairing a contract of a school committee with a school
34 superintendent in force on May 12, 1978.

1 (13) To give advice and consent on the appointment by the superintendent of all school
2 department personnel and the designation and assignment of all personnel within the school
3 department.

4 (14) To establish minimum standards for personnel, to adopt personnel policies, and to
5 approve a table of organization, including designating and defining personnel as supervisors that hold
6 authority in the interest of the school committee to hire, transfer, suspend, layoff, recall, promote,
7 discharge, assign, reward or discipline other employees, or responsibly direct them. While a school
8 committee may enter into a collective bargaining agreement with school department employees
9 covering hours, salary, working conditions, and other similar matters, no such agreement may
10 abrogate the committee's public rights and obligations under this title and chapter.

11 (15) To establish ~~standards for the~~ and implement a system of evaluation of personnel
12 including teachers, non-certified employees and school administrators, consistent with standards
13 established by the board of regents for secondary and elementary education.

14 (16) To establish standards for conduct in the schools and for disciplinary actions.

15 (17) To hear appeals from disciplinary actions.

16 (18) To enter into contracts.

17 (19) To publish policy manuals which shall include all school committee policies.

18 (20) To establish policies governing curriculum, courses of instruction, ~~and~~ academic
19 organization, both within individual schools and within the department, class sizes, text books and
20 other instructional materials.

21 (21) To provide for transportation services which meet or exceed standards of the board of
22 regents for elementary and secondary education.

23 (22) To make any reports to the department of education as are required by the board of
24 regents for elementary and secondary education.

25 (23) To delegate, consistent with law, any responsibilities to the superintendent as the
26 committee may deem appropriate.

27 (24) To address the health and wellness of students and employees.

28 (25) To establish a subcommittee of the school board or committee to decrease obesity and
29 address school health and wellness policies for students and employees consistent with section §16-
30 21-28.

31 (b) Nothing in this section shall be deemed to limit or interfere with the rights of teachers and
32 other school employees to collectively bargain pursuant to chapters 9.3 and 9.4 of title 28 or to allow
33 any school committee to abrogate any agreement reached by collective bargaining, except where such
34 agreement violates the mandates set forth in this title and chapter.

1 (c) The school committees of each city, town, or regional school district shall have the power
2 to bind their successors and successor committees by entering into contracts of employment in the
3 exercise of their governmental functions.

4 (d) Notwithstanding any provisions of the general laws to the contrary, the requirement
5 defined in subsections (d) through (f) of this section shall apply. The school committee of each school
6 district shall be responsible for maintaining a school budget which does not result in a debt.

7 (e) The school committee shall, within thirty (30) days after the close of the first and second
8 quarters of the state's fiscal year, adopt a budget as may be necessary to enable it to operate without
9 incurring a debt, as described in subsection (d).

10 (f) In the event that any obligation, encumbrance, or expenditure by a superintendent of
11 schools or a school committee is in excess of the amount budgeted or that any revenue is less than the
12 amount budgeted, the school committee shall within five (5) working days of its discovery of
13 potential or actual over expenditure or revenue deficiency submit a written statement of the amount of
14 and cause for the over obligation or over expenditure or revenue deficiency to the city or town council
15 president and any other person who by local charter or statute serves as the city or town's executive
16 officer; the statement shall further include a statement of the school committee's plan for corrective
17 actions necessary to meet the requirements of subsection (d). The plan shall be approved by the
18 auditor general.

19 (g) Notwithstanding any other provision of law, whether of general or specific application,
20 and notwithstanding any contrary provision of any city or town charter or ordinance, the elected
21 school committee of any city, town and regional school district shall be, and is hereby authorized to
22 retain the services of such independent legal counsel as it may deem necessary and convenient. Any
23 counsel so retained shall be compensated out of funds duly appropriated to the school committee, and
24 in no event shall the independent counsel be deemed to be an employee of the pertinent city or town
25 for any purpose.

26 SECTION 2. Chapter 16-2 of the General Laws entitled "School Committees and
27 Superintendents" is hereby amended by adding thereto the following section:

28 **§ 16-2-9.6. Authority of school committee.** – (a) In exercising their powers and duties
29 pursuant to this chapter, and in particular, but not limited to those powers and duties set forth in
30 section §16-2-9, the school committees of the several cities and towns shall have authority and are
31 expressly authorized to manage the operation of the public schools. Accordingly, the school
32 committees are given express management rights to do the following:

33 (1) Develop and revise the school curriculum;

34 (2) Establish class sizes;

1 Human Services an amendment to the RIte Care waiver project to provide for medical assistance
2 coverage to families under this chapter in the same amount, scope and duration as coverage provided
3 to comparable groups under the waiver. The department is further authorized and directed to submit
4 such amendments and/or requests for waivers to the Title XXI state plan as may be necessary to
5 maximize federal contribution for provision of medical assistance coverage under this chapter.
6 However, implementation of expanded coverage under this chapter shall not be delayed pending
7 federal review of any Title XXI amendment or waiver.

8 (b) *Income.* The director of the department of human services is authorized and directed to
9 amend the medical assistance Title XIX state plan or RIte Care waiver to provide medical assistance
10 coverage through expanded income disregards or other methodology for parents or relative caretakers
11 whose income levels are below one hundred seventy-five percent (175%) of the federal poverty level.

12 (c) *Resources.* Except as provided herein, no family or child shall be eligible for medical
13 assistance coverage provided under this section if the combined value of the child's or the family's
14 liquid resources exceed ten thousand dollars (\$10,000); provided, however, that this resource
15 requirement shall not apply to:

16 (1) children with disabilities who are otherwise eligible for medical assistance coverage as
17 categorically needy under Section 134(a) of the Tax Equity and Fiscal Responsibility Act of 1982
18 (federal P.L. 97-248), commonly known as Katie Beckett eligible, upon meeting the requirements
19 established in Section 1902 (e)(3) of the federal Social Security Act; and

20 (2) pregnant women.

21 ~~(e)~~(d) *Waiver.* The department of human services is authorized and directed to apply for and
22 obtain appropriate waivers from the Secretary of the U.S. Department of Health and Human Services,
23 including, but not limited to, a waiver of the appropriate provisions of Title XIX, to require that
24 individuals with incomes equal to or greater than one hundred thirty-three percent (133%) of the
25 federal poverty level pay a share of the costs of their medical assistance coverage provided through
26 enrollment in either the RIte Care Program or under the premium assistance program under § 40-8.4-
27 12, in a manner and at an amount consistent with comparable cost-sharing provisions under § 40-8.4-
28 12, provided that such cost sharing shall not exceed five percent (5%) of annual income for those with
29 annual income in excess of one hundred thirty-three percent (133%); and provided, further, that cost-
30 sharing shall not be required for pregnant women or children under age one.

31 **§ 40-8.4-12 RIte Share Health Insurance Premium Assistance Program.** – (1) The
32 department of human services is authorized and directed to amend the medical assistance Title XIX
33 state plan to implement the provisions of § 1906 of Title XIX of the Social Security Act, 42 U.S.C. §
34 1396e, and establish the Rhode Island health insurance premium assistance program for RIte Care

1 eligible parents with incomes up to one hundred seventy-five percent (175%) of the federal poverty
2 level who have access to employer-based health insurance. The state plan amendment shall require
3 eligible individuals with access to employer-based health insurance to enroll themselves and/or their
4 family in the employer-based health insurance plan as a condition of participation in the RItE Share
5 program under this chapter and as a condition of retaining eligibility for medical assistance under
6 chapters 5.1 and 8.4 of this title and/or chapter 12.3 of title 42 and/or premium assistance under this
7 chapter, provided that doing so meets the criteria established in § 1906 of Title XIX for obtaining
8 federal matching funds and the department has determined that the individual's and/or the family's
9 enrollment in the employer-based health insurance plan is cost-effective and the department has
10 determined that the employer-based health insurance plan meets the criteria set forth in subsection
11 (d). The department shall provide premium assistance by paying all or a portion of the employee's
12 cost for covering the eligible individual or his or her family under the employer-based health
13 insurance plan, subject to the cost sharing provisions in subsection (b), and provided that the premium
14 assistance is cost-effective in accordance with Title XIX, 42 U.S.C. § 1396 et seq.

15 (2) Resources. Except as provided herein, no family or child shall be eligible for medical
16 assistance coverage provided under this section if the combined value of the child's or the family's
17 liquid resources exceed ten thousand dollars (\$10,000); provided, however, that this resource
18 requirement shall not apply to:

19 (i) children with disabilities who are otherwise eligible for medical assistance coverage as
20 categorically needy under Section 134(a) of the Tax Equity and Fiscal Responsibility Act of 1982
21 (federal P.L. 97-248), commonly known as Katie Beckett eligible, upon meeting the requirements
22 established in Section 1902 (e)(3) of the federal Social Security Act; and

23 (ii) pregnant women.

24 (b) *Individuals who can afford it shall share in the cost.* The department of human services is
25 authorized and directed to apply for and obtain any necessary waivers from the secretary of the
26 United States Department of Health and Human Services, including, but not limited to, a waiver of
27 the appropriate sections of Title XIX, 42 U.S.C. § 1396 et seq., to require that individuals eligible for
28 RItE Care under this chapter or chapter 12.3 of title 42 with incomes equal to or greater than one
29 hundred thirty-three percent (133%) of the federal poverty level pay a share of the costs of health
30 insurance based on the individual's ability to pay, provided that the cost sharing shall not exceed five
31 percent (5%) of the individual's annual income. The department of human services shall implement
32 the cost-sharing by regulation, and shall consider co-payments, premium shares or other reasonable
33 means to do so.

1 (c) *Current RIte Care enrollees with access to employer-based health insurance.* The
2 department of human services shall require any individual who receives RIte Care or whose family
3 receives RIte Care on the effective date of the applicable regulations adopted in accordance with
4 subsection (f) to enroll in an employer-based health insurance plan at the individual's eligibility
5 redetermination date or at an earlier date determined by the department, provided that doing so meets
6 the criteria established in the applicable sections of Title XIX, 42 U.S.C. § 1396 et seq., for obtaining
7 federal matching funds and the department has determined that the individual's and/or the family's
8 enrollment in the employer-based health insurance plan is cost-effective and has determined that the
9 health insurance plan meets the criteria in subsection (d). The insurer shall accept the enrollment of
10 the individual and/or the family in the employer-based health insurance plan without regard to any
11 enrollment season restrictions.

12 (d) *Approval of health insurance plans for premium assistance.* The department of human
13 services shall adopt regulations providing for the approval of employer-based health insurance plans
14 for premium assistance and shall approve employer-based health insurance plans based on these
15 regulations. In order for an employer-based health insurance plan to gain approval, the department
16 must determine that the benefits offered by the employer-based health insurance plan are substantially
17 similar in amount, scope, and duration to the benefits provided to RIte Care eligible persons by the
18 RIte Care program, when the plan is evaluated in conjunction with available supplemental benefits
19 provided by the department. The department shall obtain and make available to persons otherwise
20 eligible for RIte Care as supplemental benefits those benefits not reasonably available under
21 employer-based health insurance plans which are required for RIte Care eligible persons by state law
22 or federal law or regulation.

23 (e) *Maximization of federal contribution.* The department of human services is authorized and
24 directed to apply for and obtain federal approvals and waivers necessary to maximize the federal
25 contribution for provision of medical assistance coverage under this section.

26 (f) *Implementation by regulation.* The department of human services is authorized and
27 directed to adopt regulations to ensure the establishment and implementation of the premium
28 assistance program in accordance with the intent and purpose of this section, the requirements of Title
29 XIX and any approved federal waivers.

30 SECTION 2. Section 42-12.3-4 of the General Laws in Chapter 42-12.3 entitled "Health
31 Care for Children and Pregnant Women" is hereby amended to read as follows:

32 **§ 42-12.3-4 "RIte track" program.** – (a) There is hereby established a payor of last resort
33 program for comprehensive health care for children until they reach nineteen (19) years of age, to be
34 known as "RIte track". The department of human services is hereby authorized to amend its title XIX

1 state plan pursuant to title XIX [42 U.S.C. § 1396 et seq.] of the Social Security Act to provide for
2 expanded Medicaid coverage through expanded family income disregards for children, until they
3 reach nineteen (19) years of age, whose family income levels are up to two hundred fifty percent
4 (250%) of the federal poverty level. The department is further authorized to promulgate any
5 regulations necessary, and in accord with title XIX [42 U.S.C. § 1396 et seq.] of the Social Security
6 Act to implement the state plan amendment. For those children who lack health insurance, and whose
7 family incomes are in excess of two hundred fifty percent (250%) of the federal poverty level, the
8 department of human services shall promulgate necessary regulations to implement the program. The
9 department of human services is further directed to ascertain and promulgate the scope of services
10 that will be available to those children whose family income exceeds the maximum family income
11 specified in the approved title XIX [42 U.S.C. § 1396 et seq.] state plan amendment.

12 (b) Resources. Except as provided herein, no family or child shall be eligible for medical
13 assistance coverage provided under this section if the combined value of the child's or the family's
14 liquid resources exceed ten thousand dollars (\$10,000); provided, however, that this resource
15 requirement shall not apply to children with disabilities who are otherwise eligible for medical
16 assistance coverage as categorically needy under Section 134(a) of the Tax Equity and Fiscal
17 Responsibility Act of 1982 (federal P.L. 97-248), commonly known as Katie Beckett eligible, upon
18 meeting the requirements established in Section 1902 (e)(3) of the federal Social Security Act.

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

1 **ARTICLE 31**

2 RELATING TO EDUCATION AID

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

6 **§ 16-7.1-10 Professional development investment fund.** – (a) In order to continue
7 developing the skills of Rhode Island’s teachers, administrators and staff, the general assembly
8 establishes a Professional Development Investment Fund. The general assembly shall annually
9 appropriate some sum and distribute it based on a pupil-teacher ratio that shall be adjusted annually
10 by the commissioner of elementary and secondary education. School districts, including
11 collaboratives established pursuant to chapter 3.1 of this title, may use funds received under this
12 category of education aid to replace up to, but no more than, fifty percent (50%) of the amount the
13 school district spent for professional development programs in the previous fiscal year. The
14 expenditure of these funds shall be determined by a committee at each school consisting of the school
15 principal, two (2) teachers selected by the teaching staff of the school, and two (2) parents of students
16 attending the school. Schools that enroll students in the early grades (kindergarten through grade three
17 (3)) must expend these funds on the development of scientific research based, as described in the No
18 Child Left Behind Act of 2001, Title 1, Part B, Section 1208 [20 U.S.C. § 6368], reading instruction
19 to improve students reading performance.

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

24 Collaborative programs between schools are encouraged. These resources shall be used to
25 close student performance gaps in accordance with the school's and district's strategic plan pursuant to
26 § 16-7.1-2. Additional funds shall be allocated to the department of elementary and secondary
27 education to support teacher and administrator professional development in all districts, including, but
28 not limited to:

29 (1) Supporting mentoring systems;

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

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

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

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

7 (6) The practice of scientific research based reading instruction to improve reading
8 performance.

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

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

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

29 (e) In FY 2009 payments from the professional development investment fund are hereby
30 suspended through June 30, 2009. Notwithstanding, school districts may continue to maintain
31 professional development programs and may reduce other education programs to achieve savings.

32 **§ 16-7.1-15 The Paul W. Crowley Rhode Island student investment initiative.** – (a) Each
33 locally or regionally operated school district shall receive as a base the same amount of school aid as
34 each district received in fiscal year 1997-1998, adjusted to reflect the increases or decreases in aid

1 enacted to meet the minimum and maximum funding levels established for FY 2000 through FY
2 2008. Each school district shall also receive school aid through each investment fund for which that
3 district qualifies pursuant to §§ 16-7.1-8, 16-7.1-9, 16-7.1-10, 16-7.1-11, 16-7.1-12, 16-7.1-16 and
4 16-7.1-19. These sums shall be in addition to the base amount described in this section. For FY 2009,
5 the reference year for the data used in the calculation of aid pursuant to § 16-7.1-8, § 16-7.1-9, § 16-
6 7.1-10, § 16-7.1-11, § 16-7.1-11.1, § 16-7.1-12, § 16-7.1-16, §§ 16-7.1-19 and 16-77.1-2(b) shall be
7 FY 2004. Calculation and distribution of education aid under §§ 16-5-31, 16-5-32, 16-7-20, 16-7-
8 20.5, 16-7-34.2, 16-7-34.3, 16-24-6, 16-54-4, and 16-67-4 is hereby suspended. Provided, however,
9 calculation and distribution of education aid under §16-7.1-10 is suspended for FY 2009. School
10 districts may continue to maintain professional development programs and may reduce other
11 education programs to achieve savings during FY 2009. The funding of the purposes and activities of
12 chapter 67 of this title, the Rhode Island Literacy and Dropout Prevention Act of 1967, shall be the
13 same amount of the base amount of each district funded for that purpose in fiscal year 1997-1998. In
14 addition each district shall expend three percent (3%) of its student equity and early childhood funds
15 under the provisions of chapter 67 of this title.

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

18 (c) Funding distributed under §§ 16-77.1-2(b) and 16-64-1.1 shall be in addition to funding
19 distributed under this section.

20 (d) For FY 2009, aid to school districts shall be reduced by the equivalent savings that are
21 realized due to a reduction of payments to the teachers' retirement system. The reduction for the
22 Chariho regional school district shall be prorated among the member communities. In addition, for
23 FY 2009 aid to school districts shall be reduced by any amount of previously appropriated school
24 housing aid determined to be ineligible for reimbursement. The department of elementary and
25 secondary education shall reduce aid in four equal installments, payable in March, April, May, and
26 June; provided, however, that East Providence shall receive one payment of reduced aid in May.

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

- 29 Barrington ~~2,599,526~~ 1,529,002
- 30 Burrillville ~~13,854,743~~ 13,093,032
- 31 Charlestown ~~2,002,838~~ 1,803,639
- 32 Coventry ~~20,075,081~~ 18,165,808
- 33 Cranston ~~35,475,911~~ 31,681,407
- 34 Cumberland ~~13,257,009~~ 11,862,033

1 East Greenwich ~~1,949,761~~ 1,177,667

2 East Providence ~~26,888,254~~ 24,877,788

3 Foster ~~1,416,463~~ 1,304,046

4 Gloucester ~~3,213,847~~ 2,974,039

5 Hopkinton ~~6,241,352~~ 5,692,690

6 Jamestown ~~531,908~~ 349,650

7 Johnston ~~10,750,364~~ 9,623,109

8 Lincoln ~~7,403,268~~ 6,150,437

9 Little Compton ~~368,810~~ 253,371

10 Middletown ~~10,497,116~~ 9,547,101

11 Narragansett ~~1,897,159~~ 1,296,429

12 Newport ~~11,871,080~~ 10,993,678

13 New Shoreham ~~106,345~~ 20,518

14 North Kingstown ~~11,986,005~~ 10,591,680

15 North Providence ~~13,382,872~~ 12,151,035

16 North Smithfield ~~4,834,237~~ 4,266,049

17 Pawtucket ~~67,023,559~~ 63,989,769

18 Portsmouth ~~6,700,042~~ 5,812,014

19 Providence ~~193,869,756~~ 175,506,631

20 Richmond ~~6,188,615~~ 5,646,535

21 Scituate ~~3,407,183~~ 2,844,317

22 Smithfield ~~5,743,568~~ 4,899,633

23 South Kingstown ~~10,548,698~~ 9,076,994

24 Tiverton ~~5,932,058~~ 5,262,093

25 Warwick ~~37,626,000~~ 33,360,759

26 Westerly ~~6,843,077~~ 5,523,608

27 West Warwick ~~20,440,547~~ 19,103,422

28 Woonsocket ~~47,421,613~~ 45,404,835

29 Bristol-Warren ~~20,438,190~~ 19,149,163

30 Exeter-West Greenwich ~~7,586,019~~ 6,845,337

31 Chariho ~~398,334~~ 387,843

32 Foster-Glocester ~~5,729,861~~ 5,266,364

33 Central Falls ~~43,873,873~~ 42,588,928

1 In addition to the amounts listed above, the department of elementary and secondary
2 education shall allocate monthly to each school district all funds received into the permanent school
3 fund pursuant to § 42-61.2-7, as amended by chapter 13 of the 2008 Public Laws entitled "An Act
4 Relating to State Affairs and Government", up to \$14.1 million, in the same proportion as the aid
5 distribution ~~contained in § 16-7.1-15(d) in the FY 2009 enacted appropriations act.~~ However, for FY
6 2009 the amounts listed above shall be reduced by the amount of projected revenue for the period
7 December 1, 2008 through June 30, 2009. The projected revenue shall be determined by annualizing
8 actual earnings for the period May 12, 2008 through November 30, 2008.

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

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

16 Beacon Charter School 1,512,785

17 Blackstone Academy 1,469,349

18 Compass 614,485

19 Paul Cuffee 4,449,006

20 CVS Highlander 2,596,782

21 International 2,863,818

22 Kingston Hill Academy 736,784

23 Learning Community 3,669,529

24 NE Laborer's 1,508,866

25 Textron 2,361,370

26 Times 2 Academy 6,870,410

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

1 disabilities and speech/language impairments. Additional study is required of factors that influence
2 programming for students with low incidence disabilities; those with disabilities that severely
3 compromise life functions; and programming for students with disabilities through urban special
4 education. Alternatives for funding special education require examination.

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

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

9 **ARTICLE 32**

10 **RELATING TO PENSION REFORM**

11 SECTION 1. Sections 36-10-2, 36-10-9, 36-10-14, 36-10-15 and 36-10-35 of the General
12 Laws in Chapter 36-10 entitled "Retirement System Contribution and Benefits" are hereby amended
13 to read as follows:

14 **§ 36-10-2 State contributions.** - (a) The State of Rhode Island shall make its contribution
15 for the maintenance of the system, including the proper and timely payment of benefits in
16 accordance with the provisions of this chapter and chapters 8, 16, 28, 31 and 42 of this title, by
17 annually appropriating an amount equal to a percentage of the total compensation paid to the active
18 membership. The percentage shall be computed by the actuary employed by the retirement system
19 and shall be certified by the retirement board to the director of administration on or before the
20 fifteenth day of October in each year. In arriving at the yearly employer contribution the actuary
21 shall determine the value of:

22 (1) The contributions made by the members;

23 (2) Income on investments; and

24 (3) Other income of the system.

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

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

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

29 **(3) Provided that for fiscal year 2009, the employer contribution from February 1 to June**
30 **30 shall be reduced to twenty-five percent (25%) of the percentage rate certified by the retirement**
31 **board in June 2008.**

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

4 (d) In accordance with the intent of § 36-8-20 that the retirement system satisfy the
5 requirements of § 401(a) of the Internal Revenue Code of 1986, the state shall pay to the retirement
6 system:

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

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

18 (iii) By June 30, 1995, the sum of the amounts paid by the retirement system for retiree
19 health benefits described in § 36-12-4 for all fiscal years beginning July 1, 1989, and ending June
20 30, 1994, to the extent that the amounts were not paid from the restricted fund described in
21 subsection (c).

22 (2) Any and all amounts paid to the retirement system under this subsection shall not
23 increase the amount otherwise payable to the system by the state of Rhode Island under subsection
24 (a) for the applicable fiscal year. The actuary shall make such adjustments in the amortization bases
25 and other accounts of the retirement system as he or she deems appropriate to carry out the
26 provisions and intent of this subsection.

27 (e) In addition to the contributions provided for in subsection (a) through (c) and in order to
28 provide supplemental employer contributions to the retirement system, commencing in fiscal year
29 2006, and each year thereafter:

30 (1) For each fiscal year in which the actuarially determined state contribution rate for state
31 employees is lower than that for the prior fiscal year, the governor shall include an appropriation to
32 that system equivalent to twenty percent (20%) of the rate reduction for the state's contribution rate

1 for state employees to be applied to the actuarial accrued liability of the state employees' retirement
2 system for state employees for each fiscal year;

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

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

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

14 **§ 36-10-9 Retirement on service allowance – In general.** – Retirement of a member on a
15 service retirement allowance shall be made by the retirement board as follows:

16 (1) Any member may retire upon his or her written application to the retirement board as of
17 the first day of the calendar month in which the application was filed; provided, the member was
18 separated from service prior thereto; and further provided, however, that if separation from service
19 occurs during the month in which application is filed, the effective date shall be the first day
20 following that separation from service; and provided further that the member on his or her
21 retirement date attained the age of sixty (60) and completed at least ten (10) years of contributory
22 service on or before July 1, 2005 or who, ~~regardless of age,~~ has attained the age of fifty-nine (59)
23 and effective April 1, 2009 completed twenty-eight (28) years of total service and has completed at
24 least ten (10) years of contributory service on or before July 1, 2005.

25 (b) Any member, who has not completed at least ten (10) years of contributory service on
26 or before July 1, 2005, may retire upon his or her written application to the retirement board as of
27 the first day of the calendar month in which the application was filed; provided, the member was
28 separated from service prior thereto; and further provided, however, that if separation from service
29 occurs during the month in which application is filed, the effective date shall be the first day
30 following that separation from service; provided, the member or his or her retirement date had
31 attained the age of fifty-nine (59) and had completed at least twenty-nine (29) years of total service
32 or provided that the member on his or her retirement date had attained the age of sixty-five (65) and
33 had completed at least ten (10) years of contributory service; or provided, that the member on his

1 or her retirement date had attained the age of ~~fifty-five (55)~~ fifty-nine (59) effective April 1, 2009
2 and had completed twenty (20) years of total service provided, that the retirement allowance, as
3 determined according to the formula in § 36-10-10 is reduced actuarially for each month that the
4 age of the member is less than sixty-five (65) years.

5 (2) Any faculty employee at a public institution of higher education under the jurisdiction of
6 the board of governors for higher education shall not be involuntarily retired upon attaining the age
7 of seventy (70) years.

8 (3) Except as specifically provided in § 36-10-9.1, §§ 36-10-12 – 36-10-15, and §§ 45-21-
9 19 – 45-21-22, no member shall be eligible for pension benefits under this chapter unless the
10 member shall have been a contributing member of the employee's retirement system for at least ten
11 (10) years.

12 (ii) Provided, however, a person who has ten (10) years service credit on or before June
13 16, 1991, shall be vested.

14 (iii) Furthermore, any past service credits purchased in accordance with § 36-9-38 shall be
15 counted towards vesting.

16 (iv) Any person who becomes a member of the employees' retirement system pursuant to §
17 45-21-4 shall be considered a contributing member for the purpose of chapter 21 of title 45 and this
18 chapter.

19 (v) Notwithstanding any other provision of law, no more than five (5) years of service
20 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
21 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years of
22 service credits before January 1, 1995, shall be permitted to apply those purchases towards the
23 member's service retirement. However, no further purchase will be permitted. Repayment in
24 accordance with applicable law and regulation of any contribution previously withdrawn from the
25 system shall not be deemed a purchase of service credit.

26 (4) No member of the employees' retirement system shall be permitted to purchase service
27 credits for casual or seasonal employment, for employment as a page in the general assembly, or
28 for employment at any state college or university while the employee is a student or graduate
29 assistant of the college or university.

30 (5) Except as specifically provided in §§ 16-16-6.2 and 16-16-6.4, a member shall not
31 receive service credit in this retirement system for any year or portion of it, which counts as service
32 credit in any other retirement system in which the member is vested or from which the member is
33 receiving a pension and/or any annual payment for life. This subsection shall not apply to any

1 payments received pursuant to the federal Social Security Act or to payments from a military
2 pension earned prior to participation in state or municipal employment, or to military service
3 credits earned prior to participation in state or municipal employment.

4 (6) A member who seeks to purchase or receive service credit in this retirement system
5 shall have the affirmative duty to disclose to the retirement board whether or not he or she is a
6 vested member in any other retirement system and/or is receiving a pension, retirement allowance,
7 or any annual payment for life. The retirement board shall have the right to investigate as to
8 whether or not the member has utilized the same time of service for credit in any other retirement
9 system. The member has an affirmative duty to cooperate with the retirement board including, by
10 way of illustration and not by way of limitations the duty to furnish or have furnished to the
11 retirement board any relevant information which is protected by any privacy act.

12 (7) A member who fails to cooperate with the retirement board shall not have the time of
13 service counted toward total service credit until such time as the member cooperates with the
14 retirement board and until such time as the retirement board determines the validity of the service
15 credit.

16 (8) A member who knowingly makes a false statement to the retirement board regarding
17 service time or credit shall not be entitled to a retirement allowance and is entitled only to the return
18 of his or her contributions without interest.

19 **§ 36-10-14 Retirement for accidental disability.** – (a) Medical examination of an active
20 member for accidental disability and investigation of all statements and certificates by him or her or
21 in his or her behalf in connection therewith shall be made upon the application of the head of the
22 department in which the member is employed or upon application of the member, or of a person
23 acting in his or her behalf, stating that the member is physically or mentally incapacitated for the
24 performance of service as a natural and proximate result of an accident while in the performance of
25 duty, and certify the definite time, place, and conditions of the duty performed by the member
26 resulting in the alleged disability, and that the alleged disability is not the result of willful
27 negligence or misconduct on the part of the member, and is not the result of age or length of
28 service, and that the member should, therefore, be retired.

29 (b) The application shall be made within five (5) years of the alleged accident from which the
30 injury has resulted in the members present disability and shall be accompanied by an accident report
31 and a physicians report certifying to the disability; provided that if the member was able to return to
32 his or her employment and subsequently reinjures or aggravates the same injury, the application
33 shall be made within the later of five (5) years of the alleged accident or three (3) years of the

1 reinjury or aggravation. The application may also state that the member is permanently and totally
2 disabled from any employment.

3 (c) If a medical examination conducted by three (3) physicians engaged by the retirement board
4 and such investigation as the retirement board may desire to make shall show that the member is
5 physically or mentally incapacitated for the performance of service as a natural and proximate result
6 of an accident, while in the performance of duty, and that the disability is not the result of willful
7 negligence or misconduct on the part of the member, and is not the result of age or length of
8 service, and that the member has not attained the age of sixty-five (65), and that the member should
9 be retired, the physicians who conducted the examination shall so certify to the retirement board
10 stating the time, place, and conditions of service performed by the member resulting in the
11 disability and the retirement board may grant the member an accidental disability benefit.

12 (d) The retirement board shall establish uniform eligibility requirements, standards, and
13 criteria for accidental disability which shall apply to all members who make application for
14 accidental disability benefits.

15 **§ 36-10-15 Amount of accidental disability benefit.** - (a) Upon retirement for accidental
16 disability under § 36-10-14, a member shall receive a maximum benefit which shall be equal to
17 sixty-six and two-thirds percent (66 2/3%) of his or her annual compensation at the time of his or
18 her retirement, subject to the provisions of § 36-10-31. Upon retirement for accidental disability
19 incurred on or after April 1, 2009, if the member has been found to be permanently and totally
20 disabled from service but has not been found by the board to be permanently and totally disabled
21 from any employment as a result of his/her accidental disability, a member shall receive a
22 retirement allowance equal to fifty percent (50%) of the rate of the member's compensation at the
23 date of the member's retirement subject to the provisions of § 36-10-31. The retiree shall, as a
24 condition of continued receipt of a disability retirement allowance, on or before a date fixed by the
25 retirement board, annually under penalties of perjury provide the board with such affidavits and
26 accurate evidence of earnings, employment and gainful activity as the board may require,
27 including, but not limited to, joint and/or individual tax returns. The employee shall be credited
28 with service for his/her period of disability and, upon reaching the earlier of age fifty-nine (59)
29 with twenty-nine (29) years of service or age sixty-five (65) with ten (10) years of service, his/her
30 retirement shall convert to a retirement on service allowance set forth in this chapter.

31 (b) Upon retirement for accidental disability that has been found by the board to be
32 permanently and totally disabling from any employment, a member receives a retirement allowance
33 equal to sixty-six and two-thirds percent (66 2/3%) of the rate of the member's compensation at the

1 date of the member's retirement subject to the provisions of § 36-10-31. The retirement board shall
2 apply the terms of subsection 28-33-17(b) in determining total disability.

3 **§ 36-10-35 Additional benefits payable to retired employees.** – (a) All state employees
4 and all beneficiaries of state employees receiving any service retirement or ordinary or accidental
5 disability retirement allowance pursuant to the provisions of this title on or before December 31,
6 1967, shall receive a cost of living retirement adjustment equal to one and one-half percent (1.5%)
7 per year of the original retirement allowance, not compounded, for each calendar year the
8 retirement allowance has been in effect. For the purposes of computation, credit shall be given for a
9 full calendar year regardless of the effective date of the retirement allowance. This cost of living
10 adjustment shall be added to the amount of the retirement allowance as of January 1, 1968, and an
11 additional one and one-half percent (1.5%) shall be added to the original retirement allowance in
12 each succeeding year during the month of January, and provided further, that this additional cost of
13 living increase shall be three percent (3%) for the year beginning January 1, 1971, and each year
14 thereafter, through December 31, 1980. Notwithstanding any of the above provisions, no employee
15 receiving any service retirement allowance pursuant to the provisions of this title on or before
16 December 31, 1967, or the employee's beneficiary, shall receive any additional benefit hereunder
17 in an amount less than two hundred dollars (\$200) per year over the service retirement allowance
18 where the employee retired prior to January 1, 1958.

19 (b) All state employees and all beneficiaries of state employees retired on or after January
20 1, 1968, who are receiving any service retirement or ordinary or accidental disability retirement
21 allowance pursuant to the provisions of this title shall, on the first day of January next following the
22 third anniversary date of the retirement, receive a cost of living retirement adjustment, in addition
23 to his or her retirement allowance, in an amount equal to three percent (3%) of the original
24 retirement allowance. In each succeeding year thereafter through December 31, 1980, during the
25 month of January, the retirement allowance shall be increased an additional three percent (3%) of
26 the original retirement allowance, not compounded, to be continued during the lifetime of the
27 employee or beneficiary. For the purposes of computation, credit shall be given for a full calendar
28 year regardless of the effective date of the service retirement allowance.

29 (c) Beginning on January 1, 1981, for all state employees and beneficiaries of the state
30 employees receiving any service retirement and all state employees, and all beneficiaries of state
31 employees, who have completed at least ten (10) years of contributory service on or before July 1,
32 2005 and who retire before April 1, 2009, pursuant to the provisions of this chapter, and for all
33 state employees, and all beneficiaries of state employees who receive a disability retirement

1 allowance pursuant to §§ 36-10-12 – 36-10-15, the cost of living adjustment shall be computed and
2 paid at the rate of three percent (3%) of the original retirement allowance or the retirement
3 allowance as computed in accordance with § 36-10-35.1, compounded annually from the year for
4 which the cost of living adjustment was determined to be payable by the retirement board pursuant
5 to the provisions of subsection (a) or (b) of this section.

6 (2) The provisions of this subsection shall be deemed to apply prospectively only and no
7 retroactive payment shall be made.

8 (3) The retirement allowance of all state employees and all beneficiaries of state employees
9 who have not completed at least ten (10) years of contributory service on or before July 1, 2005,
10 and who retire before April 1, 2009, shall, on the month following the third anniversary date of
11 retirement, and on the month following the anniversary date of each succeeding year be adjusted
12 and computed by multiplying the retirement allowance by three percent (3%) or the percentage of
13 increase in the Consumer Price Index for all Urban Consumers (CPI-U) as published by the United
14 States Department of Labor Statistics determined as of September 30 of the prior calendar year,
15 whichever is less; the cost of living adjustment shall be compounded annually from the year for
16 which the cost of living adjustment was determined payable by the retirement board; provided, that
17 no adjustment shall cause any retirement allowance to be decreased from the retirement allowance
18 provided immediately before such adjustment. This section shall not apply to all state employees
19 and all beneficiaries of state employees, who receive a disability retirement allowance pursuant to
20 §§ 36-10-12 – 36-10-15.

21 (d) Any state employee who retires after April 1, 2009, and his or her beneficiaries, shall
22 not receive a cost of living retirement allowance adjustment.

23 (e) All legislators and all beneficiaries of legislators who are receiving a retirement
24 allowance pursuant to the provisions of § 36-10-9.1 for a period of three (3) or more years, shall,
25 commencing January 1, 1982, receive a cost of living retirement adjustment, in addition to a
26 retirement allowance, in an amount equal to three percent (3%) of the original retirement
27 allowance. In each succeeding year thereafter during the month of January, the retirement
28 allowance shall be increased an additional three percent (3%) of the original retirement allowance,
29 compounded annually, to be continued during the lifetime of the legislator or beneficiary. For the
30 purposes of computation, credit shall be given for a full calendar year regardless of the effective
31 date of the service retirement allowance.

32 ~~(e)~~(f) The provisions of §§ 45-13-7 – 45-13-10 shall not apply to this section.

1 SECTION 2. Sections 16-16-12, 16-16-16, 16-16-17, 16-16-22 and 16-16-40 of the
2 General Laws in Chapter 16-16 entitled "Teacher Retirement" are hereby amended to read as
3 follows:

4 **§ 16-16-12 Procedure for service retirement.** – Retirement of a member on a service
5 retirement allowance shall be made by the retirement board as follows:

6 (1) Any member may retire upon his or her written application to the retirement board as of
7 the first day of the calendar month in which the application was filed, provided the member was
8 separated from service prior to filing the application, and further provided however, that if
9 separation from service occurs during the month in which the application is filed, the effective date
10 shall be the first day following the separation from service, and provided further that the member
11 on retirement date has attained the age of sixty (60) years and has completed at least ten (10) years
12 of contributory service on or before July 1, 2005, or ~~regardless of age~~ has attained the age of fifty-
13 nine (59) and effective April 1, 2009 completed twenty-eight (28) years of total service and has
14 completed at least ten (10) years of contributory service on or before July 1, 2005.

15 (b) Any member, who has not completed at least ten (10) years of contributory service on
16 or before July 1, 2005, may retire upon his or her written application to the retirement board as of
17 the first day of the calendar month in which the application was filed; provided, the member was
18 separated from service prior thereto; and further provided, however, that if separation from service
19 occurs during the month in which application is filed, the effective date shall be the first day
20 following that separation from service; provided, the member on his or her retirement date had
21 attained the age of fifty-nine (59) and had completed at least twenty-nine (29) years of total service;
22 or provided, that the member on his or her retirement date had attained the age of sixty-five (65)
23 and had completed at least ten (10) years of contributory service; or provided, that the member on
24 his or her retirement date had attained the age of ~~fifty-five (55)~~ fifty-nine (59) effective April 1,
25 2009 and had completed twenty (20) years of total service and provided, that the retirement
26 allowance, as determined according to the formula in § 16-16-13 is reduced actuarially for each
27 month that the age of the member is less than sixty-five (65) years.

28 (2) Any member also paying into the retirement system under the provisions of chapter 9 of
29 title 36 shall not be disqualified from receiving benefits provided by that chapter and the provisions
30 of this chapter simultaneously.

31 (3) Except as specifically provided in §§ 36-10-9.1, 36-10-12 through 36-10-15, and 45-21-
32 19 through 45-21-22, no member shall be eligible for pension benefits under this chapter unless the

1 member shall have been a contributing member of the employees' retirement system for at least ten
2 (10) years.

3 (ii) Provided, however, a person who has ten (10) years service credit shall be vested.

4 (iii) Furthermore, any past service credits purchased in accordance with § 36-9-38 shall be
5 counted towards vesting.

6 (iv) Any person who becomes a member of the employees' retirement system pursuant to §
7 45-21-8 shall be considered a contributing member for the purpose of chapter 21 of title 45 and this
8 chapter.

9 (v) Notwithstanding any other provision of law, no more than five (5) years of service
10 credit may be purchased by a member of the system. The five (5) year limit shall not apply to any
11 purchases made prior to January 1, 1995. A member who has purchased more than five (5) years of
12 service credit before January 1, 1995, shall be permitted to apply the purchases towards the
13 member's service retirement. However, no further purchase will be permitted. Repayment, in
14 accordance with applicable law and regulation, of any contribution previously withdrawn from the
15 system shall not be deemed a purchase of service credit.

16 (4) No member of the teachers' retirement system shall be permitted to purchase service
17 credits for casual or seasonal employment, for employment as a page in the general assembly, or
18 for employment at any state college or university while the employee is a student or graduate of the
19 college or university.

20 (5) Except as specifically provided in §§ 16-16-6.2 and 16-16-6.4, a member shall not
21 receive service credit in this retirement system for any year or portion of a year which counts as
22 service credit in any other retirement system in which the member is vested or from which the
23 member is receiving a pension and/or any annual payment for life. This subsection shall not apply
24 to any payments received pursuant to the federal Social Security Act, 42 U.S.C. § 301 et seq.

25 (6) A member who seeks to purchase or receive service credit in this retirement system
26 shall have the affirmative duty to disclose to the retirement board whether or not he or she is a
27 vested member in any other retirement system and/or is receiving a pension, retirement allowance,
28 or any annual payment for life. The retirement board shall have the right to investigate as to
29 whether or not the member has utilized the same time of service for credit in any other retirement
30 system. The member has an affirmative duty to cooperate with the retirement board including, by
31 way of illustration and not by way of limitation, the duty to furnish or have furnished to the
32 retirement board any relevant information that is protected by any privacy act.

1 (7) A member who fails to cooperate with the retirement board shall not have the time of
2 service credit counted toward total service credit until the time the member cooperates with the
3 retirement board and until the time the retirement board determines the validity of the service
4 credit.

5 (8) A member who knowingly makes a false statement to the retirement board regarding
6 service time or credit shall not be entitled to a retirement allowance and is entitled only to the return
7 of his or her contributions without interest.

8 **§ 16-16-16 Retirement for accidental disability.** – (a) Medical examination of an active
9 teacher for accidental disability, and investigation of all statements and certificates by him or her or
10 in his or her behalf in connection with the accidental disability, shall be made upon the application
11 of the head of the department in which the teacher is employed or upon application of the teacher,
12 or of a person acting in his or her behalf, stating that the teacher is physically or mentally
13 incapacitated for the performance of service as a natural and proximate result of an accident, while
14 in the performance of duty, and certify the definite time, place, and conditions of the duty
15 performed by the teacher resulting in the alleged disability, and that the alleged disability is not the
16 result of willful negligence or misconduct on the part of the teacher, and is not the result of age or
17 length of service, and that the teacher should, therefore, be retired.

18 (b) The application shall be made within five (5) years of the alleged accident from which
19 the injury has resulted in the teacher's present disability, and shall be accompanied by an accident
20 report and a physician's report certifying to the disability; provided, that, if the teacher was able to
21 return to his or her employment and subsequently reinjures or aggravates the same injury, the
22 application shall be made within the later of five (5) years of the alleged accident or three (3) years
23 of the reinjury or aggravation. The application may also state that the member is permanently and
24 totally disabled from any employment.

25 (c) If a medical examination conducted by three (3) physicians engaged by the retirement
26 board, and any investigation that the retirement board may desire to make, shall show that the
27 teacher is physically or mentally incapacitated for the performance of service as a natural and
28 proximate result of an accident, while in the performance of duty, and that the disability is not the
29 result of willful negligence or misconduct on the part of the teacher, and is not the result of age or
30 length of service, and that the teacher has not attained the age of sixty-five (65) years, and that the
31 teacher should be retired, the physicians who conducted the examination shall so certify to the
32 retirement board stating the time, place, and conditions of service performed by the teacher

1 resulting in the disability, and the retirement board may grant the teacher an accidental disability
2 benefit.

3 (d) The retirement board shall establish uniform eligibility requirements, standards, and
4 criteria for accidental disability which shall apply to all members who make application for
5 accidental disability benefits.

6 **§ 16-16-17 Amount of accidental disability benefit.** – (a) Upon retirement for accidental
7 disability under § 16-16-16 a teacher shall receive a maximum benefit that shall be equal to sixty-
8 six and two-thirds percent (66 2/3%) of his or her annual compensation at the time of his or her
9 retirement, subject to the provisions of § 16-16-20. Upon retirement for accidental disability
10 incurred on or after April 1, 2009, if the member has been found to be permanently and totally
11 disabled from service but has not been found by the board to be permanently and totally disabled
12 from any employment as a result of his/her accidental disability, a member shall receive a
13 retirement allowance equal to fifty percent (50%) of the rate of the member’s compensation at the
14 date of the member’s retirement subject to the provisions of § 36-16-20. The retiree shall, as a
15 condition of continued receipt of a disability retirement allowance, on or before a date fixed by the
16 retirement board, annually under penalties of perjury provide the board with such affidavits and
17 accurate evidence of earnings, employment and gainful activity as the board may require,
18 including, but not limited to, joint and/or individual tax returns. The employee shall be credited
19 with service for his/her period of disability and, upon reaching the earlier of age fifty-nine (59)
20 with twenty-nine (29) years of service or age sixty-five (65) with ten (10) years of service, his/her
21 retirement shall convert to a retirement on service allowance set forth in this chapter.

22 (b) Upon retirement for accidental disability that has been found by the board to be
23 permanently and totally disabling from any employment, a member receives a retirement allowance
24 equal to sixty-six and two-thirds percent (66 2/3%) of the rate of the member’s compensation at the
25 date of the member’s retirement subject to the provisions of § 16-16-20. The retirement board shall
26 apply the terms of subsection 28-33-17(b) in determining total disability.

27 **§ 16-16-22 Contributions to state system.** – (a) Each member shall contribute into the
28 system nine and one-half percent (9.5%) of compensation as his or her share of the cost of
29 annuities, benefits, and allowances. The employer contribution on behalf of teacher members of the
30 system shall be in an amount that will pay a rate percent of the compensation paid to the members,
31 according to the method of financing prescribed in the State Retirement Act in chapters 8 – 10 of
32 title 36. This amount shall be paid by the state, and sixty percent (60%) by the city, town, local
33 educational agency, or any formalized commissioner approved cooperative service arrangement by

1 whom the teacher members are employed, with the exception of teachers who work in federally
2 funded projects. Provided, however, that the rate percent paid shall be rounded to the nearest
3 hundredth of one percent (.01%).

4 (b) The employer contribution on behalf of teacher members of the system who work in
5 fully or partially federally funded programs shall be prorated in accordance with the share of the
6 contribution paid from the funds of the federal, city, town, or local educational agency, or any
7 formalized commissioner approved cooperative service arrangement by whom the teacher members
8 are approved.

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

14 (d) The employer's contribution shared by the state shall be paid in the amounts prescribed
15 in this section for the city, town, or local educational agency and under the same payment schedule.
16 Notwithstanding any other provisions of this chapter, the city, town, or local educational agency or
17 any formalized commissioner approved cooperative service arrangement shall remit to the general
18 treasurer of the state the local employer's share of the teacher's retirement payments on a monthly
19 basis, payable by the fifteenth (15th) of the following month, provided that during the period
20 February 1, 2009 through June 30, 2009, the employer shall contribute twenty-five percent (25%)
21 of the rate certified by the state retirement board. The general treasurer, upon receipt of the local
22 employer's share, shall effect transfer of a matching amount of money from the state funds
23 appropriated for this purpose by the general assembly into the retirement fund.

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

25 **§ 16-16-40 Additional benefits payable to retired teachers.** – (a) All teachers and all
26 beneficiaries of teachers receiving any service retirement or ordinary disability retirement
27 allowance pursuant to the provisions of this chapter and chapter 17 of this title, on or before
28 December 31, 1967, shall receive a cost of living retirement adjustment equal to one and one-half
29 percent (1.5%) per year of the original retirement allowance, not compounded, for each year the
30 retirement allowance has been in effect. For purposes of computation credit shall be given for a full
31 calendar year regardless of the effective date of the retirement allowance. This cost of living
32 retirement adjustment shall be added to the amount of the service retirement allowance as of
33 January 1, 1970, and payment shall begin as of July 1, 1970. An additional cost of living retirement

1 adjustment shall be added to the original retirement allowance equal to three percent (3%) of the
2 original retirement allowance on the first day of January, 1971, and each year thereafter through
3 December 31, 1980.

4 (b) All teachers and beneficiaries of teachers receiving any service retirement or ordinary
5 disability retirement allowance pursuant to the provisions of this title who retired on or after
6 January 1, 1968, shall, on the first day of January, next following the third (3rd) year on
7 retirement, receive a cost of living adjustment, in addition to his or her retirement allowance, an
8 amount equal to three percent (3%) of the original retirement allowance. In each succeeding year
9 thereafter, on the first day of January, the retirement allowance shall be increased an additional
10 three percent (3%) of the original retirement allowance, not compounded, to be continued through
11 December 31, 1980.

12 (c) Beginning on January 1, 1981, for all teachers and beneficiaries of teachers receiving
13 any service retirement and all teachers and all beneficiaries of teachers who have completed at least
14 ten (10) years of contributory service on or before July 1, 2005 and who retire before April 1, 2009,
15 pursuant to the provisions of this chapter, and for all teachers and beneficiaries of teachers who
16 receive a disability retirement allowance pursuant to §§ 16-16-14 – 16-16-17, the cost of living
17 adjustment shall be computed and paid at the rate of three percent (3%) of the original retirement
18 allowance or the retirement allowance as computed in accordance with § 16-16-40.1, compounded
19 annually from the year for which the cost of living adjustment was determined to be payable by the
20 retirement board pursuant to the provisions of subsection (a) or (b) of this section.

21 (2) The provisions of this subsection shall be deemed to apply prospectively only and no
22 retroactive payment shall be made.

23 (3) The retirement allowance of all teachers and all beneficiaries of teachers who have not
24 completed at least ten (10) years of contributory service on or before July 1, 2005, and who retire
25 before April 1, 2009, shall on the month following the third anniversary date of the retirement, and
26 on the month following the anniversary date of each succeeding year be adjusted and computed by
27 multiplying the retirement allowance by three percent (3%) or the percentage of increase in the
28 Consumer Price Index for all Urban Consumers (CPI-U) as published by the United States
29 Department of Labor Statistics, determined as of September 30 of the prior calendar year,
30 whichever is less; the cost of living adjustment shall be compounded annually from the year for
31 which the cost of living adjustment was determined payable by the retirement board; provided, that
32 no adjustment shall cause any retirement allowance to be decreased from the retirement allowance
33 provided immediately before such adjustment. This section shall not apply to all teachers and

1 beneficiaries of teachers who receive a disability retirement allowance pursuant to §§ 16-16-14 –
2 16-16-17.

3 (d) Any teacher who retires after April 1, 2009, and his or her beneficiaries, shall not
4 receive a cost of living retirement allowance adjustment.

5 (e) The provisions of §§ 45-13-7 – 45-13-10 shall not apply to this section.

6 SECTION 3. Sections 8-3-15 and 8-3-17 of the General Laws in Chapter 8-3 entitled
7 “Justices of Supreme, Superior, and Family Courts” are hereby amended to read as follows:

8 **§ 8-3-15 Cost of living allowance.** – (a) All justices of the supreme court, superior court,
9 family court, or district court, or their surviving spouses or domestic partners, who retire ~~after~~
10 between January 1, 1970 and April 1, 2009 and who receive a retirement allowance pursuant to the
11 provisions of this title shall, on the first day of January next following the third anniversary date of
12 retirement, receive a cost-of-living retirement adjustment in addition to his or her retirement
13 allowance in an amount equal to three percent (3%) of the original retirement allowance. In each
14 succeeding year thereafter during the month of January, the retirement allowance shall be increased
15 an additional three percent (3%) of the original allowance, not compounded, to be continued during
16 the lifetime of the justice or his or her surviving spouse or domestic partner. For the purpose of
17 such computation, credit shall be given for a full calendar year regardless of the effective date of
18 the retirement allowance.

19 (b) Any justice who retired prior to January 31, 1977 shall be deemed for the purpose of
20 this section to have retired on January 1, 1977.

21 (c) Any justice who retires after April 1, 2009, and his or her beneficiaries, shall not
22 receive a cost of living retirement allowance adjustment.

23 **§ 8-3-17 State contributions.** – The state of Rhode Island shall make its contribution for
24 the maintaining of the system established by § 8-3-16 and providing the annuities, benefits, and
25 retirement allowances in accordance with the provisions of this chapter by annually appropriating
26 an amount which will pay a rate percent of the compensation paid after December 31, 1989 to
27 judges engaged after December 31, 1989. Such rate percent shall be computed and certified in
28 accordance with the procedures set forth in §§ 36-8-13 and 36-10-2 under rules and regulations
29 promulgated by the retirement board pursuant to § 36-8-3. Provided that during the period February
30 1, 2009 through June 30, 2009, the employer shall contribute twenty-five percent (25%) of the rate
31 that had been certified by the retirement board.

32 SECTION 4. Sections 42-28-22 and 42-28-22.2 of the General Laws in Chapter 42-28
33 entitled “State Police” are hereby amended to read as follows:

1 **§ 42-28-22 Retirement of members.** – (a) Whenever any member of the state police hired
2 prior to July 1, 2007 has served for twenty (20) years, he or she may retire therefrom or he or she
3 may be retired by the superintendent with the approval of the governor, and in either event a sum
4 equal to one-half (1/2) of the whole salary for the position from which he or she retired determined
5 on the date he or she receives his or her first retirement payment shall be paid him or her during
6 life.

7 (b) For purposes of this section, the term "whole salary" means:

8 (1) For each member who retired prior to July 1, 1966, "whole salary" means the base
9 salary for the position from which he or she retired as the base salary for that position was
10 determined on July 31, 1972;

11 (2) For each member who retired between July 1, 1966 and June 30, 1973, "whole salary"
12 means the base salary for the position from which he or she retired as the base salary, implemented
13 by the longevity increment, for that position was determined on July 31, 1972 or on the date of his
14 or her retirement, whichever is greater;

15 (3) For each member who retired or who retires after July 1, 1973 "whole salary" means
16 the base salary, implemented by the longevity increment, holiday pay, and clothing allowance, for
17 the position from which he or she retired or retires.

18 (4) For each member who retires after April 1, 2009, "whole salary" means his or her
19 average highest three (3) consecutive years of base salary, implemented by the longevity increment,
20 for the position from which he or she retired or retirees.

21 (c) Any member who retired prior to July 1, 1977 shall receive a benefits payment
22 adjustment equal to three percent (3%) of his or her original retirement, as determined in subsection
23 (b) of this section, in addition to his or her original retirement allowance. In each succeeding year
24 thereafter during the month of January, the retirement allowance shall be increased an additional
25 three percent (3%) of the original retirement allowance, not compounded, to be continued until
26 January 1, 1991. For the purposes of the computation, credit shall be given for a full calendar year
27 regardless of the effective date of the service retirement allowance. For purposes of this subsection,
28 the benefits payment adjustment shall be computed from January 1, 1971 or the date of retirement,
29 whichever is later in time.

30 (2) Any member of the state police who retires pursuant to the provisions of this chapter on
31 or after January 1, 1977, shall on the first day of January, next following the third anniversary date
32 of the retirement receive a benefits payment adjustment, in addition to his or her retirement
33 allowance, in an amount equal to three percent (3%) of the original retirement allowance. In each

1 succeeding year thereafter during the month of January, the retirement allowance shall be increased
2 an additional three percent (3%) of the original retirement allowance, not compounded, to be
3 continued until January 1, 1991. For the purposes of the computation, credit shall be given for a
4 full calendar year regardless of the effective date of the service retirement allowance.

5 (3) Any retired member of the state police who retires before April 1, 2009 and is receiving
6 a benefit payment adjustment pursuant to subdivisions (1) and (2) of this section shall beginning
7 January 1, 1991, receive a benefits payment adjustment equal to fifteen hundred dollars (\$1,500).
8 In each succeeding year thereafter during the month of January, the retirement allowance shall be
9 increased by fifteen hundred dollars (\$1,500) to be continued during the lifetime of the member.

10 (d) Any member of the state police who retires after April 1, 2009, and his or her
11 beneficiaries, shall not receive a cost of living retirement allowance adjustment.

12 The benefits payment adjustment as provided in this section shall apply to and be in
13 addition to the retirement benefits under the provisions of § 42-28-5, to the injury and death
14 benefits under the provisions of § 42-28-21, and to the death and disability payments as provided in
15 § 42-28-36.

16 (e) Any member who retires after July 1, 1972 and who has served beyond twenty (20)
17 years shall be allowed an additional amount equal to three percent (3%) for each completed year
18 served after twenty (20) years, but in no event shall the original retirement allowance exceed sixty-
19 five percent (65%) of his or her whole salary as defined in subsection (b) hereof or sixty-five
20 percent (65%) of his or her salary as defined in subsection (b) hereof in his or her twenty-fifth
21 (25th) year whichever is less.

22 (2) Each member who retired prior to July 1, 1975, shall be entitled to all retirement
23 benefits as set forth above or shall be paid benefits as set forth in subdivision (b)(1) with "whole
24 salary" meaning the base salary for the position from which he or she retired as the base salary for
25 the position was determined on July 1, 1975, whichever is greater.

26 (f) Any member who retires, has served as a member for twenty (20) years or more, and
27 who served for a period of six (6) months or more of active duty in the armed service of the United
28 States or in the merchant marine service of the United States as defined in § 2 of chapter 1721 of
29 the Public Laws, 1946, may purchase credit for such service up to a maximum of two (2) years;
30 provided that any member who has served at least six (6) months or more in any one year shall be
31 allowed to purchase one year for such service and any member who has served a fraction of less
32 than six (6) months in his or her total service shall be allowed to purchase six (6) months' credit for
33 such service.

1 (2) The cost to purchase these credits shall be ten percent (10%) of the member's first year
2 salary as a state policeman multiplied by the number of years and/or fraction thereof of such armed
3 service up to a maximum of two (2) years. The purchase price shall be paid into the general fund.

4 (3) There will be no interest charge provided the member makes such purchase during his
5 or her twentieth (20th) year or within five (5) years from May 18, 1981, whichever is later, but
6 will be charged regular rate of interest as defined in § 36-8-1 as amended to date of purchase from
7 the date of his or her twentieth (20th) year of state service or five (5) years from May 18, 1981,
8 whichever is later.

9 (4) In no event shall the original retirement allowance exceed sixty-five percent (65%) of
10 his or her whole salary as defined in subsection (b) hereof or sixty-five percent (65%) of his or her
11 salary as defined in subsection (b) hereof in his or her twenty-fifth (25th) year, whichever is less.

12 (g) The provisions of this section shall not apply to civilian employees in the Rhode Island
13 state police; and, further, from and after April 28, 1937, chapters 8 – 10, inclusive, of title 36 shall
14 not be construed to apply to the members of the Rhode Island state police, except as provided by §§
15 36-8-3, 36-10-1.1, 42-28-22.1, and 42-28-22.2.

16 (h) Any other provision of this section notwithstanding, any member of the state police
17 other than the superintendent of state police, who is hired prior to July 1, 2007 and who has served
18 for twenty-five (25) years or who has attained the age of sixty-two (62) years, whichever shall first
19 occur, shall retire therefrom.

20 (i) Any other provision of this section notwithstanding, any member of the state police,
21 other than the superintendent, who is hired on or after July 1, 2007 and who has served for twenty-
22 five (25) years, may retire therefrom or he or she may be retired by the superintendent with the
23 approval of the governor, and shall be entitled to a retirement allowance of fifty percent (50%) of
24 his or her "whole salary" as defined in subsection (b) hereof.

25 (2) Any member of the state police who is hired on or after July 1, 2007 may serve up to a
26 maximum of thirty (30) years, and shall be allowed an additional amount equal to three percent
27 (3.0%) for each completed year served after twenty-five (25) years, but in no event shall the
28 original retirement allowance exceed sixty-five percent (65%) of his or her "whole salary" as
29 defined in subsection (b) hereof.

30 (j) In calculating the retirement benefit for any member, the term base salary as used in
31 subdivision (b)(3) shall not be affected by a deferral of salary plan or a reduced salary plan
32 implemented to avoid shutdowns or layoffs or to effect cost savings. Basic salary shall remain for

1 retirement calculation that which it would have been but for the salary deferral or salary reduction
2 due to a plan implemented to avoid shutdowns or layoffs or to effect cost savings.

3 **§ 42-28-22.2 State contributions.** – The state of Rhode Island shall make its contribution
4 for the maintaining of the system established by § 42-28-22.1 and providing the annuities, benefits,
5 and retirement allowances in accordance with the provisions of this chapter by annually
6 appropriating an amount which will pay a rate percent of the compensation paid after July 1, 1989
7 to members of the state police hired after July 1, 1987. This rate percent shall be computed and
8 certified in accordance with the procedures set forth in §§ 36-8-13 and 36-10-2 under rules and
9 regulations promulgated by the retirement board pursuant to § 36-8-3. Provided that during the
10 period of February 1, 2009 through June 30, 2009, the state shall contribute twenty-five percent
11 (25%) of the rate that had been certified by the retirement board.

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

13 ARTICLE 33

14 RELATING TO MEDICAL ASSISTANCE RECIPIENTS

15 SECTION 1. Section 40-8-15 of the General Laws in Chapter 40-8 entitled “Medical
16 Assistance” is hereby amended to read as follows:

17 **§ 40-8-15. Lien on deceased recipient's estate for assistance.** – (a) Upon the death of a
18 recipient of medical assistance under Title XIX of the federal Social Security Act, 42 U.S.C. §
19 1396 et seq., the total sum of medical assistance so paid on behalf of a recipient who was fifty-five
20 (55) years of age or older at the time of receipt of the assistance shall be and constitute a lien upon
21 the estate, as defined herein, of the recipient in favor of the department of human services. The lien
22 shall not be effective and shall not attach as against the estate of a recipient who is survived by a
23 spouse, or a child who is under the age of twenty-one (21), or a child who is blind or permanently
24 and totally disabled as defined in Title XVI of the federal Social Security Act, 42 U.S.C. § 1381 et
25 seq. The lien shall not be effective and shall not attach as against a recipient's estate, which has
26 been admitted for probate administration unless the department has filed a claim for reimbursement
27 in the probate court in accordance with § 33-11-5 or other applicable law. For purposes of this
28 section, the term "estate" with respect to a deceased individual shall include all real and personal
29 property and other assets included or includable within the individual's probate estate.

30 (b) The department is authorized to promulgate regulations to implement the terms, intent,
31 and purpose of this section and to require the legal representative(s) and/or the heirs-at-law of the
32 decedent to provide reasonable written notice to the department of the death of a recipient of
33 medical assistance who was fifty-five (55) years of age or older at the date of death, and to provide

1 a statement identifying the decedent's property and the names and addresses of all persons entitled
2 to take any share or interest of the estate as legatees or distributees thereof.

3 (c) The amount of medical assistance reimbursement imposed under this section shall also
4 become a debt to the state from the person or entity liable for the payment thereof.

5 (d) Upon payment of the amount of reimbursement for medical assistance imposed by this
6 section, the director of the department of human services, or his or her designee, shall issue a
7 written discharge of lien.

8 (e) Upon application to the director and a determination by the director that the lien is
9 either inapplicable or that no reimbursement for medical assistance is due with respect to the estate,
10 the director shall issue a written discharge of lien.

11 (f) Provided, however, that no lien created under this section shall attach nor become
12 effective upon any real property unless and until a statement of claim is recorded naming the
13 debtor/owner of record of the property as of the date and time of recording of the statement of
14 claim, and describing the real property by a description containing all of the following: (1) tax
15 assessor's plat and lot; and (2) street address. The statement of claim shall be recorded in the
16 records of land evidence in the town or city where the real property is situated. The department
17 shall send notice of the lien to the duly appointed executor or administrator, the decedent's legal
18 representative, if known, or to the decedent's next of kin or heirs at law as stated in the decedent's
19 last application for medical assistance.

20 (g) The department of human services shall establish procedures, in accordance with the
21 standards specified by the secretary, U.S. Department of Health and Human Services, under which
22 the department of human services shall waive, in whole or in part, the lien and reimbursement
23 established by this section if such lien and reimbursement would work an undue hardship, as
24 determined by the department, on the basis of the criteria established by the secretary in accordance
25 with 42 U.S.C. § 1396p(b)(3).

26 SECTION 2. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
27 amended by adding thereto the following sections:

28 **§ 40-8-15.1. Lien on recipient's property.**—(a) In addition to the lien and recovery
29 provisions of section 40-8-15, the department shall recover medical assistance paid for services
30 rendered on or after April 1, 2009 on behalf of an individual, as defined herein, from the
31 individual's estate, as defined in section 40-8-15, or upon the sale or transfer of the individual's
32 real property. Prior to the death of an individual who is a recipient of the medical assistance under
33 Title XIX of the federal Social Security Act, 42 USC § 1396 et seq., the department may impose a

1 lien against the property of any individual on account of medical assistance paid on his or her behalf
2 as follows:

3 (1) Pursuant to the agreement of the individual or pursuant to a court order on account of
4 benefits incorrectly paid on behalf of such individual, or

5 (2) With respect to the real property owned by an individual who is in a nursing facility,
6 intermediate care facility for the mentally retarded, or other medical institution, and with respect to
7 whom the department determines, after notice and opportunity for hearing, that he or she cannot
8 reasonably be expected to be discharged from the medical institution and return home, provided
9 however, any such lien will be withdrawn upon the individual's discharge from the medical
10 institution and return home; in addition no such lien may be imposed on the individual's home if
11 one of the following persons is lawfully residing in the home:

12 (i) The spouse of such individual,

13 (ii) The individual's child who is under age 21, or is blind or permanently and totally
14 disabled as defined in section 1382c of Title XIX of the USCA, or

15 (iii) A sibling of the individual who has an equity interest in such home and who was
16 residing in such individual's home for a period of at least one year immediately before the date of
17 the individual's admission to the medical institution.

18 (b) Any recovery in the case of a lien on an individual's home under this section may be
19 made only after the death of the individual's surviving spouse, if any, and only at a time when:

20 (1) No sibling of the individual who was residing in the individual's home for a period of at
21 least one year immediately before the date of the individual's admission to the medical institution,
22 and is lawfully residing in such home and who has resided in such home on a continuous basis since
23 the day of the individual's admission to the medical institution; and

24 (2) No child of the individual who was residing in the individual's home for a period of at
25 least two years immediately before the date of the individual's admission to the medical institution,
26 and who establishes to the satisfaction of the department that he or she provided care to such
27 individual which permitted such individual to reside at home rather than in an institution, and is
28 lawfully residing in such home and who has resided in such home on a continuous basis since the
29 day of the individual's admission to the medical institution.

30 (c) If the property against which the department has placed a lien in accordance with this
31 section is sold or transferred during the medical assistance recipient's lifetime, the department may
32 recover all payment for services provided to the individual on or after the April 1, 2009.

1 § 40-8-15.2. Recording Fee.-- The department shall not be required to pay a recording fee
2 for filing any notice of lien, lien, statement of claim, or release or discharge of a lien or
3 encumbrance filed in accordance with sections 40-8-15 and 40-8-15.1

4 SECTION 3. This article shall take effect as of April 1, 2009.

ARTICLE 34

RELATING TO TRANSFERS TO STATE BUDGET RESERVE AND CASH STABILIZATION ACCOUNT

5 SECTION 1. Section 35-3-20 of the General Laws in Chapter 35-3 entitled "State Budget"
6 is hereby amended to read as follows:

7 § 35-3-20 State budget reserve and cash stabilization account. – (a) There is hereby
8 created within the general fund a state budget reserve and cash stabilization account, which shall be
9 administered by the state controller and which shall be used solely for the purpose of providing
10 such sums as may be required to fund any unanticipated general revenue deficit caused by a general
11 revenue shortfall as identified by the state controller at the close of any fiscal year as provided in
12 subsection (d).

13 (b) In carrying out the provisions of § 35-3-20.1, the state controller shall, based on that
14 fiscal years estimate, transfer the amounts needed to fund cash requirements during the fiscal year;
15 the transfer shall be adjusted at the end of the fiscal year in order to conform to the requirements of
16 § 35-3-20.1. To the extent that funds so transferred are not needed by the Rhode Island Capital Plan
17 fund the funds may be loaned back to the general fund.

18 (c) For the fiscal year ending June 30, 2009, whenever the aggregate of the monies and
19 securities held for the credit of the state budget reserve and cash stabilization account exceeds three
20 and four tenths of one percent (3.4%) of total fiscal year resources, consisting of the aggregate of
21 (1) actual revenues from taxes and other departmental general revenue sources; and (2) the general
22 revenue balance available for appropriations at the beginning of the fiscal year; the excess shall be
23 transferred to the Rhode Island Capital Plan fund, to be used solely for capital projects. Provided
24 further, the applicable percentage shall increase by four-tenths of one percent (.4%) for the
25 succeeding four (4) fiscal years as follows:

26 Fiscal year ending June 30, 2010 3.8%

27 Fiscal year ending June 30, 2011 4.2%

28 Fiscal year ending June 30, 2012 4.6%

29 Fiscal years ending June 30, 2013 and thereafter 5.0%

1 (d) At any time after the third quarter of a fiscal year, that it is indicated that total resources
2 which are defined to be the aggregate of estimated general revenue, general revenue receivables,
3 and available free surplus in the general fund will be less than the original estimates upon which
4 current appropriations were based, the general assembly may make appropriations from the state
5 budget reserve and cash stabilization account for the difference between the estimated total
6 resources and the original estimates upon which enacted appropriations were based, but only in the
7 amount of the difference based upon the revenues projected at latest state revenue estimating
8 conference pursuant to chapter 16 of title 35 as reported by the chairperson of that conference. The
9 general assembly shall adopt a resolution stating the amount of the total resources upon which the
10 enacted appropriations were based in order to authorize the controller to make the transfer from the
11 state budget reserve and cash stabilization account to achieve those total resources. The resolution
12 shall be referred in the manner prescribed in § 35-3-9.

13 (2) Once the general assembly has taken final action defining the total resources to be
14 achieved through amounts to be withdrawn from the state budget reserve and cash stabilization
15 account, the state controller shall transfer to the state's general fund balance available the exact
16 amount necessary to achieve the total resources specified in the enacted resolution from the state
17 budget reserve and cash stabilization account based upon the actual difference between the total
18 resources and the original estimates upon which enacted appropriations were based.

19 (e) Whenever a transfer has been made pursuant to subsection (d), that transfer shall be
20 considered as estimated general revenues for the purposes of determining the amount to be
21 transferred to the Rhode Island Capital Plan fund for the purposes of subsection 35-3-20.1(b).

22 (f) Whenever a transfer has been made pursuant to subsection (d), the amount of the
23 transfer shall be transferred to the Rhode Island Capital Plan fund from funds payable into the
24 general revenue fund pursuant to § 35-3-20.1 in the fiscal year following the fiscal year in which
25 the transfer was made, except that transfers made during the fiscal year ending June 30, 2008 shall
26 be transferred to the Rhode Island Capital Plan fund during the fiscal year ending June 30, 2010.

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

28 ARTICLE 35

29 RELATING TO COURT MEDIATION FEES

30 SECTION 1. Section 10-16-4 of the General Laws in Chapter 10-16 entitled "Small
31 Claims and Consumer Claims" is hereby amended to read as follows:
32

33 **§ 10-16-4. Filing fee – Waiver of appeal.** – (a) The plaintiff shall pay into the court an
34 entry fee of ~~thirty dollars (\$30.00)~~ fifty dollars (\$50.00), of which ~~ten dollars (\$10.00)~~ twenty
35

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

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

9 SECTION 2. This article shall take effect as of February 1, 2009.

10 ARTICLE 36

11 RELATING TO MEDICAL ASSISTANCE FOR DISABLED CHILDREN

12 SECTION 1. Chapter 40-8 of the General Laws entitled "Medical Assistance" is hereby
13 amended by adding thereto the following section:

14 § 40-8-30. Cost sharing for disabled children – The department of human services
15 authorized to apply for and obtain appropriate waivers and/or state plan amendments from the
16 Secretary of the United States Department of Health and Human Services for the purpose of
17 requiring that families of children with disabilities who are otherwise eligible for medical assistance
18 coverage as categorically needy under Section 134(a) of the Tax Equity and Fiscal Responsibility
19 Act of 1982 [federal P.L. 97-248], commonly known as "Katie Beckett" eligible, upon meeting the
20 requirements established in Section 1902(e)(3) of the federal Social Security Act, will be required
21 to take financial responsibility for a share of the cost of the medical assistance coverage based on
22 the family's ability to pay. The department is authorized to establish a cost sharing schedule based
23 on a percentage of household income and require that eligible children/ families contribute to the
24 cost of the care by premium sharing, cost sharing, participation in a consumer directed model based
25 upon an individualized service budget, or any combination of those methods, or any other
26 reasonable means in accordance with approved provisions of appropriate waivers and/or state plan
27 amendments from the secretary of the United States Department of Health and Human Services and
28 in accordance with rules and regulations promulgated by the department of human services.

29 SECTION 2. This article shall effect upon passage.

30 ARTICLE 37

31 RELATING TO NURSING FACILITIES

32 SECTION 1. Section 40-8-19 of the General Laws in Chapter 40-8 entitled " Medical
33 Assistance" is hereby amended to read as follows:

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

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

12 (1) Annual base years;

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

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

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

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

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

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

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

1 fee schedules and the Rhode Island state plan for medical assistance (Medicaid) pursuant to Title
2 XIX of the federal Social Security Act to provide for reimbursement to out-of-state hospitals for
3 services provided to eligible recipients in accordance with this section.

4 (b) Authorized inpatient hospital services shall be reimbursed at a rate equal to fifty percent
5 (50%) of the out-of-state hospital's customary charge(s) for such services to Title XIX recipients in
6 that state; provided, however, that in-patient hospital organ transplant services shall be reimbursed
7 at sixty-one percent (61%) of the out-of-state hospital's customary charge(s) for such organ
8 transplant services to Title XIX recipients in that state. Authorized outpatient hospital services
9 (other than laboratory services) shall be reimbursed at a rate equal to fifty-three percent (53%) of
10 the out-of-state hospital's customary charge(s) for such services to Title XIX recipients in that state;
11 outpatient laboratory services shall be reimbursed at the Medicare allowable rate.

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

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

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

18 ARTICLE 39

19 RELATING TO HOSPITAL PAYMENTS

20 SECTION 1. Sections 40-8.3-5, 40-8.3-6 and 40-8.3-7 of the General Laws in Chapter 40-
21 8.3 entitled "Uncompensated Care" are hereby repealed:

22 ~~§ 40-8.3-5 Hospital payments. — Due to the high ratio of unqualified uncompensated care~~
23 ~~expenses to qualified uncompensated care expenses, the department of human services is hereby~~
24 ~~authorized and directed to pay during state fiscal year 2009: (1) any acute care hospital in~~
25 ~~Washington County the amount of five hundred thousand dollars (\$500,000); (2) any acute care~~
26 ~~hospital in Kent County the amount of eight hundred thousand dollars (\$800,000); and (3) Miriam~~
27 ~~Hospital the amount of one million six hundred thousand dollars (\$1,600,000).~~

28 ~~§ 40-8.3-6 Outpatient adjustment payments. — Effective July 1, 2008, the department of~~
29 ~~human services is hereby authorized and directed to amend its regulations and the Rhode Island~~
30 ~~State Plan for Medical Assistance pursuant to Title XIX of the Social Security Act for~~
31 ~~reimbursement to hospitals for outpatient service as follows:~~

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

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

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

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

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

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

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

26 ~~**§ 40-8.3-7 Inpatient adjustment payments.**— Effective July 1, 2008, the department of~~
27 ~~human services is hereby authorized and directed to amend its regulations and the Rhode Island~~
28 ~~State Plan for Medical Assistance pursuant to Title XIX of the Social Security Act for~~
29 ~~reimbursement to hospitals for outpatient services as follows:~~

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

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

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

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

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

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

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

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

ARTICLE 40

RELATING TO FIREFIGHTER'S AND MUNICIPAL POLICE ARBITRATION –

LAST BEST OFFER

23 SECTION 1. Section 28-9.1-9 of the General Laws in Chapter 28-9.1 entitled
24 “Firefighters’ Arbitration” is hereby amended to read as follows:

25 **§ 28-9.1-9 Hearings.** – (a) The arbitration board shall, action through its chairperson, call
26 a hearing to be held within ten (10) days after the date of the appointment of the chairperson, and
27 shall, acting through its chairperson, give at least seven (7) days notice in writing to each of the
28 other two (2) arbitrators, the bargaining agent, and the corporate authorities, of the time and place
29 of the first hearing. At the first hearing, the bargaining agent and the corporate authorities shall
30 each submit a single written statement to the arbitration board which shall contain their final and

1 last-best offer to settle all of the unresolved issues in dispute. The hearing shall be informal, and
2 the rules of evidence prevailing in judicial proceeding shall not be binding. Any documentary
3 evidence and other data deemed relevant by the arbitrators may be received in evidence.

4 (b) The arbitrators shall have the power to administer oaths and to require by subpoena the
5 attendance and testimony of witnesses, and the production of books, records, and other evidence
6 relative or pertinent to the issues presented to them for determination.

7 (c) The hearings conducted by the arbitrators shall be concluded within twenty (20) days of
8 the time of commencement, and within ten (10) days after the conclusion of the hearings, the
9 arbitrators shall make ~~written finding and a written opinion upon the issues presented, a copy of~~
10 ~~which~~ their written decision and award by accepting, in its entirety, either the written statement
11 containing the last-best offer of the bargaining agent or the written statements containing the last
12 best offer of the corporate authorities. The written decision of the arbitration panel must include
13 (1) a statement giving its reasons for accepting the final best-offer that is the basis for the award,
14 and (2) an estimate of the total cost of the award which is rendered. The arbitration board's written
15 decision shall be mailed or otherwise delivered to the bargaining agent or its attorney or otherwise
16 designated representative and the corporate authorities.

17 (d) A majority decision of the arbitrators shall be binding upon both the bargaining agent
18 and the corporate authorities.

19 SECTION 2. Section 28-9.2-9 of the General Laws in Chapter 28-9.2 entitled "Municipal
20 Police Arbitration" is hereby amended to read as follows:

21 **§ 28-9.2-9 Hearings.** – (a) The arbitration board shall, action through its chairperson, call
22 a hearing to be held within ten (10) days after the date of the appointment of the chairperson, and
23 shall, acting through its chairperson, give at least seven (7) days notice in writing to each of the
24 other two (2) arbitrators, the bargaining agent, and the corporate authorities, of the time and place
25 of the first hearing. At the first hearing, the bargaining agent and the corporate authorities shall
26 each submit a single written statement to the arbitration board which shall contain their final and
27 last-best offer to settle all of the unresolved issues in dispute. The hearing shall be informal, and
28 the rules of evidence prevailing in judicial proceeding shall not be binding. Any documentary
29 evidence and other data deemed relevant by the arbitrators may be received in evidence.

30 (b) The arbitrators shall have the power to administer oaths and to require by subpoena the
31 attendance and testimony of witnesses, and the production of books, records, and other evidence
32 relative or pertinent to the issues presented to them for determination.

1 (c) The hearings conducted by the arbitrators shall be concluded within twenty (20) days of
2 the time of commencement, and within ten (10) days after the conclusion of the hearings, the
3 arbitrators shall make ~~written findings and a written opinion upon the issues presented, a copy of~~
4 ~~which~~ their written decision and award by accepting, in its entirety, either the written statement
5 containing the last-best offer of the bargaining agent or the written statement containing the last best
6 offer of the corporate authorities. The written decision of the arbitration board must include (1) a
7 statement giving its reasons for accepting the final best-offer that is the basis for the award, and (2)
8 an estimate of the total cost of the award which is rendered. The arbitration board's panel's written
9 decision shall be mailed or otherwise delivered to the bargaining agent or its attorney or otherwise
10 designated representative and the corporate authorities.

11 (d) A majority decision of the arbitrators shall be binding upon both the bargaining agent
12 and the corporate authorities.

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

1 (e) **Funding for Rhode Island School Realignment Commission.** The general assembly
2 shall appropriate One hundred and fifty thousand dollars (\$150,000.00) in FY 2010 to fund the
3 operating costs and support the work of the Commission.

4 SECTION 2. (a) **Creation of Rhode Island Municipal Public Safety and Public Works**
5 **Realignment Commission.** There is hereby created the Rhode Island Municipal Public Safety and
6 Public Works Realignment Commission, the purpose of which shall be to review and recommend
7 realignment of municipal public safety and public works and state services, in cases where the
8 Commission after careful review concludes that such realignment will be cost effective. The
9 Commission shall be composed of seven (7) appointees of the governor, two (2) of whom shall be
10 representatives of labor organizations within the state, one (1) of whom shall be a current or retired
11 police chief, and one (1) of whom shall be a current or retired fire chief ; two (2) appointees of the
12 house of representative; two (2) appointees of the senate; and three (3) ex officio members
13 consisting of: the director of revenue or his/her designee, the director of administration or his/her
14 designee, and an appointee of the Rhode Island League of Cities and Towns. The governor shall
15 select the chair.

16 (b) **Duties of Rhode Island Municipal Public Safety and Public Works Realignment**
17 **Commission.** The Commission shall cause to be conducted a review of municipal realignments
18 and/or efficiencies throughout the state and shall make recommendation after such review. The
19 Commission may recommend certain efficiencies, including the creation of cost sharing regional
20 service centers related to public safety and public works. In making its recommended plan, the
21 Commission shall demonstrate that the realignment plan will result in not only the more effective
22 and efficient delivery of services, but also will result in the long term reduction of costs pursuant to
23 a five (5) year cost projection. The Commission shall consider the infrastructure, physical plants,
24 business operations and support services, including but not limited to financial operations and
25 information technology, intra-local cooperation, and other such factors.

26 (c) **Reporting by Rhode Island Municipal Public Safety and Public Works Realignment**
27 **Commission.** The Commission shall, within ninety (90) days of its creation, identify the specific
28 criteria to be considered and submit such criteria in a report to the governor, the speaker of the
29 house of representatives, and the president of the senate. Such recommendations for realignment
30 shall be submitted to the general assembly by March 1, 2010. The Commission may also
31 recommend any statutory changes that are necessary to implement the recommended plan.

32 (d) **General Assembly and Municipal Action.** The General Assembly shall approve or
33 reject the recommendations of the Commission, and shall enact any and all supportive

1 implementing legislation necessary to place the recommendations on the November 2010 ballot for
2 voter approval.

3 (e) **Funding for Rhode Island Municipal Public Safety and Public Works Realignment**

4 **Commission.** The general assembly shall appropriate One hundred and fifty thousand dollars
5 (\$150,000.00) in FY 2010 to fund the operating costs and support the work of the Commission.

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

ARTICLE 42

RELATING TO FIREFIGHTERS' AND MUNICIPAL POLICE ARBITRATION

7 SECTION 1. Sections 28-9.1-6 and 28-9.1-10 of the General Laws in Chapter 28-9-1
8 entitled "Firefighters' Arbitration" are hereby amended to read as follows:

9 **§ 28-9.1-6 Obligation to bargain.** – It shall be the obligation of the city or town acting
10 through its corporate authorities, to meet and confer in good faith with the representative or
11 representatives of the bargaining agent within ten (10) days after receipt of written notice from the
12 bargaining agent of the request for a meeting for collective bargaining purposes. This obligation
13 shall include the duty to cause any agreement resulting from the negotiations to be reduced to a
14 written contract, provided that ~~no~~ a contract or arbitration decision rendered pursuant to the
15 provisions of this chapter shall not exceed the term of one (1) year, unless a longer period is agreed
16 upon in writing by the corporate authorities and the bargaining agents, but in no event shall the
17 negotiated contract or arbitration decision exceed the term of three (3) years. An unfair labor
18 practice charge may be complained of by either the employer's representative or the bargaining
19 agent to the state labor relations board which shall deal with the complaint in the manner provided
20 in chapter 7 of this title.

21 **§ 28-9.1-10 Factors to be considered by arbitration board.** – The arbitrators shall
22 conduct the hearings and render their decision upon the basis of a prompt, peaceful, and just
23 settlement of wage or hour disputes between the fire fighters and the city or town by which they are
24 employed. The factors, among others, to be given weight by the arbitrators in arriving at a decision
25 shall include:

26 (1) Comparison of wage rates or hourly conditions of employment of the fire department in
27 question with prevailing wage rates or hourly conditions of employment of skilled employees of the
28 building trades and industry in the local operating area involved.

29 (2) Comparison of wage rates or hourly conditions of employment of the fire department in
30 question with wage rates or hourly conditions of employment maintained for the same or similar

1 work of employees exhibiting like or similar skills under the same or similar working conditions in
2 the local operating area involved.

3 (3) Comparison of wage rates or hourly conditions of employment of the fire department in
4 question with wage rates or hourly conditions of employment of fire departments in cities or towns
5 of comparable size.

6 (4) Interest and welfare of the public.

7 (5) Comparison of peculiarities of employment in regard to other trades or professions,
8 specifically:

9 (i) Hazards of employment.

10 (ii) Physical qualifications.

11 (iii) Educational qualifications.

12 (iv) Mental qualifications.

13 (v) Job training and skills.

14 (6) Comparison of community's ability to pay.

15 (7) Any statutory limitations on a community's ability to raise property tax levies.

16 (8) Comparison of wage rates or other hourly conditions of employment of the fire
17 department in question with wage rates and hourly conditions of employment of any and all other
18 bargaining units in the respective city or town.

19 (9) Comparison of wage rates or hourly conditions of employment of the fire department in
20 question with cities and towns of comparable size in states other than Rhode Island.

21 SECTION 2. Chapter 28-9.1 of the General Laws entitled "Firefighters' Arbitration" is
22 hereby amended by adding thereto the following section:

23 **§ 28-9.1-10.1 Statutory Limitations to Increase Tax Levies.** – Notwithstanding any
24 provision of the general or public laws or any firefighter labor agreement to the contrary, any
25 arbitration decision which necessitates any new or increased expenditure of money by a city or
26 town shall be limited to the section 44-5-2 (b) percentage caps as applied to the total value of all
27 monetary wages and fringe benefits previously contained in the collective bargaining agreement.

28 SECTION 3. Sections 28-9.2-6 and 28-9.2-10 of the General Laws in Chapter 28-9.2
29 entitled "Municipal Police Arbitration" are hereby amended to read as follows:

30 **§ 28-9.2-6 Obligation to bargain.** – It shall be the obligation of the city or town, acting
31 through its corporate authorities, to meet and confer in good faith with the designated representative
32 or representatives of the bargaining agent, including any legal counsel selected by the bargaining
33 agent, within ten (10) days after receipt of written notice from the bargaining agent of the request

1 for a meeting for collective bargaining purposes. This obligation includes the duty to cause any
2 agreement resulting from the negotiations to be reduced to a written contract, provided that ~~no~~ a
3 contract or arbitration award decision rendered pursuant to the provisions of this chapter shall not
4 exceed the term of one year, unless a longer period is agreed upon in writing by the corporate
5 authorities and the bargaining agent, but in no event shall the negotiated contract or arbitration
6 decision exceed the term of three (3) years. An unfair labor charge may be complained of by either
7 the employer's representative or the bargaining agent to the state labor relations board which shall
8 deal with the complaint in the manner provided in chapter 7 of this title.

9 **§ 28-9.2-10 Factors to be considered by arbitration board.** – The arbitrators shall
10 conduct the hearings and render their decision on the basis of a prompt, peaceful, and just
11 settlement of wage or hour disputes between the police officers and the city or town by which they
12 are employed. The factors, among others, to be given weight by the arbitrators in arriving at a
13 decision shall include:

14 (1) Comparison of wage rates or hourly conditions of employment of the police department
15 in question with prevailing wage rates or hourly conditions of employment of skilled employees of
16 the building trades and industry in the local operating area involved.

17 (2) Comparison of wage rates or hourly conditions of employment of the police department
18 in question with wage rates or hourly conditions of employment of police departments in cities or
19 towns of comparable size.

20 (3) Interest and welfare of the public.

21 (4) Comparison of peculiarities of employment in regard to other trades or professions,
22 specifically:

23 (i) Hazards of employment.

24 (ii) Physical qualifications.

25 (iii) Educational qualifications.

26 (iv) Mental qualifications.

27 (v) Job training and skills.

28 (5) Comparison of community's ability to pay.

29 (6) Any statutory limitations on a community's ability to raise property tax levies.

30 (7) Comparison of wage rates or other hourly conditions of employment of the police
31 department in question with wage rates and hourly conditions of employment of any and all other
32 bargaining units in the respective city or town.

1 (8) Comparison of wage rates or hourly conditions of employment of the police department
2 in question with cities and towns of comparable size in states other than Rhode Island.

3 SECTION 4. Chapter 28-9.2 of the General Laws entitled “Municipal Police Arbitration”
4 is hereby amended by adding thereto the following section:

5 § 28-9.2-10.1 Statutory Limitations to Increase Tax Levies. - Notwithstanding any
6 provision of the general or public laws or any police officer labor agreement to the contrary, any
7 arbitration decision which necessitates any new or increased expenditure of money by a city or
8 town shall be limited to the section 44-5-2 (b) percentage caps as applied to the total value of all
9 monetary wages and fringe benefits previously contained in the collective bargaining agreement.

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

1 **ARTICLE 43**

RELATING TO FIREFIGHTERS' AND MUNICIPAL POLICE MANNING

2 SECTION 1. Section 28-9.1-4 of the General Laws in Chapter 28-9.1 entitled
3 "Firefighters' Arbitration" is hereby amended to read as follows:

4 **§ 28-9.1-4. Right to organize and bargain collectively.** - The firefighters in any city or
5 town have the right to bargain collectively with their respective cities or towns and be represented
6 by a labor organization in the collective bargaining as to wages, rates of pay, hours, working
7 conditions, and all other terms and conditions of employment—except for the following: levels of
8 personnel employed by the department, the deployment of personnel while on the job, the types of
9 equipment utilized by the department and the number of or location of any vehicles, facilities or
10 stations in the department.

11 SECTION 2. Section 28-9.2-4 of the General Laws in Chapter 28-9.2 entitled "Municipal
12 Police Arbitration" is hereby amended to read as follows:

13 **§ 28-9.2-4. Right to organize and bargain collectively.** - The police officers in any city
14 or town have the right to bargain collectively with their respective cities or towns and be
15 represented by a labor organization in the collective bargaining as to wages, rates of pay, hours,
16 working conditions, and all other terms and conditions of employment—except for the following:
17 levels of personnel employed by the department, the deployment of personnel while on the job, the
18 types of equipment utilized by the department and the number of or location of any vehicles,
19 facilities or stations in the department.

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

ARTICLE 44

RELATING TO MUNICIPAL HEALTH INSURANCE COST SHARING

21 SECTION 1. Chapter 28-7 of the General Laws entitled "Labor Relations Act" is hereby
22 amended by adding thereto the following section:

23 **§ 28-7-49.1. Minimum Payment for Health Care Benefits.** - No collective bargaining
24 agreement covering any group or groups of public school teachers, police officers, firefighters or
25 municipal employees of any city, town, school district or fire district, and no extension of any such
26 collective bargaining agreement in effect as of January 1, 2009, shall provide for an employee
27 contribution of less than twenty-five percent (25%) of the premium costs of health care and dental
28 benefits. This requirement does not otherwise apply to collective bargaining agreements executed
29 prior to January 1, 2009.

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

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ARTICLE 45

RELATING TO MUNICIPAL RETIREMENT

SECTION 1. Section 45-19-19 of the General Laws in Chapter 45-19 entitled "Relief of Injured and Deceased Fire Fighters and Police Officers" is hereby amended to read as follows:

§ 45-19-19. City and town ordinances providing for retirement of sick or injured police officers or fire fighters. -- The city or town councils of the various cities and towns may provide, by ordinance or through collective bargaining, for the retirement of the personnel of their police and fire departments who have been on leave of absence from their employment due to sickness contracted or injuries sustained in the performance of their duties; provided, that no ordinance is contrary to any pension cost of living increase or escalator clause in a collective bargaining agreement, and provided, further, that no ordinance provides for a disability retirement allowance of less than ~~sixty six and two thirds percent (66 2/3%)~~ fifty percent (50%) of a retiree's annual salary at the time of retirement nor more than one hundred percent (100%) of a retiree's annual salary.

SECTION 2. Sections 45-21-16, 45-21-21, 45-21-22, 45-21-41 and 45-21-41.1 of the General Laws in Chapter 45-21 entitled "Retirement of Municipal Employees" are hereby amended to read as follows:

§ 45-21-16. Retirement on service allowance. -- Retirement of a member on a service retirement allowance shall be made by the retirement board as follows:

(1) Any member may retire upon the member's written application to the retirement board as of the first day of the calendar month in which the application was filed, provided the member was separated from service prior to the application, and provided, further, that if separation from service occurs during the month in which application is filed, the effective date is the first day following the separation from service, provided that the member at the time so specified for the member's retirement has attained the applicable minimum retirement age and has completed at least ten (10) years of total service or who, regardless of age, completed thirty (30) years of total service, and notwithstanding that during the period of notification the member has separated from service. The minimum ages for service retirement (except for employees completing thirty (30) years of service) is fifty-eight (58) years for those employees who have completed at least ten (10) years of contributory service before July 1, 2009. For those employees who have not completed at least ten (10) years of contributory service before July 1, 2009, the minimum requirements shall be attainment of age fifty-nine (59) with twenty-nine (29) or more years of contributing service and

1 attainment of age sixty-five (65) for those members with at least ten (10) but less than twenty-nine
2 (29) years of contributing service. Provided further, that any member who has not completed at
3 least ten (10) years of contributory service before July 1, 2009 may retire upon attaining the age of
4 fifty-five (55) and having completed twenty (20) years of contributing service with an actuarial
5 reduction in benefits for each month that the age of the member is less than sixty-five (65) years.

6 (2) Except as specifically provided in §§ 45-21-19 through 45-21-22, no member is eligible
7 for pension benefits under this chapter unless the member has been a contributing member of the
8 employees' retirement system for at least ten (10) years.

9 (i) Provided, however, a person who has ten (10) years service credit on or before June 16,
10 1991 is vested.

11 (ii) Furthermore, any past service credits purchased in accordance with § 45-21-62 are
12 counted towards vesting.

13 (iii) Any person who becomes a member of the employees' retirement system pursuant to §
14 45-21-4 shall be considered a contributing member for the purpose of this chapter.

15 (iv) Notwithstanding any other provision of law, no more than five (5) years of service
16 credit may be purchased by a member of the System. The five (5)-year limit does not apply to any
17 purchases made prior to the effective date of this provision. A member who has purchased more
18 than five (5) years of service credit maximum, before January 1, 1995, shall be permitted to apply
19 the purchases towards the member's service retirement. However, no further purchase will be
20 permitted. Repayment, in accordance with applicable law and regulation, of any contribution
21 previously withdrawn from the System is not deemed a purchase of service credit.

22 (3) No member of the municipal employees' retirement system is permitted to purchase
23 service credits for casual or seasonal employment, for employment as a page in the general
24 assembly, or for employment at any state college or university while the employee is a student or
25 graduate assistant of the college or university.

26 (4) A member does not receive service credit in this retirement system for any year or
27 portion of a year, which counts as service credit in any other retirement system in which the
28 member is vested or from which the member is receiving a pension and/or any annual payment for
29 life. This subsection does not apply to any payments received pursuant to the Federal Social
30 Security Act or to payments from a military pension earned prior to participation in state or
31 municipal employment, or to military service credits earned prior to participation in state or
32 municipal employment.

1 (5) A member who seeks to purchase or receive service credit in this retirement system has
2 the affirmative duty to disclose to the retirement board whether or not he or she is a vested member
3 in any other retirement system and/or is receiving a pension retirement allowance or any annual
4 payment for life. The retirement board has the right to investigate whether or not the member has
5 utilized the same time of service for credit in any other retirement system. The member has an
6 affirmative duty to cooperate with the retirement board including, by way of illustration and not by
7 way of limitation, the duty to furnish or have furnished to the retirement board any relevant
8 information which is protected by any privacy act.

9 (6) A member who fails to cooperate with the retirement board shall not have the time of
10 service counted toward total service credit until a time that the member cooperates with the
11 retirement board and until a time that the retirement board determines the validity of the service
12 credit.

13 (7) A member who knowingly makes a false statement to the retirement board regarding
14 service time or credit is not entitled to a retirement allowance and is entitled only to the return of
15 his or her contributions without interest.

16 **§ 45-21-21. Retirement for accidental disability.** -- (a) Any member in active service,
17 regardless of length of service, is entitled to an accidental disability retirement allowance.
18 Application for the allowance shall be made by the member or on the member's behalf, stating that
19 the member is physically or mentally incapacitated for further service as the result of an injury
20 sustained while in the performance of duty and certifying the time, place, and conditions of the duty
21 performed by the member which resulted in the alleged disability, and that the alleged disability
22 was not the result of the willful negligence or misconduct on the part of the member, and was not
23 the result of age or length of service, and that the member has not attained the age of sixty-five
24 (65). The application may also state that the member is permanently and totally disabled from any
25 employment. The application shall be made within five (5) years of the alleged accident from which
26 the injury has resulted in the member's present disability and shall be accompanied by an accident
27 report and a physician's report certifying the disability. If a medical examination made by three (3)
28 physicians engaged by the retirement board, and other investigations as the board may make,
29 confirm the statements made by the member, the board may grant the member an accidental
30 disability retirement allowance.

31 (b) The retirement board shall establish uniform eligibility requirements, standards and
32 criteria for accidental disability which apply to all members who make application for accidental
33 disability benefits.

1 **§ 45-21-22. Accidental disability allowance.** -- Upon retirement for accidental disability, a
2 member receives a retirement allowance equal to sixty-six and two-thirds percent (66 2/3%) of the
3 rate of the member's compensation at the date of the member's retirement subject to the provisions
4 of § 45-21-31. Upon retirement for accidental disability incurred on or after July 1, 2009, if the
5 member has been found to be permanently and totally disabled from service but has not been found
6 by the board to be permanently and totally disabled from any employment as a result of his/her
7 accidental disability, a member receives a retirement allowance equal to fifty percent (50%) of the
8 rate of the member's compensation at the date of the member's retirement subject to the provisions
9 of § 45-21-31. The retiree shall, as a condition of continued receipt of a disability retirement
10 allowance, on or before a date fixed by the retirement board, annually provide the board with such
11 affidavits and accurate evidence of earnings, employment and gainful activity as the board may
12 require, including, but not limited to, joint and/or individual tax returns, submitted under penalties
13 of perjury. The employee shall be credited with service for his/her period of disability and, upon
14 reaching the earlier of age fifty-nine (59) with twenty-nine (29) years of service or age sixty-five
15 (65) with ten (10) years of service, his/her retirement shall convert to a retirement on service
16 allowance set forth in §§ 45-21-16 and 45-21-17, except that for uniformed firefighters and sworn
17 police officers who are subject to chapter 45-21.2, upon the member reaching age fifty-five (55)
18 with twenty-five (25) years of service his/her retirement shall convert to a retirement on service
19 allowance set forth in §§ 45-21.2-5 and subsection 45-21.2-6(a).

20 **(b) Upon retirement for accidental disability that has been found by the board to be**
21 **permanently and totally disabling from any employment, a member receives a retirement allowance**
22 **equal to sixty-six and two-thirds percent (66 2/3%) of the rate of the member's compensation at the**
23 **date of the member's retirement subject to the provisions of § 45-21-31. The retirement board shall**
24 **apply the terms of subsection 28-33-17(b) in determining total disability.**

25 **§ 45-21-41. Members' contributions -- Payroll deductions -- Certification to board.** --

26 (a) Each member shall contribute an amount equal to ~~six percent (6%)~~ seven percent (7%) of salary
27 or compensation earned and accruing to the member; provided, that contributions by any member
28 cease when the member has completed the maximum amount of service credit attainable. Special
29 compensation for additional fees shall not be considered as compensation for contribution purposes.

30 (b) Each municipality shall deduct the previously stated rate from the compensation of each
31 member on each and every payroll of the municipality, and the deduction made during the entire
32 time a member is in service subject to termination as stated in the foregoing paragraph.

1 (c) The deductions provided for in this section shall be made notwithstanding that the
2 minimum compensation provided for by law for any member is reduced by the compensation.
3 Every member is deemed to consent and agree to the deductions made and provided for in this
4 section, and shall receipt for his or her full salary or compensation; and payment of salary or
5 compensation less those deductions are a full and complete discharge and acquittance of all claims
6 and demands for the services rendered by the person during the period covered by the payment
7 except as to the benefits provided under this chapter. Each participating municipality shall certify to
8 the retirement board the amounts deducted from the compensation of members. Each of the
9 amounts, when deducted, shall be credited to an individual account of the member from whose
10 compensation the deduction was made.

11 **§ 45-21-41.1. Municipality payment of member contributions.** -- (a) Each municipality,
12 pursuant to the provisions of 26 U.S.C. § 414(h)(2) of the United States Internal Revenue Code,
13 may, pursuant to appropriate legal action by the municipality, pick up and pay the contributions
14 which would be payable by the employees as members under § 45-21-41. The contributions so
15 picked up shall be treated as employer contributions in determining tax treatment under the United
16 States Internal Revenue Code; however, each municipality shall continue to withhold federal and
17 state income taxes based upon these contributions until the internal revenue service rules that
18 pursuant to 26 U.S.C. § 414(h)(2) of the United States Internal Revenue Code, these contributions
19 shall not be included as gross income of the employee until the time they are distributed. Employee
20 contributions which are picked up pursuant to this section shall be treated and identified as member
21 contributions for all purposes of the retirement system except as specifically provided to the
22 contrary in this section.

23 (b) Member contributions picked up by a municipality shall be paid from the same source
24 of funds used for the payment of compensation to a member. A deduction shall be made from a
25 member's compensation equal to the amount of the employee's contributions picked up by the
26 employee's municipal employer. This deduction, however, shall not reduce the employee's
27 compensation for purposes of computing benefits under the retirement system pursuant to this
28 chapter. Picked up contributions shall be submitted to the retirement system in accordance with the
29 provisions of § 45-21-41.

30 **(c) Nothing in this provision shall authorize change or reduction of the minimum employee**
31 **contributions required by chapter 45-21.4.**

32 SECTION 3. Sections 45-21.2-5, 45-21.2-6, 45-21.2-6.1, 45-21.2-6.2, 45-21.2-6.3, 45-
33 21.2-9, 45-21.2-14, 45-21.2-22 and 45-21.2-22.1 of the General Laws in Chapter 45-21.2 entitled

1 "Optional Retirement for Members of Police Force and Fire Fighters" are hereby amended to read
2 as follows:

3 **§ 45-21.2-5. Retirement on service allowance.** – Retirement of a member on a service
4 retirement allowance shall be made by the retirement board as follows:

5 (1) Any member who has attained or attains age seventy (70) shall be retired as stated in §
6 45-21-16 subject to the discretions contained in that section; provided, that any member who is a
7 member of the Woonsocket fire department who has attained or attains an age of sixty-five (65)
8 years shall be retired. Retirement occurs on the first day of the next succeeding calendar month in
9 which the member has attained the age of sixty-five (65) years.

10 (2) Any member may retire pursuant to this subdivision upon written application to the
11 board stating at what time the member desires to retire; provided, that the member has completed at
12 least ten (10) years of contributory service before July 1, 2009 and at the specified time for
13 retirement has attained an age of fifty-five (55) years, or has completed at least ten (10) years of
14 contributory service on or after July 1, 2009 and has attained the age of sixty-five (65) years and
15 has completed at least ten (10) years of total service, and notwithstanding that the member may
16 have separated from service.

17 (3) Any member may retire pursuant to this subdivision upon written application to the
18 board stating at what time the member desires to retire; provided, that the member at the specified
19 time for retirement has completed at least twenty-five (25) years of total service, and, for
20 employees who have not completed at least ten (10) years of contributory service before July 1,
21 2009, has attained the age of fifty-five (55) years, and notwithstanding that the member may have
22 separated from service.

23 (4) Any member may retire pursuant to this subdivision upon written application to the
24 board stating at what time the member desires to retire; provided, that the member at the specified
25 time for retirement has attained an age of fifty (50) years and has completed at least twenty (20)
26 years of total service, notwithstanding that the member may have separated from service; provided,
27 that for employees who have completed at least ten (10) years of contributory service before July 1,
28 2009 the service retirement allowance, as determined according to the formula provided in § 45-
29 21.2-6, is reduced one-half of one percent (1/2%) for each month that the age of the member is less
30 than fifty-five (55) years and for employees who have not completed at least ten (10) years of
31 contributory service before July 1, 2009, the service retirement allowance as determined according
32 to the formula provided in § 45-21.2-6 is reduced by an actuarial reduction in benefits for each
33 month that the age of the member is less than age fifty-five (55).

1 (5) Any member of the South Kingstown police department may retire pursuant to this
2 subdivision upon written application to the board stating at what time the member desires to retire;
3 provided, that the member at the specified time for retirement has earned a service retirement
4 allowance of fifty percent (50%) of final compensation pursuant to § 45-21.2-6.1. This subsection
5 shall apply only to employees who have completed at least ten (10) years of contributory service
6 before the later of July 1, 2009 or the end of the day on the expiration date set forth in any lawful
7 collective bargaining agreement that was executed and in effect prior to July 1, 2009.

8 (6) Any member of the Johnston police department may retire pursuant to this subdivision
9 upon written application to the board stating at what time the member desires to retire; provided,
10 that the member at the specified time for retirement has earned a service retirement allowance of
11 fifty percent (50%) of final compensation pursuant to § 45-21.2-6.2. This subsection shall apply
12 only to employees who have completed at least ten (10) years of contributory service before the
13 later of July 1, 2009 or the end of the day on the expiration date set forth in any lawful collective
14 bargaining agreement that was executed and in effect prior to July 1, 2009.

15 (7) Any member of the Cranston fire department hired after July 1, 1995, or any member
16 of the Cranston fire department with five (5) years or less of service effective July 1, 1995, may
17 retire pursuant to this subdivision upon written application to the board stating at what time the
18 member desires to retire; provided, that the member at the specified time for retirement has earned
19 a service retirement allowance of fifty percent (50%) of final compensation for at least twenty (20)
20 years service; final compensation for Cranston fire department members is based on the
21 compensation components of weekly salary, longevity and holidays with longevity of the members
22 highest year of earnings and members shall receive a three percent (3%) escalation of their pension
23 payment compounded each year on January 1st following the year of retirement and continuing on
24 an annual basis on that date; further, any illness or injury not covered in title 45 of the general laws
25 relating to the presumption of disability is governed by the collective bargaining agreement between
26 the City of Cranston and members of the Cranston fire department. This subsection shall apply
27 only to employees who have completed at least ten (10) years of contributory service before the
28 later of July 1, 2009 or the end of the day on the expiration date set forth in any lawful collective
29 bargaining agreement that was executed and in effect prior to July 1, 2009.

30 (8) Any member of the Cranston police department hired after July 1, 1995, or any member
31 of the Cranston police department with five (5) years or less of service effective July 1, 1995, may
32 retire pursuant to this subdivision upon written application to the board stating at what time the
33 member desires to retire; provided, that the member at the specified time for retirement has earned

1 a service retirement allowance of fifty percent (50%) of final compensation for at least twenty (20)
2 years service; final compensation for Cranston police department members is based on the
3 compensation components of weekly salary, longevity and holidays with longevity of the members
4 highest year of earnings and members shall receive a three percent (3%) escalation of their pension
5 payment compounded each year on January 1st following the year of retirement and continuing on
6 an annual basis on that date; further, any illness or injury not covered in title 45 of the general laws
7 relating to the presumption of disability is governed by the collective bargaining agreement between
8 the City of Cranston and members of the Cranston police department. This subsection shall apply
9 only to employees who have completed at least ten (10) years of contributory service before the
10 later of July 1, 2009 or the end of the day on the expiration date set forth in any lawful collective
11 bargaining agreement that was executed and in effect prior to July 1, 2009.

12 (9) Any member of the Hopkinton police department may retire pursuant to this subdivision
13 upon written application to the board stating at what time the member desires to retire; provided,
14 that the member at the specified time for retirement has earned a service retirement allowance of
15 fifty percent (50%) of final compensation for at least twenty (20) years service; final compensation
16 for Hopkinton police department members is based on the compensation components of weekly
17 salary, longevity and holidays with longevity of the members highest year of earnings and members
18 shall receive a three percent (3%) escalation of their pension payment compounded each year on
19 January 1st following the year of retirement and continuing on an annual basis on that date. This
20 subsection shall apply only to employees who have completed at least ten (10) years of contributory
21 service before the later of July 1, 2009 or the end of the day on the expiration date set forth in any
22 lawful collective bargaining agreement that was executed and in effect prior to July 1, 2009.

23 (10) Any member of the Richmond police department may retire pursuant to this
24 subdivision upon written application to the board stating at what time the member desires to retire;
25 provided, that the member at the specified time for retirement has earned a service retirement
26 allowance of fifty percent (50%) of final compensation for at least twenty-two (22) years' service
27 pursuant to § 45-21.2-6.3. This subsection shall apply only to employees who have completed at
28 least ten (10) years of contributory service before the later of July 1, 2009 or the end of the day on
29 the expiration date set forth in any lawful collective bargaining agreement that was executed and in
30 effect prior to July 1, 2009.

31 **§ 45-21.2-6. Service retirement allowance.** -- (a) Upon retirement from service pursuant
32 to subdivision (1), (2), or (3) of § 45-21.2-5, a member receives a retirement allowance which is a
33 life annuity terminable at the death of the annuitant and shall be an amount equal to two percent

1 (2%) of final compensation multiplied by the years of total service, but not to exceed seventy-five
2 percent (75%) of final compensation.

3 ~~(b) Upon retirement from service pursuant to subdivision (4) of § 45-21.2-5, a member~~
4 ~~receives a retirement allowance which is a life annuity terminable at the death of the annuitant~~
5 ~~computed in accordance with subsection (a) of this section, reduced by one half of one percent~~
6 ~~(1/2%) for each month that the member was under age fifty five (55) at his or her retirement.~~

7 ~~(e)~~(b) Upon retirement, the member may elect to receive the actuarial equivalent of his or
8 her retirement allowance in a lesser retirement allowance as determined by actuarial calculation,
9 which is payable throughout life with the provision that:

10 (1) Option 1. - A reduced retirement allowance payable during the member's life with the
11 provisions that after his or her death it shall continue during the life of and be paid to the person
12 that he or she nominated by written designation duly acknowledged and filed with the retirement
13 board at the time of retirement; or

14 (2) Option 2. - A reduced retirement allowance payable during the member's life with the
15 provision that after his or her death an allowance equal to one-half (1/2) of his or her reduced
16 allowance shall continue during the life of and be paid to the person that he or she nominated by
17 written designation duly acknowledged and filed with the board at the time of retirement.

18 **§ 45-21.2-6.1. South Kingstown police department -- Retirement allowance.** -- Upon
19 retirement from service pursuant to subdivision (1), (2), or (5) of § 45-21.2-5, a member of the
20 South Kingstown police department receives a retirement allowance which is a life annuity
21 terminable at the death of the annuitant, and is an amount equal to the sum of two and one-half
22 percent (2.5%) of final compensation multiplied by the years of service accrued after July 1, 1993
23 and two percent (2%) of final compensation multiplied by the years of service accrued prior to July
24 1, 1993. The annual retirement allowance in no event shall exceed seventy-five percent (75%) of
25 final compensation. This section shall apply only to employees who have completed at least ten (10)
26 years of contributory service before the later of July 1, 2009 or the end of the day on the expiration
27 date set forth in any lawful collective bargaining agreement that was executed and in effect prior to
28 July 1, 2009.

29 **§ 45-21.2-6.2. Johnston police department retirement allowance.** -- Upon retirement
30 from service pursuant to subdivision (1), (2), or (6) of § 45-21.2-5, a member of the Johnston
31 police department receives a retirement allowance which is a life annuity terminable at the death of
32 the annuitant, and is an amount equal to the sum of two percent (2%) of final compensation
33 multiplied by the first twenty-five (25) years of service and four percent (4%) of final compensation

1 multiplied by the years of service in excess of twenty-five (25) years. The annual retirement
2 allowance in no event shall exceed seventy-five percent (75%) of final compensation. This section
3 shall apply only to employees who have completed at least ten (10) years of contributory service
4 before the later of July 1, 2009 or the end of the day on the expiration date set forth in any lawful
5 collective bargaining agreement that was executed and in effect prior to July 1, 2009.

6 **§ 45-21.2-6.3. Richmond police department -- Retirement allowance.** -- Upon retirement
7 from service pursuant to chapter 45-21.2-5, a member of the Richmond police department shall
8 receive a retirement allowance which shall be terminable at the death of the annuitant, and shall be
9 an amount equal to the sum of two and two thousand seven hundred twenty-seven ten thousandths
10 of a percent (2.2727%) of final compensation (average of final three years' salary) multiplied by the
11 years of service. The annual retirement allowance in no event shall exceed seventy-five percent
12 (75%) of final compensation. This section shall apply only to employees who have completed at
13 least ten (10) years of contributory service before the later of July 1, 2009 or the end of the day on
14 the expiration date set forth in any lawful collective bargaining agreement that was executed and in
15 effect prior to July 1, 2009.

16 **§ 45-21.2-9. Retirement for accidental disability.** -- (a) Any member in active service,
17 regardless of length of service, is entitled to an accidental disability retirement allowance.
18 Application for the allowance is made by the member or on the member's behalf, stating that the
19 member is physically or mentally incapacitated for further service as the result of an injury
20 sustained while in the performance of duty and certifying to the time, place, and conditions of the
21 duty performed by the member which resulted in the alleged disability and that the alleged disability
22 was not the result of the willful negligence or misconduct on the part of the member, and was not
23 the result of age or length of service, and that the member has not attained the age of sixty-five
24 (65). The application shall be made within eighteen (18) months of the alleged accident from which
25 the injury has resulted in the member's present disability and shall be accompanied by an accident
26 report and a physician's report certifying to the disability. If the member was able to return to his
27 or her employment and subsequently reinjures or aggravates the same injury, the member shall
28 make another application within eighteen (18) months of the reinjury or aggravation which shall be
29 accompanied by a physician's report certifying to the reinjury or aggravation causing the disability.
30 If a medical examination made by three (3) physicians engaged by the retirement board, and other
31 investigations as the board may make, confirms the statements made by the member, the board may
32 grant the member an accidental disability retirement allowance.

1 (b) For purposes of subsection (a), "reinjury" shall mean a recurrence of the original work-
2 related injury from a specific ascertainable event. The specific event must be the proximate cause of
3 the member's present condition of disability.

4 (c) For the purposes of subsection (a), "aggravation" shall mean an intervening work-
5 related trauma that independently contributes to a member's original injury that amounts to more
6 than the natural progression of the preexisting disease or condition and is not the result of age or
7 length of service. The intervening independent trauma causing the aggravation must be an
8 identifiable event or series of work-related events that are the proximate cause of the member's
9 present condition of disability.

10 (d) Any fire fighter, including one employed by the state, or a municipal firefighter
11 employed by a municipality that participates in the optional retirement for police officers and fire
12 fighters as provided in this chapter, who is unable to perform his or her duties in the fire
13 department by reason of a disabling occupational cancer which develops or manifests itself during a
14 period while the fire fighter is in the service of the department, and any retired member of the fire
15 force of any city or town who develops occupational cancer, is entitled to receive an occupational
16 cancer disability and he or she is entitled to all of the benefits provided for in this chapter, chapters
17 19, 19.1, and 21 of this title and chapter 10 of title 36 if the fire fighter is employed by the state.

18 (e) "Occupational cancer", as used in this section, means a cancer arising out of
19 employment as a fire fighter, due to injury due to exposures to smoke, fumes, or carcinogenic,
20 poisonous, toxic, or chemical substances while in the performance of active duty in the fire
21 department.

22 (f) Pursuant to §§ 45-21.2-10, 45-21-22 and subsection 45-21-24(a), the retiree shall, as a
23 condition of continued receipt of a disability retirement allowance, on or before a date fixed by the
24 retirement board, annually provide the board with such affidavits and accurate evidence of
25 earnings, employment and gainful activity as the board may require, including, but not limited to,
26 joint and/or individual tax returns, under penalties of perjury.

27 **§ 45-21.2-14. Contributions.** -- (a) Each member shall contribute an amount equal to ~~seven~~
28 ~~percent (7%)~~ eight percent (8%) of the salary or compensation earned or accruing to the member.
29 Special compensation or additional fees shall not be considered as compensation for contribution
30 purposes.

31 (b) Deductions are made in accordance with § 45-21-14 and credited in accordance with §
32 45-21-43.

1 (c) Each municipality shall make contributions to the system to provide the remainder of the
2 obligation for retirement allowances, annuities, and other benefits provided in this section, after
3 applying the accumulated contribution of members, interest income on investments, and other
4 accrued income. The contribution shall be compiled in accordance with §§ 45-21-42 – through 45-
5 21-44, except that contributions for the first five (5) years of the system shall likewise be
6 determined by the board.

7 (d) Provided, that members of the South Kingstown police department, beginning July 1,
8 1985, contribute an amount equal to eight percent (8%) of salary or compensation or additional fees
9 are not considered as compensation for retirement purposes.

10 (e) Provided, further, that members of the City of Cranston fire department hired after July
11 1, 1995, beginning July 1, 1995, contribute an amount equal to ten percent (10%) of their weekly
12 salary; and those members of the City of Cranston fire department with five (5) years or less of
13 service effective July 1, 1995, have the option to either remain in the City of Cranston pension plan
14 to which they belonged prior to the adoption of local ordinance by the Cranston city council as
15 stated in § 45-21.2-22 or contribute to the State of Rhode Island optional twenty (20) year
16 retirement on service allowance an amount equal to ten percent (10%) of their weekly salary
17 commencing July 1, 1995. The City of Cranston may request and the retirement board may
18 authorize additional members of the City of Cranston fire department hired after July 1, 1987, the
19 option to either remain in the City of Cranston pension plan to which they belonged prior to the
20 adoption of local ordinance by the Cranston city council as stated in § 45-21.2-22 or contribute to
21 the State of Rhode Island optional twenty (20) year retirement on service allowance an amount
22 equal to ten percent (10%) of their weekly salary beginning on a date specified by the retirement
23 board. This section shall apply only to employees who have completed at least ten (10) years of
24 contributory service before the later of July 1, 2009 or the end of the day on the expiration date set
25 forth in any lawful collective bargaining agreement that was executed and in effect prior to July 1,
26 2009.

27 (f) Further, provided, that members of the City of Cranston police department hired after
28 July 1, 1995, beginning July 1, 1995, contribute an amount equal to ten percent (10%) of their
29 weekly salary; and those members of the City of Cranston police department with five (5) years or
30 less of service effective July 1, 1995, have the option to either remain in the City of Cranston
31 pension plan to which they belonged prior to the adoption of local ordinance by the Cranston city
32 council as stated in § 45-21.2-22 or contribute to the State of Rhode Island optional twenty (20)
33 year retirement on service allowance an amount equal to ten percent (10%) of their weekly salary

1 commencing July 1, 1995. The City of Cranston may request and the retirement board may
2 authorize additional members of the City of Cranston police department hired after July 1, 1987,
3 the option to either remain in the City of Cranston pension plan to which they belonged prior to the
4 adoption of local ordinance by the Cranston city council as stated in § 45-21.2-22 or contribute to
5 the State of Rhode Island optional twenty (20) year retirement on service allowance an amount
6 equal to ten percent (10%) of their weekly salary beginning on a date specified by the retirement
7 board. This section shall apply only to employees who have completed at least ten (10) years of
8 contributory service before the later of July 1, 2009 or the end of the day on the expiration date set
9 forth in any lawful collective bargaining agreement that was executed and in effect prior to July 1,
10 2009.

11 **§ 45-21.2-22. Optional twenty year retirement on service allowance.** -- The local
12 legislative bodies of the cities and towns may, by ordinance adopted, permit the retirement of a
13 member on a service retirement allowance as follows:

14 (1) Any member may retire pursuant to this section upon his or her written application to
15 the board stating at what time he or she desires to retire; provided, that the member, at the
16 specified time for his or her retirement, has completed at least twenty (20) years of total service,
17 and, notwithstanding that the member may have separated from service;

18 (2) Upon retirement from service pursuant to subdivision (a), a member receives a
19 retirement allowance which is a life annuity terminable at the death of the annuitant, and is equal to
20 two and one-half percent (2 1/2%) of final compensation multiplied by the years of total service,
21 but not to exceed seventy-five percent (75%) of final compensation;

22 (3) Upon the adoption of a service retirement allowance, pursuant to this subdivision, each
23 member contributes an amount equal to one percent (1%) more than that contribution required
24 under § 45-21.2-14;

25 (4) This section is exempt from the provisions of chapter 13 of this title.

26 (5) This section shall apply only to employees who have completed at least ten (10) years of
27 contributory service before the later of July 1, 2009 or the end of the day on the expiration date set
28 forth in any lawful collective bargaining agreement that was executed and in effect prior to July 1,
29 2009.

30 **§ 45-21.2-22.1. Burrillville police -- Optional twenty-year retirement on service**
31 **allowance.** -- Notwithstanding § 45-21.2-22, the town council of the town of Burrillville, may by
32 ordinance adopted, permit the retirement of a member on a service retirement allowance as follows:

1 (1) Any member may retire pursuant to this section upon his or her written application to
2 the board stating at what time he or she desires to retire; provided, that the member, at the
3 specified time of his or her retirement, has completed at least twenty (20) years of total service;

4 (2) Upon retirement from service, pursuant to subdivision (1), a member receives a
5 retirement allowance that is a life annuity terminable at the death of the annuitant, and is equal to
6 three percent (3%) of final compensation multiplied by the years of total service, but not to
7 exceed sixty percent (60%) of final compensation;

8 (3) Upon retirement from service where member has in excess of twenty (20) years of
9 service, a member receives a retirement allowance that is a life annuity terminable at the death of
10 the annuitant, and is an amount equal to the sum of three percent (3%) of final compensation
11 multiplied by the first twenty (20) years of service and one and one-half percent (1.5%) of final
12 compensation multiplied by the years of service in excess of twenty (20) years. The annual
13 retirement allowance in no event shall exceed seventy-five percent (75%) of final compensation;

14 (4) Upon the adoption of a service retirement allowance, pursuant to this section, each
15 member shall contribute an amount equal to ten and two-tenths percent (10.2%) of the salary or
16 compensation earned or accrued to the member;

17 (5) Notwithstanding anything to the contrary hereinabove, any member who retires with
18 less than twenty (20) years of service shall be subject to § 45-21.2-6 for purposes of determining
19 any service retirement allowance;

20 (6) This section is exempt from the provisions of chapter 13 of this title;

21 (7) Except as specifically set forth hereinabove, all other provisions of chapter 21.2 of this
22 title shall be applicable to Burrillville police officers who make application to retire.

23 (8) This section shall apply only to employees who have completed at least ten (10) years of
24 contributory service before the later of July 1, 2009 or the end of the day on the expiration date set
25 forth in any lawful collective bargaining agreement that was executed and in effect prior to July 1,
26 2009.

27 SECTION 4. Title 45 of the General Laws entitled "Towns and Cities" is hereby
28 amended by adding thereto the following chapter:

29
30 CHAPTER 21.4

31 § 45-21.4-1. Purpose. – It is the intent of this chapter to ensure that retirement benefits

1 accorded to municipal employees by collective bargaining agreement are affordable to taxpayers,
2 and thus to ensure that municipal employees will enjoy these benefits in retirement without
3 interruption.

4 **§ 45-21.4-2. Definitions.** – Words used in this chapter shall be defined using the definitions
5 contained in section 45-21-2. “Normal Cost” shall mean the actuarial cost to fund the benefits
6 provided but not including accrued unfunded liabilities existing on June 30, 2009.

7 **§ 45-21.4-3. Limits on retirement benefits.** – Notwithstanding any general law or special
8 law of the state of Rhode Island, no collective bargaining agreement entered into and no interest
9 arbitration award issued, after the effective date of this chapter by a municipality, shall require or
10 permit employee retirement benefits in addition to or in excess of the following, or any of the
11 following individually, or employee contribution rates that are less than the following, for
12 employees retiring after the effective date of the chapter:

13 (a) For employees who have not already reached their vesting date in a pension plan
14 providing more generous benefits, and except as further limited by this chapter, benefits and
15 allowances shall not exceed those benefits and allowances provided by chapter 45-21, or, for sworn
16 police officers and uniformed firefighters only, those benefits and allowances provided by chapter
17 45-21.2 (excluding provisions applicable to individual municipalities) of the general laws, each
18 chapter as it is in effect as of the effective date of this section. Contributions for employees shall
19 not be less than those required in section 45-21-41, or for sworn police officers and uniformed
20 firefighters only, as required in section 45-21.2-14, irrespective of vested status.

21 (b) Post-retirement health, dental, life or other insurance benefits (“Insurance Benefits”)
22 under group plans covering the municipality’s employees or supported in any way by funds from
23 the local taxing authority, shall not be wholly or partially provided by a municipality to a former
24 employee or retiree before the individual’s fifty-fifth (55th) birthday and shall discontinue upon the
25 individual reaching Medicare eligibility; provided, however, that a former employee or retiree may
26 be permitted to continue under a municipality’s group plan for any insurance benefits if he/she pays
27 one hundred percent (100%) of the premium or working rate, or for self-insured municipalities’
28 plans one hundred percent (100%) of the working rate, of the applicable insurance plan.

29 (c) For those employees who have not vested before July 1, 2009 in a pension plan
30 providing more generous cost of living adjustment (“COLA”), or a pension escalator, shall not
31 exceed three percent (3%) non-compounded annually, commencing on the fifth anniversary of the
32 date on which the retiree commences receiving a retirement allowance.

1 (d) No retiree who has insurance benefits available to him/her, whether through
2 employment, social security, a spouse's employment or social security or from any other source,
3 shall be eligible for payment, in whole or in part, by the municipality or other entity for insurance
4 of the same kind. For example, a retiree whose spouse is employed by an employer that has a
5 group health insurance plan shall not be eligible for payment for health insurance coverage by a
6 municipality, unless that group plan does not permit a spouse to be covered.

7 (e) Each retiree who is afforded any insurance benefits shall contribute at least twenty
8 percent (20%) of the premium or working rate, or, for retirees of municipalities that self-insure,
9 twenty percent (20%) of the working rate, for such benefits, as a condition precedent to receipt of
10 benefits. Insurance benefits provided to retirees shall be no greater than the same plan or plans
11 provided to active employees.

12 (f) Post-retirement insurance benefits shall be limited to individual plans or individual-plus-
13 spouse plans. Only a spouse who is covered on the date of retirement shall be permitted coverage.

14 § 45-21.4-8. Implementing Regulations. – The retirement board shall enact, and from
15 time to time re-enact or amend, such rules and regulations as it shall deem necessary or appropriate
16 in order to implement chapters 45-21, 45-21.2 and 45-21.4.

17 § 45-21.4-9. Enforcement. – Upon receipt of information from the auditor general, the
18 general treasurer or any other source, that a municipality, by contract, rule, regulation, practice,
19 resolution, ordinance or otherwise has failed to comply with the terms of this chapter, the attorney
20 general shall, or any person or public interest group may, file suit in the superior court and, if
21 he/she/it prevails in the litigation, shall be entitled to injunctive relief, reformation of any
22 conflicting contracts, attorneys' fees and costs, and such other and further relief as the court may
23 deem necessary in order to give full force and effect to the terms of this chapter, and to remedy any
24 damage done by reason of the violation.

25 § 45-21.4-10. Actuarial cost required. – No person or committee shall recommend
26 passage of any bill or resolution having an effect of increasing employer contributions, decreasing
27 employee contributions, or increasing benefits or retirement allowances or limits thereon in
28 chapters 45-21, 45-21.2 or 45-21.4, unless the bill or resolution shall be accompanied by a
29 statement which shall set forth the costs and/or value of each change as determined by the actuaries
30 regularly employed by the municipal employees retirement system. The cost of such analysis shall
31 be borne by the committee or entity recommending the change.

1 § 45-21.4-11. Severability. – Should any term or provision of this chapter be declared by a
2 court of competent jurisdiction to be unenforceable and/or void, the remaining provisions and terms
3 of this chapter shall continue in full force and effect.

4 SECTION 5. This article shall take effect as of July 1, 2009.

ARTICLE 46

RELATING TO POLICE OFFICERS AND FIREFIGHTERS – INJURED ON DUTY

5 SECTION 1. Section 45-19-1 of the General Laws in Chapter 45-19 entitled “Relief of
6 Injured and Deceased Firefighters and Police Officers” is hereby amended to read as follows:

7 § 45-19-1. Salary payment during line of duty illness or injury. – (a) Whenever any
8 police officer of the Rhode Island Airport Corporation or whenever any police officer, fire fighter,
9 crash rescue crewperson, fire marshal, chief deputy fire marshal, or deputy fire marshal of any
10 city, town, fire district, or the state of Rhode Island is wholly or partially incapacitated by reason of
11 injuries received or sickness contracted in the performance of his or her duties or due to their
12 rendering of emergency assistance within the physical boundaries of the state of Rhode Island at
13 any occurrence involving the protection or rescue of human life which necessitates that they
14 respond in a professional capacity when they would normally be considered by their employer to be
15 officially off-duty, the respective city, town, fire district, state of Rhode Island or Rhode Island
16 Airport Corporation by which the police officer, fire fighter, crash rescue crewperson, fire
17 marshal, chief deputy fire marshal, or deputy fire marshal, is employed, shall, during the period of
18 the incapacity, pay the police officer, fire fighter, crash rescue crewperson, fire marshal, chief
19 deputy fire marshal, or deputy fire marshal, ~~the~~ eighty percent (80%) of the salary or wage,
20 together with the ~~and~~ benefits to which the police officer, fire fighter, crash rescue crewperson, fire
21 marshal, chief deputy fire marshal, or deputy fire marshal, would be entitled had he or she not been
22 incapacitated, and shall pay the medical, surgical, dental, optical, or other attendance, or treatment,
23 nurses, and hospital services, medicines, crutches, and apparatus for the necessary period, except
24 that if any city, town, fire district, the state of Rhode Island or Rhode Island Airport Corporation
25 provides the police officer, fire fighter, crash rescue crewperson, fire marshal, chief deputy fire
26 marshal, or deputy fire marshal, with insurance coverage for the related treatment, services, or
27 equipment, then the city, town, fire district, the state of Rhode Island or Rhode Island Airport
28 Corporation is only obligated to pay the difference between the maximum amount allowable under
29 the insurance coverage and the actual cost of the treatment, service, or equipment. In addition, the
30 cities, towns, fire districts, the state of Rhode Island or Rhode Island Airport Corporation shall pay

1 all similar expenses incurred by a member who has been placed on a disability pension and suffers
2 a recurrence of the injury or illness that dictated his or her disability retirement.

3 (b) As used in this section, "police officer" means and includes any chief or other member
4 of the police department of any city or town regularly employed at a fixed salary or wage and any
5 executive high sheriff, sheriff, deputy sheriff, member of the fugitive task force, or capitol police
6 officer, permanent environmental police officer or criminal investigator of the department of
7 environmental management, or airport police officer.

8 (c) As used in this section, "fire fighter" means and includes any chief or other member of
9 the fire department or rescue personnel of any city, town, or fire district, and any person employed
10 as a member of the fire department of the town of North Smithfield, or fire department or district in
11 any city or town.

12 (d) As used in this section, "crash rescue crewperson" means and includes any chief or
13 other member of the emergency crash rescue section in the division of airports, or department of
14 transportation of the state of Rhode Island regularly employed at a fixed salary or wage.

15 (e) As used in this section, "fire marshal," "chief deputy fire marshal", and "deputy fire
16 marshal" mean and include the fire marshal, chief deputy fire marshal, and deputy fire marshals
17 regularly employed by the state of Rhode Island pursuant to the provisions of chapter 28.2 of title
18 23.

19 (f) Any person employed by the state of Rhode Island, except for sworn employees of the
20 Rhode Island State Police, who is otherwise entitled to the benefits of chapter 19 of this title shall
21 be subject to the provisions of chapters 29 – 38 of title 28 for all case management procedures and
22 dispute resolution for all benefits.

23 (g) In order to receive the benefits provided for under this section, a police officer or
24 firefighter must prove to their employer that he or she had reasonable grounds to believe that there
25 was an emergency which required an immediate need for their assistance for the protection or
26 rescue of human life.

27 (h) Any claims to the benefits provided for under this section resulting from the rendering
28 of emergency assistance in the state of Rhode Island at any occurrence involving the protection or
29 rescue of human life while off-duty, shall first require those covered by this section to submit a
30 sworn declaration to their employer attesting to the date, time, place and nature of the event
31 involving the protection or rescue of human life causing the professional assistance to be rendered
32 and the cause and nature of any injuries sustained in the protection or rescue of human life. Sworn

1 declarations shall also be required from any available witness to the alleged emergency involving
2 the protection or rescue of human life.

3 (i) All declarations required under this section shall contain the following language:
4 "Under penalty of perjury, I declare and affirm that I have examined this declaration, including any
5 accompanying schedules and statements, and that all statements contained herein are true and
6 correct."

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

ARTICLE 47

RELATING TO PRE-JUDGMENT INTEREST

8 SECTION 1. Section 9-21-10 of the General Laws in Chapter 9-21 entitled "Judgments,
9 Orders, and Decrees" is hereby amended to read as follows:

10 **§ 9-21-10. Interest in civil actions.** - (a) In any civil action in which a verdict is rendered
11 or a decision made for pecuniary damages, there shall be added by the clerk of the court to the
12 amount of damages interest at the rate of twelve percent (12%) per annum thereon from the date the
13 cause of action accrued, which shall be included in the judgment entered therein. Post judgment
14 interest shall be calculated at the rate of twelve percent (12%) per annum and accrue on both the
15 principal amount of the judgment and the prejudgment interest entered therein. This section shall
16 not apply until entry of judgment or to any contractual obligation where interest is already
17 provided.

18 (b) Subsection (a) shall not apply in any action filed on or after January 1, 1987, for
19 personal injury or wrongful death filed against a licensed physician, hospital, clinic, health
20 maintenance organization, professional service corporation providing health care services, dentist,
21 or dental hygienist based on professional negligence. In all such medical malpractice actions in
22 which a verdict is rendered or a decision made for pecuniary damages, there shall be added by the
23 clerk of the court to the amount of damages interest at the rate of twelve percent (12%) per annum
24 thereon from the date of written notice of the claim by the claimant or his or her representative to
25 the malpractice liability insurer, or to the medical or dental health care provider or the filing of the
26 civil action, whichever first occurs.

27 **(c) In any civil action in which a verdict is rendered or a decision made for pecuniary**
28 **damages, in whole or in part, against the state, its political subdivisions, and/or any employees or**
29 **officials of said entities while performing any act or omission under the scope of such employment,**
30 **there shall be no award of pre-judgment interest. Post judgment interest, however, shall be**

1 calculated at the rate of twelve percent (12%) commencing four (4) weeks after the date the
2 judgment was entered, per annum and accrue on the principal amount of the judgment. This
3 section shall not apply to any contractual obligation of such public entity where interest is already
4 provided.

5 SECTION 2. Section 9-31-3 of the General Laws in Chapter 9-31 entitled “Governmental
6 Tort Liability” is hereby amended to read as follows:

7 **§ 9-31-3. Limitation of damages - Cities, towns, and fire districts.** - In any tort action
8 against any city or town or any fire district, any damages recovered therein shall not exceed the sum
9 of one hundred thousand dollars (\$100,000); provided, however, that in all instances in which the city
10 or town or fire district was engaged in a proprietary function in the commission of the tort, the
11 limitation of damages set forth in this section shall not apply; and provided further, that any employee
12 or official of said entities shall not be sued in his or her personal or individual capacity except when
13 the act or omission was not within the scope of employment or, the act or omission was because of
14 actual fraud, willful misconduct, or actual malice.

15 SECTION 3. Section 10-6-2 of the General Laws in Chapter 10-6 entitled “Contribution
16 Among Joint Tortfeasors” is hereby amended to read as follows:

17 **§ 10-6-2. “Joint tortfeasors” defined.** - For the purposes of this chapter, the term “joint
18 Tortfeasors” means two (2) or more persons jointly or severally liable in tort for the same injury to
19 person or property, whether or not judgment has been recovered against all or some of them;
20 provided, however, that a master and servant or principal and agent shall be considered a single
21 tortfeasor; and provided, further, that joint and several liability shall not apply to the state of Rhode
22 Island, its political subdivisions and/or any employees or officials of said entities while performing
23 any act or omission under the scope of such employment unless the proportionate liability of such
24 public entity or employee is equal to or exceeds twenty-five percent (25%) of the total judgment. If
25 the percentage of liability attributable to the public entity or its employee is less than twenty-five
26 percent (25%), then the governmental entity is only responsible for its proportionate share of the
27 judgment.

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

29 ARTICLE 48

30 RELATING TO PERSONNEL REFORM

31 SECTION 1. Section 28-9-1 of the General Laws in Chapter 28-9 entitled “Arbitration of
32 Labor Controversies” is hereby amended to read as follows:

1 **§ 28-9-1 Enforceability of agreement to arbitrate any controversy.** – (a) A provision in a
2 written contract between an employer and an association of employees, a labor union, trade union, or
3 craft union, or between an association of employers and an association of employees, labor unions,
4 trade unions, or craft unions, to settle by arbitration any controversy shall be valid, irrevocable, and
5 enforceable, except upon any grounds that exist in law or in equity for the revocation of the contract;
6 provided, that the provisions of this chapter apply but are not limited to controversies respecting
7 terms and conditions of employment. Unless the parties agree otherwise in writing that the arbitrator
8 shall have no authority to modify the penalty imposed by the employer in the arbitration of matters
9 relating to the disciplining of employees, including, but not limited to, termination, suspension, or
10 reprimand, the arbitrator shall have the authority to modify the penalty imposed by the employer
11 and/or otherwise fashion an appropriate remedy.

12 **(b) In any controversy submitted to arbitration to which the state is a party, the arbitrator shall**
13 **have no authority to mandate levels of personnel employed by the state including but not limited to**
14 **minimum staffing levels, the deployment of personnel while on the job, the types of equipment**
15 **utilized by the state and the number of or location of any vehicles or facilities and any decision to that**
16 **effect shall be null and void.**

17 SECTION 2. Section 28-9.5-4 of the General Laws in Chapter 28-9.5 entitled “State
18 Police Arbitration” is hereby amended to read as follows:

19 **§ 28-9.5-4 Right to organize and bargain collectively.** – The state police shall have the
20 right to bargain collectively with the state of Rhode Island and to be represented by an organization
21 in the collective bargaining as to wages, rates of pay, hours, working conditions, and all other
22 terms and conditions of employment except for the following: levels of personnel employed by the
23 state including but not limited to minimum staffing levels, the deployment of personnel while on the
24 job, the types of equipment utilized by the state and the number of or location of any vehicles or
25 facilities in the state.

26 SECTION 3. Section 28-9.6-4 of the General Laws in Chapter 28-9.6 entitled “911
27 Employees’ Arbitration” is hereby amended to read as follows:

28 **§ 28-9.6-4 Right to organize and bargain collectively.** – The 911 employees shall have
29 the right to bargain collectively with the state of Rhode Island and to be represented by an
30 organization in the collective bargaining as to wages, rates of pay, hours, working conditions, and
31 all other terms and conditions of employment except for the following: levels of personnel
32 employed by the state including but not limited to minimum staffing levels, the deployment of

1 personnel while on the job, the types of equipment utilized by the state and the number of or
2 location of any vehicles or facilities in the state.

3 SECTION 4. Section 28-9.7-4 of the General Laws in Chapter 28-9.7 entitled
4 “Correctional Officers Arbitration” is hereby amended to read as follows:

5 **§ 28-9.7-4 Right to organize and bargain collectively.** – The correctional officers shall
6 have the right to bargain collectively with the state of Rhode Island and to be represented by an
7 organization in the collective bargaining as to wages, rates of pay, hours, working conditions, and
8 all other terms and conditions of employment except for the following: levels of personnel
9 employed by the state including but not limited to minimum staffing levels, the deployment of
10 personnel while on the job, the types of equipment utilized by the state and the number of or
11 location of any vehicles or facilities in the state.

12 SECTION 5. Section 36-3-10 of the General Laws in Chapter 36-3 entitled “Division of
13 Personnel Administration” is hereby amended to read as follows:

14 **§ 36-3-10 Appeals to appeal board.** – (a) The personnel appeal board shall hear appeals:
15 (1) By any person with provisional, probationary, or permanent status in a position in the classified
16 service aggrieved by an action of the administrator of adjudication for the department of
17 administration on matters of personnel administration.

18 (2) By any person with provisional, probationary, or permanent status in a position in the
19 classified service who has been discharged, demoted, suspended, or laid off by any appointing
20 authority.

21 (3) By any person who holds the belief that he or she has been discriminated against because
22 of his or her race, sex, age, disability, or his or her political or religious beliefs in any personnel
23 action.

24 (4) By any person who by the personnel policy of the state of Rhode Island or by contractual
25 agreement with the state of Rhode Island is vested with the right of appeal to the board.

26 (b) Appeals shall be taken in accordance with the provisions of this chapter and chapter 4 of
27 this title of the personnel rules provided, however, that the personnel appeal board may dismiss the
28 appeal of a person who has already appealed or seeks to appeal the same matter under provisions of a
29 contractual agreement or other law or regulation.

30 (c) When the board considers an appeal by a person who has been discharged, suspended, or
31 otherwise disciplined, the Personnel Appeal Board shall either uphold or overrule the disciplinary
32 action, but is not authorized to change any disciplinary action that has been ordered.

33 SECTION 6. Section 36-11-1 of the General Laws in Chapter 36-11 entitled “Public
34 Officers and Employees” is hereby amended to read as follows:

1 WHEREAS, the State is prepared to partner with Rhode Island Housing and Mortgage
2 Finance Corporation (“Rhode Island Housing”) or another qualified agency, if deemed preferable,
3 (collectively, the “qualified agency”) in order to establish one or more requests for proposals (RFP)
4 for a multiple use development which shall include but not be limited structured parking and such
5 other uses including homes and commercial activities as it deems necessary, convenient or desirable
6 in the best interest of the state and community; and

7 WHEREAS, the State would sell the property next to the courthouse (currently a parking lot)
8 to the qualified agency, which would then issue an RFP for prospective developers and/or
9 development contractors and consultants. The State would partner with the qualified agency to enter
10 into a long term financial structure that would provide essential parking and that would provide initial
11 financial benefits for the State from the land sale as well as other long term economic benefits, and

12 WHEREAS, initially the State would enter into a financing structure for the purchase or lease
13 of the property with the qualified agency. The consideration for the transfer would be subject to
14 appraisal of the property, but not be less than \$6.0 million. The financing would be structured to
15 allow the state or qualified agency to redeem the bonds, notes or other indebtedness at any time.

16 WHEREAS, as a second phase to the project, the State, as part of the public private
17 collaboration with the qualified agency and/or such other public, institutional and private agencies as
18 it deems appropriate, will provide a plan for development, operation and financing to the General
19 Assembly by April 1, 2009.

20 RESOLVED, That the State is authorized, but not mandated, to enter into a long term parking
21 lease for court employees, other state employees and/or court jurors, and to develop with the qualified
22 agency a financing structure that may provide additional payments or other economic benefits or
23 concessions to the State over a twenty (20) to a thirty (30) year period, with ultimate ownership of the
24 property reverting to the state at the end of the financing term and payment of all debt and other
25 outstanding contract obligations. The State must provide a financing plan to the General Assembly
26 prior to entering into a long term lease and be it further

27 RESOLVED, That to the extent not otherwise authorized by §42-55-1, et seq, Rhode Island
28 Housing is specifically authorized to undertake any and all actions necessary, convenient or desirable
29 to complete the activities described herein including without limitation, the issuance of bonds or
30 notes; the purchase, sale or lease of real and personal property; and contracting with public and
31 private entities including, without limitation, its own subsidiary corporations established pursuant to
32 §42-55-5.1; and be it further

33 RESOLVED, That this Joint Resolution shall take effect immediately upon its passage by this
34 General Assembly.

1 SECTION 3. *Forand Building Renovations Project*

2 WHEREAS, the State needs to address the month-to-month lease arrangement for the
3 Division of Motor Vehicles at the facility it presently uses in Pawtucket; and

4 WHEREAS, the utilization of the Aime Forand Building (“Forand Building”) at the Pastore
5 Campus as the main office of the Division of Motor Vehicles would allow for the consolidation of
6 the Office of Operator Control with the Division of Motor Vehicles; and

7 WHEREAS, the location of the Forand Building provides synergies with the Traffic Tribunal
8 and would further enhance customer service; and

9 WHEREAS, the State believes that the Rhode Island Housing and Mortgage Finance
10 Corporation (“Rhode Island Housing”) is capable of managing a public private partnership in order to
11 renovate the Forand Building; and

12 WHEREAS, the State will collaborate with Rhode Island Housing in order to establish one or
13 more requests for proposals (RFP) for the renovation and construction needed to convert the Forand
14 Building into the main consolidated office of the Division of Motor Vehicles; and

15 WHEREAS, the State would sell the Forand property to Rhode Island Housing, which would
16 then issue one or more RFPs for prospective developers and/or development contractors and
17 consultants to undertake the conversion. The consideration for transfer would be subject to appraisal
18 of the property, but would not be less than \$6.0 million. The State would partner with Rhode Island
19 Housing to enter into a long term financial structure that would provide the lease financing structure
20 for the project.

21 WHEREAS, as a second phase to the project, the State, as part of the public private
22 collaboration with Rhode Island Housing and/or such other public, institutional and private agencies
23 as it deems appropriate, will provide a plan for development, operation and financing to the General
24 Assembly by April 1, 2009.

25 RESOLVED, That the State is authorized to enter into a long-term agreement with respect to
26 the leasing of space for use by the Division of Motor Vehicles and by Operator Control, and to
27 develop a financing structure that may provide additional payments or other economic benefits or
28 concessions to the State over a twenty (20) to thirty (30) year period with all ownership rights
29 reverting to the State at the end of the financing period and satisfaction of all outstanding debts and
30 contract obligations; and be it further

31 RESOLVED, That to the extent not otherwise authorized by §42-55-1, et seq, Rhode Island
32 Housing is specifically authorized to undertake any and all actions necessary, convenient or desirable
33 to complete the activities described herein including without limitation the issuing of bonds or notes,
34 the purchase, sale or lease of real and personal property; and contracting with public and private

1 entities including, without limitation, its own subsidiary corporations established pursuant to §42-55-
2 5.1; and be it further

3 RESOLVED, That this Joint Resolution shall take effect immediately upon its passage by this
4 general assembly.

5 SECTION 4. *Pastore Parcel Project*

6 WHEREAS, the State owns surplus property on the Pastore campus that has significant
7 potential to serve as an economic stimulus for the State through a variety of possible uses, and

8 WHEREAS, there is no current retail or restaurant locations on the Pastore campus to serve
9 the needs of the thousands of employees and visitors on the campus, and

10 WHEREAS, the State is prepared to entertain bids for a public private partnership to develop
11 the land at the intersection of Howard and Pontiac Avenues for the benefit of the State, and

12 WHEREAS, the Rhode Island Housing and Mortgage Finance Corporation (“Rhode Island
13 Housing”) has the capacity to collaborate with the State and other public and private entities to
14 develop and finance a multiple use building or buildings for the State’s benefit, and

15 WHEREAS, the State is prepared to partner with Rhode Island Housing or another qualified
16 agency, if deemed preferable, (collectively, the “qualified agency”) in order to establish one or more
17 request for proposals (RFP) for the development of a multiple use complex which may include but
18 not be limited to government and private office space, retail, restaurant, residential and institutional
19 use, and

20 WHEREAS, the State would sell the property comprising of approximately ten (10) acres at
21 the intersection of Howard and Pontiac Avenues to the qualified agency, which would then undertake
22 financing, planning, and development of the property

23 WHEREAS, initially the State would enter into a financing structure for the purchase or lease
24 of the property with the qualified agency. The consideration for the transfer would be subject to
25 appraisal of the property, but would not be less than \$4.0 million. The financing would be structured
26 to allow the qualified agency to call the bonds if sufficient revenues existed to fully fund the
27 financing, and

28 WHEREAS, as a second phase to the project, the State as part of the public private
29 partnership, along with the qualified agency, will provide details of the planning, financing and
30 development process by April 1, 2009.

31 RESOLVED, That the State is authorized but not mandated to enter into a long term lease for
32 office space and to develop with Rhode Island Housing or another qualified agency a financing
33 structure that would provide additional payments or other economic benefits or concessions to the
34 State over a twenty (20) to a thirty (30) year period and may include ultimate ownership of the

1 property by the state at the end of the financing period and payment of all debts and other contract
2 obligations. Prior to entering into a long term lease the State must provide a financing plan to the
3 general assembly; and be it further

4 RESOLVED, That to the extent not otherwise authorized by §42-55-1 et seq, Rhode Island
5 Housing is specifically authorized to undertake any and all actions necessary, convenient or desirable
6 to complete the activities described herein including without limitation the issuance of bonds or notes;
7 the purchase, sale or lease of real and personal property; and contracting with public and private
8 entities including, without limitation, its own subsidiary corporations established pursuant to §42-55-
9 5.1; and be it further

10 RESOLVED, That this Joint Resolution shall take effect immediately upon its passage by this
11 general assembly.

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ARTICLE 50

RELATING TO EFFECTIVE DATE

This article provides that the act shall take effect upon passage, except as otherwise provided herein.

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EXPLANATION OF ARTICLES

ARTICLE 1

ARTICLE 1

RELATING TO MAKING REVISED APPROPRIATIONS IN SUPPORT OF FY 2009

This article makes revised appropriations from general revenues and authorizes expenditure of federal funds, restricted receipts, and other funds for FY 2009. This article also provides that each line in Section 1 constitutes an appropriation; provides for the following transfers to the state controller on June 30, 2009: \$385,246 from the Dual Party Phone Relay Fund and \$700,000 from workers compensation claims from defunct companies; provides expenditures limits for internal service funds; identifies the revised FTE authorizations for each agency and department for fiscal year 2009; and provides for an effective date of “upon passage”.

ARTICLE 2

RELATING TO GUBERNATORIAL AUTHORITY

This article provides the Governor with the authority needed to manage through the economic crisis. It includes four discrete items, restoring the Governor’s power to reduce or suspend appropriations for the purpose of maintaining a balance budget; authorizing the Governor to make recommendation on the legislative and judicial budgets; authorizing inter-fund borrowings to the General Fund beyond the close of the fiscal year; authorizing inter-fund transfers to the Employment Security Fund during FY 2009 and FY 2010, and providing for emergency rules and regulations in order to achieve budgetary savings in FY 2009 or FY 2010.

ARTICLE 3

RELATING TO THE BUDGET RESERVE FUND

This article provides for an appropriation from the budget reserve fund for FY2008 to cover the deficit that the State would have otherwise ended with were there no Budget Reserve Fund transfer made. This transfer also provides for a \$1.7 million reappropriation for the General Assembly.

ARTICLE 4

RELATING TO RETIREE HEALTH CARE TRUST FUND

This article delays the creation of the Retiree Health Care Trust Fund from FY 2008 to FY 2011.

ARTICLE 5

RELATING TO UNEMPLOYMENT INSURANCE BENEFITS

This article provides (1) that the one week waiting period for unemployment benefits claims will not be in effect from passage through June 30, 2009, and (2) that severance pay from passage will no

1 longer be allocated entirely to the last day of work, but prorated on a weekly basis beginning with the
2 individual's first week of unemployment.

ARTICLE 6

RELATING TO EMPLOYMENT SECURITY FUND – LOANS AND INTEREST

3 This article provides that the governor may make an interfund transfer from the temporary
4 disability insurance fund to the employment security fund under prescribed circumstances. It also
5 provides that the monies in the job development fund may from January 1, 2009 through June 30, 2011
6 be used to repay any interest on temporary disability insurance fund or federal monies advanced to the
7 employment security fund.

ARTICLE 7

RELATING TO STATE AID

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9 This article would eliminate general revenue sharing payments to municipalities in FY 2009.

ARTICLE 8

RELATING TO PUBLIC UTILITIES COMMISSION

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11
12 This article rescinds the amendments contained in P.L. 2002, Chapter 144 (2002-H-7786B
13 am) as it relates to Sections 39-1-4 and 39-1-8 of the General Laws by reinstating the number of
14 commissioners at the Public Utilities Commission to a total of three instead of five. It also provides
15 that two members constitute a quorum.
16

ARTICLE 9

RELATING TO ENERGY REVOLVING FUND

17
18 This article provides for the repeal of Section 37-8-17.2 of the Rhode Island General Laws,
19 which established the energy revolving fund and also allows for any cash balance remaining in this fund
20 as of June 30, 2008 to be transferred to the General Fund.
21

ARTICLE 10

RELATING TO DIVISION OF MOTOR VEHICLES

22
23 This article provides for the elimination of the statutory requirement that the Division of Motor
24 Vehicles maintain a branch office in the town of Warren and that that branch office be kept open at least
25 three (3) days per week; increases the fee charged for issuing, replacing, transferring, changing or
26 salvaging a certificate of title for a motor vehicle from twenty-five dollars (\$25.00) to fifty dollars
27 (\$50.00); increases the fee required to restore a registration or certificate of title from revoked or
28 suspended status from fifty dollars (\$50.00) to two hundred and fifty dollars (\$250.00); and increases the
29 fee required to restore a license from revoked or suspended status from seventy-five dollars (\$75.00) to
30 two hundred and fifty dollars (\$250.00). The total revenue increase from this article is \$3,185,184 in FY
31 2009, and \$8,420,025 in FY 2010.
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ARTICLE 11

RELATING TO CIGARETTE TAX

This article provides for the repeal of minimum pricing for the wholesale and retail sale of cigarettes and related tobacco products. The article also increases the state cigarette excise tax from 123 mills per cigarette, \$2.46 per pack of 20 cigarettes, to 173 mills per cigarette, \$3.46 per pack of 20 cigarettes. This increase in the cigarette excise tax will result in an estimated final Rhode Island price to consumers, including sales tax, of \$6.67, forty-five cents (\$0.45) less than the estimated Massachusetts final price to consumers. In addition, this article imposes a floor stock tax on cigarettes and cigarette tax stamps. Finally, this article reduces the stamping discount for cigarette distributors from one and one-quarter percent (1.25%) to one percent (1.0%) of the face value of the cigarette excise stamps purchased.

ARTICLE 12

RELATING TO GROSS PREMIUMS TAX ON HEALTH INSURANCE COMPANIES

This article increases the tax on gross premiums on contracts of insurance written by Nonprofit Hospital Service Corporations, Nonprofit Medical Service Corporations, Nonprofit Dental Service Corporations, and Health Maintenance Organizations from one and three-quarters percent (1.75%) to two percent (2.0%).

ARTICLE 13

RELATING TO UNDERGROUND STORAGE TANK REVIEW BOARD

This article provides for the transfer to the Intermodal Surface Transportation (IST) Fund and specifically, RIPTA one-half cent of the one cent per gallon environmental protection regulatory fee collected by distributors of motor fuel when the product is sold to owners and/or operators of underground storage tanks. The November Revenue Estimating Conference has set the current estimate of the per penny yield of the gasoline tax at \$4,475,000. One half of this estimate, or \$2,237,500, is the current amount to be distributed to RIPTA from the one-half cent of the Underground Storage Tank Fee. This will provide RIPTA with total proceeds worth 7.75 pennies of motor fuel-related fees for a total transfer of \$34,681,250, \$1,113,750 more than the enacted budget when the per penny yield was estimated at \$4,630,000.

ARTICLE 14

RELATING TO SMALL BUSINESS TAX CREDIT

This article provides a tax credit to any corporation, partnership, sole proprietorship, or other business entity qualifying as “small” under the standards contained in Title 13, code of federal regulations, section 12 for any amount paid to the U.S. small business administration (SBA) as a guaranty fee pursuant to the obtaining of SBA guaranteed financing.

ARTICLE 15

1 RELATING TO RHODE ISLAND SMALL BUSINESS STIMULUS GUARANTY PROGRAM

2 This article is a Joint Resolution submitted pursuant to Chapter 35-18 of the General Laws
3 entitled “Public Corporation Debt Management” which authorizes creation of a loan guarantee
4 program in order to induce lending to small businesses in Rhode Island. This article limits the
5 contingent cost of such program to the state to a maximum amount of \$25,000,000. The program will
6 provide an additional 15 percent guarantee on SBA 7a loans (SBA currently guarantees 75 percent)
7 and 40 percent on SBA Express loans (SBA currently guarantees 50 percent), thereby providing up to
8 a 90 percent guarantee for a business seeking either type of loan. Guarantees issued on SBA loans are
9 not to exceed \$200,000. The program will provide up to a 90 percent guarantee on direct bank loans.
10 Direct loan guarantees are not to exceed \$500,000.

11 **ARTICLE 16**

12 RELATING TO THE TELECOMMUNICATIONS TAX

13 This article is proposed to correct the unintended consequences of frequent revaluations on
14 the tax rate applied to telecommunications tangible property.

15 **ARTICLE 17**

16 RELATING TO STATEWIDE SCHOOL FOOD SERVICES PROGRAM

17 This article amends chapter 60 of Title 16 to add a new section 16-60-7.5 entitled “Statewide
18 School Food Services Program”. This section authorizes the department of elementary and secondary
19 education, acting in collaboration with the department of administration, to procure the services of a
20 food services management company to service all districts and public schools in the state. The
21 resulting statewide school food services agreement will provide all districts and public schools with
22 nutritious school meals, increased participation rates in federally-reimbursed child nutrition programs,
23 cost efficiencies and other program improvements. Participation in the statewide program will be
24 mandatory.

25 **ARTICLE 18**

26 RELATING TO SCHOOL BUS MONITORS

27 This article amends 16-21-1 of the R.I.G.L. to relieve school districts of the current
28 requirement to provide school bus monitors on buses transporting students in grades kindergarten
29 through five (5) on all school bound and home bound routes. **Note that if this Article and Article**
30 **22 are both enacted, then Section B of Article 22 needs to be repealed.**

31 **ARTICLE 19**

32 RELATING TO STATEWIDE SCHOOL HEALTH, VISION AND DENTAL INSURANCE
33 PROGRAM

1 This article amends R.I.G.L. 28-9.3-2 and 28-9.4-3 to remove from the scope of collective
2 bargaining between certified teachers and other employees in the public school system of any city,
3 town or regional school district the subjects of health, vision and dental benefits and health, vision
4 and dental insurance coverage. This article, under Section 16-60-7.4 establishes a Statewide Public
5 School Employees Health and Dental Insurance Program which will be developed and implemented
6 by the department of elementary and secondary education, in collaboration with the department of
7 administration. The department will procure the services of health, vision and dental insurance
8 carrier(s) to provide health, vision, and dental insurance coverage to public school employees and
9 new retirees. The terms of the state health, vision and dental care program, including provisions for
10 billing rates, coverage's, plan options, premiums, co-share and buy-back, shall be negotiated and
11 established by a "Healthcare Advisory Council" to be established by the department of elementary
12 and secondary education. The composition of the Council is specified in the Article. Some
13 minimum provisions for the State Health and Dental Program are also established in the areas of co-
14 sharing, buy-back/waivers, and double benefit coverage. Participation of districts is phased in
15 according to the expiration dates of current collective bargaining agreements and existing contracts
16 with health, vision and dental insurance carriers.

17 In accordance with the healthcare data collection conducted by RIDE during FY07, districts
18 will achieve savings of approximately \$17.1M under this article as a result of competitive bidding,
19 establishment of a limited number of common plan designs resulting in reduced Administrative fees,
20 as well as standard co-sharing and buy-back provisions.

21 **ARTICLE 20**

22 **RELATING TO STATEWIDE PURCHASING SYSTEM AND PROGRAMS**

23 This article repeals R.I.G.L. 16-5-34 entitled "Statewide purchasing system" in its entirety so
24 that the provisions of this section can be removed from chapter 5 (which relates to "State Aid") and
25 placed in a more appropriate chapter of Title 16. The new Section, 16-60-7.3 "Statewide purchasing
26 system and programs" is placed in chapter 60 ("Board of Regents for Elementary and Secondary
27 Education") and is amended to add language to clarify the authority of the department of elementary
28 and secondary education, acting with the department of administration, to establish a statewide
29 purchasing system for goods, supplies and services utilized by the public schools. Participation by
30 public schools and districts is also made mandatory. This section also authorizes the department of
31 elementary and secondary education to establish state-level purchasing and programs for statewide
32 school transportation, food services management, and school employees' healthcare and dental
33 insurance.

34 **ARTICLE 21**

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RELATING TO SCHOOL BUDGET RESOLUTION

This article makes application of budgets caps mandatory in court proceedings seeking additional school funding and creates a three member budget resolution panel to resolve a school budget impasse when state school or general revenue sharing aid is reduced. All other school budget resolution matters would continue to be resolved through the provisions of 16-21.4 relating to school budgets and the right to bring an action in Superior Court.

ARTICLE 22

RELATING TO TRANSPORTATION OF PUPILS

This article amends Sections 16-21-1, 16-21.1-7 and 16-21.1-8 to require that effective upon the implementation of the statewide system of transportation for special needs students and the eventual implementation the transportation system for all students, each school committee must utilize the statewide transportation system unless it fulfills its transportation obligations primarily through the use of district-owned buses and district employees in which case it may continue to do so. This article also adds Section 16-21.1-9 to provide that management and oversight of the statewide transportation system shall be the responsibility of the department of elementary and secondary education. Should the department of elementary and secondary education deem outsourcing of the management function to be more efficient, an outside consultant will be retained. Analysis of data under this proposal reveals that approximately \$3.5 - \$5.0M in savings will be achieved during the initial phase of this project and additional savings of \$8.0 - \$10.0M will accrue as this is applied statewide, both in-district and out-of-district.

Additionally, an amendment to Section 16-21-1 adds subsection (c) which requires districts entering into transportation contracts pending implementation of the statewide transportation system to ensure that such contracts permit eventual participation in the statewide transportation system without penalty to the district. This article will allow districts to achieve cost savings through shared transportation services. **Note that if this Article and Article 18 are both enacted, then Section B of this Article needs to be repealed.**

ARTICLE 23

RELATING TO HEALTH AND SAFETY OF PUPILS – SCHOOL NURSES

This article amends section 16-21-7 to require the board of regents to develop policies, procedures, and regulations to ensure a healthful school environment section and maintains the requirement that schools have nurses while section 16-21-8 repeals the need for school nurses to be certified as teachers.

ARTICLE 24

RELATING TO DISMISSAL OF TEACHERS

1 This article repeals that portion of R.I.G.L.16-12-6 which provides for particular procedures
2 in Woonsocket and Cumberland in teacher dismissal cases.

3 **ARTICLE 25**

4 **RELATING TO TEACHERS' TENURE**

5 This article amends Sections 16-13-2, 16-13-3, 16-13-4, 16-13-6, and 16-13-8, and changes
6 the date for notice of teacher contract non-renewal from March 1st to June 1st. It also makes explicit a
7 school committee's authority to lay off teachers in the event of budget deficiencies without a
8 particular hearing for the teacher being laid off.

9 **ARTICLE 26**

10 **RELATING TO COLLECTIVE BARGAINING FISCAL IMPACT STATEMENTS**

11 This article amends sections 16-2-21.6 and 45-5-22 and requires towns, cities and school
12 committees to post proposed collective bargaining agreements on the appropriate town or city website
13 30 days prior to contract ratification.

14 **ARTICLE 27**

15 **RELATING TO CERTIFIED SCHOOL TEACHERS' ARBITRATION ACT**

16 This article amends section 28-9.3-1 to explicitly prohibit "work to rule" labor actions by
17 certified public school teachers. It also imposes, in section 29-9.3-1.1 and 29-9.3-1.2, the loss of two
18 days pay for each day of a strike and provides that a labor organization that promote strikes shall lose
19 its representational status and its ability to collect dues from its members for a period of three (3)
20 years. Due process procedures for imposing these penalties are also established under section 28-9.3-
21 1.3.

22 **ARTICLE 28**

23 **RELATING TO INTERVENTION AND SUPPORT FOR FAILING SCHOOLS**

24 This article amends section 16-7.1-5 and 16-60-4, and enhances the departments of
25 education's authority, in school districts under progressive support and intervention, to assign
26 teachers to positions where they are most needed without regard to collective bargaining contractual
27 provisions. This Article also requires the board of regents to adopt criteria for a fair, accurate, and
28 objective employment evaluations for certified employee's of school districts.

29 **ARTICLE 29**

30 **RELATING TO SCHOOL COMMITTEES AND SUPERINTENDENTS - MANAGEMENT**

31 **RIGHTS OF SCHOOL COMMITTEE**

32 This article amends 16-2-9 and 16-2-9.5 to secure school committees management control
33 over issues that are not appropriate for collective bargaining.

34 **ARTICLE 30**

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RELATING TO MEDICAL ASSISTANCE FOR FAMILIES

This article amends sections 40-8.4-4, 40-8.4-12 and 42-12.3-4 in order to provide for a \$10,000 resource test for family or child receiving Rite Care. The article changes the law such that no family or child shall be eligible for medical assistance coverage if the combined value of the child’s or the family’s liquid resources exceed ten thousand dollars (\$10,000). “Katie Beckett” children and pregnant woman are exempted. There are no other changes included. Please note that a similar budget article was introduced and passed in 2006, but was subsequently repealed based upon significant issues jeopardizing Title XXI and SCHIP funding. The Department is uncertain whether or not these issues still exist.

ARTICLE 31

RELATING TO EDUCATION AID

This article amends §16-7-10 of the R.I.G.L. to suspend the professional development investment fund allocation for FY 2009 only. This article gives districts the latitude to maintain professional development programs so that savings can be achieved across all education programs. This article also amends §16-7-15 to reduce FY 2009 education aid for school districts and charter public schools by the equivalent savings realized due to changes in the teachers’ retirement system. This article further reduces aid for previously paid school housing aid determined to be ineligible for reimbursement.

ARTICLE 32

RELATING TO PENSION REFORM

This article sets minimum retirement age of 59 for state employees and teachers, and eliminates cost of living adjustments for state employees, teachers, judges and state police who retire after April 1, 2009. It also modifies wage base for the pension benefit calculation for state police to be comparable to other state employees. It provides that public employees who receive a disability pension after April 1, 2009 in accordance with 36-10-14 will either receive 66 2/3% or 50% of their allowance depending on a finding by the retirement board of whether the individual is entirely disabled from further employment; This article also authorizes the transfers to the Employee Retirement System from State and Local governments be made from February 1, 2009 to June 30, 2009 at 25 percent of the rate that was determined by the actuary in June 2008.

ARTICLE 33

RELATING TO MEDICAL ASSISTANCE RECIPIENTS

This article amends sections 40-8-15 to provide for specific Notice of DHS liens to appropriate family members, and adds 40-8-15.1 and 40-8 -15.2, certain provisions for lifetime liens and no recording fees to be paid by the Department of Human Services.

ARTICLE 34

1 RELATING TO TRANSFERS TO STATE BUDGET RESERVE FUND AND CASH
2 STABILIZATION ACCOUNT

3 This article modifies the General Laws to allow the repayment by the proposed Budget
4 Reserve transfer to be made to the Rhode Island Capital Fund in FY 2010 rather than FY 2009 as
5 currently required by law.

6 **ARTICLE 35**

7 RELATING TO COURT MEDIATION FEES

8 RIGL §10-16-4 entitled “Small Claims and Consumer Claims” states that a plaintiff must pay an
9 entry fee of \$30.00, of which \$10.00 is placed in a mediation fund escrow account. The Court maintains
10 control of this fund and retains services to qualified mediators with financing from this fund. The
11 remaining \$20.00 from this fee is forwarded to the state general fund.

12 This article converts the ‘small claims mediation fund’ to a restricted receipt account
13 and the fee charged to the plaintiff will be raised from \$30.00 to \$50.00, of which \$20.00 is placed in the
14 mediation restricted receipt account and \$30.00 forwarded to the state general fund. The Court will
15 continue to maintain control over the restricted receipt account; however, a more general description of
16 what expenditures can be billed to this account is proposed, which includes related operating expenses.
17 The restricted receipt account would provide for more transparency in the budget process.

18 **ARTICLE 36**

19 RELATING TO MEDICAL ASSISTANCE FOR DISABLED CHILDREN

20 This article adds section 48-8--30 of the RIGL authorizing the Department of Human Services to
21 seek waivers and /or state plan amendments permitting the state to alter the requirements of the Katie
22 Beckett option to: (1) require families of children who receive services the to contribute to the cost of
23 coverage based on the ability to pay; and (2) develop consumer directed care options.

24 **ARTICLE 37**

25 RELATING TO NURSING FACILITIES

26 This article amends sections 48-8-19 of the RIGL and would delay the next cost of living
27 adjustment for nursing facilities from April 1, 2009 to July 1, 2009.

28 **ARTICLE 38**

29 RELATING TO MEDICAL ASSISTANCE - OUT OF STATE HOSPITALS

30 This article amends sections 48-8-13.1 of the RIGL and would reduce the reimbursement rates
31 paid to out of state hospitals under the Medical Assistance Program.

32 **ARTICLE 39**

33 RELATING TO HOSPITAL PAYMENTS

1 This article repeals sections 48-8.3-5, 40-8.3-6 and 40-8.3-7 of the RIGL and eliminates
2 payments scheduled to be made to certain qualifying hospitals in SFY 2009. In effect, this article repeals
3 Article 19, Section 2 of the FY 2009 Appropriations Act.

4 **ARTICLE 40**

5 RELATING TO FIREFIGHTERS' AND MUNICIPAL POLICE – LAST BEST OFFER

6 This article amends 28-9.1-9 and 28-9.2-9 by changing the way police and firefighter
7 arbitration panels render their final and binding decisions on unresolved labor contract issues.
8 Currently, an arbitration panel can render any decision it wishes on the unresolved contract issues if a
9 majority of the three member panel are in agreement. If this article were to become law, the
10 arbitration panels' decision would be solely based on either the unions or the municipality's final and
11 last-best offer to resolve all of the contract issues in dispute.

12 **ARTICLE 41**

13 RELATING TO SCHOOL AND MUNICIPAL REALIGNMENT COMMISSION

14 This article creates a school realignment commission and a public safety and public works
15 realignment commission. The commission is modeled after the Base Closure and Realignment
16 Commission framework used by the Federal government.

17 **ARTICLE 42**

18 RELATING TO FIREFIGHTERS' AND MUNICIPAL POLICE – ARBITRATION

19 This article modifies the scope and criteria for binding arbitration for firefighters and police
20 throughout the state.

21 **ARTICLE 43**

22 RELATING TO FIREFIGHTERS' AND MUNICIPAL POLICE MANNING

23 This article amends 28-9.1-4 and 28-9.2-4 by removing any issue(s) relating to minimum
24 manning from the scope of issues which can be negotiated or arbitrated under the policemen's and
25 firefighter's arbitration laws.

26 **ARTICLE 44**

27 RELATING TO MUNICIPAL HEALTH INSURANCE COST SHARING

28 As the cost of health insurance has escalated, municipalities have been unable to pass part of
29 these cost increases along to employees. This has been the case especially with public safety
30 employees where binding arbitration has limited the capacity to negotiate changes in cost sharing.
31 The 25% cost sharing requirement included in this Article is the standard cost sharing applicable to
32 all Federal employees.

33 **ARTICLE 45**

34 RELATING TO MUNICIPAL RETIREMENT

1 This article makes a variety of changes to municipal pension plans both for plans
2 administered by the state and plans administered by municipalities. Changes include a reduction in
3 disability pensions for those not totally disabled, years of service and age limitation eligibility for
4 both regular and public safety employees, increased employee contributions, and mandatory cost
5 sharing for retiree health insurance.

6 **ARTICLE 46**

7 **RELATING TO POLICE OFFICERS ND FIREIGHTERS – INJURED ON DUTY**

8 This article limits injured on duty compensation for municipal police officers and firefighters
9 as well as state quasi-public agency fire fighting and law enforcement officers.

10 **ARTICLE 47**

11 **RELATING TO PRE-JUDGMENT INTEREST**

12 This article eliminate pre judgment interest in civil cases against municipalities and the state,
13 limits the personal liability of employees and officials of city or towns, and clarifies the joint liability
14 allocation of judgments.

15 **ARTICLE 48**

16 **RELATING TO PERSONNEL REFORM**

17 This article requires that any collective bargaining agreement to which the State is a party, be
18 reviewed and approved by the state’s chief executive officer or his or her designee prior to becoming
19 effective. It further provides that minimum staffing levels, the deployment of personnel while on the
20 job, the types of equipment utilized by the State or its departments and the number of or location of
21 any vehicles or facilities shall not be the subject of collective bargaining nor may they mandated by
22 an arbitration decision. This article also limits the authority of the Personnel Appeal Board to either
23 uphold or overrule disciplinary action taken by the State in appeals by persons who have been
24 discharged, suspended or otherwise disciplined.

25 **ARTICLE 49**

26 **RELATING TO DEBT MANAGEMENT ACT JOINT RESOLUTIONS**

27 This article serves as joint resolutions required pursuant to RIGL 35-18-1 for the issuance of
28 debt by Rhode Island Housing as the conduit issuer. The proceeds from the sale of land by RI
29 Housing would be received by the state and considered general revenue receipts in FY2009.
30 Proposed projects include: a Downcity Parking Garage project, and renovation of the Forand Building
31 to be used as the Division of Motor Vehicles. The sale of land from these two projects would yield
32 \$12.0 million.

33 **ARTICLE 50**

34 **RELATING TO EFFECTIVE DATE**

1 This article provides that the act shall take effect upon passage, except as otherwise
2 provided herein.

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