



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration
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Memorandum

To: The Honorable Marvin L. Abney
Chairman, House Finance Committee

The Honorable Daniel DaPonte
Chairman, Senate Finance Committee

From: Thomas A. Mullaney *Thomas A. Mullaney*
Executive Director/State Budget Officer

Date: May 24, 2016

Subject: Amendment to Article 24 – Relating to Restricted Receipts (16-H-7454)

The Governor requests that Article 24 entitled “Relating to Restricted Receipts” be replaced with the attached changes. The modifications to the original version of the article are denoted by shading.

This amendment authorizes the Board of Education to establish a restricted receipt account for the new Westerly Job Skills Center and to collect lease payments and other fees to be deposited to this restricted receipt account and used to support the operations and maintenance of the new facility. Adjustments to Article 1 are proposed under separate cover to account for this new account and projected revenues.

If you have any questions regarding this amendment, please feel free to contact me (222-6300).

TAM: 17-Amend-20
Attachment

cc: Sharon Reynolds Ferland, House Fiscal Advisor
Stephen Whitney, Senate Fiscal Advisor
Michael DiBiase, Director of Administration
Jonathan Womer, Director, Office of Management and Budget
Gregory Stack, Supervising Budget Analyst

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Revised ARTICLE 24

RELATING TO RESTRICTED RECEIPTS

SECTION 1. Section 16-59-9 of the General Laws in Chapter 16 entitled "The Rhode Island Board of Education Act" is hereby amended to read as follows:

§ 16-59-9 Educational budget and appropriations. – (a) The general assembly shall annually appropriate any sums it deems necessary for support and maintenance of higher education in the state and the state controller is authorized and directed to draw his or her orders upon the general treasurer for the payment of the appropriations or so much of the sums that are necessary for the purposes appropriated, upon the receipt by him or her of proper vouchers as the council on postsecondary education may by rule provide. The council shall receive, review, and adjust the budget for the office of postsecondary commissioner and present the budget as part of the budget for higher education under the requirements of § 35-3-4.

(b) The office of postsecondary commissioner and the institutions of public higher education shall establish working capital accounts.

(c) Any tuition or fee increase schedules in effect for the institutions of public higher education shall be received by the council on postsecondary education for allocation for the fiscal year for which state appropriations are made to the council by the general assembly; provided that no further increases may be made by the board of education or the council on postsecondary education for the year for which appropriations are made. Except that these provisions shall not apply to the revenues of housing, dining, and other auxiliary facilities at the University of Rhode Island, Rhode Island College, and the Community Colleges including student fees as described in P.L. 1962, ch. 257 pledged to secure indebtedness issued at any time pursuant to P.L. 1962, ch. 257 as amended.

(d) All housing, dining, and other auxiliary facilities at all public institutions of higher learning shall be self-supporting and no funds shall be appropriated by the general assembly to pay operating expenses, including principal and interest on debt services, and overhead expenses for the facilities. Any debt service costs on general obligation bonds presented to the voters in November 2000 and November

2004 or appropriated funds from the Rhode Island capital plan for the housing auxiliaries at the University of Rhode Island and Rhode Island College shall not be subject to this self-supporting requirement in order to provide funds for the building construction and rehabilitation program. The institutions of public higher education will establish policies and procedures which enhance the opportunity for auxiliary facilities to be self-supporting, including that all faculty provide timely and accurate copies of booklist for required textbooks to the public higher educational institution's bookstore.

(e) The additional costs to achieve self-supporting status shall be by the implementation of a fee schedule of all housing, dining, and other auxiliary facilities, including but not limited to, operating expenses, principal, and interest on debt services, and overhead expenses.

(f) The Board of Education is authorized to establish a restricted receipt account for the Westerly Higher Education and Industry Center (also known as the Westerly Job Skills Center or Westerly Higher Education Learning Center) and to collect lease payments from occupying companies, and fees from room and service rentals, to support the operation and maintenance of the facility. All such revenues shall be deposited to the restricted receipt account.

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

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

Executive Office of Health and Human Services

Organ Transplant Fund

- 1 HIV Care Grant Drug Rebates
- 2 Department of Human Services
- 3 Veterans' home – Restricted account
- 4 Veterans' home – Resident benefits
- 5 Pharmaceutical Rebates Account
- 6 Demand Side Management Grants
- 7 Veteran's Cemetery Memorial Fund
- 8 Donations – New Veterans' Home Construction
- 9 Department of Health
- 10 Providence Water Lead Grant
- 11 Pandemic medications and equipment account
- 12 Miscellaneous Donations/Grants from Non-Profits
- 13 State Loan Repayment Match
- 14 Department of Behavioral Healthcare, Developmental Disabilities and Hospitals
- 15 Eleanor Slater non-Medicaid third-party payor account
- 16 Hospital Medicare Part D Receipts
- 17 RICLAS Group Home Operations
- 18 Commission on the Deaf and Hard of Hearing
- 19 Emergency and public communication access account
- 20 Department of Environmental Management
- 21 National heritage revolving fund
- 22 Local Agriculture & Seafood Fund
- 23 Environmental response fund II
- 24 Underground storage tanks registration fees
- 25 Rhode Island Historical Preservation and Heritage Commission
- 26 Historic preservation revolving loan fund

- 1 Historic Preservation loan fund – Interest revenue
- 2 Department of Public Safety
- 3 Forfeited property – Retained
- 4 Forfeitures – Federal
- 5 Forfeited property – Gambling
- 6 Donation – Polygraph and Law Enforcement Training
- 7 Rhode Island State Firefighter's League Training Account
- 8 Fire Academy Training Fees Account
- 9 Attorney General
- 10 Forfeiture of property
- 11 Federal forfeitures
- 12 Attorney General multi-state account
- 13 Forfeited property – Gambling
- 14 Department of Administration
- 15 RI Health Benefits Exchange
- 16 Office of Management and Budget
- 17 Information Technology Investment Fund
- 18 Restore and replacement – Insurance coverage
- 19 Convention Center Authority rental payments
- 20 Investment Receipts – TANS
- 21 Car Rental Tax/Surcharge-Warwick Share
- 22 Housing Resources Commission Restricted Account
- 23 Department of Revenue
- 24 DMV Modernization Project
- 25 Jobs Tax Credit Redemption Fund
- 26 Legislature

- 1 Audit of federal assisted programs
- 2 Department of Children, Youth and Families
- 3 Children's Trust Accounts – SSI
- 4 Military Staff
- 5 RI Military Family Relief Fund
- 6 RI National Guard Counterdrug Program
- 7 Emergency Management Agency
- 8 RISCON Infrastructure Repairs/Equipment Replacement (Google)
- 9 Treasury
- 10 Admin. Expenses – State Retirement System
- 11 Retirement – Treasury Investment Options
- 12 Defined Contribution – Administration - RR
- 13 Violent Crimes Compensation – Refunds
- 14 Treasury Research Fellowship
- 15 Business Regulation
- 16 Banking Division Reimbursement Account
- 17 Office of the Health Insurance Commissioner Reimbursement Account
- 18 Securities Division Reimbursement Account
- 19 Commercial Licensing and Racing and Athletics Division Reimbursement Account
- 20 Insurance Division Reimbursement Account
- 21 Historic Preservation Tax Credit Account.
- 22 Judiciary
- 23 Arbitration Fund Restricted Receipt Account
- 24 Third-Party Grants
- 25 RI Judiciary Technology Surcharge Account
- 26 Department of Elementary and Secondary Education

- 1 Statewide Student Transportation Services Account
- 2 School for the Deaf Fee for Service Account
- 3 Davies Career and Technical School Local Education Aid Account
- 4 Davies – National School Breakfast & Lunch Program
- 5 Office of the Post-Secondary Commissioner
- 6 Westerly Higher Education and Industry Center
- 7 Department of Labor and Training
- 8 Job Development Fund
- 9 Department of Transportation
- 10 Rhode Island Highway Maintenance Account
- 11 SECTION 2. This article shall take effect as of July 1, 2016.