



STATE OF ARKANSAS
**Department of Finance
and Administration**

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February 7, 2023

Senator Jonathan Dismang, Co-Chair
Representative Lane Jean, Co-Chair
Joint Budget Committee
State Capitol Building
Little Rock, AR 72201

RE: FY 23 American Rescue Plan Act Request

Dear Co-Chairs:

Pursuant to Section 37 (01) of Act 199 of 2022, I am forwarding the attached American Rescue Plan Act request(s) that have received my approval as Chief Fiscal Officer of the State.

- Department of Commerce – Economic Development Commission
–Broadband \$55,358,223

Sincerely,

A handwritten signature in blue ink that reads 'Larry W Walther'.

Larry Walther
Secretary

Attachment(s)

**AMERICAN RESCUE PLAN ACT OF 2021 PROGRAM APPROPRIATION
AND PERSONNEL AUTHORIZATION REQUEST
SECTION 37 OF ACT 199 OF 2022**

Agency: Arkansas Economic Development Commission Business Area Code: 0790
 Program Title: ARPA - Capital Projects Fund - Broadband
 Granting Organization: U.S. Treasury, America Rescue Plan Act (ARPA) CFDA #: 21.029
 Effective Date of Authorization: Beginning: 12/15/22 Ending: 06/30/23

Purpose of Grant / Reason for addition or change (include attachments as necessary to provide thorough information):
 The U.S. Treasury has awarded the State of Arkansas \$158,086,576 from the Capital Projects Fund (CPF) authorized under the America Rescue Plan Act (ARPA). Funding from the CPF is separate from the \$1.6B in funding awarded under the ARPA State and Local Fiscal Recovery Funds (SLFRF) program. Unlike the SLFRF program, which may be spent in a variety of authorized categories, the CPF award from Treasury specifies that it may only be used for broadband projects and related administrative expenses (regular salaries and personal services matching for staff; fees for management consultants and strategic program design advisory services and program management support; costs related to project engineering design review; legal expenses related to project management support; media and communications expenses; educational related expenses to educate and teach citizens how to use and utilize broadband services; payroll for extra help staff or contract labor). Treasury has allocated \$150,236,576 of the award to be used for broadband projects with the balance of \$7,850,000 to be used for broadband administrative expenses through 2026. Attached is a list of grant awardees, respective project areas, and award amounts. The availability and use of funds is subject to all applicable State and Federal laws including guidance from Treasury regarding the Coronavirus Capital Projects Fund (CPF) established by Section 604 of the Social Security Act, as added by Section 9901 of the American Rescue Plan Act of 2021 (ARPA). OPB is facilitating the distribution of the State's CPF through the CPF Grant Program which has been designed in accordance with Treasury's Capital Projects Fund Guidance for States, Territories, and Freely Associated States and their FAQs issued 04/28/22. Supplementary guidance may be published at any time by Treasury and/or the State. Capital Projects must invest in capital assets designed to directly enable work, education, and health monitoring. The CPF Grant Program has been designed to address the critical need for high-speed, reliable connectivity that was highlighted by the COVID-19 pandemic.

American Rescue Plan Act Program Funding

Func. Area: COMM Fund Code: FRP7905 Direct Funding: X
 Funds Cen.: CA9 Internal Order/WBS Element: _____ Steering Comm. Approved: X (12/01/22)
 Continuation: _____

Program Funding Amount	
Regular Salaries	
Extra Help	
Personal Services Matching	
Operating Expenses	
Conference & Travel Expenses	
Professional Fees	
Capital Outlay	
Data Processing	
Grants and Aid (CI: 04)	53,358,223
Other: 590:00:46	2,000,000
Other:	
Total	\$ 55,358,223

Anticipated Duration of Federal Funds: 12/15/22 - 06/30/26

DFA IGS State Technology Planning	Date
Items requested for information technology must be in compliance with Technology Plans as submitted to DFA IGS State Technology Planning.	

Positions to be established: (list each position separately)

Org Unit	Pers Area	Pers SubArea	Cost Center	Position Number	Cmnt Item	Position Title	Class Code	Grade	Line Item Maximum *

State funds will not be used to replace federal funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.

Approved by:  01/13/23
 Cabinet Secretary/Agency Director Date  1-17-23
 Hugh McDonald, Arkansas Department of Commerce MT 1/13/23
 Office of Budget Date Office of Personnel Management Date



Hugh McDonald
Secretary

January 13, 2023

Senator Jonathan Dismang, Co-Chairman
Representative Lane Jean, Co-Chairman
Joint Budget Committee
94th Arkansas General Assembly
State Capitol Building
Little Rock, AR 72201

Re: Requested Appropriation for ARC Grant Awards

Dear Senator Dismang and Representative Jean,

The United States Treasury awarded the State of Arkansas \$158,086,576 from the Capital Projects Fund ("CPF") authorized under the American Rescue Plan Act ("ARPA"). U.S. Treasury has allocated \$150,236,576 of the award to be used for broadband projects, with the balance of \$7,850,000 to be used for broadband administrative expenses through 2026.

AEDC is requesting appropriation of \$53,358,223.01 to fund eight broadband projects and \$2 million in broadband administrative expenses, for a total request of \$55,358,223.01. Attached to this letter is a detailed list of the proposed projects, along with supporting documentation concerning the project areas.

This request comes to the Joint Budget Committee ("JBC") following the approval of fourteen broadband projects by the Arkansas Legislative Council ("ALC") in December 2022, totaling \$93,892,885. The December 2022 request was also funded through the CPF award. AEDC did not request an appropriation of administrative expenses at that time. The project awards being submitted today were made using the same objective scoring criteria as the December project awards.

All twenty-two CPF-funded broadband projects will be subject to the terms of the Arkansas Rural Connect ("ARC") grant program rule approved by ALC on November 18, 2022.

Thank you for your consideration of our request.

Kindest regards,

Glen E. Howie, Jr.
Director, Arkansas State Broadband Office

cc: Hugh McDonald, Secretary of Commerce



Arkansas Rural Connect Proposed Projects Round 3

Arkansas Department of Commerce Broadband Office
January 17, 2023

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Summary of Proposed Projects

Count of Proposed Projects

8

Count of Households (HH) per BSLF

5,797

Total Grant Request Amount

\$53,358,223.01

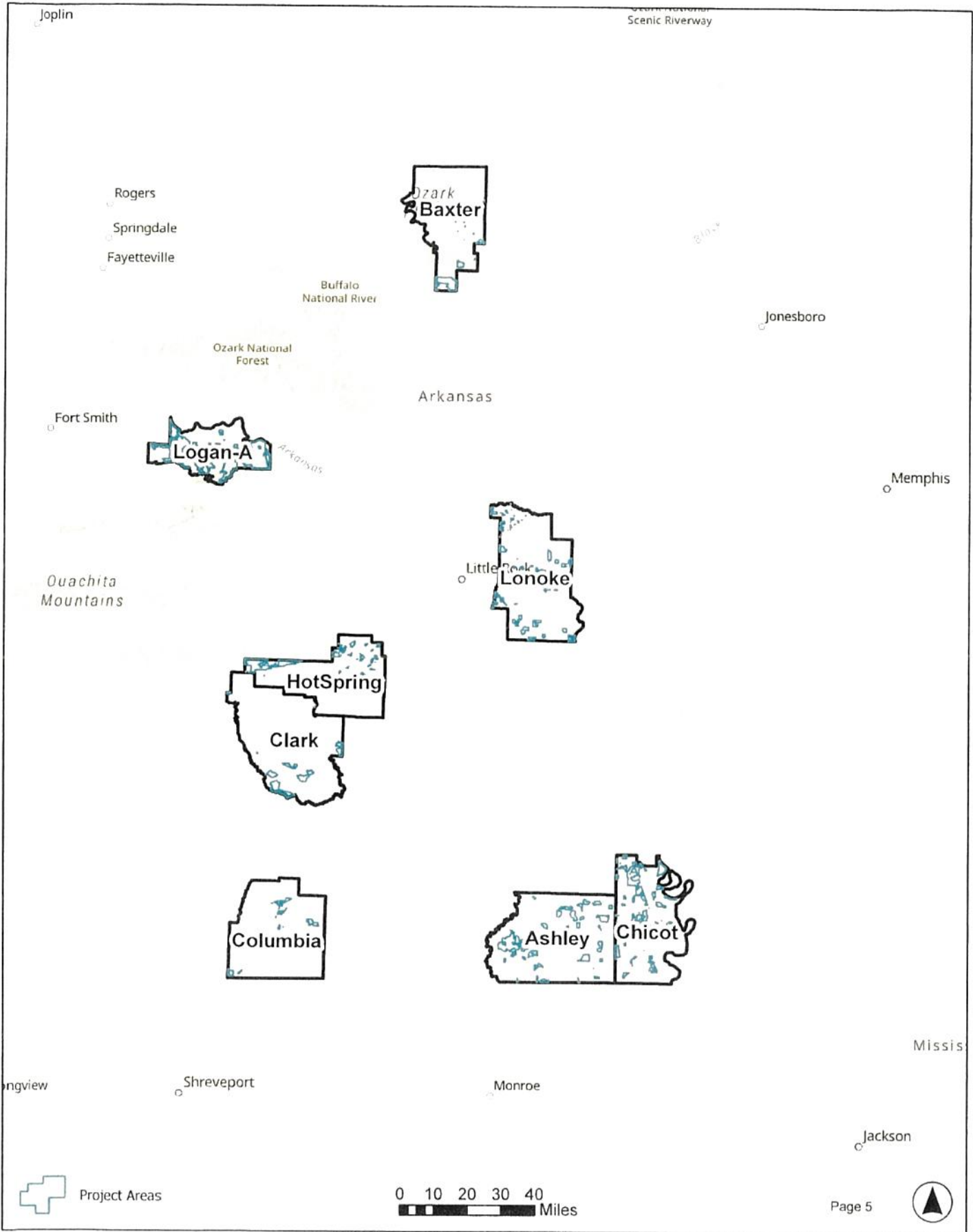
Average Grant Cost per HH

\$9,204.45

Proposed Projects Detail

Project ID	Internet Service Provider	HH per BSLF	Total Cost of Project	Requested Grant Amount	Grant Request Amount %	Grant Cost Per HH
Ashley	CableSouth Media, LLC	1,248	\$10,704,315.16	\$7,921,193.22	74	\$6,347.11
Baxter	NEXT, Powered by NAEC	120	\$2,907,120.00	\$2,151,269.00	74	\$17,927.24
Chicot	Ashley-Chicot Electric Cooperative, Inc	364	\$8,828,949.00	\$6,621,712.00	75	\$18,191.52
Clark	South Central Connect, LLC	111	\$2,236,182.55	\$1,677,136.16	75	\$15,109.33
Columbia	Four States Fiber	494	\$8,011,464.09	\$5,207,451.66	65	\$10,541.40
Hot Spring	South Central Connect, LLC/Central Arkansas Telephone Cooperative Inc.	870	\$6,106,282.00	\$4,579,711.50	75	\$5,264.04
Logan-A	Wave Rural Connect, LLC/CoxCom, LLC	1,714	\$19,643,835.03	\$14,252,451.37	73	\$8,315.32
Lonoke	Connect2First Internet	876	\$14,793,646.10	\$10,947,298.10	74	\$12,496.92

Arkansas Rural Connect Broadband Project Areas



Project ID: Ashley

Top Applicant ISP: **CableSouth Media, LLC**

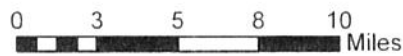
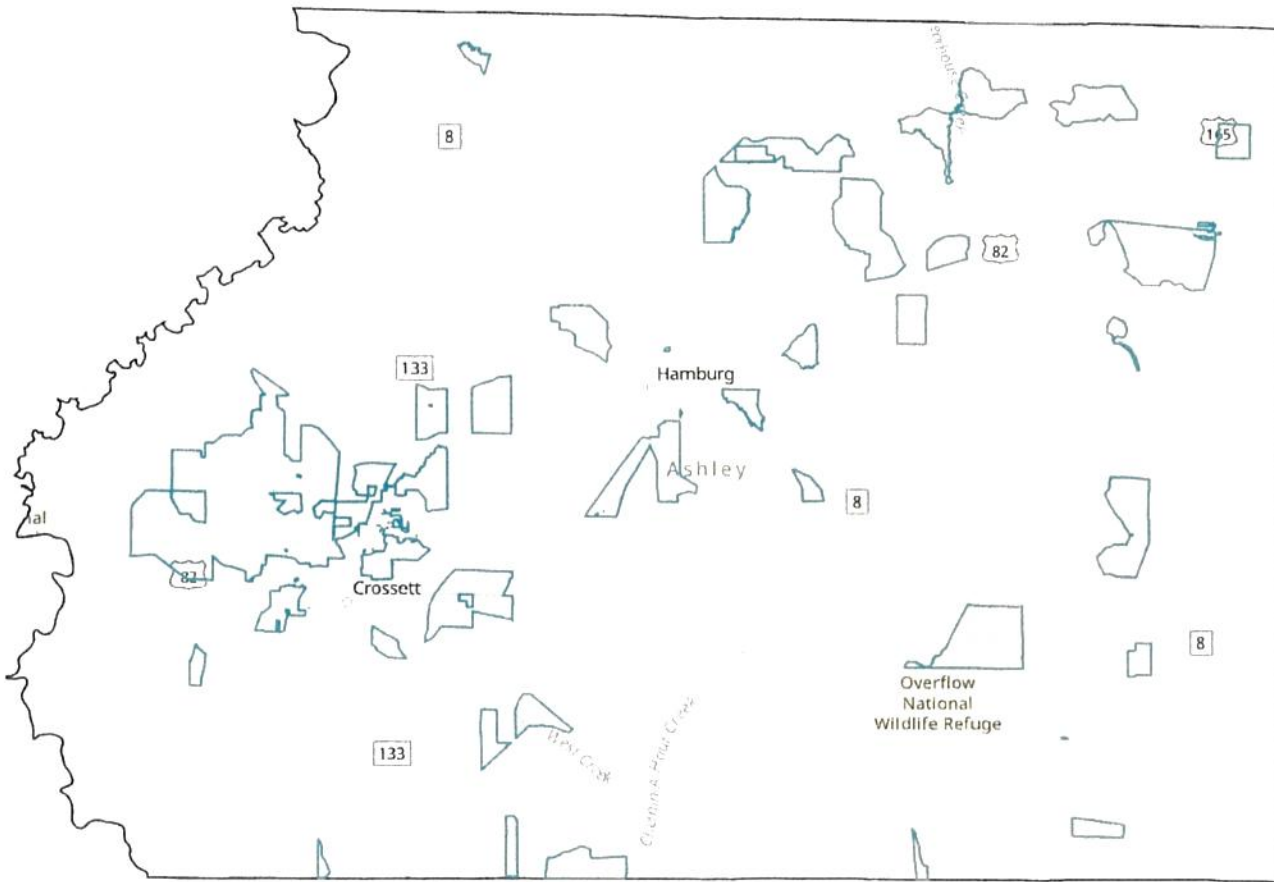
Total Cost of Project: **\$10,704,315.16**

Number of Households: **1,248**

Grant Request Amount: **\$7,921,193.22**

Grant Cost per Household: **\$6,347.11**

Grant Request Percent of Total Project Cost: **74.00%**



Project ID: Baxter

Top Applicant ISP: **NEXT, Powered by NAEC**

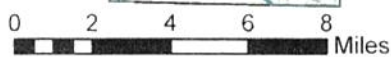
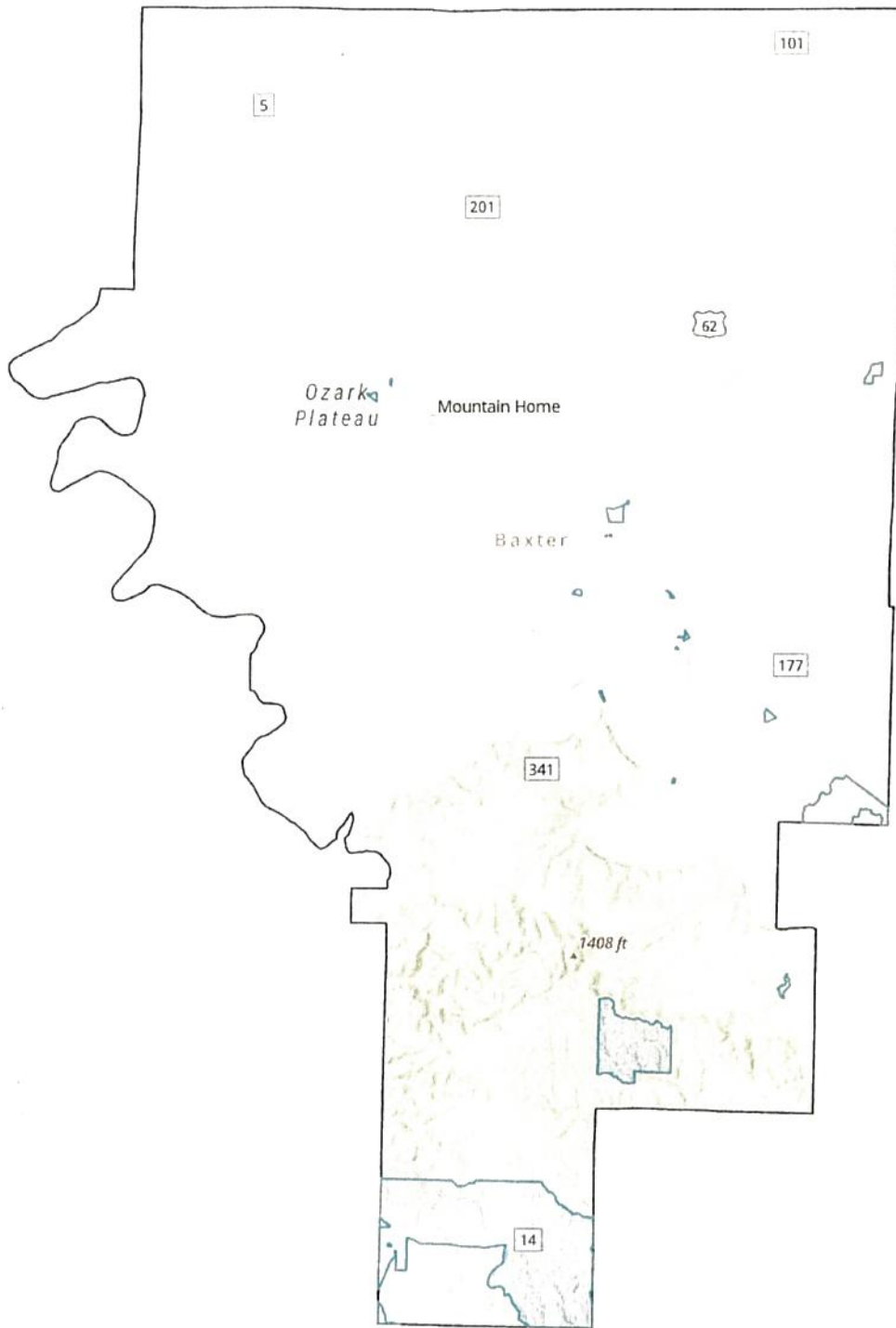
Total Cost of Project: **\$2,907,120.00**

Number of Households: **120**

Grant Request Amount: **\$2,151,269.00**

Grant Cost per Household: **\$17,927.24**

Grant Request Percent of Total Project Cost: **74.00%**



Project ID: Chicot

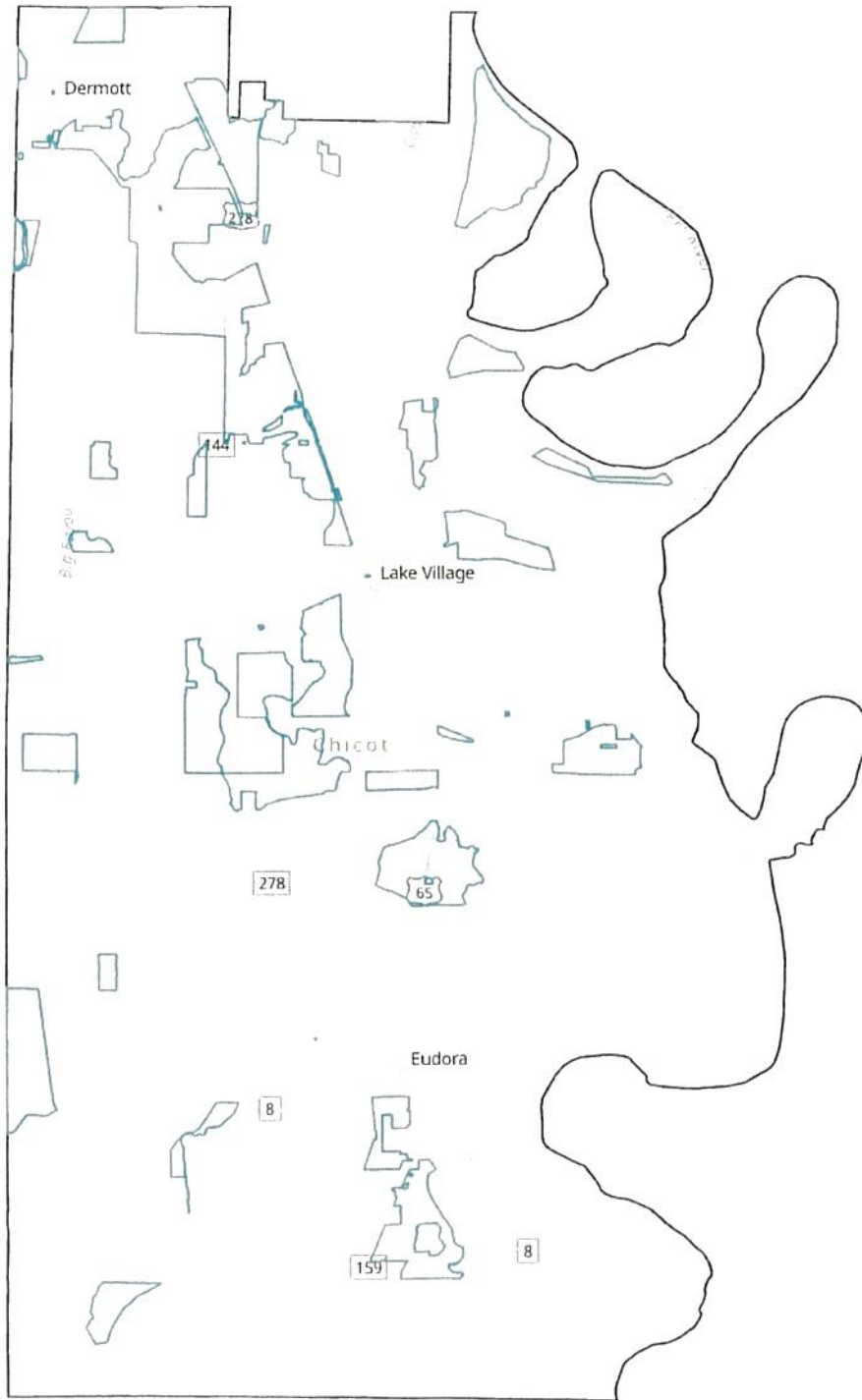
Top Applicant ISP: **Ashley-Chicot Electric Cooperative, Total Cost of Project: \$8,828,949.00**
Inc

Number of Households: **364**

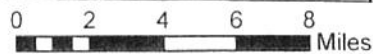
Grant Request Amount: **\$6,621,712.00**

Grant Cost per Household: **\$18,191.52**

Grant Request Percent of Total Project Cost: **75.00%**



Project Areas



Project ID: Clark

Top Applicant ISP: **South Central Connect, LLC**

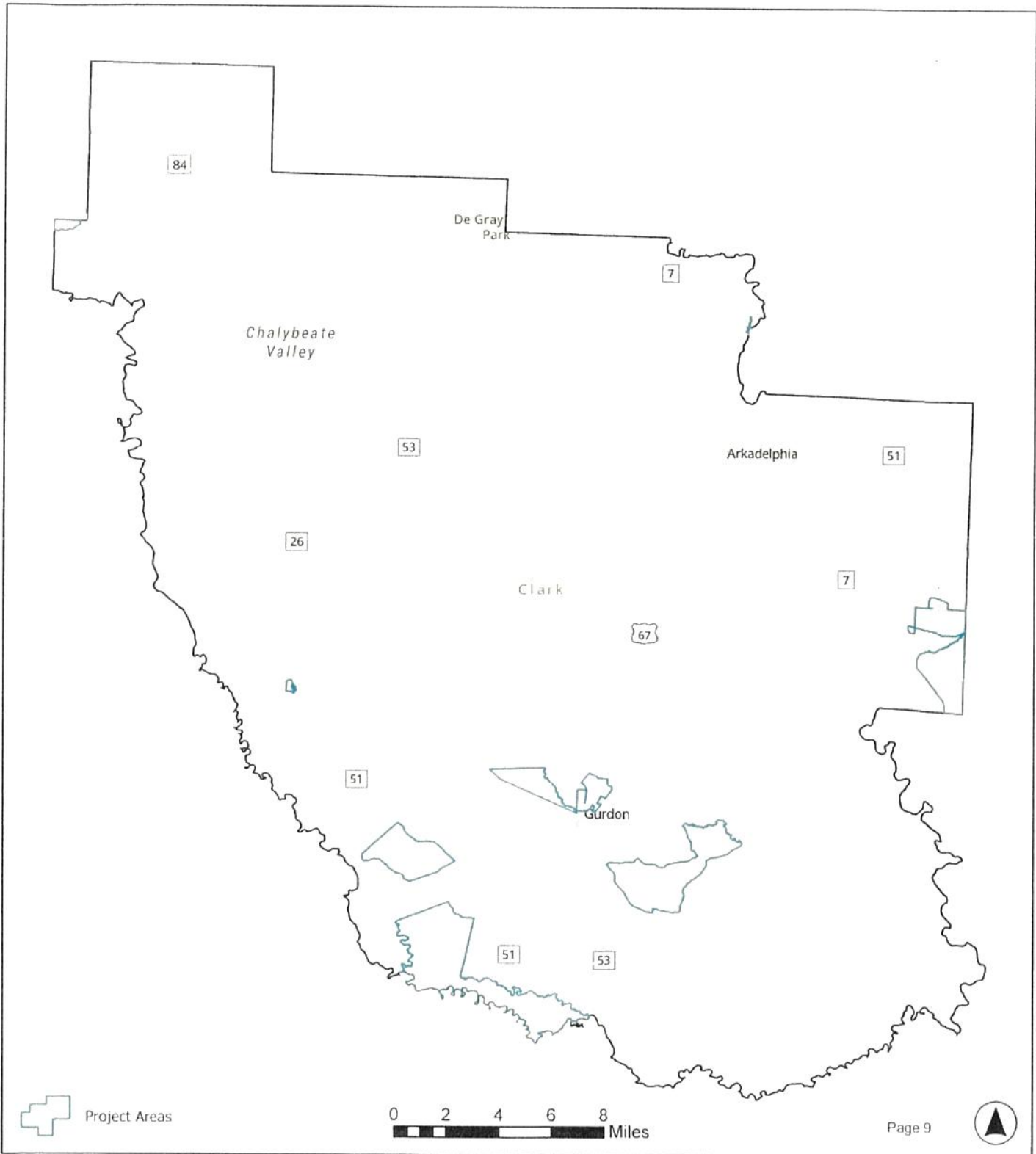
Total Cost of Project: **\$2,236,182.55**

Number of Households: **111**

Grant Request Amount: **\$1,677,136.16**

Grant Cost per Household: **\$15,109.33**

Grant Request Percent of Total Project Cost: **75.00%**



Project ID: Columbia

Top Applicant ISP: **Four States Fiber**

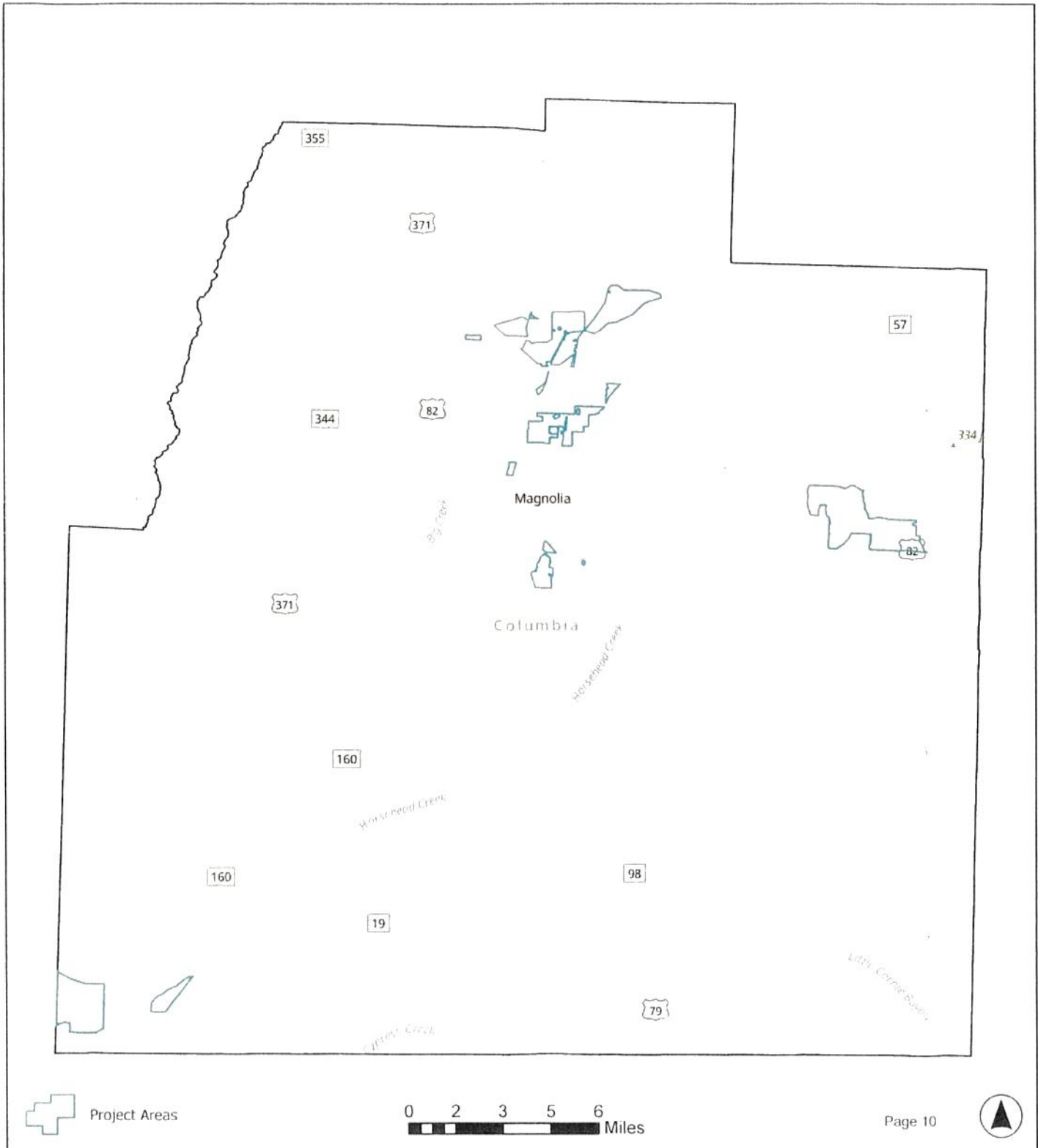
Total Cost of Project: **\$8,011,464.09**

Number of Households: **494**

Grant Request Amount: **\$5,207,451.66**

Grant Cost per Household: **\$10,541.40**

Grant Request Percent of Total Project Cost: **65.00%**



Project ID: Hot Spring

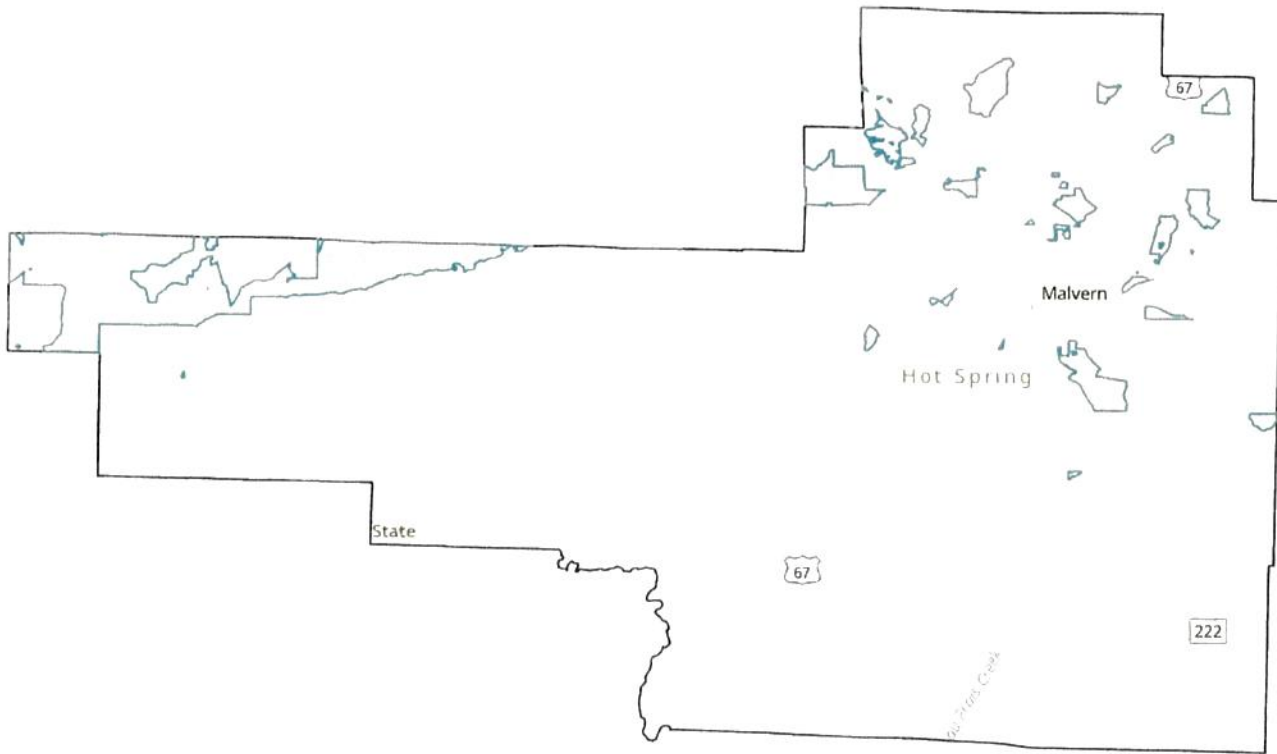
Top Applicant ISP: **South Central Connect, LLC/Central Arkansas Telephone Cooperative** Total Cost of Project: **\$6,106,282.00**

Number of Households: **870**

Grant Request Amount: **\$4,579,711.50**

Grant Cost per Household: **\$5,264.04**

Grant Request Percent of Total Project Cost: **75.00%**



Project ID: Logan-A

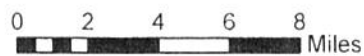
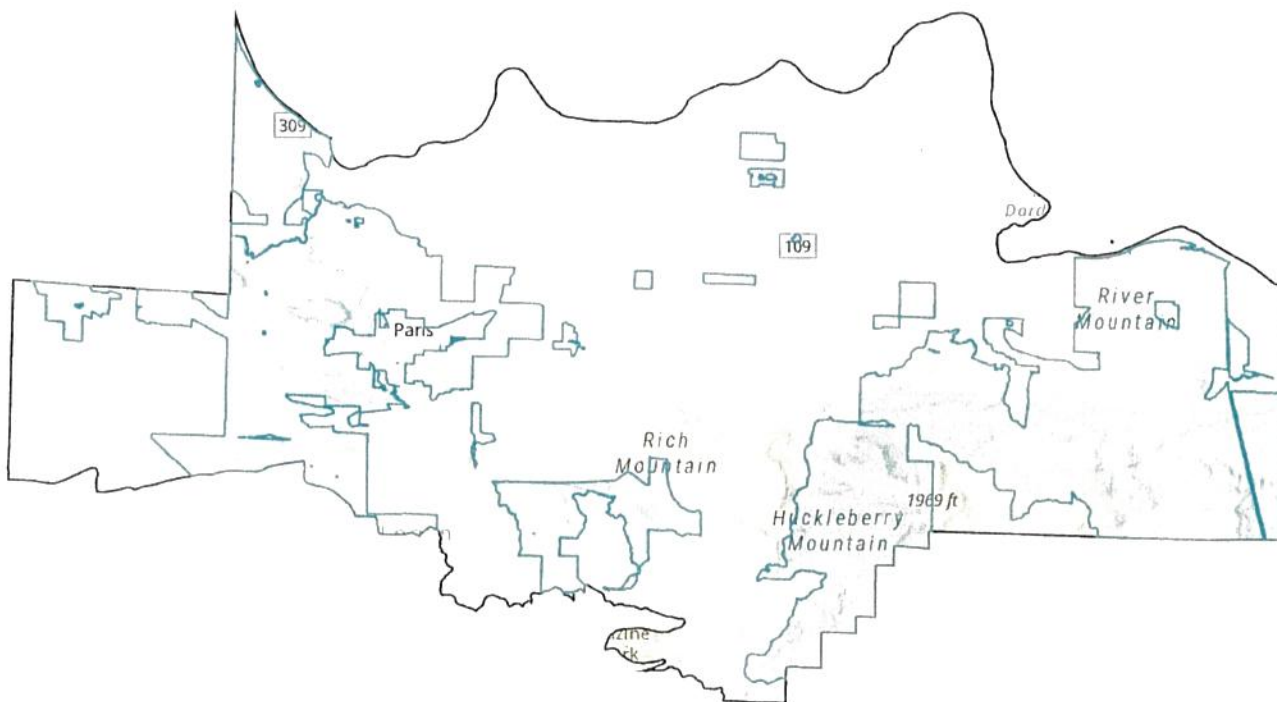
Top Applicant ISP: **Wave Rural Connect, LLC/CoxCom**, Total Cost of Project: **\$19,643,835.03**
LLC

Number of Households: **1,714**

Grant Request Amount: **\$14,252,451.37**

Grant Cost per Household: **\$8,315.32**

Grant Request Percent of Total Project Cost: **72.55%**



Project ID: Lonoke

Top Applicant ISP: **Connect2First Internet**

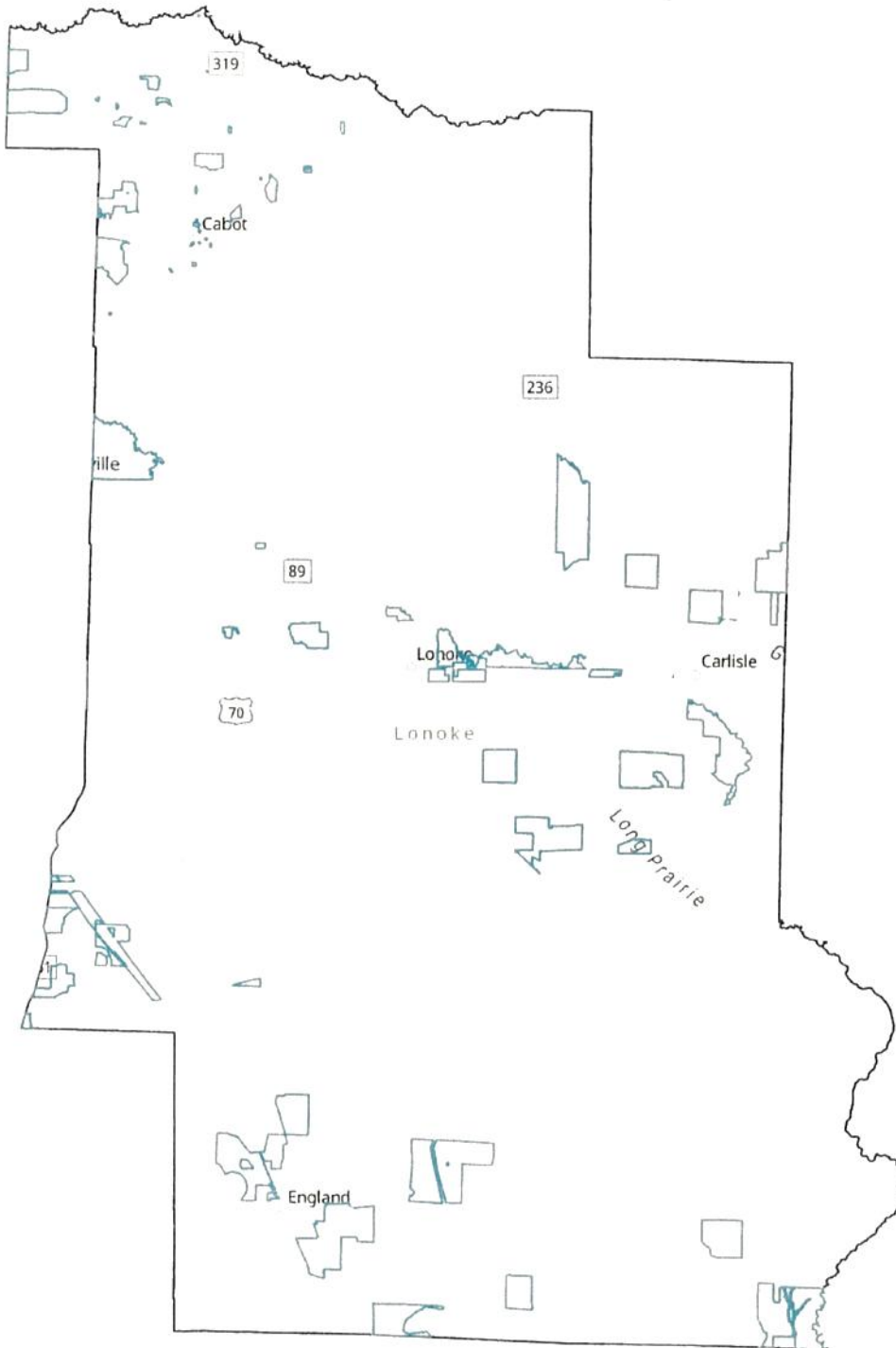
Total Cost of Project: **\$14,793,646.10**

Number of Households: **876**

Grant Request Amount: **\$10,947,298.10**

Grant Cost per Household: **\$12,496.92**

Grant Request Percent of Total Project Cost: **74.00%**



 Project Areas

0 2 4 6 8 Miles

