Amendment No. 2 to House Bill 1106

Amend House Bill No. 1106 as engrossed H3/15/21 (version: 03/15/2021 3:16:53 PM):

Page 14, insert the following SECTIONS immediately following SECTION 36 to read as follows:

"SECTION 37. APPROPRIATION - AMERICAN RESCUE PLAN ACT OF 2021. There is hereby appropriated, to the Department of Finance and Administration - Disbursing Officer, to be payable from various funds, for providing various state agencies, constitutional offices, and institutions with appropriation for any expenses associated with the American Rescue Plan Act of 2021 for the fiscal year ending June 30, 2021, the following:

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>FISCAL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>(01) FEDERAL FUNDS AWARDED DIRECTLY TO AGENCIES, DEPARTMENTS, INSTITUTIONS, CITIES AND COUNTIES</td>
<td>$1,600,000,000</td>
</tr>
<tr>
<td>(02) FEDERAL FUNDS AWARDED TO AGENCIES, DEPARTMENTS, INSTITUTIONS, CITIES AND COUNTIES</td>
<td>$1,600,000,000</td>
</tr>
<tr>
<td>TOTAL AMOUNT APPROPRIATED</td>
<td>$3,200,000,000</td>
</tr>
</tbody>
</table>

SECTION 38. APPROPRIATION - AMERICAN RESCUE PLAN ACT OF 2021. There is hereby appropriated, to the Department of Finance and Administration - Disbursing Officer, to be payable from various funds, for providing various state agencies, constitutional offices, and institutions with appropriation for any expenses associated with the American Rescue Plan Act of 2021 for the fiscal year ending June 30, 2022, the following:

<table>
<thead>
<tr>
<th>ITEM</th>
<th>FISCAL YEAR</th>
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<tbody>
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</table>

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<table>
<thead>
<tr>
<th>No.</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Federal funds awarded directly to agencies, departments, institutions, cities and counties</td>
<td>$1,600,000,000</td>
</tr>
<tr>
<td>02</td>
<td>Federal funds awarded to agencies, departments, institutions, cities and counties</td>
<td>$1,600,000,000</td>
</tr>
<tr>
<td></td>
<td>Total amount appropriated</td>
<td><strong>$3,200,000,000</strong></td>
</tr>
</tbody>
</table>

SECTION 39. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TRANSFER PROCEDURES – APPROPRIATION – AMERICAN RESCUE PLAN ACT OF 2021. (i) All appropriation and expenditures for funding received for the American Rescue Plan Act of 2021 shall be expended using the American Rescue Plan Act of 2021 Appropriation Sections as authorized in this Act.

(ii) Any state agency, constitutional office, or institution shall request a transfer of appropriation, as provided in the American Rescue Plan Act of 2021 Appropriation Sections of this Act, from the Chief Fiscal Officer of the State, stating clearly the amount requested, purpose and any additional information requested by the Chief Fiscal Officer of the State.

(iii) After reviewing a request, the Chief Fiscal Officer of the State may deny, modify or approve the request based on the estimated amount of appropriation needed and currently available, purpose, estimated funding available and preferred spending priority. Upon approval or modification of a request by the Chief Fiscal Officer of the State and after meeting the requirements of subsection (iv) herein, the Department of Finance and Administration shall establish the transfer of appropriation on the books of the Department of Finance and Administration and the State Auditor, in compliance with the applicable classifications of appropriations as enumerated in Arkansas Code 19-4-521 through 19-4-525.

(iv) Any request approved as authorized in subsection (iii) herein, including requests that establish a new commitment item or new appropriation shall require prior approval by the Legislative Council during the extended recess, beginning on May 1, 2021, of the 2021 Regular Session or during the interim, or the Joint Budget Committee during a regular session, fiscal session, or extraordinary session of the General Assembly.

(v) Any Oversight and/or Steering Committee charged with overseeing disbursement of funds and appropriation from funds received from the American Rescue Plan Act of 2021 Appropriation Sections of this Act shall coordinate with the Department of Finance and Administration as needed to facilitate the approval requirements herein in a timely manner.

(vi) Any appropriation approved in the American Rescue Plan of 2021 by the General Assembly shall only be used for:

1) The purpose and amount of planned expenditures as submitted for approval to the General Assembly and,

2) In the event that expenditures or obligations do not fully expend approved appropriation authority as authorized in this section, the excess...
appropriation may not be utilized for any additional expenditures other than the amount and purpose as submitted to and approved by the General Assembly.

(vii) It is the intent of the General Assembly that funds received from the American Rescue Plan of 2021 that are discretionary or are not required to be spent for a different general or specific purpose may be considered to be utilized to pay off existing debt service. The parameters for the selection of debt service payments may consider the highest interest rate owed and with priority given to the payment of Big River Steel General Obligations bonds and GARVEE Department of Transportation bonds.

(viii) The Chief Fiscal Officer of the State shall submit a monthly report to the Legislative Council during the extended recess, beginning on May 1, 2021, of the 2021 Regular Session or during the interim, or the Joint Budget Committee during a regular session, fiscal session, or extraordinary session of the General Assembly or to a designated subcommittee listing all American Rescue Plan Act of 2021 beginning balance of funds received, each appropriation approved as authorized in subsection (v) herein with the date the appropriation is established, state entity, purpose, amount, funding distributed, and remaining balance.

(ix) Determining the maximum amount of appropriation each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s). Further, the General Assembly has determined that a state agency, constitutional office, or institution may operate more efficiently if some flexibility is provided to the state agency, constitutional office, or institution authorizing broad powers under this section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement or approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void."

AND

Appropriately renumber subsequent SECTION numbers of the bill

AND

Page 37, delete SECTION 78 in its entirety and substitute the following:

" SECTION 81. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2021 is essential to the operation of the agency for which the appropriations in this Act are provided; with the exception that Sections 37 and 39 in this Act shall be in full force and effect from and after the date of its passage and approval, and that in the event of an extension of the Legislative Session, the delay in the effective date of this Act beyond July 1, 2021, with the exception that Sections 37 and 39 in this Act shall be in full force and effect from and after the date of
its passage and approval, could work irreparable harm upon the proper
administration and provision of essential governmental programs. Therefore,
an emergency is hereby declared to exist and this Act being necessary for the
immediate preservation of the public peace, health and safety shall be in
full force and effect from and after July 1, 2021; with the exception that
Sections 37 and 39 in this Act shall be in full force and effect from and
after the date of its passage and approval."

The Amendment was read
By: Joint Budget Committee
By: Senator Hickey
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Chief Clerk