

ARKANSAS SENATE
92nd General Assembly - Fiscal Session, 2020
Amendment Form

JBC 04/9/20(5,6)

Subtitle of Senate Bill No. 42

AN ACT FOR THE UNIVERSITY OF ARKANSAS FOR MEDICAL SCIENCES APPROPRIATION FOR THE
2020-2021 FISCAL YEAR.

Amendment No. 1 to Senate Bill 42

Amend Senate Bill No. 42 as originally introduced:

Page 19, insert the additional SECTIONS immediately following SECTION 23 to read as follows:

" SECTION 24. APPROPRIATION - CASH FUNDS - PANS/PANDAS. There is hereby appropriated, to the University of Arkansas for Medical Sciences, to be payable from cash funds as defined by Arkansas Code 19-4-801, for personal services and operating expenses of the University of Arkansas for Medical Sciences - PANS/PANDAS Clinic and Programs for the fiscal year ending June 30, 2021, the following:

ITEM NO.	FISCAL YEAR 2020-2021
(01) PERSONAL SERVICES & OPERATING EXPENSES OF PANS/PANDAS CLINIC & PROGRAMS	<u>\$175,000</u>

SECTION 25. APPROPRIATION - RURAL BROADBAND GRANTS. There is hereby appropriated, to the University of Arkansas for Medical Sciences, to be payable from the Rural Broadband I.D. Expenses Trust Fund, for rural broadband grants by the University of Arkansas for Medical Sciences Institute for Digital Health and Innovation for the fiscal year ending June 30, 2021, the following:

ITEM NO.	FISCAL YEAR 2020-2021
(01) RURAL BROADBAND GRANTS	<u>\$2,000,000</u>

SECTION 26. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.
LEGISLATIVE FINDINGS AND INTENT.

(a) The General Assembly finds that:



(1) Generally, local entities do not budget for or have funds available for broadband due-diligence business studies in connection with making application for federal grants or loans for broadband development programs;

(2) In order to spur further development of broadband in rural Arkansas, it is necessary for local entities to conduct due-diligence business studies before application for federal grants or loans for broadband development programs;

(3) Expenses associated with broadband due-diligence business studies can be burdensome to rural Arkansas communities, and it is in the best interest of all Arkansans to make this investment;

(4) Under current Arkansas law, only certain eligible telecommunications carriers have benefitted from the Arkansas High Cost Fund, which underwrites broadband deployment; and

(5) It is necessary to provide funds to local entities to further wide-spread broadband deployment, particularly in unserved and underserved rural Arkansas, and to determine the feasibility of broadband deployment for local entities that currently do not have federally-defined broadband services and where these broadband due-diligence business studies have not been conducted before.

(b) It is the intent of the General Assembly to provide funds to local entities to defray expenses for broadband due-diligence business studies in connection with preparation for federal grant and loan applications for broadband development programs administered by the Federal Communications Commission, the United States Department of Agriculture, or other federal agency to spur federally-defined broadband development in rural Arkansas.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021.

SECTION 27. SPECIAL LANGUAGE – CODE AMENDMENT. Arkansas Code Title 19, Chapter 5, Subchapter 11, is amended to add an additional section to read as follows:

19-5-1154. Rural Broadband I.D. Expenses Trust Fund – Creation – Purpose – Definitions.

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State, a trust fund to be known as the "Rural Broadband I.D. Expenses Trust Fund".

(b) The Rural Broadband I.D. Expenses Trust Fund shall be used for one-time grants for the defrayment of expenses for broadband due-diligence business studies incurred by prospective federal broadband program applicants, in anticipation of and before application for funding from:

(1) The Federal Communications Commission's Rural Digital Opportunity Fund program;

(2) The United States Department of Agriculture's Rural eConnectivity Pilot Program, otherwise known as the "ReConnect Program";

(3) The United States Department of Agriculture's "Farm Bill";

or

(4) Other federal grants or loans for broadband development programs.

(c) The Rural Broadband I.D. Expenses Trust Fund shall consist of funds authorized or provided by law.

(d) Broadband due-diligence business studies shall be conducted and concluded within one hundred eighty (180) days of the receipt of the Rural Broadband I.D. Expenses Trust Fund Grant.

(e) Upon receipt of a Rural Broadband I.D. Expenses Trust Fund Grant, the local entity shall file a surety bond for the benefit of the State of Arkansas with the Treasurer of State in the amount of the Rural Broadband I.D. Expenses Trust Fund grant for assurance that the Rural Broadband I.D. Expenses Trust Fund grant is utilized for broadband due-diligence business studies.

(f) As used in this act:

(1)(A) "Broadband due-diligence business studies" means analytical research designed to acquire the data necessary to support applications for federal grants or loans for broadband development programs.

(B) "Broadband due-diligence business studies" includes without limitation:

(i) Full feasibility determinations, including economic business plans;

(ii) Twenty-year financial break-even analysis;

(iii) Competitive broadband analysis;

(iv) Demographic analysis, with comparison to other projects;

(v) The ordering of construction plans to maximize

return; and

(vi) Analysis of federal funding opportunities; and

(2) "local entity" means a county, including without limitation an unincorporated community within a county, a city of the first class, a city of the second class, and an incorporated town.

SECTION 28. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. MANAGEMENT OF RURAL BROADBAND I.D. EXPENSES TRUST FUND GRANT APPLICATION PROCESS.

(a) The Institute for Digital Health and Innovation of the University of Arkansas for Medical Sciences shall manage the Rural Broadband I.D. Expenses Trust Fund grant application process for local entities.

(b) The Institute for Digital Health and Innovation shall:

(1) Determine Rural Broadband I.D. Expenses Trust Fund grantees;

(2) Promulgate rules necessary to implement this act;

(3)(A) Determine the amount of the Rural Broadband I.D. Expenses Trust Fund grant funds disbursed to an applicant.

(B) An applicant may be a prospective and qualified applicant for a federal grant or loan for a broadband development program under the federal regulations promulgated by the Federal Communications Commission, the United States Department of Agriculture, or other federal agency;

(4) Make the determination if the grants shall be awarded; and

(5) Inform the Treasurer of State when a determination is made for the awarding of Rural Broadband I.D. Expenses Trust Fund grants.

(c) The Rural Broadband I.D. Expenses Trust Fund grants awarded under this act shall:

(1) Not exceed seventy-five thousand dollars (\$75,000) per grant;

(2) Be limited to thirty (30) total one-time grant awards; and

(3) Be made to a federally deposit-insured financial institution designated by the local entity that is a Rural Broadband I.D. Expenses Trust Fund grantee.

(d)(1) A local entity that is a Rural Broadband I.D. Expenses Trust Fund grantee shall:

(A) Manage the funds it receives for conducting the

broadband due-diligence business studies; and

(B) File with the Institute for Digital Health and Innovation of the University of Arkansas for Medical Sciences an audited accounting of disbursed funds for conducting the broadband due-diligence business studies, including information concerning the organizations conducting the broadband due-diligence business studies, the amount paid to those organizations, and the due date of the broadband due-diligence business studies.

(2) The accounting described in subdivision (d)(1)(B) of this section shall be filed no later than:

(A)(i) Four (4) months from the date of receipt of the funds.

(ii) A local entity that files an accounting filed under subdivision (d)(2)(A)(i) of this section shall file an additional accounting at the conclusion of the broadband due-diligence business study; or

(B) Nine (9) months after receipt of the funds.

(3) Any funds not spent on the broadband due-diligence business study shall be paid back to the Treasurer of State within nine (9) months after receipt of the disbursement.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021.

SECTION 29. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

LEGISLATIVE OVERSIGHT.

(a) The General Assembly shall maintain oversight of the Rural Broadband I.D. Expenses Trust Fund grant program under this act by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by law before Rural Broadband I.D. Expenses Trust Fund grants are awarded.

(b) The Director of the Institute for Digital Health and Innovation of the University of Arkansas for Medical Sciences and the Treasurer of State, or their designees, shall:

(1) Report to the General Assembly before Rural Broadband I.D. Expenses Trust Fund grants are awarded;

(2)(A) File an semiannual report detailing:

(i) The balance of the Rural Broadband I.D. Expenses Trust Fund as of the reporting date;

(ii) A list of the administrative overhead costs paid for from the Rural Broadband I.D. Expenses Trust Fund; and

(iii) A detailed description of the grant applications received and the amount of the Rural Broadband I.D. Expenses Trust Fund grant funds that were disbursed.

(B) The semiannual reports required under subdivision (b)(2)(A) of this section shall be submitted by January 1 and July 1 of each year to the:

(i) Governor;

(ii) Legislative Council or, if the General Assembly is in session, the Joint Budget Committee; and

(iii) Joint Committee on Advanced Communications and Information Technology.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021.

SECTION 30. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. INVESTMENT OF FUNDS.

(a)(1) The Treasurer of State shall invest the moneys available in the Rural Broadband I.D. Expenses Trust Fund.

(2) The investment of funds under this section is exempt from § 19-3-518(a)(2)(B)(i)(b) and (c).

(b) Moneys in the Rural Broadband I.D. Expenses Trust Fund may be invested in any instrument that is:

(1) Listed in § 19-3-518(b)(1)(B); and

(2) Approved by the guidelines established by the State Treasury investment policy approved by the State Board of Finance.

(c) Assuming reauthorization of the Rural Broadband I.D. Expenses Trust Fund by the General Assembly, moneys remaining in the Rural Broadband I.D. Expenses Trust Fund at the end of each fiscal year shall carry forward and be made available for the purposes stated in this section in the next fiscal year.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021.

SECTION 31. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ADDITIONAL REPORTING REQUIREMENT BY LOCAL ENTITY AS RURAL BROADBAND I.D. EXPENSES TRUST FUND GRANTEE.

A local entity that is a Rural Broadband I.D. Expenses Trust Fund grantee under this act shall:

(1) Report to the Institute for Digital Health and Innovation of the University of Arkansas for Medical Sciences semiannually about the status of the local entity's broadband due-diligence business study; and

(2) Cite reports and analyses finalized as a consequence of the Rural Broadband I.D. Expenses Trust Fund grant award.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021.

SECTION 32. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. ADDITIONAL FUNDING AVAILABLE.

(a) If an application by a local entity for a federal grant or loan for a broadband development program is made and successfully awarded by the United States Government, then the local entity as grantee shall report and disclose the award received from the federal government within thirty (30) days of the award notification to the:

(1) Institute for Digital Health and Innovation of the University of Arkansas for Medical Sciences;

(2) Governor;

(3) Legislative Council or, if the General Assembly is in session, the Joint Budget Committee; and

(4) Joint Committee on Advanced Communications and Information Technology.

(b)(1) If an award is made by the United States Government, additional funds shall be disbursed to the local entity as a grantee or awardee, as designated by the grantee, to initiate the broadband project.

(2) The additional awards shall be in the amount of two hundred

thousand dollars (\$200,000).

(3) It is anticipated that these funds shall defray expenses related to conclusion of the federal grant or loan, including without limitation the expenses of obtaining a letter of credit, a bankruptcy opinion, or eligible telecommunications carrier application expenses, as required by the federal grant or loan awarded.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021.

SECTION 33. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. REPORTING RELATED TO COMMENCEMENT OF BROADBAND DEVELOPMENT PROGRAM FUNDED BY FEDERAL GRANT OR LOAN. A local entity that has been awarded a federal grant or loan for a broadband development program shall report the status of the broadband development program to the Institute for Digital Health and Innovation of the University of Arkansas for Medical Sciences within nine (9) months of the award of the federal grant or loan.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021.

SECTION 34. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. SUBMISSION OF MAPPING INFORMATION TO ARKANSAS GEOGRAPHIC INFORMATION SYSTEMS OFFICE REQUIRED.

(a) A local entity shall coordinate with the Arkansas Geographic Information Systems Office to provide mapping information to the Arkansas Spatial Data Infrastructure (ASDI) for preparation of legal descriptions and digital mapping for the relevant incorporated or unincorporated areas.

(b) A local entity that has been awarded a state or federal grant or loan shall provide information concerning broadband mapping to the Arkansas Geographic Information Systems Office in compliance with the Arkansas Geographic Information Systems Office Policy Statement PS-01, Arkansas Spatial Data Infrastructure (ASDI) Data Loading and Retirement Procedures.

The provisions of this section shall be in effect only from July 1, 2020 through June 30, 2021."

AND

Appropriately renumber the SECTION numbers of the bill.

The Amendment was read the first time, rules suspended and read the second time and

By: Joint Budget Committee

By: Senators Irvin, Flippo, B. Davis, J. English, B. Sample, B. Johnson, Maloch, Bledsoe, L. Chesterfield, K. Hammer

By: Representatives S. Meeks, J. Mayberry, Cloud, Bentley, Christiansen, Evans

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Secretary