

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 7736**

**BILL NUMBER:** SB 489

**NOTE PREPARED:** Mar 15, 2007

**BILL AMENDED:** Mar 12, 2007

**SUBJECT:** Funding for Rural Health Care Program.

**FIRST AUTHOR:** Sen. Ford

**FIRST SPONSOR:** Rep. Welch

**BILL STATUS:** 2<sup>nd</sup> Reading - 2<sup>nd</sup> House

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** This bill establishes the Rural Health Care Pilot Program Support Fund to provide grants to Indiana health care providers who participate in the federal Rural Health Care Pilot Program.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** Under the bill, the Rural Health Care Pilot Program Support Fund is established to make grants to health care providers who participate in a Rural Health Care Pilot Program to make the local match required as a condition of the provider's participation in the pilot program. The money in the Fund will consist of money appropriated, designated, or dedicated by the General Assembly, and gifts, grants, and bequests. Money in the Fund at the end of the fiscal year does not revert to the state General Fund.

The Office of Technology will administer the Fund, including prescribing the grant application forms and establishing the grant procedures. The Treasurer of State will invest money in the Fund and may contract for assistance in the management of the Fund with any expenses paid from the Fund.

*Background:* There are no data available to indicate if any Indiana rural health care providers are participating in this Federal Communication Commission (FCC) program aimed at helping public and nonprofit health care providers build state and regional broadband networks. This network works on Internet2, which is a dedicated nationwide backbone connecting government research, academic, and public

and private health care institutions. The program provides up to 85% of the construction costs of a dedicated health care network and up to 85% of the costs of connecting to the nationwide Internet2. However, the Internet2 connection is not required, but may be requested by applicants. The FCC estimates that approximately \$55 to \$60 M is available for the pilot program in 2007.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Office of Technology; Treasurer of State.

**Local Agencies Affected:**

**Information Sources:** [www.fcc.gov](http://www.fcc.gov); and [www.usac.org/rhc/tools/rhcdb/Rural/2005/result.asp](http://www.usac.org/rhc/tools/rhcdb/Rural/2005/result.asp)

**Fiscal Analyst:** Kathy Norris, 317-234-1360.