Transferring Rhode Island’s Telecommunications Authority to Private Support
Report to the House and Senate Finance Committees
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ABSTRACT
Report outlines the plan to transfer the Authority from state funding to private support and addresses statutory language changes required to support this transition.
# TRANSFERRING RHODE ISLAND’S PUBLIC TELECOMMUNICATIONS AUTHORITY TO PRIVATE SUPPORT

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OVERVIEW

Governor Chafee’s FY 2013 recommended budget proposed to end state general revenue support for the Rhode Island Public Telecommunications Authority (“the Authority”) as of January 1, 2013. The budget did not propose to terminate the Authority itself, but rather would have expected the Authority or the Rhode Island PBS Foundation to obtain other non-general revenue resources through grants, donations, fundraising and other avenues to continue to support the operation of WSBE-TV (Channel 36).

As a result of this proposal, questions arose with regards to the feasibility of the Authority/Foundation raising sufficient funds in the near term to continue the operation of the station. In addition, the status of the state employees working for the Authority, if it were no longer funded as a state agency, was brought into question.

After further consideration, Governor Chafee requested an amendment to his FY 2013 Budget to provide funding for the full fiscal year, thus allowing more time for the Authority to transition from state support. The original intent to end state general revenue support for the Authority did not change, but rather the implementation date was delayed to July 1, 2013. As part of the FY 2013 Enacted Budget, the Authority received an appropriation of $799,077, slightly less than the FY 2012 final appropriation of $928,421.

In addition, the General Assembly included language in Article 4 of the FY 2013 Appropriations Act (H-7323 Sub A, as amended) to require the Administration to submit a report to the Chairpersons of the House and Senate Finance Committees that outlines the plan to transfer the Authority from state general revenue to private support and any statutory language changes required to support this transition. This document complies with this requirement.
RHODE ISLAND PUBLIC TELECOMMUNICATIONS AUTHORITY TRANSFER

Although the Governor’s original FY 2013 Budget did not eliminate the Authority, further discussions between the State and the Authority Board have resulted in the conclusion that this is the best course of action. As part of the transition of WSBE-TV (the PBS station) to private support, the Authority will transfer its station responsibilities to the Rhode Island PBS Foundation. The Foundation has existed since 1987, serving primarily as the fundraising entity for the Authority, but in recent years has taken on additional responsibilities in areas such as public access television.

The Foundation employs 32.3 non-state employees, while the Authority employs 14.0 individuals whose positions are partly funded with state general revenue and partly with Federal Corporation for Public Broadcasting grant funds. The intent, as described further below, is for all staff to become employees of the Foundation.

The transfer of responsibility for operating WSBE-TV (Channel 36) to the Foundation will require completing a number of tasks, including:

- Transfer of the FCC license from the Authority to the Foundation;
- Transfer of the building from the state to the Foundation;
- Transfer of equipment from the Authority to the Foundation;
- Dismissal of staff as state employees/hiring of staff by the Foundation (statutory status employees will need to be placed in other positions, if requested);
- Legislative changes to eliminate the Authority and to provide that the Public, Educational and Government Access Fee (PEG Access) continue to go to the Foundation to support public access television.

FCC LICENSE TRANSFER

On June 25, 2012, the Authority Board voted to authorize management to petition the Federal Communications Commission (FCC) to transfer the licenses held by the Authority to the RI PBS Foundation. On August 1, 2012, the Board of the RI PBS Foundation voted to acquire all licenses, permits, rights and assets of the Authority used or related to the operation of non-commercial television station WSBE-TV. On August 12, 2012, the Authority applied to the FCC to assign the broadcasting license to the Foundation. The FCC approved the proposal on September 24, 2012 and the Authority and the Foundation consummated the assignment of the broadcasting license to the Foundation effective October 10, 2012. As of that date, the Authority no longer has responsibility for operating the WSBE-TV television station.
BUILDING AND EQUIPMENT

The building housing WSBE-TV, the Authority and the Foundation, known as the John O. Pastore Public Broadcasting Center, was built by the Public Buildings Authority (PBA) and leased back to the State. The bonds issued by the PBA were paid off in FY 2009 and at that time, the building reverted to State ownership. Under the original sub-lease between the State and the Authority, the Authority had the right to purchase the property for $1.00 within 60 days of the PBA bonds being paid off. The Authority did not exercise this right within the prescribed time frame.

As a state facility, current law requires that any transfer of property be at fair market value, but the Foundation does not have the resources to purchase the building outright. In addition, because state taxpayers paid for the construction of the building, the Department of Administration would like to maintain some interest in the facility, such that if the Foundation decided to move from this location or terminate broadcast services the building would revert back to the State. However, the Foundation would like to be able to use the facility as collateral for a line of credit and any such clause would likely create issues for a bank.

The Department of Administration is working with the Foundation to determine the best course of action, but as of the date of this report, no final decision has been made. The Department is obtaining an appraisal of the building prior to moving forward with any transfer of the property.

Although some of the equipment owned by the Authority was acquired with State funds, the Department of Administration has determined that due to the age of most of the equipment it has little or no value. As such, the Authority Board authorized the sale of all broadcast equipment and other station assets owned by the Authority to the Foundation at its June 25, 2012 meeting at no cost.

The station’s antenna and transmitter are considered part of the equipment and were transferred to the Foundation. Both are located on leased tower/building space from Media General (WJAR) in Rehoboth, MA. This lease was between the Authority and Media General and has been assigned to the Foundation with proper consent. Lease payments are $1 per month and the term expires in 2029 (or there about). There is a tower adjacent to the station’s building in Cranston that will be included as part of the transfer of the building from the State. This tower has the station’s microwave equipment on it and is the link to Rehoboth and equipment on Blue Hills in Canton, MA.

The Authority also has one vehicle (1987 Ford Econoline Van) that is part of the State Fleet. Due to the age of the vehicle, the Director of Administration has authorized the transfer of this vehicle at no cost to the Foundation.
STAFFING
As stated above, the Authority employs 14.0 FTE state funded positions, of which 11.0 are union members and 4.0 have 20-year statutory status. These employees will be laid off from the Authority, but will be offered equivalent jobs at the Foundation. The Executive Director of the Authority has informed employees of this transition and is preparing an official letter with an offer of employment with the Foundation.

Based on these early conversations, the Executive Director has informed the State Personnel Administrator that two of the statutory employees are not likely to accept employment with the Foundation and thus under RI General Laws, the State will be obligated to place them in other suitable employment. The State Personnel Administrator has set up meetings with Human Resources for these individuals to begin the process of identifying employment opportunities that will best suit their skill set. It should be noted that a third employee would reach statutory status in June 2013, and this employee’s circumstances remains unresolved.

The remaining employees are expected to accept employment with the Foundation and thus will be laid off with no issues. Unused vacation or personal leave time will be paid out from the Assessed Fringe Benefit Fund and will not impact the Authority’s FY 2013 budget.

REVENUE
Transitional Funding: As part of the development of the current services budget projections for FY 2014, the State Budget Office eliminated funding for the Authority. Thus, the Authority submitted a revised budget for FY 2013, but no budget request for FY 2014.

The Authority subsequently proposed declining State support over a period of several years, as opposed to a full elimination as of June 30, 2013. This additional support was contemplated to be in the form of grants to the RI PBS Foundation and not an appropriation to the Authority, which would cease to exist no later than June 30, 2013. The Authority included in the cover letter accompanying its FY 2013 revised budget a request for grant funding to the Foundation of $500,000 in FY 2014, and an expectation of a grant in FY 2015 of $250,000. After FY 2015, the Foundation would expect to be self sufficient through other fundraising and revenue generating opportunities and thus no further state grants would be required.

Governor Chafee will be considering the request for grant funding for FY 2014 and beyond as part of his deliberations on the FY 2014 budget. No decision has been made with regards to this funding, but if such funding is recommended, an appropriation request will be included in the Governor’s FY 2014 Budget submission to the General Assembly.

Rental Revenue: The Authority also generates approximately $25,000 in annual revenue from renting space on its antenna tower to cell phone companies. This funding is currently received as general revenue to the State’s general fund. Since this revenue is associated with the antenna tower, which will be transferred to the Foundation from the Authority, along with other Authority assets, the Foundation would now be entitled to these funds, resulting in a loss of revenue to the state.
Public, Educational and Government Access Fee (PEG Access Fee): During the 2006 Legislative session, the Rhode Island General Assembly amended RIGL § 16-61-6 giving the Authority, or its designee, the power or duty of authority to operate and manage Public, Educational and Government Access, more commonly referred to as PEG Access, for the state. Also passed was the addition of RIGL § 16-61-6.2 providing the Authority the authorization to acquire the equipment, employ the personnel and assume leases from the existing cable television certificate holders. On February 5, 2007, the Authority, through the Rhode Island PBS Foundation, acquired the PEG Access related assets from Cox Communications and began operating PEG Access on a daily basis.

Each cable television operator in Rhode Island that does not operate its own public access program is required to provide a PEG access and Interconnect fee in the amount of $0.48 per month per subscriber to the Foundation (as the designee of the Authority) to support the operation of the public access program. These funds are transferred, in accordance with rules and regulations adopted by the Public Utilities Commission, on a quarterly basis. Said rules stipulate the funds are transferred to the Authority and thus will need to be updated to authorize the funds be transferred to the Foundation directly as of July 1, 2013. There is one cable operator, Full Channel in Bristol County, operating its own public access program and thus is not required to transfer funds to the Authority.

During the fiscal year ending June 30, 2012, the Foundation received $1.7 million from the PEG access fee. This fee supports 17.0 FTE positions, as well as the operations of the studios and the equipment needed to produce the public access programming. As stated above, the Authority has designated the Foundation to be the recipient of these funds and to operate the PEG access program. As a result, the employees overseeing this program are employees of the Foundation and not of the Authority and thus are not impacted by the termination of the Authority.

STATUTORY LANGUAGE REQUIREMENTS

Accompanying this report is a draft of the Article that will be included in the Governor’s FY 2014 Appropriations Act to address the various sections of the RI General Laws relating to the RI Public Telecommunications Authority. The Budget Office will continue to review potential legislative changes required to effectuate this initiative and will incorporate them into legislation to be submitted to the General Assembly in 2013.
Proposed Article

Section 1. Chapter 16-61 entitled “Public Telecommunications Authority” is hereby repealed in its entirety.

§ 16-61-1 Definitions.—For the purposes of this chapter, unless indicated by the context, the following words and terms shall have the following meanings:

— (1) "Advisory commission" means the Rhode Island advisory commission on public telecommunications.

— (2) "Authority" means the Rhode Island public telecommunications authority.

— (3) "Commission" means the Rhode Island advisory commission on public telecommunications.

— (4) "Fiscal year" shall coincide with that period utilized by the state, i.e. from July 1 to the next succeeding June 30.

— (5) "Public broadcasting" includes all aspects of noncommercial radio and television, open and closed circuit, including the production and dissemination of public and community affairs, civil defense, educational, cultural, and instructional information to the public at large within the state.

— (6) "Public broadcasting telecommunications" includes all public broadcasting services relating to public broadcasting including intercommunications, closed circuit instructional television fixed service (ITFS), and other services requiring federal communications commission spectrum allocations for transmission of electrical impulses that specifically and integrally relate to Rhode Island public broadcasting. Facilities typical for application of these services would encompass microwave interconnection, aural and video TV transmission, multiplexing, laser beam utilization, satellite interconnection systems, cable systems, and other appropriate technological devices.

§ 16-61-2 Authority established.— (a) There is created a public telecommunications authority, sometimes referred to as the "authority", which shall be and is constituted a public corporation, empowered to sue and be sued in its own name, to have a corporate seal, and to exercise all the powers, in addition to those specifically enumerated in this chapter, usually appertaining to public corporations entrusted with control of public telecommunications property and functions. The authority shall exercise the authority previously vested in the board of regents for education with relation to educational television. The authority shall be protected from sudden changes in membership and reversal of policy by having staggered terms for its public members. Upon its organization the authority shall be invested with the legal title (in trust for the state) to all licenses and property, real and personal, now owned by and/or under the control or in custody of the board of regents for education for the use of publicly owned educational television.

— (b) The authority is empowered to hold and operate that property in trust for the state, and to acquire, hold, and dispose of that property and other like property as deemed necessary for the execution of its corporate purposes. The authority is made successor to all powers, rights, duties,
and privileges formerly belonging to the board of regents for education pertaining to publicly owned educational television.

§ 16-61-3 Membership of authority. — (a) The authority shall consist of nine (9) members as follows: seven (7) public members appointed pursuant to the terms of § 16-61-4, the chairperson of the board of regents for elementary and secondary education or his or her designee who shall serve as a non-voting ex-officio member, and the chairperson of the board of governors for higher education or his or her designee who shall serve as a non-voting ex-officio member. The governor shall designate one of the public members as chairperson of the authority.

— (b) Four (4) voting members of the committee shall constitute a quorum. A majority vote of those present and voting shall be required for action.

— (c) No one shall be eligible for appointment unless he or she is a resident of this state.

§ 16-61-4 Appointment of public members — Renewal. — (a) The governor shall with the advice and consent of the senate establish the authority by appointing seven (7) members to serve staggered terms. The appointments shall be made for terms of three (3) years commencing on February 1st in the year of appointment and ending on January 31st in the third (3rd) year after this. Any vacancy among the public members of the authority shall be filled by appointment of the governor, subject to the advice and consent of the senate, for the remainder of the unexpired term. In the selection and appointment of members of the authority, the governor shall seek persons who best serve the entire needs of the state. Public members shall not be appointed for more than two (2) successive three (3) year terms each, provided, that this limitation shall not apply to that person designated as chairperson by the governor who may be a member so long as he or she shall serve as chairperson. The authority may elect from among its members such other officers as they deem necessary.

— (b) Members of the board shall be removable by the governor pursuant to the provisions of § 36-1-7 of the general laws and for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful.

§ 16-61-5 Removal of public members. — Public members of the authority shall be removable by the governor for cause only, and removal solely for partisan or personal reasons unrelated to capacity or fitness for the office shall be unlawful. No removal shall be made for any cause except after ten (10) days' notice in writing of specific charges, with opportunity for the member to be present in person and with counsel at a public hearing before the governor, to introduce witnesses and documentary evidence in his or her own defense, and to confront and cross-examine adversary witnesses; and appeal shall lie to the superior court from the governor's determination.

§ 16-61-6 Powers and duties of authority. — (a) The authority shall be empowered to:

— (1) Adopt and amend and repeal suitable bylaws for the management of its affairs;

— (2) Adopt and use the official seal and alter it at its pleasure;
(3) Maintain an office at any place or places within the state that it may designate;

(4) Establish, own, and operate noncommercial educational television or radio broadcasting stations, one or more public broadcasting and public broadcasting telecommunications networks or systems, and interconnection and program production facilities;

(5) Apply for, receive, and hold any authorizations and licenses and assignments and reassignments of channels from the federal communications commission (FCC) as may be necessary to conduct its operations; and prepare and file and prosecute before the FCC all applications, reports, or other documents or requests for authorization of any type necessary or appropriate to achieve the authorized purposes of the authority;

(6) Provide coordination and information on matters relating to public broadcasting telecommunications among the agencies of the state government, all facets of Rhode Island public education and individual associations, and institutions working in these fields both within and without the state;

(7) Establish state wide equipment compatibility policies and determine the method of interconnection to be employed within the state's public broadcasting system;

(8) Assume responsibility for establishing broad programming philosophy which will encourage diversity, quality, and excellence of programming which is released via its facilities. The general manager shall be responsible for implementing programming policy in accordance with the rules and regulations of the federal communications commission;

(9) Provide appropriate advisory assistance to other agencies of the state and local and regional groups regarding public broadcasting techniques, planning, budgeting, and related issues;

(10) Make to the governor and the legislature any recommendations that the authority deems necessary with regard to appropriations relating to public broadcasting and public broadcasting telecommunications equipment and facilities;

(11) Subject to the approval of the governor, receive and administer gifts, contributions, and funds from public and private sources to be expended for public broadcasting and public broadcasting telecommunications operations, facilities, and programming consistent with furthering the purposes of the authority;

(12) Cooperate with federal agencies for the purpose of obtaining matching and other federal funds and providing public broadcasting and public broadcasting telecommunications facilities throughout the state and to make any reports that may be required of the state. The authority shall provide appropriate advisory assistance to local school districts and others on these matters;

(13) Contract with program production organizations, individuals, and noncommercial educational television and radio stations within and without the state to produce or to procure educational television or radio programs for use by noncommercial stations within the state;

(14) Establish and maintain a library and archives of educational television and radio programs and related materials, disseminate information about those programs and make suitable
arrangements for the use of the programs and materials by colleges, universities, schools, and noncommercial television and radio stations;

— (15) Conduct explorations, research, demonstrations, or training in matters related to public broadcasting and public broadcasting telecommunications in the state, directly or through contracts with appropriate agencies, organizations, or individuals, or by grants to nonprofit, noncommercial organizations such as colleges, universities, schools, and noncommercial television and radio stations;

— (16) Acquire, subject to the provisions of the general laws, through lease, purchase, or other means, real and other property and to hold and use this property for public broadcasting and public broadcasting telecommunications purposes;

— (17) Contract, subject to the provisions of the general laws, for the construction, repair, maintenance, and operations of public broadcasting and public broadcasting telecommunications facilities including program production center, stations, and interconnection facilities;

— (18) Make arrangements, where appropriate, with companies or other agencies and institutions operating suitable interconnection facilities (e.g., landlines or satellites);

— (19) Be empowered to set and collect reasonable fees for services provided through contracts with agencies, companies, organizations, and individuals;

— (20) Make reasonable rules and regulations to carry out the provisions of this chapter.

— (21) Manage and operate public, education and government (PEG) access studios in compliance with rules promulgated by the division of public utilities and carriers.

— (22) To conduct a training course for newly appointed and qualified members within six (6) months of their qualification or designation. The course shall be developed by the chair of the authority, approved by the authority, and conducted by the chair of the authority. The authority may approve the use of any authority or staff members or other individuals to assist with training. The training course shall include instruction in the following areas: the provisions of chapters 42-46, 36-14, and 38-2; and the committee's rules and regulations. The director of the department of administration shall, within ninety (90) days of the effective date of this act [March 29, 2006], prepare and disseminate training materials relating to the provisions of chapters 42-46, 36-14, and 38-2.

— (b) In carrying out its powers and duties under this section, the authority shall be empowered to enter into contracts or agreements with any nonprofit entity for the operations in whole or in part of the public telecommunications functions assigned to it by this chapter.

§ 16-61-6.2 Acquisition of public education and government television studios and equipment. — (a) No later than December 31, 2006, the division of public utilities and carriers (the Division) shall promulgate rules to allow the transition of management of PEG access television including responsibility for programming the three (3) statewide interconnect channels, and managing interconnect playback in conjunction with its management of PEG
playback, from current cable television certificate holders to the Rhode Island public telecommunications authority or its designee.

—(b) Existing certificate holders may transfer to the Rhode Island public telecommunications authority or its designee the ownership of PEG access studio and playback equipment, and statewide interconnect playback equipment, currently in existing public access studios and playback facilities.

—(c) The Rhode Island public telecommunications authority or its designee may purchase this equipment from existing certificate holders for the book value of the equipment based on the effective date of the transition.

—(d) The Rhode Island public telecommunications authority or its designee may assume the leases for public access studios in those facilities where existing certificate holders currently lease space. Studios in buildings owned by existing certificate holders shall be leased by the Rhode Island public telecommunications authority or its designee at fair market value subject to the approval of the division. Employees of existing certificate holders working in public access facilities shall become employees of the Rhode Island public telecommunications authority or its designee on the effective date of the transition.

—(e) An existing cable television certificate holder may, at its sole discretion, elect to continue to manage PEG access studios within its service area. If an existing cable television certificate holder does elect to continue to operate and manage PEG access studios, it may at any time subsequently elect not to operate PEG access studios and implement the provisions of this section.

§ 16-61-7 General manager. — The authority may appoint and determine the compensation of a general manager. The general manager shall devote his or her entire time to the performance of his or her duties and shall hold office at the pleasure of the authority.

§ 16-61-8 Duties of the general manager. — The general manager shall have any duties that are defined in this section and in this title and any other additional duties that may be determined by the authority, and shall perform any other duties that may be vested in the general manager by law. In addition to the general supervision of public telecommunications, it shall be the duty of the general manager to:

— (1) Serve as secretary of the authority and maintain custody of its official seal.

— (2) Subject to the approval of the authority, appoint any assistants and employees as the authority shall deem necessary, and prescribe their powers and duties.

— (3) Present annually to the authority for their approval or modification a budget encompassing both operating and capital development areas.

— (4) Assist the authority in preparing and maintaining a master plan for public telecommunications in the state.
§ 16-61-8.1 Longevity payments — Nonclassified employees. — (a) Non-classified employees of the Rhode Island public telecommunications authority, except for non-classified employees already receiving longevity increases, shall be entitled to a longevity payment in the amount of five percent (5%) of base salary after ten (10) years of service and increasing in a total of ten percent (10%) of base salary after twenty (20) years of service. The provisions of this section shall apply only to employees under the grade of nineteen (19). The longevity payments shall not be included in base salary.

(b) The telecommunications authority is authorized to promulgate regulations implementing the provisions of this section.

(c) Beginning on July 1, 2011, notwithstanding any rule, regulation, or provision of the public laws or general laws to the contrary, there shall be no further longevity increases for employees of the Rhode Island public telecommunications authority; provided, however, for employees with longevity provisions pursuant to a collective bargaining agreement in effect on June 1, 2011, longevity increases shall cease beginning on July 1, 2011 or beginning upon the expiration of the applicable collective bargaining agreement, whichever occurs later. To the extent an employee has previously accrued longevity payments, the amount of the longevity payment earned by the employee for the last pay period in June, 2011 shall be added to the employee's base salary as of June 30, 2011, or in the case of an employee with longevity provisions pursuant to a collective bargaining agreement in effect on June 1, 2011, the amount of the longevity payment earned by the employee for the latter of the last pay period in June or the last pay period prior to the expiration of the applicable collective bargaining agreement shall be added to the employee's base salary as of June 30, 2011 or upon the expiration of the applicable collective bargaining agreement, whichever occurs later.

§ 16-61-9 Meaning of terms in existing law. — When in any law, resolution, document, record, instrument, proceeding or other place the words "board of education," "state board of education," or "board of regents for education" as they shall apply to educational television shall appear, they shall be construed to mean the Rhode Island public telecommunications authority.

§ 16-61-10 Encumbering of assets. — The authority shall have no power to issue bonds, notes, or other obligations, or to mortgage, pledge, or encumber the assets of the authority or any of its income; and no part of the income or the assets of the authority shall inure to the benefit of any director, officer, employee, or any other individual, except as may be provided as salary or reasonable compensation for services.

§ 16-61-11 Political activities prohibited. — The authority shall be prohibited from supporting or opposing any political party or candidate for public office, elective or otherwise, and from attempting to influence the enactment of legislation. The authority shall not be precluded from promoting full discussions of public issues pursuant to rules and regulations that the authority may promulgate.

§ 16-61-12 Annual report. — Within ninety (90) days after the end of each fiscal year, the authority shall approve and submit an annual report to the governor, the speaker of the house of representatives, the president of the senate, and secretary of state of its activities during that fiscal year. The report shall provide: an operating statement summarizing
meetings or hearings held, including meeting minutes, subjects addressed, decisions rendered, rules or regulations promulgated, studies conducted, policies and plans developed, approved or modified, and programs administered or initiated; a consolidated financial statement of all funds received and expended including the source of the funds, a listing of any staff supported by these funds and a summary of any clerical, administrative or technical support received; a summary of performance during the previous fiscal year including accomplishments, shortcomings and remedies; a synopsis of hearings, complaints, suspensions or other legal matters related to the authority; a summary of any training courses held pursuant to the provisions of this chapter; a briefing on anticipated activities in the upcoming fiscal year; and findings and recommendations for improvements. The authority shall cause an audit of its books and accounts, including the records pertaining to any entity created at the direction and/or under the auspices of the authority, to be made at least once each fiscal year by the auditor general. The report shall be posted electronically on the general assembly's and secretary of state's websites as prescribed in § 42-20-8.2. The director of the department of administration shall be responsible for the enforcement of this provision.

§ 16-61-13 Annual appropriation. — The general assembly shall annually appropriate any sums as it deems necessary for the support and maintenance of public telecommunications 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 those appropriations or so much of this sum as may be necessary for the purposes appropriated, upon the receipt by the controller of properly authenticated vouchers, as the authority may by rule provide.

§ 16-61-14 Liberal construction of chapter required. — This chapter shall be construed liberally in aid of its declared purposes.

§ 16-61-15 Severability. — If any provision of this chapter or of any rule or regulation made under this chapter, or its application to any person or circumstance, is held invalid by a court of competent jurisdiction, the remainder of the chapter, rule, or regulation and the application of that provision to other persons or circumstances shall not be affected by the invalidity. The invalidity of any section or sections or parts of any section or sections shall not affect the validity of the remainder of the chapter.