

**State of Vermont
Performance Report**

**Capital Projects Fund
2024 Report**

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Executive Summary

The [U.S. Department of the Treasury Capital Projects Fund](#) (CPF) provides \$10 billion to states, territories, freely associated states, and Tribal governments to support critical capital projects that support work, education, and health monitoring. These will help to solve problems highlighted by the COVID-19 pandemic, especially rural areas, Tribal communities, and low and middle-income communities, to ensure everyone has access to modern infrastructure like broadband internet for essential services.

In 2022, the Vermont General Assembly appropriated \$95 million in CPF funds to support the Vermont Community Broadband Board (VCBB) in its mission to coordinate, facilitate, support, and accelerate the development and implementation of universal community broadband solutions. This funding supports the [Act 71 Broadband Construction Grant Program](#), which finances broadband projects for Vermont's communication union districts (CUDs) and other eligible providers, to achieve universal access to broadband services with speeds of at least 100 Mbps download and 100 Mbps upload. By aiming to provide reliable and affordable high-speed internet to unserved and underserved areas across the state, the program addresses disparities in underserved communities and helps to bridge the digital divide.

Also in 2022, the Vermont General Assembly appropriated \$16.4 million in CPF funds to the Department of Libraries' Multi-Purpose Community Facilities program. This program, titled [U.S. Treasury Capital Projects Fund for Libraries](#), is a competitive grant program that provides funding to public libraries in need of critical upgrades and improvements that will enable community members to access high-speed internet and digital devices for the purposes of work, education, and health monitoring.

In 2024, the Vermont Department of Libraries developed and launched an application for competitive grants of the CPF funds and then carefully scored the applications according to the rubric that was shared with Treasury. The multi-step application review and scoring process through which discrete sections of each application were reviewed and scored by different individuals or work units. The Department's Business Unit reviewed application completeness and determined if applicants were eligible for awards of state and federal funds. The Business Unit and Leadership Team of the Department scored quantitative questions. Identifying information for all qualitative questions related to programmatic aspects of each application was removed, those questions were scored by three Library Consultants of the Department of Libraries, and then those three scores were averaged. Top-scoring projects were passed to staff of the Vermont Department of Buildings and General Services, who reviewed and scored each project's feasibility (time and costs). All component scores were combined, then finalists were identified by Department leadership. Finalists then were asked to provide supplemental information related to permitting and met with Department staff to review the scope of work outlined in their applications and the terms of the program. These phases of work were all complete by the first week of July 2024.

Uses of Funds

Broadband

The \$95 million in CPF funding allocated to the Vermont Community Broadband Board (VCBB) supports the [Act 71 Broadband Construction Grant Program](#). The Vermont General Assembly established this program in [Act 71 of 2021](#) to finance the broadband projects of eligible providers

that are part of a universal service plan.¹

VCBB awards Broadband Construction Grants to eligible providers, including communications union districts,² small communications carriers, and internet service providers working in conjunction with a communications union district (CUD) to expand broadband service to unserved and underserved locations as part of a plan to achieve universal broadband coverage in the district. Vermont currently has ten CUDs representing 216 of the 252 municipalities in Vermont.

An applicant must provide a list of all addresses included in the applicant's proposed universal service plan. The plan must cover all unserved and underserved locations in every municipality that is either a member of a communications union district (CUD) or a municipality that is not part of a CUD. By applying, the applicant commits to providing broadband access with symmetrical speeds of 100 Mbps to all unserved and underserved locations within the proposed network area.

As of June 30, 2024, VCBB has approved over \$167 million in eleven grant awards to eligible providers. Four of these awards, totaling \$39,745,275, are currently obligated with CPF funds and described below. An additional two awards are currently pending. VCBB will accept additional applications on a rolling basis.

Otter Creek Communications Union District – \$8,564,566

Otter Creek Communications Union District (OCCUD) serves municipalities in and near Rutland County, Vermont. Formed in July 2020, OCCUD now has eighteen member municipalities: Benson, Brandon, Castleton, Chittenden, Fair Haven, Goshen, Hubbardton, Mendon, Pawlet, Pittsford, Poultney, Rutland City, Rutland Town, Shrewsbury, Sudbury, Wells, West Haven, West Rutland.

Otter Creek Communications Union District (OCCUD) will construct a fiber broadband network including 356 miles of planned fiber deployment and service to 931 locations (minimum 100/100 Mbps), completing coverage in the towns and cities of Brandon, Chittenden, Fair Haven, Goshen, Mendon, Pawlet, Pittsford, Poultney, Rutland City, Rutland Town, Shrewsbury, Wells, West Haven, West Rutland, and portions of Castleton and Sudbury. OCCUD has partnered with Consolidated Communications to design and construct its network. Over the previous reporting period, Consolidated began detailed engineering work and began construction in Rutland, West Rutland, Castleton, and Brandon. Construction in Pittsford, Poultney, and Fair Haven is expected to begin in July 2024.

This project is currently underway but less than fifty percent complete. To date, VCBB has paid \$1,698,113 under this grant, and VCBB will issue additional payments as the grantee meets project milestones.

¹ As defined in Act 71 of 2021, "universal service plan" means a plan for providing each unserved and underserved location in a communications union district or in a municipality that was not part of a communications union district prior to June 1, 2021 access to broadband service capable of speeds of at least 100 Mbps download and 100 Mbps upload (30 V.S.A. § 8082).

² As described in Act 71 of 2021, communications union districts (CUDs) were created by the State of Vermont to coordinate and implement creative and innovative solutions in their respective territories, particularly where existing providers are not providing adequate service that meets the needs of their residents and businesses while ensuring public accountability (30 V.S.A. § 8082; see also 30 V.S.A. § 3051.)

Lamoille FiberNet – \$13,814,536

Lamoille FiberNet is a Vermont communications union district (CUD), an organization of two or more towns that join together as a municipality to build communications infrastructure together. Lamoille FiberNet CUD includes the towns of Belvidere, Cambridge, Eden, Elmore, Hyde Park, Johnson, Morristown, Stowe, Waterville and Wolcott.

Lamoille FiberNet will construct a fiber broadband network including 549 miles of planned fiber deployment and service to 4,392 locations (minimum 100/100 Mbps), completing coverage in the towns of Belvidere, Cambridge, Eden, Elmore, Hyde Park, Johnson, Morristown, Stowe, Waterville, and Wolcott. Lamoille FiberNet has partnered with Consolidated Communications to design and construct its network. Over the previous reporting period, Consolidated completed engineering work and began construction in several towns. All ten towns are expected to be under construction in the next quarter.

This project is currently underway but less than fifty percent complete. To date, VCBB has paid \$2,717,727 under this grant, and VCBB will issue additional payments as the grantee meets project milestones.

Waitsfield and Champlain Valley Telecom (Non-CUD) – \$8,592,073

Waitsfield and Champlain Valley Telecom (WCVT) is an independent, privately owned telephone company serving the Mad River and Central Champlain Valley regions of Vermont, including the towns of Addison, Bridport, Bristol, Charlotte, Hinesburg, St. George, Panton, Richmond, Waitsfield, Moretown, Duxbury, Warren, and Weybridge.

WCVT will construct a fiber broadband network within several towns in its service area that are not members of a communications union district (CUD). This project includes 325 miles of planned fiber deployment and service to 2,066 locations (minimum 100/100 Mbps), completing coverage in the towns of Belvidere, Cambridge, Eden, Elmore, Hyde Park, Johnson, Morristown, Stowe, Waterville, and Wolcott.

This project is currently underway but less than fifty percent complete. To date, VCBB has not made any payments under this grant; VCBB will issue payments as the grantee meets project milestones.

Waitsfield and Champlain Valley Telecom (Maple Broadband Territory) – \$9,000,000

Waitsfield and Champlain Valley Telecom (WCVT) is an independent, privately owned telephone company serving the Mad River and Central Champlain Valley regions of Vermont, including the towns of Addison, Bridport, Bristol, Charlotte, Hinesburg, St. George, Panton, Richmond, Waitsfield, Moretown, Duxbury, Warren, and Weybridge.

WCVT will construct a fiber broadband network within several towns that are members of the Addison County Communications Union District (dba Maple Broadband). This project includes 245 miles of planned fiber deployment and service to 2,404 locations (minimum 100/100 Mbps), completing coverage in the towns of Addison, Bridport, Bristol, Panton, and Weybridge and portions of Ferrisburgh, New Haven, and Waltham.

This project is currently underway but less than fifty percent complete. To date, VCBB has not

made any payments under this grant; VCBB will issue payments as the grantee meets project milestones.

Northwest Fiberworx – \$20,191,480 (award pending)

Northwest Vermont Communications Union District (dba Northwest Fiberworx) serves municipalities in Northwestern Vermont, including Fairfield, Bakersfield, Montgomery, Richford, Berkshire, Enosburgh, Village of Enosburgh, Sheldon, Highgate, Franklin, Village of Alburgh, Village of Swanton, Swanton, St. Albans Town, Fairfax, Georgia, Milton, South Hero, Grand Isle, North Hero, Alburgh, Isle La Motte.

VCBB awarded Northwest Fiberworx a Broadband Construction Grant in June 2024 that will be executed in the next quarter. This project includes 253 miles of planned fiber deployment and service to 3,868 locations, completing coverage in the towns of Enosburgh, Alburgh, and Isle La Motte.

Chittenden County Communications Union District (award pending)

The Chittenden County Communications Union District (CCCUD) is currently made up of eight municipalities: Essex, Essex Junction, Jericho, Shelburne, South Burlington, Underhill, Westford and Williston. CCCUD submitted a Broadband Construction Grant application to VCBB in June 2024 that is currently under review. VCBB expects to make an award to CCCUD in the next quarter.

Libraries

The Vermont Department of Libraries will award \$15.9 million to public libraries in the state through a competitive grant process. The Department has evaluated applications from eligible municipal and incorporated public libraries submitted earlier in the year and will award funds to public libraries in the coming month.

The remaining funds have been allocated toward administrative costs including 2.0 FTE limited-service staff in the Department of Libraries who will administer the program statewide: a Building Projects Manager V and a Grants Specialist. However, the Department has been challenged to recruit qualified staff for these key positions and the Commissioner of the Department of Libraries served as the program manager for the program throughout state fiscal year 2024.

The cost of equipment for the two limited-service positions in FY2024 totaled \$2,562.

The Department initiated the hiring process for the two limited-service positions in July 2024, however it was challenged to recruit qualified staff to administer the program. The difficulty recruiting staff is consistent with challenges faced by other Departments and Agencies within the state, which often carry vacancies for long periods of time and have trouble recruiting and retaining qualified staff.

Regular staff of the Department took on the additional tasks associated with administering the program through February 2024, when a Grants Specialist briefly joined the team to support the project. Unfortunately, the Grant Specialist position was only filled for a short time. Salary Costs of Grant Specialist in state fiscal year 2024 totaled \$8,991.25.

The Department reclassified the Buildings Project Manager V position to a Contracts and Grants

Administration Manager in spring 2024 and successfully recruited a full-time limited-service staff member to oversee the program. The Department reposted the Grants Specialist position in July 2024, and there were no costs associated with this position in state fiscal year 2024.

Costs of the recruitments for the two limited-service positions associated with the program in state fiscal year 2024 totaled \$1,950.43.

Total costs associated with this program in state fiscal year 2024 were \$13,503.68.

Promoting Equitable Outcomes

Broadband

The Broadband Construction Grant program plays a critical role in promoting equitable outcomes by mandating service to all unserved and underserved addresses. This initiative ensures that every Vermonter, regardless of race, color, sex, religion, sexual orientation, national origin, disability, or any other protected characteristic, has access to essential broadband infrastructure. The funding will help to reach all individuals who currently lack adequate service across Vermont.

Due to disparities in access to reliable and affordable high-speed internet, underserved communities have been denied full participation in many aspects of economic, social, and civic life. In addition to CPF investments in the Broadband Construction Grant Program, VCBB published a [Digital Equity Plan](#) in March 2024 and has begun implementing the five-year plan. This plan focuses on improving outcomes for the covered populations identified in the U.S. [Digital Equity Act](#), including aging individuals, incarcerated individuals, veterans, persons with disabilities, members of a racial or ethnic minority group, rural residents, individuals with a language barrier, and individuals living in households with incomes at or below 150 percent of the poverty level.

Libraries

The Department is committed to distributing CPF grant funds equitably to communities across the state.

Many of Vermont's 187 public library buildings are over a century old. A Needs Assessment conducted by the Department in 2023 reflected that these aged facilities have critical needs for capital improvements that will enable community members to have continued access to the internet and computer equipment that allows them to complete daily tasks related to work, education, and health monitoring in library buildings that are close to home.

The COVID-19 public health emergency highlighted the need of every Vermonter to access the internet for the purposes of work, education, health monitoring, and other daily tasks. When routine daily activities went almost entirely online during the COVID-19 public health emergency, those with financial barriers to high-speed internet access were particularly impacted. Even in some Vermont municipalities where high-speed internet service is available, it may not be truly affordable to all community members. For that reason, the rubric the Department used to evaluate subgrant applications awarded additional points to public libraries in communities that scored higher on the Vermont Community Index, a composite index developed by the Agency of Administration in 2022 that estimates the relative capacity and need of communities across Vermont through thirteen metrics that include community demographics, socioeconomic status, and administrative capacity of the community.

In 2024, the Department met its goal of soliciting applications from all fourteen counties in Vermont. Seventy-one municipal and incorporated public libraries in Vermont applied for these competitive capital CPF funds for libraries. The public libraries that applied serve all types of Vermont communities: rural, suburban, small, large, affluent, and high need.

Labor Practices

Vermont established stricter labor standards than those required by Treasury to further protect workers, attract and retain skilled workers on critical infrastructure projects, and provide strong employment opportunities in priority sectors of the State. As outlined in [Act 83 of 2022](#) (Section 71a), Vermont requires that new contracts awarded for maintenance, construction, or improvement projects that receive \$200,000 or more in ARPA funding pay their construction employees no less than the Vermont mean prevailing wage with additional fringe benefits. Vermont requires that contractors use the higher of the federal Davis Bacon Act prevailing wage rates or Vermont's prevailing wage rates with fringe benefits. Since Vermont passed this law in March 2022, it focused on translating the law into actionable guidance and policies to effectively integrate these labor practices into construction contracts. This guidance is provided to agencies on the [Department of Buildings and General Services](#) website and includes a [Vermont Prevailing Wage Rate Notice](#), which provides direction on applying the prevailing wage requirements, as well as a Federal Terms Supplement required for all federally funded construction contracts. The Supplement also includes requirements that help ensure contractor compliance with the Equal Opportunity Act and the Contract Work Hours and Safety Standards Act. Additionally, where appropriate, projects will consider the use of project labor and community benefits agreements to ensure labor continuity and local engagement.

Community Engagement

Broadband

Since the Vermont Community Broadband Board (VCBB) was established in 2021, community engagement has been a key focus of its broadband deployment efforts. Most of the funding from the Broadband Construction Grant Program has been directed toward projects managed by Vermont Communications Union Districts (CUDs). These CUDs consist of member towns grouped by geographic location, with each town voting to join and appointing two delegates. The CUDs hold monthly public meetings and are also invited to participate in monthly VCBB meetings, fostering further discussion and collaboration. This ongoing partnership ensures regular feedback on program progress, challenges, and needs.

In addition, VCBB conducted outreach to solicit input for the Vermont [Digital Equity Plan](#). On its website, VCBB also provides both plain language and American Sign Language (ASL) summaries of the plan as well as translations into several languages spoken by Vermonters, including Kirundi, Dari, Pashto, Swahili, Bosnian, Ukrainian, Somali, French, Arabic, Burmese, Nepali, Spanish, Chinese, and Vietnamese. VCBB continues to accept input on the plan or any other aspect of digital equity. Individuals may contact VCBB's Digital Equity Officer by email, phone, or postal mail to provide feedback.

Libraries

The Department of Libraries engaged the Vermont library community heavily to promote the multi-purpose community facilities program. In 2023, the Commissioner of the Department of Libraries

and two Assistant State Librarians participated in events in thirteen of the state's counties to promote awareness of an applications for grants of American Rescue Plan Act (ARPA) resources.

While awaiting approval of the state's Multi-Purpose Community Facilities Program application by Treasury the Department conducted a Capital Projects Needs Assessment. All public libraries in the state were encouraged to participate in this survey between February 28 and April 15, 2023. The Needs Assessment provided public libraries statewide with the opportunity to assess their buildings and provided the Department staff with much-needed insight into the capital improvement needs statewide, which would inform the implementation of its Multi-Purpose Community Facilities Program. The Department hosted a webinar to share information about the Needs Assessment and upcoming capital grant opportunities in February 2023, then presented upcoming competitive grant opportunities at the statewide Vermont Library Association conference in April 2023.

The Department launched its competitive grant application for its Multi-Purpose Community Facilities Program on January 30, 2024 with a webinar. The application and rubric were posted online immediately after the webinar, and the online application went live that same day. The Department hosted two Open Office Hours sessions to answer questions of applicants on February 28 and March 4, 2024. The grant launch webinar and open office hours meetings were recorded and posted online for asynchronous viewing by interested community members. The Department posted answers to frequently asked questions to support applicants and provided one-on-one responses to applicant questions via email. The robust community engagement yielded seventy-one applications for this competitive grant from all fourteen counties in the state.