

Vermont Community Broadband Board Meeting May 23 1:30pm – 4:00pm

AGENDA

Meetings are being held virtually.

[Click here to join the meeting](#)

Join by Phone; +1 802-828-7667,,389833626#

Note: there may be additional executive sessions as needed

- | | |
|------|---|
| 1:30 | 1) Call to Order - Continuation of May 16 th Meeting |
| 1:35 | 2) Approval of the May 16, 2022 draft minutes (part 1) |
| 1:40 | 3) Public Comment |
| 1:55 | 4) Staff Updates |
| 2:15 | 5) Budget Update |
| 3:00 | 6) BEAD/IIJA Notice of Funding Issues |
| 3:30 | 7) VCUDA update |
| 3:45 | 8) Public Comment (new issues) |
| 3:55 | 9) Parking Lot & Upcoming Agenda Items |
| 4:00 | 10) Motion to adjourn |

Press inquiries; please contact Rob Fish, Robert.fish@vermont.gov 802-522-2617

Vermont Community Broadband Board
Board Packet Executive Summary
May 23, 2022
Christine Hallquist, Executive Director
Phone – 802-636-7853
Email – christine.hallquist@vermont.gov

2023 Budget

This budget is based on currently known funds and does not include up to \$5 million available for planning for BEAD. One of the items that the NTIA will be reviewing is the state's capacity to carry out the goals of the BEAD program. Additional personnel were requested and approved by the legislature to ensure that Vermont has the capacity for the program. Those positions are included in the budget. Any funds not spent as part of planning can be applied to infrastructure. Therefore, this budget is careful to ensure that as much funds can remain for infrastructure.

The Operating budget comes from carry-over from the 2022 budget year plus allocations for the 2023 budget. This includes the Universal Service Fund, the Northern Borders Regional Commission Grants, as well as carryover from the Connectivity Initiative.

The Capital Budget comes mainly from the \$116 million appropriation remaining from the 2021 ARPA allocation from the legislature plus the additional \$95 million ARPA allocation anticipated to be allocated from the 2022 legislature. \$1.5 million shall be used for the VCBB budget per ACT 71. Also included are other funds that have been committed to the VCBB. This budget is adequate to meet the needs of the VCBB to the middle of 2023 and provide construction funds to enable the CUDs to continue building into 2024. This viability will enable the CUDs to obtain additional funds to meet their goals. Additional revenues will help drive down the cost of the network, resulting in lower cost to consumers, which helps meet the state's affordability goals.

The budget addresses key support activities that are needed to ensure the state of Vermont meets its goal of getting every 100/100 Broadband service. There are two additional limited-service positions included in the budget. Costs and additions are highlighted in italic. Key areas of focus for this budget include:

- Providing technical support to the CUDs to ensure resilient designs and quality construction. *This includes \$390K for a ¾ time Fiber Optic Engineer. The VCBB will investigate bringing this on as a position which would significantly reduce cost.*
- Progress reporting to the Board, Administration, and Vermonters. *There is \$200K allocated to GIS support to help put this reporting process in place.*
- Workforce development and training to ensure adequate labor supply as well as growth opportunities for Vermonters. *There is \$610K budgeted for training. The state needs 216 additional fiber techs at a training cost of \$12K each. That amounts to over \$2 million*

need. The budget also includes \$5k incentives for 60 fiber techs as incentives to work the entire season. The VCBB is going to see additional training funds from other sources as well.

- Funds to enable pre-purchasing of long lead-time materials to avoid interruption of construction due to material shortage. *This is not an incremental cost as it will be allocated to the Construction Grant of the CUD that will be using the material.*
- Assist the CUDs in developing strategies to help reduce the cost of the network, facilitate partnerships between communications union districts and their potential private partners as well as to help the CUDs in general. *The 2023 budget includes the addition of a Rural Broadband Technical Specialist to assist in this area.*
- Identify State, federal, nonprofit, and any other broadband funding opportunities beyond the BEAD program, assist the CUDs in accessing those funds as well as provide timely and actionable financial performance reporting. *This will be the role of the Business manager which is an addition to staff.*
- *Funding included to reclassify the Executive Assistant to a Special Projects Manager. This reflect the work that is being done in that role.*
- The CUD accelerator program was a very successful CUD Board member training program that was delivered from 2020-2021 through a contract with Do North and Northern Vermont University out of Saint Johnsbury. *\$65K is allocated to provide another iteration of the program.*
- *The budget provides ~250k for targeted legal support for the VCBB.*
- *The budget provides ~186K for CUD legal support.*

Broadband Equity Access and Deployment (BEAD) Time-line

This Notice of Funds Opportunity (NOFO) was released on May 13, Friday evening. The timelines are included in this packet. VCBB Staff is participating in the NTIA training as well as reviewing the NOFO to identify potential issues. Included in this meeting packet is a list of potential issues staff has identified so far.

Vermont Community Broadband Board Draft Meeting Minutes
Meetings are being held virtually.
May 16th, 2022

I. Call To Order – 1:12pm

Roll call completed by Patty Richards

Patty Richards, Chair (Remote)
Brian Otley (Remote)
Laura Sibilila (Remote)
Holly Groschner (Remote)
Dan Nelson (Remote, joined at 1:54pm)
Christine Hallquist - Staff (Remote)
Robert Fish – Staff (Remote)
Stan Macel – Staff (Remote)
Alissa Matthews – Staff (Remote, audio only)

II. Review of Agenda

Patty Richards made a motion to approve the agenda. Holly Groschner seconded, and the motion was unanimously approved.

III. Approval of Meeting Minutes

The Board discussed the April 25th, 2022 draft Board Meeting minutes. Holly Groschner raised issues with section IX and Alissa Matthews confirmed that some unedited transcript was left in and will be corrected. Patty Richards made a motion to approve the amended minutes. Brian Otley seconded, and the motion was unanimously approved.

IV. Eligibility Screening Appeal Review – GoNetspeed (Otelco)

The Board considered an appeal from GoNetspeed dba Otelco in accordance with the appeal process outlined in the Construction Grant RFP. Otelco submitted a construction grant proposal to serve four of the same towns that are included within the Maple Broadband Universal Service Plan. Otelco does not have a formal relationship with Maple Broadband. Staff rejected the submitted proposal because it appears to conflict with and undermine the Maple Broadband Universal Service Plan. Maple Broadband has also represented that moving forward with the Otelco proposal would negatively impact their Universal Service Plan. The statutory basis for this decision is included in Act 71 § 8086(e) which states:

The Board shall not award a grant to an eligible provider who is not a communications union district unless the Board determines that the provider's universal service plan does not conflict with or undermine the universal service plan of an existing communications union district.

The RFP for the Construction Grant process includes further language stipulating the following:

The proposed project does not conflict with or undermine the Universal Service Plan of an existing Communications Union District. If a non-CUD eligible applicant is applying to provide service to a member town in a Communications Union District, a letter of collaboration from the Communications Union District(s) must be included in the application package. The Board reserves the right to offer consideration of projects without such letters upon notice to the

affected CUD, but it is the responsibility of the Applicant to justify how the proposed project does not undermine or conflict with the Universal Service Plan of an existing Communications Union District. The Board reserves the options to review or dismiss such applications.

Both Otelco and Maple Broadband were given the opportunity to present to the Board in defense of their positions. The Board also heard from the consultants at CTC who were asked to review the application and comment on any identified concerns.

Otelco Presentation

Richard Clark, President and CEO of GoNetspeed, provided a brief description of Otelco's intention to build within the towns of Shoreham, Whiting, Orwell and Cornwall. Maureen Hopkins, the associate general counsel for Otelco, gave a more in depth presentation on the Universal Service Plan and why it does not, in their view, conflict with or undermine the Maple Broadband Universal Service Plan. Included as part of that presentation was a discussion of the 2,270 addresses in the four towns that Otelco is proposing to provide with 100% fiber coverage within 24 months. Otelco represented that it is able to provide guaranteed speeds of up to 1 Gig symmetrical to every address with free installation and free customer equipment. It is Otelco's position that they can provide better service at a cheaper rate than Maple to customers within the four towns in question.

Questions from the Board to Otelco included:

- 1) What steps have been taken to resolve this conflict between the two parties prior to arriving at this appeal? What is the history of communication and negotiation between both parties on this issue? Is there a path forward for a partnership?

Answer: There has been three conversations since Fall 2020 with Maple Broadband, initiated by Maple Broadband, in regards to providing broadband to communities within Maple Broadband territory. Otelco was not originally interested because they do not have an appetite for building broadband in networks that they do not own and control.

Richard indicated that they can build within the next 24 months whereas it might be five years for Maple. The solution Richard sees is to bifurcate the geography to get broadband to consumers in the most efficient manner. They would need a 1:1 grant match to make their model work in those four towns. They would be building 100% of addresses in those towns.

- 2) What communications have **happened with the impacted towns?**

Answer: Richard has presented to the select boards of 6 of the 7 towns. Richard indicated they have letters of support from Whiting and Shoreham. He does not believe this support is considered an either or solution in the mindset of the towns. They are not distancing themselves from the CUD they just wanted options.

- 3) Is Otelco a small carrier?

Answer: Yes, per statute.

- 4) How is Otelco financing their development?

Answer: They have sufficient capital. They will spend \$200M this year building capital projects.

- 5) Is Otelco aware of the fact that the network, if it is subject to this granting agreement, cannot be transferred without VCBB approval?

Answer: Yes, PSD has always had to approve those transfers anyway. This is just another layer of approval. Maureen indicated they are aware of the Act71 requirements.

- 6) How will Otelco ensure public accountability without being part of the CUD?
Answer: As a private entity they already have accountability to the PSD. Any sale of assets requires regulatory approval. Consumer complaints are also dealt with through the PSD. They also indicated that they have done several public private partnerships in Maine and Alabama. There are periodic updates required for those partnerships and milestones that must be met.
- 7) How much did the public service board say you have to invest in your network?
Answer: \$500k for maintaining the network. Internet is not a regulated business.
- 8) When you are done building will all of your territories have fiber to all addresses?
Answer: Yes. 3900 locations. The 50% match requested is for the 4 towns in this plan only.
- 9) How much is underground versus aerial?
Answer: 25-30% is underground with the remainder aerial. (Steve Huffaker of Maple Broadband disagreed with the assessment of the buried portion of the network and Richard clarified that he agreed with Steve's assessment later in the meeting.)
- 10) When you take funding like this there is the expectation of there being open access? Are you prepared for that?
Answer: It comes down to the definition of open access. From a practical standpoint it would be cost prohibitive for another ISP to come in and try to use those open access lines. The publicly funded part would be quarantined to meet this expectation.
- 11) When we are looking at the significant amount of public funds, how do you envision public accountability working in the model that you are proposing?
Answer: The consumer has the greatest public accountability. Otelco is open to discussing accountability provisions that the State would impose. They are very open to rational, practical and measurable regulations.
- 12) Has Otelco had any service quality complaints?
Answer: Typically there are a couple a year. It is a very small number. This has been the case since 2011 prior to acquisition. They can't speak to anything prior to 2011.
- 13) Are you willing to follow the guidelines in Act71 and Act79 to access these funds? Part of this legislation does map out that any entity that takes funds would be required to give the money back if they are not in compliance.
Answer: Yes, or they wouldn't be making the proposal. They count as a small carrier so are eligible. They are well versed in fulfilling reporting requirement. They are already filing about 500 reports a year for various regulatory agencies. Richard does not see any issues with the requirements for these grants.
- 14) Is the \$80 rate you are proposing the same as other markets you serve?
Answer: It is not the same for all states but would be consistent for all of Vermont customers. The rate indicated is based on getting the public funding from the VCBB. In Connecticut the price is lower because of competition. They are not the incumbent in Connecticut. Connecticut is the cheapest state for them to build network because there are no make ready costs.
- 15) The cost of funding under municipal bonds has historically been considerably less than private investment so how will you sustain rates that are below those who are municipally funded.

Answer: They will be building with equity not loans so there is no interest expense. They believe there is the same unpredictability regardless of the business model.

16) Could you raise the capital through private investment if necessary with funding coming at the end of the construction period?

Answer: Yes, they are more than willing to make funding contingent on delivering the service. They have the capital.

17) One of the grant requirements is addressing affordability. Can you speak to that?

Answer: They offer the federal discounted program which is a \$30 per month discount. It is not controlled by Otelco but they assist customers who are willing to provide the information to join the program.

18) ACT 71 is clear about municipalities that have joined a CUD not being eligible outside of the CUD. How would you rectify that?

Answer: They do not read Act71 as excluding towns based solely on CUD membership of those towns.

19) Is your definition of network ownership such that you have to own every element? What about a discounted lease rate?

Answer: The assets required to deliver service is the definition they are using to make their decisions. They do not lease assets for last mile or any other scenario. It is unlikely that a discounted model would work for both them and the lease owner in their opinion.

Maple Broadband Presentation:

Steve Huffaker and Ellie de Villiers gave a presentation regarding the business plan for Maple Broadband, inclusive of a discussion of the Otelco plan's impact on Maple Broadband's Universal Service Plan. They indicated that taking those four towns out of the CUD wouldn't end their program completely but would be a significant challenge. They indicated the ways in which Otelco's proposal undermines their Universal Service Plan include: decrease in revenues, increase in private debt requirements, potential loss of guarantor for private debt, curtailment of their ability to issue municipal bonds in larger increments, and reduction or elimination of their ability to provide subsidies to low-income residents. Overall, Maple represented that if Otelco were to build to those four towns it would significantly increase the risk of failure of their Universal Service Plan.

Questions to Maple Included:

1) Is the fundamental issue between Otelco and Maple a question of who owns the network?

Answer: Yes, that is correct.

2) Have you thought of using multiple providers for a more piecemeal approach?

Answer: When they began to explore an operating partnership with Otelco, they were excluded because they were not seen as stable because their acquisition was not complete. It was deemed a risky acquisition. Multiple providers also creates more complexity for the CUD.

3) Putting the ownership obstacle aside, is there an ownership model that would allow both parties to bring its capabilities and charter to bear and work together?

Answer: The challenge in the current universal service plan is that it is very difficult to work with multiple service partners. Otelco's requirement to own and operate the infrastructure does not work with the Maple business plan.

- 4) If the board were to find that it makes sense to agree to the Otelco proposal, what supports would Maple need from the board in order to be able to carry forward?

Answer: Additional grant funding might help but they would need to reevaluate their whole plan to have a full answer for that and will do so if it becomes necessary.

- 5) Was Middlebury College specific that they would withdraw their guarantee if the Otelco proposal leads to losing those four towns or is it just speculation?

Answer: Per Magna Dodge, the Maple Delegate from Cornwall, she has been the liaison discussing these issues with Middlebury College because their staff, faculty and students are all impacted now and will continue to be in the future. They have an interest in making sure broadband is improved in the broader community. She has not had a specific conversation on the full impact to the guarantee but they have spoke about the Otelco filing and she will follow-up with Middlebury College after the meeting.

- 6) Subsidizing rates question. If you had the Maple network setup as contemplated in the initial business plan, you would be net revenue positive and would be able to reduce rates for some households, is that correct?

Answer: Yes, that is correct and is part of their overall business plan. They also have to plan for a future where there might not be an Affordable Connectivity Program so they want to plan for what happens when that is no longer an option.

- 7) Is it the case that the agreement between Maple and WCVT has an exclusivity provision.

Answer: No, it does not.

- 8) For the four towns in question, are there delegates from those towns on the Maple Board?

Answer: Each town is allowed a delegate. Whiting has opted not to have one but that is their choice, not the choice of Maple.

- 9) Can you envision a model where you had two service providers? Two operator model. Other CUDs have done this.

Answer: They are really trying to keep the model simple. They have done a lot of work to keep it simple and adding another entity to the process creates complexity that they don't feel is of benefit to the CUD.

- 10) For Zone A and Zone C who are the incumbent providers?

Answer: WCVT, Otelco and Consolidated in different parts of the network.

CTC Review Discussion:

Teles Fremin from CTC discussed their review of the Otelco and Maple Universal Service Plans and determined that while there are impacts from the Otelco proposal, Maple's business model could still work. However, the Otelco proposal does bring some fragility to the Maple business model with the removal of those four towns. As part of their review, CTC outlined some of those challenges and they are in line with what Maple presented. Some challenges could potentially be mitigated by increasing Maple's ARPU, but then they would be providing a higher cost to their consumers. Additionally, if there are significant swings in construction and material costs it could impact the Maple business plan substantially. At a high level, Maple still has an operating model that could work if Otelco's proposal were to be approved, but it would have additional fragility if there are any impact swings or changes to the original plan and the original assumptions.

Board Comments Summary:

The Board concluded the appeals discussion for this meeting by expressing their views as follows:

- 1) Patty believes that Otelco's proposal conflicts and undermines Maple and they need to look at the greater good of the state. She would like both parties to go back to the table for negotiations and come up with a solution.
- 2) Holly noted that Otelco is an eligible provider and could be funded if it does not conflict or undermine that of Maple but does not believe they meet that standard currently.
- 3) Laura gave the definition of universal service plan under Act 71 § 8082 (12) "*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." Based on this definition she believes Otelco cannot serve the towns in question because they are already part of a CUD.
- 4) Brian indicated that the Board's focus should be whatever gets Vermonters connectivity fastest and with the highest likelihood of long-term success within the constraints of legislation. However, they cannot make a decision that jeopardizes the Maple CUD.
- 5) Dan indicated that it seems like the proposal falls outside of the requirements for approval. He would like to see Maple and Otelco try to work out an agreement.

No action was taken to make a final ruling on the appeal. Instead, the Board gave both parties 3 weeks to work together to come up with a plan that works for both parties. The Board would like VCBB staff to be involved as well in order to help facilitate the discussions between the two parties. Otelco and Maple indicated they are both willing to have meaningful discussions to attempt to come to an agreement on a plan to works for both parties and is good for Vermont.

Holly motioned that we continue the agenda items from this meeting on 5/23/22 at the next regularly scheduled meeting. Patty seconded, the motion was unanimously approved.

Patty Richards made a motion to adjourn. Dan Nelson seconded, the motion was unanimously approved and the meeting was adjourned at 4:30pm.



Vermont Community Broadband Board

Proposed 2023 Budget
May 23, 2022

Christine Hallquist
Vermont Community Broadband Board
Executive Director
Christine.Hallquist@vermont.gov
802-636-7853

<https://publicservice.vermont.gov/vcbb>

2023 Capital Budget

Capital Revenues and Sources

Revenue Source	Amount
ARPA Pre-onstruction Carry-over	\$0.00
ARPA Construction Carry-over	\$118,500,000.00
Act 154 One Time Appropriation for Broadband Infrastructure (limits of \$400,000 per CUD)	\$1,500,000.00
Northern Borders Regional Commission State Capacity Grant	\$1,250,000.00
New ARPA Funds	\$95,000,000.00
Universal Service Fund Balance	\$2,800,000.00
Capital Funds Total	\$219,050,000.00

Capital Expenses

Budget Expenditure Categories	OMB Uniform Guidance Federal Awards Reference 2 CFR 200	TOTAL EXPENDITURES
Construction		\$219,050,000.00
Total Capital Expenses		\$ 219,050,000.00

We are assuming \$55K/mile minus the \$5K already came from pre-construction = \$50/mile from construction grants. This will support 4331 miles of construction.

2023 Operations Budget

Operations Revenues and Sources

Revenue Source	Amount
ACT 71 (including 197507.76 carry- over from 2021)	\$ 1,697,507.76
Universal Service Fund (includes \$700K carry-over)	\$ 1,117,100.20
NBRC Fund	\$ 333,333.33
BEAD Planning Grant	\$ 5,000,000.00
Operational Funds Total	\$ 8,147,941.29

Operations Expenses

Budget Expenditure Categories	OMB Uniform Guidance Federal Awards Reference 2 CFR 200	TOTAL EXPENDITURES
1. Personnel (Salaries & Wages)	200.430	\$ 1,478,671.20
2. Equipment and Software	200.439	\$ 8,800.00
3. Supplies	200.94	\$ 2,500.00
4. Contractual Services	200.318 & 200.92	\$ 1,085,092.49
5. Training & Education	200.472	\$ 1,024,500.00
6. Board Operational Costs	200.414	\$ 35,600.00
Total ACT 71 expenses		\$ 3,635,163.69
Balance*		\$ 4,512,777.60

*While the NTIA allows up to \$5 million for planning, unspent funds can be applied to infrastructure.

Personnel

1). Personnel (Salaries & Wages) (2 CFR 200.430) -

Note - Classified positions (hourly) are determined by the total number of hours (hourly pay increments) during the budget period. Unclassified positions (salaried) are determined by total total number of months (monthly pay increments).

Name	Position(s)	Burdened cost	Basis (Yr./Mo./Hr.)	% of Time	Length of time	Personnel Cost
<i>Grants Administrator (PSD)</i>	1	\$49	Hr.	100%	2080	\$ 102,211.20
<i>Executive Director</i>	1	\$ 18,900.00	Mo.	100%	12	\$ 226,800.00
<i>General Counsel</i>	1	\$ 14,325.00	Mo.	100%	12	\$ 171,900.00
<i>Special Projects Manager - formerly Executive Assistant</i>	1	\$49	Hr.	100%	2080	\$ 101,088.00
<i>Boadband Project Manager (funded through NBRC Grant)</i>		\$68	Hr.	100%	2080	\$ 142,272.00
<i>Deputy Director</i>		\$90	Hr.	100%	2080	\$ 187,200.00
Contingency						\$ 100,000.00
					ACT 71 Total	\$ 1,031,471.20
BEAD Capacity						
<i>Director of Regulatory Compliance and Risk Management</i>	1	\$61	Hr.	100%	2080	\$ 126,880.00
<i>Rural Broadband Technical Specialist</i>	1	\$47	Hr.	100%	2080	\$ 97,760.00
<i>Administrative Services Coordinator IV</i>	1	\$42	Hr.	100%	2080	\$ 87,360.00
<i>Digital Equity Officer</i>	1	\$65	Hr.	100%	2080	\$ 135,200.00
					BEAD Total	\$ 447,200.00

Personnel Narrative

- *Executive Director* duties identified by ACT 71
- *Deputy Director* duties include the direction of policy and program integration efforts across the Vermont Community Broadband Board and state, local, and partner organizations. The work involves a wide range of complex policy initiatives across the spectrum of telecommunications and community development and ensures a coordinated and integrated approach to policy development, vetting and program implementation across the nine Communications Union Districts, Internet service providers, regional planning commissions and amongst members of the Vermont Community Broadband Board.
- *Grants Administrator* a pass-through to the PSD
- *General Counsel* duties to handle day to day inquiries from VCBB staff, review contracts, review Board minutes, handle information requests and ensure compliance with Open Meeting Law and Public Records requirements.
- The *Executive Assistant* will be reclassified to a "*Special Projects Manager*" which will more closely match their duties and responsibilities.
- *Project Manager* duties include responsibility for planning, organizing, and directing the completion of projects for the VCBB (examples include Workforce Development initiatives, pre-purchasing of materials, progress and key metric reporting to the Board, Administration and public). The Project Manager will work with the CUDs to support, monitor and assist with timely performance to individual project plans. The project manager will be responsible for coordinating with AOT, the electric utilities and municipalities.
- *Broadband Project Developer* duties include; programmatic, administration, and technical work involving the overall direction, policy and operations of the VCBB. Work involves developing policies and implementing strategies to ensure responsible and effective deployment and furthering leveraging of federal funds derived from the Board to ensure a fiscally responsible building out of fiber optic network. In addition to monitoring all grants issued, the Broadband Project Developer will work with the CUDs to layer various public and private financial instruments (federal, state, private grants loans, and bonds), to accelerate fiber-to-the-home build-outs. This person will be central to much of the VCBB's operation and increases the capacity of entire VCBB.

Personnel Narrative (con't)

BEAD Capacity

- *Director of Regulatory and Risk Management* - 8 of the 9 CUDs are labeled as "high risk" from a grant recipient perspective due to their infancy. This position will work with the CUDs, general counsel, and outside consultants to guide and ensure that their systems and reporting are in place to comply with the BEAD grant requirements. The position will also be responsible for our ARPA and IJA documentation, reporting, and compliance enforcement.
- *Rural Broadband Technical Specialist* - This position is being re-instated to provide additional technical assistance to all Communications Union Districts.
- *Administrative Services Coordinator IV* - This position will track and report on all obligations and expenses as they are committed as well as work closely with the state systems to ensure timely responsiveness to invoices and payment to the CUDS and Vendors. The position will also assist the Executive Director and other staff in budget development, drafting RFPS, grant agreements, and other correspondences.
- *Digital Equity Officer* - This position will be responsible for all engagements, convenings, reports, and other activities involving entities inside and outside of state government related to digital equity and digital literacy.

Equipment and Software

2). Equipment (2 CFR 200.439) --

Item	Quantity	Cost	Equipment Cost
<i>ArcGIS professional License</i>	<i>1</i>	<i>\$ 3,800.00</i>	<i>\$ 3,800.00</i>
<i>Contingency</i>			<i>\$ 5,000.00</i>
		<i>Total</i>	<i>\$ 8,800.00</i>

Supplies

3). Supplies (2 CFR 200.94) --

Item	Quantity/ Duration	Cost	Supplies Cost
<i>Office Supplies</i>	<i>1</i>	<i>\$ 1,000.00</i>	<i>\$ 1,000.00</i>
<i>Phones</i>		<i>\$ 1,500.00</i>	<i>\$ 1,500.00</i>
		<i>ACT 71 Total</i>	<i>\$ 2,500.00</i>

Supplies Narrative (State):

Contracted Services

4). Contractual Services (2 CFR 200.318) & Subawards (200.92)

Please also note the differences between subaward, contract, and contractor (vendor):

- 1) Subaward (200.92) means an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a Federal/State award, including a portion of the scope of work or objectives. It does not include payments to a contractor or payments to an individual that is a beneficiary of a Federal/State program.
- 2) Contract (200.22) means a legal instrument by which a non-Federal entity purchases property or services needed to carry out the project or program under a Federal award. The term as used in this part does not include a legal instrument, even if the non-Federal entity considers it a contract, when the substance of the transaction meets the definition of a Federal award or subaward.
- 3) "Vendor" or "Contractor" is generally a dealer, distributor or other seller that provides supplies, expendable materials, or data processing services in support of the project activities.

Item	Contractual Services Cost
Legal Support - (\$600/hr. 20% of 2080 hours)	\$ 249,600.00
GIS Support	\$ 200,000.00
Support (including legal) for CUD's to develop contracts and funding plans) funded through NBRC grant	\$ 186,061.33
Fiber Optic Engineer - (\$250/hr. @75% of 2080 hours)	\$ 390,000.00
Contingency	\$ 59,431.16
Total ACT 71 Contractual Services	\$ 1,085,092.49

Contractual Services Narrative:

- Legal support is for specialized legal services that will be required by the Board and the staff.
- GIS support will include developing a usable map for the VCBB as well as providing regular updates to reflect weekly progress
- The Fiber Optic Engineer will assist the VCBB in developing standards for construction and materials, provide guidance to CUD in design and construction activities, monitor (light) loss budgets, review performance data and provide overall technical consultancy to the VCBB
- CUD Support for grant and other financing - Additional outside contract work to assist CUDs with grant applications and financing, reduce any conflicts of interest if CUDs are competing for the same funds and both require the same financial advisory services and/or for legal support,

Training and Education

Description	Quantity	Basis	Cost	Training & Education Cost
<i>Broadband Communities Summit</i>	6		\$ 3,500.00	\$ 21,000.00
<i>Fiber Connect</i>	6		\$ 3,500.00	\$ 21,000.00
<i>Stipend program to attract fiber optic technicians</i>	60		\$ 5,000.00	\$ 300,000.00
<i>Support of State-wide workforce development programs</i>				\$ 610,000.00
<i>CUD Accelerator Program</i>				\$ 65,000.00
<i>Contingency</i>				\$ 7,500.00
				\$ 1,024,500.00

For the Broadband Communities summit and the Fiber Connect Conference, these include scholarships for CUD members to attend.

Training & Education Narrative (State):

- The CUD Accelerator was a very successful program offered in 2021. This series was developed and funded through a grant from the Vermont Community Foundation. This 9-week program was designed to give CUD volunteer board members a deeper understanding of all aspects of the network development process so that they can be more effective in the decision making in the coming years.

- The amount of money that is budgeted for training and development of fiber technicians is significant, yet still likely to be inadequate. To achieve the fiber construction goals, the CUDs will be building 1800 miles of fiber per year. Half of the fiber will be put on roadside poles, the other half will be off road. A crew of 4 can put up a mile of fiber in 2-1/2 days roadside, a crew of 4 will take 5 days to construct a mile off-road. There are 166 outside working days available per year. That means Vermont will require a total of 162 additional outside technicians. Additionally, Vermont will need 50 technicians to do the drops and customer connections for a total of 216 additional technicians. The estimated cost to provide all the services needed to develop fully certified technicians is \$12K each. If the VCBB fully funded the training, it would cost \$2.6 million. This is why the "Pay it Forward" workforce program is needed.

Board Costs

6.Board Operational Costs --This category contains items that are directly related to Board Member payments

Description	Quantity	Basis	Cost	number	Other or Miscellaneous Cost
<i>Board meeting per diem</i>	24	<i>2/month/ 12 months</i>	\$ 250.00	4	\$ 24,000.00
<i>Board meeting mileage</i>	500	<i>miles/meeting</i>	\$ 0.55	24	\$ 6,600.00
<i>Additional Board work</i>	5	<i>days/member</i>	\$ 250.00	4	\$ 5,000.00
					Total ACT 71 Expenses \$ 35,600.00

Board Costs Narrative (State):



Vermont Community Broadband Board

BEAD Notice Of Funds Opportunity Preview
May 23, 2022

Christine Hallquist
Vermont Community Broadband Board
Executive Director
Christine.Hallquist@vermont.gov
802-636-7853

<https://publicservice.vermont.gov/vcbb>

BEAD program will provide ~\$42.45B for infrastructure planning and implementation

Funding pool
\$42.45B

A program to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where we need it to and increase adoption of high-speed Internet.

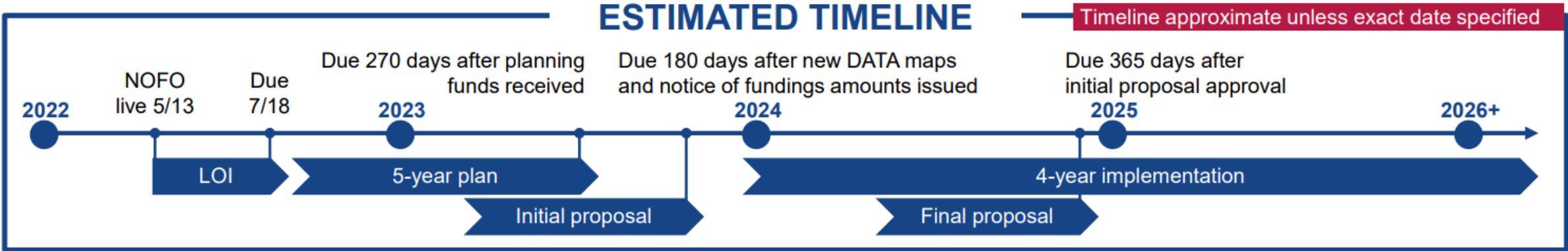
PROGRAM HIGHLIGHTS

Entities eligible to apply for this program include:

- All 50 States
- The District of Columbia and Puerto Rico
- Other Territories: U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands

Example eligible uses of funds include:

☆ Planning for deployment of Internet	☆ Deploying or upgrading Internet	☆ Installing Internet in multi-tenant buildings	☆ Implementing adoption and digital equity programs	☆ Workforce and job training
---------------------------------------	-----------------------------------	---	---	------------------------------



Digital Equity Act created three programs to promote digital equity and inclusion

Funding pool
\$2.75B

Three programs that provide funding to promote digital inclusion and advance equity for all. They aim to ensure that all communities can access and use affordable, reliable high-speed internet to meet their needs and improve their lives.

PROGRAMS HIGHLIGHTS

The Digital Equity Act created three programs:

State Planning

- \$60M formula funding program to develop digital equity plans

State Capacity

- \$1.44B formula funding program to implement plans & promote digital inclusion

Competitive

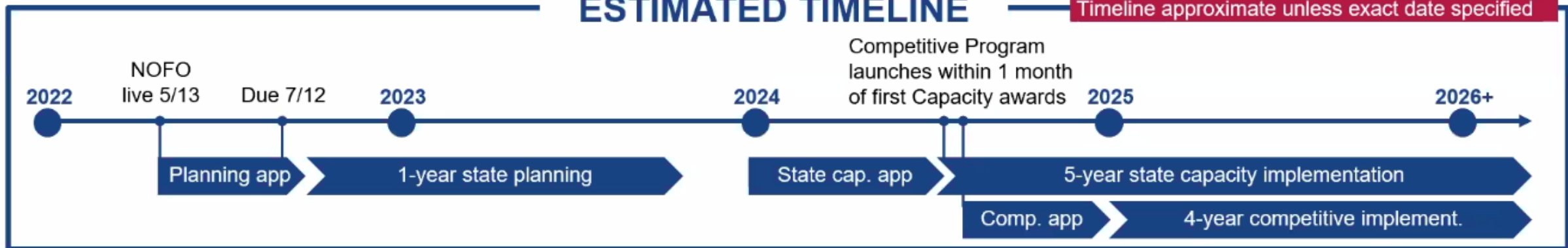
- \$1.25B to implement digital equity and inclusion activities

Example eligible uses of funds across three programs include:

- ☆ Developing digital equity plans; states must develop a plan to be eligible for state capacity grants
- ☆ Making awards to other entities to help make digital equity plans
- ☆ Improving accessibility and inclusivity of public resources
- ☆ Implementing digital equity plans and related activities
- ☆ Providing digital literacy and digital skills education
- ☆ Facilitating the adoption of high-speed Internet

ESTIMATED TIMELINE

Timeline approximate unless exact date specified



Potential Issues

- **Low cost option required – does it have to be \$30/month? – potential CUD Business plan impact**
- **Letter of credit required – does it have to be for the entire amount?**
- **Demonstrated capacity at the Broadband Office**
- **Incidental overbuild – what are the limitations? Notice requirements?**
- **ACT 71 restrictions on private providers – is that acceptable?**
- **RDOF limitations on use of funds**
- **Waiver process**

#	Priority	Item	Date entered	Assigned to	Resolution and date
18	1	Signature Authority of Executive Director	03/28/22	CH	Will present policy to Board on 06/06 meeting
19	1	Policy around hiring staff	03/28/22	CH	Will present policy to Board on 06/06 meeting
20	3	Recommendation for designation of an entity for Digital Equity & Affordability Office	03/28/22	CH	Closed. This is being addressed by the Governor's office per a directive from the NTIA. This falls into the responsibility of the VCBB as a subset of the IJA program.
8	2	Policy on "Material Default" see §8086(c)(2)	11/1/21	board	Closed. Issue has been resolved through legislation.
5	3	VCBB Dashboard – to be shared monthly to show progress. What are the milestones?	11/1/21	CH	Closed. Stone Environmental has presented it's proposal and the software platform meets the needs.
16	1	Provide Board with impact of Commitment letter	02/14/22	CH	Closed with material pre-purchasing proposal.
17	2	Statewide marketing collaboration with VCUDA	02/14/22	CH	Closed. VCUDA is not interested.
15	2	Provide Benchmarks for what telecom companies spend on Marketing	02/14/22	CH	Will research and present back on 3/14/22 Board meeting
1	1	Budget	10/18/21	CH	Completed. 2021 budget approved. 2022 will be presented in March.
2	1	Overbuild – what is the standard (20% of total served?)	11/1/21	CH	Completed. See Construction RFP Definition
3	2	Business Plans – what is the scope? Will they be updated before construction grants?	11/1/21	CH	Completed. The updated business plans will be included in the Construction RFP responses.
6	3	Fiber purchase – VCBB involvement? authorization? Status?	11/1/21	CH	Completed
7	1	Make Ready Construction – policy: part of §8085 grants or not?	11/1/21	board	Policy established. Make ready construction will be part of the construction grant program.

9	2	Revisiting timeline for VCBB – construction RFP & reporting timelines	11/22/21	RF	Completed. Part of the construction RFP. RFP approved by the Board on 01/03/22
10	2	Sequence assumptions for preconstruction and construction & reporting timelines	11/22/21	CH	Completed. Part of the Construction RFP. RFP approved by the Board on 01/03/22
11	2	DPS 2021 Map – Unserved	11/1/21	CH& board (LS)	Completed
12	1	Confidentiality. Grant Agreement Art 5 (state standard). Is the product of a grant a “public document” – e.g. will we post construction plans?	11/1/21	CH/Legal	The RFP and construction schedules will be public.
13	2	USP & contiguous CUD construction-policy	11/22/21	Board LS/HG	Completed. Addressed in the Construction RFP.
14		Legislative Consideration – Purchase of consolidated services/goods	11/29/21		Not needed.