

July 2023

**State of Vermont  
Performance Report**

**Capital Projects Fund  
2023 Report**

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**Table of Contents**

Executive Summary..... 2

Uses of Funds ..... 2

Promoting Equitable Outcomes..... 4

Labor Practices ..... 5

Community Engagement ..... 7

## Executive Summary

The [U.S. Department of the Treasury Capital Projects Fund](#) (CPF) has provided \$10 billion to states, territories, freely associated states, and Tribal governments to fund critical capital projects. These funds are intended to address many challenges and inequities brought to light by the pandemic, including woefully inadequate infrastructure, such as broadband, needed to access critical services.

In 2022, the Vermont General Assembly appropriated \$95 million in CPF funds to the Vermont Community Broadband Board (“VCBB” or “Board”). The VCBB has included the full \$95 million in Capital Projects Funds in Vermont’s existing Act 71 Broadband Construction Grant Program. Through its mission to provide reliable and affordable high-speed internet to unserved and underserved locations statewide, the program is helping to address disparities within underrepresented communities to bridge the digital divide.

Also in 2022, an additional \$16.4 million in CPF funds was appropriated to the Vermont Department of Libraries (“Libraries”). These funds are intended to address critical building improvements to ensure Vermonters have continued access to high-speed internet to directly enable work, education, and health monitoring at their local public libraries. A competitive grant process is under development whereby Vermont communities can be awarded funding to support capital improvements to their local public libraries.

Projects for both the Vermont Community Broadband Board and the Vermont Department of Libraries are in the preliminary stages with no expenditures to date for either project. Although no funds were expended, critical work is taking place that builds the foundation for the programs and provides information on how to successfully deploy grants. It is anticipated that deployment of funds will accelerate significantly in the coming year as grant recipients are identified and funds are fully awarded.



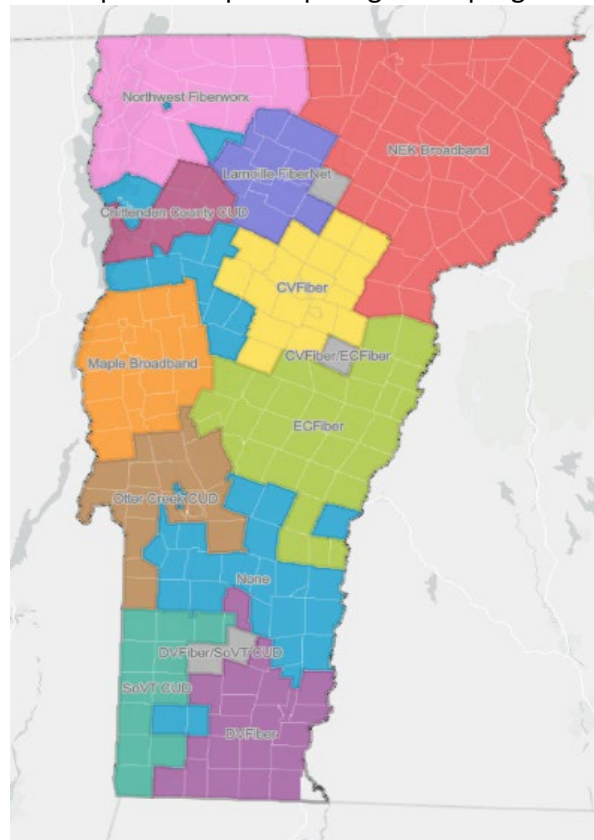
*Pictured: Morrystown Centennial Library's All Together Now banner, created by children in the summer reading program, photo courtesy of the library*

## Uses of Funds

### Broadband

The Vermont Community Broadband Board (“Board” or “VCBB”) has included the full \$95 million in Capital Projects Funds in Vermont’s existing [Act 71 Broadband Construction Grant Program](#) (“Program”). This program was established in 2021 and provides grants to eligible providers (“Providers”) for construction costs related to broadband projects providing service of at least 100/100 Mbps that are a part of a Universal Service Plan. Project selection is based on a competitive request for proposals (“RFP”) process. Service providers participating in the program must achieve speeds of at least 100/100 Mbps symmetrical at all on-grid underserved and unserved locations within their Universal Service Plan for a town or group of towns known as a Communications Union District (“CUD”). There are currently ten CUDs representing 216 of the 252 towns in Vermont.

Each applicant will be required to complete project construction and offer service to the identified locations within twenty-four (24) months of approval of their application or other timeframe specifically enumerated in their RFP response, absent force majeure. When applying to this Program, each applicant commits to providing broadband access to all unserved and underserved locations that currently receive electric service in the network area it proposes to build in. Capital Projects Funds utilized for this Program will be reserved for project costs incurred after the completion of the CPF grant agreement and will supplement existing state and federal funds.



Vermont Communication Union Districts

As of June 30th, 2023, the VCBB has approved over \$17 million in grants to eligible recipients within the State of Vermont. While these grants have been approved, the grant agreements are pending final execution. Additional applications will continue to be accepted on a rolling basis for the construction grant program. Additional details on the use and outcome of these funds will be included in future performance reports.

## Libraries

No project funds were expended by the Vermont Department of Libraries through June 30<sup>th</sup>, 2023. The Department of Libraries expects to launch the grant application by the end of calendar year 2023, with approved applications notified of funding early in 2024. Projects should commence in spring 2024.

The Department of Libraries team has been hard at work building the grant application. The rubric will include the [Vermont Community Index \(“VCI”\)](#), a tool developed by the State of Vermont to determine need in Vermont communities. This will help guide funds to the communities that need them most to provide internet access to the public to enable work, education, and health monitoring. Projects will be evaluated based on their score on the VCI, Treasury Guidelines, and for practicality, viability, and likelihood of completion during the grant period. Furthermore, the Department of Libraries team will use a single application for both the US Treasury funds and the one-time Congressionally Directed Spending funds (\$10,000,000) received through HUD for library capital improvements in small and rural Vermont communities. This will simplify the process for applicants and appropriate projects can be steered to the right funds.

The library community has been informed about developments with the program through the statewide listservs, the Department of Libraries newsletter and website, news stories, the Vermont Library Conference, and a webinar was convened on February 28, 2023. This webinar focused on the Department’s [Capital Projects Needs Assessment](#) survey.

The Capital Project Needs Assessment is the first step in readying libraries for application for capital project grants. The form asks about construction and repair needs, but also readies libraries by asking them for their UEI, ownership structure of the building and organization, and who will be responsible for any grants, should they receive them. This needs assessment received responses from 111 of 185 Vermont public libraries. Responses to the Needs Assessment survey yielded multiple projects at most of the 111 respondent libraries, many of which fit the criteria for projects that will enable public libraries to better provide access to free high speed internet for purposes of work, education, and health monitoring. These projects include improving access to Vermonters with physical disabilities, improving ventilation and filtration of air, and addressing structural issues that threaten the integrity of the building. There is substantial need for capital funds for these buildings.

Launching the Capital Project Needs Assessment and receiving responses was a vital step toward the success of this program. In addition to informing potential applicants about the upcoming grant application, the results of the needs assessment informed the Department about the types of projects so that the grant program can be structured to meet public libraries’ needs.

Recruitment is also underway for a position, Libraries Buildings Project Manager V, which is modeled on the State of Vermont position, Buildings Project Manager V. This position provides expertise in capital project management, construction methods, project monitoring, assists with designing the grant application, and will evaluate applicants for viability, cost, and practicality of projects. The first round of this recruitment was unsuccessful, so the recruitment has been

reopened. Competition for candidates in construction and capital project management is fierce and applicant pools are thin. The expectation is that because this position has a public service element, and it does not involve direct management of construction projects, a candidate will emerge that fits the skill set and the organization.

The Department of Libraries will also open recruitment for a second position, Libraries Grant Specialist. The plan is to have both positions filled by October 1, 2023.

Although no funds were expended during this reporting period, the Vermont Department of Libraries Capital Projects Fund made significant progress. The needs assessment confirmed that there is a great need for capital funds for Vermont public libraries, and it is expected that there will be competition for these funds. The Department informed and prepared the community for these grants. Project personnel will be hired in the coming months and the Department plans to launch the grant application in the fall. The Department plans to begin issuing grants in the coming winter.

## Promoting Equitable Outcomes

### Broadband

By requiring universal service to all addresses, the Broadband Construction Grant program acts as an equalizer, ensuring that all Vermonters have access to critical broadband infrastructure. The goal of the funding is to serve all who are unserved or underserved in Vermont regardless of race, color, sex, religion, sexual orientation, national origin, disability, or any other protected characteristics.

As a result of disparities in access to reliable and affordable high-speed internet, underrepresented communities have been systematically denied a full opportunity to participate in many aspects of economic, social, and civic life, including: low-income households, aging individuals, incarcerated individuals, veterans, persons of color, Indigenous and Native American persons, members of ethnic and religious minorities, women, LGBTQI+ persons, persons with disabilities, persons with limited English proficiency, persons who live in rural areas, and persons otherwise adversely affected by persistent poverty or inequality. To better understand and serve the needs of marginalized groups, the VCBB has assembled a Digital Equity Core Team that encompasses organizations that work directly with underrepresented groups across the State of Vermont. This core team is comprised of heads of agencies and organizations that represent the marginalized communities and provides consulting and support to the VCBB.

The creation of a comprehensive digital equity plan for all of Vermont is in progress as part of the [Broadband Equity, Access, and Deployment \(BEAD\) Program and Digital Equity Act](#). This digital equity plan is expected to allow for a more robust response to these inequities statewide and will influence the trajectory of broadband infrastructure deployment and access prospectively for all funding sources.

Funding allocations for the Broadband Construction Grant Program also consider equity in terms of access to service and the potential for the market to address the issue. By using a metric of

underserved road miles, we account for the market case for serving dense areas and ensure that the areas that are most costly to build receive the most funding. Through other efforts, programs, and in conjunction with other state allies including affordable housing groups, we are working to address difficult issues such as servicing multi-dwelling units and areas where the utilities are underground.

All recipients of grant funds are also required to participate in the [Affordable Connectivity Program](#). All applicants are also asked to address affordability in their applications and present innovative approaches for ensuring that the broadband service is affordable to all residents. Additionally, our preference for public ownership will allow proceeds from the network to be reinvested, ensuring that any profits derived from the network will be put back into the network and into ensuring affordability as opposed to expanding the profit margins of a private owner.

## Libraries

Equity is at the center of the Department of Libraries' effort to build their grant program. The communities whose libraries are most in need of capital funds are those that often have trouble competing for grants due to lack of knowledge about funding and administrative support.

State Librarian Catherine Delneo participated in a series of informational sessions along with members of Vermont Governor Scott's Extended Cabinet over the course of 2022 and 2023. These informational sessions were aimed at boosting responses from economically depressed and historically underserved communities in Vermont. Through these ARPA panel events, direct outreach, and Departmental efforts, audiences in every county in Vermont are aware of the Vermont Department of Libraries Capital Projects Fund.

The Vermont Community Index (VCI) will underpin the qualification of grant applications for these funds.

- a) **Objectives:** The VCI uses thirteen indicators to form two subindices: capacity and need. The capacity subindex includes five metrics that measure a community's population and administrative resources, and the need subindex contains eight metrics that measure socioeconomic status and demographics. The final VCI score is the mean of both subindex scores. Finally, the VCI scores are converted to percentile rankings to determine which communities show the greatest need for additional support according to the indicators included. These indicators are Equalized Municipal Grand List Value, Municipal Budget Per Capita, Population Change, Population Size, Town Manager or Administrator, Grand List Value Change, High School Graduate, Households with Broadband, Housing Cost-Burdened Homeowners, Income Per Capita Change, Individuals above 150% FPL, Labor Force Participation Rate Change, and Race and Ethnicity. Further information about the methodology and explanation of indicators can be found [here](#).
- b) **Awareness:** Promotion of the Department of Libraries Capital Project Fund was achieved through traditional means of reaching communities in Vermont such as newsletter articles, email, conference presentations, and a webinar. As part of the State of Vermont Extended Cabinet ARPA Tour, information was given in person in numerous communities in 13 Vermont counties. These open community meetings focused on getting information to areas where

government funds and initiatives are not typically received, often because of the inability of folks in these communities to apply for such funds, but also because of the cycle of not receiving funds and therefore not attempting to get them now. In addition to these well-attended community meetings, the State Librarian visited libraries in the area of each meeting. With a focus on libraries that serve communities high on the VCI index, the message was delivered directly to members of those communities, with the generalities of the program specifically applied to a given library.

- c) **Outcomes:** 111 libraries responded to the needs assessment. Of those 111 respondents, 32 are in [the top half of the VCI](#), indicating the greatest need in their communities. It should be noted that not every municipality listed on the VCI has a public library.

After participating in these sessions, libraries—particularly those that score higher on the Vermont Community Index equity tool—were visited by the State Librarian and information was shared directly with the community in those locations.

## Labor Practices

**Broadband & Libraries** 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 its recently passed law, 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.



*Broadband Site*

Additionally, where appropriate, projects will consider the use of project labor and community benefits agreements in order to ensure labor continuity and local engagement.



# Community Engagement

## Broadband

Community engagement has been at the forefront of Vermont's approach to broadband deployment since the VCBB was founded in July 2021. The majority of funds in the Broadband Construction Grant Program have been allocated for projects facilitated by Vermont Communications Union Districts (CUDs). These CUDs are comprised of member towns based upon geographic location. Each member town has to vote to join and appoints two delegates from that town. The CUDs meet monthly in public meetings. The CUDs are also invited to attend the monthly Vermont Community Broadband Board meetings and engage in further discussion and collaboration. This ongoing collaboration allows for timely and frequent feedback on program progress, the challenges, and prospective needs.

In addition, the VCBB recently conducted outreach as part of soliciting feedback for the digital equity plan that is in progress as part of the [Broadband Equity, Access, and Deployment \(BEAD\) Program and Digital Equity Act](#). Extensive and inclusive external engagement has been central to the process of developing strategic plans and will continue to be critical in its implementation. The State has been intentional in crafting an equitable engagement and outreach process, which has been designed to engage all segments of Vermont's population. This comprehensive effort includes various forms of direct engagement with stakeholder organizations, including non-profits, local government officials, and broadband service providers, as well as extensive outreach efforts to the general public. Principles utilized during the development of this plan were:

- Conduct inclusive stakeholder engagement with intentional outreach to underrepresented communities.
- Build on prior work analyzing the State's broadband needs, lessons learned, and existing policies related to broadband and digital equity.
- Be data-driven: use data and evidence to guide prioritization and decision-making.
- Ensure accessibility: The stakeholder engagement plan as well as subsequent materials and surveys were crafted in consultation with a Disability and Accessibility Strategist.

### *Written Feedback:*

The VCBB developed and released a survey to collect feedback from Vermonters, particularly those who were unable or unwilling to attend public events. The survey was developed in close concert with the Digital Equity Core Planning Team and included 18 questions on Vermonters' experience with the digital divide along with eight demographic questions to understand which Vermonters were providing feedback. The survey was distributed extensively through a variety of channels.

Digital Equity Core Team members distributed the survey widely throughout their own networks and posted on social media channels. The VCBB made exhaustive efforts to distribute the survey; it was included in all press releases that were issued after its publication and was posted on all the

VCBB social media channels. The VCBB sent the survey to members of the Vermont Senate and General Assembly, Vermont’s Regional Planning Commissions, Communications Union Districts, school superintendents, town clerks, and submitted it to various organizations for inclusion in newsletters. The VCBB also worked with the Vermont Department of Corrections to have the survey distributed to currently incarcerated Vermonters during educational programming. It was always sent with a request to recipients to distribute it to their networks. Members of the project team also distributed the survey to various organizations throughout the State as identified through the stakeholder identification process described above. Members of the project team, including Digital Equity Core Planning Team members, consulting staff, and Vermont staff members also shared the survey on their personal social media channels. In total, Vermont received over 2,060 survey responses (as of July 26, 2023).

Vermont also made available a telephone number, mailing address, and email address so that members of the public could provide feedback in a less structured manner, if that would be more comfortable for them. Vermont received about 150 messages from Vermonters through these ongoing feedback collection channels, which were coupled with qualitative survey results for the purposes of analysis and integration into these plans.

#### *Oral Feedback:*



*Newport, VT Listening Session*

The VCBB offered real-time opportunities for the public to provide feedback and ask questions about strategic plans and their impact on all Vermonters. The VCBB hosted two virtual listening sessions via Zoom and six in-person listening sessions in communities across Vermont. Based on current broadband availability and adoption data for the State of Vermont, event locations were chosen proximate to areas with the lowest rates of broadband availability and adoption, while also balancing with the need to have geographic breadth across the state. Event locations were also chosen to ensure easy access to major roads and highways wherever possible, to increase the likelihood of participation for those not from the immediately surrounding region. The events were held most frequently in the evenings, to avoid conflicting with work commitments, with one virtual

listening session occurring at noon on a weekday (during popular lunch times), and one in-person event occurring on a weekend. Activities for children were made available for any attendees who could not secure childcare. Events were planned in close consultation with the Disability and Accessibility Specialist to ensure they would be accessible. In-person events were held exclusively in ADA-accessible locations, with a particular focus on existing gathering places and trusted locations like libraries (where most events were held) and town halls. At virtual events, American Sign Language Interpreters were engaged through the entire event, providing real-time interpretation services. Accessibility accommodations were also available for all in-person events by request. In

total, 145 Vermonters attended these real-time listening sessions. Attendees included several small business owners and representatives of relevant stakeholder organizations.

The VCBB also identified events where Vermonters, and particularly Vermonters who were members of underrepresented communities, were already gathering, and, where appropriate, established a presence at these events. Events attended included the Vermont Veterans Summit, a VTRID Barbecue (for members of the deaf, hard of hearing, late deafened, DeafBlind, and DeafDisabled community), a World Refugee Day celebration, and an ACP enrollment and outreach event hosted by the Department of Housing and Urban Development and the Barre Housing Authority. At these events, members of the project team distributed the public feedback survey, assisted individuals in completing the survey, and answered questions about the planning process.

### Libraries

The Department of Libraries program managers visited 18 libraries and 13 community centers, theaters, town halls, and other community spaces to promote the Vermont Department of Libraries Capital Projects Fund. These visits generated multiple news stories, both in print [and on television](#).

The Department of Libraries also launched a multipronged information campaign about the Capital Projects Fund. The library community was informed about developments with the program through the statewide listservs, news reports, the Department of Libraries newsletter and [website](#), and a webinar was convened on February 28, 2023. This webinar focused on the Department's [Capital Projects Needs Assessment](#) survey. Catherine Delneo and Assistant State Librarian Janette Shaffer also presented at the Vermont Library Conference on April 3, 2023, promoting the Libraries Capital Project Fund.

The Department of Libraries also developed and distributed handouts that describe the program and inform applicants about uses and purpose of the program. The Department of Libraries website is referenced. The website and other materials are in English, but translation tools are available on the website.