



State of Arkansas
Performance Report

Capital Projects Fund
Fiscal Year 2024 Report

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Program Information

Approved Program Plan number (assigned by Treasury): CPFFN0186

Program Start Date: February 4, 2022

Program End Date: December 31, 2026

Actual CPF Funds Allocated: \$158,086,576.00

Executive Summary

Capital Projects Fund (CPF) funds were approved for broadband infrastructure projects by the Arkansas Legislative Council's (ALC) Performance Evaluation and Expenditure Review (PEER) subcommittee in December 2022 (\$93.9 million) and February 2023 (\$53 million). A total of 22 projects were awarded, which will expand broadband availability to over 19,000 locations across the state. CPF funds have been allocated for infrastructure projects; as of May 31, 2024, \$4,347,569 has been expended.

Staffing at the ASBO has also increased from four to seven full-time employees. Our team now has program management, research data analysts, financial analyst, and a digital opportunity manager.

Uses of Funds

Awarded projects from CPF are solely allocated to expanding broadband infrastructure in the state. In October 2022, the ASBO accepted applications from internet service providers for 40 state-defined infrastructure projects. ALC approved funding for 22 total projects. Fourteen projects were approved in December and another eight were approved in February 2023, totaling \$147,251,108 in allocated grant funding through CPF.

The ASBO has 22 agreements executed with construction in progress for 15 of those agreements. Once completed, this round of funding will serve an estimated 19,700 locations. The remaining balance of CPF funds are allocated for administrative program costs, and as of May 31, 2024, there were \$303,055 in administrative expenditures.

Promoting Equitable Outcomes and Addressing Critical Needs

Projects are designed to serve areas that are underserved by closing gaps in existing service – such as lower socio-economic areas and/or populations with evidence of unconnected or under-connected homes and businesses. Digital opportunity goals are addressed as a top priority in the application process as evidenced by the following methods.

Broadband projects are targeted to areas of individual geographical locations and allocations based upon need, particularly areas where reliable, wired connections are lacking. Applications for projects were approved using a scoring matrix based on a variety of factors including project cost, percentage of company contribution, quality of coverage, affordability of service to the consumer, and speed of service. Locations within the CPF broadband project footprints were first confirmed to not be in areas with existing federal funding commitments so gaps in service areas would be prioritized and duplication of funding avoided. Internet service providers awarded CPF

projects must connect every broadband serviceable location, as defined by the FCC National Broadband Map, within the state-defined project area.

As construction began in these targeted areas, the ASBO has worked with the newly established county broadband committees and the internet service provider to increase awareness of and promote digital skills training opportunities to increase adoption of broadband within the community.

Labor Practices

Workforce practices on broadband infrastructure projects included encouraging subrecipients to vet subcontractors that support the local community and workforce, as well as quality of service. By using multiple Arkansas contractors to install and splice fiber for broadband projects, recipients are able to provide employment opportunities and support economic recovery in several areas of the state. Expansion of broadband service will also have long-term benefits as many internet service providers will see a need to increase the number of locally-based employees to meet the demands of new service areas.

Community Engagement

The ASBO started visiting all 75 counties in the state in February 2023 to discuss broadband infrastructure and affordability, including pending CPF awards. These meetings were coordinated with the County Judge and/or the local Chamber of Commerce and were open to the public. At the conclusion of the presentation, each county was asked to form its own county broadband committee made up of elected officials, broadband stakeholders, and volunteer residents, which will then communicate and collaborate with the ASBO on a regular basis. In CPF-funded project areas, the county broadband committee will communicate between ASBO and the subrecipient(s) as well as assist with updating the community on project status. The statewide outreach effort covered over 5,900 miles and accounted for over 850 individual interactions with local Arkansans.

In 2023, the ASBO launched the Arkansas Broadband Leaders Network (ABLN), an informal association meant to connect the county broadband committees and other broadband stakeholders with the ASBO. Bi-weekly, virtual ABLN meetings are held, including a rotating agenda of specific programming and generic “office hours.” This platform is used to educate stakeholders on various broadband related topics; identify and implement best practices; and share news and events from the ASBO.

The ASBO continues to operate the constituent-focused email address for residents to ask general broadband-related questions (broadbandconcerns@arkansas.gov). This email address is monitored daily. The ASBO is also in the process of updating its official website to make it more user friendly and accessible to all Arkansans.