Alabama Department of Economic and Community Affairs

Performance Report

Capital Projects Fund

2026 Report

1. Program Information

This 2026 Capital Projects Fund (CPF) Performance Report provides information related to program outputs and outcomes against the stated objectives in the approved Program Plan:

- Approved Program Plan number: CPF_GP-000294
- Program start date: July 31, 2023
- Program end date: December 31, 2026 (estimated)
- Actual CPF funds allocated to the Program: $191,887,857.00 (to date)

2. Executive Summary

Alabama's lead agency for the CPF Program, the Alabama Department of Economic and Community Affairs (ADECA), is conducting a competitive statewide broadband infrastructure grant program to subaward funding to qualified internet service providers (ISPs). This CPF Program is funding last-mile broadband infrastructure projects in unserved areas of the state. For the purposes of ADECA's CPF Program, an unserved area is any rural area in which there is not at least one provider of terrestrial broadband service that is either (a) offering a connection to the internet providing 100/20 Mbps or higher speeds or (b) required under the terms of another state or federal grant to provide a connection to the internet providing 100/20 Mbps or higher speeds within the same or similar timeframe of projects of similar complexity or scale awarded during the CPF Program grant cycle.

The Program Plan incorporates the State of Alabama's legislative objectives for broadband deployment, including but not limited to addressing needs in unserved areas, improving the adoption rate of broadband services, incentivizing private investment, and prioritizing locations with demonstrated community support as well as promoting the deployment of grant funds in a manner consistent with the racial, gender, geographic, urban, rural, and economic diversity of the state.[1] ADECA also continues to maintain the Alabama Broadband Map, which provides broadband availability data reported by ISPs.[2]

ADECA has made progress toward these objectives by continuing with the implementation of its competitive CPF grant program for which it accepted 239 applications over the course of two program phases (179 applications in the first phase, 60 applications in the second phase). These applications were scored based on the criteria developed with qualitative and quantitative input gathered by ADECA in numerous in-person and virtual outreach events conducted during the prior reporting period. More information about the CPF Program application process can be found at https://adeca.alabama.gov/alcapitalprojectsfund/, including copies of the application,

[1] *See* Ala. Code § 41-23-213(d), https://alison.legislature.state.al.us/code-of-alabama.
[2] Alabama Broadband Map, https://broadband.alabama.gov/broadband-maps/.

application guide, program guide, frequently asked questions, and rating criteria for each CPF Program phase.

As of this reporting period, ADECA has awarded 73 CPF projects through both phases. After deobligations from projects that did not materialize, ADECA has currently obligated $174,475,989.11 in CPF Program grant funds to these projects. Subaward Agreements for these CPF grants are fully executed as of the writing of this report. ADECA also anticipates announcing scope amendments to several projects to add additional locations to be served and to obligate the remaining funds. Sample Subaward Agreements for each CPF phase can be found at https://adeca.alabama.gov/alcapitalprojectsfund/.

3. Uses of Funds

Using CPF funding, ADECA has made 73 funding awards to applicants that propose to construct last-mile infrastructure projects in unserved areas of the state to deliver minimum service speeds of 100/100 Mbps, although many ISPs have committed to provide faster speeds. These awards cover an anticipated $174,475,989.11 in CPF Program grant funds, with a corresponding anticipated ISP match amount of $388,871,671.32. The awarded projects will cover an estimated 6,427 route miles and provide broadband service to an estimated 59,652 currently unserved households, businesses, and community anchor institutions.

Efforts during this reporting period focused on implementing program, and providing technical assistance to subrecipients. ADECA has updated the performance measures in its quarterly reports to the Treasury. All projects are currently under construction, and six projects have been completed and closed. The projects that were completed and closed met all speed and latency requirements as demonstrated by their testing results. Additionally, their pricing plans and as-built drawings were submitted prior to final payment being issued.

During this reporting period, ADECA:

- Conducted a close out workshop to CPF 1 and CPF 2 Projects on January 29, 2026, (A recording of the workshop was posted on ADECA's website at https://adeca.alabama.gov/broadband-webinars-and-workshops/.)
- Continued to provide technical assistance for all CPF subrecipients regarding deployment and reporting.
- ADECA's CPF Program documents address the goal of requiring an expanded set of subrecipient reporting obligations, including quarterly and annual reports that provide project status, project expenditures, community engagement, complementary funding sources, labor practices, and specific performance indicators that demonstrate progress toward meeting the state's broadband objectives. Consistent with federal CPF Program rules, ADECA's CPF Program required applicants to participate in the Affordable Connectivity Program (ACP) or any successor affordability program designated by the FCC,

and to provide information on affordable services applicants intend to offer in the proposed project service area.

- In addition to the reporting required above, each CPF subrecipient has been required to submit a written report to ADECA on a 45 day basis. Those reports are presented to the Alabama Digital Expansion Authority (ADEA) at an in-person meeting. Subrecipients are required to report to the ADEA on their progress and to discuss any delays.

Currently, ADECA is on track to complete all projects and expend all funds within the program timeline.

Anticipated Program Timeline
• **Q3 2024 to Q4 2024** – Finalize CPF Subaward Agreements and confirm community support projects • **Q3 2025 to Q1 2026** – Amend projects to add scope and funds to further program goals • **Q4 2024 to Q3 2026** – Oversee construction phase and subrecipient quarterly and annual reporting • **Q4 2024 to Q4 2026** – Receive closeout documentation and compliance testing for projects and provide final funding to subrecipients on a rolling basis according to award date

To meet the other goals of the CPF Program, ADECA has prioritized grant applications for last-mile projects that ensure the critical needs of residents in underrepresented and historically disadvantaged rural communities are addressed through community support and adoption projects, and through targeted efforts to support local community anchor institutions. ADECA has also prioritized projects that include planning and capacity for future growth, that indicate financial sustainability, and that leverage private investment. To achieve these goals, ADECA included a review of pricing data, service characteristics, proposed non-recurring costs, data caps, and average service fees in the communities to be served before awarding the projects.

ADECA anticipates conducting the following activities during the next performance period:

- Support subrecipients as they implement their projects and continue to provide clear guidelines for subrecipients that include annual and quarterly reporting, closeout processes, labor practices, and community engagement guidelines.
- Execute amendments for increased project scope.
- Continue to update the public and the ADEA about program progress through in-person project reports.
- Provide technical assistance to subrecipients throughout the project closeout phase.
- Continue partner outreach and provide opportunities for community feedback to support ADECA's quarterly and annual reporting.

ADECA expects to follow the Treasury's program compliance requirements closely as it collects data on build-out progress, subrecipients' service offerings (including pricing and affordability measures), number of locations served by the project, and new digital skills and workforce training programs developed directly or indirectly as a result of the funded project.

ADECA has designed its CPF Program so that low-income households and households from underrepresented communities in rural areas will directly benefit from CPF funds. ADECA's grant program provided additional consideration to applicants that offered affordability programs that go beyond participation in the ACP, improved services to community anchor institutions, demonstrated community support to meet critical needs, and entered into partnerships with community organizations to provide digital skills and affordable device programs. Success is being measured by an increase in rural resident and business broadband connectivity.

At this stage of its program implementation, ADECA has not encountered significant challenges or unexpected obstacles, except for the resources and staffing challenges that are to be expected for a state agency that is implementing multiple high-priority broadband programs simultaneously.

ADECA has no outcomes related to ancillary costs. ADECA required applicants to provide detailed project budgets as part of their applications and has made clear in program guidance that project costs eligible for reimbursement generally will be limited to construction and construction-related costs of broadband infrastructure. Outreach to increase broadband subscriptions in high-need communities, digital literacy training to support device programs, and community engagement to support successful operations were all considered as part of ADECA's CPF Program project evaluation criteria.

As originally stated in the Program Plan, ADECA estimated it will use all of the allowable Program administrative cost allocation of $9,594,392.85 to support the tasks outlined. Any unused administrative funding will be transferred to project costs in the CPF Program.

ADECA's administrative cost breakdown as originally submitted in the Program Plan assumes ongoing community engagement—with a focus on engagement during active grant cycle periods—and technical support for subrecipients during the grant cycle periods and during initial deployment.

4. Promoting Equitable Outcomes and Addressing Critical Needs

Prior to receiving its CPF award, ADECA had conducted outreach that included 19 meetings with partner groups, state agencies, and community anchor institutions that serve several underrepresented communities including seniors, low-income households, racial and ethnic minorities, and limited English-proficiency residents.

During this period of performance, ADECA applied knowledge gained through those extensive outreach efforts (in which it gathered feedback and input on affordability, critical needs, and other considerations) as it published its grant program materials and began to evaluate responses and make conditional awards.

During this reporting period, ADECA provided:

- Information regarding the CPF Program via an established distribution email list, other traditional and social media channels, and on ADECA's website at https://adeca.alabama.gov/alcapitalprojectsfund/.
- An application workshop to amend both phases of the CPF Program.
- Technical assistance meetings with subrecipients in both phases of the CPF Program.
- Quarterly in-person public meeting where subrecipients reported on project progress to the ADEA and the public.

As more projects are closed, specific activities that were undertaken to meet the program goals of promoting equitable outcomes and addressing critical needs will be include in subsequent reports. Activities that include digital skills, device programs, community outreach, and other activities undertaken by the subrecipients are tracked and reported at close out and will be included in this report in the future. Subrecipients will be required to provide ADECA with sufficient information to determine whether funded projects supported key program objectives and addressed barriers and obstacles for residents and other entities.

As part of its CPF Program subrecipient reporting requirements, ADECA will collect additional information about how subrecipients addressed the critical needs of communities at the various project stages, including:

- Descriptions of any historically underserved, marginalized, or adversely affected groups, including those living in rural areas and/or high-poverty areas, that the project is designed to serve.
- Discussions of how equal and practicable was the ability of members of these communities, including households, businesses, and other organizations, to become aware of the services offered by the project.
- Information regarding the progress made toward addressing critical needs identified in targeted communities, such as closing service gaps, reaching universal levels of service, or community support projects, along with a description of the methods used to quantify and qualify project outcomes.

5. Labor

Through its outreach efforts, ADECA received feedback from labor unions and workforce development agencies regarding the importance of fair labor standards, local hiring standards, and workforce training opportunities. These standards and opportunities will contribute to the effective and efficient delivery of high-quality infrastructure projects. They will also support the critical needs of the communities these projects will serve, by supporting economic development, workforce skill development, and opportunities for highly skilled workers.

ADECA's CPF Program requires applicants to describe their labor practices, use of project labor agreements, local hiring, and plans to solicit and use small and minority businesses, women's business enterprises, and labor surplus area firms. In its CPF Program grant application scoring, ADECA provided additional consideration to applicants that prioritize strong labor and workforce development practices, including hiring workers from historically disadvantaged communities, providing wages at prevailing wages, prioritizing local hires, and partnering with community-based organizations for hiring and workforce training.

ADECA required applicants to disclose whether the applicant has been found by any authority to have violated any federal, state, or local labor or employment laws in the two years prior to the application submission. In the CPF Subaward Agreements and reporting, ADECA requires grantees to meet all compliance reporting requirements related to labor practices and hiring, staffing, and training practices over the grant period.

6. Community Engagement

ADECA's outreach in the prior reporting period included extensive community engagement during 67 county meetings, meetings with Historically Black Colleges and Universities, and meetings with tribal entities. ADECA incorporated feedback from community organizations into its program application materials and rating criteria by providing additional consideration for key elements that these community organizations prioritized such as community support, digital opportunity programs, affordability considerations, and workforce training programs.

Attendees at these meetings, which occurred prior to the period of performance, included representatives of ISPs, community colleges, libraries, churches, county and municipal governments, organizations serving covered populations, educational institutions, and community-based organizations (local, regional, and statewide). During the previous period of performance, ADECA focused on incorporating information gathered in prior community engagement efforts into its program implementation.

During this period of performance, ADECA's CPF Program subrecipients' community engagement efforts have included:

- Pea River uses free Wi-Fi at local high school football games to advertise its service within the area.

- Coosa Valley Technologies has held a Halloween event that is used as marketing for its services.
- R.M. Greene has demonstrated through its use of the program that residents in rural Russell and Barbour counties now have access to remote job opportunities. Children have internet access to assist with completing school assignments. In addition, farmers have access to real-time information to allow them to conduct business transactions with up-to-date information.

- Central Alabama Electric Cooperative has engaged the Chilton County School to integrate a Fiber Technician Training into its existing utility line worker curriculum, providing students with hands-on experience in a high-demand field.
- Tombigbee Electric Cooperative has partnered with Winston County School District to provide equipment along digital literacy programs to enhance the use of the network it has built.

ADECA will continue to expand its community engagement efforts through its subrecipients as it supports the efforts of those service providers to reach out to community leaders where the grant-funded projects are located. ADECA will continue to document these events and incorporate feedback in subsequent reports.

7. Civil Rights Compliance

ADECA has developed a compliance framework to ensure it will meet its obligations under its Grant Agreement with the U.S. Treasury, including legal requirements relating to nondiscrimination and nondiscriminatory use of federal funds. As part of this framework, and as discussed above, ADECA has a monitoring and reporting requirement within its CPF Program to ensure its subrecipients are also in compliance with CPF Program guidelines, the Grant Agreement obligations, and the Unform Guidance. Additionally, ADECA's Subaward Agreements for the CPF Program include a provision that obligates subrecipients to comply specifically with these Civil Rights requirements. ADECA will submit data as required in future reports.

The following is the link to this report on the ADECA webpage: https://adeca.alabama.gov/alcapitalprojectsfund/

Disclaimer

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