State of Arkansas

Performance Report

Capital Projects Fund

Fiscal Year 2026 Report

State of Arkansas

Fiscal Year 2026 Performance Report

Table of Contents

Program Information

Approved Program Plan number:	CPFFN0186
Program Start Date:	February 4, 2022
Program End Date:	December 31, 2026
Actual CPF Funds Allocated:	$158,086,576.00

Executive Summary

Note: Since the inception of the Arkansas State Broadband Office, the office has been referred to as “ASBO” and “ARConnect.” These names are interchangeable. You will see “ARConnect” used throughout this Fiscal Year 2026 (FY26) performance report.

During Fiscal Year 2023 (FY23), 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 across 24 different providers (two projects included joint partnerships), meant to expand broadband availability to over 19,000 homes and businesses across the state. During this reporting period, ARConnect heavily focused on stakeholder engagement. ARConnect held meetings in all 75 counties, launched a program to collaborate with stakeholders across the state, and held the first of many roundtable discussions, which continue to this day.

ARConnect staffing also increased during FY23. A Broadband Project Manager was onboarded in December 2022. The position was initially focused on developing relationships with communities and stakeholders to expand awareness about broadband availability, affordability, and digital skills education. ARConnect then added a Grants Program Manager in May 2023. This position was initially responsible for updating and relaunching the Arkansas Rural Connect (ARC) Grant Program, including project monitoring and compliance for existing and future awards. A part-time fiscal compliance officer began working with ARConnect in June 2023. Since that time, the ARConnect team has grown from three full-time employees and one part-time employee to seven full-time employees. The office is also the beneficiary of capacity resources through AmeriCorps’ American Connection Corps program, which placed one AmeriCorps Fellow in ARConnect during Fiscal Year 2024 (FY24).

During FY24, 21 subrecipient grant agreements were formally executed between the State of Arkansas and subrecipient internet service providers (ISPs). Three ISPs ultimately declined to execute grant agreements, citing various reasons. Of the 21 active projects, three received expense reimbursements during the reporting period, and all 21 projects were in some phase of construction by the end of FY24. ARConnect expended CPF dollars for program plan-approved expenses, including recipient salaries and benefits; administrative maintenance and operations; subrecipient expense reimbursement; and professional services. These expenses totaled $7,108,953.85.

During Fiscal Year 2025 (FY25), one subrecipient forfeited its grant agreement, citing higher than expected costs to complete the project. No funds were disbursed by ARConnect for the forfeited project, and the impacted locations were absorbed into the Arkansas BEAD Program. This left a total of 20 executed and active projects as of the close of FY25. ARConnect expended CPF dollars for program plan-approved expenses, including recipient salaries and benefits; administrative maintenance and operations; subrecipient expense reimbursement; and professional services. These expenses totaled $43,174,175.99.

During Fiscal Year 2026 (FY26), construction continued across the program, with 13 projects achieving technical completion as the last-mile buildout was completed. The remaining seven projects remain in the last-mile construction buildout phase. ARConnect continued to expend CPF dollars for program plan-approved expenses, including recipient salaries and benefits; administrative maintenance and operations; subrecipient expense reimbursement; and professional services. These expenses totaled $31,086,840.92.

Through the end of FY26, the State of Arkansas has expensed a cumulative total of $81,369, 970.76 to the CPF program.

Uses of Funds

As outlined in Arkansas' approved CPF program plan, CPF funds awarded to the State were solely allocated and intended for the expansion of broadband infrastructure to unserved and underserved locations in the State and associated administrative expenses. To execute the program, broadband infrastructure grants were awarded through the ARC Grant Program and administered by ARConnect.

Fiscal Year 2024

During FY24, ancillary costs incurred in support of the program included ARConnect hosting an initial, in-person all-CPF subrecipient meeting, of which U.S. Treasury was in attendance (virtually). At this meeting, presentations were given to all CPF subrecipients by ARConnect, the University of Arkansas for Medical Sciences (UAMS; the third-party grant program manager at the time), and Arkansas 811. Topics of presentation and discussion included federal and state program rules and administration, subrecipient expectations, and utility locate best practices.

During FY24, ARConnect expended CPF $7,108,953.85 dollars for plan-approved program expenses, including recipient salaries and benefits; administrative maintenance and operations; subrecipient expense reimbursement; and professional services.

During FY24, $172,777.03 was expended on salaries and benefits. Maintenance and operations (M&O) expenses are inclusive of general operating costs, such as travel, printing, postage, equipment, supplies, etc. During FY24, $20,436.86 was expended on M&O. Professional services are a necessity for effective administration of the program. During FY24, $568,007.90 was expended for professional services, to include incurred costs for third-party grant program management. This brings administrative expenses for FY24 to $761,221.79.

Fiscal Year 2025

During FY25, ARConnect expended $43,174,175.99 CPF dollars for plan-approved program expenses, including recipient salaries and benefits; administrative maintenance and operations; subrecipient expense reimbursement; and professional services.

During FY25, the ARConnect staffing model was inclusive of a director, a deputy director, two project managers, a digital opportunity manager, a business operations manager, and a financial operations manager. During FY25, $243,730.17 was expended on salaries and benefits. Maintenance and operations (M&O) expenses are inclusive of general operating costs, such as travel, printing, postage, equipment, supplies, etc. During FY25, $19,492 was expended on M&O. Professional services are a necessity for effective administration of the program. During FY25, $1,186,344 was expended for professional services, to include incurred costs for third-party grant program management. This brings administrative expenses for FY25 to $1,449,566.83. Through the end of FY25, the State of Arkansas expensed a cumulative total of $50,283,129.84 to the CPF program.

Fiscal Year 2026

During FY26, ARConnect expended 31,089,416.43 CPF Funds for plan approved program expensed including recipient salaries and benefits; administrative maintenance and operations. Subrecipient expense reimbursement; and professional services.

During FY26, following the State's employee title and pay scale overhaul, the ARConnect staffing model was inclusive of a director, a deputy director, three commerce program coordinators, an IT infrastructure coordinator, IT senior project manager, an extra help position, an AmeriCorps volunteer, and a vacant financial services supervisor/expert. During FY26, $164,786.24 was expended on salaries and benefits for the office, and $70,619.69 was expended on M&O. Professional services are a necessity for effective administration of the program. During FY26, $642,115.90 was expended for professional services, to include incurred costs for third-party grant program management. This brings administrative expenses for FY26 to $877,521.83. Through the end of FY25, the State of Arkansas expensed a cumulative total of $81,369,970.78 to the CPF program.

Presented below are the subrecipient reimbursements for project related costs by fiscal year and cumulative as of June 30, 2026:

Project ID	Subrecipient	Project Name	FY24 As of June 30, 2024	FY25 As of June 30, 2025	FY26 As of June 30, 2026	Cumulative As of June 30, 2026
CPF01	CableSouth Media III LLC	Ashley County			$5,124,301.31	$5,124,301.31
CPF02	NEXT, Powered by NAEC	Baxter County		$781,574.08	$307,039.12	$1,088,613.20
CPF03	Hometown Internet, LLC	Boone County-B		$242,364.16	$7,155,014.09	$7,397,378.25
CPF05	South Central Connect, LLC	Clark County		$1,088,109.82	$403,062.71	$1,491,172.53
CPF06	Connect2First Internet	Cleburne County- A	$2,343,006.58	$2,250,603.96		$4,593,610.54
CPF07	Walnut Hill Telephone Company	Columbia County	$1,120,951.37	$2,960,304.22	-.03	$4,081,255.56
CPF08	Comcast Cable Communications, LLC	Cross County		$94,809.94		$94,809.94
CPF09	Comcast Cable Communications, LLC	Faulkner County-B			$218,555.94	$218,555.94
CPF10	Wave Rural Connect, LLC	Franklin County		$4,376,110.75		$4,376,110.75
CPF12	South Central Connect, LLC	Hot Spring		$1,759,816.41	$1,221,312.76	$2,981,129.17
CPF14	Wave Rural Connect, LLC	Logan County-A		$5,749,999.37		$5,749,999.37
CPF14A	CoxCom, LLC	Logan County-A		$2,402,794.10	$4,456,237.06	$6,859,031.16
CPF15	Wave Rural Connect, LLC	Logan County-B		$6,653,557.05		$6,653,557.05
CPF16	Connect2First Internet	Lonoke County		$7,363,244.81	$284,332.30	$7,647,577.11
CPF17	Southwest Arkansas Telecommunications and Technology, Inc dba Four States Fiber	Montgomery County-A		$2,638,808.41	$2,277,824.82	$4,916,633.23
CPF18	Comcast Cable Communications, LLC	Pulaski County-A			$179,166.08	$179,166.08
CPF19	Comcast Cable Communications, LLC	Pulaski County-B			$109,984.00	$109,984.00
CPF20	Petit Jean Electric Cooperative Corp.	Searcy County-B			$6,137,177.37	$6,137,177.37
CPF21	South Central Connect, LLC	Montgomery County-B		$1,126,229.94	$26,720.48	$1,152,950.42
CPF22	Enlightened by Woodruff Electric, LLC	St Francis County	$2,883,774.11	$2,236,282.14	$2,308,591.08	$7,428,647.33
TOTALS			**$6,347,732.06**	**$41,724,609.16**	**$30,209,319.09**	**78,281,660.31**

Through the end of FY26, the State of Arkansas has reimbursed subrecipients a total of $78,281,660.31, while cumulative expenditures for the program are $81,369,970.76.

From a project completion perspective, there are several data standards and measures to consider, covering key milestones and outcomes achieved. Among these include completion percentages for deployment, documentation, financial, and the overall project itself. Of these metrics, deployment completion percentage is the best overall representation of project progress, and one that is of most importance to stakeholders. As of the close of FY26, deployment completion percentages were reported as follows (FY25 figures are also included):

Project ID	Subrecipient	Project Name	Deployment Completion as of June 30, 2025	Deployment Completion as of June 30, 2026
CPF01	CableSouth Media	Ashley County	74%	100%
CPF02	NEXT, Powered by NAEC	Baxter County	99%	100%
CPF03	Hometown Internet, LLC	Boone County-B	35%	100%
CPF05	South Central Connect, LLC	Clark County	99%	100%
CPF06	Connect2First Internet	Cleburne County-A	99%	100%
CPF07	Walnut Hill Telephone Company	Columbia County	99%	100%
CPF08	Comcast Cable Communications, LLC	Cross County	27%	28%
CPF09	Comcast Cable Communications, LLC	Faulker County-B	28%	28%
CPF10	Wave Rural Connect, LLC	Franklin County	99%	100%
CPF12	South Central Connect, LLC	Hot Spring County	65%	66%
CPF14	Wave Rural Connect, LLC	Logan County-A	99%	100%
CPF14A	CoxCom, LLC	Logan County-A	99%	100%
CPF15	Wave Rural Connect, LLC	Logan County-B	99%	100%
CPF16	Connect2First Internet	Lonoke County	99%	100%
CPF17	Southwest Arkansas Telecommunications and Technology, Inc dba Four States Fiber	Montgomery County-A	25%	35%
CPF18	Comcast Cable Communications, LLC	Pulaski County-A	28%	28%
CPF19	Comcast Cable Communications, LLC	Pulaski County-B	28%	28%
CPF20	Petit Jean Electric Cooperative Corp	Searcy County-B	99%	100%
CPF21	South Central Connect, LLC	Montgomery County-B	51%	57%
CPF22	Enlightened by Woodruff Electric, LLC	St Francis County	99%	100%

Narratives regarding individuals and households benefiting from these closed CPF-funded projects will become more readily available in the future. Although projects may be completed, positive impact measurement will be on a delayed timeframe as individuals and households will first need to subscribe to newly provided internet service, experience positive impact, and then be able to describe said impact. However, as of the close of FY25, consumer subscription data had been reported by one closed out project. This subrecipient reported 184 subscriptions as a result of the project.

ARConnect is in the process of collecting subscription data from projects that achieved technical completion during FY26 and should be able to report that information in the FY27 performance report.

Promoting and Addressing Critical Needs

As outlined in the Performance Report for FY23, Arkansas' approved CPF program plan promotes and addresses critical needs by funding broadband infrastructure projects that provide broadband expansion to unserved and underserved locations throughout the State. The project footprints in question were designed using a refined, methodological approach, utilizing a baseline map from FCC Form 477, then leveraging directly sourced ISP coverage data, checking address-specific broadband availability data through ISP websites, and integrating data from grant-funded areas.

By necessity, Arkansas' CPF project footprints and associated unserved and underserved locations encompass more rural, socio-economically depressed areas of the State. As projects are completed, promoting and addressing critical needs in these communities will be enabled by eliminating the digital access gap that currently exists, allowing for Arkansans from all walks of life to self-determine their success in the 21st Century digital economy. As construction is completed at the project level and service becomes available, ARConnect will work with the

Arkansas Broadband Leaders Network (ABLN) and the subrecipient ISP to increase awareness of newly available access to increase adoption of broadband within the community.

Subscription data, as well as reporting on awareness activities related to technically competed projects in FY26, will be more readily available in the FY27 report.

Labor

Arkansas is a proud right-to-work state, and as such, follows federal guidance regarding reporting of requested labor-related data by subrecipients. ARConnect encourages effective and efficient delivery of high-quality broadband infrastructure projects and supports economic recovery through employment opportunities for local Arkansans through two unique initiatives: 1) the Connecting the Heartland Broadband Jobs Board (Jobs Board); and 2) the Arkansas Fiber Academy (AFA).

The Jobs Board launched during FY24 and remains a gamechanger for the State of Arkansas. This innovative platform allows job seekers, employers, and training providers to connect in one online hub. Because of this effort, Arkansans interested in joining the rapidly growing broadband workforce, or getting trained to join the broadband workforce, now have one complete location for information. The new Jobs Board, coupled with the AFA and a planned $15 million investment through the Broadband Equity, Access, and Deployment (BEAD) Program is firmly cementing Arkansas as a leader in the broadband workforce space.

The AFA continued to gain strides during FY25, adding two new specialty programs, including a fiber option technician program and an engineering design program. These two new programs join the three original programs, including an aerial lineman program, telecommunications tower technician program, and an underground drilling technician program. These five programs offer a path to not only a fast-tracked, high-paying career, but the ability for Arkansas subrecipient ISPs to hire local Arkansans for broadband infrastructure buildouts across the state, including for CPF-awarded projects.

In FY26, ARConnect launched an internal, informal initiative entitled “Operation Hired.” The initiative includes inviting recent graduates of the five AFA programs to join the bi-weekly, virtual Infrastructure Roundtable (IR) calls and introduce themselves and their experiences in the AFA program to the State’s ISP community. The goal of the initiative is to connect new graduates with Arkansas ISPs and facilitate job placement.

As in previous reporting cycles, it should be noted that CPF funds were not used for either initiative described above, but the initiatives serve as a complementary effort to Arkansas’ CPF program, and CPF subrecipient ISPs can benefit greatly from said initiatives.

Community Engagement

During FY23, ARConnect launched a constituent-focused email address for stakeholders to ask general broadband-related questions or voice concerns (broadbandconcerns@arkansas.gov). This email address continues to be monitored daily.

During FY24, ARConnect launched several stakeholder engagement mediums, including the Arkansas Broadband Leaders Network (ABLN), the previously mentioned Infrastructure Roundtable, a weekly update email series, and a news alert email process.

ABLN meetings connect county broadband committees and other statewide broadband stakeholders with ARConnect. ABLN consists of state legislators, county judges, mayors, county broadband committees, nonprofits, philanthropies, libraries, and more. Bi-weekly, virtual ABLN meetings were held, including a rotating agenda of specific programming and generic "office hours updates." This platform is used to educate stakeholders on various broadband-related topics; identify and implement best practices; and share news and events from ARConnect, including updates regarding ongoing projects, such as CPF subrecipient projects, as well as State and Local Fiscal Recovery Funds (SLFRF) projects and the ongoing BEAD program.
In FY26, the ABLN meetings were moved to a monthly basis.

IR served as an informal, weekly virtual call with ISPs across the country, including CPF subrecipient ISPs, to allow for weekly updates and news from ARConnect, inclusive of CPF updates (as well as all other ARConnect programs and initiatives).

In FY26, the IR was moved to a bi-weekly schedule.

Electronic communication channels, such as ARConnect's previous weekly update email series and news alerts, allow for consistent communication and updates from ARConnect to all stakeholders, including CPF subrecipient ISPs. Typical updates include project deployments (including CPF), as well as other ARConnect news, programs, and initiatives.

During FY25, ARConnect continued the initiatives listed above. In addition, ARConnect launched a new website. All current and future federal awards, planning documents, public comment periods, and related news are and will continue to be posted online at broadband.arkansas.gov.

During FY26, ARConnect sustained community engagement efforts through continued constituent-focused emails, stakeholder engagement mediums, the county broadband committee structure, and website postings. The community engagement initiatives detailed are meant to support the successful implementation and operation of all ARConnect programs, including the CPF program. We will continue these efforts and continue to look for opportunities to improve and expand our community engagement in FY27.

Civil Rights Compliance

The State of Arkansas assures that it is in compliance with Title VI. As a recipient of federal financial assistance from U.S. Treasury, the State is required to meet legal requirements relating to nondiscrimination and nondiscriminatory use of federal funds.

CPF funding disbursed by the State for recipient salaries and benefits, administrative maintenance and operations, subrecipient expense reimbursement, or professional services is done so without denying benefits or services, or otherwise discriminating, on the basis of race, color, national origin (including limited English proficiency), disability, age, or sex (including sexual orientation and gender identity), in accordance with all pertinent state and federal guidance, regulations, and statutes.

This compliance extends to the State's CPF subrecipient ISPs through "Amendment #1 to the Capital Projects Fund Sub-Grant," which states in part, "Subrecipient agrees the funds disbursed under this award will be subject to the requirements of the CPF statu[t]e, all other applicable federal statutes, regulations, [and] executive orders, the Guidance [for the Coronavirus] Capital Projects Fund for States, Territories and Freely Associated States issued by Treasury on September 20, 2021, as it may be amended from time to time, and any other guidance issued by Treasury regarding CPF."