NCDIT | NORTH CAROLINA DEPARTMENT OF INFORMATION TECHNOLOGY

2026 Performance Report

Capital Projects Fund

Program Plan Number: CPF_GP-000118

Program Information

North Carolina's allocation of Capital Project Fund dollars is utilized to support the state's **Completing Access to Broadband (CAB) program,** Program Plan Number CPF_GP-000118. The first program awards were made in 2023. Projects were to be substantially completed by Dec. 31, 2026. On May 6, 2026, the U.S. Department of the Treasury (UST) notified Capital Projects Fund (CPF) recipients that UST would consider extensions to the period of performance to June 30, 2027 for specific eligible Broadband Infrastructure Projects. Extensions have been requested for 103 projects.

Executive Summary

Provide a high-level overview of the Recipient's actual uses of funding and progress made during the reporting period towards objectives stated in the approved Program Plan(s). The Executive Summary should also include an overview of key outcomes and any noteworthy challenges or opportunities identified during the reporting period.

The Completing Access to Broadband (CAB) program is a competitive bidding program that provides opportunity for individual N.C. county governments to partner with the N.C. Department of Information Technology (NCDIT) in funding broadband deployment projects. These broadband infrastructure projects provide broadband connectivity for eligible unserved and underserved locations in each county. N.C. Session Law 2021-180 appropriated $400 million from the American Rescue Plan Act for this program. North Carolina's Capital Project Fund allocation of $273 million combined with State and Local Fiscal Recovery Funds (SLFRF) make up the $400 million program for CAB. The program is administered by the Broadband Infrastructure Office within NCDIT's Division of Broadband and Digital Opportunity.

Participating counties worked with the Broadband Infrastructure Office to mutually identify eligible project areas and develop a scope of work for the procurement of construction, installation and operation of broadband infrastructure in the county's targeted project areas. The office provided customizable procurement templates and processes for use with each county. Projects require matching investments from the selected broadband service providers. Initial legislation (S.L. 2021-180) required counties to provide matching funds for projects. Subsequent legislative changes in S.L. 2024-55 removed this requirement but allowed counties the option to provide additional project funding.

Program Objectives:

- To fund broadband infrastructure deployments to unserved and underserved locations within a participating county, with a combination of funding from the State, the county, and the selected broadband service provider.
- To develop coordination between the state and the counties to mutually identify eligible areas for the CAB program.
- To provide the opportunity for counties to prioritize selection criteria elements within the competitive bid process, such as highlighting particular project areas or digital skills goals and metrics.

As of June 2025, 142 projects[1] were contracted using $260 million in CPF dollars, $187.9 million in private funding from Internet Service Providers, and $3.7 million from North Carolina counties. These projects will make broadband service available to 96,089 locations that were previously unserved or underserved.

Key Outcomes:

Noteworthy Challenges and Opportunities:
In March 2026 the Governors of North Carolina, Mississippi, Indiana, Colorado, Connecticut, Kentucky, Maryland, Michigan, Oregon, and Washington submitted a bi-partisan letter requesting a one-year extension to the December 31, 2026 end of the period of performance for CPF. The rationale and justification for the request were as follows: There have been significant natural disasters that have in multiple instances forced internet service providers to shift significant resources and focus away from planning and building into unserved areas so they could restore customers who lost service at existing locations. For example, in North Carolina, Hurricane Helene damaged 1,700 miles of fiber optic cable, significantly setting back progress and creating increased shortages in local supplies and labor. Other significant factors include national supply chain shortages and workforce pressures. The combination of these issues created significant risk that many projects which have already been started and partially funded will not finish by the end of the year (2026) and will have to be abandoned if the CPF funding is clawed back from the states. This will leave infrastructure stranded and assets abandoned, while communities continue to go unserved by reliable internet access.

NCDIT received the email from the U.S. Department of the Treasury to Capital Projects Fund (CPF) recipients that CPF would open a submission portal for recipients to request an extension of the CPF period of performance for eligible Broadband Infrastructure Projects (use code 1A) to June 30, 2027. NCDIT began working with awardees to identify projects to meet the respective deadlines for these requests for extensions.

Uses of Funds

Provide a short narrative describing the intended and actual use of funds and the performance of each Program Plan. Recipients should reference the objectives and activities outlined in the approved Program Plan(s). The narrative should also explain the data, including performance indicators, submitted via the Project and Expenditure Reports during the reporting period and must address the following topics:

- *Activities implemented over the reporting period, including summaries of key milestones achieved, outputs produced, and outcomes achieved;*
- *Activities planned for the next reporting period;*
- *Narratives about individuals/households benefiting from CPF funds, including information about methods used for collecting and measuring success;*

[1] Three of these projects were solely funded with county and private dollars and are not included in quarterly program and expense reports. These projects will make service available to 852 currently unserved and underserved locations using $2.3 million in county funding and $1.0 million in private Internet Service Provider funding.

- *Notable challenges and the status of each challenge;*
- *Overview and outcomes of ancillary costs incurred to support bringing the capital asset(s) into full use (e.g., focused advertising to increase broadband subscriptions in high-need communities, digital literacy training to support device loan programs, community engagement to support successful operations, etc.)*

If appropriate, include information on your jurisdiction's use (or planned use) of other federal funds including other programs under the American Rescue Plan, such as the State and Local Fiscal Recovery Fund, and those under the Infrastructure Investment and Jobs Act, including the Broadband Equity, Access, and Deployment program.

Note: Recipients are encouraged to include in their Performance Report links to public documents, including, but not limited to, legislation, dashboards, and survey results, to support the Performance Report narrative. Treasury recommends that Recipients make use of infographics, tables, charts, pictures, case studies, and other explanatory elements in describing their programs.

Project Awards (Prior Year):
As identified in the prior annual report, the first CAB project funds were awarded in late 2023 as part of the unfunded GREAT grant process. Also that year, the office began its process to prequalify broadband service providers for the CAB program and issue state convenience contracts to these successful applicants. In February 2024, NCDIT awarded state convenience contracts to 41 Internet Service Providers who had prequalified for participation in the upcoming broadband expansion programs, including the CPF-funded portion of the Completing Access to Broadband (CAB) program.

After capturing information from counties on county participation and available matching funds, in Spring 2024 the office posted CAB program scopes of work to expand high-speed internet access to unserved and underserved homes and businesses in 34 counties that requested participation. Internet service providers that prequalified to participate in state broadband expansion programs could submit proposals to provide broadband to all or a portion of eligible locations within each county. Each county's scope of work remained posted for 45 days at ncbroadband.gov/active-cab-proposals and included the evaluation criteria by which an internet service provider would be chosen and the instructions for submitting proposals. A map of each county's eligible locations was located on the NC One Map CAB Planning Tool. During the first 10 days of the posting period, internet service providers could submit protests to identify locations they already serve as described in the CAB Program Guidance.

Scopes of work were posted and evaluated on a rolling basis with participation from the impacted counties. In June 2024, the NCDIT made 41 awards in 33 counties to connect 40,575 homes and businesses across the state to high-speed internet. The Capital Projects Fund

provided $132,072,530.16 for these awards and internet service providers committed $40,986,810.81.[2]

In November 2024, Session Law 2024-55 removed the requirement for counties to provide matching funds for this program. The legislation also allowed NCDIT to provide county project cost responsibility for projects awarded in spring 2024. With this legislation, the office issued additional scopes of work for the 90 counties that expressed interest in participation. Fifty-three scopes of work were issued in November 2024 and 37 in December 2024, with proposals due February 17, 2025. Twenty-five providers submitted a total of 176 proposals.

After review and evaluation, from March through June 2025, a total of 138 proposals were awarded across 81 of North Carolina's 100 counties. Along with the selected project's internet service provider and county contributions, $128,199,648.37 in CFP dollars were used to fund 97 of these projects and $43,401,771.70 in SFRF dollars were used to fund 38 projects. The remaining 3 selected projects were entirely funded by providers' and counties' contributions. Only those projects with CPF and SLFRF funding are reported to the U.S. Treasury through its corresponding portals. In total, these projects will make broadband service available to 69,226 currently unserved and underserved locations (54,662 of which are associated with the CPF funded projects, 13,712 with SLFRF funded projects, and the remaining 852 funded exclusively through county and provider support).

Current Year

Key outputs include having implemented monthly reporting requirements with awardees, holding regular coordination meetings with NCDIT fiscal and the North Carolina Pandemic Recovery Office to improve draw-down processes, increased monitoring activities and documentation, and enhanced internal controls and compliance procedures. Our partner, KPMG, has also engaged in compliance reviews of reimbursement requests and associated back-up documentation for all awardees on behalf of NCDIT.

The Governors of North Carolina, Mississippi, Indiana, Colorado, Connecticut, Kentucky, Maryland, Michigan, Oregon, and Washington submitted a bi-partisan letter requesting a one-year extension to the December 31, 2026 end of the period of performance for CPF. The U.S. Treasury issued updated guidance offering the ability to request extension to the period of performance to June 30, 2027 for specific eligible projects.

Communication was issued to service providers and grantees outlining the following:

- Required documentation for extension requests, material-progress criteria, acceptable extenuating circumstances, and the need to demonstrate substantial completion by June 30, 2027.

Requests have subsequently been submitted to UST in July 2026.

[2] The division originally reported 45 awards in 34 counties in its prior annual report, but 4 of those awards were not ultimately executed.

Key outcomes include improved accountability and transparency in project management, more timely and accurate draw requests, reduced errors or corrections in fiscal submissions, stronger compliance with federal reporting requirements, and better data quality for ongoing US Treasury reporting.

In addition, with the extension guidance from US Treasury, the State of NC and many of the broadband providers that received these funds will gain additional time to complete broadband projects, reducing the risk of losing CPF funding. The extensions will increase program stability and predictability for providers facing supply chain, permitting, labor, or environmental delays. This will reduce potential project cancellations or rushed construction due to deadline pressure.

Activities implemented over the reporting period, including summaries of key milestones achieved, outputs produced, and outcomes achieved;

- *Activities planned for the next reporting period;*
- *Narratives about individuals/households benefiting from CPF funds, including information about methods used for collecting and measuring success;*

Activities Next Reporting Period
During the next reporting period, the office will report on the number of projects for which NCDIT received extensions to the period of performance.

Project Monitoring and Status:
The office monitors the progress for each project via the provider's monthly reports, quarterly progress reports and status calls. Providers' payment requests are closely reviewed to ensure claimed costs are reasonable, allowable, and allocable. Claimed costs are also reviewed to verify the cost types and amounts are consistent with reported progress.

As of June 30, 2026, 123 of 137 projects have been reported with construction underway, with a total of 24,941 miles of fiber laid, and 33,993 locations with service available. Additional projects have incurred costs for capital assets (materials and equipment) but had not yet begun actual construction. All 137 projects have reported planning and engineering activities as having started. The office has reviewed, approved and paid $34,927,257.71 in provider claims for eligible broadband infrastructure deployment projects.

The status of these projects, as well as payments to subrecipients are reported to the U.S. Treasury through its CPF portal on a quarterly basis.[3]

The CPF program is administered by the Broadband Infrastructure Office. Additional support for the program has been provided by the Center for Geographic Information and Analysis (CGIA),

[3] There is a lag in project status information reported in the US Treasury portals because this data is gathered from providers in their quarterly progress reports and is not yet available at the time the division prepares reports for US Treasury. The above referenced status information will not correlate with information in the portal until subsequent portal submissions.

Civic Initiatives and KPMG. CGIA, an agency within the NC Department of Information Technology, provides data and mapping support for all the office's infrastructure programs and is critical to pre-award and post-award management of the CPF program. Civic Initiatives is a consulting firm that specializes in public procurement. Civic Initiatives provided advisement on the CAB procurement processes and facilitated evaluation of the applications. KPMG provided initial project management for CAB as it was being developed, provided financial analysis for prequalification of broadband providers and is providing audit assessments of reimbursement processes and reported expenses from awardees.

Addressing Critical Needs

Treasury encourages uses of funds that promote growth in communities with a critical need, such as high-poverty and rural areas.

Each Performance Report must provide an update, using qualitative and quantitative data, on progress towards key outcomes and how the Recipient has addressed or faced challenges to addressing critical needs during the reporting period.

Please describe how the Recipient addressed critical needs at various stages of the Program during the reporting period, including:

a) ***Objectives:*** *Based on your definition of communities with critical need, are there particular communities, including those living in rural areas and/or high-poverty areas, that the capital assets being funded by CPF are designed to serve? Include the definition of critical need used for each Program Plan.*
b) ***Awareness:*** *Was it convenient for members of these communities, including households, businesses, and other organizations, to become aware of the services funded by CPF? Please explain.*
c) ***Outcomes:*** *What progress has the Program made toward addressing critical needs in these communities, such as closing gaps in broadband access, reaching universal levels of service, increasing access to digital connectivity devices or community facilities that directly enable work, education, and health monitoring? Please include other outcomes (e.g. affordable service) as relevant to policy objectives. What methods (e.g., surveys, interviews) are being used (if applicable) to quantify and qualify Project and Program outcomes?*

NCDIT has 112 active CPF awarded projects in 63 rural counties. As of June 30, 2026, there are 112 active CPF projects in 63 counties in which providers reported either engineering/design or construction underway, with a total of 15,288 miles of fiber laid, and 26,216 locations with service available.

As indicated above, the CAB program was designed to be county specific. Project proposals were solicited, reviewed and selected on a county basis. This allowed every county in North Carolina to identify communities within county boundaries with critical need and solicit projects to serve these communities through the Scope of Work process. Eligible broadband serviceable locations (BSLs) were determined using the FCC's broadband availability data through their Broadband Data Collection (BDC) work. Counties could then prioritize particular areas of eligible BLSs. Counties also had an opportunity to participate in review and selection of the project(s) selected for their communities. This process allowed counties a voice in the CPF-funded broadband expansion projects.

CPF-funded CAB projects must provide broadband availability to specific BSLs at specific speeds as written into the award agreements. All CPF-funded CAB projects are fiber projects. The CAB program has resulted in awarding projects that will provide broadband access to 69,226 currently unserved and underserved locations in North Carolina.

Data from internet service providers in December 2023 reported approximately **344,000** homes and businesses across the state that did not have access to broadband ("unserved") or did not have sufficient internet speeds needed for modern applications ("underserved"). These numbers represented approximately **8%** of the more than 4.3 million broadband serviceable locations in the state.

The GREAT Grant and Completing Access to Broadband program projects funded by the American Rescue Plan Act are currently building service to **255,570** N.C. households and businesses. These awards will provide service to almost **6%** of these unserved and underserved locations.

The NCDIT Division of Broadband and Digital Opportunity has recommended awards for another **93,437** households and businesses through the federally funded Broadband Equity, Access and Deployment (BEAD) program. These projects will cover the remaining **2%** of locations still without a broadband solution.

Labor

Describe workforce practices on any Broadband Infrastructure and/or Multi-Purpose Community Facility projects being pursued. How are projects using strong labor standards to promote effective and efficient delivery of high-quality projects while also supporting the economic recovery through employment opportunities for workers? For example, report whether any of the following practices are being utilized: project labor agreements, community benefits agreements, prevailing wage requirements, and/or local hiring.

As a recipient of federal funding, NCDIT is required to comply with the rules, laws, and regulations of Title VI of the Civil Rights Act of 1964. Compliance with Title VI is contingent upon employees' and contractors', sub-contractors' and sub-recipients' adherence to Title VI and all applicable laws, regulations, and rules.

NCDIT is committed to ensuring all management staff, contractors and service beneficiaries are aware of the provisions of and responsibilities associated with Title VI of the Civil Rights Act of 1964.

Community Engagement

Recipients should report on (and include quantitative information, such as counts) about the following activities related to community engagement in support of the implementation and operations of each Program and related Projects:

- *Community engagement efforts and activities that occurred with and/or in communities served by the Program. Recipients should include information about the types of organizations (such as training providers, community colleges, libraries, churches, and community-based groups) and, where possible, names of organizations and communities the Recipient and Subrecipient(s) were engaged with to support the implementation and operations of Projects; and*
- *Outreach, advertising, and translation activities and services deployed to reach communities the Program is designed to serve; and*
- *Any plans to sustain, improve, and or grow community engagement efforts in the subsequent performance year.*

NCDIT's Broadband Infrastructure Office has dedicated staff who work with county representatives to communicate about this program. The office published a nationally recognized Community Broadband Planning Playbook that specifically addresses communication and active participation from referenced organizations. These dedicated staff actively engage and communicate with stakeholders. They communicated with all 100 counties about the opportunity within the CAB program and other broadband and digital opportunities to help them prepare for participation.

The office hosted webinars for counties and interested stakeholders to educate them about the program and its processes, including some with a focus on mapping, in December 2023, January 2024 and February 2025. The recordings of these webinars are available on the division's website. Many other resources were posted on the website as well, such as answers to frequently asked questions, document templates and instructions, a county commitment tracker, and the CAB Match Calculator Tool.

The office also engages directly with internet service providers as the eligible respondents for the competitive bid process, including webinars specific to applicants. There is a web page designed specifically for prequalified internet service providers with resources they may find most helpful.

All scopes of work and awards made were posted online and NCDIT issued press releases when scopes were posted and when awards were made. The division also communicates frequently with stakeholders by email and posts announcements on its social media platforms.

In early 2025, the NC Broadband Awards Dashboard was developed by CGIA to display detailed maps and award information for the Completing Access to Broadband awards. The dashboard includes all CAB awards including projects funded by CPF and SFRF funds. The dashboard will be updated in August 2026.