



Governor Philip B. Scott
Proposed Investment of American Recovery Plan Funds
April 6, 2021

Introduction

With the passage of the American Rescue Plan Act (ARPA), which includes a \$2.7 billion package of aid for Vermont, we have an unprecedented opportunity to strengthen our economy and communities through significant investments in one-time ARPA dollars. More than half of these dollars are directly appropriated to federal agencies, individuals, local governments, education institutions, and others. Leaving approximately \$1 billion for the state to expend over the next four years.

Throughout the last decade, communities across Vermont have been planning for the future of their towns. They have tangible plans and shovel-ready projects designed to boost the local economy, help residents thrive, attract new families to the area, and combat the effects of climate change.

Over the last four years, as the Governor and cabinet traveled the state to meet with local businesses, municipal officials and community members, it was clear towns would need resources from state government to help make their visions a reality.

With \$198 million in direct funds to local governments, we have tremendous opportunities to work with our communities to be strategic and spend this money in the most advantageous and transformative way.

Vermont's cities and towns need help to expand their economic foundation, with investments in water and sewer infrastructure, broadband deployment, climate change mitigation, housing, and further economic aid. This will provide opportunities for workforce expansion, growth in all 14 counties, a healthier climate, and ultimately a more affordable and competitive state.

The Governor's proposed budget, coupled with this funding proposal, continues to focus on that vision. As well, this plan reflects broad agreement with the Legislature in many areas. The proposal outlines 5 major buckets:

- Economic Development
- Climate Change
- Water/Sewer Infrastructure
- Housing
- Broadband/Telecom

This is about foundational and transformative change, and resists the temptation to use one-time dollars to fund programs. Doing so is not sustainable, and it does not address the long-standing needs and challenges that have been holding our communities and our state back for years.

The Governor hopes the legislature will work with the Administration to create a single ARPA budget, wait on expending these dollars in anticipation of more federal guidance, and use general fund and Coronavirus Relief Funds (CRF) first when crafting budgets and legislation. This approach is the most strategic and transparent way to appropriate the significant dollars available to Vermont.

Governor Scott's American Rescue Plan Act Proposal

Amounts depicted below are in millions

Economic Development

Initiative	FY'22	FY'23	FY'24	FY'25	Total
Economic Recovery Grants	50				50
Capital Fund	30	30	30		90
Expedited Permitting for ARPA projects	0.75	0.75	0.75	0.75	3
Total	80.75	30.75	30.75	0.75	143

Climate Change

Initiative	FY'22	FY'23	FY'24	FY'25	Total
EV Infrastructure	5	10	10		25
Weatherization	5.5	8	7.5		21
Fuel Switching/Electrification Incentives	10	10	9		29
Hazard Mitigation Buy-Out	5	10	10		25
Climate Action Plan		25	50	25	100
Total	25.5	63	86.5	25	200

Water/Sewer Infrastructure

Initiative	FY'22	FY'23	FY'24	FY'25	Total
Stormwater Retrofits	10	30	35		75
Village Water/Wastewater/Pretreatment	10	10	15		35
CSO Abatement/Elimination	10	10	10		30
Dam Safety	5	5	5		15
Healthy Homes (Water Systems)	5	5	5		15
Total	40	60	70	0	170

Housing

Initiative	FY'22	FY'23	FY'24	FY'25	Total
Increase Shelter Capacity	12				12
Rapid Housing for the Homeless	90				90
Expediting Affordable/Mixed-Income	20	35	35		90
VHIP Rental Units	5	5	5		15
Home Builder Program	2	20	20		42
Total	129	60	60	0	249

Connectivity

Initiative	FY'22	FY'23	FY'24	FY'25	Total
Broadband Deployment	80	80	65		225
FiberConnect Network	0.5				0.5
Telecom Plan	10	15			25
Total	90.5	95	65	0	250.5

Administrative Costs

Initiative	FY'22	FY'23	FY'24	FY'25	Total
Administrative Costs	6.5	3.5	3.5	3.5	17

	FY'22	FY'23	FY'24	FY'25	
Total by Fiscal Year (millions)	372.25	312.25	315.75	29.25	

	FY'22 - FY'25			
Grand Total (billion)	1,029,500,000			

I. Economic Development

Total Amount: \$143,000,000

The COVID-19 pandemic and the American Rescue Plan Act (ARPA) have given Vermont the unique opportunity to rebuild from the ground up. ARPA dollars will extend to assist small businesses, reemploy Vermonters, recruit new Vermonters, reinvest in communities, and recover and expand from the pandemic. Investing dollars now, and in the next few years, will secure a stronger foundation for the Vermont of the future, making Vermont a more affordable place to live, work, play and grow, taking care of all Vermonters, especially the most vulnerable, for generations. This plan will allow the State to build a better, stronger foundation in the wake of COVID-19 by addressing acute economic needs with direct relief for businesses. As well, this plan makes long-term strategic investments that incentivize business growth and productivity through capital investment grants.

Capital Investment

\$90M

As businesses look to onshore manufacturing and supply chains due to interruptions to the international market from COVID-19, executives are once again looking at state incentives as a top 10 factor in selecting a site. Coming out of COVID-19 Vermont has an opportunity to create new co-investments with business that are ready to make dramatic investments in Vermont facilities and deepen ties within the state.

A Capital Co-investment program would incentivize transformational projects that build new facilities in Vermont for either existing or new Vermont businesses. These businesses would be eligible for funding if they were purchasing and renovating an existing unoccupied industrial or commercial building. Capital investments in which the business owns their facility will create deeper ties and commitment to their future in Vermont. This program would also be used to encourage investments in machinery and equipment which enhance the productivity of a business and allow the business to thrive and grow.

- **Fund impactful regional priority projects across the state as identified by RDCs/RPCs for each year until December 2024 to address the unique opportunities of each region coming out of COVID19.**

Experience has shown us that Vermont's regions also have unique landscapes, needs, and priorities. This is no difference when it comes to the impact of COVID 19. These regional needs and priorities may not all be best addressed with a statewide solution. This grant fund would allow regional leaders to prioritize the projects they see having the greatest regional impact and receive funding to complete them.

This fund would award grant money on an annual basis to projects that are shovel ready, address a need identified in the Regional plan, and create an economic benefit to the communities in that region. These projects would be chosen from a priority list with at least one project being selected from each region of the state between 2021-2024.

- **Community Reinvestment: Award the four towns that lost out on the Federal Reserve Bank of Boston’s Working Communities Challenge: Includes Northeast Kingdom, Southern Vermont, Franklin County, and Upper Valley.**

Working communities’ challenge: The Federal Reserve Bank of Boston will be able to assist the four communities that are working toward reversing the demographic decline in their areas. This work entails community capacity building, professional technical assistance, and implementation of their respective plans to attract and retain working populations in their respective areas.

- **Fund transformational outdoor recreation destinations to seize the growing market of outdoor enthusiasts and make Vermont and Vermont’s hospitality businesses their favorite destination.**

According to the Outdoor Industry Association, more Americans have turned to outdoor recreation activities during COVID19 than they have in recent history, many for the first time. New participants in outdoor recreation were motivated by activities with low barriers to entry such as walking, running, biking, and hiking. We can continue to grow this important sector of Vermont’s economy, which in turn supports hospitality-dependent communities and businesses that have been so hard hit by COVID-19. Much like the work of the Green Mountain Club in 1912 to build not only the Long Trail, but the amenities to support its use, this is an opportunity to invest in expanding and creating recreational destinations that will keep Vermont on the minds of active travelers for the next 100 years. We will fund major outdoor recreation projects that will enhance and expand access, better connect outdoor recreation areas with their host communities, and improve parking and other amenities needed to support usage. Projects will range from enhancements to the Lamoille Valley rail trail with spurs for parking and to access towns year-round, to creating shelters and entrance/exit points for regional paddling trails and hiking trails.

Economic Recovery Grants

\$50M

This funding is necessary for the acute needs of businesses and not-for-profits to survive until we can safely reopen and operate at full capacity. At the end of 2020 there was approximately \$500 million of remaining unmet needs for the businesses that applied to our second round of grants. We also know that there were many newly established businesses that were unable to access funds. We will prioritize those businesses who did not receive prior assistance and then help those who still need help to stay solvent throughout the end of the crisis.

Exempted and Expedited Permitting for ARPA Projects

\$3M

For significant investments and projects to be executed within the Federal timelines, we are proposing to exempt and expedite permitting for ARPA funded projects in four ways:

1. All ARPA projects in designated downtowns, village centers, new town centers, neighborhood designated areas, existing industrial parks and AOT replacement bridge and road projects will be exempt from Act 250.
2. All ARPA projects will be prioritized in the permitting process.
3. All ARPA projects will be subject to shorter decision times.
4. Limited service positions will be added to ensure ARPA projects are prioritized, and all other projects continue to move forward.

II. Climate Change

Total Amount: \$200,000,000

Significant investments are needed to reduce Vermont’s greenhouse gas emissions and enhance our resilience to a changing climate. At the same time, the Vermont Climate Council is working to develop and adopt a Climate Action Plan by December 1, 2021. This proposal identifies a \$100m suite of policies that seek to balance the unprecedented investment opportunity provided by ARPA and the need to continue to make progress toward the aggressive requirements established in the Global Warming Solutions Act, while remaining mindful of the commitment that has been made to develop a comprehensive Climate Action Plan.

Electric Vehicle (EV) Infrastructure

\$25M

Although electric vehicles are a small fraction of the existing vehicle stock in Vermont, their deployment is growing rapidly – both within Vermont and the region. Continuing to build charging infrastructure throughout Vermont is foundational to supporting this growth and ensuring we are well-positioned to take full advantage of the opportunities and benefits afforded by EVs. Currently there are 292 public charging stations in Vermont. This funding would be used to deploy a mix of Level 2 and Level 3 charging stations in strategic locations including along highway corridors, at employment locations, downtowns, village centers, multi-family housing sites and other activity areas. The deployment would follow the current location pattern, but at a higher rate, while also ensuring charging stations do not oversaturate the market.

Weatherization

\$21M

Building weatherization continues to be a cornerstone of Vermont’s efforts to improve the energy efficiency of residential, institutional, and commercial buildings. Weatherization also offers significant non-energy benefits related to the health and comfort of building occupants. This funding would support three key initiatives.

1. Allocate additional funding to the Agency of Human Services’ Office of Economic Opportunity to support a longer and larger investment in low-income weatherization. The total amount of funding would lead to approximately 900 incremental units being weatherized before the end of 2024. The additional investment and extension of the implementation timeline will help ensure the full benefits develop a “weatherization workforce”.
2. Leverage current resources to increase healthcare sector investment in energy-saving weatherization, leading to in indoor air quality, more homes weatherized and better health outcomes. The initiative will demonstrate successful models for co-funding of weatherization efforts, providing the opportunity for private and non-profit health care partners (e.g., health care providers such as hospitals or payers such as Medicaid or private insurers) to invest in preventative and acute health improvement through home weatherization and energy efficiency projects.
3. Provide incentives to consumers to purchase electric equipment for heating, cooling, and transportation in areas of the state where solar and other renewables have saturated the available headroom on the electric infrastructure, and where additional renewable development is constrained without expensive upgrades. The beneficial electrification equipment would be paired with controls and upstream platforms, also supported by funding, operated by utilities (or third parties in partnership with utilities) to “soak up” renewable overgeneration, as well as provide operational flexibility for utilities to manage the grid in a manner that avoids costly regional transmission and capacity charges.

Fuel Switching/Electrification Incentives**\$29M**

Funding would be used to provide incentives to consumers to purchase electric equipment to replace fossil fuel-based heating and cooling systems with an all-electric energy or modern wood systems. Additionally, this funding would be invested in municipal back-up electricity storage installations to provide community resilience in the face of a changing climate and to maximize co-benefits for electric ratepayers. The beneficial electrification equipment would be paired with controls and upstream platforms operated by utilities (or third parties in partnership with utilities) to “soak up” renewable overgeneration, as well as provide operational flexibility for utilities to manage the grid in a manner that avoids costly regional transmission and capacity charges. Currently, Green Mountain Power is working to identify priority areas for this type of project; this funding would support a complementary planning effort focusing on the remaining 25% (and most rural part) of Vermont to identify key critical facilities in reliability- and telecommunications-challenged areas across the state for battery backup power systems. These efforts will help with load management, a key strategy for optimizing our utilization of the clean energy derived from existing renewable assets, which includes efforts related to energy storage and flexible and grid-interactive loads (such as electric vehicle chargers and heat pumps), at both the utility- and customer-scale.

Hazard Mitigation Buy-Out**\$25M**

Although it is important for Vermont to take the steps necessary to reduce its greenhouse gas emissions, the most impactful near-term actions that Vermont can take in response to a changing climate are investments in mitigating flood hazards and improve overall landscape resilience. This funding would be used to create a statewide hazard mitigation program, including funding for a state-level buy-out program for parcels ineligible for related FEMA programs (a high priority action item from the 2018 *State Hazard Mitigation Plan*). The program will be modeled closely to the FEMA Hazard Mitigation Grant Program, but without the match requirement and with increased flexibility for innovation beyond what FEMA is able to fund. Funding will be used to leverage FEMA Hazard Mitigation Assistance dollars when available by providing non-Federal match. The program will prioritize projects in communities with greatest economic need and projects that mitigate repetitive loss among low-income and marginalized portions of the population, and ensure low-income Vermonters are given sufficient financial support to fully transition into more resilient housing. In addition, this funding would be used to support implementation of the statewide flood reduction initiative, which offers dual benefits of both resilience and clean water.

Climate Action Plan**\$100M**

The remaining \$100M will be held to support implementation of the climate action plan.

III. Water/Sewer Infrastructure

Total Amount: \$170,000,000

Water infrastructure is the backbone of our lives and livelihoods. From turning on the tap in the morning to take a shower, to preparing the food we eat, to the proper drainage of our roads, to having sufficient clean water and wastewater treatment capacity to support business and industry – water infrastructure touches every facet. The challenge is, water infrastructure is often out of sight and therefore out of mind. As a result, the pace of investment in these assets has not kept pace with the need. This proposed investment seeks to address current unmet needs and reduce future costs thru strategic investment in new and existing infrastructure at the residential-, site- and community-scale. This package invests in core infrastructure that is critical to both protecting the environment and spurring economic growth. Through a combination of technical assistance, grant awards and contracted projects, these funds will support investments in infrastructure assets essential to high quality waters, and vital to Vermont’s economy and economic recovery. Specifically, this proposal identifies seven areas of targeted investment.

Implementation of Stormwater Retrofit Projects

\$75M

In response to the federal Clean Water Act and Vermont’s Clean Water Act (Act 64 (2015)), Vermont has made numerous commitments to improve management of stormwater runoff. Many of the most challenging projects are related to retrofitting existing development that was built before the advent of modern stormwater treatment – projects which are essential to meeting our clean water goals and obligations. Through a combination of grant awards and contracted projects, this funding would provide cost-share to accelerate implementation of the following:

- 3-acre Stormwater Permit (design and construction) \$55m
- Stormwater Impaired Waters/Flow Restoration Plan implementation \$5m
- Stormwater management for municipal roads and state highways \$15m

Village Water/Wastewater/Pretreatment

\$35M

Villages form the heart of Vermont’s rural communities, and more than 150 villages lack community drinking water and/or sewer systems, hampering revitalization. Projects can range in size from serving a small number of properties to connecting a whole village. Besides maintaining the value of village properties and providing important public health and water quality benefits, water and wastewater solutions help promote business expansion; redevelopment of underused and abandoned properties; housing options; and community gathering places. The funds will support engineering design and construction of up to ten community-scale water and/or wastewater projects. We are also proposing cost-share funds for facilities that need to install or enhance pretreatment processes, which is important for ensuring the proper management of high-strength or toxic wastes. Adequate pretreatment is often a necessary precursor to expansion for many enterprises.

CSO Abatement/Elimination

\$30M

Burlington, Montpelier, Rutland, St Albans, St Johnsbury, and Vergennes are the Vermont municipalities with the highest incidence sewer overflows; which occur during rainfall or snowmelt events when the wastewater system is overwhelmed by stormwater runoff. This funding will be used to implement projects needed to reduce the frequency of sewer overflow events while refurbishing related water infrastructure.

Dam Safety Improvements**\$15M**

The Agency of Natural Resources owns more than 80 dams statewide, more than a quarter of which have been identified as being in poor condition and in need of investment to ensure their integrity. This funding will be used to refurbish State-owned dams to address safety concerns, reduce the risk of potential dam failures, and increase community resilience.

Healthy Homes**\$15M**

Drinking water and wastewater treatment systems are protective of public health, and a number of the most vulnerable Vermonters lack the resources to make necessary repairs or improvements to their water and wastewater systems. Funding a “healthy homes” initiative would provide grant funding for the following types of much-needed projects:

- Improve water/wastewater systems at coop-owned or non-profit mobile home parks.
- Replace failed on-site wastewater and water supplies for low-income Vermonters or those unable to access or afford market rate loans.
- Update leaking service lines, old plumbing, and replace outdated fixtures (sinks, toilets, dishwashers, laundry) with high efficiency devices.

IV. Housing

Total Amount: \$249,000,000

As a result of the pandemic, two thousand Vermont households are still living in motels/homeless shelters and middle-income families have been priced out of homeownership in Vermont. Utilizing American Rescue Plan Act funds to accelerate our commitments to develop mixed-income housing, create public-private partnerships to enhance homeownership opportunities, construct permanent housing for those experiencing homelessness, and expand necessary shelter capacity will have lasting effects on the health of our communities and residents. These investments are critical to maintaining the physical and financial health of Vermont, reduce reliance on General Assistance Emergency Housing, and provide upward mobility for all. This plan brings 5,000 units to market by the end of 2024 -- the greatest investment in housing in the history of Vermont.

- Increase capacity in emergency shelter communities (\$12M, 150 Shelter Units)
- Rapid development of new permanent multi-family housing, exiting households from motels within the next 12-18 months (\$90M, 600 Affordable Rental Units)
- Use one-time American Rescue Plan investments to leverage other federal and state affordable housing resources to fully fund the existing pipeline of affordable housing projects (\$90M, 2,434 Units: Mixed Income Rental Units, Homeownership Units, Manufactured Homes and improved Farm Worker Housing)
- Continue investing in the successful Vermont Housing Investment Program (VHIP) helping private owners of vacant rental properties bring units back online providing safe, healthy, affordable housing to low- and moderate-income households. (\$15M, 681 Affordable Rental Units)
- Invest in a new private Homebuilder Program focused on creating “missing middle” housing for moderate-income homebuyers. Funding and purchase incentives to improve homeownership. (\$42M, 1,135 Homeownership Units)

	FY'22 ACUTE NEEDS	FY'23 YEAR 2	FY'24 YEAR 3	Total Units	Total \$
Increase Shelter Capacity	150 units \$12M	0 units \$0	0 units \$0	150	\$12M
Rapid Permanent Housing for the Homeless	600 units \$90M	0 units \$0	0 units \$0	600	\$90M
Affordable/Mixed-Income Housing Pipeline	540 units \$20M	947 units \$35M	947 units \$35M	2,434	\$90M
VHIP Rental Units	227 units \$5M	227 units \$5M	227 units \$5M	681	\$15M
Home Builder Program	55 units \$2M	540 units \$20M	540 units \$20M	1,135	\$42M
TOTAL	\$129M 1,572 units	\$60M 1,714 units	\$60M 1,714 units	5,000 units	\$249M

V. Connectivity

Total Amount: \$250,500,000

Broadband internet access has proved to be an essential utility service during the COVID-19 Pandemic, as it facilitates remote healthcare, education, and work, as well as citizen participation in civic life and communication with government.

Broadband Deployment

\$225M

Currently, there are 60,000 locations in Vermont without broadband. These locations are defined either as unserved (no broadband service at all) or underserved (service is available at less than 25/3 Mbps. i.e., dial-up or DSL). Of these 60,000 locations, 52,759 do not have plans for any existing carrier to deploy wired service via the FCC's Rural Digital Opportunity Fund or otherwise. The funding would bring fiber-to-the-home internet access at 100/100 Mbps to all underserved and unserved locations in Vermont, specifically locations that today lack access to service at 25/3 Mbps. The funds would be allocated as grants to the Communications Union Districts (CUD) based on a pro-rata distribution of underserved locations within their districts. CUDs or towns accepting the funds would be required to deploy fiber service at 100/100 Mbps to all eligible locations in the area they serve. The CUDs would be encouraged to deploy service beyond just the underserved areas, so long as they cover the underserved locations with 100/100 Mbps service. CUDs can accomplish this in two ways: (1) building its own network; or (2) entering a public-private partnership with an incumbent provider.

1. **CUD Network Build** – The CUD may elect to build its own network with the grant funding, under the close supervision of the state granting authority. The CUD would design, build, and operate a network covering all underserved/unserved addresses within three years of the grant start date. The CUD would be responsible for obtaining any additional capital needed to meet the program requirements. The state granting authority would set program milestones and approve project components at various stages.
2. **Public Private Partnership** – Under this model the CUD, with assistance from the state granting authority, would issue a request for proposals to serve all underserved/unserved locations within its territory within three years of the contract date. The CUD would select one or more internet service providers to build and operate networks covering these addresses, with approval from the state granting authority. The CUD and/or private partners would be responsible for providing additional capital necessary to accomplish the program requirements. The CUD would supervise the vendors with assistance of the state granting authority.

Locations falling outside a CUD territory would be administered by the state granting authority in partnership with municipalities. Monies remaining in the fund due to project failure or refusal of grant funds will revert to the existing Connectivity Initiative program to be administered by the entity in charge of that program toward any locations not previously funded.

The 2019 Magellan report commissioned by the Public Service Department (PSD) estimated capital costs to construct a network to reach Vermont's underserved locations – 69,899 at that time -- would be approximately \$4,240 per location. More recent PSD analysis estimates that there are now approximately 52,729 locations that lack access to broadband service at 25/3 Mbps or that do not have a wired funded solution in place to deploy this service. The 52,759 figure includes locations that received wireless service via the 2020 CRF Connectivity Initiative grants or are slated to receive wireless service via the FCC RDOF grants.

The breakdown by CUD territory is illustrated in the table below:

CUD	Locations	Support
Addison CUD	5661	\$24,002,640
CVFiber	4730	\$20,055,200
CVFiber/ECFiber	155	\$657,200
Deerfield Valley CUD	5561	\$23,578,640
Deerfield Valley CUD/So. VT CUD	301	\$1,276,240
ECFiber	4738	\$20,089,120
Lamoille FiberNet CUD	3559	\$15,090,160
NEK Broadband	8933	\$37,875,920
Northwest CUD	4778	\$20,258,720
Otter Creek CUD	2620	\$11,108,800
Southern Vermont CUD	1732	\$7,343,680
No CUD	9961	\$42,234,640
Total	52,729	\$223,570,960

This proposal is an essential first step toward addressing digital inequities present in our society. It serves to help bridge the digital divide by making the infrastructure available in rural areas. However, the step of building the infrastructure alone does not address income inequality and digital literacy barriers to using the Internet. This program could be bolstered by requiring the recipients of the money to provide a low-income program or offer broadband lifeline service. The State could mandate takers provide a \$15 broadband package and a stand-alone voice service option.

Telecom/Cell Service

\$25M

Access to mobile wireless service is just as important as access to broadband service. This proposal sets aside \$25M for possible steps to support improving cell coverage that may be identified in the State’s forthcoming 10-year Telecom Plan (due June 2021). At this time, specifics are unknown, but it’s likely there will be strategies for enhancing cell service coverage in Vermont. For example, the Telecom Plan Implementation Fund would be available to:

1. **Identify Priority Corridors:** Conduct drive tests to determine baseline availability of voice and data service along all state highways. Using this data, the PSD could identify road segments that lack service. Then we could prioritize unserved road segments in most need of service improvement, based on traffic count and surrounding population.
2. **Identify Suitable Tower Sites:** The PSD could contract with partners such as FirstNet to determine how best to serve the areas identified as priority corridors. This partnership work, for instance, could serve to identify “search rings” -- geographic areas where towers could be deployed to reach the unserved areas. The process could also identify areas that would allow interconnection with an existing network to provide optimal integration with that network.
3. **Expand CMRS Partnerships:** This program could offer funds to national facilities-based CMRS providers to support deployment of their network infrastructure at locations that may not be economic under their business plan, but that nonetheless would expand coverage where it is needed.

FiberConnect Network**\$500,000**

The FiberConnect Network was constructed between 2010 and 2012 with a \$600,000 grant from the Gates Foundation. The Vermont Department of Libraries requests \$450,000 for equipment replacement for the Network. FiberConnect networks 40 libraries along a geographical line from the Guilford Free Library to the St. Johnsbury Athenaeum. This network delivers high speed broadband Internet service to each of those forty libraries and their patrons, including many locations where alternative service is poor or non-existent.

The network is dependent on a central server in Montpelier and each library has specialized equipment to deliver broadband. This equipment, including that in Montpelier, is the original equipment installed eight or more years ago. Some pieces in the field have failed and virtually all of it is no longer supported by the manufacturer. Individual pieces of equipment in the system cannot be modernized separately as this creates compatibility issues. This network is running on obsolete equipment and is in danger of critical failure. Equipment costs are \$250-300,000 and labor costs for installation are estimated to be \$150-200,000.

VI. Administration Costs**Total Amount: \$17,000,000**

2% of the ARPA funding will be retained to support and administer the projects and ensure successful deployment of funds. This will include adding limited-service positions and working with a recovery fund consultant. (\$3M of this is shown under "Expedited Permitting")