



Capital Projects Fund

State of Tennessee Annual Performance Report 2025

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1. Executive Summary

As of June 30, 2025, the State of Tennessee has awarded more than \$200 million from the Capital Projects Fund (CPF) to eligible applicants for projects that expand broadband access and adoption. CPF investments are advancing three distinct grant programs: **Middle Mile**, **Last Mile**, and **Connected Community Facilities (CCF)**. Together, these initiatives are designed to strengthen digital infrastructure, connect underserved communities, and ensure access to essential infrastructure across Tennessee.

This report explains how the first and second rounds of the three programs were planned and awarded. It outlines the criteria that the Tennessee Department of Economic and Community Development (TNECD) used to assess and choose the grant recipients for the Broadband Infrastructure Program (1a) and the Multi-Purpose Community Facility Program (1c). It also describes how TNECD will evaluate the program's outcomes.

The report also highlights the feedback received from various stakeholders and community partners, such as local governments, internet service providers, nonprofit organizations, and educational institutions. These inputs helped shape the program guidelines, as well as identify areas of targeted approach for the second round of the Last Mile and the CCF programs.

Awarded Amounts to Date

- **Middle Mile Program:** \$73,078,641.80
- **Last Mile Program:** \$58,546,010.04
- **Connected Community Facilities Program (CCF):** \$76,970,224.71

2. Uses of Funds

The following sections provide a brief overview of Middle Mile, Last Mile, and CCF programs and the progress made during the reporting period – July 1, 2024 – June 30, 2025.

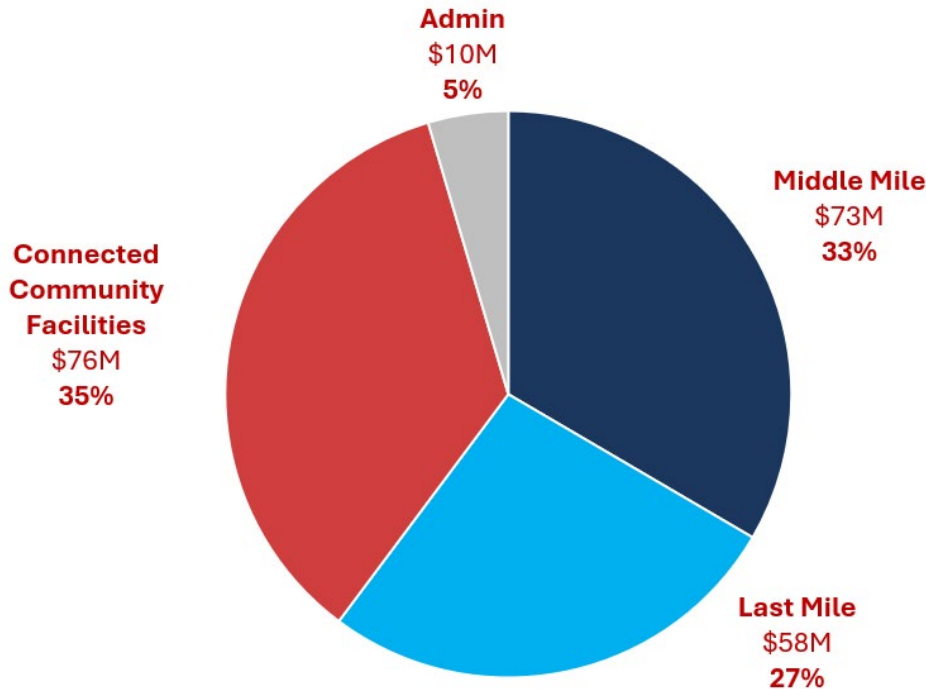


Figure 1: Overview of Capital Projects Funds

Middle Mile

Funding amount: \$73,078,641.80

Obligated Amount: \$73,078,641.80

Expended Amount: \$6,665,848**

**Expended amount is approximately \$14,600,000 as of September 2025

Project Description:

The Middle Mile program aims to expand broadband service in underserved regions. Each grant requires applicants to also support Last Mile connections. By building rural infrastructure, the program enables Last Mile expansion and increases capacity to support long-term broadband growth such as the Broadband Equity, Access, and Deployment Program (BEAD).

Current Timeline

As of June 30, 2025, the broadband office had awarded \$73,078,641.80 (33% of the total CPF allocation) for 18 projects covering 17,100 locations. Projects are set to finish by October 31, 2026. As of this period, 549 miles of fiber have been deployed (32% of the

planned 1,714 miles), the adoption rate reached 18% with 997 subscribers, and 4,816 passings were completed: 4,759 residential, 51 businesses, and six community anchor institutions.

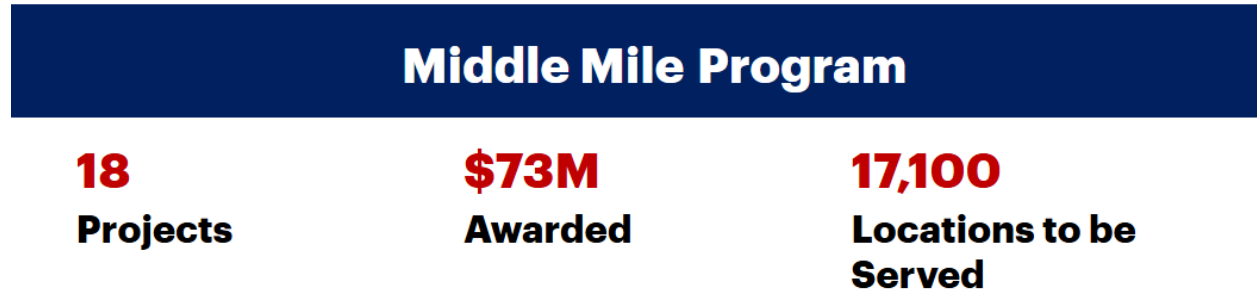


Figure 2: Middle Mile Grant Statistics as of June 30, 2025

Eligible Applicants and Selection Process

Projects were required to demonstrate the need for Middle Mile infrastructure to improve bandwidth for communities and regions and commit to providing last mile connections with at least 100/20mbps speed to qualify for the grant. The evaluation criteria included the financial and network feasibility of the projects, as well as their economic and community impact post-investment. Applicants had to provide community support documentation that showed community engagement, public participation, and the necessity to back up their applications. The State of Tennessee offered a 70/30 match rate and according to state law offered additional points for those applicants that offered a larger match amount. The Middle Mile program had a maximum grant amount of \$20,000,000, however, the average grant was \$4,059,925, and the highest grant was slightly more than \$15,000,000.

Performance Measures:

- **Outcome 1:** The program will facilitate broadband access to 42,750 previously unserved individuals across eight counties, by October 31, 2026.
- **Outcome 2:** The program will support 17,100 unserved and underserved locations with a goal of 40% average adoption rate across all projects by October 2027.
- **Outcome 3:** The program will support increased coverage in Blount, Cocke, Jefferson, Lawrence, Maury, Monroe, Montgomery, and Putnam.

Last Mile

Funding Amount: \$58,546,010

Obligated Amount: \$58,546,010

Expended Amount: \$1,774,955**

***Expended amount is approximately \$2,500,000 as of September 2025*

Project Description

The Last Mile program aims to serve counties that lack 25/3mbps network speeds and were historically unserved/unapplied for in Tennessee’s previous state-administered Last Mile grant programs.

Second Round Timeline

As a result of lower-than-anticipated application volumes for Middle Mile projects in round one, the state broadband office reallocated the remaining funds to a second round of the Last Mile program. In April 2024, a new round of the Last Mile program was announced for eight counties identified as having significant gaps in broadband coverage and demand. Viable applications were submitted for six of these counties. The state broadband office named the finalists in mid-July 2024, after which the selected grantees received authorization to proceed. All construction phases associated with these projects are required to be completed by October 31, 2026.

Current Timeline

By June 30, 2025, the broadband office had awarded \$58,546,010 (27% of the total CPF allocation) for 20 projects covering 10,067 locations. Projects are set to finish by October 31, 2026. As of this period, 135 miles of fiber have been deployed (5.9% of the planned 2,294 miles), and 265 passings were completed: 250 residential and 15 businesses.



Figure 3: Last Mile Grant Statistics as of June 30, 2025

Eligible Applicants and Selection Process

The Last Mile program is focused on low-income communities that are in high-cost areas with low population density, specifically targeting areas that have lacked a service provider in the past. The State of Tennessee selected and drew a grant boundary dividing the county into 2-3 project areas. The evaluation criteria included the financial and network feasibility of the projects and their economic and community impact. The State of Tennessee offered up to a 70/30 match rate in these areas and according to state law, offered additional points for those applicants that offered a larger match amount.

Performance Measures:

- **Outcome 1:** The program will facilitate broadband access to 25,167 previously unserved Tennesseans by October 31, 2026.
- **Outcome 2:** The program will support 10,067 unserved and underserved locations with a goal of 40% average adoption rate across all projects by October 31, 2026.
- **Outcome 3:** The program will support ubiquitous coverage in Carroll, Johnson, Marshall, Meigs, Moore, Wayne, Roane, Polk, and Hardin Counties.

The Connected Community Facilities (CCF)

Funding Amount: \$76,970,225

Obligated Amount: \$76,970,225

Expended Amount: \$993,085

**All funds obligated as of September 2025*

***Expended amount is approximately \$2,400,000 as of September 2025*

Project Description

The CCF program invests in facilities that expand digital access for workforce development, telehealth, and education. These hubs promote digital inclusion by offering resources and services that empower residents to engage fully in the digital economy. By facilitating workforce development, enhancing telehealth capabilities, and expanding educational opportunities, the program significantly contributes to achieving the goals outlined in the Digital Opportunity Plan, fostering greater economic and community development across Tennessee.

Eligible Applicants and Selection Process

The facilities that applied for funding were required to be owned by local government units. Several applicants worked with local non-profits and service organizations to ensure long-term operations after the building is done. To qualify, applicants had to agree to offer resources in community facilities for at least five years after project completion. During the competitive scoring of applications, financial need and feasibility, community support,

community and economic impact, and project need were considered. Eligible expenses were related to building, improving, buying, or furnishing the facilities.

Second Round Timeline

In May 2024, a second round of CCF funding was announced and applications were closed in June 2024. After a competitive selection process, the program selected 31 grantees for 31 projects and awarded them a total of \$49,373,682. The grantees received letters to proceed on October 24, 2024, which authorized them to start the design, engineering, and construction phases of their projects.

Current Timeline

By June 30, 2025, the broadband office awarded \$76,970,225 (35% of total CPF funds) to 51 projects serving 231,180 individuals (11,000 individuals served this quarter). Projects are scheduled for completion by October 31, 2026. At this stage, 37 constructions have begun and six have finished construction, and 145,484 square feet (25%) completed.



Figure 4: Connected Community Facilities Statistics as of June 30, 2025

Work, Education, and Healthcare

To enhance digital opportunity and the quality of life for residents, local and county governments were invited to submit competitive applications detailing how a community facility could bolster workforce development, education, and telehealth services in one facility. The array of applications showcased diverse approaches, each tailored to address the unique needs of their respective communities while leveraging existing assets and service providers within the county.

Below are two examples that highlight different strategies employed to meet these three digital goals in one facility.

The Town of Dandridge is building a new 9,000-square-foot municipal library to serve as a central hub for digital opportunity, workforce development, education, and community health in Jefferson County. This modern facility will offer high-speed fiber broadband, private computer stations, a dedicated computer lab, meeting rooms, and specialized spaces such as a makerspace and a local history room. Community members will benefit from digital literacy training, technology assistance, computer classes for all ages, career

support services, resume writing workshops, and job fairs. The library will also provide telehealth privacy rooms, exercise classes, and expanded summer feeding programs for children. Strategically located near essential services and housing for low-income seniors, the library will feature improved Americans with Disabilities Act (ADA) accessibility, expand parking, and expanded operating hours. With an expected annual reach of 24,000 individuals, the project aims to bridge the digital divide and support economic growth, funded by a \$3,000,000 budget – it is scheduled for completion by October 31, 2026.

Putnam County will construct a 4,000-square-foot addition to the Putnam County Library, creating a central hub for digital opportunity, workforce development, and health monitoring. The expanded facility will offer free high-speed broadband, new computer stations, collaborative workspaces, and telehealth stations, specifically targeting 16% of county residents without internet access at home. Services will include digital literacy training, job search assistance, certification classes, and trade-focused digital skills, as well as health education and nutrition courses. The library’s strategic location near major landmarks—such as Tennessee Tech University, the county square, and Cookeville Regional Medical Center—ensures accessibility for students, seniors, and families. Open six days a week with extended hours, the library will serve as a cornerstone for community engagement and lifelong learning. Over five years, the project is expected to benefit at least 5,200 individuals, helping bridge economic and educational gaps in a county where 17.8% of residents live below the poverty line and 11% lack a high school diploma. Supported by a \$1,950,000 budget, with 90% covered by grant funds and a 10% local match, the project is scheduled for completion by October 31, 2026.

Performance Measures:

- **Outcome 1:** Increase broadband subscription take rates.
- **Outcome 2:** Increase the number of those in covered populations who receive training from TNECD-funded workforce development programs.
- **Outcome 3:** Increase the number of no- to low-cost devices provided to members of covered populations by TNECD-funded programs.

3. Promoting Equitable Outcomes and Addressing Critical Needs

Last Mile and Middle Mile Programs

Three counties prioritized for this grant, namely, Wayne, Hardin, and Polk, are characterized by rural landscapes, low population densities, and high poverty rates. Moreover, they have low broadband availability and adoption rates, which limits their access to education, health care, economic opportunities, and civic participation. By providing equal and practical access to high-speed internet services funded by CPF, the Program aims to improve the quality of life and well-being of households, businesses, and community anchor institutions in these communities. Additionally, this project enables universal levels of service for these counties, meaning that every resident and organization has access to affordable, reliable, and resilient broadband service that meets their current and future needs.



*Photo 1: Billboard in Sequatchie County, Tennessee
Photo 2: Network Photo from Dickson County, Tennessee*

CCF Programs

In the administration of the CCF grants, Tennessee instituted a policy that awarded additional points to applications originating from counties classified as "at-risk" or "distressed," reflecting the highest poverty levels within the state. This designation is based on the Appalachian Regional Commission's criteria, highlighting the need for targeted investment in these areas to address digital disparities and foster economic growth. Furthermore, counties exceeding the state median income were required to demonstrate that the proposed facility primarily served residents from Qualified Census Tracts (QCTs). This dual approach underscores Tennessee's commitment to equitable broadband access and digital inclusion across the state.



Photo 3: Updated Conference Room in a Connected Community Facility in Davidson County, Tennessee



Photo 4: Network Switches in a Connected Community Facility in Davidson County, Tennessee



Photo 5: Storage Space for Equipment in a Connected Community Facility in Davidson County, Tennessee



Photo 6: ECD Meeting with Grantee in a Connected Community Facility in Davidson County, Tennessee



Photo 7: A New Roof in a Connected Community Facility in Franklin County, Tennessee

4. Labor

In alignment with the CPF guidelines, TNECD has implemented tracking requirements related to labor in Last Mile and Middle Mile projects that exceed \$5,000,000. Specifically, recipients detail workers, hours worked, roles performed, wages, commitment to hire local, and outline community benefit agreements. To facilitate compliance with these requirements, the state employs a [standardized wage reporting template](#). This tool serves as a mechanism for capturing and verifying accurate documentation of labor-related activities and expenses each quarter. These measures reflect the state's commitment to promoting fair labor practices and supporting economic recovery efforts. Tennessee aims to maximize the impact of the CPF on local economies and communities, ensuring that resources are directed towards meaningful outcomes and lasting benefits.

5. Community Engagement





Community Outreach Strategies

The Broadband Office prioritized community outreach for both the Broadband Infrastructure programs and the CCF program. For the former, TNECD hosted three listening sessions and application workshops across East, West, and Central Tennessee. These multi-hour workshops emphasized the technical and community engagement requirements for applications and introduced the new project area methodology, ensuring applicants were well-prepared and informed.

*Photos 8 and 9: Last Mile and Middle Mile Application Workshops
Photo 10: ECD Group Photo on Connected Community Facility Site Visit*

The CCF program is a significant component within the broader framework of Tennessee's Digital Opportunity Plan. TNECD embarked on an extensive outreach campaign to pinpoint the specific needs of covered populations and the primary obstacles hindering digital adoption.

Key Components of the Outreach Campaign

- Surveys and Community Meetings were conducted to gather firsthand insights into the challenges faced by individuals and communities in adopting digital technologies.
- The Digital Opportunity Summit brought together stakeholders from various sectors, including government officials, nonprofit organizations, and industry experts.
- TNECD conducted targeted Agency and Stakeholder Engagement to facilitate the sharing of information, resources, and best practices, further strengthening the collective push towards digital inclusion.

Through these outreach efforts, the program identified critical barriers to digital adoption, particularly in communities lacking essential infrastructure and support systems. Examples of these barriers found were communities without access to facilities such as libraries or community centers. Additionally, many communities lacked exposure to telehealth solutions, thereby missing the potential benefits of remote healthcare services.

Application Requirements

Additionally, the evaluation criteria for the Broadband Infrastructure and CCF projects emphasized the expected economic and community impact post-investment. Applicants had to provide comprehensive community support documentation, demonstrating active community engagement, public participation, and the project's necessity. This included support letters from the community highlighting how the program would address critical community and economic needs, thereby substantiating their applications with evidence of local backing and anticipated benefits.

6. Civil Rights Compliance

To meet Title VI requirements, Tennessee collects and reviews compliance information from subrecipients before contracting. Subrecipients must complete training and certify compliance, which is renewed every three years. Mid-point monitoring verifies awareness and tracks any investigations. If any federal or state agency has conducted a civil rights review of the subrecipient organization, the review letter and relevant findings are documented and presented to staff during the monitoring visit. This process ensures ongoing compliance and reinforces the state's commitment to civil rights.

7. Appendix: CPF Award Approvals 1.0 & 2.0

(as of June 30, 2025)

Program	Grantee	County(s) Served	Award Amount
Middle Mile	Dickson Electric Department	Dickson, Cheatham, Houston, Hickman, Montgomery	\$1,364,759
Middle Mile	West Kentucky Rural Telephone Cooperative Corporation, Inc.	Henry, Weakley	\$6,610,468
Middle Mile	Gibson Connect, LLC	Gibson, Madison	\$7,097,544
Middle Mile	Ben Lomand Communications, LLC	Franklin, Moore	\$14,683,374
Middle Mile	United Telephone Company	Rutherford, Williamson	\$1,780,226
Middle Mile	United Telephone Company	Franklin	\$3,150,107
Middle Mile	Fayetteville Public Utilities	Lincoln, Giles, Marshall	\$2,646,000
Middle Mile	United Telephone Company	Franklin, Moore, Bedford	\$3,058,513
Middle Mile	Johnson City Energy Authority	Washington	\$6,681,349
Middle Mile	Aeneas Communications LLC	Fayette, Tipton, Lauderdale, Haywood, Madison, Chester, Hardeman	\$7,189,297
Middle Mile	Spectrum Southeast, LLC	Blount	\$291,730
Middle Mile	Newport Utilities	Cocke	\$15,192,642
Middle Mile	Spectrum Southeast, LLC	Jefferson	\$205,703
Middle Mile	Loretto Telephone Company, Inc	Lawrence	\$1,580,796
Middle Mile	Spectrum Southeast, LLC	Maury	\$191,788
Middle Mile	Spectrum Southeast, LLC	Monroe	\$163,179
Middle Mile	Spectrum Southeast, LLC	Montgomery	\$135,850
Middle Mile	Twin Lakes Communications, Inc.	Putnam	\$1,055,317
Last Mile	Spectrum Southeast, LLC	Carroll	\$337,934
Last Mile	Spectrum Southeast, LLC	Carroll	\$90,798
Last Mile	Tennessee Valley Electric Cooperative	Hardin	\$1,276,471
Last Mile	Spectrum Southeast, LLC	Hardin	\$872,399
Last Mile	Connect Holding II LLC	Hardin	\$6,842,457
Last Mile	SkyBest Communications, Inc.	Johnson	\$5,056,151
Last Mile	United Telephone Company	Marshall	\$8,137,110
Last Mile	Spectrum Southeast, LLC	Meigs	\$560,698

Program	Grantee	County(s) Served	Award Amount
Last Mile	Spectrum Southeast, LLC	Meigs	\$555,468
Last Mile	Ben Lomand Communications, LLC	Moore	\$4,671,173
Last Mile	Spectrum Southeast, LLC	Moore	\$4,151,157
Last Mile	Spectrum Southeast, LLC	Polk	\$421,986
Last Mile	ETC Communications LLC	Polk	\$1,992,106
Last Mile	Spectrum Southeast, LLC	Polk	\$3,644,055
Last Mile	Comcast Cable Communications Management, LLC	Roane	\$4,211,950
Last Mile	Spectrum Southeast, LLC	Roane	\$3,293,793
Last Mile	Spectrum Southeast, LLC	Roane	\$3,476,296
Last Mile	Tennessee Valley Electric Cooperative	Wayne	\$425,424
Last Mile	Tennessee Valley Electric Cooperative	Wayne	\$1,861,920
Last Mile	Spectrum Southeast, LLC	Wayne	\$6,666,666
CCF	City of Jackson	Jackson	\$405,434
CCF	Clay County	Clay	\$1,712,835
CCF	Lewis County Government	Lewis	\$1,596,114
CCF	Maury, County of	Maury	\$2,000,000
CCF	McNairy County	McNairy	\$2,000,000
CCF	Carroll County Government	Carroll	\$1,800,000
CCF	City of Bolivar	Bolivar	\$589,712
CCF	Decatur County Government	Decatur	\$1,043,217
CCF	Hamilton County Government	Hamilton	\$1,421,028
CCF	Hartsville/Trousdale County Government	Hartsville/Trousdale	\$2,000,000
CCF	Houston County Government	Houston	\$2,000,000
CCF	Jackson County	Jackson	\$311,850
CCF	Johnson County Government	Johnson	\$2,000,000
CCF	Montgomery County Government	Montgomery	\$216,531
CCF	The City of Dyersburg	Dyersburg	\$1,798,065
CCF	United Way of West Tennessee	Jackson	\$1,755,818
CCF	Warren County	Warren	\$675,000
CCF	Wayne County Government	Wayne	\$2,000,000
CCF	Williamson County	Williamson	\$312,454
CCF	Greene County Government	Greene	\$1,544,202

Program	Grantee	County(s) Served	Award Amount
CCF	Wilson County Promotions	Wilson	\$1,980,000
CCF	County of Cannon	Cannon	\$1,980,000
CCF	Putnam County Tennessee	Putnam	\$1,755,000
CCF	DANDRIDGE MUNICIPAL LIBRARY	Dandridge	\$1,800,000
CCF	Shelbyville Bedford County Public Library	Shelbyville	\$630,000
CCF	Giles County Government	Giles	\$2,000,000
CCF	Smith County Government	Smith	\$1,800,000
CCF	Pickett County Government	Pickett	\$1,980,015
CCF	Soulsville Foundation	Soulsville	\$1,978,470
CCF	City of Newbern	Newbern	\$1,796,376
CCF	Town of Somerville	Somerville	\$1,945,489
CCF	City of Sweetwater	Sweetwater	\$609,980
CCF	City of Ripley	Ripley	\$1,864,493
CCF	City of Kingsport	Kingsport	\$2,000,000
CCF	Town of Henning	Henning	\$727,049
CCF	Town of Oneida	Oneida	\$736,200
CCF	Michael Dunn Center	Roane	\$616,140
CCF	Franklin County Government	Franklin	\$420,273
CCF	Weakley County Government	Weakley	\$1,716,374
CCF	City of Memphis	Memphis	\$1,584,000
CCF	Henderson County Government	Henderson	\$995,461
CCF	County of Hardin	Hardin	\$1,799,771
CCF	TAF Rural Expansion Foundation	Unicoi	\$1,980,000
CCF	City of Etowah	Etowah	\$1,387,395
CCF	Town of Whiteville	Whiteville	\$2,000,000
CCF	City of Mount Pleasant	Mount Pleasant	\$1,980,000
CCF	Perry County	Perry	\$1,980,405
CCF	Sequatchie County	Sequatchie	\$2,000,000
CCF	YMCA of Memphis & The Mid-South	Memphis	\$1,786,589
CCF	Metropolitan Government of Nashville & Davidson	Nashville, Davidson	\$1,978,484
CCF	City of Brownsville	Brownsville	\$1,980,000