

May 9, 2022

The Honorable Senator Torrey Westrom
Chair, Agriculture and Rural Development Finance and Policy
Minnesota Senate Bldg., Room 3201
St. Paul, MN 55155

The Honorable Representative Mike Sundin
Chair, Agriculture Finance and Policy
417 State Office Building
St. Paul, MN 55155

Dear Senator Westrom and Representative Sundin,

On behalf of the Minnesota Department of Employment and Economic Development, I am writing to provide feedback on provisions in the House and Senate's respective omnibus bills that impact DEED programs. Governor Walz and Lt. Governor Flanagan's budget is focused on Moving Minnesota Forward. Most central to this committee's focus is ensuring that all homes and businesses in the state have access to quality, high-speed broadband.

Building out Minnesota's broadband infrastructure for unserved and underserved areas has been an ongoing priority in order to achieve our state speed goals as set out in statute. From DEED's perspective, access to quality broadband is a key economic development tool that allows businesses across the state to gain access to markets worldwide. Furthermore, the pandemic emphasized many other purposes that are likely here to stay such as students accessing homework and class materials online and the opportunity to receive telehealth services.

Thank you to both committees for including funding for the Border-to-Border Broadband Grant Program to help ensure we achieve our state speed goals. Governor Walz proposed \$170 million in state general funds for the program to help get Minnesotans connected to broadband. We hope to work with the committee to increase the level of broadband funding from the state general fund. While we are happy to have federal funding available to use for broadband, state general fund dollars provide the Office of Broadband Development more timeliness and flexibility in awarding grants.

Additionally, as we await approval from the U.S. Dept. of Treasury on our plan to spend the \$70 million as directed during the 2021 Legislative Session, we would caution against statutory changes to the Border-to-Border Broadband Grant Program. Statutory changes would require us to modify our plan with the U.S. Dept. of Treasury, potentially causing further delays in utilizing the \$70 million as directed.

I know these conference committee days are long and the work is always challenging. I am committed to working with you. Thank you in advance for your consideration of this feedback. Please do not hesitate to contact me or Deven Bowdry (deven.bowdry@state.mn.us) with any question.

Regards,



Steve Grove
Commissioner

CC: Members of the Conference Committee on HF 4366