

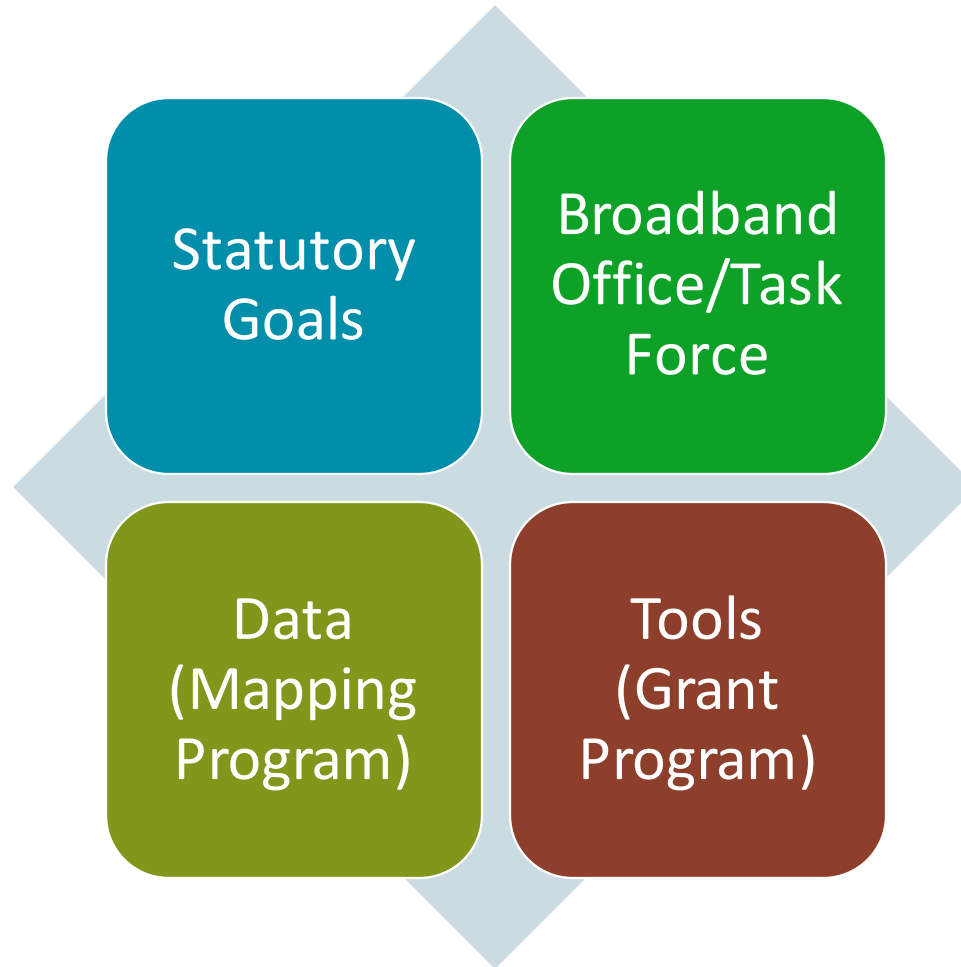


**EMPLOYMENT AND  
ECONOMIC DEVELOPMENT**

**Office of Broadband Development Overview and Broadband Funding Streams  
House Capital Investment  
February 8, 2022**



# Minnesota Broadband Policy Framework



# Roles and Responsibilities

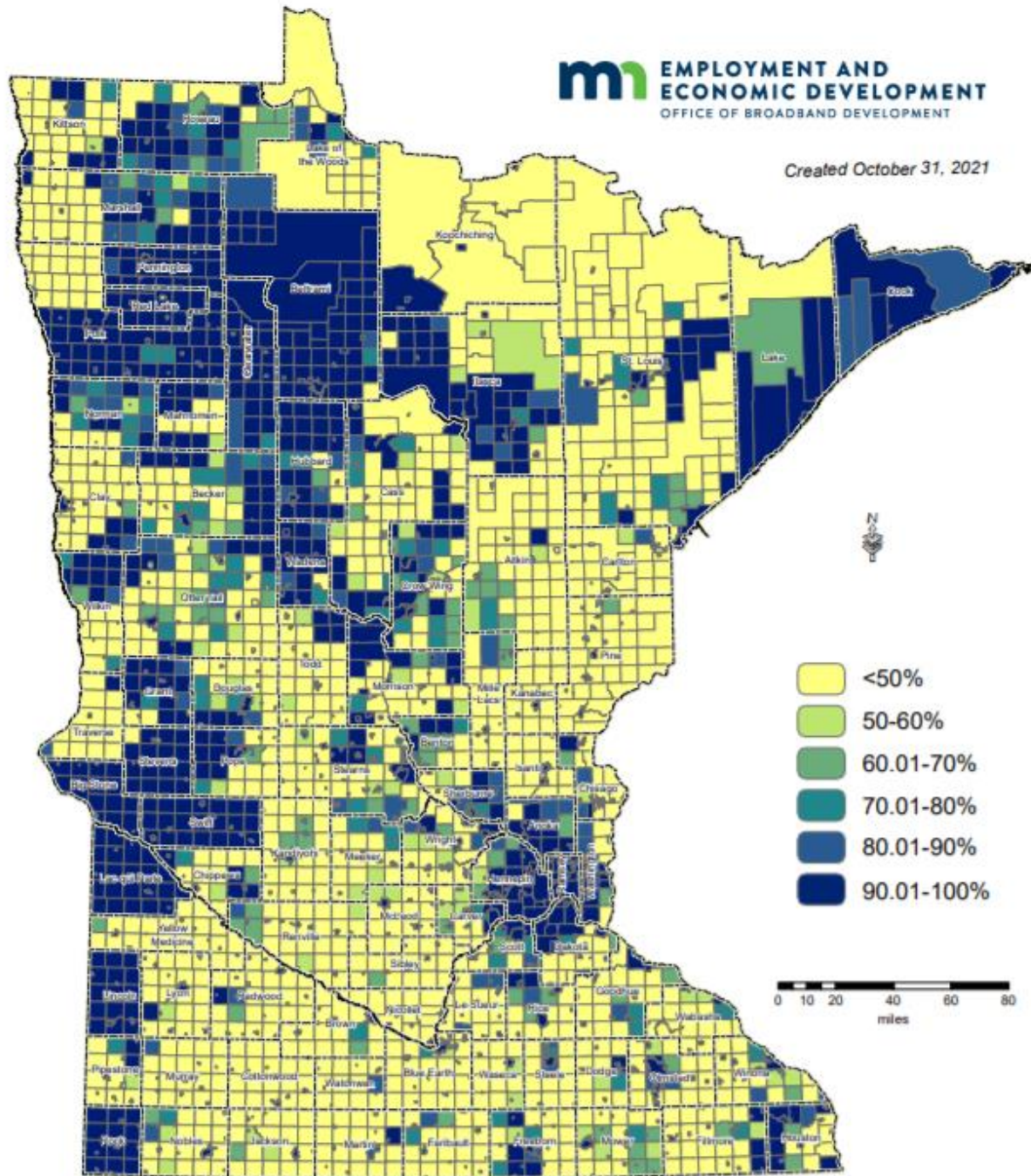


- Work to **facilitate, promote, and improve broadband infrastructure** development
- Measure and **map broadband availability** across the state
- Dig Once/conduit/ROW management /permitting
- Provide **technical assistance** to providers and communities
- **Administer the Border-to-Border broadband grant program**

# Roles and Responsibilities Cont.

- Inform and support state broadband policy discussions
- Serve as a clearinghouse for state and federal program resources
- Measure, analyze, and support community anchor institution needs
- Support **digital inclusion** (literacy and affordability)
- Support inclusion of broadband needs into local planning processes
- Provide support to the Broadband Task Force
- Administer the **Telecommuter Forward! Community program**

Created October 31, 2021



## 2021 Broadband Availability in the State of Minnesota

Percentage of Households Served by Wireline  
Broadband Service by City/Township  
At Least 100 Mbps Download/20 Mbps Upload Speeds  
Statewide Availability: 88.52%, Rural: 75.05%

**2021**

<b>Statewide 100/20 - % of Households:</b>	88.52% covered
<b># of Households without:</b>	240,000
<b>Non-metro 100/20 - % of Households:</b>	75.05% covered
<b># of Households without:</b>	224,000

# Border-to-Border Broadband Grant Program

- **Grant purpose:** To provide financial assistance for the acquisition and installation of middle-mile and last-mile broadband infrastructure to areas of the state that do not have wireline access at federal and state minimum standard speeds
- **Allowable costs:** Final project design; obtaining construction permits; purchase and/or construction of facilities, including construction of both “middle mile” and “last mile” infrastructure; and installation and testing of the equipment used to provide broadband service



# Border-to-Border Broadband Grant Program Cont.

- Annual general fund appropriations in 6 out of 9 years. Federal funding appropriated for FY22 and FY23.
- Technology must be scalable to at least 100Mbps Up/Down
- Cap of \$5M per grant award
- At least 1-to-1 match (50% of eligible expenses) required (more points awarded for higher match)
- Grant awards are to be geographically dispersed
- Speeds offered must achieve 25/3; many offer 100/20 or 1G



# Border-to-Border Broadband Grant Program - Cont.

- Who is eligible to apply?
  - Incorporated business or partnership
  - Political subdivision
  - Indian tribes
  - Minnesota nonprofit organized under 317A
  - Minnesota cooperative organized under 308A or 308B
  - Minnesota limited liability corporation organized under 322B for the purpose of expanding broadband access





# Bonding and Broadband

- Over the years, it has been suggested that the state bond for broadband infrastructure
- MMB and Bond Counsel have determined that this would not be an eligible use of bonding

# Rural Digital Opportunity Fund (RDOF)

- Funding for broadband deployment - administered by the FCC
- RDOF I provides support for fully unserved census blocks in price cap carrier historic serving areas
- Anticipated that carriers will receive \$408 million to build out service in Minnesota  
*(pending application approval)*



# Federal Funding Opportunities

## USDA Recurring Programs (existed pre-Covid):

- **USDA Community Connect** - *Applications closed 12/23/20; next window not announced.*
- **USDA ReConnect** - *Round 3 application closes 2/22/22; \$1.15B for grants, grant/loans and loans. ReConnect receives \$2B in Infrastructure Investment and Jobs Act for future round.*

## Consolidated Appropriations Act (passed December 2020):

- **NTIA Broadband Expansion to Underserved Communities (\$288M)** - *Applications closed 8/17/2021; \$2.5B in requests.*
- **NTIA Tribal Connectivity (\$1B)** - *Applications closed 9/1/2021; \$5B in requests.*
- **FCC Emergency Broadband Benefit (\$3.2B)** - *Eligible household enrollment continues; will be replaced with Affordable Connectivity Program and \$30/monthly benefit.*

# Federal Funding Opportunities - Cont.

## American Rescue Plan Act (passed March 2021):

- State and Local Fiscal Recovery Funds
  - Broadband is an allowed use
  - Some local governments are funding broadband projects
  - State fiscal recovery funds to date - none allocated for broadband in MN but \$1.1B unspent and to be discussed in 2022 session
- Sec. 604 Capital Projects Fund:
  - Minnesota's allocation of the \$10B is \$180,702,620
  - Treasury guidance includes \$70M for the Border-to-Border grant program. State must apply, sign grant agreement with Treasury, file Grant Plan and Program Plan(s)

# Capital Projects Fund

Aims to:

- Support recovery from COVID-19 public health emergency by strengthening and improving the infrastructure necessary for participation in work, education, and health monitoring
- Enable investments in capital assets designed to address inequities in access to critical services
- Contribute to the Administration's goal of providing every American with the modern infrastructure necessary to access critical services, including a high-quality and affordable broadband internet connection



# Capital Projects Fund Eligible Uses

- Broadband infrastructure projects
- Digital connectivity technology projects (the purchase and/or installation of devices and equipment to facilitate broadband internet access)
- Multi-purpose community facility projects (projects to construct or improve buildings that are designed to jointly and directly enable work, education, and health monitoring)



# 2022 Border-to-Border Broadband Grant Program

- DEED is authorized to use \$70 million from the Capital Projects Fund for Border-to-Border Broadband Grants
- U.S. Treasury expected to approve our plan within the next month
- Anticipate launching first grant round in FY22 for \$35 million;
  - Second round in FY23 with remaining \$35 million

# Infrastructure Investment and Jobs Act

- \$65B for Broadband:
  - \$42.5B for **Broadband Equity, Access and Deployment Act** - grants to states, **base amount of \$100M per state** and an additional amount based on # of unserved locations
  - \$14.2B for **Affordable Connectivity Benefit Program**, \$30/month benefit, replaces EBB
  - \$2.75B for the **Digital Equity Act** - with \$1.5B for state digital equity grants after filing state plan with NTIA and \$1.25B for digital equity grants awarded directly by NTIA
  - \$2B for USDA - \$1.926 for the ReConnect program (broadband infrastructure grants, grant/loans and loans) and \$74M for the USDA broadband loan program
  - \$2B for Tribal broadband connectivity programs
  - \$1B for middle mile infrastructure grants
  - \$600M for tax exempt Private Activity Bonds

# Infrastructure Investment and Jobs Act and Minnesota

- Minnesota will receive at least \$100 million
- After the FCC updates maps, NTIA will calculate how much of the remaining funds will be allocated to each state
- Requires states to prioritize use of funds – unserved locations, underserved areas, and community anchor institutions



# Questions?



[Mn.gov/deed/broadband](https://mn.gov/deed/broadband)