



**EMPLOYMENT AND  
ECONOMIC DEVELOPMENT**

**Office of Broadband Development  
House Agriculture Finance and Policy Committee**

**January 17, 2023**

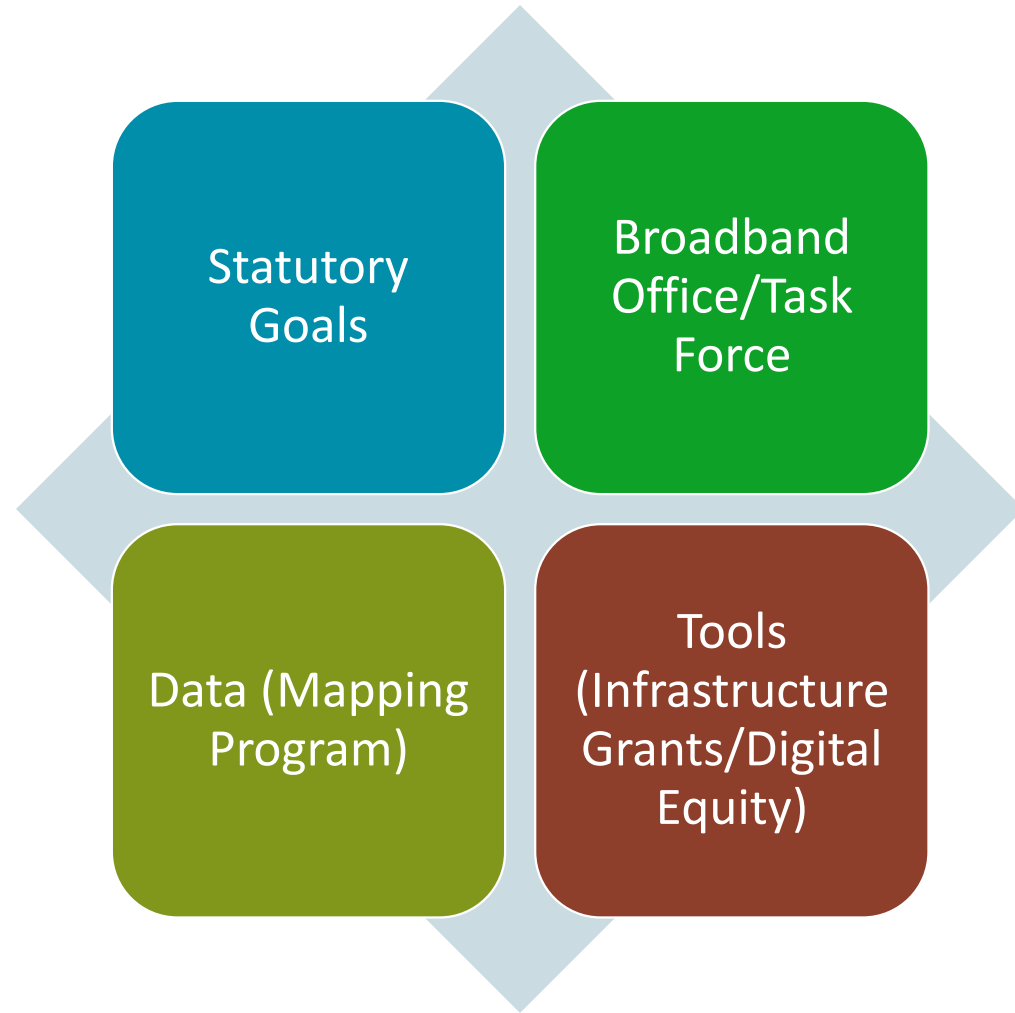


**Bree Maki, Executive Director**

# Timeline - Minnesota Broadband Development Policy



# MN Broadband Policy Framework



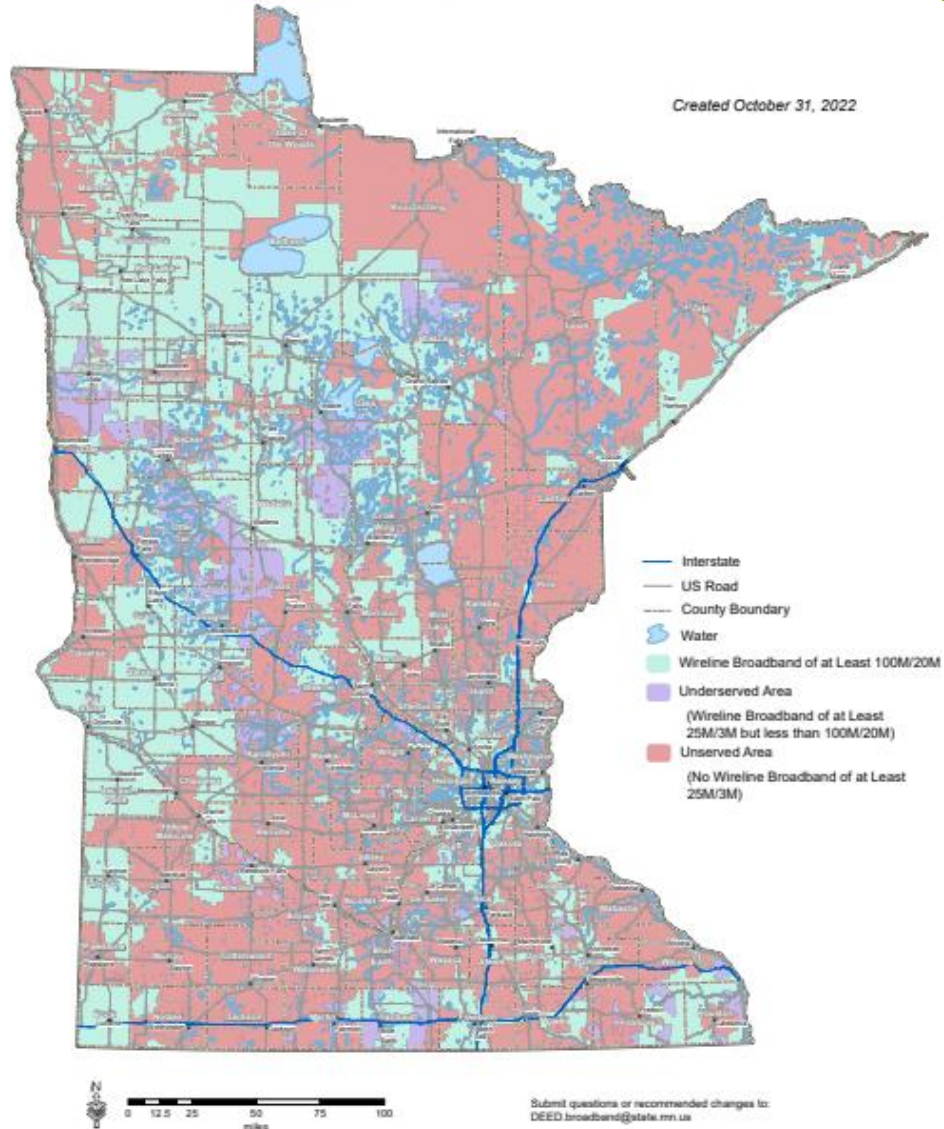
# MN Broadband Speed Goals

- By 2022, all homes and businesses have access to broadband service of at least 25Mbps download and 3Mbps upload.
- By 2026, all homes and businesses have access to at least one provider offering service of at least 100Mbps download and 20Mbps upload.

## 2022 Provider Broadband Service Inventory

Border-to-Border Broadband Development Grant Program

Unserved, Underserved and Served Broadband Areas



# Progress...but not done yet

- **198,000** households without access to 25/3 (2022 goal)
- **291,000** without access to 100/20 (2026 goal)

## State Statutory Broadband Goals:

All homes and businesses will have access to broadband service of at least:

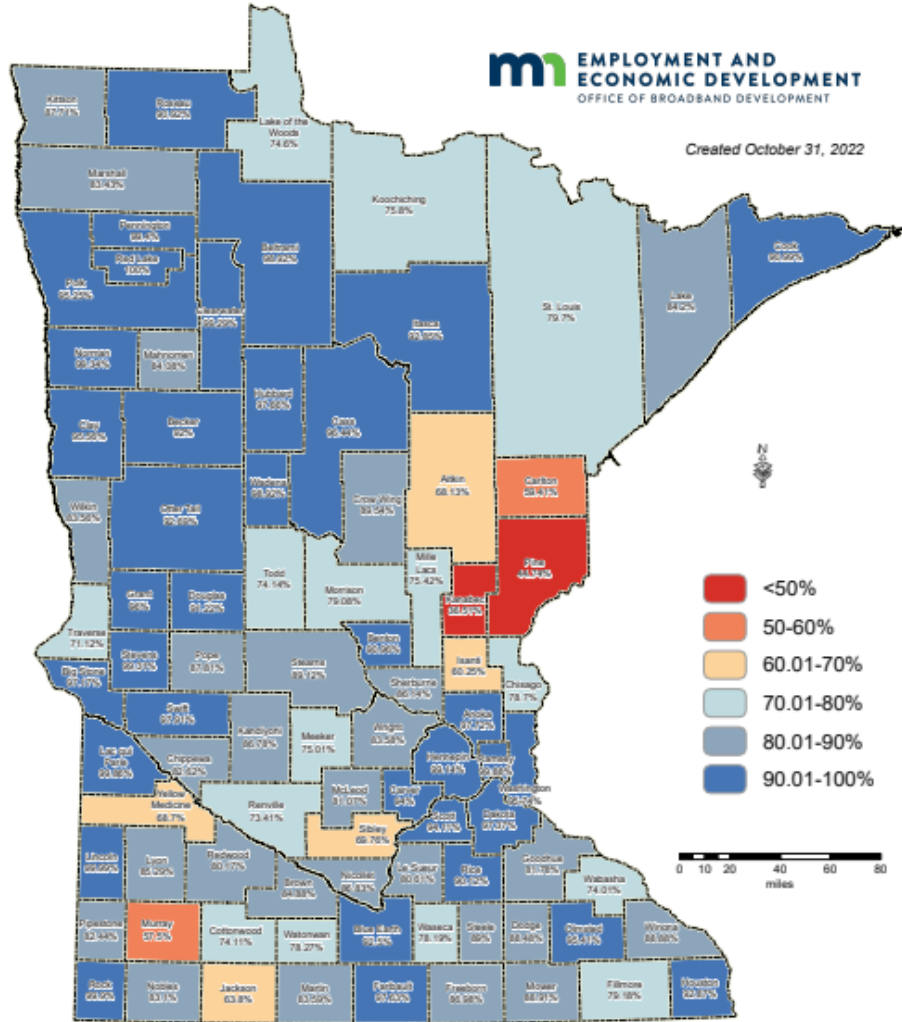
- 25 Mbps download by 3 Mbps upload (Current FCC definition) by 2022
- 100 Mbps download by 20 Mbps upload by 2026

*Numbers from November 2022*

## 2022 Broadband Availability in the State of Minnesota

Percentage of Housing Units Served by Wireline  
Broadband Service by County

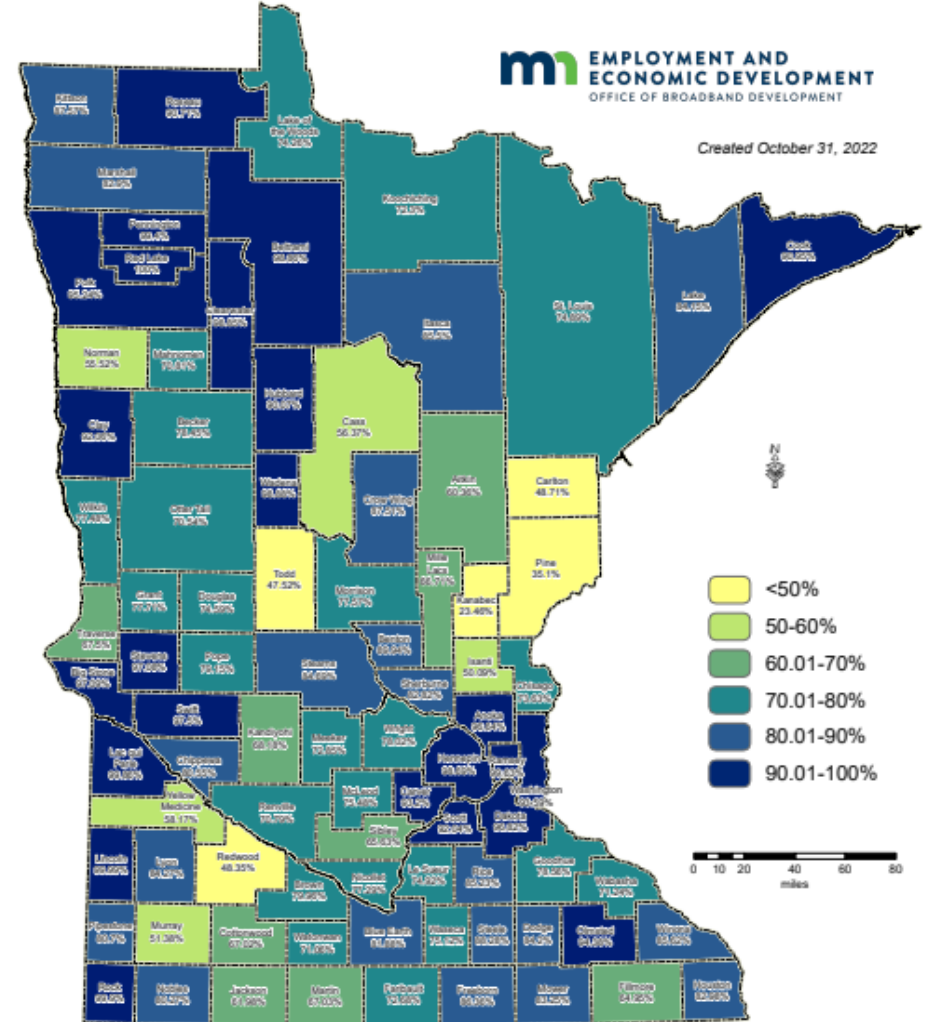
At Least 25 Mbps Download/3 Mbps Upload Speeds  
Statewide Availability: 92.03%, Rural: 74.42%



## 2022 Broadband Availability in the State of Minnesota

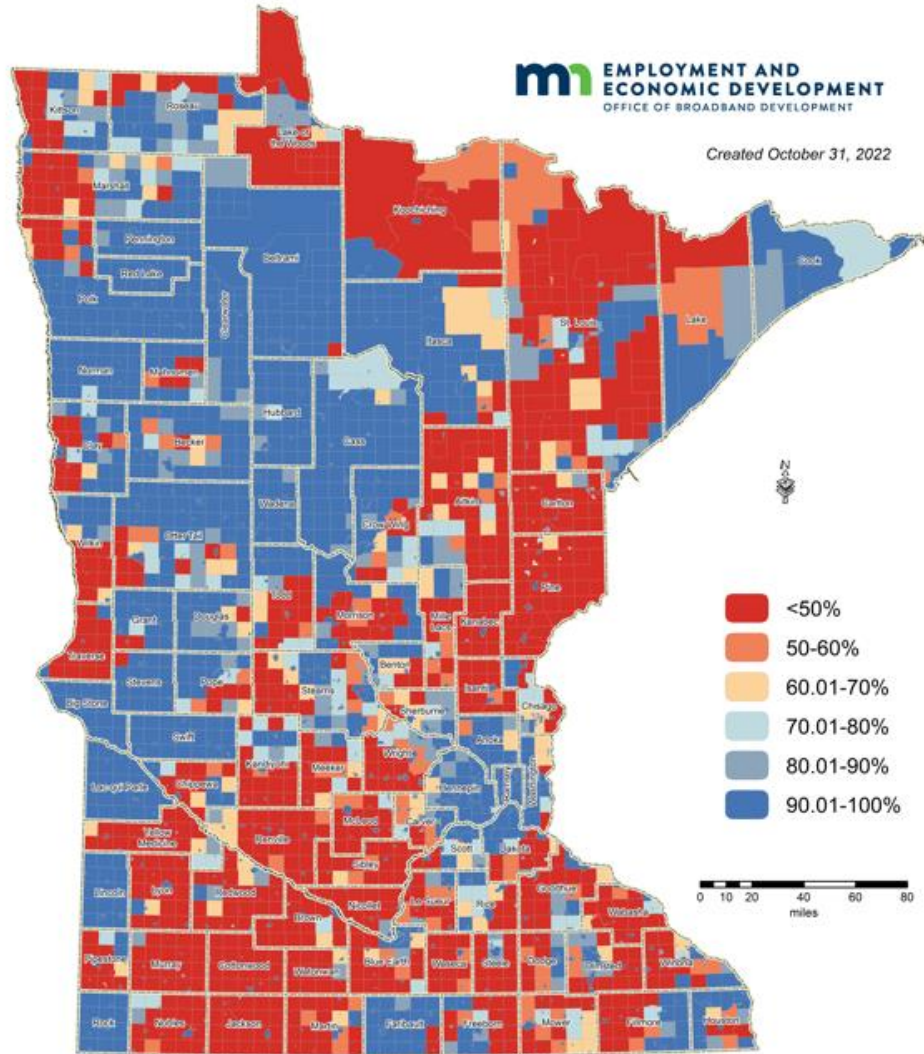
Percentage of Housing Units Served by Wireline  
Broadband Service by County

At Least 100 Mbps Download/20 Mbps Upload Speeds  
Statewide Availability: 88.29%, Rural: 62.46%



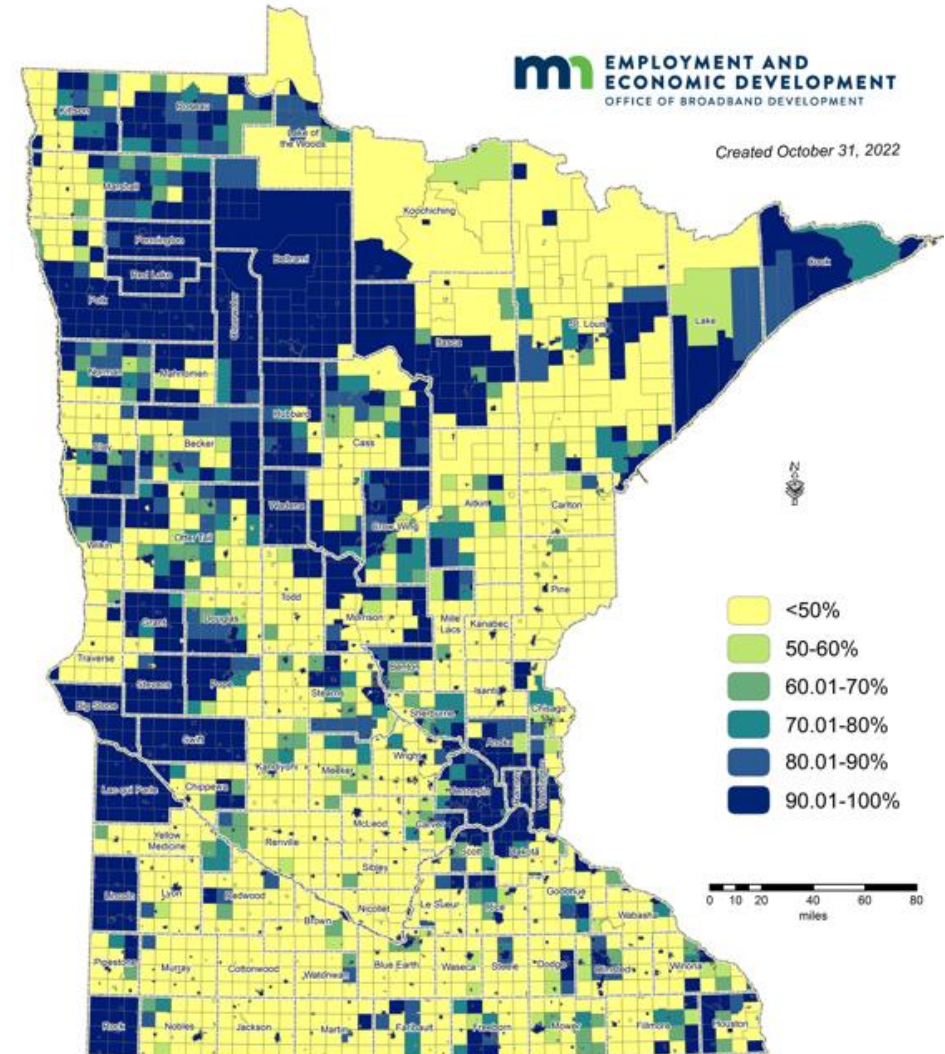
## 2022 Broadband Availability in the State of Minnesota

Percentage of Housing Units Served by Wireline  
Broadband Service by City/Township  
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## 2022 Broadband Availability in the State of Minnesota

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# Broadband Programs

- Border-to-Border Broadband Infrastructure Grant Program (premier program);
- Lower Population Density Pilot Program (within Border-to-Border program framework);
- Line Extension Program;
- Digital Equity;
- Telecommuter Forward certification; and
- Other federal programs.



# MN Border to Border Broadband Development Grant

- **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:** Examples of allowable costs include: 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 Development Grant Overview

- Annual general fund appropriations in 6 out of 8 years.
- Distributed in a single competitive grant round each FY funding received.
- 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, most offer 100/20 or 1G.

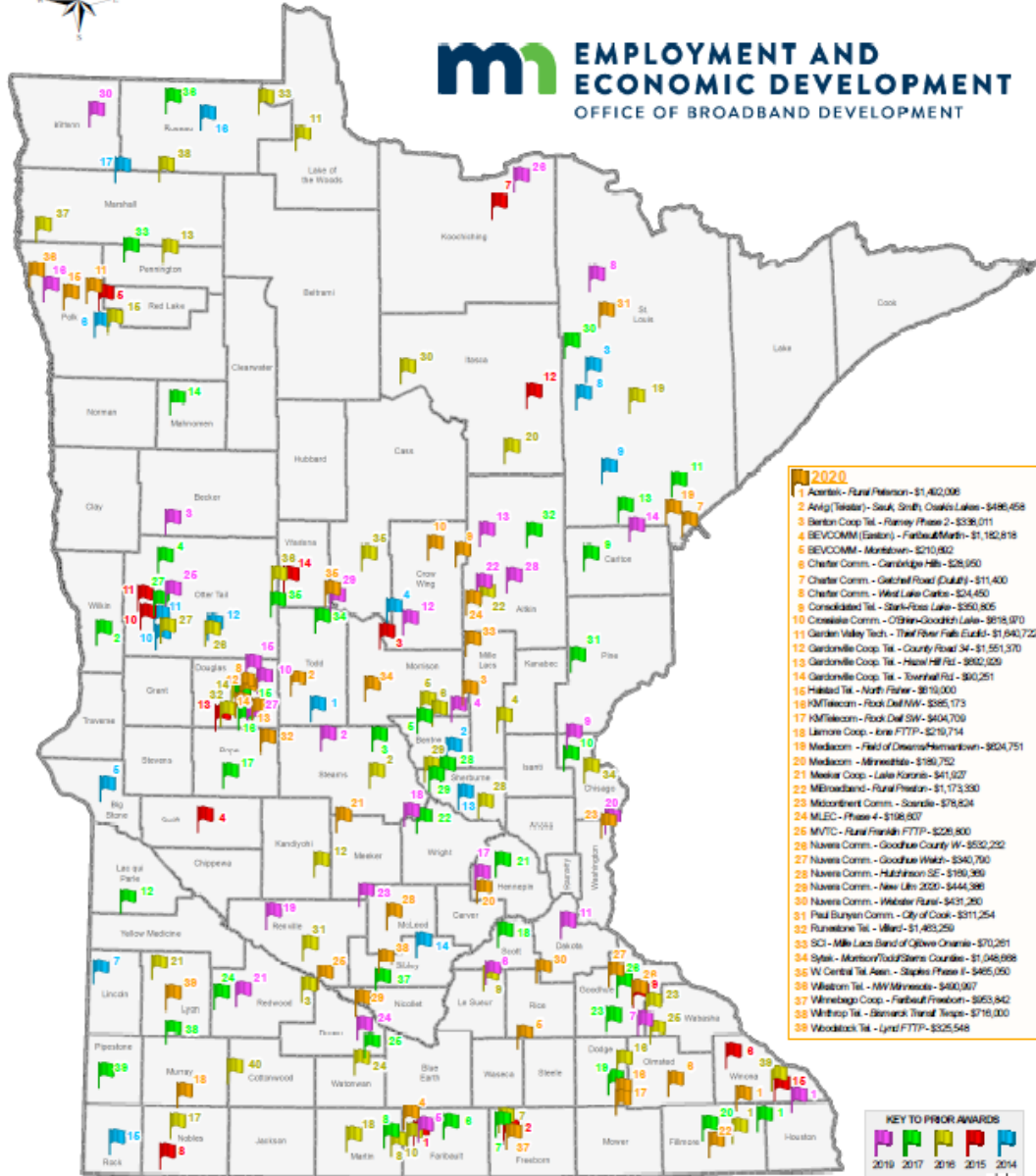
# Border-to-Border Grant Program 2022

## Border to Border Broadband Grant Program 2022 Updates

- Award announcements Dec. 8, 2022
  - Just under \$100 million in grant funding for 61 projects--\$25M in state general revenue funding (FY23) and \$70M in ARPA CPF funding administered by the U.S. Dept. of Treasury.
  - Projects in 48 counties.
  - 130 applications received during Summer 2022 application window.
  - 75 challenges submitted on 64 projects.
  - 44 not recommended for funding due to part or total credible challenge.

# Minnesota Border-to-Border Broadband Development Grant Program

2014-2017, 2019-2020 Project Awards



- 2020**
- 1 Axtell - Rural Fiber - \$1,402,008
  - 2 Anig/Telcel - Sisk, Smith, Cooke Lakes - \$486,458
  - 3 Benton Coop Tel. - Ranney Phase 2 - \$338,011
  - 4 BEVCOMM (Easton) - Fairbault/Marsh - \$1,182,818
  - 5 BEVCOMM - Monticello - \$210,802
  - 6 Charter Comm. - Cambridge Hills - \$28,950
  - 7 Charter Comm. - Goshute Road (Duluth) - \$11,400
  - 8 Charter Comm. - West Lake Carls - \$24,450
  - 9 Consolidated Tel. - Staples/Rose Lake - \$252,805
  - 10 Crosslake Comm. - Otter-Goodhue/Lake - \$918,870
  - 11 Garden Valley Tech. - Thief River Falls East - \$1,843,722
  - 12 Gardenville Coop. Tel. - County Road 34 - \$1,551,570
  - 13 Gardenville Coop. Tel. - Hazel Hill Rd. - \$802,020
  - 14 Gardenville Coop. Tel. - Tower Hill Rd. - \$802,251
  - 15 Haled Tel. - North Fisher - \$619,000
  - 16 KM Telecom - Rockwell NW - \$385,173
  - 17 KM Telecom - Rockwell SW - \$404,709
  - 18 Lamoine Coop. - Line F777 - \$219,714
  - 19 Medicom - Field of Dreams/Hemlock - \$924,751
  - 20 Medicom - Minnetonka - \$189,752
  - 21 Meeker Coop. - Lake Koronis - \$41,927
  - 22 Midland - Rural Preston - \$1,173,330
  - 23 Midcontinent Comm. - Scandia - \$78,824
  - 24 MLEC - Phase 4 - \$108,607
  - 25 MVTC - Rural Franklin F777 - \$28,800
  - 26 Nuvera Comm. - Goodhue County W - \$532,220
  - 27 Nuvera Comm. - Goodhue West - \$340,700
  - 28 Nuvera Comm. - Hutchinson SE - \$180,360
  - 29 Nuvera Comm. - New Life 2020 - \$444,388
  - 30 Nuvera Comm. - Webster Rural - \$431,280
  - 31 Paul Bunyan Comm. - City of Cook - \$311,254
  - 32 Runestone Tel. - Wild - \$1,483,250
  - 33 SCI - Mile Lake Band of Ojibwe Orange - \$70,261
  - 34 Stylis - Monticello/Staples Counties - \$1,048,688
  - 35 W Central Tel. Assn. - Staples Phase II - \$465,050
  - 36 Wisdom Tel. - NW Minnesota - \$400,997
  - 37 Winnebago Coop. - Fairbault/Fredonia - \$653,842
  - 38 Whitkop Tel. - Bemwick Street/Trip - \$716,000
  - 39 Woodblock Tel. - Lynx F777 - \$205,548

**KEY TO PRIOR AWARDS**

2019 2017 2016 2015 2014

SEE PAGE 2 & 3

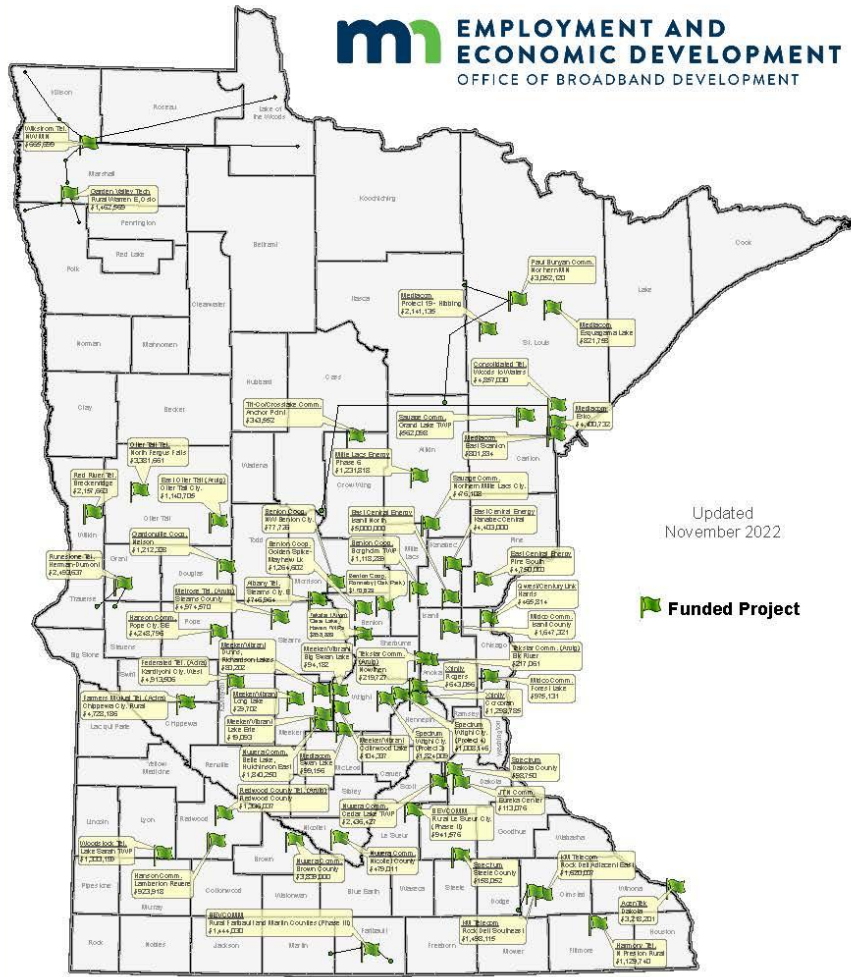
# MN Border-to-Border Broadband Incentive Grants

	2020	All 6 Years
<b>Funding</b>	<b>\$20.6M</b>	<b>\$126.2M</b>
<b>Applications Received</b>	<b>64</b>	<b>360</b>
<b>Awards:</b>		
<b>Awards Made</b>	<b>39</b>	<b>179</b>
<b>Households Served</b>	<b>5180</b>	<b>48,430</b>
<b>Businesses Served</b>	<b>1708</b>	<b>8,377</b>
<b>Institutions Served</b>	<b>34</b>	<b>394</b>
<b>Projects:</b>		
<b>Matching Investments Completed</b>	<b>\$33.7M</b>	<b>\$180.2M</b>
<b>Completed</b>	<b>--</b>	<b>~109</b>



# Minnesota Border-to-Border Broadband Development Grant Program

2022 Project Awards



For further information, please visit:  
<https://mn.gov/deed/programs-services/broadband/grant-program/>



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# 2022 MN Border-to-Border Broadband Incentive Grants

	2020	2022	All 7 Years
<b>Funding</b>	\$20.6M	\$99,592,711	\$225,792,711M
<b>Applications Received</b>	64	130	490
<b>Awards:</b>			
<b>Awards Made</b>	39	61	240
<b>Households Served</b>	5180	24,482	72,912
<b>Businesses Served</b>	1708	3,552	11,929
<b>Institutions Served</b>	34	137	531
<b>Projects:</b>			
<b>Matching Investments</b>	\$33.7M	\$152.3M	\$332.5M
<b>Completed</b>	--	--	145



# Border-to-Border Grant Program - 2023

## Border-to-Border 2023 Updates

- Announced 2023 Grant Round 12/19/2022
  - \$67 million in funding available
  - Traditional Border-to-Border Program
    - \$25M state general revenue funds (FY24); \$12M ARPA Capital Projects Fund = \$37M
    - Fund up to 50%; cap of \$5M per project
  - \$30M Low Density Pilot Program
    - Fund up to 75%; cap of \$10M per project
    - Applicants choose one or the other program to apply under
    - Same application as B2B, additional questions to justify need for higher cost share/amount due to low density in project area
- Anticipate award announcement in early Summer 2023

# Line Extension Program

Line-Extension Program – currently funded with \$15M from ARPA CPF – New as of 11/1/22

- Person registers unserved home or business via online portal or by calling 651-259-7610.
- Six-month period to submit your unserved address.
- OBD will send a list of addresses to each broadband provider offering service in Minnesota; providers have 10 days to notify OBD that they can provide service to addresses. OBD will contact people to let them know of broadband provider that can offer service.
- Addresses not served by a provider or in an area that will be built with awarded Border-to-Border Broadband grant project, OBD will hold a 60-day reverse auction. In their bid, providers will identify the grant amount requested to extend the broadband service.
- Within 60 days of the auction closing, OBD will select the bids that request the least amount of financial support from the state and that are a cost-effective expenditure of state resources.
- OBD will then enter into line extension agreements with each winning bidder. Winning bidders will have one year from the date the contract is signed to complete. Winning bidder must build broadband service that offers speeds of at least 100Mbps download and 100Mbps upload.

# Telecommuter Forward Certification Program

- Telecommuter-friendly policies create new potential for improving the quality of life for employees, encouraging economic innovation and vitality in communities throughout Minnesota.
- Cities, townships, and counties that receive the Telecommuter Forward! Certification have adopted a model resolution that includes a statement of support and commitment to promoting telecommuting.
  - The community appoints one employee or department as the single point of contact for coordinating telecommuting opportunities with that community.
  - Committing to improving the quality of life in Minnesota and encouraging economic vitality.
  - OBD provides communities a model resolution template and instructions on becoming certified below.
  - This certification expands upon border-to-border broadband efforts by providing a way for communities to promote themselves to Minnesotans interested in telecommuting and to businesses that support growing their telecommuting workforce.
  - Online map available of current communities.

<https://mn.gov/deed/programs-services/broadband/telecommuter-forward/>



# Other Federal Programs

- Capital Projects Fund (ARPA)
- Broadband Equity, Access, and Deployment (IIJA)
- Digital Equity (IIJA)

# Internet for All: Connecting One Minnesota

Wednesday, January 25, 2022

Mystic Lake Center

2400 Mystic Lake Blvd, Prior Lake, MN 55372

*This event is co-hosted by the National Telecommunications and Information Administration, Minnesota Office of Broadband Development, Association of Minnesota Counties, League of Minnesota Cities, and the Minnesota Association of Townships.*

All states will receive federal funding for broadband infrastructure (to build fiber to connect everyone to high-speed internet), this is called BEAD (Broadband Equity, Access and Deployment). Some compare it to electrification to all US homes in the 1930's. All states are also receiving funding for Digital Equity (DE) which will help people adopt and use high-speed internet, particularly those that have historically been excluded from access. This event will provide more in-depth information on these programs.

Event registration page open. Virtual option available.

# Questions?

- Visit OBD's website: [Office of Broadband Development / Minnesota Department of Employment and Economic Development \(mn.gov\)](https://mn.gov/deed)
  - Sign up for email updates on grant program on “Contact Us” page of website.
  - Review maps and data; watch recorded webinar on how to use the interactive map.
  - See past projects funded.
  - Locate additional federal resources.
- Contact us at [deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us) or 651/259-7610
- Bree Maki at [bree.maki@state.mn.us](mailto:bree.maki@state.mn.us) or 651/259-7289

Thank you!



**EMPLOYMENT AND  
ECONOMIC DEVELOPMENT**

# **Governor's Task Force on Broadband House Agriculture Finance and Policy Committee**

**January 17, 2023**



**Teddy Bekele, Chair – Governor's Task Force  
on Broadband/SVP and CTO – Land O'Lakes**

# Governor's Task Force on Broadband

- The Governor's Task Force on Broadband was created by Executive Order 19-10 "to advise the executive and legislative branches on broadband policy including strategies for successfully achieving the state broadband goals, comprehensive assessment of digital inclusion issues and gaps, and strategies for unlocking the benefits of universal broadband access for all communities in Minnesota."

# 2022 Annual Report Recommendations

## – Funding Goals

- Establish a base annual investment that is tied to “gap funding” needed to reach 100% of unserved/underserved
- Amend/update the current broadband statute to expand flexibility for the Office of Broadband Development (OBD) to allow for larger state investments needed to support reaching the hardest to reach users.
- Utilize federal funds to increase staff in OBD in anticipation of additional workload.

# Estimated Cost to Achieve 2026 Speed Goal

Estimated Cost to Achieve 2026 Goal of 100/20 Service			
# of Unserved households (w/o 100/20 speeds)-Oct. 2022		291,000	291,000
Ave. Cost per Connection *		\$ 9,500	\$ 9,500
Total Cost		\$ 2,764,500,000	\$ 2,764,500,000
State's share of cost - 50% or 75% of grant projects		50%	75%
State's total cost to connect unserved households		\$ 1,382,250,000	\$ 2,073,375,000
Divided by number of years to achieve 2026 goal		4.0	4.0
State's gross ANNUAL cost to connect unserved households		\$ 345,562,500	\$ 518,343,750
<b>VARIOUS FEDERAL FUNDING SOURCES</b>			
ARPA CFP (2021 & 2022)	\$ 130,700,000		
ReConnect Round 3	\$ 59,000,000		
RDOF	\$ 81,000,000		
NTIA Tribal Awards (Bois Forte, Lower Souix, Leech Lake)	\$ 38,800,000		
NTIA BEAD Guaranteed	\$ 100,000,000		
NTIA BEAD Competitive (Estimate-based unserved) **	\$ 550,000,000		
Federal Direct Appropriations	\$ 8,800,000		
<b>Total Federal Funds</b>	<b>\$ 968,300,000</b>		
Potential Federal Funding Per Year (~4 years)		\$ 242,075,000	\$ 242,075,000
State's NET annual cost for unserved households		\$ 103,487,500	\$ 276,268,750
Admin Cost factor (3%)		\$ 3,104,625	\$ 8,288,063
Amount of Biennial Funding Needed to Fill the Gap		\$ 213,184,250	\$ 569,113,625
2 x Biennial Funding to Cover 4 Years		\$ 426,368,500	\$ 1,138,227,250

# 2022 Annual Report Recommendations

## – Mapping Goals

- Provide funding to support engagement, in partnership with OBD, with communities, counties, townships, or regions, so they are prepared to participate and have the capacity to respond to the challenge process with the FCC updates.
- Organize an immediate direct response to the FCC to extend the initial deadline for submitting challenges to the new fabric map to give providers, agencies, anchor institutions, and the general public time to properly assess deficiencies and have the time to submit their responses to the FCC.
- Ensure OBD has sufficient funding to provide guidance, processes, and support communities, counties, townships, or regions who need help evaluating and gathering data.
- Maintain funding support for OBD's mapping contractors.



# 2022 Annual Report Recommendations

## – Affordability Goals

- Direct OBD to invest resources and time into materials that increase awareness of affordability programs.
- Fully fund the Telecommunications Access Equity Aid program in order to allow school districts to equitably procure internet and network bandwidth.
- Encourage OBD to collaborate with the broadband provider industry associations to more assertively promote the ACP program.
- Fund American Connection Corp fellows to work in rural communities to help bridge the gaps, assist with grant applications, reporting, and outreach and engagement.

# 2022 Annual Report Recommendations

## – Adoption Goals

- Create and curate a library of instructional videos to aid usage and increase adoption.
- Create new positions and fill vacant positions at MDE to support schools to arrange, coordinate, and implement systems to assure that every school/library has affordable broadband.
- Increase the availability of digital marketing materials in various languages.

# 2022 Annual Report Recommendations

## – Usage and Navigation

- Increase digital navigation support to help address ongoing user challenges.
- Support the OBD's finalization of their digital equity plan and the development of a digital navigation approach that is closely connected to trusted community-based organizations.

# Questions?