2024 – Celebrating 10 Years of Connecting One Minnesota

Bree Maki | Executive Director, Office of Broadband Development

MN Broadband Policy Framework
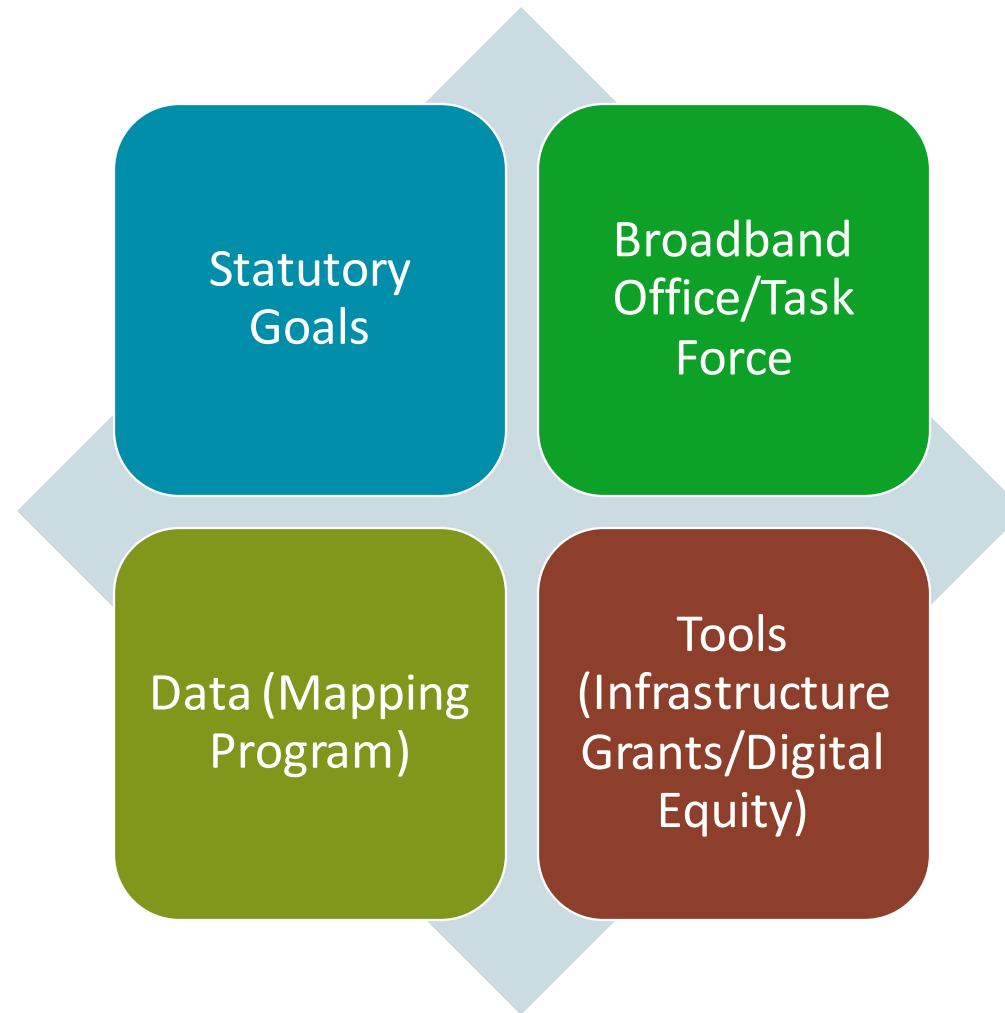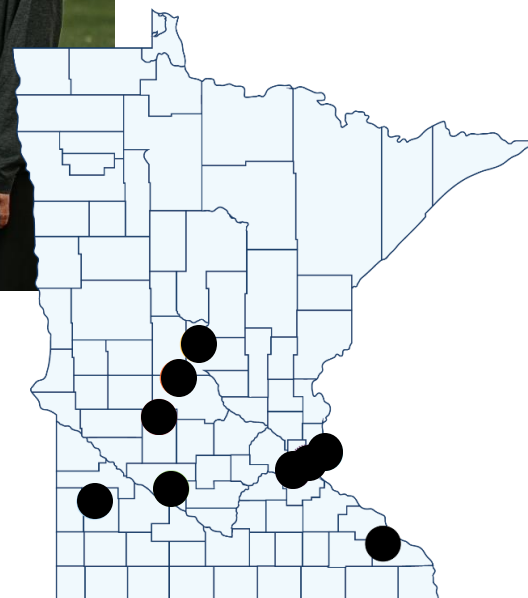
Meet the OBD Team

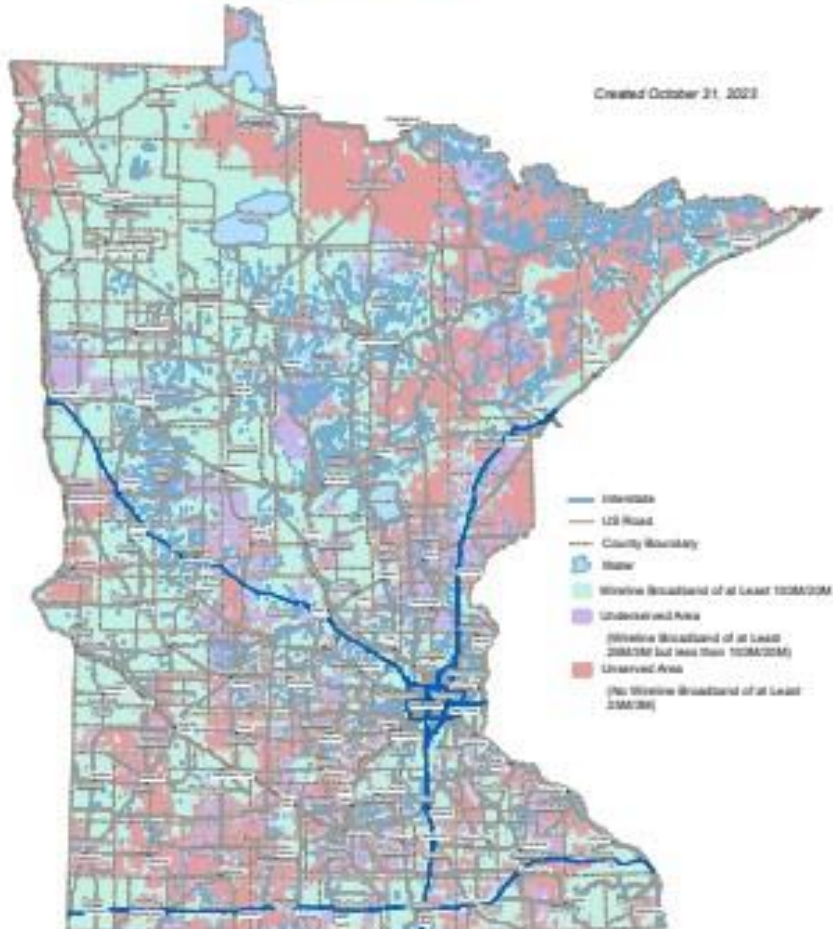Michelle Megan Jared Karrie Bree Jenn Mike Hannah Carol Diane

Minnesota's Unmet Needs

- **162,000** households without access to 25/3 (2022 goal)
- **229,000** 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 2023

Numbers from November 2022

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

-

  -

  -

  -

-

-

-

-

-

-

- **$100 Million** for broadband deployment for the biennium

  - **$30 Million** (per year) for Traditional Border to Border Grant Program

  - **$20 Million** (per year) for Low Population Density Program

  - Grant Round 9 applications due Dec. 7, 2023

- **Technical Change**

  - Raises the **maximum Border-to-Border grant award** from $5 million to $10 million

EMPLOYMENT AND ECONOMIC DEVELOPMENT

mn.gov/deed

Minnesota Border-to-Border Broadband Development Grant Program

2014-2017, 2019-2020, 2022-2023 Project Awards

EMPLOYMENT AND ECONOMIC DEVELOPMENT
OFFICE OF BROADBAND DEVELOPMENT

© Copyright 2023, State of Minnesota, St. Paul, MN
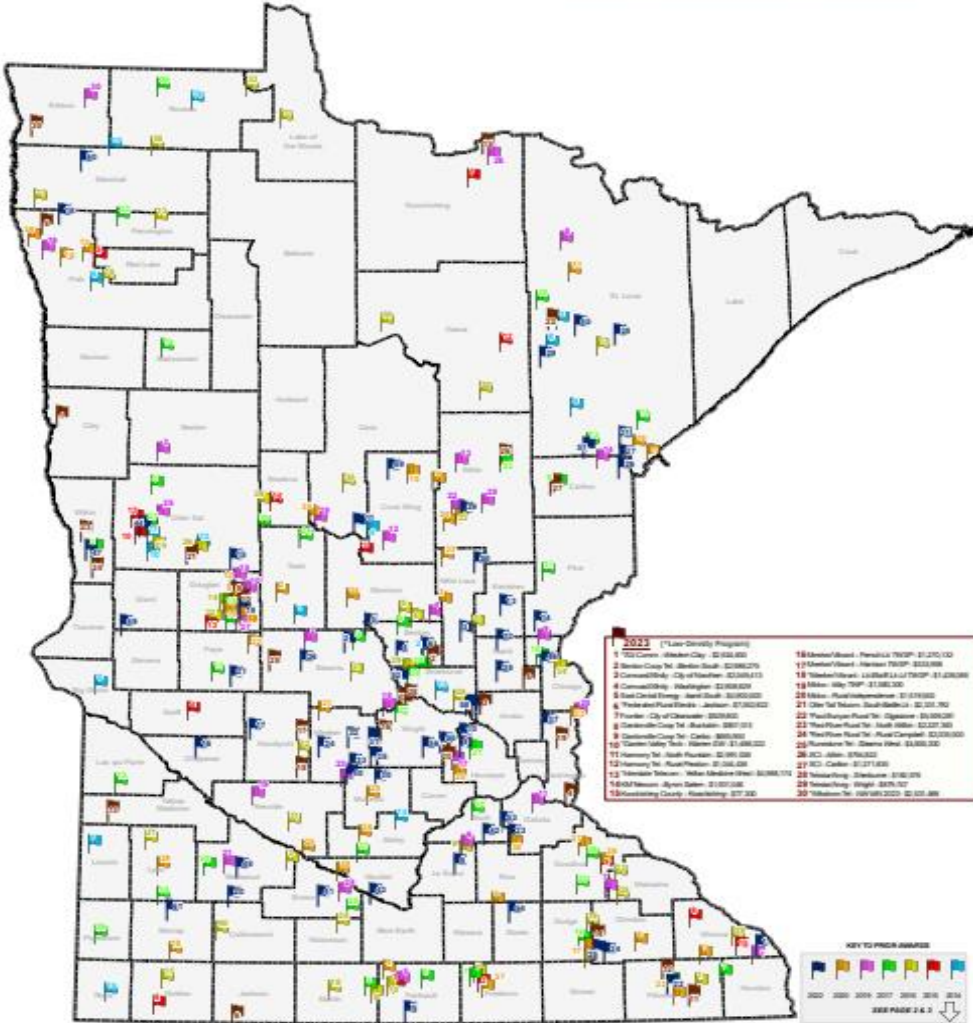
All Grant Rounds 2014-2023

Year	Applications Received	Applications Awarded	% of Applications Funded	Amount Requested	Amount Awarded	Number of Locations Served
2014	40	16	40%	$44,215,644	$18,670,337	6,333
2015	44	15	34%	$29,063,436	$11,008,366	4,098
2016	57	40	70%	$54,228,825	$29,040,896	16,708
2017	70	39	56%	$50,348,055	$26,475,556	12,202
2019*	80	30	37%	$67,809,312	$23,270,933	10,938
2020	64	39	61%	$42,038,097	$20,645,425	6,922
2022*	130	61	47%	$189,853,780	$99,592,711	33,091
2023	60	21	35%	$104,500,000	$36,907,763	10,464

Round 9

- **$50 Million available** ($30 million Border to Border, $20 Million Low Density Population)

- Currently in the review process and **awards will be made very soon**

- 38 Applications received for Border to Border (Requested - $65.5 Million)

- 31 Applications for Low Density Population (Requested - $85.5 Million)

Round 10

- **$50 Million available** ($30 million Border to Border, $20 Million Low Density Population)

- Launching application round soon after Round 9 awards

- Official awards will be made after July 1, 2024 to follow the biennium funding directive by the legislature

- State funds need to be awarded so we take locations off the BEAD unserved/underserved required to serve list

EMPLOYMENT AND
ECONOMIC DEVELOPMENT

mn.gov/deed

During the 2022 Legislative Session, the Office of Broadband Development (OBD) was directed to create a new program, the **Broadband Line Extension Connection Program**.

The purpose of the program is to **award grants for the extension of existing broadband infrastructure** to unserved locations. An unserved location is a location that does not have a wired broadband service of at least 25Mbps download and 3 Mbps upload.

The state legislature appropriated **$15 million (CPF)** of federal funding for this program, with each line extension eligible for up to **$25,000 in grant funding.**

For the first round collected sign-ups from 11/1/22 – 5/1/23

Received and reviewed applications for **2,356 portal addresses**.

First round awards: $4,395,257.45 20
Projects matched $2,225,747.14
Total investment of $6,621,004.59

Average cost per location: $8,854.10
Match Average 34% or $2,640.27
Average 66% or $5,213.83

Total locations 843 (Households – 779, Businesses – 64)
20 providers
32 counties (ranging from 1 to 183)

- **Funding rounds will continue until funds exhausted**
- Next round of awards will be coming soon

EMPLOYMENT AND
ECONOMIC DEVELOPMENT

mn.gov/deed
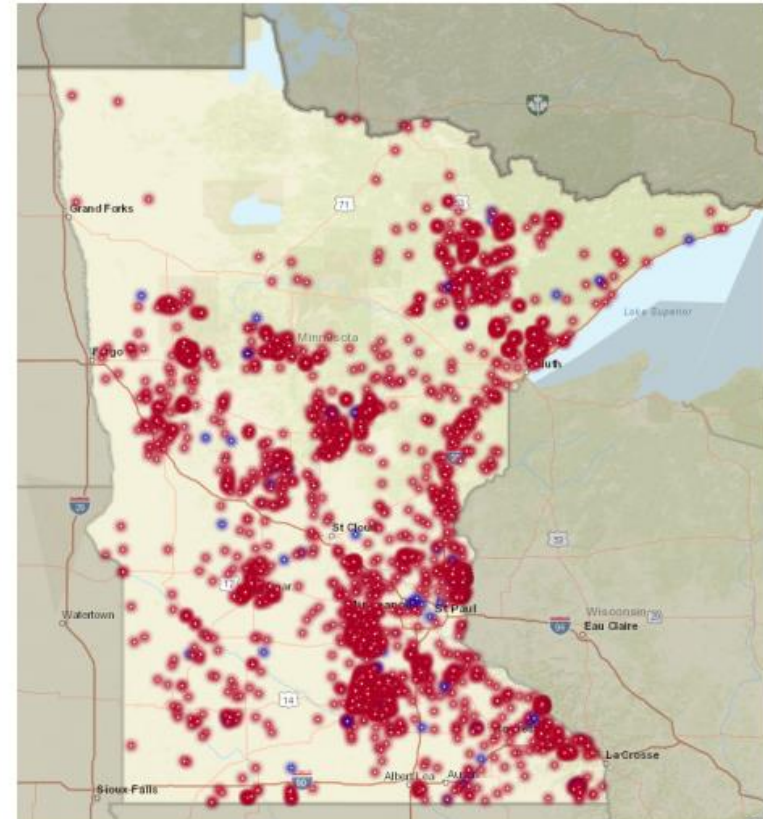
Federal - Infrastructure Investment and Jobs Act (IIJA)

The Federal Government is making approximately **$65 billion** available for broadband **nationwide**. There are two programs for state broadband funding through the National Telecommunications and Information Administration (NTIA) of the U.S. Dept. of Commerce:

- **Broadband Equity, Access and Deployment** (BEAD) funding

- **Digital Equity Funding**

Minnesota will receive a formula-based allocation for each program.

Each program requires the state to develop a plan for how it will spend its allocation.

## Minnesota's BEAD allocation is **$651,839,368**

- The MN Legislature has directed that any funding from IIJA for Broadband (i.e. BEAD) **flow through the existing Border-to-Border programs**

- Details will be in the Initial Proposal (challenge process, eligible locations, subgrantee selection)

- The federal BEAD program has priorities that the Initial Proposals must met:

  - <u>**Priority #1**</u>: Service to all unserved locations (those identified on FCC maps as not having broadband service at speeds of at least 25Mbps download/3Mbps upload from broadband service provided over a wired connection or licensed fixed wireless)

  - <u>**Priority #2**</u>: Service to all underserved locations (those identified on FCC maps as having broadband service of at least 25/3 but not at or above 100/20 over a wired or licensed fixed wireless service)

  - <u>**Priority #3**</u>: Gigabit symmetrical service to Community Anchor Institutions

- **We estimate that all funding available will be needed to address Priorities #1 and #2.**

EMPLOYMENT AND ECONOMIC DEVELOPMENT

- **NTIA defines eligibility**--

  - If a location does not have reliable broadband service of 25/3 it is **unserved (red)**

  - If a location has reliable broadband service of 25/3 but not at or above 100/20 it is **underserved (orange)**

  - If a location has reliable broadband service at or above 100/20 it is **served (green)**

- Reliable broadband service per NTIA includes wired or licensed fixed wireless service

- State eligibility for Border-to-Border and Lower Population Density grants have historically only considered **wired** broadband service

- We are creating the **challenge process** which will "challenge" areas of this map which might not be accurate (this follows guidelines issued by NTIA)—and may flip green areas to red if valid challenges are filed

EMPLOYMENT AND ECONOMIC DEVELOPMENT

mn.gov/deed
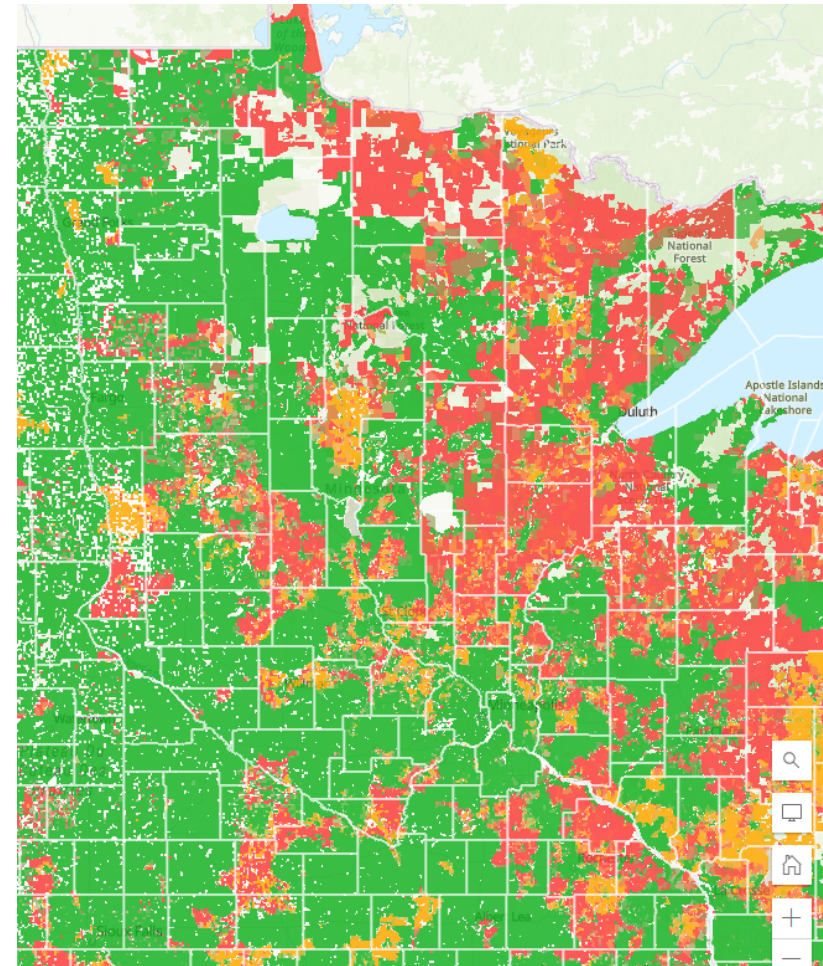
BEAD Identified Challenges to Deployment

- Conflicting speed goals
- Definition of broadband
- Will all locations receive a bid?
- Weather
- Time
- External funding/match sources
- Permitting/Environmental Review

- Accurate Mapping
- Supplies/Supply chain
- Workforce
- Line of Credit
- Reporting requirements
- Guidance requests/clarification
- Others?

Timeline from the Minnesota Five Year Action Plan submitted to NTIA in July 2023

Timeline for BEAD Program

Digital Equity Plan
NOVEMBER 2023

Initial Proposal
DECEMBER 2023

Challenge Process
JANUARY/MARCH 2024

NTIA Approval Initial Proposal
JULY 2024

First Grant Round to Select Subgrantees
SEPTEMBER 2024

Second Grant Round to Select Subgrantees
JANUARY 2025

Third Grant Round to Select Subgrantees
MAY 2025

Submit Final Proposal to NTIA
JULY 2025

NTIA Approval of Final Proposal
OCTOBER 2025

Contracts Executed
NOVEMBER-DECEMBER 2025

Construction, Compliance, Auditing, Validating
2026-2030

*Subject to change and dependent on NTIA guidance and approvals

EMPLOYMENT AND ECONOMIC DEVELOPMENT

mn.gov/deed

Federal - Digital Equity Act: The Basics

- Nationally provides **$2.75B** for digital equity programs and activities

- Three funding categories:

  - $60M in planning grants to states, tribes, and territories (MN = $881,905.10)

  - $1.44B in *capacity grants* to states, tribes, and territories

  - $1.25B in competitive grants to local governments, anchor institutions, etc.

2023	2024 - 2028
• MN used Planning Grant to develop statewide Digital Opportunity Plan due November 30	• MN uses a *Capacity Grant* to implement the Digital Opportunity Plan • NTIA administers one Competitive Grant round each year

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Federal – Digital Equity: Minnesota's Planning Strategy

April–June: Data Collection   July: Writing   August–September: Public Comment

106 Digital Connection Committees
wrangled by 1 OBD staff person

- Statewide representation with an even mix of rural and urban
- 68 non-competitive mini-grants to support data collection
- 236 data files addressing strengths, necessities, and systemic challenges
- 154 face-to-face meetings between OBD, committees, and additional planning partners
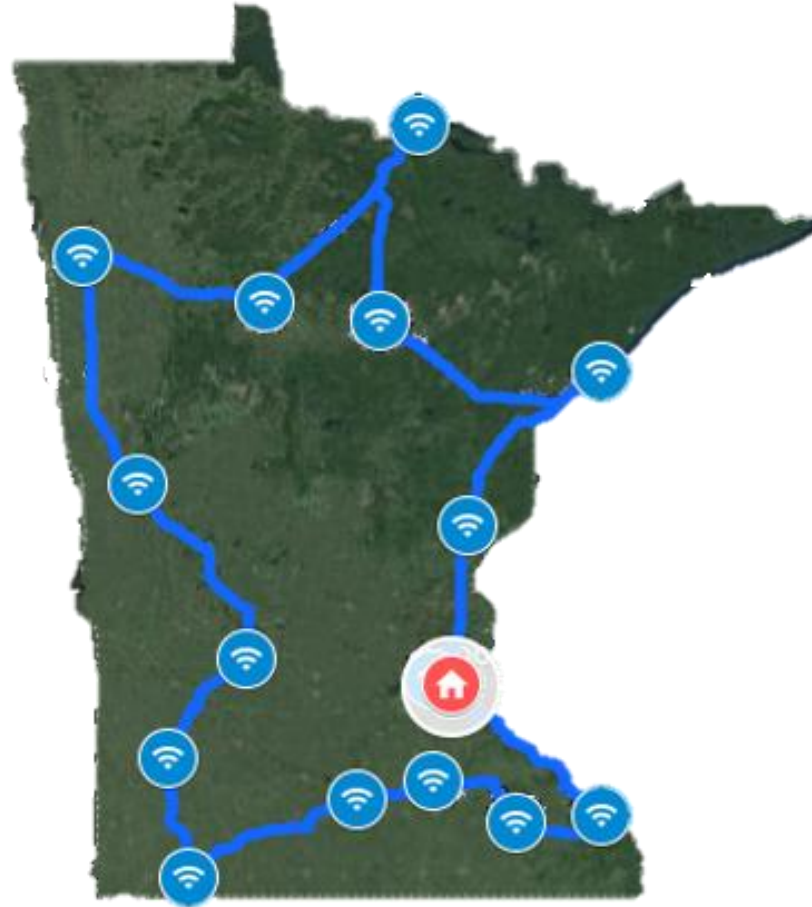
18 Listening Sessions
attended by all OBD staff

- 16 in-person + 2 virtual
- 304 attendees
- 14 DCC cohosts
- 35 hours convening
- 2,500+ miles driven
- 65 written public comments totaling 145 pages

EMPLOYMENT AND ECONOMIC DEVELOPMENT

mn.gov/deed

Federal Digital Equity Draft Plan: Vision Statement

We envision a future where **comprehensive digital access connects all Minnesota residents to opportunities, options, and each other.**

Town hall in Big Falls – pop. 175
Hosted by Koochiching Technology Initiative (DCC)

Focus group in Minneapolis
Hosted by Global Entrepreneurship Week MN (DCC)

EMPLOYMENT AND ECONOMIC DEVELOPMENT

mn.gov/deed

Digital Equity Draft Plan: Example Activities

- Pilot a **Digital Opportunity Leaders Network** that combines local energy, regional expertise, and statewide continuity.

- Develop **curriculum and administer grants** to support high schools, after-school programs, and 2-year colleges in hiring and training students to work as paid tech **repair technicians and technical support providers**.

- Expand OBD's capacity to support **digital opportunity data analysis**.

- Administer **formula grants** to townships, cities, counties, regional development commissions (RDCs), and tribes that seek funding to conduct local evaluation and develop their own **digital opportunity plans**.

- Expand OBD's capacity to conduct federal and statewide outreach and coordination of **programs that reduce internet costs for low-income households**.

Draft plan listening session in Bemidji Co-hosted by Kairos Alive (DCC)

mn EMPLOYMENT AND ECONOMIC DEVELOPMENT

mn.gov/deed

Digital Equity: Where We Are Now

- The original draft of the plan is posted: https://mn.gov/deed/programs-services/broadband/adoption/ (under "Read a Draft" toggle)

- A revised draft was submitted to NTIA on November 21, 2023

- **What is next:**

  - **Updating our plan** now based on feedback from NTIA

  - Waiting for NTIA to **determine the funding available** through the Digital Equity Capacity Grant

  - Waiting for NTIA to publish the **Capacity Grant NOFO** and application so we can apply

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Federal - FCC Affordable Connectivity Program

- More than 238,000 Minnesotans currently utilize ACP

- Over 774,310 Minnesota households qualify

- Advocacy for funding – ACP Extension Act (Representative Clarke and Fitzpatrick)

- More information is available on our website and on the FCC's website

EMPLOYMENT AND ECONOMIC DEVELOPMENT

Contact Information