

THE WALZ-FLANAGAN BUDGET



TO MOVE MINNESOTA FORWARD

PROGRESS TOWARD MINNESOTA'S BROADBAND GOALS

Minnesota's Border-to-Border Broadband Grant Program Summary

- Over **\$126 million** in state grant funds awarded to **179 projects**; service to over **57,000 homes and businesses**
- 6 grant rounds beginning in 2014
- We expect to launch **FY22 grant** of **\$35 million** in federal funding this spring, and the **FY23 grant** of **\$35 million** in federal funding in July.

Federal Funding Administered by Office of Broadband Development (OBD):

- \$180.7 million in American Rescue Plan Act Capital Projects Fund (ARPA CPF)
 - » \$70 million appropriated to Border-to- Border by the Minnesota Legislature in the last session.
 - » Allocation of remaining funds to be determined.
- \$100 million in Infrastructure Investment & Jobs Act (IIJA)'s Broadband Equity, Access and Deployment (BEAD) Act
 - » Plus an additional amount yet to be determined by the National Telecommunications Information Administration (NITA) based on the number of unserved locations with 25/3 service passed on the new Federal Communications Commission maps.

What We Know

1. Minnesota has approximately 240,000 households that lack wireline access to 100/20 broadband service.
2. The estimated cost to connect these locations exceeds \$1.3 billion.
3. Public-private partnerships are needed to ensure broadband infrastructure can reach the remaining households and locations.
4. **The Walz-Flanagan budget to Move Minnesota Forward proposes an additional \$170 million in state investment to expedite broadband deployment in underserved areas of our state.**

Area	2022 Goal: 25/3		2026 Goal: 100/20	
	% of state covered	# of households without access	% of state covered	# of households without access
Statewide	92%	171,000	89%	240,000
Rural-only	82%	161,000	75%	224,000

Infrastructure – Path to Finish

Where we are today

- 240,000 households without access to 100/20
- Estimated total cost to connect MN: \$1.3 billion
- State's estimated share of cost: \$995 million [75% of \$1.3B - 25% grantee match]

Federal funding on the horizon

- ARPA CPF\$70 million
- NTIA BEAD (IIJA) initial allocation\$100 million
- NTIA BEAD (IIJA)TBD
- RDOF Est. 80%.....\$326 million
- **Total Estimated Federal Funding \$496 million**
+ additional NTIA BEAD

Path to the finish

- Estimated \$499 million balance to connect MN
- **Proposed MN investment in B2B: \$170 million**
- Local investment of ARPA funds by cities and counties.
- **Anticipate additional NTIA BEAD (IIJA)** funding after FCC map update.
- Anticipate federal funding via various USDA & FCC programs that award grants directly to providers, communities, tribes.
- **Anticipate continued private investment** by MN's broadband providers.

Mapping

- OBD completed its 7th year of mapping broadband access & speeds. Work continues through a contract with Connected Nation, a non-profit with considerable experience working with MN broadband providers, as required in state statute.
- Funding for mapping activities comes from the administrative allowance of B2B Grant.
- With the grant program being funded with federal ARPA monies for the next two years, OBD must secure federal approval to use funds for broadband mapping in order to continue the mapping.

Federal Programs

ACB Program: Affordable Connectivity Benefit Program. \$30/month consumer benefit. Long-term replacement for EBB. Administered by FCC.

ARPA: American Rescue Plan Act. Administered by US Treasury.

ARPA State and Local Fiscal Recovery Funds

- \$1.1B unspent MN allocation to be discussed in 2022 session.
- Broadband infrastructure investment is an allowed use.
- Some local governments are funding broadband projects.
- To date, no state fiscal recovery funds allocated for broadband in MN.



Digital Equity: Ensuring all individuals and communities have the information technology capacity needed for full participation in our society, democracy and economy. Digital Equity is necessary for civic and cultural participation, employment, lifelong learning, and access to essential services.

Digital Inclusion: Refers to the activities necessary to ensure that all individuals and communities, including the most disadvantaged, have access to and use of Information and Communication Technologies. This includes:

- affordable, robust broadband internet service;
- internet-enabled devices that meet the needs of the user;
- access to digital literacy training;
- quality technical support; and
- applications and online content designed to enable and encourage self-sufficiency, participation and collaboration.

Digital Literacy: The ability to use information and communication technologies to find, evaluate, create, and communicate information, requiring both cognitive and technical skills.

Digital Navigators: Digital navigators are trusted guides who assist community members in internet adoption and the use of computing devices. Digital navigation services include ongoing assistance with affordable internet access, device acquisition, technical skills, and application support.

ARPA Sec. 604 Capital Projects Fund MN allocation: \$180,702,620. Includes the \$70M appropriated for B2B grant program. *Presumptively Eligible Projects:*

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

IIJA: Infrastructure Investment and Jobs Act

IIJA BEAD Act: Broadband Equity, Access & Deployment Act. Administered by NTIA.

- Broadband infrastructure funding for states.
- Base amount of \$100M per state and an additional amount TBD based on number of unserved locations (locations lacking 25/3).

IIJA Digital Equity Act: Administered by NTIA. MN allocations TBD. Provides funding for:

- Creation of a Digital Equity Plan.
- State-administered digital equity grant program.
- National digital equity grant program.

RDOF: Rural Digital Opportunity Fund. Funding for broadband deployment, administered by the FCC. Anticipated that MN broadband providers will receive about \$408 million.

DEFINITIONS

25/3: 25 megabits per second (Mbps) download and 3 Mbps upload. 2022 speed goal in MN statutes.

100/20: 100 Mbps download and 20 Mbps upload. 2026 speed goal in MN statutes.

Underserved: Areas of MN in which households or businesses lack access to wire-line broadband service at speeds of at least 100/20 Mbps.

Unserved: Areas of MN in which households or businesses lack access to wire-line broadband service, as defined by FCC, which is currently 25/3 Mbps.

ABBREVIATIONS

B2B: MN's Border to Border Broadband Infrastructure Grant Program

EBB Program: Emergency Broadband Benefit

EDA: US Economic Development Administration

FCC: Federal Communications Commission

NTIA: National Telecommunications and Information Administration.

OBD: MN Office of Broadband Development

TBD: To be determined.

USDA: United States Department of Agriculture