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# Minnesota Governor's Task Force on Broadband

Annual Report 2025

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## Letter from the Chair

Broadband connectivity remains a cornerstone of Minnesota's economic prosperity, educational advancement, healthcare delivery, and overall community well-being. As Chair of the Governor's Task Force on Broadband, I am honored to present our 2025 report, which builds on last year's progress and provides a candid assessment of the challenges that persist in achieving Minnesota's statutory broadband goals.

Minnesota has made measurable strides: as of 2025, 93.84% of homes and businesses have access to broadband at 25/3 Mbps, and 92.11% can reach speeds of 100/20 Mbps. Yet, **more than 121,000 households remain without basic service, and nearly 155,000 are underserved at higher speeds.** The end of the Affordable Connectivity Program (ACP) has left tens of thousands of low-income families at risk of losing essential internet access, deepening the digital divide. Workforce shortages, permitting delays, and policy gaps—such as the absence of sales tax exemptions for broadband materials—continue to hinder deployment, especially in rural and remote areas where costs are highest. While our state has invested in innovative programs like the Border-to-Border Broadband Grant and the Line Extension Connection Program, the demand for funding far exceeds available resources. Federal initiatives such as BEAD and Capital Projects Fund have accelerated progress, but Minnesota's pace lags behind states that have made broadband a top priority for their citizens. If we do not act with urgency and vision, we risk falling further behind – impacting our competitiveness, economic growth, and the well-being of our communities.

The recommendations in this report chart a clear path forward: modernizing affordability programs, expanding digital literacy and device access, investing in local workforce development, continuing mapping efforts, and sustaining targeted funding for last-mile connections. These actions are not just about infrastructure – they are about opportunity, equity, and the future of Minnesota.

Broadband access is a lifeline for economic opportunity, education, and healthcare. With your leadership, Minnesota can bridge the digital divide and secure its place as a leader in connectivity and digital equity. I urge you to act swiftly on the recommendations presented in this report to ensure that every Minnesotan, regardless of location or income, has access to reliable, affordable broadband. Thank you for your continued commitment to broadband access. Together, we can make broadband a reality for all Minnesotans.



Teddy Bekele

Chair, Governor's Broadband Task Force

**Task Force Members:** Ini Augustine, Bruce Crane, Steve Fenske, Gail Hedstrom, Brian Hood, Adam Hutchens, Marc Johnson (sub-group leader), Daniel Lightfoot, Paul McDonald, Board Chair, Briana Mumme, Phil Stalboereger, John Twiest, David Wolf, and Melissa Wolf (sub-group leader).

## Executive Summary

Minnesota's Governor's Task Force on Broadband is composed of 15 appointed members representing a cross-section of sectors and regions, meeting monthly to review the state's progress toward universal broadband access. The Task Force's mandate, under Executive Order EO19-10 and Minnesota Statute §237.012, is to assess the state's deployment, access, adoption, and affordability of broadband, and to provide recommendations that address persistent gaps.

## Background

As of 2025, 93.84% of Minnesota homes and businesses have access to broadband at 25/3 Mbps, and 92.11% have access to 100/20 Mbps service. However, significant disparities remain, especially in rural and remote areas, where high construction costs, limited workforce, and complex permitting processes slow progress.

The Office of Broadband Development (OBD) leads state efforts, administering programs like the Border-to-Border Broadband Development Grant, the Low-Density Pilot, and the Line Extension Connection Program, which together have leveraged federal Capital Projects Fund dollars to reach over 31,700 locations statewide. The federal BEAD program and state mapping initiatives are critical to identifying and closing remaining gaps, but BEAD alone will not cover all unserved and underserved households. Device ownership and digital skills also present barriers—over 11% of Minnesota households lack a large-screen computer, and the recent termination of the State Digital Equity Capacity Grant has limited resources for digital inclusion.

The Task Force's work is further shaped by legislative actions, such as appropriations for OBD and changes to telecommunications installer requirements, and by ongoing challenges in affordability, as federal programs like the Affordable Connectivity Program (ACP) have ended and Lifeline benefits remain insufficient. These realities underscore the urgency for coordinated state action, targeted investments, and innovative policy solutions to ensure every Minnesotan can participate fully in the digital economy.

## Key Recommendations for Governor and Legislature

### Affordability, Economic Opportunity, and Workforce Development

- ***Modernize Federal Affordability Programs*** - Advocate for federal reforms to the Lifeline program, increasing the monthly subsidy to match the former ACP levels (\$30 for most households, \$75 for Tribal lands). This would make broadband service genuinely affordable for low-income Minnesotans and help prevent service cancellations due to cost.
- ***Workforce Development and Local Hiring*** - Develop and fund Career and Technical Education (CTE) programs and registered apprenticeships with Minnesota schools and colleges to address labor shortages and build local capacity for broadband deployment. Encourage grant recipients to implement workforce best practices (outlined in Minnesota Statutes 2022, section 116J.395) and prioritize local hiring provisions, ensuring jobs created are family-supporting with fair wages and benefits.

- **Support for Anchor Institutions** - Prioritize funding for anchor institutions (libraries, schools, community centers) to provide digital literacy training, including resources for software, hardware, staff (such as digital navigators), outreach, and business alignment with these initiatives.
- **Statewide Digital Inclusion Initiative** - Launch a coordinated, multi-faceted initiative to systematically eliminate barriers to digital literacy and adoption. This includes expanding affordable broadband access, providing devices, and funding community-based programs that address non-technical challenges, such as transportation, childcare, language barriers, and trust-building with service providers. The initiative should prioritize digital skills training for all residents, regardless of foundational literacy level.

### **Mapping, Policy, and Funding**

- **Advance Inclusive Broadband Deployment** - Align deployment strategies with community needs, prioritizing underserved and unserved populations. Strengthen state-supported coordination of community and nonprofit efforts and explore cost-reduction policies to lower barriers in high-cost, low-density areas.
- **Expand and Sustain Broadband Mapping** - Continue and expand mapping efforts to provide accurate, transparent data that informs policy decisions, identifies service gaps, and supports targeted infrastructure development. As BEAD and other grant programs are completed, ensure mapping efforts evaluate actual locations served, speeds delivered, and infrastructure capabilities.
- **Prioritize Funding for Line Extension Connection Program** - Provide continued and increased funding for the Line Extension Connection Program, which has proven to be a cost-effective and targeted solution for last-mile deployment. This program empowers consumers, meets demand, and ensures no household or business is left behind as BEAD funding rolls out.

These recommendations are designed to close Minnesota's digital divide by making broadband affordable, expanding digital literacy, building a skilled workforce, and ensuring targeted, data-driven investments in infrastructure. Legislative and executive action on these priorities will help every Minnesotan participate fully in the digital economy.

## Task Force Members and Report Vote

	Vote
<b>Teddy Bekele</b> (Chair), Senior VP/CTO, Land O'Lakes	Yes
<b>Ini Augustine</b> , Chief Executive Officer, Technologist Computers	Yes
<b>Bruce Crane</b> , Area Vice President, Communications Workers of America	Yes
<b>Steve Fenske</b> , General Counsel, Minnesota Association of Townships	Yes
<b>Gail Hedstrom</b> , Director of Fergus Falls Public Library	Yes
<b>Brian Hood</b> , Operations Manager, Fond du Lac Communications	Yes
<b>Adam Hutchens</b> , Marketing Representative, Laborers' International Union of North America	Yes
<b>Marc Johnson</b> , Executive Director, East Central Minnesota Educational Cable Cooperative	Yes
<b>Daniel Lightfoot</b> , Intergovernmental Relationships Representative/Federal Relations Manager, League of Minnesota Cities	Yes
<b>Paul McDonald</b> , Board Chair, St. Louis County Commissioners	Yes
<b>Briana Mumme</b> , Southwest Minnesota Community Capital Director, Southwest Initiative Foundation	Yes
<b>Phil Stalboereger</b> , Senior VP, Medical Transportation Management	Yes
<b>John Twiest</b> , CEO/General Manager, Arrowhead Electric Cooperative	Yes
<b>David Wolf</b> , CEO, Gardonville Coop Telephone Association	Yes
<b>Melissa Wolf</b> , Executive Director, Minnesota Cable Communications Association	Yes

## Introduction

The Governor's Task Force is composed of 15 appointed members from across the state representing multiple sectors. Meeting monthly, the Task Force reviews the current state of broadband deployment, access, adoption, and affordability relative to the **Minnesota statutory goals to serve 100% of Minnesota homes and businesses**.

An annual report is required under the Governor's Executive Order (EO19-10) that continues the work of the Task Force to evaluate the State's progress toward achieving the goals stipulated in the Minnesota broadband statute, M.S. 237.012.<sup>1,2</sup> The Governor's EO19-10 also established that the annual report, in addition to updated recommendations on state-level actions, must include an inventory and assessment of:

- a. The needs, barriers, issues, and goals for broadband access;
- b. The needs and use of broadband in Minnesota's education systems, health care system, agriculture and energy sectors, industries and businesses, libraries, governmental operations, federally designated tribal nations, public safety, and other key economic sectors;
- c. Digital inclusion definitions, along with benefits, needs, and strategies for addressing identified gaps;
- d. Broadband availability and accessibility for unserved and underserved populations;
- e. Advances in technologies used to deploy services;
- f. Opportunities to coordinate with federal, state, and local agencies; and
- g. A review of the continued adequacy and appropriateness of the existing statutory broadband goals.

Combined, this report and the work of the Task Force look to improve the likelihood of the state achieving its broadband goals.

<sup>1</sup> [Minnesota Governor's Executive Order \(EO19-10\)](#).

<sup>2</sup> [Minn. Stat. § 237.012](#).

## Statutory Goals Review

According to Minnesota's 2023 statutes, M.S. 237.012, the state's broadband goals are:

**Subdivision 1. Universal access and high-speed goal. It is a state goal that:**

- (1) no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second and minimum upload speeds of at least three megabits per second; and
- (2) no later than 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 megabits per second and upload speeds of at least 20 megabits per second.<sup>3</sup>

The status as of 2025 related to comparative goals in Subdivision 1 above is as follows:

Goal	Status	Source
(1) no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second (Mbps) and minimum upload speeds of at least three Mbps.	As of 2025, 93.84% of homes and businesses statewide have access to broadband with speeds of 25/3 Mbps	Office of Broadband Development and Connected Nation, <a href="#">Minnesota Broadband Map and Data Center</a>
(2) no later than 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 Mbps and upload speeds of at least 20 Mbps.	As of 2025, 92.11% of homes and businesses statewide have access to broadband speeds of 100/20 Mbps.	Office of Broadband Development and Connected Nation, <a href="#">Minnesota Broadband Map and Data Center</a>

**Subdivision 2. State broadband leadership position. It is a goal of the state that by 2022 and thereafter, the state be in:**

- (1) the top five states of the United States for broadband speed universally accessible to residents and businesses;
- (2) the top five states for broadband access; and
- (3) the top 15 when compared to countries globally for broadband penetration.

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<sup>3</sup> [Minn. Stat. § 237.012](#).

The status as of 2025 related to comparative goals in Subdivision 2 above are as follows:

Goal	Status	Source
(1) the top five states of the United States for broadband speed universally accessible to residents and businesses	Minnesota ranked 32nd with an average internet speed of 304.2 Mbps and 5th in the U.S. for total number of internet providers, 282.	Wisevoter, <a href="#">Average Internet Speed by State</a> .
(2) the top five states for broadband access	Minnesota ranks 34th nationally for broadband coverage, speed, and availability.	BroadbandNow Research, 2025, <a href="#">Minnesota Internet Coverage &amp; Availability in 2025</a> .
(3) the top 15 when compared to countries globally for broadband penetration	Compared to countries globally, the state of Minnesota ranks 9th for median fixed broadband download speeds reported in Ookla's Speedtest, October 2025.	Ookla, 2025, <a href="#">Speedtest Global Index</a> .

Between 2023 and 2024, homes and businesses in rural Minnesota have seen availability of broadband speeds at or above 100/20 Mbps increase by 7% and broadband speeds of 25/3 Mbps increased by 3%. (See [Appendix C: Historic Overview of Broadband Availability 2016–2024](#)).<sup>4</sup> With the addition of 2025 data, that coverage has increased between 2024 to 2025 by around 5% and 4%, respectively.<sup>5</sup> Additionally, summary metrics on state program broadband availability are available through an interactive map on the Office of Broadband Development (OBD) webpage, [State Program Dashboard](#).

The Department of Employment and Economic Development's (DEED) Office of Broadband Development (OBD) staff lead and manage key parts of the state's broadband program and work with other state agencies and bodies to do so. Notably, OBD provides administrative support for the work of the Governor's Task Force on Broadband. Other work from the OBD includes:

- Conducts and administers the Border-to-Border (B2B) Broadband Development Grant Program, the Low-Density (LD) Pilot Program, and the Line Extension Connection Program (LECP)
- Coordinates and oversees the state's broadband mapping program plans and manages digital opportunity initiatives
- Works directly with the National Telecommunications and Information Administration (NTIA) to ensure effective design and implementation of the Broadband Equity, Access and Deployment (BEAD) and Digital Equity Act (DEA) programs
- Advises DEED senior leaders and the legislature on broadband policy and funding issues

With the state's statutory speed goals set to expire in 2026, the Task Force will be working in the next year more to understand the broadband landscape and suggestions around updates for future revised goals.

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<sup>4</sup> Office of Broadband Development, "[2024 Annual Report](#)."

<sup>5</sup> Office of Broadband Development, [Minnesota Map](#) webpage.

## 2025 Background

### ***Capital Project Funds***

Of the \$180,702,620 in federal Capital Projects Fund (CPF) allocated to Minnesota, the OBD was allocated \$130,702,981, and OBD has used CPF funds in the Border-to-Border Broadband Development Grant Program (B2B), Lower Population Density (LD) Program, and the Line Extension Connection Program (LECP). These broadband projects administered utilizing CPF dollars are expected to reach over 31,700 passings statewide.

As of December 2025, the LECP specifically has granted out the following by round:<sup>6</sup>

Round	Grant Award	Match Dollars	Locations Awarded	Bids
LECP Round 1, awarded November 2023	\$3.2M	\$1.6M	494 locations across 40 counties	\$15.3M requested for 1,733 locations
LECP Round 2, awarded April 2024	\$4.2M	\$1.7M	687 locations across 25 counties	\$5.8M requested for 932 locations
LECP Round 3, awarded December 2024	\$7.5M	\$1.7M	1,088 locations across 31 counties	\$13.4M requested for 1,639 locations

The fourth round of the awards for the Line Extension Connection Program are still to be confirmed, and when announced will be posted to the Line Extension Connection Program webpage by the end of December 2025. OBD expects to award over 1,000 locations across 30 counties.

As of November 2025, there have been over 6,900 registrants for the LECP. Of the 6,900+ registered, 2,407 locations are built or being built, and others were removed from the list for various ineligibility reasons (already in a funding commitment, already served, duplicate locations, etc.). On that list, 1,053 are eligible as primary locations for future rounds and an additional 298 signed up after the Round 4 eligibility cutoff date and still must be reviewed for eligibility.

Of future funding availability, relevant to note<sup>7</sup>:

- All the infrastructure program funds for B2B and LD programs have been awarded and contracted.
- When the Round 3 Line Extension Connection Program application window closed, the ask was **more than twice** the funding available, and the need was apparent.
- OBD sought a budget modification to reflect the opportunity seen in the higher demand for LD and LECP, via interest and higher applications, from unserved Minnesotan residents and businesses.
- A fourth round of Line Extension Connection Program was rolled out in Fall 2025 use with CPF funds from earlier rounds of B2B, LD, and LECP projects that completed under budget.

Additional federal funding mechanisms that impact broadband goals in Minnesota include the E-Rate and Lifeline programs, more information below.

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<sup>6</sup> Office of Broadband Development, [Broadband Line Extension Connection Program](#) webpage.

<sup>7</sup> Office of Broadband Development, ["State of Minnesota Performance Report Capital Projects Fund 2025."](#)

### **Broadband Equity Access, and Deployment (BEAD)**

The federal BEAD program aims to connect every American to high-speed internet by funding partnerships to build infrastructure. The OBD is the Eligible Entity administering the BEAD program in the state of Minnesota. On July 8, 2025, the NTIA approved Minnesota's IP BEAD Correction Letter after a June 6 Restructuring BEAD Policy Notice (RPN) from NTIA. From July 14 to July 24, 2025, prequalified applicants (for all technologies) submitted applications for the Restructured BEAD Round, compliant with the updated changes to the RPN. On September 4, 2025, Minnesota's draft of the Final Proposal was submitted to NTIA. After 18 rounds of curing with NTIA, OBD was informed of Final Proposal approval December 19, 2025. From the preliminary draft of BEAD's Final Proposal, Minnesota for a total grant among of \$381 million, with a total match of \$187 million. In this draft, the average cost per location was \$5,098, the lowest cost per location \$490, and the highest cost per location \$36,575. Following Final Proposal approval, NTIA will have 20 days to complete its final review, after which the State will have 30 days to review and execute the agreement.

Since submitted and after rounds of curing, the locations to be served by BEAD in Minnesota will be around 74,700 across 90 counties. With 58% of locations served by fiber expansion, 25% of locations served by low-earth orbiting satellites (LEOs) and 17% of locations served by fixed wireless. Finalized information on BEAD locations and grant allocations will be posted to the OBD BEAD webpage.<sup>8</sup>

The number of locations eligible for BEAD differs from the state's own definitions, which 2025 data identifies about 121,000 households lacking wireline service at least 25/3 Mbps and roughly 155,000 households lacking wireline speeds of at least 100/20 Mbps (see [Appendix C: Historic Overview of Broadband Availability 2016-2024](#)).<sup>9</sup> While BEAD represents a historic investment, it will not cover all households needed to meet the state's broadband service goals for wireline.

The state has been independently mapping broadband access and speeds across Minnesota since 2008. The requirement to conduct these mapping activities was codified into law.<sup>10</sup>

Since 2009, the OBD has partnered with Connected Nation, a national nonprofit with more than 20 years of experience in the broadband technology space, for technical expertise in support of State efforts towards universal broadband access. In 2025, Connected Nation staff completed field validation for over 70 State and Capital Projects Fund grant projects, and in the process verified construction completeness at more than 35,000 locations. Additionally, as part of their contracted duties with the OBD, Connected Nation reached out to 135 internet service providers as part of data collection and assessment efforts used to develop the various publicly available interactive broadband service availability maps and data tables found on OBD's website.<sup>11</sup>

### **State Digital Equity Capacity Grant**

Per OBD's Digital Opportunity webpage, on May 9, 2025, DEED received notification from the US Department of Commerce that it was immediately terminating the state's \$12 million grant from the State Digital Equity Capacity Grant Program.<sup>12</sup> This funding was intended to reduce gaps in broadband access and expand digital

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<sup>8</sup> Office of Broadband Development, [BEAD](#) webpage.

<sup>9</sup> Office of Broadband Development, [Minnesota Map](#) webpage.

<sup>10</sup> [Minn. Stat. § 116.397](#)

<sup>11</sup> Office of Broadband Development, [Minnesota Map](#) webpage.

<sup>12</sup> Office of Broadband Development, [Digital Opportunity](#) webpage.

skills and technology availability. All states received the same notification of cancellation. Minnesota's Digital Opportunity Plan, a deliverable from this program, focuses on ensuring every Minnesotan has the tools and skills needed to harness the full power of broadband and reap the benefits of a digital economy.<sup>13</sup>

The U.S. Department of Commerce had approved Minnesota's Digital Opportunity Plan as part of the federal Digital Equity Act in 2024. Due to this federal action, DEED will not be able to provide grants to local governments, organizations and small businesses to ensure these Minnesotans have the tools and skills to access and use the internet and digital technology. DEED is also forced to halt a planned statewide network of local experts to ensure Minnesotans everywhere have equitable access to get online and it's work on connecting people to people, connecting people to information, and connecting people to resources.

### **2025 Legislative Session**

From the 2025 legislative session, the following most directly impacts broadband in Minnesota:

- **Agriculture Bill<sup>14</sup>**: Laws of Minnesota 2025, Chapter 34, Article 2, HF 2446 includes an appropriation for the Office of Broadband Development in the amount of \$1,001,000 each year of the biennium and ongoing.
- **Telecommunications Installer Bill<sup>15</sup>**: Laws of Minnesota 2025, Chapter 23, SF 908:
  - Section 1 – Installation Requirements: Modifies Minn. Stat. § 326B.198, subd. 2 to remove the requirement that two safety-qualified installers be present for drilling and the requirement that a safety-qualified installer must perform underground installations in the seven-county metro area.
  - Section 2 – Certification Standards: Modifies Minn. Stat. § 326B.198, subd. 3 to allow a training provider to submit course material for approval and application as full or partial retroactive credit as applied to safety-qualified underground telecommunications installer certification.

Additionally, the federal funding landscape continues impact the state's broadband access and speeds, particularly as it relates to the BEAD program, federal termination of the State Digital Equity Capacity Grant, and Capital Project Funds.

### **Device ownership in Minnesota**

In Minnesota, 2024 data showed about 1 in 9 households lacked a large-screen computer, or 11.2% of all Minnesota households. This is equivalent to 264,918 households with no large screen computer including 186,144 households with smartphones only and 78,774 households without any type of computing device.<sup>16</sup> Across the U.S., most likely to lack a home computer includes: adults 65+ years of age, adults without high school diplomas, and unemployed adults.<sup>17</sup>

However, Minnesota overall has greater device ownership in households compared to homes nationally, where on average 1 in 7 households are without large screen computers.<sup>18</sup> While this may be a reflection of the success of the state's 10 plus years investment in broadband infrastructure, given the connection between device

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<sup>13</sup> Office of Broadband Development, "[Minnesota Digital Opportunity Plan](#)."

<sup>14</sup> Minnesota Legislature, Minnesota Session Laws, 2025 Regular Session, [Chapter 34 —H.F.No. 2446](#).

<sup>15</sup> Minnesota Legislature, Minnesota Session Laws, 2025 Regular Session, [Chapter 23—S.F.No. 908](#).

<sup>16</sup> Digitunity, "[Minnesota Computer Ownership Considerations](#)."

<sup>17</sup> Digitunity, "[Supportive and Sustainable Computer Ownership Ecosystems for Rural America \(2025\)](#)."

<sup>18</sup> Digitunity, "[Minnesota Computer Ownership Considerations](#)."

ownership and successful internet access, it also emphasizes the importance of continued attention to gaps in device ownership across the state.<sup>19</sup>

### ***Current state of the E-Rate Program***

In a June 27, 2025 ruling, the Supreme Court upheld the Universal Service Fund (USF), which means the funding mechanism for E-Rate program is allowed to continue.<sup>20</sup> Through E-Rate, schools, school districts, libraries, tribal libraries, and consortia (such as Service Cooperatives) can apply for E-Rate programs in order to obtain discounts of 20 percent to 90 percent on broadband, internet services and related information technology equipment and systems. During the 2024 Funding Year, Minnesota was allocated 1.3% of the national total for the program, amounting to around \$32.1M.<sup>21</sup> In September 2025 the Federal Communications Commission (FCC) announced that Wi-Fi, or other similar access point technologies (like hotspot services) on school buses, would be ineligible for E-Rate funding, reversing a 2023 decision permitting its use.<sup>22</sup>

### ***Current state of federal Lifeline program***

The federal Lifeline program provides recurring monthly support to help low-income households access essential communications services. Unlike the temporary Affordable Connectivity Program (ACP), which was created as a short term COVID era subsidy, Lifeline is the long-standing federal affordability mechanism funded through USF. Lifeline covers voice service, broadband service, or a bundle of voice and broadband, but the dollar amounts are extremely low compared to modern broadband costs. According to 2024 data, in Minnesota, 74,642 households were enrolled in Lifeline.<sup>23</sup>

Under current rules, Lifeline provides \$5.25 per month for voice only service and \$9.25 per month for broadband or bundled services. Households on qualifying Tribal lands may receive an additional \$25 per month which brings their total benefit up to \$34.25. These dollar amounts were set many years ago and have not kept pace with the rising cost of residential broadband service (see [Appendix D: Lifeline Support Levels by Service Type, 2025](#)).

The current Lifeline benefit is far too small to meet these realities. A typical fixed broadband service now costs between \$60 and \$80 per month and the \$9.25 subsidy covers only a small portion of that amount. This is one of the weaknesses that the ACP temporarily solved by offering \$30 per month for most consumers and \$75 per month on Tribal lands. The ACP demonstrated that when the subsidy is meaningful, broadband adoption increases. When the subsidy is too small, households cancel service. Reforming Lifeline so that it adopts ACP level benefits, along with better identity verification and improved oversight, is the most realistic path to long term broadband affordability and consumer protection.

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<sup>19</sup> Gonzales and Zhang, "[First-level fundamentals: computer ownership is more important for internet benefits than in-home internet service.](#)"

<sup>20</sup> Supreme Court Opinion, [Federal Communications Commission v. Consumer's Research](#)

<sup>21</sup> Office of Broadband Development, "[2024 Annual Report](#)."

<sup>22</sup> Federal Communications Commission, "[Modernizing E-Rate Program for Schools and Libraries](#)."

<sup>23</sup> Office of Broadband Development, "[2024 Annual Report](#)."

## Affordability, Economic Opportunity, and Workforce Development

### Subgroup Statement of Purpose

Access to high-speed broadband is essential for full participation in modern life and the economy. This section's recommendations are grounded in the belief that closing the digital divide requires a holistic strategy focused on affordability, adoption, and the creation of a robust digital workforce. Our proposals aim to transform Minnesota's broadband investment into tangible, equitable economic opportunities for all Minnesotans. Our recommendations provide a framework for the Governor and Legislature to:

1. **Ensure Affordability** of service for all households.
2. **Maximize Economic Opportunities** by leveraging new connectivity to support small businesses, telemedicine, education, and remote work.
3. **Cultivate a Skilled Workforce** to sustain and grow the state's digital future, creating family-supporting jobs in every region.
4. **Invest in Digital Skills<sup>24</sup> and Adoption** through support systems, like digital navigator programs, to ensure all residents can safely, effectively, and confidently leverage broadband access to evaluate information and maximize its personal and economic benefits.

### Affordability, Economic Opportunity, and Workforce Development Recommendations

- Support federal efforts to modernize the Lifeline program, strengthen program integrity, and update the Universal Service Fund contribution system so that the program has a sustainable financial base.
- Develop and fund Career and Technical Education (CTE) programs, and registered apprenticeship programs with Minnesota schools and colleges to address labor shortages and build capacity for communities to create jobs that utilize the capabilities of high-speed broadband.
- Encourage grant recipients to implement workforce best practices outlined in Minnesota Statutes 2022, section 116J.395, and prioritize projects that utilize local hiring provisions for deployment.
- Prioritize funds (within grant awards or other funding sources) to support anchor institutions in providing digital literacy training (including software, hardware, staff such as digital navigators, outreach, and business alignment with these initiatives).
- Establish a Statewide Digital Inclusion Initiative to systematically eliminate persistent barriers to digital literacy. This initiative must adopt a multi-faceted approach, prioritizing not only the expansion of affordable broadband access and device provision (addressing lack of connectivity, income insecurity, and technology) but also the direct funding and coordination of community-based programs that overcome non-technical barriers. Specifically, programs must integrate solutions for transportation, childcare, language support, and trust-building with government and service providers, ensuring that skills training is accessible and relevant to all Minnesotans, regardless of their foundational literacy level.

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<sup>24</sup> See [Appendix B](#) for a definition on "digital literacy", referred to as "digital skills" in the Minnesota Digital Opportunity Plan.

## Mapping, Policy, and Funding

### Subgroup Statement of Purpose

The purpose of the group is to advance digital access, opportunity and inclusion across Minnesota by coordinating state-supported efforts that leverage existing policy tools, federal and state resources, and community partnerships. This includes expanding high-speed broadband access to every Minnesotan and working toward the state's 2026 speed goal of ensuring every address has access to service levels of at least 100 Mbps download and 20 Mbps upload.

We support continued broadband mapping efforts, exploring cost-reduction strategies for deployment—especially in rural and remote areas—and advocating for sustained funding of successful programs like the Line Extension Connection Program. Through collaborative planning and targeted investment, we aim to ensure that all communities can access affordable, reliable broadband and the opportunities it enables.

### Mapping, Policy, and Funding Recommendations

- Advance inclusive broadband deployment by aligning strategies with community needs, prioritizing underserved/unserved populations, strengthening state-supported coordination of community and nonprofit efforts, and exploring cost-reduction policies to lower barriers in high-cost, low-density areas.
- Continue and expand broadband mapping efforts to provide accurate, transparent data that informs policy decisions, identifies service gaps, and supports targeted infrastructure development. As we approach the completion of BEAD and other federally or state-funded broadband grant programs, ensure these mapping efforts also evaluate actual and legitimate locations, how funded deployments align with the state's speed goals, actual speeds delivered, what speeds and services are being subscribed to, and the full capabilities of the infrastructure in place.
- Prioritize funding for the Line Extension Connection Program, which has demonstrated measurable success in connecting unserved households. State investment is crucial for the Line Extension Connection Program as BEAD will not fully close the gap in statutory goals for wireline access. As one of the most cost-effective and targeted solutions for last-mile deployment, this program deserves continued state investment to empower consumers, meet demand, and ensure no household or business is left behind.

## Appendices

### Appendix A: Technology Review

Every existing technology installed today continues to improve and advance, from the equipment customers use (the end point) to the hardware and software providers deploy on their networks. Providers are being creative, seeking ways to improve services to existing customers, and expand services to those most in need. Types of technologies in use for high-speed internet include:

- **Fiber Optic.** Fiber-optic technology delivers high-speed internet using light through transparent glass fibers to transmit data from fiber broadband. The download and upload speed for fiber depends on the electronics attached to the fiber and ranges widely from 250 Mbps to 5 Gbps, far exceeding the needs of the typical user. The speed experienced by the user depends on a multitude of factors including transmitters, receivers and amplifiers used in route to connect the “last mile” as well as the in-home connection a user chooses (e.g. Wi-Fi, direct to modem, etc.).
- **Wireless Technologies.** There are increasingly more hi-speed wireless options available to users today, including 4G mobile devices ('hotspots), and Fixed Wireless systems (tower to home). While fiber to the home is often considered the ‘gold standard,’ fixed and mobile wireless can offer attractive solutions particularly in areas where there are very low-density populations or where physical barriers make fiber difficult to deploy.
- **Satellite Technologies.** Traditional satellite options (Dish, Direct, Hughes, Viasat, etc.) offer users varying speeds (typically less than 25/3 Mbps). Of the satellite technologies, we are seeing the fast expansion of Low Earth Orbit (LEO) satellite networks by companies like Starlink, OneWeb, Telesat, and Amazon. The LEO satellite networks offer lower latency (delay) and 200-300Gb+ speeds as they grow, and perhaps most importantly, the ability to reach very difficult remote (often rural) locations that are currently unserved. As more satellites are deployed, coverage, speed, and reliability have improved.

## Appendix B: Glossary

**Unserved area:** any area of Minnesota in which households or businesses lack access to wire-line broadband service at speeds of 25 megabits per second download and 3 megabits per second upload.

**Underserved area:** an area of Minnesota in which households or businesses do receive service at or above 25/3 Mbps but lack access to wire-line broadband service at speeds 100 megabits per second download and 20 megabits per second upload.

**High-speed Internet:** broadband, or high-speed internet (defined by the Federal Communications Commission as 100 megabits per second download and 20 megabits per second upload), commonly refers to access that is always on and faster than the traditional dial-up access.<sup>25</sup>

**Community Anchor Institutions:** Schools, public libraries, medical and healthcare providers, public safety entities, institutions of higher education and other community-support organizations that provide outreach, access, equipment and support services to facilitate greater use of broadband service by the entire population and local governments.<sup>26</sup>

**Digital Literacy:** Skills associated with using technology to enable users to find, evaluate, organize, create, and communicate information. The Minnesota Digital Opportunity Plan uses "digital skills" in place of "digital literacy".<sup>27</sup>

**Digital Opportunity:** Minnesota's Digital Opportunity Plan adopted the following the definition: *A condition in which individuals and communities have the information technology capacity that is needed for full participation in the society and economy of the United States.* Digital opportunity is achieved through several digital inclusion activities, also provided in the Notice of Funding Opportunity (NOFO):<sup>28</sup>

- a. reliable broadband internet service;
- b. internet-enabled devices that meet the needs of the user;
- c. applications and online content designed to enable and encourage self-sufficiency, participation, and collaboration;
- d. access to digital literacy training;
- e. quality technical support; and
- f. basic awareness of measures to ensure online privacy and cybersecurity.

**Affordable Connectivity Program (ACP):**<sup>29</sup> The ACP ran from December 2021 to May 2024. The program ended June 1, 2024, due to a lack of funding from congress. The ACP helped ensure that households were able to afford the broadband they needed for work, school, healthcare and more. It provided a discount of up to \$30 per month toward internet service for eligible low-income households and up to \$75 per month for households on qualifying Tribal lands. Eligible households could also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contributed more than \$10 and less than \$50 toward the purchase price.

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<sup>25</sup> [FCC 2024 Press Release](#).

<sup>26</sup> NTIA, ["Broadband Glossary."](#)

<sup>27</sup> Office of Broadband Development, "[Minnesota Digital Opportunity Plan](#)."

<sup>28</sup> Office of Broadband Development, "[Minnesota Digital Opportunity Plan](#)."

<sup>29</sup> Federal Communications Commission, "[ACP](#)."

## Appendix C: Historic Overview of Broadband Availability 2016-2024

From Office of Broadband Development, [2024 Annual Report](#). 2025 data is available in the OBD/Connected Nation, [Minnesota Broadband Map and Data Center](#).

Year	2016	2017	2018	2019	2020	2021	2022*	2023**	2024**
<b>25/3 Mbps speeds</b>									
Statewide	87.53% covered	88.11% covered	91.13% covered	92.79% covered	92.47% covered	91.79% covered	92.03% covered	91.56% covered	92.67% covered
	260,000 HH w/o	248,000 HH w/o	185,000 HH w/o	150,000 HH w/o	157,000 HH w/o	171,000 HH w/o	198,000 w/o	162,000 w/o	143,000 w/o
Rural	72.03% covered	73.45% covered	80.07% covered	83.92% covered	83.10% covered	81.99% covered	74.42% covered	78.21% covered	81.09% covered
	251,000 HH w/o	238,000 HH w/o	179,000 HH w/o	144,000 HH w/o	152,000 HH w/o	161,000 HH w/o	180,000 w/o	154,000 w/o	139,000 w/o
<b>100/20 Mbps speeds</b>									
Statewide	68.53% covered	70.04% covered	74.11% covered	86.10% covered	87.75% covered	88.52% covered	88.29% covered	88.03% covered	90.32% covered
	657,000 HH w/o	625,000 HH w/o	540,000 HH w/o	290,000 HH w/o	256,000 HH w/o	240,000 HH w/o	291,000 w/o	229,000 w/o	189,000 w/o
Rural	49.33% covered	52.88% covered	60.05% covered	68.74% covered	72.53% covered	75.05% covered	62.46% covered	68.87% covered	75.00% covered
	455,000 HH w/o	423,000 HH w/o	358,000 HH w/o	280,000 HH w/o	246,000 HH w/o	224,000 HH w/o	264,000 w/o	220,000 w/o	184,000 w/o

HH=Households

\*Year calculated housing units covered and without. Note, the 2022 increase of those without service corresponds to housing units and the decision to count all habitable houses (e.g., summer cabins) instead of occupied households as was done in prior years.

\*\*Year calculated residential/mixed locations covered and without. Note that the 2023 data show a decline in availability at the 25 Mbps download and 3 Mbps upload speed; this is due to a decision to move to the FCC/CostQuest fabric location dataset.

Connected Nation & Minnesota DEED Office of Broadband Development required. © Copyright 2025, State of Minnesota, St. Paul, MN. Fabric location data provided by CostQuest Associates, Inc., all rights reserved. Use of these data are restricted.

## Appendix D: Lifeline Support Levels by Service Type, 2025<sup>30</sup>

Service Type	Federal Lifeline Monthly Support	Minimum Service Requirements	Notes
<b>Voice Only Service</b> (mobile or landline)	\$5.25 per month	Mobile: at least 1000 minutes per month	Landline: standard voice service  The voice benefit has been gradually phased down over the years. Broadband is strongly preferred but voice only service remains eligible.
<b>Broadband Only Service</b> (fixed)	\$9.25 per month	At least 25 Mbps download and 3 Mbps upload	Usage allowance at least 1230 GB per month.  This is the standard Lifeline broadband subsidy amount nationwide.
<b>Broadband Only Service</b> (mobile)	\$9.25 per month	At least 3G speeds	Usage allowance at least 4.5 GB per month  The mobile broadband minimum standard increases annually.
<b>Bundled Voice and Broadband</b> (mobile)	\$9.25 per month	At least one service must meet its minimum standard	The subscriber chooses which service the subsidy applies to.
<b>Tribal Lifeline Enhancement</b> (any service type on qualifying Tribal lands)	Additional \$25.00 per month which brings the total to \$34.25 per month	Same as above	Available to consumers on federally recognized Tribal lands.

<sup>30</sup> Universal Service Administrative Company (USAC), [Lifeline Minimum Service Standards](#) website.

## Appendix E: Broadband Task Force, Summary of 2024 Recommendations

### Affordability and Digital Equity

- **Reinstate a Program Similar to ACP:** Develop a statewide program or advocate for federal solutions to provide affordable broadband access, targeting low-income households.
- **Modernize Federal Lifeline Benefits:** Support reform to increase the Lifeline subsidy to match ACP levels—\$30 for most households and \$75 for those on Tribal lands.
- **Support Digital Literacy:** Standardize digital literacy definitions across agencies and fund **Digital Navigators** for anchor institutions to teach digital skills and connect residents to resources. Create a **searchable digital literacy resource directory** available in multiple languages and accessible formats. Provide greater opportunities for partner organizations to build capacity, and work to strengthen existing relationships.

### Economic Opportunity and Workforce Development

- **Build Local Training Pipelines:** Invest in programs through **DEED** to train broadband technicians, splicers, and engineers, focusing on local talent development.
- **Incentivize Best Practices:** Encourage grant recipients to implement workforce best practices outlined in **Minnesota Statutes 2022, section 116J.395**, ensuring jobs created are family-supporting with fair wages and benefits.
- **Promote K-12 and Higher Education Collaboration:** Develop **Career and Technical Education (CTE)** programs with Minnesota schools and colleges to address broadband labor shortages.

### Mapping, Policy, and Funding

- **Support Statewide Mapping:** Fund ongoing mapping initiatives to ensure accuracy in identifying unserved and underserved areas. Conduct a **post-BEAD evaluation** to measure program success and remaining gaps.
- **Address Sales Tax Barriers:** Enact legislation clarifying that broadband materials (fiber and conduit) qualify for **sales tax exemption**, reducing costs for high-speed deployment.
- **Sustain the Line Extension Connection Program:** Provide **continued funding in 2025** to connect smaller groups or individual homes, avoiding project delays as BEAD funding rolls out.
- **Expand Local Capacity:** Establish a fund for local governments and nonprofits to **hire digital prosperity experts**. These experts would assist with broadband planning, grant applications, and outreach in underserved communities.

*Previous recommendations from the Governor's Broadband Task Force, dating back to 2015, can be found in Appendix F of the [2024 Annual Report](#).*