Broadband Update
Senate Agriculture and Rural Development Finance and Policy
February 23, 2022
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%

<table>
<thead>
<tr>
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<th>2021</th>
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<tbody>
<tr>
<td>Statewide 100/20 of Households:</td>
<td>88.52% covered</td>
</tr>
<tr>
<td># of Households without:</td>
<td>240,000</td>
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<tr>
<td>Non-metro 100/20 of Households:</td>
<td>75.05% covered</td>
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<tr>
<td># of Households without:</td>
<td>224,000</td>
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During the 2021 Legislative Session, the Legislature appropriated $70 million from the federal Capital Projects Fund to be used for Border to Border Broadband Grants.

- No money was appropriated from the General Fund.
- DEED did not launch a broadband grant round in 2021.
- The Capital Projects Fund process caused delays in launching a grant round.
  - State funds allow for much more flexibility and predictability.
Capital Projects Fund Process

• Application Portal Launch – September 24, 2021
• Deadline to Request Funding – December 27, 2021
• Deadline to Submit Grant Plan – September 24, 2022
• DEED has submitted its grant plan to use funds for the Border to Border Grant Program and is awaiting approval from the U.S. Dept. of the Treasury
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 Broadband Outlook

• The Office of Broadband Development anticipates receiving approval on the grant plan in February

• We expect to launch two grant rounds in 2022 using the $70 million appropriated from the Capital Projects Fund

• The first round will be in FY2022 and the second round will be in FY2023
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)
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)
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