



**EMPLOYMENT AND  
ECONOMIC DEVELOPMENT**

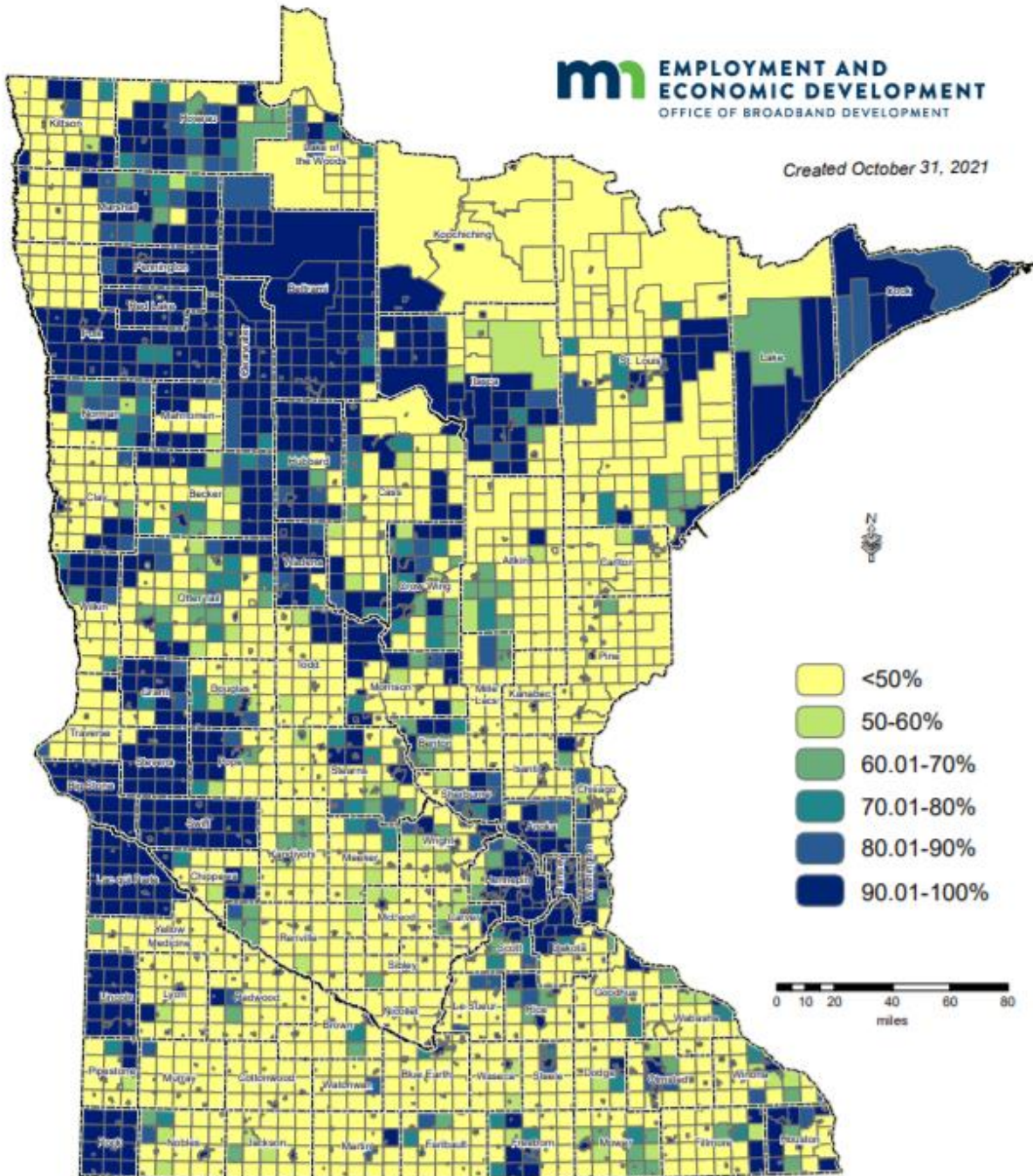
## **Broadband Update**

**Senate Agriculture and Rural Development Finance and Policy**

**February 23, 2022**



Created October 31, 2021



## 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%

2021	
<b>Statewide 100/20 of Households:</b>	88.52% covered
<b># of Households without:</b>	240,000
<b>Non-metro 100/20 of Households:</b>	75.05% covered
<b># of Households without:</b>	224,000

# 2021 Legislative Session and Broadband Grants

- 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)*



# Federal Funding Opportunities

## 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](https://mn.gov/deed/broadband)