



March 27, 2023

Re: SF 1955 – Agriculture, Broadband, and Rural Development Omnibus Finance Bill

Dear Chair Putnam and members of the Senate Agriculture, Broadband, and Rural Development Committee:

On behalf of our 837 member cities, the League of Minnesota Cities appreciates the opportunity to provide comments on the broadband provisions in SF 1955, the Committee’s omnibus finance bill as amended by the scs1955a-3 delete everything amendment. The broadband provisions in Article 3 of the bill provide much needed additional funding for the Border-to-Border Broadband Grant Program and a continuation for the grant to be more effective in lower density areas of the state to deploy broadband infrastructure more effectively. The broadband provisions in the bill are in line with the League’s priorities to implement state solutions and deploy resources to ensure broadband is universally accessible to all Minnesota residents and businesses.

Reliable broadband internet access is essential infrastructure needed by cities and their residents to compete in a global digital economy. Cities across Minnesota are working diligently to grow their local economies and ensure that residents and local businesses can access critical services and compete in an increasingly more digital world no matter where they are in the state. However, many communities in Minnesota lack the infrastructure needed to provide reliable broadband at affordable prices. Because of high fixed costs for broadband infrastructure, low population density, and lack of return-on-investment for private sector providers, many cities especially in greater Minnesota have found it impossible to facilitate broadband access.

While the state is expected to receive funding from the federal government for broadband infrastructure deployment, federal funding alone is not sufficient in positioning the state to meet and exceed its broadband goals. The \$85 million authorized in Article 3, Sec. 2 of the bill over the next biennium for the broadband grant program is necessary to ensure that the state does not miss out on the upcoming construction season while we wait for federal funds and that we are well positioned to meet our deployment goals. Additionally, the \$40 million authorization over the next biennium to extend the lower population density grant program will allow for a higher percentage of the project to be funded by the grant, which will assist more smaller and less-resourced communities with broadband deployment needs.

The authorization for additional broadband funding in Article 3 of SF 1955 as amended is an important step to ensure that Minnesota continues to be a national leader in broadband deployment. Additional resources for both the border-to-border broadband grant and lower population density grant program are crucial in providing more opportunities for broadband providers to deploy infrastructure in the cities that need it.

Thank you for your consideration and your support.

Sincerely,

A handwritten signature in black ink that reads "Daniel Lightfoot". The signature is written in a cursive, flowing style.

Daniel Lightfoot
Intergovernmental Relations Representative
League of Minnesota Cities