



# 2024 Broadband Supplemental Budget Proposals

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DEED's Office of Broadband Development (OBD)

# Supplemental Budget Recommendations

- Transfer Authority
- Authorization to Utilize Federal Digital Equity Funding



## Transfer Authority – Maximum Flexibility

- Amend 116J.396 to allow the Commissioner to transfer up to **\$5 million** of a fiscal year's appropriation between the **border-to-border broadband program**, **low density population broadband program**, and the **broadband line extension program** to meet demand.





# Background - Minnesota's Unmet Needs

- **162,000** households without access to 25/3 (2022 goal)
- **229,000** without access to 100/20 (2026 goal)

## State Statutory Broadband Goals:

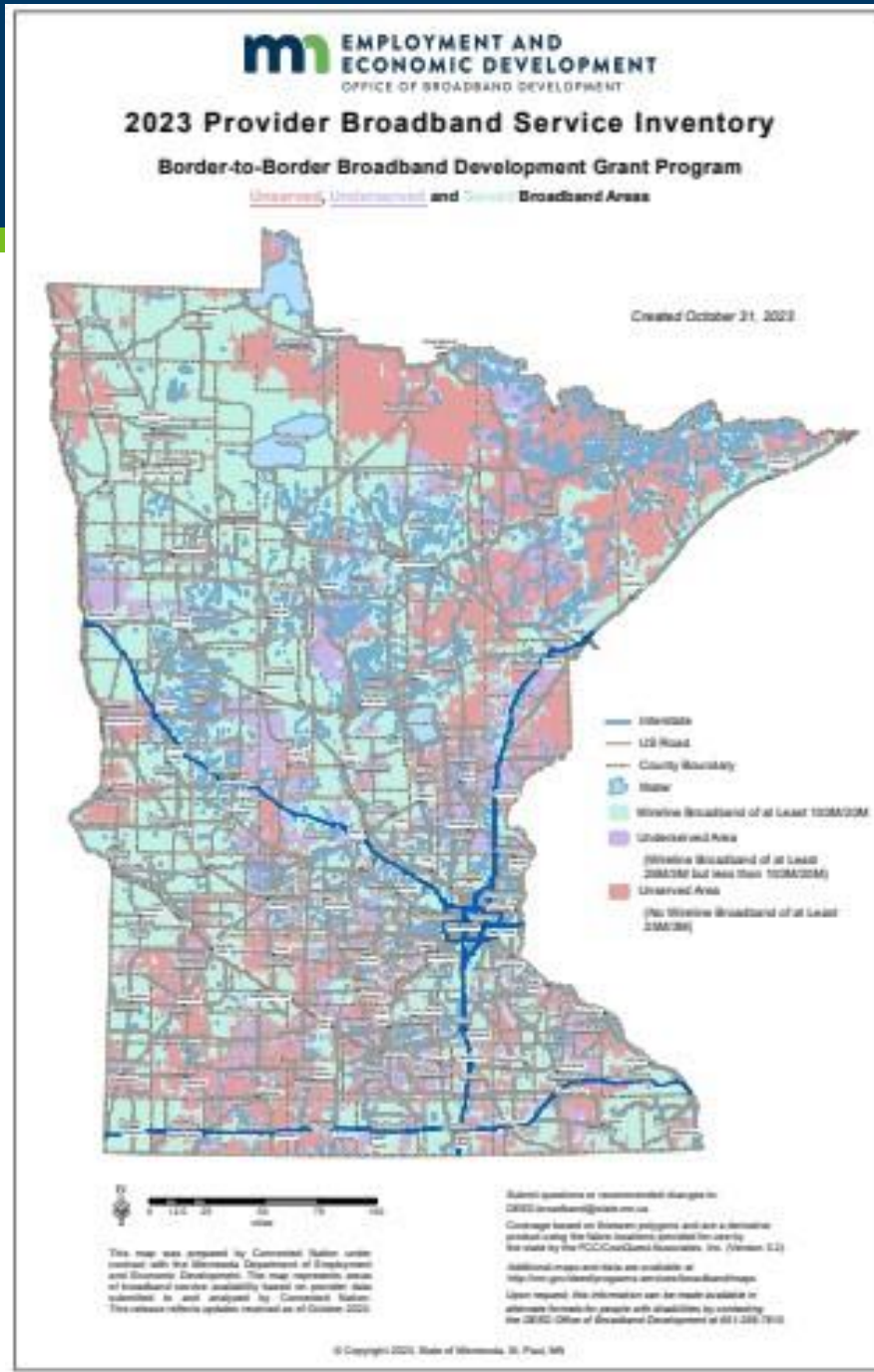
All homes and businesses will have access to broadband service of at least:

- 25 Mbps download by 3 Mbps upload (current FCC definition) by 2022
- 100 Mbps download by 20 Mbps upload by 2026

*Numbers from November 2023*

## Numbers from November 2022

- **198,000** households without access to 25/3 (2022 goal)
- **291,000** without access to 100/20 (2026 goal)



# Background – State Funding

## Round 10

- **\$50 Million available** (\$30 million Border to Border, \$20 Million Low Density Population)
- Official awards will be made after July 1, 2024 to follow the biennium funding directive by the legislature
- State funds need to be awarded so we take locations off the BEAD unserved/underserved required-to-serve list



# Utilize Federal Capacity Grant Funding

- This language would authorize the DEED Commissioner to use federal **State Digital Equity Capacity Grant Funding** from the recently announced Notice of Funding Opportunity (NOFO).
- Minnesota has tentatively been notified that the state will receive **\$12.033 million** for the activities laid out in the **Minnesota Digital Opportunity plan**. These funds will assist individuals and communities with the tools, skills and opportunities to fully participate in and benefit from meaningful access to high-speed internet service.
  - Connect People to People
  - Connect People to Information
  - Connect People to Resources





# Background - Federal Funding Available

The Federal Government is making approximately **\$65 billion** available for broadband **nationwide**. There are two programs for state broadband funding through the National Telecommunications and Information Administration (NTIA) of the U.S. Dept. of Commerce:

- **Broadband Equity, Access and Deployment (BEAD) funding**
- **Digital Equity Funding**

Minnesota will receive a formula-based allocation for each program.

Each program requires the state to develop a plan for how it will spend its allocation.



# Background Federal - Digital Equity Act

- Nationally provides **\$2.75B** for digital equity programs and activities

- Three funding categories:

- \$60M in planning grants to states, tribes, and territories (MN = \$881,905.10)
- \$1.44B in *capacity grants* to states, tribes, and territories
- \$1.25B in competitive grants to local governments, anchor institutions, etc.

2023	2024 - 2028
<ul style="list-style-type: none"><li>• MN used <u>Planning Grant</u> to develop statewide Digital Opportunity Plan due November 30</li></ul>	<ul style="list-style-type: none"><li>• MN uses a <i>Capacity Grant</i> to implement the Digital Opportunity Plan</li><li>• NTIA administers one <u>Competitive Grant</u> round each year</li></ul>



# Background - Digital Equity Minnesota's Planning Strategy



April–June: Data Collection

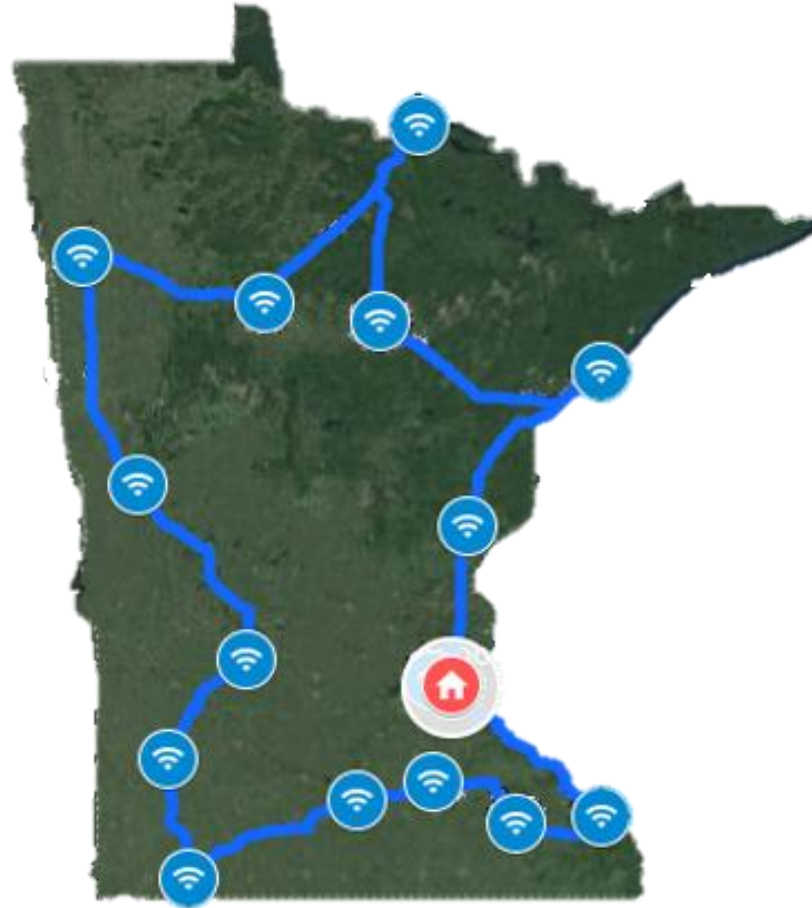
July: Writing

August–September: Public Comment



## 106 Digital Connection Committees managed by 1 OBD staff person

- Statewide representation with an even mix of rural and urban
- 68 non-competitive mini-grants to support data collection
- 236 data files addressing strengths, necessities, and systemic challenges
- 154 face-to-face meetings between OBD, committees, and additional planning partners



## 18 Listening Sessions attended by all OBD staff

- 16 in-person + 2 virtual
- 304 attendees
- 14 DCC cohosts
- 35 hours convening
- 2,500+ miles driven
- 65 written public comments totaling 145 pages

# Example Activities

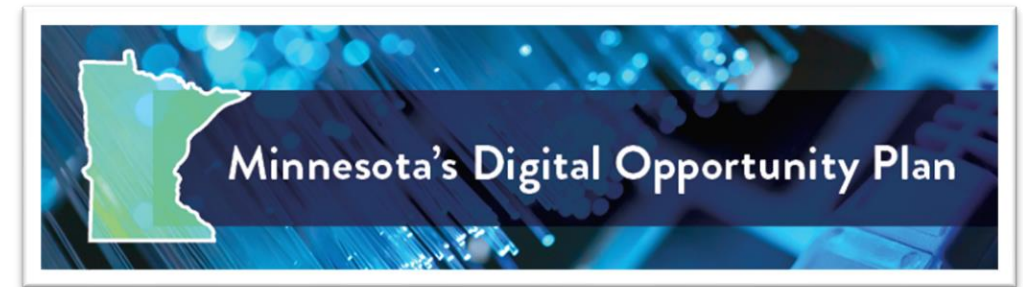
- Pilot a **Digital Opportunity Leaders Network** that combines local energy, regional expertise, and statewide continuity.
- Develop **curriculum and administer grants** to support high schools, after-school programs, and 2-year colleges in hiring and training students to work as paid tech **repair technicians and technical support providers**.
- Expand OBD's capacity to support **digital opportunity data analysis**.
- Administer **formula grants** to townships, cities, counties, regional development commissions (RDCs), and tribes that seek funding to conduct local evaluation and develop their own **digital opportunity plans**.
- Expand OBD's capacity to conduct federal and statewide outreach and coordination of **programs that reduce internet costs for low-income households**.



Draft plan listening session in Bemidji  
Co-hosted by Kairos Alive (DCC)

# Digital Equity: Where We Are Now

- The approved plan is posted: <https://mn.gov/deed/programs-services/broadband/adoption/>
- Minnesota's Digital Opportunity Plan accepted (March 26, 2024)
- **What is next:**
  - Apply for the **Capacity Grant NOFO (60-day window to apply – from March 29, 2024 NOFO notification)** so Minnesota can start implementing the Digital Opportunity Plan.
  - Get legislative authorization to administer and implement the **Capacity Grant**





# Thank you!

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