



**EMPLOYMENT AND  
ECONOMIC DEVELOPMENT**

## **Legislative Session 2025, Broadband Briefing**

### **Office of Broadband Development**

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# MN Broadband Policy Framework

OFFICE OF BROADBAND DEVELOPMENT

Statutory  
Goals

Broadband  
Office/Task  
Force

Data (Mapping  
Program)

Tools  
(Infrastructure  
Grants/Digital  
Equity)

# Meet the Office of Broadband Development (OBD)

- Established by state legislature in 2013
- 14 staff located throughout Minnesota
- Programs:
  - Border-to-Border Broadband Development Grant Program
  - Low-Density Broadband Development Grant Program
  - Line Extension Program
  - IIJA: BEAD
  - IIJA: Digital Equity Act



*OBD team at 2024 Staff Training*



# 2024 Highlights and Milestones

## OFFICE OF BROADBAND DEVELOPMENT

- We celebrated the Office of Broadband's 10th Anniversary in March
- Held a 4-session training weekly webinar series called *Navigating PLUS (Permitting Land Use and State Systems)* with State and Tribal partners (open to public and available online)
- Held a technical assistance webinar for Round 10 of the Border-to-Border and Low-Population Density Broadband Development grant programs
- Held four (4) in-person regional, one (1) in-person tribal and two (2) virtual statewide BEAD Challenge Window informational and listening sessions
- Held ten (10) weekly information sessions open to the public to provide updates on BEAD, provide technical support on the Challenge Portal and Q&A
- Carried out 81 site visits to ensure state infrastructure grant compliance
- Provided broadband availability analysis to over 200 constituents (61 emails and 149 phone calls)

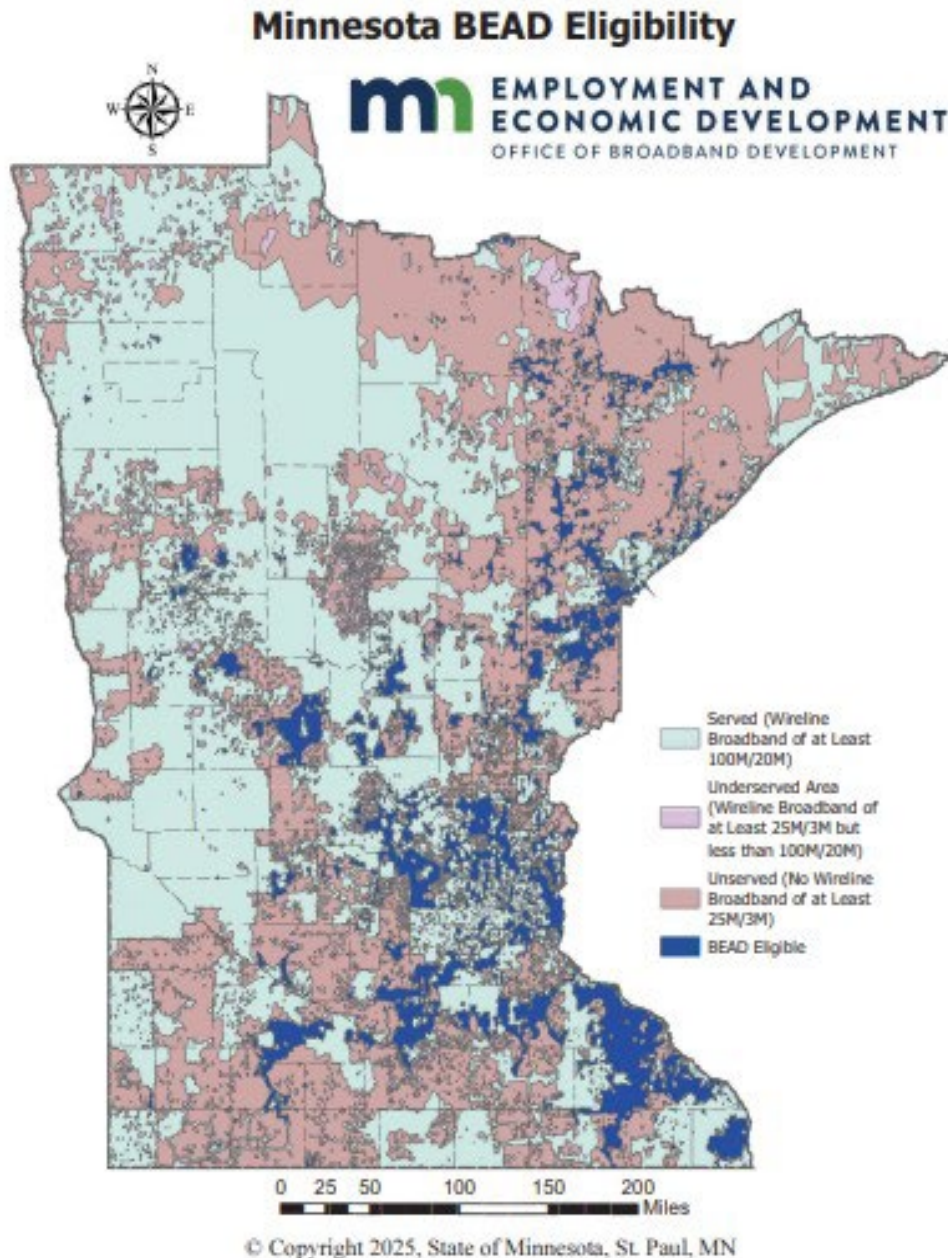


# 2024 Highlights and Milestones

## OFFICE OF BROADBAND DEVELOPMENT

- Awarded 34 Border-to-Border Grants totaling over \$58.2M over two grant rounds
- Awarded 16 Lower Population Density Grants totaling over \$46.6M over two grant rounds
- Awarded 29 Line-Extension Grants totaling over \$11.2M over two grant rounds
- Provided administrative support to the Governor's Task Force on Broadband on monthly meetings and annual report
- BEAD Milestones: Volumes 1 and 2 of Minnesota's Broadband Equity, Access, and Deployment (BEAD) Initial Proposal approved, submitted final list of BEAD eligible locations to NTIA, and MN's Digital Opportunity Plan and Capacity Grant Program were approved
- Coordinated the BEAD Challenge Process. Nine (9) office hours meetings were held via webinar
- Engaged with over 3,047 individuals over the year to inform, discuss and listen to questions and concerns regarding the BEAD program

# Minnesota's Unmet Needs



## Numbers from December 2024

- 143,000 households without access to 25/3 (2022 goal)
- 189,000 without access to 100/20 (2026 goal)

Estimated Number of BEAD eligible locations: 81,000

## 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

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



# CTC Cost Analysis Report

- The OBD issued a **Request for Proposal (RFP)** for a consultant to perform a broadband cost gap analysis study for the state of Minnesota.
- The purpose of the analysis was two-fold: first, to **determine the amount of funding needed to serve the state under BEAD**; and second, to **determine the cost if all locations in the state were to be served with a minimum 100Mbps download/20Mbps upload wireline connection**, as is the goal under state law.
- CTC Technology and Energy, a consulting firm who has performed similar analysis for other states, was selected to complete the cost-gap analysis. CTC used CostQuest data, National Telecommunications and Information Administration (NTIA) data, and data from OBD's past state Border-to-Border and Line Extension Connection Program grant rounds to perform a set of cost modeling exercises.

# CTC Broadband Cost Analysis Report, Goals

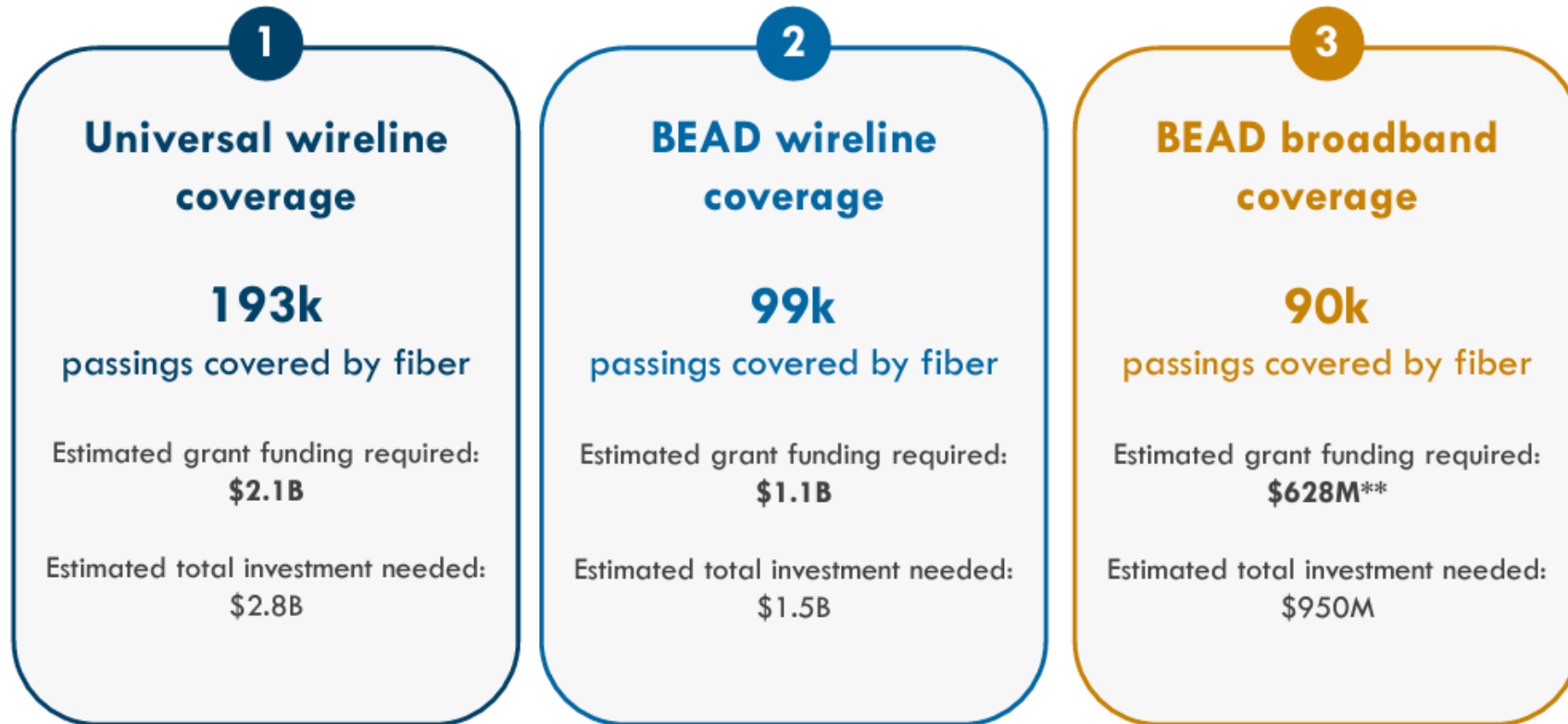
## GOALS FOR THE BROADBAND INFRASTRUCTURE COST GAP ANALYSIS

- 1 Universal coverage** | Bring broadband access to all Minnesota residents, meeting NTIA requirement for universal service
- 2 Funding optimization** | Estimate infrastructure cost to maximize the impact of the available BEAD allocation
- 3 Technical feasibility** | Determine the most cost-effective technologies for broadband deployment across the state



# CTC Broadband Cost Analysis Report, Findings

GRANT FUNDING REQUIRED FOR WIRELINE SCENARIOS  
COULD RANGE FROM \$2.1 BILLION TO \$628 MILLION\*



\*Granular cost breakdowns by CBG-based analysis areas are attached in the cost data file. Note that the statewide estimates above reflect the cable expansion model discussed in the previous slide. We find that in Minnesota the economics of deployment will, in general, likely be similar to a cable expansion model, and thus the cable expansion estimate (typically, the middle-cost model) represents the most reasonable baseline for statewide analysis and comparison.

\*\*\$628 million represents the state's total BEAD funding allocation minus administrative expenses.

# Minnesota's Border-to-Border & Low Population Density Grant Programs

- Border-to-Border (up to 50%)
- Low Population Density (up to 75%)
- Competitive Grant Program with no maximum per location but \$10M maximum grant per project
- Businesses and residents do not have a formal role in process but can submit letters of support for submitted applications
- ISPs have 2.5 years to complete the build
- Must offer at least 100/20 at completion and be scalable to 100/100
- Grant payment reimbursement of actual costs throughout build of project (milestones)



# Border-to-Border and Low-Population Density Programs

|  | Grant Dollars Awarded | Local Match Dollars | Locations Served |
|--|-----------------------|---------------------|------------------|
| Border-to-Border (B2B),<br><b>10 rounds since 2014</b> | \$323.9M              | \$476.6M            | 113,000+         |
| Low-Population Density,<br><b>3 rounds since 2023</b>  | \$76.7M               | \$27M               | 6,400+           |
| <b>Totals</b>  | <b>\$400.6M</b>       | <b>\$503.6M</b>     | <b>119,400+</b>  |

## As of December 2024:

- **Rounds 5-6 (2019-2020)**, all work should be done by end of Q4, 2024
- **Rounds 7-10 (2022-Current)** there are **11 closed projects**, **8 pending closed**, and **121 active projects**



# Minnesota's Line Extension Program



During the 2022 Legislative Session, the Office of Broadband Development (OBD) was directed to create a new program, the **Broadband Line Extension Connection Program**.

The purpose of the program is to award grants for the extension of existing broadband infrastructure to unserved locations. An unserved location is a location that does not have a wired broadband service of at least 25Mbps download and 3 Mbps upload.

The state legislature appropriated **\$15 million (CPF)** of federal funding for this program.

- Reverse Auction Program (lowest bid wins) and a \$25,000 maximum grant per location
- Businesses and Residents submit their addresses for Bid Eligibility to start the process
- ISPs have 1 year to complete the build
- Must offer at least 100/100 on completion (CPF funding requirement)
- Grant payment reimbursement of actual costs at closeout

# Line Extension Connection Program

| Round  | Total investment  | Locations awarded                     | # of bids                                      | Project status   |
|--|---|---------------------------------------|--|--|
| <b>Round 1,</b><br>October 6–<br>November 9,<br>2023 Awards    | <b>\$4,890,240.28</b> awarded:<br><b>\$3.2M</b> , and ISPs provided<br>a <b>\$1.6M in match</b> | 494 locations<br>across 40 counties   | \$15.3M<br>requested for<br>1,733<br>locations | 19 grants: 3 closed, 7 in<br>closeout, all to complete by<br>December 2024 |
| <b>Round 2,</b><br>March 29–<br>April 4, 2024<br>Awards        | <b>\$5,895,656.24</b> awarded:<br><b>\$4.2M</b> , and ISPs provided<br><b>\$1.7M in match</b>   | 687 locations<br>across 25 counties   | \$5.8M<br>requested<br>932 locations           | 13 grants: 2 pending close,<br>all to complete by June<br>2025             |
| <b>Round 3,</b><br>October 10 –<br>December 31,<br>2024 Awards | <b>\$7,554,904.00</b> awarded:<br><b>\$7.5M</b> , and ISPs<br>provided a <b>\$1.7M</b> match    | 1,088 locations<br>across 31 counties | \$13.4M<br>requested<br>for 1,639<br>locations | 16 grants: all construction<br>must be complete by<br>December 2025        |

# IJA - Federal Funding

**The Federal Government is making approximately \$65 billion available for broadband nationwide.**

Two programs under that broadband funding include state involvement with funding administered through the **National Telecommunications and Information Administration (NTIA)** of the U.S. Dept. of Commerce:

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

Minnesota's BEAD allocation is **\$651,839,368**

About 89,000 locations are eligible for BEAD funding

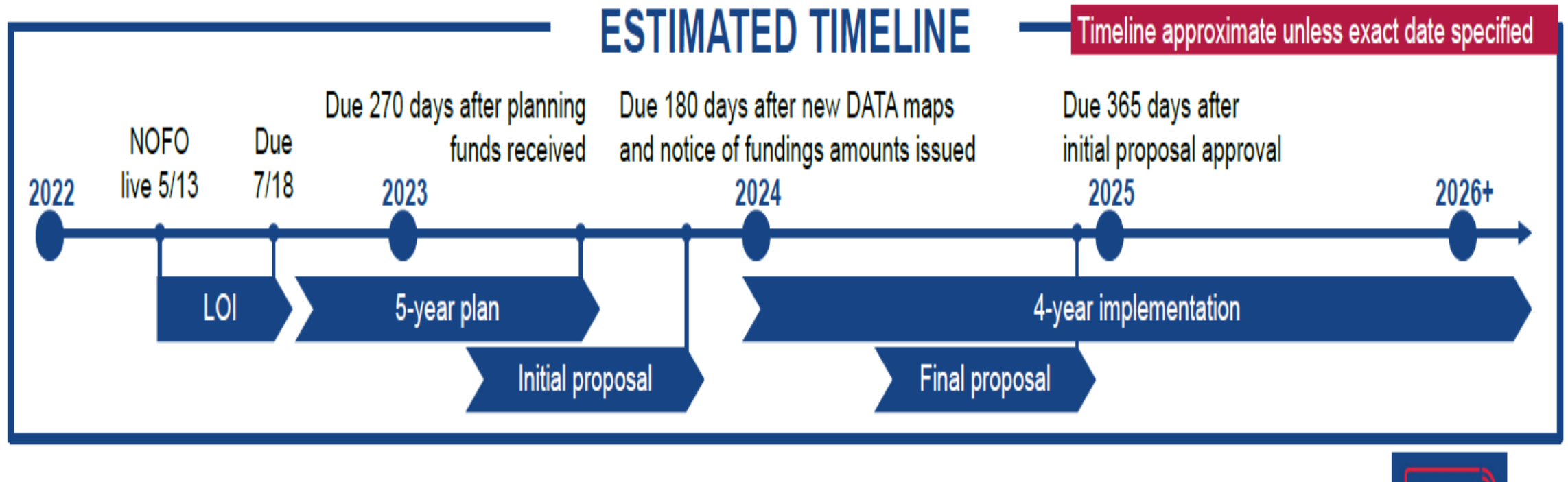
Current federal guidance provides **four years to expend the funds** once our final plan is approved.

## **Digital Equity (or DE) Program**

Minnesota's allocation non-competitive, formula grants is **\$12M**  
MN's application was approved in December 2024



# Estimated Federal Funding Timeline



# Broadband Equity, Access and Deployment (BEAD)

Details on **how** Minnesota intends to award the funding is in the Initial Proposal (challenge process, eligible locations, application process, subgrantee selection) which was subject to NTIA approval. **Subgrantees selected will be identified in the Final Proposal, also subject to NTIA approval.**

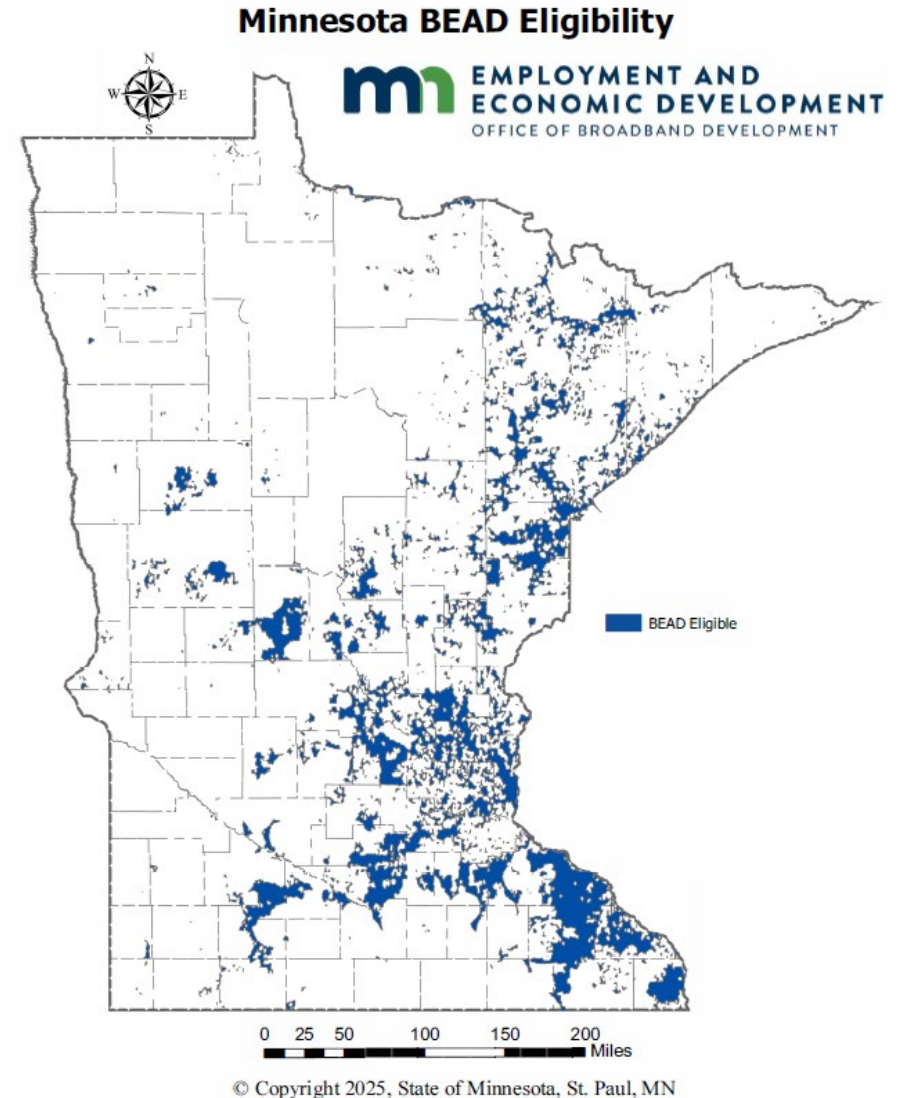
Priorities that the Initial Proposals must meet:

**Priority #1:** *Service to all unserved locations (those identified on FCC maps as not having broadband service at speeds of at least 25Mbps download/3Mbps upload from broadband service provided over a wired connection or licensed fixed wireless)*

**Priority #2:** *Service to all underserved locations (those identified on FCC maps as having broadband service of at least 25/3 but not at or above 100/20 over a wired or licensed fixed wireless service)*

**Priority #3:** *Gigabit symmetrical service to Community Anchor Institutions (CAIs)*

**We estimate that all funding available will be needed to address Priorities #1 and #2—eligible locations as transmitted to NTIA for approval in December 2024 highlighted in map in blue**



# BEAD Timeline in Minnesota



*\*All future dates are **tentative** based on NTIA approval of BEAD eligible locations*



# BEAD Challenge Results

- List sent to NTIA on December 18, 2024

- Result of BEAD Challenge Process
- Deduplication

# SERVED OR FUNDED

**2.01M** locations

# UNDERSERVED

**40,579** locations

# UNSERVED

**48,195** locations

- NTIA approved the final list of BEAD eligible locations on **January 17, 2025**
- **Only** those locations on NTIA-approved list of BEAD eligible locations qualify for funding
- OBD must show that **all locations on list of BEAD Eligible Locations** will receive some type of broadband service with speeds of 100/20 (fiber, coax, DSL, fixed wireless, unlicensed fixed wireless, low earth orbiting satellite)

# Digital Equity Act: The Basics

- Included in Bipartisan Infrastructure Law (November 2021); administered by National Telecommunications and Information Administration (NTIA)
- Provides \$2.75B for digital equity work
- Three funding categories:
  - \$60M in planning grants to state and territories (MN = \$881,905.10)
  - **\$1.44B in *capacity grants* to states, tribes, and territories (MN = \$12,033,288.01)**
  - \$1.25B in competitive grants to regional organizations, anchor institutions, etc.

2023

- States and territories used Planning Grants to develop digital equity plans

2024 - 2031

- States and territories use *Capacity Grants* to implement digital equity plans
- Tribes use *Capacity Grants* to implement digital equity activities
- NTIA administers Competitive Grants annually until funds are exhausted

# Federal – Digital Equity: MN's 2023 Planning Strategy



April–June 2023: Data Collection

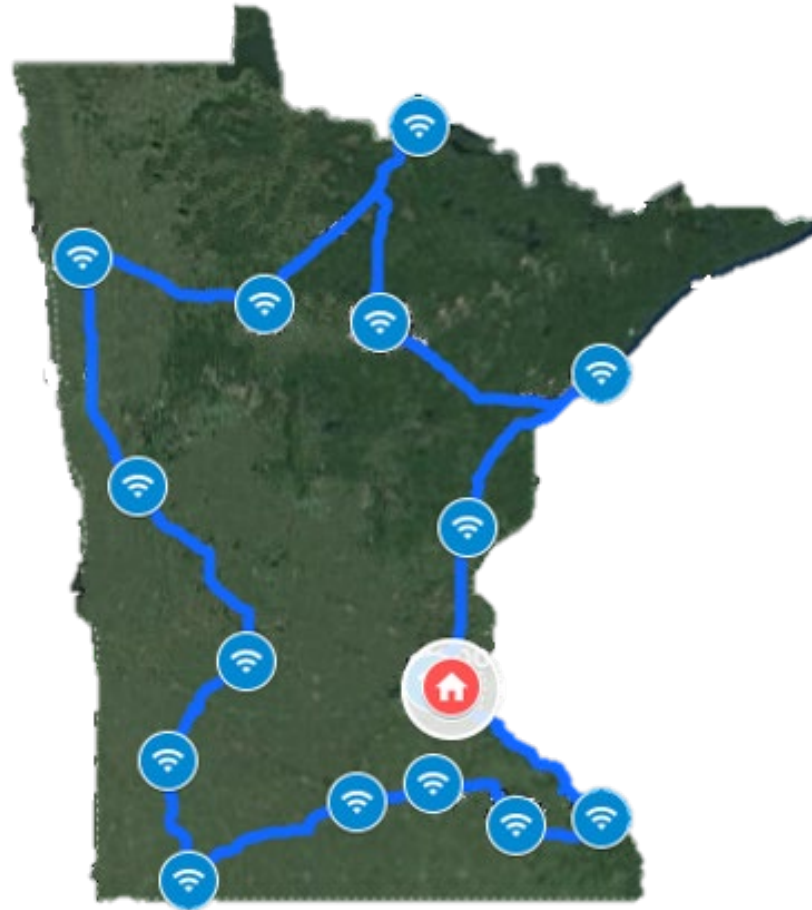
July 2023: Writing

Aug – Sept 2023: Public Comment



## 106 Digital Connection Committees wrangled by 2 OBD staff

- 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

# MN's Digital Equity Capacity Grant

- Non-competitive, formula grants to states
  - MN's allocation \$12 million
- MN's application approved in December 2024
- Up next:
  - Early 2025: OBD prepares RFPs and grant contracts for NTIA review
  - Mid 2025: OBD begins accepting applications for counties, cities, regional development commissions, and tribes to prepare and implement their own digital opportunity plans; plans may include workforce considerations at grantees' discretion
  - Late 2025: OBD releases timeline for 2026 grant opportunities open to all organizations providing digital opportunity services

Digital connection depends on human connection. As such, OBD's intention with these three goals is to center people—not things—in all digital opportunity planning, activities, and solutions.



# What's in the Plan?

- Scope: “an exploratory document coupled with programmatic goals that are achievable through a State Digital Equity Capacity Grant”
- Vision: “This plan envisions a future where comprehensive digital access connects all Minnesota residents to opportunities, options, and each other.”
  - Goal 1: Connect people to people
  - Goal 2: Connect people to information
  - Goal 3: Connect people to resources



# Future Opportunities

- **Collaborative opportunity:** The following entities will be offered non-competitive awards (amount TBD) to create and implement their own local/regional digital opportunity plans (aiming for mid-2025):
  - Cities
  - Area Agencies on Aging
  - Regional Public Library Systems
  - Counties
  - Community Action Agencies
  - Centers for Independent Living
  - Tribes
  - Veterans Homes
  - Regional Development Commissions
- **Networking opportunity:** OBD will pilot a Digital Opportunity Leaders Network to combine local energy, regional expertise, and statewide continuity (aiming for mid-2025)
- **Competitive opportunity:** OBD will run a competitive grant program (amount TBD) for organizations seeking to imagine and carry out a digital opportunity project of any scale (aiming for 2026)

# Contact Information

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