



## Office of Broadband Development

2024 Annual Report

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Minnesota Department of Employment and Economic Development (DEED)  
Office of Broadband Development  
180 E 5th Street  
Suite 1200  
St. Paul, MN 55101  
(Phone) 651-259-7610  
[deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us)  
<https://mn.gov/deed/programs-services/broadband/>

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## Introduction and 2024 Highlights

The Office of Broadband Development (the Office or OBD) is located in the Minnesota Department of Employment and Economic Development (DEED). The Office was created by statute in 2013 and just completed its eleventh year of work on its mission to improve access to broadband service that meets the state's speed goals, serving the needs of anchor institutions, and expanding the skills and knowledge needed to use these services. Responsibilities of OBD are outlined in statute at Minn. Stat. § [116J.39](#). Border-to-Border high speed internet access is the goal throughout Minnesota. The Office connects communities, policy makers, providers, regional support organizations, and state and federal programs with each other and the resources they need to improve broadband access and use in Minnesota.

Residents and businesses continue to rely increasingly on broadband connectivity to access telehealth services, for remote learning, to telework, to engage in commerce, to participate in government, and to remain connected to family and friends. Minnesota employers are looking for workers with digital skills. Many Minnesotans do not have the opportunity to access digital needs when it comes to internet connectivity, devices, and digital skills. Congress responded to the post-pandemic need for increased solutions in the form of the Infrastructure Investment and Jobs Act (IIJA), resulting in an influx of funding to the state. OBD has created two additional staff positions, growing our staff from 12 to 14 in 2024, to ensure Minnesota has the staff necessary to develop and carry out the federal Broadband Equity, Access and Deployment (BEAD) and Digital Equity Act Grant programs, administer a large state grant program, provide technical support to communities and providers, continue the state mapping program in combination with the new Federal Communications Commission (FCC) maps and the National Broadband Availability Map (NBAM) maps, and to fulfill the broadband needs of all Minnesotans.

### 2024 Milestones

- March:
- Held OBD's 10-year anniversary and *Connecting One Minnesota* Broadband Conference in-person and virtually
- Awarded \$33.3M in 21 Border-to-Border grants and \$19.7M in 9 Lower Population Density grants
- Celebrated NTIA's formal acceptance of Minnesota's Digital Opportunity plan, an initiative supported by a federal Digital Equity Planning Grant of \$881,905.10
- Held a technical assistance webinar for Round 10 of the Border-to-Border and Low-Population Density Broadband Development grant programs
- April – May:
- Awarded \$4.2M in 15 Line Extension Connection grants
- Held a 4-session training weekly webinar series called *Navigating PLUS (Permitting Land Use and State Systems)* with State and Tribal partners. These were open to the public
- Welcomed NTIA's approval for Minnesota's Broadband Equity, Access and Deployment (BEAD) Initial Proposal Volume 1

- Submitted Minnesota’s application for the State Digital Equity Capacity Grant Program, requesting all of Minnesota’s formula allocation of \$12M
- June – September
- Held 4 in-person regional, 1 in-person tribal and 2 virtual statewide BEAD Challenge Window informational and listening sessions
- Held ten weekly information sessions open to the public to provide updates on BEAD, provide technical support on the Challenge Portal and Q&A
- Coordinated the BEAD Challenge Process. Nine office hours meetings were held via webinar
- October:
- Awarded \$24.9M in 18 Border-to-Border grants and \$26.9M in 8 Lower Population Density grants
- Met with internet service providers on four separate occasions to review current state of NTIA's BEAD Volumes 1 & 2 and provide time for Q+A from providers and collect feedback for OBD
- Celebrated NTIA’s announcement of Minnesota’s \$12M State Digital Equity Capacity Grant award
- Welcomed NTIA’s approval for Minnesota’s Broadband Equity, Access and Deployment (BEAD) Initial Proposal Volume 2
- December:
- Awarded over \$7.5M in 16 Line Extension Connection grants
- Began the State Digital Equity Capacity Grant period of performance (12/1/24 - 11/30/29)
- Submitted the final list of BEAD eligible locations to NTIA for approval. Approval is expected in 1Q25. Then, the subgrantee selection process can commence and a Final Proposal will be submitted to NTIA in October 2025
- Ongoing Efforts:
- Collaborated with state and tribal permitting agencies to discuss broadband permitting issues and how to address them
- Updated MN Public Broadband Alliance on status of OBD and BEAD in three separate meetings
- Collaborated with federal funding providers at the National Telecommunications and Information Administration (NTIA) and U.S. Department of Agriculture (USDA) to share status information on funding programs
- Engaged with over 3,047 individuals over the year to inform, discuss and listen to questions and concerns regarding the BEAD program
- Carried out 81 site visits to ensure state infrastructure grant compliance
- Recognized a total of 49 Telecommuter Forward! Communities
- Provided broadband availability analysis to over 200 constituents. Staff fielded 149 phone calls and 61 emails from the public
- Provided administrative support to the Governor’s Task Force on Broadband
- Participated in state and national meetings and conferences to continue to learn about and/or promote the broadband resources available from state and federal sources
- Met with local groups to provide technical assistance on broadband issues, including state grant programs

## 2024 Office of Broadband Grant Programs At-a-Glance

**Table 1. State Broadband Grants Awarded to Date (2014-2024)**

Grant Dollars Awarded 2014-2024	Locations Served	Total Projects Awarded	Local Match Dollars
\$418+M	123,153	370	\$521+M

All amounts are *as awarded* over 10 (ten) grant rounds. Dollar amounts are rounded.

**Table 2. Border-to-Border and Low-Population Density Programs**

	Grant Dollars Awarded	Local Match Dollars	Locations Served
Border-to-Border, <b>10 rounds since 2014</b>	\$323.9M	\$476.6M	113,000+
Low-Population Density, <b>3 rounds since 2023</b> (runs concurrent with Border-to- Border Grant Rounds)	\$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**

**Table 3. Line Extension Connection Program**

Round	# of bids	Project Funding*	Total Projects Awarded
Round 1 - 2023	\$15.3M requested for 1,733 locations	<b>\$4,890,240.00</b> OBD grant awarded: <b>\$3.2M</b> ISPs match provided: <b>\$1.6M</b>	19
Round 2 – 2024 FY2024	\$5.8M requested for 932 locations	<b>\$5,895,656.00</b> OBD grant awarded: <b>\$4.2M</b> ISPs match provided: <b>\$1.7M</b>	13
Round 3 – 2024 FY 2025	\$13.4M requested for 1,639 locations	<b>\$9,254,904.00</b> OBD grants awarded: <b>\$7.5M</b> ISPs match provided <b>\$1.7M</b>	16
Totals	<b>\$34.5M requested for 4,304 locations</b>	<b>\$18,340,809</b>	<b>48</b>

\*Awarded funds do not always result in a grant contract

**Table 4: Current Activities that the Broadband Program/Office Conducts**

Activity Name	Description	Intended Outcome(s)
Border-to-Border Broadband Infrastructure Grant Program (established in 2014 law) <a href="https://mn.gov/deed/programs-services/broadband/grant-program/">https://mn.gov/deed/programs-services/broadband/grant-program/</a>	Grant program to provide financial incentive to applicants to deploy broadband service in unserved and underserved areas. Grant program can pay (reimbursement basis) for up to 50% of eligible expenditures with a \$10 million cap per award (increased from \$5 million cap in 2023 legislative session). See Minn. Stat. § <a href="#">116J.395</a>	Increase the number of homes, businesses, farms, and community anchor institutions with broadband access at or above speeds of at least 100Mbps download and 20Mbps upload (100Mbps symmetrical if funded by ARPA Capital Projects Fund)

<p>Lower Population Density Broadband Infrastructure Grant Program (established in 2022 law)</p> <p><a href="https://mn.gov/deed/programs-services/broadband/grant-program/">https://mn.gov/deed/programs-services/broadband/grant-program/</a></p>	<p>Grant program to provide financial incentive to applicants to deploy broadband service in unserved and underserved areas. Grant program can pay (reimbursement basis) for up to 75% of eligible expenditures with a \$10 million cap per award</p>	<p>Increase the number of homes, businesses, farms, and community anchor institutions with broadband access at or above speeds of at least 100Mbps download and 20Mbps upload (100Mbps symmetrical if funded by ARPA Capital Projects Fund)</p>
<p>Line Extension Connection Grant Program (established in 2022 law)</p> <p><a href="https://mn.gov/deed/programs-services/broadband/extension/">https://mn.gov/deed/programs-services/broadband/extension/</a></p>	<p>Grant program to award grants to eligible bidders (ISPs) to extend their existing broadband infrastructure to unserved locations identified by homes and businesses registering with OBD. See Minn. Stat. § <a href="#">116J.3951</a></p>	<p>Increase the number of homes, businesses, farms, and community anchor institutions with broadband access at or above speeds of at least 100Mbps download and 20Mbps upload (100Mbps symmetrical if funded by ARPA Capital Projects Fund). Incent providers to edge out their service offering to adjacent locations and/or address situations where an excess construction charge to connect to broadband serves as a barrier to adoption.</p>
<p>Broadband Deployment Data and Maps</p> <p><a href="https://mn.gov/deed/programs-services/broadband/maps/">https://mn.gov/deed/programs-services/broadband/maps/</a></p>	<p>Minnesota has had a state program to map broadband availability since 2008. With our mapping vendor partner, Connected Nation, data is collected from providers, verified by individuals and communities, confirmed through field validation, and mapped.</p>	<p>Provides the initial basis for determining eligibility for grant programs; enables OBD to respond to consumer inquiries; what gets measured gets done.</p>
<p>Broadband Equity, Access and Deployment (BEAD) program</p> <p><a href="https://mn.gov/deed/programs-services/broadband/bead/">https://mn.gov/deed/programs-services/broadband/bead/</a></p>	<p>Infrastructure Investment and Jobs Act (IIJA) created a federal grant program that is administered by the National Telecommunications and Information Administration (NTIA).</p> <p>The Broadband Equity, Access and Deployment (BEAD) program provides funding for broadband infrastructure and the preparation of a plan by each</p>	<p>“Internet for All” applies to BEAD eligible locations. Locations are ineligible for BEAD if a Reliable Broadband Service (defined as service at speeds at or above 100Mbps download/20Mbps upload, including service available from noncellular Licensed/LBR Fixed Wireless).</p>



	<p>Eligible Entity (state) for how to achieve “Internet for All”. Additional information on the federal BEAD program is available on the National Telecommunications and Information Administration (NTIA) website. Minnesota’s BEAD allocation is \$651,839,368.</p> <p>Current federal guidance provides four years to expend the funds once our final plan is approved.</p>	<p>About 81,000 locations in MN are eligible for BEAD funding (although this number will decrease as deduplication occurs to remove locations still being announced for public funding, such as the USDA ReConnect program). Funds must be used in order of priority.</p> <p>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)</p> <p>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)</p>
<p>Digital Opportunity</p> <p><a href="https://mn.gov/deed/programs-services/broadband/adoption/">https://mn.gov/deed/programs-services/broadband/adoption/</a></p>	<p>The Digital Equity Act (DEA) was included in IIJA. It is administered by NTIA provides funds to state broadband offices through the Digital Equity Planning Grant and Digital Equity Capacity Grant programs.</p> <p>In 2023, OBD used its Digital Equity Planning Grant of \$881,905.10 to develop Minnesota's Digital Opportunity Plan. The plan was approved by NTIA in March 2024.</p> <p>OBD is using this plan to guide the implementation of a federal Digital Equity Capacity Grant. MN’s application for this program was</p>	<p>To ensure all Minnesotans can connect to the available internet service, Minnesota must also address internet affordability, device access, and digital skills. These three facets work together to build a Minnesota in which "all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy" (National Digital Inclusion Alliance). Through the federally funded Digital Equity Act, OBD is facilitating the development and implementation of a statewide digital opportunity plan to reduce gaps in access, device ownership, and digital skills.</p>

	approved in December 2024 for an allocation is \$12,033,288.01.	
Telecommuter Forward (established in 2019 law) <a href="https://mn.gov/deed/programs-services/broadband/telecommuter-forward/">https://mn.gov/deed/programs-services/broadband/telecommuter-forward/</a>	Political subdivisions may apply for certification as a Telecommuter Forward community.	Enables a community to be publicly recognized as a place that promotes telecommuting opportunities and options.
Governor’s Task Force on Broadband <a href="https://mn.gov/deed/programs-services/broadband/task-force/">https://mn.gov/deed/programs-services/broadband/task-force/</a>	OBD provides administrative, technical, and staff support to the Task Force.	The Task Force provides broadband policy recommendations to the Governor and Legislature.

## Border-to-Border Broadband Development Grant Program

### FY24/FY25 Grant Program Update

The Border-to-Border Broadband Development Grant Program funds the expansion of broadband service to areas of Minnesota that are unserved or underserved. The Border-to-Border Broadband Development Grant Program was created in Minn. Stat. § [116J.395](#) in 2014. The legislative focus of this grant program is to provide financial resources that help make the business case for new and existing providers to invest in building broadband infrastructure into unserved and underserved areas of the state. The Border-to-Border Broadband Grant Program has been funded with state general fund revenues and a combination of both state general fund revenues and federal American Rescue Plan Act (ARPA) Sec. 604 Capital Projects Funds (CPF).

In the 2023 session, the legislature appropriated \$50M for each of FY 2024 and FY 2025 to be split between Border-to-Border and Low-Density programs at \$30M and \$20M respectively. The 2023 MN Legislature also increased the cap on grant award amounts from \$5M to \$10M for traditional Border-to-Border grants.

In the 2024 session, the legislature amended Minn. Stat. § [116J.396](#), by adding Subd. 4. This subdivision enabled the commissioner to transfer up to \$5M of a fiscal year’s appropriation between the Border-to-Border broadband program, Low-Density Population broadband program, and the Line Extension program to meet demand and encourage the most strategic, responsible investment of funds. OBD exercised the transfer option with awards for Grant Round 10.

## 2024 Grant Round 9 (FY 2024)

With \$30M available for Border-to-Border grants and \$20M for Lower Population Density (Low Density) grants, DEED opened the application window on October 9, 2023. Sixty-nine (69) applications for the 2024 Round 9 Border-to-Border and Lower Population Density Broadband Development grant program were received by the deadline. For this grant round, the Office of Broadband Development used DEED’s new Grants Management System for applicants. The Office of Broadband Development initiated the challenge process required by Minnesota law (Minn. Stat. § [116J.395](#), Subd. 5a) concurrent with its review of the applications. The 69 applications consisted of 38 traditional Border-to-Border applications and 31 Low-Density applications. Based on the applications received and funds available, DEED was able to award funds to 16 Border-to-Border projects and 8 Low-Density projects. The 24 recommended projects are located across 25 counties.

## 2024 Grant Round 10 (FY 2025)

With \$25M available for Border-to-Border grants and \$27M for Low Density grants, DEED opened the application window for the tenth grant round on March 12, 2024. Sixty-seven applications passed gating criteria and were received by the May 10, 2024. The Office initiated the challenge process required by Minnesota law (Minn. Stat. § [116J.395](#), Subd. 5a) concurrent with its review of the applications. The 67 applications consisted of 40 traditional Border-to-Border applications and 27 Low-Density applications. Based on the applications received and funds available, DEED was able to award funds to 18 Border-to-Border projects and 8 Low-Density projects. The 26 recommended projects are located across 24 counties.

## FY26 Grant Program Information

All funding has been exhausted for both the Border-to-Border and Low-Density programs. Those two grant programs will not be offered again unless additional funding is appropriated by the Legislature. The latest information available on the Border-to-Border Broadband grant program is posted on the OBD website at: [Broadband Grant Program / Minnesota Department of Employment and Economic Development \(mn.gov\)](#)

For reference, the table below summarizes the grant rounds for the Border-to-Border Broadband Infrastructure Grant program. The first six rounds were funded with state general fund appropriations. The seventh and eighth rounds were funded with a combination of state general fund revenues and federal American Rescue Plan Act (ARPA) Sec. 604 Capital Project Funds (CPF). The ninth and tenth rounds were funded with state general fund appropriations. Subsequent grant rounds are to be funded with \$651,839,368 in federal Broadband Equity, Access, and Deployment Funds (BEAD).

**Table 5: Border-to-Border Broadband Infrastructure Grant Program ten-year summary**

Year	Applications Received	Applications Awarded	% of Applications Funded	Amount Requested	Amount Awarded	Number of Locations Served

2014	40	16	40%	\$44,215,644	\$18,670,337	6,333
2015	44	15	34%	\$29,063,436	\$11,008,366	4,098
2016	57	40	70%	\$54,228,825	\$29,040,896	16,708
2017	70	39	56%	\$50,348,055	\$26,475,556	12,202
2019*	80	30	37%	\$67,809,312	\$23,270,933	10,938
2020	64	39	61%	\$42,038,097	\$20,645,425	6,922
2022*	130	61	47%	\$189,853,780	\$99,592,711	33,091
2023	60	21	35%	\$104,500,000	\$36,907,763	10,464
2024 FY24	38	16	42%	\$70.2M	\$33,302,177	7,246
2024 FY25	40	18	45%	\$46.5M	\$24,963,338	5,597

\*There was no grant round in 2018 as no appropriation was approved for FY19. There was no grant round in 2021 due to no appropriation and a delay in federal approval of Capital Projects Funds program plans.

## Lower Population Density Grant Program

The Lower Population Density Grant Program was originally created as a new pilot program in the 2022 legislative session. It operates within the framework of the traditional Border-to-Border Broadband Grant Program. The 2023 MN Legislature made the Lower Population Density Program permanent. The purpose for the program is to address areas of the state where a 50-percent funding match is not adequate to make a business case for the extension of broadband technology. Grants awarded under this section must follow requirements of the Border-to-Border program but may fund up to 75 percent of the total cost of a project and awards may be up to \$10M per project (versus the 50 percent in the traditional Border-to-Border grant program). A brief summary of the program’s first three rounds of grant awards is listed below.

**Table 6: Lower Population Density Grant Funding Summary**

Year	Applications Received	Applications Awarded	% of Applications Funded	Amount Requested	Amount Awarded	Number of Locations Served
2023	28	9	32%	\$80,700,000	\$29,900,000	2,672
2024 FY24	31	8	26%	\$85.5M	\$19.7M	1,668
2024 FY25	27	8	30%	\$78.3M	\$26,999,984	2,104

## Line Extension Program

In 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 legislature directed that up to \$15M of Minnesota’s ARPA CPF funding could be used for this program.

Any household or business can apply to the Line Extension Connection Program if it does not have wireline internet service of at least 25 Mbps Download and 3 Mbps Upload. For more information on the Program and to learn how to apply for future rounds of funding, visit the [Broadband Line Extension Connection website](#).

Line Extension Round 1: OBD announced the first round of Line Extension Connection Program awards on a rolling basis beginning October 6, 2023, and ending November 9, 2023. The first round of the program contracted \$3,238,849.14 to expand wired broadband delivering at least 100 Mbps download and 100 Mbps upload to 494 locations across 30 counties. Internet providers carrying out the projects matched \$1,651,391.14 for a total investment of \$4,890,240.28.

Line Extension Round 2: OBD announced the second round of Line Extension Connection Program awards on a rolling basis beginning March 29, 2024, and ending April 22, 2024. The second round of the program contracted \$4,204,246.02 to expand wired broadband delivering at least 100 Mbps download and 100 Mbps upload, to 687 locations across 25 counties. Internet providers carrying out the projects matched \$1,691,410.22 for a total investment of \$5,895,656.24.

Line Extension Round 3: OBD announced the third round of Line Extension Connection Program awards on a rolling basis beginning October 10, 2024, and ending December 31, 2024. The third round contracted

\$7,554,904.00 to expand wired broadband delivering at least 100 Mbps download and 100 Mbps upload, to 1,088 locations across 31 counties. Internet providers carrying out the projects matched \$1,726,741.51 for a total investment of \$9,281,613.82.

**Table 7: Line Extension Grant Funding Summary**

Round	# of bids	Project Funding*	Locations	Project status
<b>Round 1</b> October 6 – November 9, 2023 Awards	\$15.3M requested for 1,733 locations	<b>\$4,890,240.28</b>  OBD grant awarded: <b>\$3.2M</b>  ISPs match provided: <b>\$1.6M</b>	494 locations across 40 counties	19 grants contracted for \$3,238,849.14 and \$1.6M match. All construction complete. 5 grants fully closed out. 14 grants in closeout process.
<b>Round 2</b> March 29 – April 4, 2024 Awards	\$5.8M requested for 932 locations	<b>\$5,895,656.24</b>  OBD grant awarded: <b>\$4.2M</b>  ISPs match provided: <b>\$1.7M</b>	687 locations across 25 counties	13 grants contracted for \$4,204,246.02 and \$1.69M match. All construction must be complete by 6/30/2025. 1 grant fully closed out. 5 grants in closeout process. 7 grants active.
<b>Round 3</b> October 10 – December 31, 2024 Awards	\$13.4M requested for 1,639 locations	<b>\$7,554,904.00</b>  OBD grants awarded: <b>\$7.5M</b>  ISPs match provided <b>\$1.7M</b>	1,088 locations across 31 counties	16 grants across 12 active contracts (\$7,086,809.67 in grant funds with \$1.6M match). 4 in contracting process (\$470K in grant funds with \$120K match). All construction must complete by December 2025.

Funding for the program originally designated from the ARPA Capital Projects Fund has been fully allocated. OBD hopes to be able to offer Line Extension in 2025 on a reduced scale using funding returned from prior projects that closed out under budget. For further program details, view the presentation on the [Line Extension](#) from the Governor’s Broadband Task Force on 11/26/2024, and view the [Line Extension Connection Applications map](#) as of 1/6/2025.

## Telecommuter Forward! Community Certification Program

The Office launched the [Telecommuter Forward! Community Certification Program](#) in December 2019 and certified 29 communities in the initial year. In 2021, an additional 12 communities were certified. In 2022 six more communities were certified. In 2023 two communities were certified. Telecommuter Forward!

certification recognizes communities that meet criteria for promoting telecommuting opportunities in partnership with broadband providers, economic development professionals, and OBD. Program guidance is provided by Minn. Stat. § [116J.9923](#).

Since 2014, DEED has awarded over \$400M in broadband infrastructure grants to fund over 350 projects across Minnesota with the goal of border-to-border broadband access. Reliable high-speed internet access is recognized as essential for successful telecommuting. This certification expands upon border-to-border broadband efforts by providing a way for communities to promote themselves to Minnesotans interested in telecommuting and to businesses that support growing their telecommuting workforce.

As of January 2025, OBD has certified 49 Minnesota Telecommuter Forward! Communities.

Cities that receive the Telecommuter Forward! Certification have adopted a model resolution that includes a statement of support and commitment to promoting telecommuting. The community also appoints one employee or department as the single point of contact for coordinating telecommuting opportunities within that community.

## Minnesota Broadband Mapping Program

Minnesota has been independently mapping broadband access and speeds across Minnesota since 2009. This work continues to be performed through a contract with Connected Nation, a non-profit organization that has considerable experience working with Minnesota broadband providers. The requirement to conduct these mapping activities was codified into law (Minn. Stat. § [116J.397](#)). It should be noted that funding for mapping activities comes from the administrative allowance of the Border-to-Border Grant program per Minn. Stat. § [116J.396](#) at subd. 2(3).

The state broadband speed goals are articulated at Minn. Stat. § [237.012](#). They call for achieving Border-to-Border access by all homes and businesses in the state to a service that offers speeds of at least 25 Mbps download by 3 Mbps upload by the year 2022. A second goal, to be achieved by the year 2026, seeks to have broadband service offering 100 Mbps download and 20 Mbps upload from at least one provider available to all homes and businesses.

The most recent round of data collection shows that progress is being made toward these goals as measured from 2016 when the goals were adopted. Note that the 2023 data show a decline in availability at the 25 Mbps download and 3 Mbps upload speed; this is due to a decision to count all habitable houses (e.g., summer cabins) instead of occupied houses as was done in prior years.

**Table 8: Historic Overview of Broadband Availability, Statewide and Non-metro at 2022 and 2026 Broadband Speed Goals:**

	2016	2017	2018	2019	2020	2021	2022	2023	2024
--	------	------	------	------	------	------	------	------	------

<b>Statewide 25/3</b>									
% of HH:	87.53% covered	88.11% covered	91.13% covered	92.79% covered	92.47% covered	91.79% covered	92.03% covered	91.56% covered	92.67% covered
# of HH without:	260,000 HH w/o	248,000 HH w/o	185,000 HH w/o	150,000 HH w/o	157,000 HH w/o	171,000 HH w/o	198,000 HH w/o	162,000 HH w/o	143,000 HH w/o

<b>Non-metro 25/3</b>									
% of HH:	72.03% covered	73.45% covered	80.07% covered	83.92% covered	83.10% covered	81.99% covered	74.42% covered	78.21% covered	81.09% covered
# of HH without:	251,000 HH w/o	238,000 HH w/o	179,000 HH w/o	144,000 HH w/o	152,000 HH w/o	161,000 HH w/o	180,000 HH w/o	154,000 HH w/o	139,000 HH w/o

<b>Statewide 100/20</b>									
% of HH:	68.53% covered	70.04% covered	74.11% covered	86.10% covered	87.75% covered	88.52% covered	88.29% covered	88.03% covered	90.32% covered
# of HH without:	657,000 HH w/o	625,000 HH w/o	540,000 HH w/o	290,000 HH w/o	256,000 HH w/o	240,000 HH w/o	291,000 HH w/o	229,000 HH w/o	189,000 HH w/o

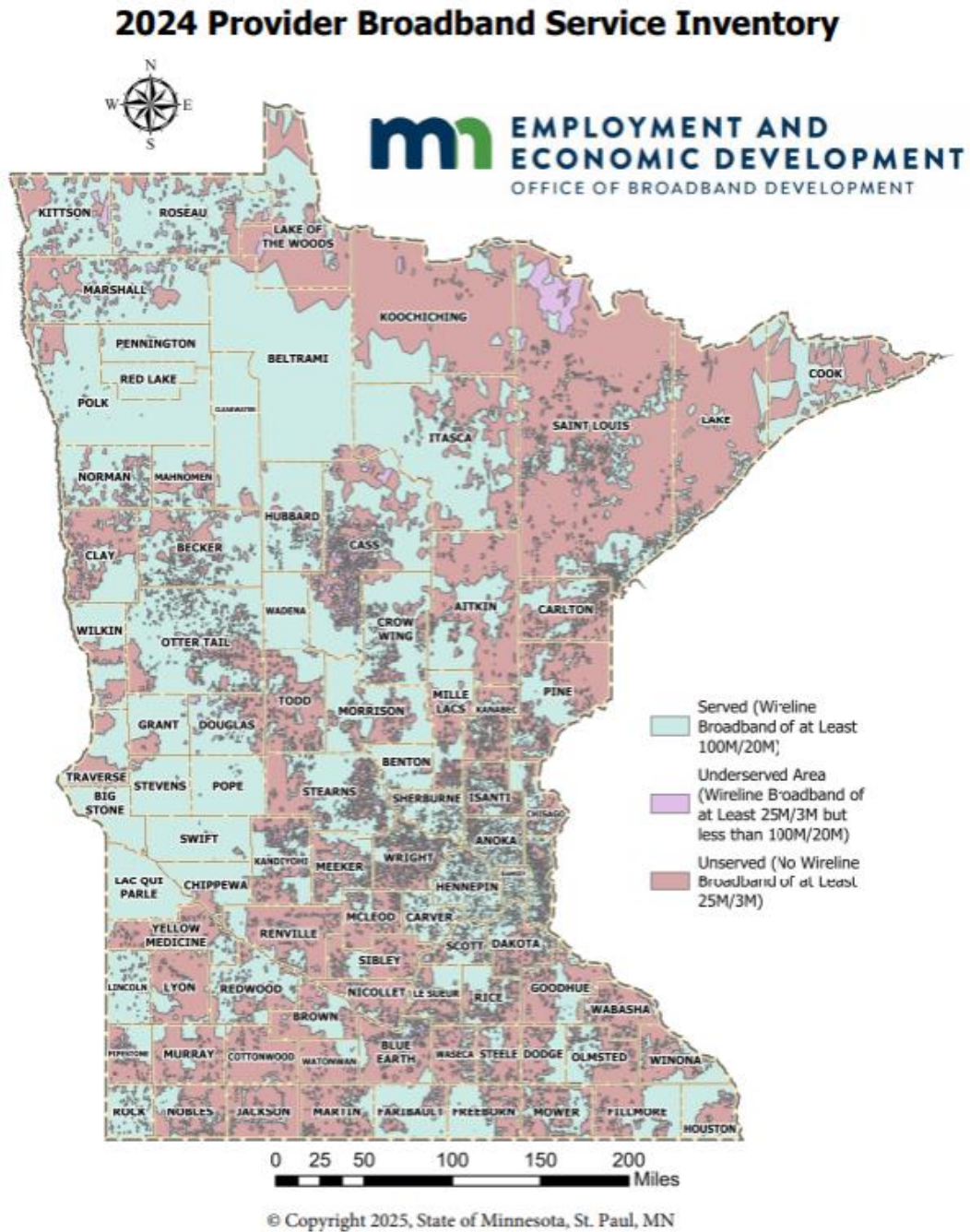
<b>Non-metro 100/20</b>									
% of HH	49.33% covered	52.88% covered	60.05% covered	68.74% covered	72.53% covered	75.05% covered	62.46% covered	68.87% covered	75.00% covered
# of HH without	455,000 HH w/o	423,000 HH w/o	358,000 HH w/o	280,000 HH w/o	246,000 HH w/o	224,000 HH w/o	264,000 HH w/o	220,000 HH w/o	184,000 HH w/o

The data can also be viewed in map form. The 2024 Broadband Service Inventory map (Figure 1, below) depicts where broadband services are available at the statutory goal of 25 Mbps download by 3 Mbps upload (25/3) and 100 Mbps download by 20 Mbps upload (100/20). As state-funded grant projects are completed, the results are reflected on this map (for example, projects in Big Stone, Rock, and Swift Counties are large enough areas to be evident on the map).

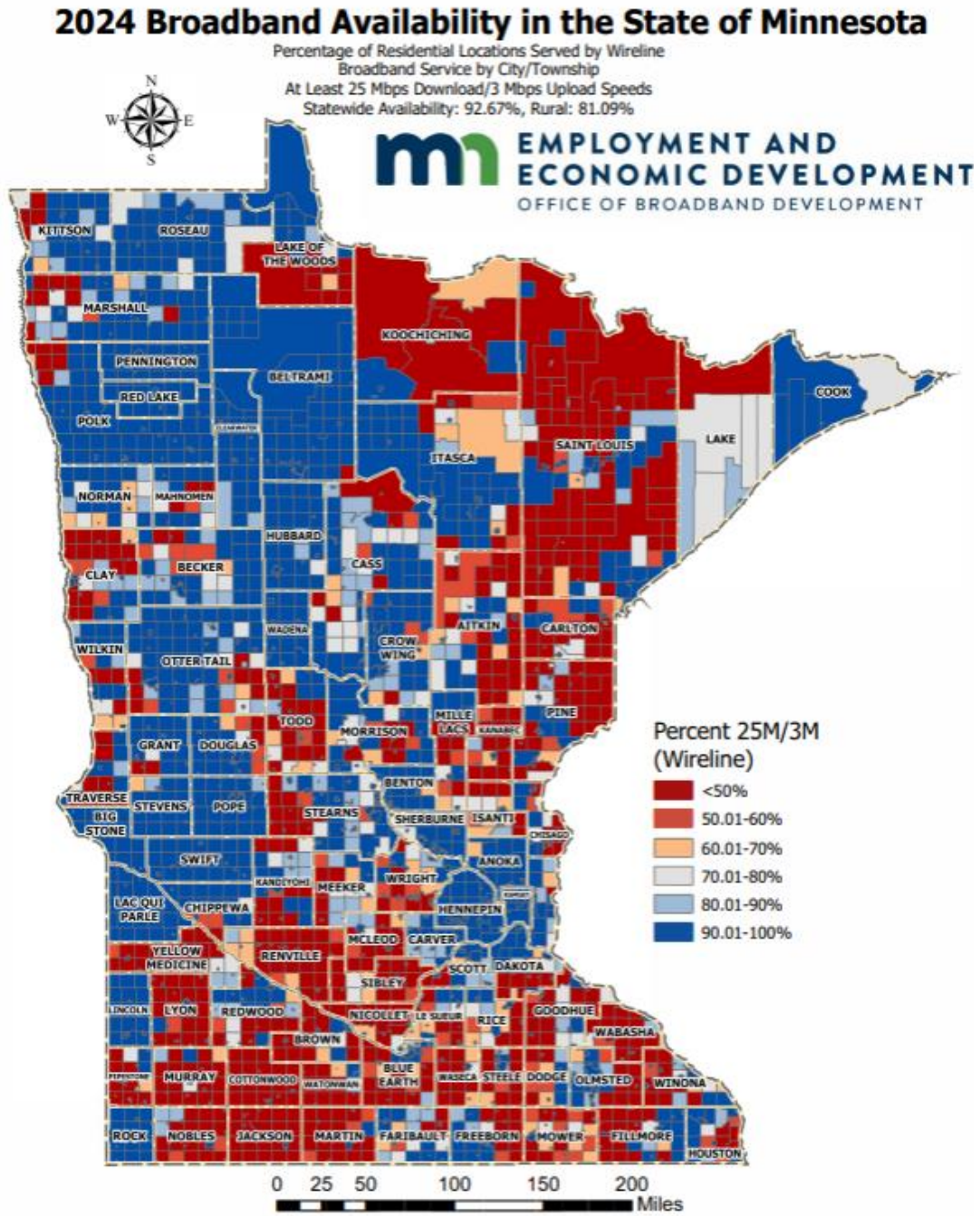
The township heat maps were initially created in 2016 and have been updated with each subsequent data collection process. This configuration provides a clearer view of where the actual areas of unserved or underserved territory are located within each county. The first township heat map (Figure 2, below) shows broadband availability at the 25 Mbps download and 3 Mbps upload (2022 goal) speeds and the second township map (Figure 3, below) shows availability at 100 Mbps download and 20 Mbps upload (2026 goal) speeds.



Figure 1: 2024 Broadband Service Inventory Map

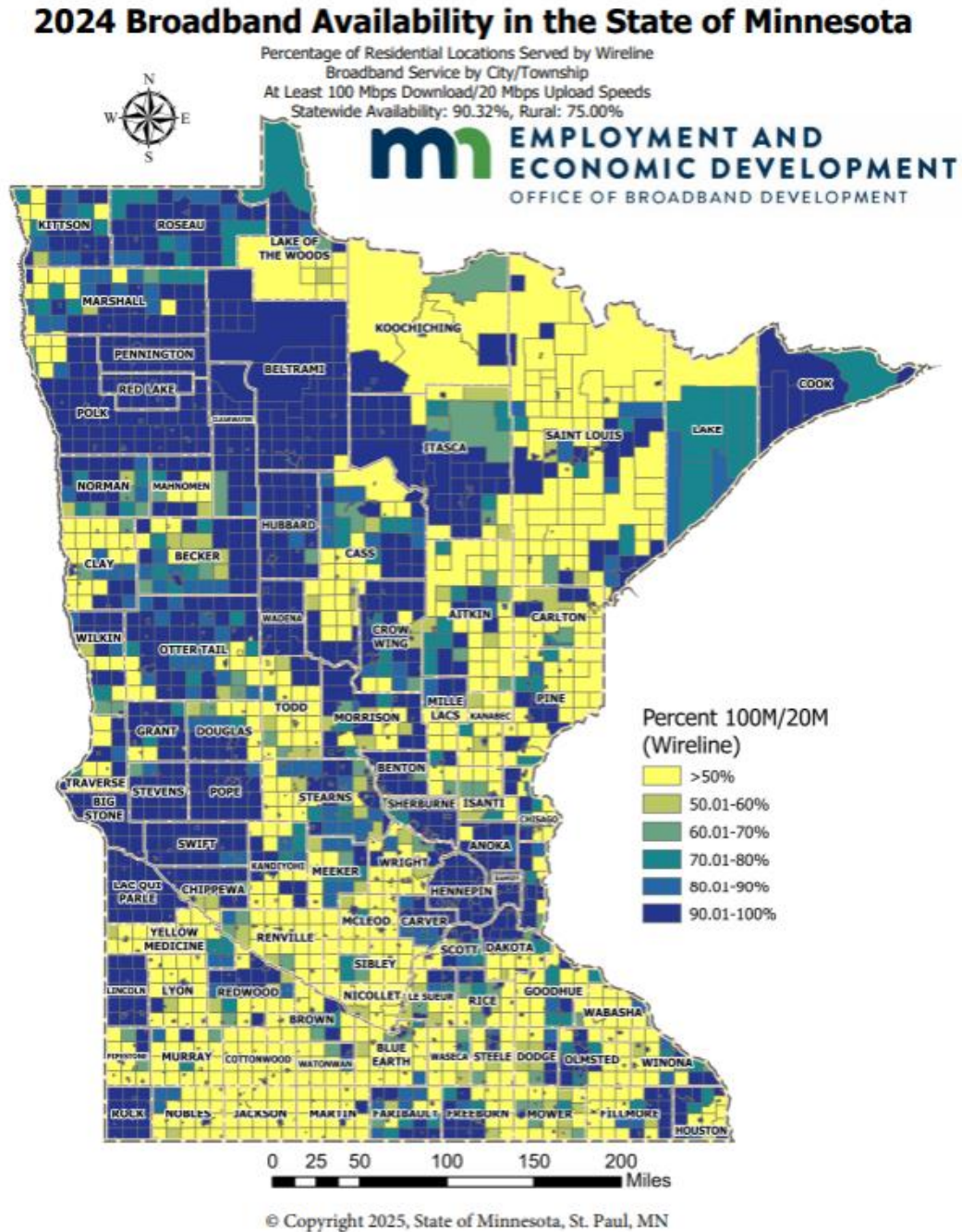


**Figure 2: 2024 Township Heat Map of Percent Households Served at 2022 Broadband Speed Goal of at least 25Mbps/3Mbps**



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**Figure 3: 2024 Township Heat Map of Percent Households Served at 2026 Broadband Speed Goal of at least 100Mbps/20Mbps**



Additional maps and data are available on OBD’s website at [Maps and Data / Minnesota Department of Employment and Economic Development \(mn.gov\)](https://mapsanddata.mn.gov/).

Broadband data was collected as of 12/31/24 and public maps are being updated and will be available in late January 2025.

### **Eligibility Differences: BEAD vs. Border-to-Border/Low Density**

As of October 2024, 90.32 percent of households statewide had access to service that meets or exceeds the state's speed goal for 2026, which is 100 Mbps download by 20 Mbps upload from at least one provider. When looking at just non-metro areas, that number drops to 75 percent. While the broadband grant program has largely focused on achieving the statutory speed goals, investments can only be funded under state law if they are scalable to deliver speeds at 100 Mbps download by 100 Mbps upload. The 100 Mbps symmetrical speed requirements are also included in the federal funding guidelines for the ARPA CPF funding. However, for the BEAD program eligible locations for BEAD are addressed by the state's NTIA approved Initial Proposals and BEAD Challenge Process. The increasing demand for upload speeds faster than 20 Mbps is also worth assessing since the 100 Mbps download/ 20 Mbps upload speed goals were first established in state law in 2016.

## **Next Steps - Mapping**

In 2022, OBD engaged in a new contract to continue the state's broadband mapping program (with the assumption that federal funding can be used to pay for the state mapping program). The contract has an initial two-year term with the ability to renew in one year increments up to a total of five years. This will enable OBD to revise as necessary to ensure that the data provided continues to meet the state's needs in light of federal funding from the ARPA Capital Projects Fund and the Infrastructure Investment and Jobs Act (IIJA) and synchronize with location-based data from new broadband maps made public by the FCC.

At the federal level, the FCC has revised the manner in which it conducts broadband mapping as it was required to do in the Broadband Deployment Accuracy and Technology Availability (DATA) Act passed in March 2020 and subsequently funded in the December 2020 Consolidated Recovery Act. The FCC mapping data is available on the FCC's website at <https://broadbandmap.fcc.gov/home>.

In December 2022, OBD entered into a service agreement with the Minnesota Geospatial Information Office (MNGeo) to develop a state address level data set for comparison to the new FCC broadband availability map and for determining locations within the state that are or should be serviceable for broadband service. This data set will enhance OBD's ability to validate the FCC's mapping and measure progress toward meeting the state's broadband goals. The partnership also ensures the State owns the data set which provides for uses beyond broadband such as Next-Gen 911. This work has continued through 2024. To date, MNGeo has been able to work with 22 counties to document broadband serviceable locations.

## **Broadband Equity, Access and Deployment Planning**

The Broadband Equity, Access and Deployment (BEAD) program provides funding for broadband infrastructure and the preparation of a plan by each eligible entity for how to achieve [Internet for All](#). Federal BEAD program funding for broadband infrastructure deployment included a minimum of \$100M for each state. Allocations to each state above the initial funding were announced on June 26, 2023. Minnesota will receive a total of \$651,839,368. The individual state amounts were calculated from the number of unserved locations (locations

without reliable broadband service of at least 25Mbps download and 3Mbps upload) within each state based on new maps that the Federal Communications Commission (FCC) developed as well as the number of such locations in areas deemed to be high cost.

The Office of Broadband Development submitted its Initial Proposal (Vol. 1 and Vol. 2) draft for the BEAD program to the National Telecommunications and Information Administration (NTIA) on December 22, 2023. The Initial Proposal was originally drafted to best mirror Minnesota’s Border-to-Border and Low Population Density Programs that have had ten successful grant rounds since 2014. After many rounds of curing required of OBD by NTIA to conform the Initial Proposal to NTIA’s requirements, the Initial Proposal Vol. 1 was approved by NTIA on May 29, 2024, and Vol. 2 on October 3, 2024. The approved Initial Proposal bears little resemblance to Minnesota’s state broadband grant program and will be executed by OBD under the parameters and continued guidance issued by NTIA for this federal program.

[Minnesota's NTIA Approved Volume 1](#)

[Minnesota's NTIA Approved Volume 2](#)

(To receive these reports in an accessible format, please contact [deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us).)

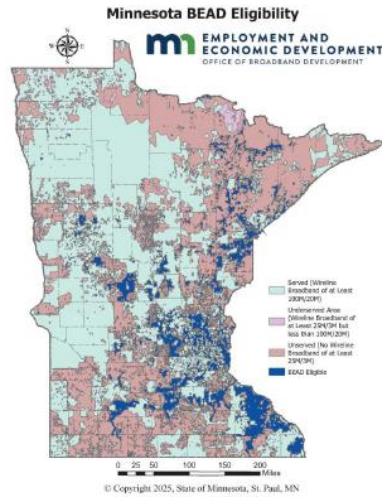
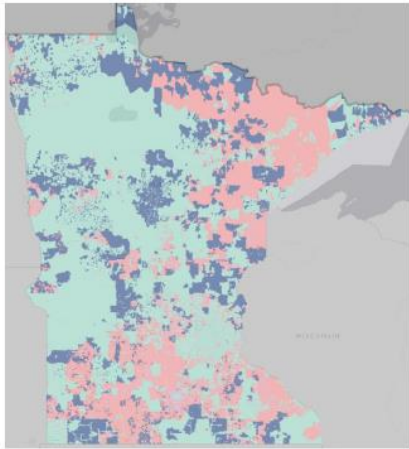
The three priorities for use of BEAD funding are for states to first ensure that all locations that do not have reliable broadband service of at least 25Mbps download and 3Mbps upload are served; second, to ensure that underserved locations (those with Reliable Service of at least 25Mbps download and 3Mbps upload but not at or above 100Mbps download and 20Mbps upload) are served; and third, to ensure 1G symmetrical speeds to all Community Anchor Institutions. If a state can show that it has allocated funding to achieve the three identified priorities, then a state may use its BEAD funding for non-deployment projects. Minnesota’s Initial Proposal provides more specific information on how it will use BEAD funding to achieve the priority goals and at this time, it is anticipated that Minnesota’s full BEAD allocation will be necessary to meet the first two priority goals outlined by NTIA. It should also be noted that while the speeds match Minnesota’s, NTIA’s definition of “reliable broadband service” includes both wireline service and also broadband service delivered over licensed or licensed by rule fixed wireless, which differs from Minnesota’s state law definition which relies on wired broadband service for grant eligibility. Therefore, some locations that would be eligible for state grant funding will not be eligible for the grant program when funded with federal BEAD funding. NTIA disallowed OBD’s proposed modifications included its Initial Proposal.

As Minnesota’s eligible entity, the Office of Broadband Development also submitted the state’s BEAD [Five-Year Action Plan](#) ([Appendix 7.1 OBD Meetings 2014 to 2022](#) and [Appendix 7.2 NTIA Local Coordination Documentation Tracker](#)) to NTIA on July 12, 2023.

Additional information on the federal BEAD program is available on the [NTIA website](#).

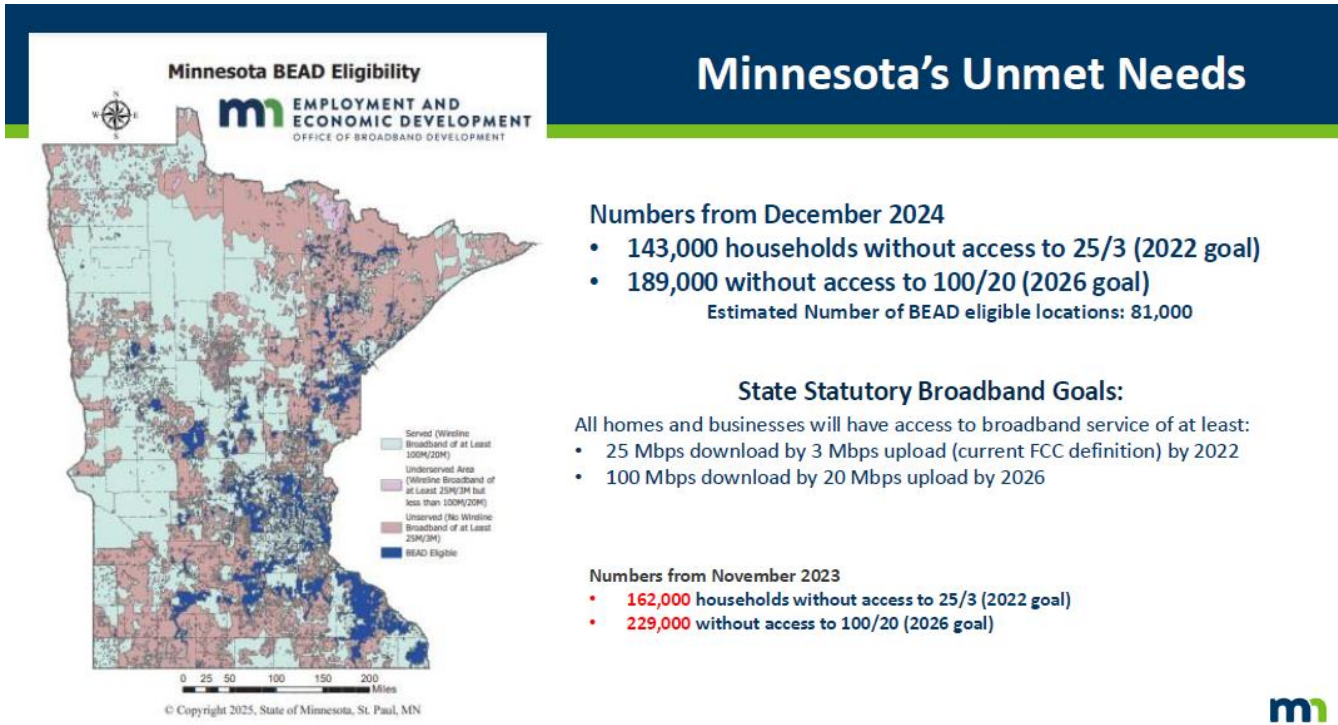
**Figure 4: Comparison of BEAD v. B2B Eligible Locations**

# Comparison of BEAD v. B2B Eligible Locations



**Dark blue areas on map on right**—BEAD eligible locations  
**Pink areas**—remain unserved by a wireline provider above 25Mbps download/3Mbps upload EXCEPT there may be a fiber project approved/funded but not yet built (B2B/LD, EACAM, RDOF, ReConnect—blue on map on left)  
**Remember**—locations are ineligible for BEAD if noncellular Licensed/LBR Fixed Wireless is available

**Figure 5: Minnesota’s Unmet Needs**



## Digital Opportunity

Alongside BEAD, the Bipartisan Infrastructure Law also authorized the Digital Equity Act (DEA) in 2021, appropriating \$2.75B to support digital equity investments nationally. As articulated in the bill text, “digital equity” is defined as “the condition in which individuals and communities have the information technology capacity that is needed for full participation in the society and economy of the United States.” In alignment with this definition, DEA funding supports states, tribes, and territories in developing and implementing strategies that help residents access, afford, and use technology to achieve their quality-of-life goals.

The DEA Planning Grant performance period began on December 1, 2022, and ran through March 28, 2024, with the award totaling \$881,905.10. This grant is followed by a DEA Capacity Grant to implement specific digital opportunity projects across a five-year grant period. In 2024, the following objectives relevant to DEA funding were completed:

- On March 28, NTIA approved [Minnesota’s Digital Opportunity Plan](#). This marked the conclusion of the DEA Planning Grant period of performance.
- On May 24, OBD submitted its DEA Capacity Grant application to NTIA, requesting Minnesota’s full allocation of over \$12M.
- On July 30, OBD completed closeout of the DEA Planning Grant.
- On October 30, NTIA [announced](#) its acceptance of Minnesota’s DEA Capacity Grant application. Subsequent curing extended into November.
- On December 6, OBD received its fully executed grant agreement. The grant amount is \$12,033,082, and the period of performance is December 1, 2024 – November 30, 2029.

OBD looks forward to beginning to implement DEA Capacity Grant activities in 2025.

## Connectivity for Community Anchor Institutions

Community anchor institutions (CAI) are defined in [47 USC § 1721\(6\)](#) as a public school, a public or multi-family housing authority, a library, a medical or healthcare provider, a community college or other institution of higher education, a state library agency, and any other nonprofit or governmental community support organization.

### Public Library Update

The Minnesota Department of Education (MDE) captures upload and download speed data of public libraries during its annual Public Library Report process. Public release of data is delayed by approximately one year. In 2023, 85 percent of 356 responding library locations indicated receiving download speeds above 50 Mbps, and 97 percent reported upload speeds above 20 Mbps. Thirty percent reported service at or above 1 Gbps symmetrical, and all but 1 public library location indicated they provide free Wi-Fi access. More data from the Public Library Report is available through MDE’s [website](#).

## Public Safety

The [interactive broadband map](#) maintained by the Office includes the locations of public safety facilities such as police and fire stations when the “Anchor Institutions” layer is activated on the map. Work remains to be done to devise a reliable means of gathering robust connectivity data for these anchor institutions.

Additionally, construction of the nationwide first responder network, known as FirstNet, concluded its five-year contract-obligated build-out in 2023, although additional coverage continues to be built. The federal government awarded the FirstNet contract to AT&T in 2017. Minnesota’s participation is coordinated by the Minnesota Department of Public Safety’s Emergency Communication Networks (ECN) division. The purpose of FirstNet is to build, operate, and maintain a high speed, nationwide wireless broadband network dedicated to public safety and operable across the country. New towers are being added to expand FirstNet coverage, based on research by AT&T. These towers are also capable of hosting commercial service which helps to expand both cellular phone and broadband coverage. OBD works with both the Minnesota Department of Public Safety and AT&T to share information regarding areas that could benefit from improved FirstNet and commercial broadband service. In 2024, six new towers were added as well as many small cell services to increase in-building coverage in schools, hospitals, and other public spaces. The FirstNet Authority also kicked off a 10-year task order to invest \$8.3 billion for additional towers and a new unified, standalone 5G core dedicated to public safety across the country. More information about the announcement is available through [the FirstNet Authority site](#).

## Health Care

Telehealth continues to be an essential service in ensuring all Minnesota residents—particularly those living in rural locations far from healthcare facilities—can access the healthcare they need. As identified in the MN Department of Health’s (MDH) 2024 report titled “[Rural Healthcare in Minnesota: Data Highlights](#),” rural Minnesotans were significantly more likely than their urban counterparts to be unable to schedule appointments with primary care providers in a timely manner. In rural Minnesota, there are 2.5 primary doctors for every 100,000 residents; in metropolitan areas, this ratio is 32.7:100,000.

As rural health care services become sparser, there is a greater need for telehealth appointments. However, per MDH’s 2024 rural healthcare data highlights, rural Minnesotans are significantly less likely (11.3% vs. 19.5%) than urban Minnesotans to take advantage of telehealth services. While this is in part due to a lesser proportion of rural households having access to internet service robust enough to support video calls, digital skills are also identified as an area of imbalance.

This paradox is examined further in MDH’s [final report](#) on its study of telehealth expansion and payment parity. Submitted to the state legislature on September 16, 2024, the final report offers nine recommendations designed to increase Minnesotans’ access to and use of telehealth services. Recommendations of particular relevance to the Office of Broadband Development include the following:

**Recommendation #3:** Further investments in infrastructure are needed to improve access to telehealth.



**Recommendation #4:** Broad action is needed to help people build their knowledge, skills, and comfort to use telehealth effectively

**Recommendation #5:** Build the capacity across sectors to support equitable access to healthcare via telehealth.

As with public safety anchors, the Office includes the locations of hospitals on the interactive broadband map and continues to work on locating a reliable data source to map connectivity levels to individual healthcare facilities.

## Next Steps and Recommendations – Additional Community Anchor Institutions

With respect to digital opportunity and the DEA Capacity Grant funds, OBD intends to deepen its collaboration with CAIs to ensure anchors are poised to meet local digital equity needs when relevant to their community role. CAIs cover wide geographic areas and often reach groups of people who are more likely to experience barriers to accessing digital opportunities. In this way, partnership with CAIs provides OBD an efficient channel to support digital opportunity initiatives on both local and statewide scales.

## Universal Service Administrative Co. (USAC)

[USAC](#) is an independent, not-for-profit corporation designated by the FCC. USAC administers the Universal Service Fund (USF). Under the authority of the [1996 Telecom Act](#), the FCC put USAC in charge of administering the collection and disbursement of universal service funds. The USF is almost \$10B and is available annually thanks to the companies and institutions that make universal service possible.

### Universal Service Fund (USF) Programs

The [USF](#) money is collected from telecommunications companies that provide international, and interstate service based on earned revenue above a specific threshold. The companies' customers pay this FCC-mandated USF line item through a nominal charge in their monthly telephone bills. USAC currently oversees four programs that serve people in rural, underserved, and difficult-to-reach areas. They are the [E-Rate](#) Program, the [High-Cost](#) Program, the [Lifeline](#) Program, and the [Rural Health Care \(RHC\)](#) Program. Tribal communities and service providers servicing Tribal lands or Tribally-operated service providers can also access these universal service programs and support via USAC's [Tribal Programs](#).

#### E-rate Program

Schools, school districts, libraries, tribal libraries, and consortia (such as Service Cooperatives) can apply for E-Rate programs in order to obtain discounts of 20 percent to 90 percent on broadband, internet services and related information technology equipment and systems. The funding percentage is dependent upon income levels and whether the applicant is in a rural or urban setting. Tribal libraries and Tribal college and university (TCU) libraries can receive direct support via the [Tribal Library E-Rate Advocacy Program \(T-LEAP\)](#). Prospective Tribal applicants can also access specific information through USAC's [FAQs on E-rate for Tribal entities](#).

In July 2024, the FCC modernized the program by allowing for eligible entities to purchase Wi-Fi hotspots and services for students, staff and library patrons to use off-site via the [E-Rate Hotspots Report and Order](#). The FY2024 funding cap was \$4.94B (a 3.6 percent increase from FY2023). Across participating schools and libraries, Minnesota’s 2024 E-rate funding commitment was about \$32M. It’s worth noting that Minnesota’s public libraries have one of the highest e-rate participation rates in the country with over 95% of library locations receiving discounts.

**Table 9: Minnesota’s Historical E-Rate Funding Commitment Overview (1998-2024)**

Funding Year	State Total	National Total	% Nat. Total
2024	\$32,100,979.69	\$2,515,769,679.25	1.3%
2023	\$33,069,212.36	\$2,613,263,550.79	1.3%
2022	\$30,799,930.54	\$2,705,064,608.97	1.1%
2021	\$27,074,763.13	\$2,592,358,122.71	1.0%
2020	\$29,464,068.38	\$2,499,579,161.93	1.2%
2019	\$31,118,959.67	\$2,362,621,250.41	1.3%
2018	\$27,998,700.00	\$2,291,538,531.19	1.2%
2017	\$28,492,661.37	\$2,366,055,526.81	1.2%
2016	\$36,053,625.69	\$2,763,251,054.69	1.3%
2015	\$43,440,414.50	\$3,226,305,356.95	1.3%
2014	\$33,580,060.99	\$2,347,557,099.72	1.4%
2013	\$27,669,938.67	\$2,202,798,608.59	1.3%
2012	\$37,106,008.07	\$2,965,446,653.12	1.3%
2011	\$26,454,789.76	\$2,663,503,440.76	1.0%
2010	\$34,660,651.96	\$2,998,543,775.80	1.2%
2009	\$23,996,996.47	\$2,806,463,735.68	0.9%
2008	\$23,170,110.47	\$2,372,939,451.76	1.0%
2007	\$26,810,811.74	\$2,358,030,942.38	1.1%
2006	\$21,429,748.77	\$1,950,580,090.79	1.1%
2005	\$22,210,143.31	\$2,008,352,510.10	1.1%
2004	\$22,654,187.91	\$2,029,321,117.38	1.1%
2003	\$26,253,464.60	\$2,514,934,679.61	1.0%
2002	\$22,399,687.34	\$2,110,006,784.93	1.1%
2001	\$22,774,722.78	\$2,169,021,257.60	1.0%
2000	\$18,389,422.00	\$2,077,943,019.92	0.9%
1999	\$31,299,388.91	\$2,145,117,142.60	1.5%
1998	\$24,779,182.17	\$1,698,751,633.68	1.5%

### Rural Health Care (RHC) Program

The Rural Health Care (RHC) program has funding to assist rural health care providers address connectivity needs. The RHC Program provides funding through two pathways: the Telecommunications (Telecom) Program

and the Healthcare Connect Fund (HCF) Program. The Telecom program provides health care providers with discounted rates based on an urban/rural differential for voice, data and other telecom needs. The HCF provides a flat 65 percent discount for eligible expenses such as broadband services, network equipment and more can receive up to a for eligible applicants. Rural Health Care providers can apply for funding for Voice and Data, Broadband, or both.

RHC applicants must be public or non-profit health care providers seeking to improve healthcare services through improved communications services, including broadband expansion and network equipment, etc. The RHC and HCF programs have an annual funding cap. The FY24 RHC cap was \$706,926,603. The HCF cap for upfront payments and multi-year commitments is \$178,496,951 for FY24. The internal cap for upfront payments and multi-year commitments will apply only if RHC program demand exceeds available funding. The FY24 caps represent a 3.6 percent inflation-adjusted increase from FY23.

FY24 takes place from July 1, 2024, through June 30, 2025, and had the following timelines:

- July 1, 2023, was the first day to submit a Request for Services form. The last day was April 1, 2024.
- The filing window for Funding Requests were from December 1, 2023, through May 1, 2024.
- The original filing window to submit funding requests for FY2024 took place from July 1, 2023, through April 1, 2024.
- In March, USAC announced an extension for the deadline to May 1, 2024.

RHC commitments for 2024 in Minnesota total \$3,450,703.80 with the majority of that funding awarded through the Healthcare Connect Fund. Only \$28,028.04 has been committed through the Telecom program. View [RHC Commitments and Disbursements](#) online.

FY25 will take place from July 1, 2025, through June 30, 2026. For FY25, applicants could begin the competitive bidding process as early as July 1, 2024. The [current funding request filing window](#) for FY25 opened on December 1, 2024 and closes on April 1, 2025.

### **High Cost Program**

The [High Cost program](#) provides unserved and underserved rural areas with affordable voice and broadband service through support to eligible telecommunications carriers (ETCs). ETCs can be state utility commissions or carriers that self-certify. Annual [ETC certification](#) is due by October 1<sup>st</sup> every year. The High Cost program distributes funding through more than a [dozen active funds](#). According to [47 CFR Section 54.313](#), state utility commissions must certify that carriers under their jurisdiction are eligible to receive High Cost support in their states and used all support collected in the proceeding calendar year only to provide, maintain and upgrade the facilities for which the support was intended and will do the same in the coming calendar year. Legacy funds support voice service and the modernized funds that make up the Connect America Fund (CAF) program are supportive of broadband services. USAC announced a new [CAF State Map](#) in December of 2024, showing Total Support Disbursed by State: \$1,472,537,334.82 for Total Locations Obligation of 349,428 locations.

### **Lifeline Program**

The [Lifeline program](#) is available to participating telecom. customers that meet income guidelines and other [eligibility guidelines](#). Eligible customers can receive a benefit of up to \$9.25 towards phone or internet services (up to \$34.25 for those living on Tribal lands). Only one benefit is allowed per household. Tribal customers and partners (Tribal governments and government agencies and nonprofits that serve Tribal communities) can find more information at [Enhanced Tribal Benefit](#).

Similar to the High Cost program explained above, service providers must be designated as an ETC by their state regulatory commission or the FCC. Both service providers and customers have to recertify annually

## State and Federal Broadband Funding

### State Broadband Funding

While rounds 1-6 of the Border-to-Border Broadband Grant program were funded with state general revenue funds, rounds 7-8 used a combination of state and federal funding and is thus included in the federal funding summary below. Rounds 9 and 10 were again funded with state general revenue funds. All appropriations for the Border to Border and Low Population Density programs have been awarded so neither program will be offered again until and unless the legislature directs additional funding to these programs. All three rounds of the Line Extension Program are funded by federal funds.

### Federal Broadband Funding

Federal funding for broadband, while in some instances include longstanding programs, also has received recent emphasis as policy makers take note of the need for universal broadband availability and affordability brought to light by the pandemic. This section addresses the many federal funding sources and the federal agencies administering those funds. Federal appropriations for broadband have been included or allowed in laws passed to address the pandemic, including the Coronavirus Aid, Relief, and Economic Security (CARES) Act passed in March 2020; the Consolidated Recovery Act signed into law in December 2020; the American Recovery Plan Act (ARPA) approved in March 2021; and the Infrastructure Investment and Jobs Act (IIJA)/Bipartisan Infrastructure Law signed by President Biden on November 15, 2021. Other federal funding programs have been in place for many years in agency budgets or as part of the Federal Communications Commission's universal service fund (revenues collected from telephone ratepayers, not taxpayers). Each federal funding source or program is discussed below.

#### **Consolidated Recovery Act Programs – Tribal Broadband Connectivity Program** (ongoing, created 2021)

Under the Consolidated Recovery Act (CRA), the National Telecommunications and Information Administration of the U.S. Department of Commerce administered three broadband grant programs, Tribal Broadband Connectivity Program (\$980 million), Broadband Expansion to Underserved Communities (\$288 million), and Connecting Minority Communities (\$268 million). The Tribal Broadband Connectivity Program directs funding to tribal governments to be used for broadband deployment on tribal lands, as well as for telehealth, distance learning, broadband affordability, and digital inclusion. NTIA solicited applications nationally and the Office provided information on these grant opportunities on its website under Financial Assistance: [Financial](#)

[Assistance / Minnesota Department of Employment and Economic Development \(mn.gov\)](#). The Tribal Broadband Connectivity Program received an additional \$2 billion appropriation under the IJA/Consolidated Recovery Act, (which was combined with the CRA funding, so the total for this program is just under \$3 billion.) Several applicants from Minnesota submitted proposals. In July 2023, NTIA Announced the NOFO for the Second Round of Tribal Broadband Connectivity Program. This second round of funding from the Tribal Broadband Connectivity Program made approximately \$980 million available on Native American, Alaska Native and Native Hawaiian lands for deployment of internet infrastructure, affordability programs, telehealth and distance learning initiatives. More detailed information and past Tribal recipients located in Minnesota can be found in the section entitled “**Tribal Broadband Connectivity Program,**” below.

OBD will continue to monitor for any additional awards and all awards for projects in Minnesota will be identified on the state broadband maps.

### **Emergency Connectivity Program (ECF) (2021-2024)**

Awarding Agency: FCC

Total Allocated to schools and libraries throughout the state 2021-2024: \$98,654,340.12

The ECF was a pandemic relief program funded at \$7.171B by the American Rescue Plan Act of 2021 to help schools and libraries support remote learning. The sunset date for the program was June 30, 2024. Congress rescinded the remaining 1.678B in mid-2024. Minnesota applicants requested \$62,868,827.25 during window 1; \$16,805,417.39 during window 2; and \$57,702,950.05 during window 3 for a total of \$137,377,194.70.

### **Other Tribal-Specific Broadband Grants**

As articulated in a 2024 report by the Government Accountability Office (GAO), “Tribal entities have historically been at a disadvantage in competing for federal broadband funding. For example, most broadband programs are not exclusively for tribal entities, so they must compete with other eligible entities with more resources and experience in applying for funding, including well-established telecommunications providers.” [TRIBAL BROADBAND: Additional Assistance to Recipients Would Better Support Implementation of \\$3 Billion in Federal Grants](#), published June 2024 by the United States Government Accountability Office Report to Congressional Committees, GAO-24-106541. This is complicated by disparities in access to broadband between the general population and the rural population of people identifying as American Indian or Alaskan Native (AI/AN). While over 99% of households in urban areas of the U.S. have broadband service at 25/3 Mbps, only 65% of rural AI/AN households have the broadband service at 25/3 Mbps.

The Office of Indian Economic Development administers the [National Tribal Broadband Grant Program](#) (NTBG), which is a competitive discretionary program, through its Division of Economic Development. All federally recognized American Indian and Alaska Native tribes, bands, villages, nations, and communities are eligible for NTBG funding. The NTBG grant opportunity for FY 2022 closed November 17th, 2022. FY2022 awardees are listed on the [NTBG](#) page.

The Bureau of Indian Affairs (BIA) has a webpage with resources for [Tribal broadband funding](#). All state and federal programs listed below are also open to Tribal communities.

### **American Rescue Plan Act: State and Local Fiscal Recovery Funds**

The American Rescue Plan Act (ARPA) included broadband infrastructure as an allowed use for State and Local Fiscal Recovery Funds. The state did receive an overall allocation of \$2.83 billion. ARPA funds were used as a match for some projects awarded in Rounds 7-10.

The Office is aware that several local units of government have or are considering using some of their Local Fiscal Recovery Funds (LFRF) for broadband infrastructure. Some of these are conceived as independent projects and others included ARPA LFRF as part of the match for a state Border-to-Border Broadband grant application (as noted above). For those projects that move forward independently, locations will be captured as served when reported by the broadband provider that constructed broadband infrastructure using that LFRF from a local government.

### **American Rescue Plan Act: Sec. 604 Capital Projects Fund**

Minnesota received an allocation of \$180,702,620 in American Rescue Plan Act (ARPA) Section 604 Capital Projects Funds (CPF) funding. The Minnesota legislature directed that \$130,703,000 be used for broadband infrastructure purposes with \$70M being authorized for that purpose in the 2021 legislative session and \$60,703,000 in the 2022 session. OBD is responsible for the funding directed by the state legislature to be used for broadband infrastructure. The remaining \$50M was allocated by the Governor's Office to be used for Multi-purpose Community Facilities Projects being administered by the Minnesota Department of Education.

The CPF funding for broadband infrastructure purposes was directed by the Minnesota Legislature to be directed to three programs created in statute: the Border-to-Border Broadband Development Grant Program, the Lower Population Density Pilot Program, and the Line Extension Connection Program.

The Border-to-Border Broadband Development Grant Program funds the expansion of broadband service to areas of Minnesota that are unserved or underserved. It was created in Minn. Stat. § [116J.395](#) in 2014. The legislative focus of this grant program is to provide financial resources that help make the business case for new and existing providers to invest in building broadband infrastructure into unserved and underserved areas of the state. The Border-to-Border Broadband Grant Program had been funded with state general fund revenues (2014-2020) and a combination of both state general fund revenues and federal American Rescue Plan Act (ARPA) Sec. 604 Capital Projects Funds (CPF) for the two grant rounds in 2022 and 2023. At the federal level, ARPA funding is being administered by the U.S. Department of the Treasury.

For the applications received in August 2022 with awards announced December 8, 2022, the state Border-to-Border Broadband Grant program was funded with \$70M in Capital Projects Funds (CPF) approved by the legislature in the 2021 session and \$25M in state general revenue funds approved by the legislature in the 2022 session. The 2023 grant round—announced on December 19, 2022, and awarded June 28, 2023—included approximately \$12M in CPF funding and \$25M in state general revenue funds for the Border-to-Border grant

program and \$30M in CPF funding for the Lower Population Density Pilot Program. The CPF funded Border-to-Border and Lower Population Density grants will reach a total of 29,589 locations, consisting of 20,071 unserved locations and 9,518 underserved locations. Viewed another way, CPF funded projects will extend broadband services to a total of 20,475 households, 3,476 businesses, 5,503 farms and 135 Community Anchor Institutions.

The remaining \$15 million in CPF funds approved in the 2022 session for broadband were used to support the Line Extension Connection Program. As of December 31, 2024, [all funds have been awarded over three rounds](#).

### **Capital Projects Fund**

The Capital Projects Fund (CPF) provides \$10 billion from President Biden’s American Rescue Plan to states, territories, freely associated states, and Tribal governments to fund critical capital projects that enable work, education, and health monitoring in response to the public health emergency, including high-speed Internet infrastructure. \*Figure represents dedicated high-speed Internet funding.

In 2024, Minnesota Office of Broadband Development (OBD) managed CPF sub-grantee award dollars in the amount of \$118,855,652 from the total amount of \$180,702,620 allocated in 2022. In addition to the Border-to-Border Program (\$82M in CPF funds) and Low Population Density Program (\$30M), Minnesota OBD rolled out the new Line Extension Program (\$15.311M). Round 1 and 2 of the Line Extension Program have been awarded in FY24 and round 3 awarded in FY25, in the amount of \$15.3M, encompassing 100% of the funds available for that program. In total OBD has utilized CPF to fund 94 grant projects that will impact 31,733 locations across the state, each with their own broadband story of impact.

**The following table captures the expenditures for the reporting period. CPF dollars have been spent on administrative costs as well as infrastructure projects. Of the total CPF dollars allocated to the state in the amount of \$180,702,620.00, Minnesota has drawn down a total (OBD only) of \$16,993,156.79 or about 9% of state funds. As of January 1<sup>st</sup>, 2025, there are 88 active CPF projects including 10 active grantees from our third round of line extension funding with more to be reported in the next period. Infrastructure Investment and Jobs Act (IIJA)**

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021. It provides approximately \$65 billion for broadband nationally. Two programs that will be administered directly by the Office of Broadband Development with this funding are the Digital Equity Planning grant and the Broadband Equity, Access and Deployment (BEAD) grant. OBD completed both a Digital Opportunity Capacity Grant application, based on the NTIA approved Digital Opportunity Plan, and the BEAD Initial Proposal and submitted these to NTIA in 2024.

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

Awarding Agency: National Telecommunications and Information Administration

This program builds high-speed Internet infrastructure where we need it. It also supports efforts to teach the skills and provide the equipment needed so everyone can use the Internet.

Total Allocated to MN: \$651,839,368.20

### Digital Equity Act Programs

Awarding Agency: NTIA

Three programs that provide funding to promote digital inclusion and advance equity for all. They aim to ensure that all communities have access to and use affordable, reliable high-speed Internet.

State Digital Equity Planning Grant: \$881,905.10

Digital Equity State Capacity Grant Program: \$12,033,288.01

Total Allocated to MN: \$12,915,193.11

### Other Broadband Programs Funded by IIJA

#### Affordable Connectivity Program (2021-2024)

Awarding Agency: Federal Communications Commission (FCC)

The Affordable Connectivity Program (ACP) provided \$14.2B from President Biden’s Bipartisan Infrastructure Law to provide eligible households with a discount of up to \$30/month (\$75/month on qualifying Tribal lands) for high-speed Internet service, and up to \$100 discount toward a desktop, laptop, or tablet computer offered by participating Internet service providers. ACP was administered by the Universal Service Administrative Company (USAC) with oversight from the FCC. The ACP began in 2022 and froze enrollment on February 8, 2024. Despite enrollment of 23 million households (more than 1 in 6 households) nationwide and being the “largest and most successful broadband affordability program in our nation’s history,” the ACP’s funding was not renewed by Congress and the last fully funded month of the program was April 2024. The agency officially ended the ACP on May 31, 2024. Efforts to renew or replace the program have not succeeded.

**Table 10: ACP Impact in Minnesota**

ACP Impact by State	Total ACP Claim Amount January 2022 – May 2024	Households in State Enrolled in ACP as of 2/8/2024	Total Enrolled ACP Households as of 2/8/2024	Total Enrolled Lifeline Households
Minnesota	\$153,971,615.00	1 in 9	244,916 (30.7% of eligible households)	74,642

#### ReConnect Loan and Grant Program (on-going, details below)

Awarding Agency: USDA

Total Allocated: \$127,838,779.00



The ReConnect Loan and Grant Program is a \$1.9 billion program funded through President Biden’s Bipartisan Infrastructure Law that provides funds for the cost of construction, improvement, or acquisition of facilities and equipment needed to provide high-speed Internet service in eligible rural areas.

**Community Connect Grants** (details below)

Awarding Agency: USDA

Total Allocated: \$2,335,069.00

**Emergency Connectivity Program** (details below)

Awarding Agency: FCC

Total Allocated: \$98,654,340.12

**Capital Projects Fund** (details above)

Awarding Agency: FCC

Total Allocated: \$126,781,891.00\*

\*Figure represents dedicated high-speed Internet funding

**Tribal Broadband Connectivity Program**

Awarding Agency: NTIA

Total Awarded: \$52,501,528.00

The IJA includes an additional \$3 billion for NTIA's [Tribal Broadband Connectivity Program](#), a program that NTIA previously implemented under the Consolidated Appropriations Act, 2021. The Tribal Broadband Connectivity Program (TBCP) directs funding to tribal governments to be used for broadband deployment on tribal lands, as well as for telehealth, distance learning, broadband affordability, and digital inclusion. NTIA is the administering agency for this funding and has information on its website on how to apply and eligible uses. 5 Tribal Nations won awards in TBCP Round 1 (2022), listed in table below. The due date for [2023 TBCP Round 2](#) grant applications was extended from January 23, 2024 to March 22, 2024. NTIA has not announced that any tribes located within the boundaries of Minnesota have won awards for TBCP Round 2, as of January 10, 2025.

**Table 11:** Tribal Broadband Connectivity Program (TBCP) Round 1 recipients within Minnesota

Applicant	City/Town	Grant Funding	Project Purpose/Type	Broadband Service Speed/Details
Bois Forte Band of Chippewa Indians	Nett Lake	\$19,800,704.00	Broadband Infrastructure Deployment	1 Gbps

Leech Lake Band of Ojibwe	Cass Lake	\$18,797,452.00	Fiber and Fixed Wireless	Fiber: 100/40 Gbps Wireless: 80/20 Mbps
Lower Sioux Indian Community	Morton	\$1,995,787.00	Broadband Infrastructure Deployment	10/10 Gbps
Mille Lacs Band of Ojibwe	Onamia	\$11,407,585.00	Broadband Infrastructure Deployment	From 250/250 Mbps to 1000/1000 Mbps
White Earth Band of Chippewa Indians	Ogema	\$500,000.00	Broadband Use and Adoption	6 Community Centers, Online Training for 3,343 Tribal Members

**Connecting Minority Communities Pilot Program (2022-2025)**

Awarding Agency: NTIA

Through the [Connecting Minority Communities](#) (CMC) Pilot Program, NTIA directly addresses the lack of Internet access, connectivity, adoption, and equity at our nation’s Historically Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and Minority-Serving Institutions (MSIs), and in census tracts with high levels of poverty within their surrounding anchor communities. The Connecting Minority Communities Pilot Program (CMC) provided \$268 million to help colleges and institutions that serve minority and Tribal communities.

Red Lake Nation College: \$1,924,280.00

**Enabling Middle Mile Broadband Infrastructure Program (2022-2028)**

Awarding Agency: NTIA

The Enabling Middle Mile Broadband Infrastructure Program provides \$1 billion from President Biden’s Bipartisan Infrastructure Law to reduce the cost of bringing high-speed Internet service to unserved and underserved communities by connecting local networks to major networks. All funding for grant awards from the Enabling Middle Mile Broadband Infrastructure Program has been awarded. No additional awards will be announced.

Dairyland Power Cooperative: \$14,890,077.79

## **State Digital Equity Capacity Grant Program: Native Entities (Native Entity Capacity & Planning Grant Program)**

Awarding Agency: NTIA

Status: [Accepting applications](#) until February 7, 2025

The goal of the State Digital Equity Capacity Grant Program for Native Entities, including Indian Tribes, Alaska Native Entities, and Native Hawaiian Organizations, hereto referred to as the NE Capacity & Planning Grant Program, is to fund initiatives that help Native communities to fully access and take advantage of the digital world. These investments can empower Native Entity communities through aiding economic development, preserving traditional practices, and facilitating inter/intra-government coordination.

This is the first funding opportunity set aside specifically for Native Entities from the Digital Equity Capacity and Planning Grant Programs.

## **Enabling Middle Mile Broadband Infrastructure Program (2023-2026)**

Awarding Agency: NTIA

NTIA's [Middle Mile Grant Program](#) provides funding for the expansion and extension of middle mile infrastructure across U.S. states and territories. In total, the program allocated \$980M to fund projects for the construction, improvement, or acquisition of middle mile infrastructure covering more than 370 counties across 40 states and Puerto Rico in Summer 2023. The ultimate purpose of this funding is to expand and strengthen U.S. high-speed Internet networks by reducing the cost of connecting areas that are unserved or underserved to the Internet backbone. These projects do not directly connect homes or businesses to broadband service but rather serve to carry large amounts of data over long distances, bridging the space between disconnected communities so that future last-mile projects are more affordable and achievable.

Nationally, 39 awards were made to 36 organizations across 40 states and territories in the amount of \$979,998,024.84 in 2022. These grants were for applicants that focused on projects from areas impacted by natural disasters. Locations in Minnesota will see Enabling Middle Mile funding through a \$14.89M award for a \$30.39M total project cost project submitted by Dairyland Power Cooperative in Wisconsin. The Tri-State Fiber Deployment Project (TSFDP), will retrofit 247 miles of fiber optic communications network in portions of Wisconsin, Minnesota, and Iowa, using mostly optical ground wire (OPGW) on DPCs transmission lines in 3 years. Through the TSFDP, last mile providers in these regions will have enhanced capacity to reach unserved and unserved residents at affordable rates and help bridge the nations digital divide. Minnesota Counties impacted are Fillmore, Freeborn, and Mower.

## **Traditional Federal Programs for Broadband**

### **U.S. Department of Agriculture ReConnect Program**

The ReConnect Program has offered unique federal financing options in the form of grants, loans, and combinations thereof to create or improve rural e-Connectivity for rural customers across America since 2018. The U.S. Department of Agriculture (USDA) opened ReConnect round five on March 22, 2024, with applications due May 21, 2024. The Fifth-round saw USDA award a total of \$486.13M in grant and loan funding for high-

speed internet. The funded service areas include a total of 17,180 households, to 34 entities located within 22 states and territories. Investments within Minnesota include Red River Rural Telephone Association (100% Grant); Consolidated Telephone Company and MiEnergy Cooperative (50/50 loan/grant combo). These awards and loans will connect thousands of rural residents, farmers and business owners in rural Minnesota to reliable, affordable high-speed internet.

Broadband projects in Minnesota constructed with ReConnect funds are identified as such on the state broadband maps.

### **USDA FY 2024 ReConnect Round 5 Awards in Minnesota listed by award type**

#### **100% Grant Award**

- Applicant: Red River Rural Telephone Association  
Total Square Miles: 82.30  
Funded Service Area Households: 163  
Award Amount: \$5,166,742

This Rural Development investment will be used to deploy a fiber-to-the-premises network to provide high-speed internet. This network will benefit 482 people, 17 businesses, 55 farms and one educational facility in Clay County.

#### **50/50 Loan/Grant Combination**

- Applicant: Consolidated Telephone Company  
Total Square Miles: 79.19  
Funded Service Area Households: 1,089  
Award Amount: \$11,021,866

This Rural Development investment will be used to deploy a fiber-to-the-premises network to provide high-speed internet. This network will benefit 2,831 people, 67 businesses and 78 farms in Crow Wing and Morrison counties.

- Applicant: MiEnergy Cooperative  
Total Square Miles: 143.10  
Funded Service Area Households: 835  
Award Amount: \$28,244,706

This Rural Development investment will be used to deploy a fiber-to-the-premises network to provide high-speed internet. This network will benefit 2,255 people, 55 businesses and 235 farms in Fillmore and Winona counties.

#### **Past USDA ReConnect Awards in Minnesota**

Between 2019 and 2024, 22 ReConnect awards were granted to various entities in Minnesota. Grants for this timespan total over \$149.9M, loans total over \$61M, and local partner matches total over \$24.6M. For a total investment of over \$235.6M.

#### **USDA Distance Learning and Telemedicine Awards** (ongoing, program created in 1994)

The [Distance Learning and Telemedicine](#) (DLT) Program provides funding to improve rural access to telehealth and distance learning opportunities. This is accomplished through expanded access to telecommunications and related advanced technologies. Projects most often focus on situations where the patients or students are not in the same geographic location as the source of the healthcare or education service. The DLT program is targeted to rural areas with populations 20,000 or fewer. In 2024, USDA listed three key [priorities](#); economic recovery, equitable access to USDA Rural Development-funded programs, and addressing climate change. The DLT program is governed by [7 CFR Part 1734](#).

FY24 saw grant round 4 of this program, where applications were due by February 29, 2024. A list of FY24 grant recipients has not been released at the time of this report, however DLT recipients can be found on the USDA's [interactive map](#) as USDA made \$60M available in fiscal year 2024. Grant round 5 DLT [NOFO](#) was released on January 6, 2025. Applications are due by March 6, 2025. This is a competitive grant program which requires a 15 percent match. \$40M will be made available to eligible applicants, which includes most entities that provide education or health care through telecommunications, including State and local governmental organizations; federally-recognized Tribes; non-profit organizations; incorporated, for-profit businesses; and groups of eligible entities working together.

#### **USDA Community Connect Grants** (ongoing, created in 2002)

Awarding Agency: USDA

Total Allocated: \$2,335,069.00

The USDA also conducts a Community Connect grant program for broadband infrastructure. The Community Connect provides financial assistance to eligible applicants that will provide broadband service in rural, economically challenged communities where service does not exist. Eligible applicants include Incorporated organizations, Federally-recognized Tribes, State and local units of government, any other legal entity, including cooperatives, private corporations, or limited liability companies organized on a for-profit or not-for-profit basis. Eligible areas are rural and lacking existing broadband speed of at least 10Mbps down and 1Mbps up. A 15 percent match is required.

The current Program Application Period begins on [February 20, 2025](#) and closes on April 21, 2025. The Rural Utilities Service Agency estimates that approximately \$26M will be available for FY25, based on FY24 amounts. There were no new awards given in Minnesota for 2024. Local grant awards from FY13-24 can be viewed [here](#).

#### **USDA Broadband Technical Assistance** (uses ReConnect Funds)

[BTA](#) provides financial assistance through cooperative agreements to eligible entities to receive or deliver broadband technical assistance and training and supports the development and expansion of broadband

cooperatives. BTA announced 40 projects in the amount of \$25,257,464.15 on October 10, 2024. [FY2023 BTA Awardees](#) did not include any awards in Minnesota.

### **USDA Telecommunications Infrastructure Loans & Loan Guarantees**

The [Telecommunications Infrastructure Loans & Loan Guarantees](#) programs use USDA's Rural Utilities Service (RUS) funds. USDAs RUS provides a variety of loans and grants to build and expand broadband networks. Loans to build broadband networks and deliver service to rural households and businesses, provide capital for rural telecommunications companies and broadband providers. Grants are reserved for communities with the highest need. The Telecommunications Infrastructure Loans & Loan Guarantees program provides financing for the construction, maintenance, improvement and expansion of telephone service and broadband in rural areas. This program is authorized by the Rural Electrification Act of 1936, as amended in 7 U.S.C. 901 et seq. Code of Federal Regulation: [7 CFR 1735](#) and [7 CFR 1737](#). Applications are accepted year around through the national office. You can find a list of USDA Rural Development Traditional Telecommunications Borrowers by State [here](#).

### **Federal Communications Commission (FCC) Connect America Fund (CAF) and Rural Digital Opportunity Fund (RDOF)**

The Federal Communications Commission (FCC) has transitioned its Universal Service Fund to the Rural Digital Opportunity Fund (RDOF). The Rural Digital Opportunity Fund (RDOF) will disburse up to \$20.4B over 10 years to bring fixed broadband and voice service to millions of unserved homes and small businesses in rural America. Building on the success of the Connect America Fund Phase II Auction (CAF II Auction), RDOF uses a two-phase, competitive reverse auction (Auction 904) that prioritizes higher network speeds and lower latency to ensure the deployment of robust, sustainable high-speed networks that meet the needs of consumers now and in the future RDOF Phase I payments began in 2021 on a rolling basis, with support terms running 10 years. RDOF recipients have up to eight years to complete deployment and must meet interim deployment milestone.

On December 20, 2023, the Wireline Competition Bureau, in conjunction with the Office of Economics and Analytics (OEA), announced the conclusion of the Rural Digital Opportunity Fund auction (Auction 904) long-form application review. There were 379 support recipients with authorized winning bids totaling over \$6 billion in support over a ten-year term, covering just under 3.5 million locations in 48 states and one territory. While authorized bids included a range of performance tiers, over 97% of locations are covered by winning bids for Gigabit speed service. Results can be found here: <https://www.fcc.gov/auction/904>

The RDOF-1 auction was held in November/December 2020 with auction winners announced in late 2020 and follow up filings due at the FCC in 2021. During 2021 and 2022, the FCC announced the final award or denial of funding to most bidders on eligible census block groups bid on in Minnesota. Once approved for funding, the clock starts on the six-year time frame for construction. The following chart shows the auction winners and dollar amounts awarded in the RDOF auction. The entities highlighted in green received final approval for funding at the time of this report while those in yellow were found to be in default by the FCC.

**Table 12: RDOF Auction Award Winners, approved and defaulted**

Bidder	Support	Locations
AMG	\$3,736,316	1,408
Arrowhead Elec. Coop.	\$18,462,273	4,879
CenturyLink (Qwest)	\$15,646,093	3,265
Consolidated Comm.	\$11,126	12
Consolidated Tel. Co. (CTC)	\$2,040,279	979
Consortium of AEG and Heron	\$6,709,428	1,150
Farmers Mutual Tel. Co.	\$759,822	332
Federated Tel. Coop.	\$537,399	248
Fond du Lac Comm.	\$1,046,123	728
Garden Valley Tel. Co.	\$2,792,139	492
Gardonville Coop. Tel.	\$63,903	24
Great Plains Consortium	\$81,701	402
Halstad Tel. Co.	\$325,917	111
Interstate Telecom Coop. Inc.	\$51,749	391
LTD Broadband LLC	\$311,877,936	102,005
Midcontinent Comm.	\$4,452,047	6,054
Paul Bunyan Rural Tel. Coop.	\$16,307,892	5,088
Red River Rural Tel. Assn.	\$29,952	11
Roseau Electric Coop.	\$1,228,494	266
Savage Comm. (SCI)	\$6,090,479	4,541
SpaceX	\$8,424,808	7,529
Wikstrom Tel. Co.	\$983,637	228
Windstream	\$6,548,964	2,899
Winnebago Coop. Tel.	\$20,542	178

Green=Long Form Approved

Yellow=Default

The interactive map available on OBD’s website (<https://mn.gov/deed/programs-services/broadband/maps/general-maps.jsp> ) includes the RDOF funded areas as an overlay.

## Other FCC Funding: USAC High Cost, Modernized Funds

The High Cost/Connect America program consists of multiple funds that subsidize the delivery of voice and broadband service across rural America. [Modernized funds](#) include the following, Alternative Connect America Cost Model or ACAM I, Revised A-CAM, ACAM II; CAFA Phase II Model, CAF Phase II Auction, CAF Broadband Loop Support (BLS) for the smaller incumbent telephone companies in the state continues to aid these companies as they upgrade broadband service in their historic telephone exchange areas, and Enhanced Alternative Connect America Cost Model Support (E-ACAM). These areas can also be seen as an overlay on the interactive map, online.

**Enhanced A-CAM (E-ACAM)** – In October 2023, the FCC Announced nearly \$18.3B in Enhanced A-CAM (E-ACAM) funds. E-ACAM is rural broadband funding and has been awarded to 388 internet providers nationally.

Infrastructure supported with E-ACAM must meet speed minimums of 100/20 Mbps. Providers accepting E-ACAM have four years to complete deployments during a 15-year window. Payments begin in 2024 and Enhanced ACAM carriers have until December 31, 2028, to complete deployment.

A list of providers located in Minnesota that accepted E-ACAM offers for the years of 2024-38 are as follows: Albany Mutual Telephone Association, Alliance Communications Cooperative, Inc. Arvig Enterprises, Inc. Benton Cooperative Telephone Company, Consolidated Telephone Company, Emily Cooperative Telephone Company, Garden Valley Telephone Company, Gardonville Cooperative Telephone Association, Halstad Telephone Company, Harmony Telephone Company, Johnson Telephone Company, Kasson & Mantorville Telephone Company, Manchester-Hartland Telephone Company, Park Region Mutual Telephone Company, Paul Bunyan Rural Telephone Cooperative, Rural Communications Holding Corporation, Spring Grove Communications, Telephone & Data Systems, incl. UScellular, Tri-Co Technologies, LLC, Upsala Cooperative Telephone Association, West Central Telephone Assn., Wikstrom Telephone Company, Inc.

**Revised Alternative Connect America Cost Model (Revised ACAM)** – Provides set monthly payments based on a cost model to Rate of Return carriers to build broadband to a specific number of fixed locations in areas eligible for funding. Revised ACAM increased model-based support for existing ACAM carriers to meet expanded broadband buildout obligations. The Revised ACAM support term runs from 2019 to 2028. Revised ACAM carriers have until the end of 2028 to complete deployment and must meet interim deployment milestones.

**Alternative Connect America Cost Model II (ACAM II)** – Provides set monthly payments based on a cost model to Rate of Return carriers that voluntarily elected to transition from CAF BLS funding to model-based support to build broadband to a specific number of fixed locations in areas eligible for funding. The ACAM II support term runs from 2017 to 2028. ACAM II carriers have until the end of 2028 to complete deployment and must meet interim deployment milestones.

**Connect America Fund (CAF) Phase II Auction** – Provides support to entities that successfully bid in a 2018 competitive reverse auction to deploy broadband in areas where the incumbent price cap carrier did not accept CAF II Model funding and other price cap areas that are most costly to serve. CAF II Auction payments began in 2019 on a rolling basis, with support terms running 10 years. CAF II Auction carriers have until the end of 2025 to complete deployment and must meet interim deployment milestones. CAF was formerly known as “High-Cost Support.”

**Connect America Fund Broadband Loop Support (CAF BLS)** – Provided support based on carrier costs and other financial data to Rate of Return carriers to build broadband to a specific number of fixed locations in areas eligible for funding. The CAF BLS support term runs from 2019 to 2023, and carriers were required to complete deployment by the end of 2023.

**5G Fund for Rural America** – In April 2020, due to advances in technology, the Commission proposed to replace Mobility Fund Phase II with the 5G Fund for Rural America, which would make up to \$9B available to bring 5G mobile broadband service to rural areas. To support 5G Fund Phase 1 Option, a [Second Report and Order, Order on Reconsideration, and Second Further Notice of Proposed Rulemaking](#) was adopted on August 14, 2024.



**Rural Broadband Experiments (RBE)** – Provides funding to telecommunications carriers that successfully bid to deploy broadband in unserved price cap areas, including rural areas that are the most costly to serve. The RBE support term runs from 2015 to 2025. RBE carriers must meet interim and final deployment milestones on a rolling basis.

## Next Steps and Recommendations

This year, we announced a total of \$58,265,515 in Border-to-Border grant projects, \$46,729,800 in Lower Population Density grant projects and \$13,450,560 in Line Extension Connection projects. Local matches for 2024 totaled over \$100M, for a total investment of over \$220M. These grants funded the connection of 18,388 locations.

The 2023 Legislature appropriated \$50 million for each of FY 2024 and FY 2025. The FY 2024/25 State General Revenue Funds of \$100 million funded the ninth and tenth grant rounds. Subsequent grant rounds are anticipated to be funded with approximately \$652 million in federal Broadband Equity, Access, and Deployment Funds (BEAD). All state funded Border to Border Grant dollars has been awarded. The Governor’s Broadband Task Force 2024 Annual Report identified areas of priorities in Affordability and Digital Equity, Economic Opportunity and Workforce Development, and Mapping, Policy and Funding. Financial resources are still needed to achieve the 2026 goals, as well as identified areas of needs and priorities across Minnesota.

[Minnesota Governor’s Task Force on Broadband](#)

While 2024 saw the ending of many federal programs established in response to the pandemic, the Office has been working diligently to ensure a smooth transition from the use of various funding sources to the new BEAD and Digital Opportunity programs.

In 2025, the Office will be administering all state and American Rescue Plan Act Capital Projects Funds for broadband awarded in calendar years 2022-2024 (grant rounds 7 through 10). The Office will also be focused on the final stages of implementing the federal BEAD program per the approved BEAD Initial Proposal Volumes 1 and 2, which culminate in the submission of Minnesota’s Final Proposal, due October 3, 2025. The Final Proposal will include the subgrantees recommended by the state for NTIA’s approval. Once approved, the state can execute contracts with the subgrantees who will then have four years to complete construction.

Also in 2025, the Office will begin implementing key activities and strategies identified in the approved version of Minnesota’s Digital Opportunity Plan using a federal State Digital Equity Capacity Grant of \$12,033,288.01. The period of performance for this grant award, administered by the National Telecommunications and Information Administration, is December 1, 2024, to November 30, 2029. The Office’s initial grant-funded activities for 2025 include the following: administering non-competitive grants for cities, counties, and targeted regional partners to develop their own local/regional digital opportunity plans; convening a Digital Opportunity Leaders Network of collaborators across the state; and developing a more in-depth, accurate dataset describing the complexities of digital opportunity in Minnesota.

In preparation for the influx of federal funding across both BEAD and Digital Equity Act, we anticipate our office to grow both in employee size and capacity to fulfill the broadband and digital opportunity needs for all Minnesotans in 2025 and beyond.

The funding for broadband and for digital equity will require engagement by the Office of Broadband Development, The Minnesota Legislature, Tribal Nations, local units of governments, partners, stakeholders, and various organizations to ensure that the resources are put to the best and most efficient use to meet the state's broadband speed goals and fulfill the definition of digital opportunity and digital inclusion for all Minnesotans.

## **Broadband Affordability**

Low-income households took a hit from the loss of the ACP program this year. At the time the FCC froze enrollment in ACP, only 30.7% of Minnesota's eligible households were enrolled in the program. Going forward, the FCC encourages households to check for eligibility in the Lifeline program if their internet provider participates. Lifeline is an FCC program that helps to lower the cost of internet and/or phone service for qualifying households. The benefits of the Lifeline program include: a service discount of up to \$9.25/month, or a service discount of up to \$34.25/month if you live on qualifying Tribal lands. <https://www.lifelinesupport.org/> Consumers can apply for other programs (i.e., Dept. of Veterans Affairs (VA) programs), and discounted plans from providers. Consumers may be eligible for more than one program. Discounted plans are often offered at slower speeds.

### **Low-income internet options in Minnesota**

- **Human-I-T Franklin T10 Hotspot**: Everyone who already qualified for the ACP automatically qualifies for this offer of unlimited 4G LTE internet access for \$15 monthly.
- **Kinetic by Windstream Benefit Credit**: Kinetic by Windstream's ACP customers will continue to receive a Kinetic Benefit Credit that matches the previous federal subsidy. As long as you continue to meet the eligibility standards set by the ACP, you'll receive the credit.
- **Mediacom Xtream Connect**: Get up to 100Mbps cable download speeds with Mediacom's Xtream Connect program for qualified low-income households. The \$29 monthly fee includes a \$14-per-month modem rental. Homes with at least one child in the NSLP can get the modem rental waived. You can also choose to provide your own equipment and save on the modem fee. There are no contracts or installation fees.
- **Spectrum Internet Assist**: Spectrum's \$25-per-month 50Mbps plan for low-income households comes with a free modem and has no data caps or contracts. You can add Wi-Fi for an additional \$5 per month. You must be a new customer and a recipient of a qualifying government assistance program like the NSLP or SSI (for applicants over 65).

- **TDS Connect:** The TDS Connect program is aimed at low-income households that participated in the ACP. It delivers up to 200Mbps service for \$30 per month with a Wi-Fi modem, 24/7 tech support and no required contracts.
- **USI Affordable Connectivity Plan:** Minneapolis fiber provider USI offers qualified low-income households a choice of two plans: 500Mbps for \$25 per month or 1,000Mbps for \$35 per month. Installation costs are included. To apply, contact USI to start the application process. Just like with the ACP, you must renew eligibility every year.
- **Verizon Forward:** Verizon Forward offers a discount up to \$30 per month for 5G Home or LTE Home Internet plans. You must be qualified for an eligible assistance program like SNAP. Verizon Forward can be combined with other discounts, including Lifeline and military discounts, which can bring your home internet down as low as \$20 per month.
- **Xfinity Internet Essentials:** Xfinity's Internet Essentials plan for low-income households is \$10 per month with equipment included. Expect speeds up to 50Mbps. Xfinity offers this as an option for ACP enrollees or customers who participate in an assistance program like Medicaid or SNAP. Internet Essentials also includes access to Xfinity Wi-Fi public hotspots.

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