



EMPLOYMENT AND  
ECONOMIC DEVELOPMENT

# Office of Broadband Development 2025 BEAD Update



January 7, 2025

# Overview

- Background on OBD and the state of broadband in Minnesota
- BEAD priorities and timeline
- NTIA approval of BEAD eligible locations
- Pre-Qualification process
- Subgrantee selection
- Differences between BEAD and Minnesota programs
- What happens after the final proposal is submitted
- Additional Resources

# About Office of Broadband Development (OBD)

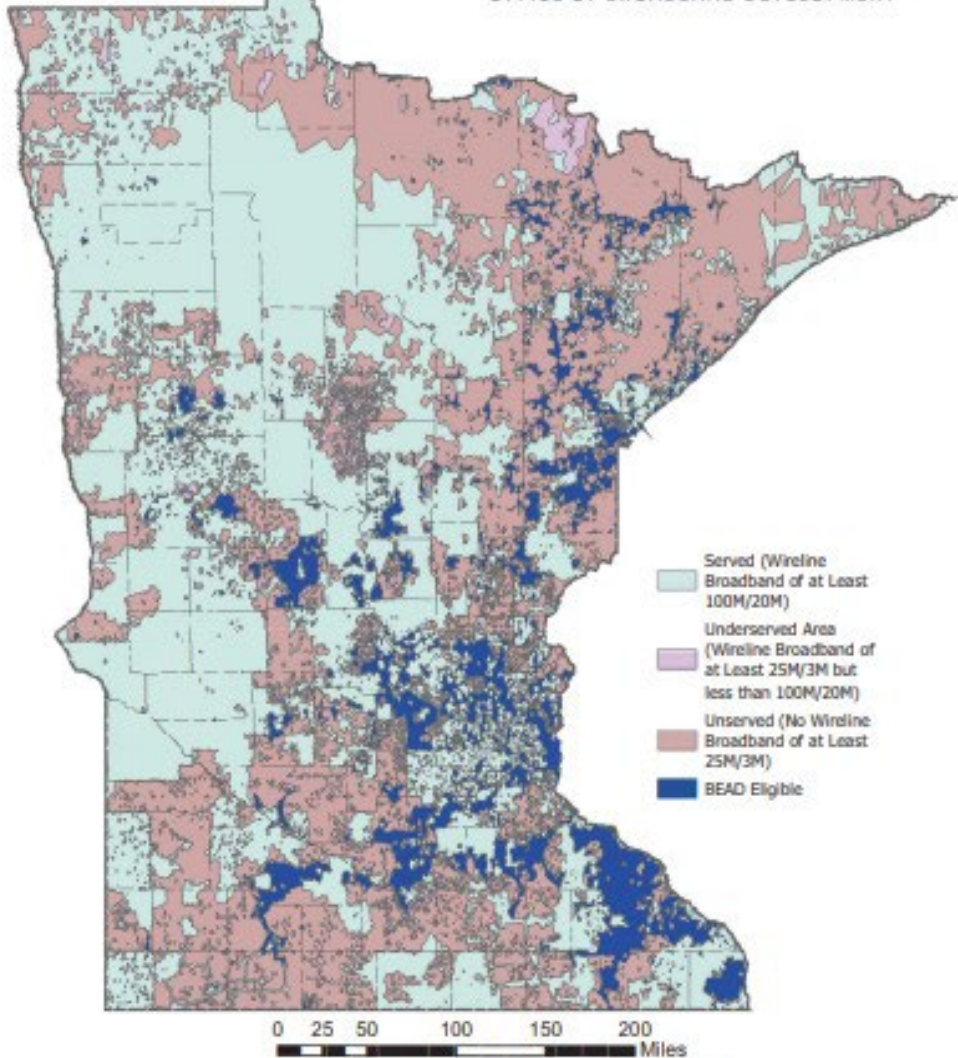
- Established by state legislature in 2013
- 14 staff located throughout Minnesota
- Programs:
  - Border-to-Border Broadband Development Grant Program
  - Low-Density Broadband Development Grant Program
  - Line Extension Program
  - IJJA: BEAD
  - IJJA: Digital Equity Act

# Minnesota's Unmet Needs

## Minnesota BEAD Eligibility



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### Numbers from December 2024

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

Estimated Number of BEAD eligible locations: 81,000

### State Statutory Broadband Goals:

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

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

### Numbers from November 2023

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

# CTC Cost Analysis Report

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

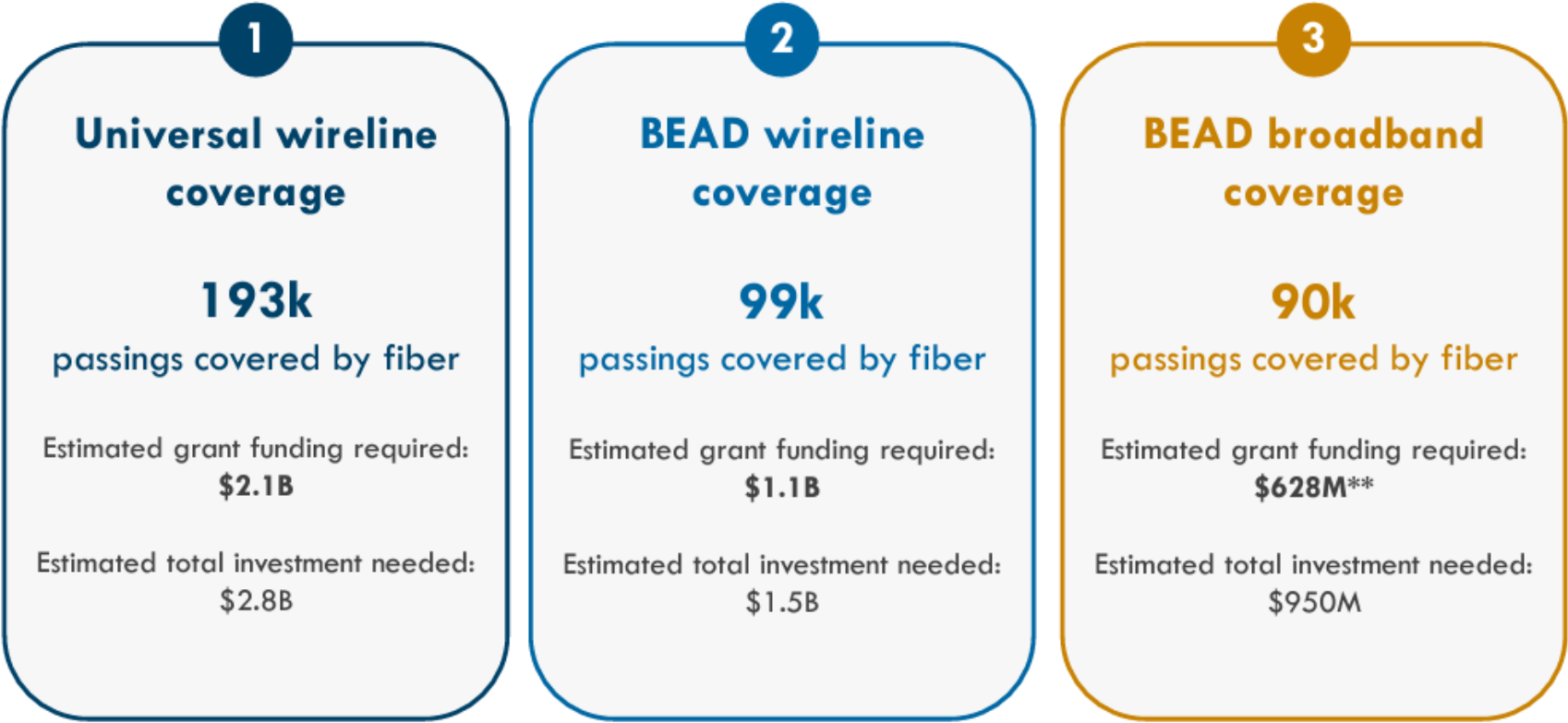
# CTC Broadband Cost Analysis Report, Goals

## GOALS FOR THE BROADBAND INFRASTRUCTURE COST GAP ANALYSIS

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

# CTC Broadband Cost Analysis Report, Findings

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



\*Granular cost breakdowns by CBG-based analysis areas are attached in the cost data file. Note that the statewide estimates above reflect the cable expansion model discussed in the previous slide. We find that in Minnesota the economics of deployment will, in general, likely be similar to a cable expansion model, and thus the cable expansion estimate (typically, the middle-cost model) represents the most reasonable baseline for statewide analysis and comparison.  
\*\*\$628 million represents the state's total BEAD funding allocation minus administrative expenses.

# Minnesota's Border-to-Border Grant Programs

## Border-to-Border & Low Population Density

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

## Line Extension

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



# B2B 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>	\$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**

# Line Extension Connection Program

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

## Round 3 updates

- Bids received for **1,639 locations** for **\$13.4M** with **\$7.55M available**
- Currently in the contracting phase & finalizing some provisional awards

# IIJA - Federal Funding

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

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

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

Minnesota's BEAD allocation is \$651,839,368  
About 81,000 locations are eligible for BEAD funding  
Current federal guidance provides **four years to expend the funds** once our final plan is approved.

## Digital Equity (or DE) Program

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

# Broadband Equity, Access and Deployment (BEAD)

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

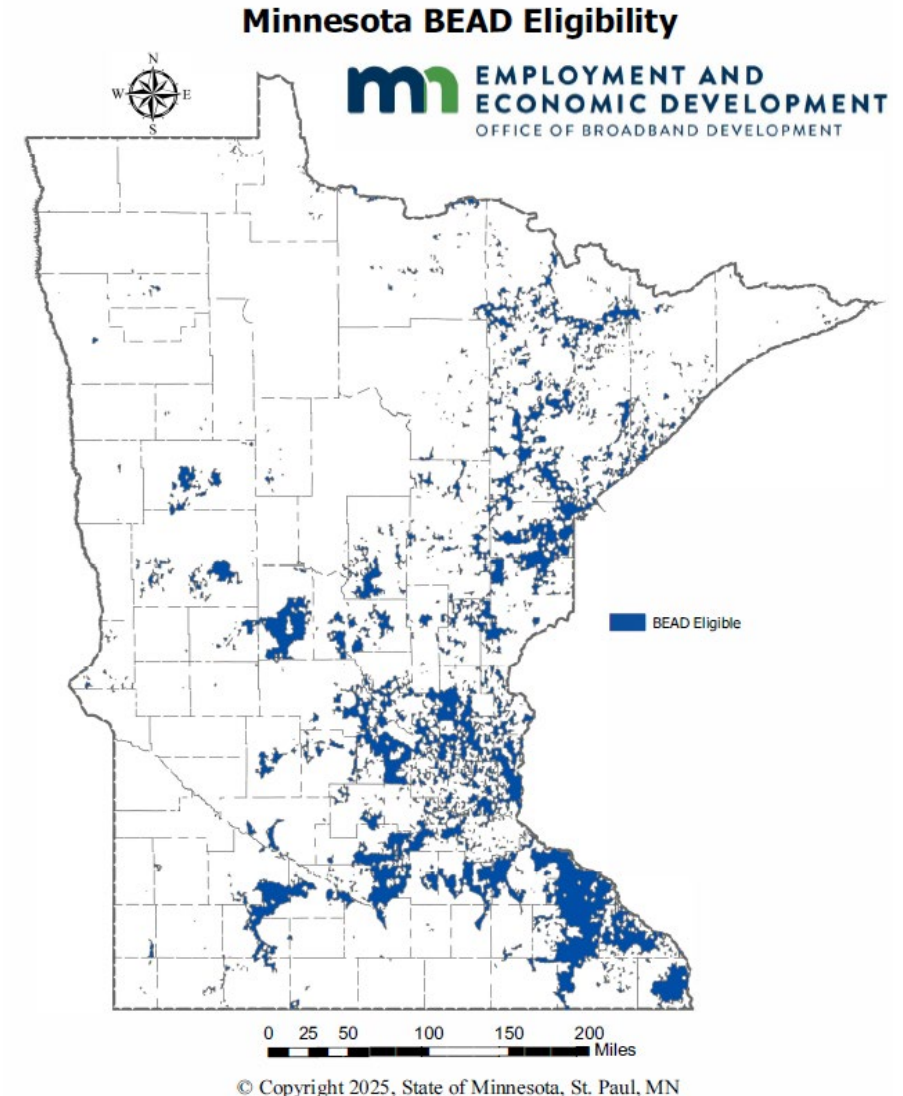
Priorities that the Initial Proposals must meet:

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

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

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

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



# BEAD in MN (all future dates are tentative)



# NTIA approval of the final list of BEAD eligible locations

- List sent to NTIA on December 18, 2024
  - Result of BEAD Challenge Process
  - Deduplication
- Curing the list of BEAD eligible locations with NTIA is ongoing
- Unsure of time for NTIA approval but timeline uses mid-February 2025 (dates may need to shift if NTIA approval is delayed)
- ONLY those locations on NTIA-approved list of BEAD eligible locations will qualify for BEAD funding
- OBD must show that all locations on list of BEAD Eligible Locations will receive some type of broadband service with speeds of 100/20 (fiber, coax, DSL, fixed wireless, unlicensed fixed wireless, low earth orbiting satellite)

# Pre-Qualification Process—draft documents posted

- Pre-qualification questions are based on information required by NTIA
- Conducting the pre-qualification process in advance of the BEAD application window opening achieves two purposes:
  - **Saves expense and effort by potential applicants.** Potential applicants can submit the required documentation and receive a determination as to whether they meet all NTIA requirements prior to spending time and money to prepare any project applications
  - **Saves time under the very tight timelines allowed by NTIA.** OBD only has 365 days from approval of the Vol. 2 to submit the Final Proposal and the project application window cannot open until NTIA approves the final list of BEAD eligible locations so that projects can be designed and engineered.

# Subgrantee selection

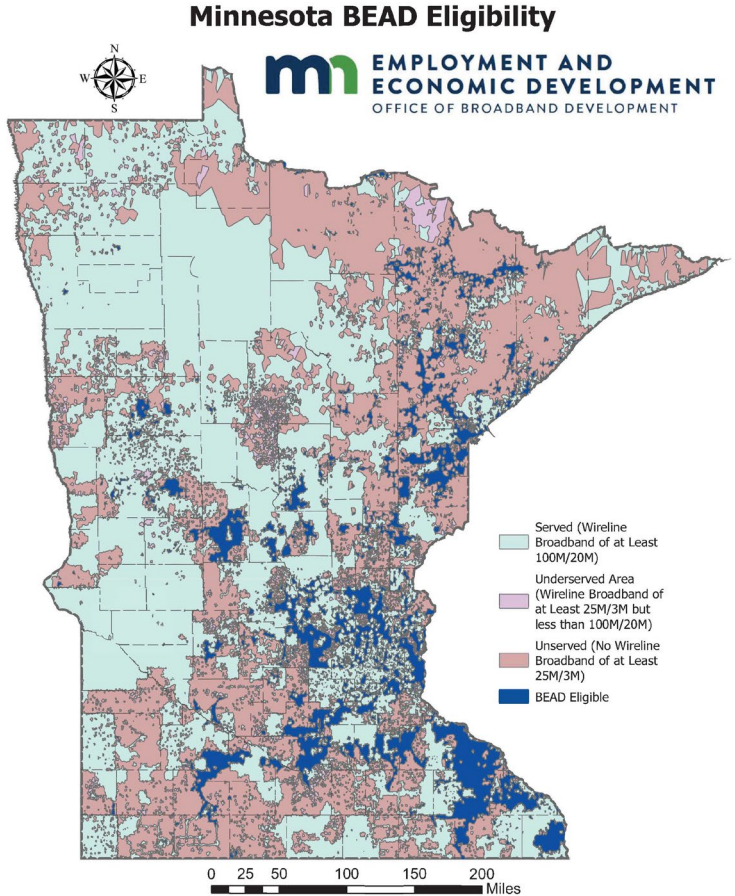
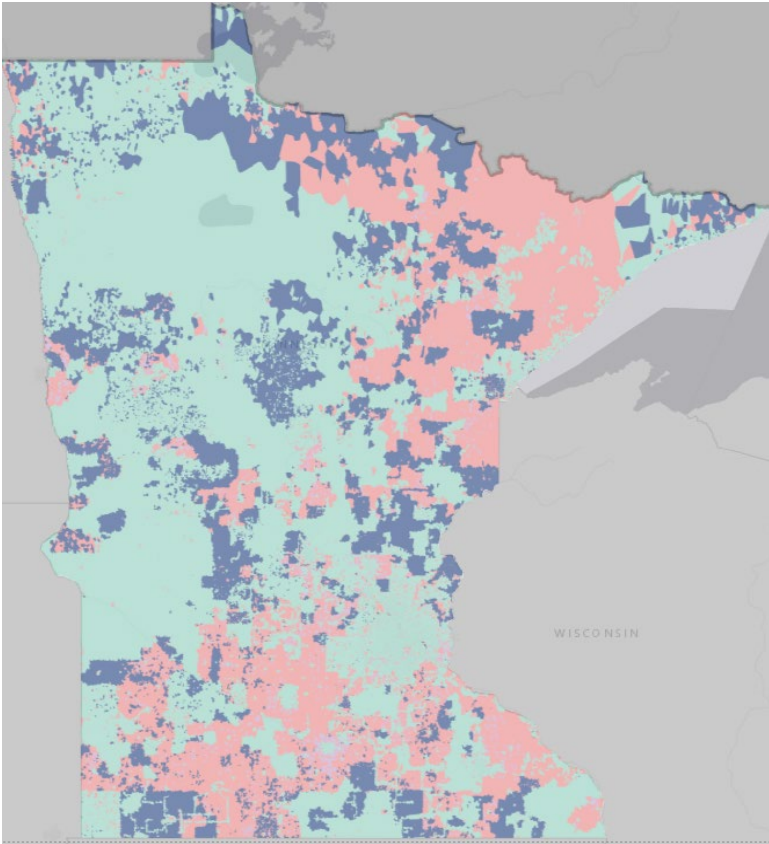
Upon NTIA approval of final list of BEAD eligible locations, OBD will begin the three rounds of subgrantee selection per its NTIA-approved Initial Proposal Volume 2.

- **Round 11a\*--Planned application window March 10-April 7**
  - The focus will be on Priority (fiber) Broadband Projects and applicants will be able to select their project areas.
- **Rounds 11b\*--Planned application window April 23-May 21**
- **Round 11c\*--Planned application window June 19-July 10**
  - For both 11b and 11c, OBD will define project areas and applicants can submit projects for both Priority (fiber) and Non-Priority (alternative technology) Projects.
- **July 10-October 3:** OBD finalizes list of selected subgrantees, DEED Commissioner approves, meet with NTIA to review, post for Public Comment, Submit Final Proposal

\*Calling the subrounds 11a, 11b and 11c to help differentiate from prior B2B grant rounds.



# 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

# After the Final Proposal is Submitted

- Final Proposal due October 3, 2025—uncertain how long for NTIA approval
- Once NTIA approves, OBD can enter contracts with selected subgrantees
- Subgrantees **MUST** have all permits approved before any construction can begin, per NTIA requirements
- OBD will reimburse for eligible expenditures back to the date of the RFP (not the date of the fully executed contract) to encourage subgrantees to begin final design, equipment ordering, permit applications. etc., as soon as possible.
- Subgrantees have **four years** from date of fully executed contract to complete construction (possibility of a one year extension).

# Additional resources

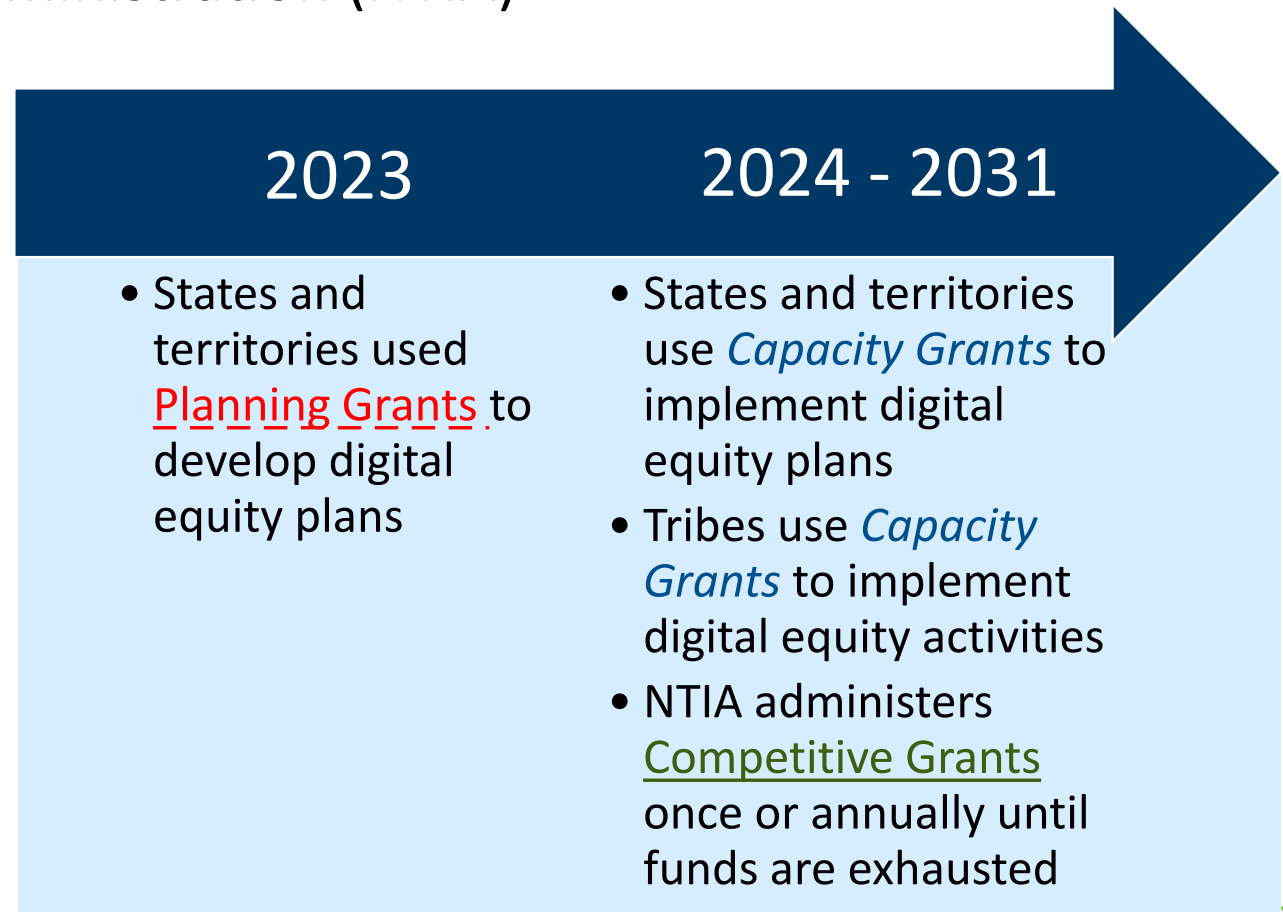
## OBD weekly office hours on **Tuesdays at 11am, January 14—April 1, 2025.**

These will be a time for OBD to provide updates and answer questions on the federal programs. You can register for office hours through the links below, and on the [OBD BEAD webpage](#). Office hours will not be recorded, unless otherwise noted, but materials from each week will be posted online.

- January 14, [register here](#)
- January 21, [register here](#)
- January 28, [register here](#)
- February 4, [register here](#)
- February 11, *Instead of office hours, OBD will be offering in collaboration with the Department of Labor and Industry (DLI) a webinar on the new Safety-qualified Underground Telecommunications Installer Program. [Register here](#) to attend and visit the [DLI webpage](#) to learn more about the program.*
- February 18, [register here](#)
- February 25, [register here](#)
- March 4, [register here](#)
- March 11, [register here](#)
- March 18, [register here](#)
- March 25, [register here](#)
- April 1, [register here](#)

# Digital Equity Act: The Basics

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



# MN's Digital Equity Capacity Grant

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

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

# Future Opportunities

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

# Contact

- Visit [OBD's BEAD website](#)
  - Materials and resources for the federal BEAD program in Minnesota
  - BEAD FAQ
- Sign up for email updates on from OBD [here](#)
- Contact us at [deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us) or 651/259-7610

## Questions?