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## Content

**100** Replacements  
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# Minnesota's Initial Proposal Volume 2

DRAFT. Submitted to NTIA on December 22, 2023.

Broadband Equity, Access, and Deployment (BEAD) Program



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## Requirement 1: Objectives

*2.1.1 Outline the long-term objectives for deploying broadband; closing the digital divide; addressing access, affordability, equity, and adoption issues; and enhancing economic growth and job creation. Eligible Entities may directly copy objectives included in their Five-Year Action Plans.*

### 2.2 Goals and Objectives

Minnesota first set forth a vision for broadband in legislation passed in the 2008 session that recognized that all citizens should have the necessary access to broadband service for sending and receiving data. Details were left to be developed by a Broadband Task Force created in that same law. The November 2009 report of the Ultra High-Speed Broadband Task Force, a legislatively created body of 23 members, representing a cross section of organizations that had an interest or a stake in broadband deployment, laid out a path to high-speed internet access for all Minnesotans. That path included recommendations to set initial speed goal targets; implement policies and actions necessary to achieving ubiquitous broadband access (lead, incent, measure, evaluate); create opportunities for public and private sectors to cooperate; establish a broadband advisory council; conduct ongoing evaluation of strategies, financing and incentives used in other states and countries; evaluate to ensure reliability; recognize economic development opportunities; and evaluate the benefits of broadband access to organizations.

Since that initial Task Force report submission, Minnesota has implemented several of the recommendations, either in law or by Executive Order, including the establishment of broadband speed goals, a mapping program with ongoing funding to measure progress, the creation of an Office of Broadband Development (OBD) located in the state's Department of Employment and Economic Development (DEED), a broadband infrastructure grant program reviewed annually by the legislature, and a Governor's Task Force on Broadband. The focus when implementing the recommendations has stayed true to the initial reason for creating the Task Force in 2008: how to get all residents and businesses connected.

The first policy recommendation of the Ultra High-Speed Broadband Task Force adopted into law was for the establishment of goals around the ubiquitous access to a broadband connection. The first round of goals adopted by the legislature happened in 2010. At the time, the speed goal was set for all homes and businesses to have access to 10-20 Mbps download by 5-10 Mbps upload by the year 2015. The 2015 task force reviewed the progress toward these goals and determined that, while progress had been made (91.45% state-wide and 80.16% rural), there was still a significant gap in access.

New goals were proposed and adopted in 2016 that revised the speeds and extended the timeline. The resulting 2016 law set a deadline of 2022 to achieve universal access to 25 Mbps download by 3 Mbps upload, and another deadline of 2026 to achieve universal access to 100 Mbps download by 20 Mbps upload. The statute also highlights competitive goals for being among the top states when it comes to broadband access and use. That broadband speed goal was, and remains, Minnesota's objective for broadband infrastructure deployment.

#### 237.012 BROADBAND GOALS.

##### Subdivision 1. Universal access and high-speed goal.

It is a state goal that:

(1) no later than 2022, all Minnesota businesses and homes have access to high-speed broadband that provides minimum download speeds of at least 25 megabits per second and minimum upload speeds of at least three megabits per second; and

(2) no later than 2026, all Minnesota businesses and homes have access to at least one provider of broadband with download speeds of at least 100 megabits per second and upload speeds of at least 20 megabits per second.

## Subdivision 2. State broadband leadership position.

It is a goal of the state that by 2022 and thereafter, the state be in:

- (1) the top five states of the United States for broadband speed universally accessible to residents and businesses;
- (2) the top five states for broadband access; and
- (3) the top 15 when compared to countries globally for broadband penetration.

Minnesota's state law goals address the infrastructure portion of closing the digital divide; the digital equity piece for closing the digital divide will be addressed in Minnesota's Digital Opportunity report which is currently under review by NTIA. While the BEAD Initial Proposal addresses the infrastructure access objective and portions of the affordability and enhancing economic growth and job creation by the very fact that the BEAD Initial Proposal, combined with the prior state and Capital Projects Funding used for broadband deployment, addresses broadband infrastructure availability, additional objectives related to affordability, equity, adoption, enhancing economic growth and job creation are necessarily a part of the state's Digital Opportunity Plan as these components go beyond making broadband infrastructure available, which is the priority of BEAD. Minnesota's reliance on both the BEAD program and the Digital Equity Program to comprehensively address the objectives outlined by NTIA meets the stated intent of BEAD, which has as its first two priority uses deployment of service to all unserved locations and, if an eligible entity has sufficient funds remaining, then deployment of service to underserved locations and NTIA's intent that the BEAD NOFO and the Digital Equity NOFO are to be viewed "holistically as complementary efforts aimed at a singular, unified objective of closing the digital divide."

## Requirement 2: Local, Tribal and Regional Broadband Planning Processes

*2.1 Identify and outline steps that the Eligible Entity will take to support local, Tribal, and regional broadband planning processes or ongoing efforts to deploy broadband or close the digital divide. In the description, include how the Eligible Entity will coordinate its own planning efforts with the broadband planning processes of local and Tribal Governments, and other local, Tribal, and regional entities. Eligible Entities may directly copy descriptions in their Five-Year Action Plans.*

Minnesota has had a long history of engaging with partners and stakeholders at OBD, through the Governor's Task Force on Broadband (both by its membership and the public comment period held at each meeting) and through the legislative process. Over many years, OBD has engaged in countless meetings with various partners and stakeholders to ensure the infrastructure grant program is addressing the needs of providers and communities (See Appendices 7.1 and 7.2 in the Five-Year Action Plan). Prior to the Border-to-Border Broadband Infrastructure Grant Program being initially stood up in statute, meetings were held across the state over the winter of 2013-2014 to gather input on how a grant program should look. The result was the Border-to-Border Broadband Infrastructure grant program created in statute in 2014. The Governor's Task Force on Broadband has annually reported to the legislature on recommended policy changes for addressing broadband needs in the state. The Minnesota Legislature has annually reviewed the program and made program modifications in several years—based on input from the Governor's Task Force on Broadband and community input to legislators-- along with approving funding. As examples, in 2016, the broadband goals were updated, funding was specified for projects in low-income areas, and a challenge process was added. In 2022, two new programs were created, the Line Extension Connection program and the Lower Population Density program; the first to fund extensions of high-speed broadband service to locations within close proximity to existing fiber and the second to allow for funding up to 75 percent of eligible project costs.

OBD would also note that tribal engagement has been ongoing since 2010. In Minnesota, that has occurred through tribal membership on the Governor's Task Force on Broadband, presentations to the Minnesota Indian Affairs Council, as well as tribal consultations by DEED's tribal liaison and Commissioner. Tribal Internet Service Providers (ISPs) have also

been recipients of Border-to-Border Broadband Infrastructure grant funding directly (Fond du Lac Band of Lake Superior Chippewa and Bois Forte Reservation); as well as; Border-to-Border Broadband Infrastructure grant projects on tribal lands included in projects submitted by private providers with tribal support (White Earth Nation, Red Lake Reservation, Mille Lacs Band of Ojibwe, and Leech Lake Band of Ojibwe).

With the addition of a Community Engagement and Special Projects Coordinator position, OBD will continue to meet with providers and communities to explain the existing grant programs, the funding mechanisms, provide technical support, and listen to concerns. To the extent the suggestions require statutory changes, OBD will connect the provider or community to the Governor's Task Force on Broadband for its consideration as a policy recommendation to the legislature, and/or directly to legislators for their consideration in a future session. Because the program is grounded in statute, changing the program framework does require a change in law during Minnesota's relatively short legislative sessions. The 2024 session is the only one remaining to inform and direct the BEAD proposal and is scheduled to start February 12, 2024, and likely conclude by mid-May.

## Requirement 4: Local Coordination

*2.3.1 Describe the coordination conducted, summarize the impact such impact has on the content of the Initial Proposal, and detail ongoing coordination efforts. Set forth the plan for how the Eligible Entity will fulfil the coordination associated with its Final Proposal.*

The Minnesota Office of Broadband Development was created in statute in 2013 and, following a series of public listening sessions in late 2013 and early 2014, the Minnesota legislature created the Border-to- Border Broadband Development grant program. Over the years, that program has been revisited and revised through review by the Office of Broadband, recommendations of the Governor's Task Force on Broadband, and statutory modifications by the Minnesota Legislature, all based on input from the many stakeholder groups having an interest in broadband. Two of the most recent modifications to the program occurred in 2022 with the addition of a Lower Population Density program and a Line Extension Connection Program.

Information on Minnesota's broadband programs is available on the OBD website, printable flyers, handouts, newsletters, webinars, in-person meetings, and regular attendance at annual conferences or meetings held by groups such as the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota Township Association, the Minnesota Telecom Alliance, the Minnesota Cable Communications Association, and the Minnesota Indian Affairs Council. Since the IJA passed, and with the further details available in the BEAD NOFO, OBD's continuous and ongoing outreach since November 2021 has incorporated the most recent information available on BEAD funding for broadband infrastructure. For example, in Spring 2023, OBD staff participated in all the Minnesota Association of Township regional training sessions for new township officers and clerks by hosting a session at all fifteen meetings around the state. In the late Summer/early Fall of 2023, OBD held listening sessions for its Digital Opportunity Plan and staff working on broadband infrastructure were in attendance at those sixteen meetings held across the state.

Minnesota has had a broadband infrastructure grant program since 2014. The first six grant rounds were funded with state general fund revenues, grant rounds 7 and 8 in 2022 and 2023 were conducted with federal American Rescue Plan Act (ARPA) Capital Projects Fund (CPF) funding and state general revenue funding. On October 9, 2023, round 9 was launched with \$50 million in state general revenue funding. Specific to just the grant program, OBD has ongoing and continuous outreach activities with the success of that outreach evident by the fact that each round of the grant program has been oversubscribed by a factor of three to four times of funding available.

The Local Coordination Tracker Tool, included as an attachment, is provided as documentation of the outreach conducted by OBD within the past year. Minnesota's Five-Year Action Plan contains documentation of outreach activities that have occurred dating back to 2014.

As documented in the tracker tool and above, OBD does not rest on the past historic success of its broadband

infrastructure grant programs. Rather, the historic success of those programs is dependent on ongoing outreach, feedback from all stakeholders and partners, and continuous improvement in how we manage and operate the program within the statutory parameters. Just as we have when managing state general revenue and ARPA Capital Projects Funding to ensure efficient allocation of public funding for broadband infrastructure deployment, OBD will, as it has in the past ten years, continue to engage with our stakeholders to make sure that the BEAD funding maximizes the objective of having broadband service deployed to all unserved and underserved locations, modified as required by NTIA for approval. This will include the ongoing discussions and negotiations with communities and providers to ensure that BEAD funding, by the best effort possible by OBD, is awarded to all unserved locations before awarding any remaining BEAD funding for deployment to underserved locations.

2.3.2 *Describe the formal tribal consultation process conducted with federally recognized Tribes, to the extent that the Eligible Entity encompasses federally recognized Tribes. If the Eligible Entity does not encompass federally recognized Tribes, note "Not applicable."*

Minnesota is home to 11 federally recognized Tribes and formal tribal consultations between the Department of Employment and Economic Development occur on a regular basis, with broadband specifically included as a topic for consultations as information regarding BEAD has been released by NTIA. Additionally, DEED's Commissioner and DEED's Tribal Liaison attended in-person tribal consultations covering topics of relevance between the Tribes and DEED, with an emphasis and overview on broadband and BEAD funding beginning in the summer of 2023. Tribal consultations were scheduled and held with the eight tribes that responded positively to DEED's Tribal Liaison's request to meet. Despite at least three attempts by DEED's Tribal Liaison to schedule tribal consultations with the remaining three Tribes, such requests did not receive a response. NTIA should know that such an outcome is not unusual as Tribal entities are sovereign and in the best position to determine whether a consultation with DEED is desirous or of benefit to them. DEED has no ability to force a consultation, nor out of respect for the Tribe would DEED ever attempt to do so. The attachment provides the required documentation for those Tribal consultations that were conducted. Documentation of those consultations are included in the Initial Proposal as a separate attachment.

2.3.2.1 *As a required attachment only if the Eligible Entity encompasses federally recognized Tribes, provide evidence that a formal tribal consultation process was conducted, such as meeting agendas and participation lists. ATTACH*

## **Requirement 8: Deployment Subgrantee Selection**

2.4.1 *Describe a detailed plan to competitively award subgrants to last-mile broadband deployment projects through a fair, open, and competitive process.*

Minnesota will use the framework for its Border-to-Border Broadband grant program to award BEAD funding, as required by state law. Should selected subgrantees be included in the Final Proposal submitted and approved by NTIA end up not executing a final contract with the state, or abandoning a project prior to completion, Minnesota would propose to re-award any unused or returned BEAD funding through additional grant rounds such that all of Minnesota's BEAD allocation will be used for broadband infrastructure projects to unserved and underserved locations.

2.4.2 *As a required attachment, submit the scoring rubric to be used in the subgrantee selection process for deployment projects. Eligible Entities may use the template provided by NTIA, or use their own format for the scoring rubric. PUT RUBRIC IN AS ATTACHMENT; INCLUDE A TABLE SHOWING RUBRIC*

The BEAD Grant program will follow Minnesota grant process selection guidelines, which includes the issuance of a Request for Proposal, an application submission, a post application challenge process, and awards. Because the intent of BEAD is to get broadband infrastructure into unserved, and then underserved locations, if a single application is submitted to serve eligible locations, that application will be awarded upon demonstration that the applicant meets the technical, managerial, operational and financial capabilities to construct and operate the proposed broadband

infrastructure. A scoresheet will only be used if a decision needs to be made between more than one application submitted for the same eligible locations. In that event, the scoring rubric as required by NTIA will be implemented and is included and attached.

The RFP that will be used to select subgrantees is as follows:

## **Call for BEAD Applications**

### **Program Description and Background**

In order to continue to promote broadband infrastructure expansion for areas of Minnesota that remain unserved or underserved, public sector investment is necessary. The Broadband Equity, Access and Deployment Program was created under the Infrastructure Investment and Jobs Act (IIJA) and signed into law in November 2021. Pursuant to Minnesota Law directing that all IIJA funding received by Minnesota flow through the Border-to-Border grant program, and the Office of Broadband Development at the Minnesota Department of Employment and Economic Development being designated Minnesota's Eligible Entity for purposes of BEAD funding, the State of Minnesota, Department of Employment and Economic Development (DEED) has the authority to select subgrantees to construct broadband infrastructure to unserved and, if funding is available, underserved, locations in the State of Minnesota, subject to NTIA approval in a Final Proposal submitted to NTIA.

### **Funding Availability for BEAD**

The funding available to be awarded to selected Grantees will be approximately \$626 million. Funding will be awarded under either the Border-to-Border Broadband Development Grant Program where up to 50 percent of eligible costs can be reimbursed, or under the Lower Population Density Program, where up to 75 percent of eligible costs can be reimbursed. Applicants can elect which program to apply under based on the reimbursement percentage necessary to construct broadband to eligible locations. For both programs, by state law, a single project cannot request more than \$10 million in grant funding, however, there is no limit on the number of applications a single applicant can submit. Where more than one application proposes to serve eligible locations, priority consideration will be given to projects that receive the most points under the NTIA mandated BEAD scoring rubric created by OBD.

### **Eligible Applicants**

Eligible applicants for this program are an incorporated business or partnership, a political subdivision, an Indian tribe, a Minnesota nonprofit organization organized under chapter 317A, a Minnesota cooperative association organized under chapter 308A or 308B, or a Minnesota limited liability corporation organized under chapter 322C for the purpose of expanding broadband access.

### **Eligible Locations**

Broadband development projects must include only locations identified as eligible for BEAD funding following the BEAD Challenge process. Generally, locations lacking a Reliable Broadband Service at speeds of at least 25Mbps download and 3Mbps upload are considered unserved; and locations lacking a Reliable Broadband Service at speeds of at least 25Mbps download and 3Mbps upload but not at or above 100Mbps download and 20Mbps upload are considered underserved. For purposes of BEAD, NTIA has defined Reliable Broadband Service as service delivered over a wireline broadband facility (cable modem, coax, fiber) or fixed wireless over licensed spectrum, fixed wireless over licensed by rule spectrum or a hybrid licensed or licensed by rule spectrum and unlicensed spectrum.

### **Eligible Program Costs**

The Broadband Development Grant Program can pay up to 50% of the total costs for a qualifying project. The Lower Population Density Program can pay up to 75% of the total costs for a qualifying project. Eligible costs refer to the costs associated with the acquisition and installation of middle mile and/or last mile infrastructure that can support



broadband service to speeds of at least 100 Mbps down and 20 Mbps up, scalable to 100 Mbps down and 100 Mbps up.

### **Matching Funds Requirement**

To obtain a Broadband Development Grant, the applicant must provide for the funding not covered by the grant with matching funds. The match can come from any private and/or public sources that allow for such use and are available to the applicant. The state grant funding period begins after the grant application is received, evaluated, and officially approved by the DEED Commissioner with an award letter and approval by NTIA in Minnesota's Final Proposal for BEAD. Upon NTIA approval of Minnesota's Final Proposal, the state will execute grant contract agreements with the approved subgrantees.

### **Required Pre-Application Outreach to Other Providers**

Minnesota Law 116J.395, subd. 5(9) requires that an application include evidence that no later than six weeks before submission of the application the applicant contacted, in writing, all entities providing broadband service in the proposed project area to ask for each broadband service provider's plan to upgrade broadband service in the project area to speeds that meet or exceed the State's broadband speed goals in section 237.012, subd. 1, within the time frame specified in the proposed grant activities. The application is also to include the broadband providers written responses. This means that the required notification to other providers must be completed by month/day, 2024, for an application to be submitted by the last day of the filing window of month/day, 2024. (NOTE dates will change for each subgrantee selection round.) This requirement is in statute and cannot be waived; an application that does not contain the necessary information will not be considered for funding.

### **Minnesota Government Data Practices Act**

Under Minn. Stat. § 13.599:

- Names and addresses of grant applicants and the amount requested will be public data once proposal responses are opened.
- All remaining data in proposal responses (except trade secret data as defined and classified by § 13.37) will be public data once OBD has completed negotiating all grant contract agreements with the selected subgrantees.
- All data created or maintained by OBD as part of the evaluation process (except trade secret data as defined and classified in § 13.37) will be public data once OBD has completed negotiating all grant contract agreements with the selected subgrantees.

### **Selection Criteria**

Applications will be reviewed by Office of Broadband Development staff. If an applicant meets all gating criteria, including demonstrating the financial, managerial, technical and operational capability to build and operate a broadband network, and is the only applicant for identified eligible locations, it will be included as a recommended subgrantee in Minnesota's Final Proposal submitted to NTIA for approval. If there is more than one applicant to serve eligible locations, the NTIA approved scoring rubric will be used to select the subgrantee to serve those locations and included in Minnesota's Final Proposal submitted to NTIA for approval.

### **Application Window and Deadlines for 2024 Subgrantee Selection**

The Minnesota BEAD Broadband Grant Program is a grant award cycle for federal BEAD funding conducted by DEED under the IJA, and a Notice of Funding Opportunity and guidelines issued by NTIA. The subgrantee selection process for the Minnesota BEAD Broadband Grant Program will begin with an initial application round beginning on month/day, 2024. The Grant Application can be found on DEED's website <https://mn.gov/deed/programs-services/broadband/XXX> under "BEAD Application Process" tab.

***All applications for Round 1 must be submitted to DEED on or before the application deadline of month/day, 2024, no***

### ***later than 1:30 p.m. Central Time***

Applications MUST be COMPLETED and SUBMITTED via DEED's Grants Management System on or prior to 1:30 p.m. Central Time on month/day, 2024, to be deemed eligible for funding. The Grants Management System will require an Organization Representative who has contract signing authority for grant contracts with the State of Minnesota to register themselves and their organization in the online Grants Management System as a new user. Once the registration has been approved by DEED, the registrant will have access to log into the Grants Management System and apply for the grant opportunity. Grant opportunities are listed under My Opportunities on the user's dashboard once they are logged in. The window for registering new users and completing applications begins on month/day, 2024. To comply with Pre-Application Outreach requirement, the window to *submit* your completed application will begin month/day, 2024. The instructions to accessing and completing and submitting your application via the DEED's Grants Management System will be located on the same Office of Broadband Development (OBD) web page as above: <https://mn.gov/deed/programs-services/broadband/XXX>

Announcement of subgrantees selected for award and inclusion in Minnesota's Final Proposal is anticipated in Fall 2024, and awards will have contract end dates no later than four years from the date of the fully executed contract.

### **Application Information Sessions**

OBD is hosting an online webinar on Mo, 2024, at TIME via TEAMS. Registration will be required, register here: [Webinar Registration](#)

In the webinar, staff will provide background on the BEAD Broadband Infrastructure grant program, walk through the application requirements, and give an overview of the application process utilizing DEED's Grants Management System. At the end of the session, there will be time for questions. While not required, prospective applicants are encouraged to participate in the information session. A recording of the session along with questions and answers from the webinar will be posted under the Applicant Resources tab of the OBD webpage. <https://mn.gov/deed/programs-services/broadband/XXX>

### **Important Deadlines**

- **XXX, 202X** – DEED's Grant Management System opens to applicants
- **XXX, 202X** –Broadband Grant Round 9 Webinar
- **XXX, 202X** – last day to notify existing providers of applicant's intent to file an application [required by Minn. Stat. 116J.395, subd. 5(9)]
- **XXX, 2024** – first day an applicant may submit a completed application in DEED's Grant Management System based on when they completed their pre-application notification
- **XXX, 202X** – window closes so completed applications must be submitted in DEED's Grant Management System by **1:30 p.m. Central Time** (*note time change from previous grant rounds*)
- **XXX, 202X** – state challenge process begins
- **XXX, 202X** – challenge process ends at 4:00 pm Central Time
- **XXX 2024** – subgrantee selections for inclusion in the Final Proposal are anticipated to be announced
- **TBD**--projects need to be completed (four years from date of fully executed contract)

### **Contact Information**

For more information, consult our website, under BEAD Broadband Grant Program – Application Process tab. Questions

should be submitted to [deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us) and will be included in the FAQs posted on the website. Questions may be asked until the submission deadline of 1:30 p.m. central time on XXX, 2024.

For technical assistance for the Grants Management System, contact: Grants System Administrator Email: [GMS.DEED@state.mn.us](mailto:GMS.DEED@state.mn.us).

Individuals with disabilities who need alternative formats can contact DEED at 651-259-7578 for assistance.

## Grant Application

### GRANT PROGRAM: GENERAL INFORMATION AND SPECIFICS

#### Introduction

In order to continue to promote broadband infrastructure expansion for areas of Minnesota that remain unserved or underserved, public sector investment is necessary. The Border-to-Border Broadband Development Grant Program was initially established by the 2014 legislature to assist with costly deployment projects that might not occur without public financial assistance. The Lower Population Density Pilot Program was created by the legislature in 2022 and made a continuing program by the legislature in 2023. Pursuant to Minnesota Statutes §§ 116J.394-116J.398, and by being designated Minnesota's Eligible Entity for BEAD funding, the State of Minnesota, Department of Employment and Economic Development (DEED) has the authority to award grants to assist broadband providers with eligible infrastructure installation costs, subject to final approval by NTIA.

#### Funding Availability Under BEAD

The funding available to be awarded to selected Grantees will be approximately \$626 million for the BEAD funding rounds .

For the Border-to-Border Broadband Development Grant Program, the maximum individual grant amount is \$10 million. This was increased from \$5 million by the legislature in 2023. The maximum grant funding award cannot exceed 50% of the eligible total project costs.

For the Lower Population Density Broadband Development Grant Program, the maximum individual grant amount is \$10 million, and the grant funding award cannot exceed 75% of the eligible total project costs.

#### Eligible Applicants

Eligible Applicants must be one of the following:

Incorporated business or partnership

A political subdivision

An Indian tribe

A Minnesota nonprofit organization organized under chapter 317A,

A Minnesota cooperative association organized under chapter 308A

A Minnesota cooperative association organized under chapter 308B

A Minnesota limited liability corporation organized under chapter 322C for the purpose of expanding broadband access

#### Eligible Project Areas

Broadband development projects located in unserved or underserved areas are eligible. An unserved area is an area of Minnesota in which households or businesses lack access to Reliable Broadband Service at speeds that meet NTIA's threshold of 25 megabits per second (Mbps) download and 3 megabits per second (Mbps) upload. An underserved area is an area of Minnesota in which households or businesses do receive service at or above the threshold of 25 Mbps down and 3 Mbps up but lack access to Reliable Broadband Service at speeds of 100 Mbps download and 20 Mbps upload.

An applicant can submit multiple project applications, but the same project may not be submitted to both the Border-to-

Border program and the Lower Population Density program. For example, an applicant can submit Project A and Project B to Border-to-Border and submit Project C to Lower Population Density. Applications for the same project submitted to both programs will be ineligible.

#### Eligible Program Costs

The Broadband Development Grant Program can pay up to 50% of the total costs for a qualifying project. The Lower Population Density Broadband Development Grant Program can pay up to 75% of the total costs for a qualifying project. Eligible costs refer to the costs associated with the acquisition and installation of middle mile and/or last mile infrastructure that can support broadband service to speeds of at least 100 Mbps down and 20 Mbps up, scalable to 100 Mbps down and 100 Mbps up.

Last mile infrastructure is broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-user customer's on-premises telecommunications equipment. Middle mile infrastructure is broadband infrastructure that links a broadband service provider's core network infrastructure to last mile infrastructure. Per NTIA's Notice of Funding Opportunity, applications that include middle mile infrastructure are allowed where deployment of the middle mile infrastructure is in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of an unserved service project or an underserved service project. Applications for middle mile infrastructure only are unlikely to meet requirements for BEAD funding.

Construction of broadband infrastructure may include the following: project planning; obtaining construction permits; construction of facilities – including construction of both middle mile and last mile infrastructure; equipment; and installation and testing of the broadband service.

#### Matching Funds Requirement

To obtain a broadband development grant, the applicant must provide for the funding not covered by the grant with matching funds. The match can come from any private and/or public sources available to the applicant. The state grant funding period begins after the grant application is received, evaluated, and officially approved by the DEED Commissioner with an award letter and executed contract.

Documentation to validate the availability of matching funds is required as part of the application.

IF REQUIRED BY NTIA: The applicant must also provide an irrevocable standby letter of credit (LOC) to the Eligible Entity (i.e., the 50 states, five territories, and the District of Columbia) before entering into a subgrantee agreement. The amount of the LOC must be no less than 25% of the subaward amount. The LOC may be issued by a U.S. bank with a safety rating issued by Weiss of 8 or better or by a U.S. credit union that is insured by the National Credit Union Administration and that has a credit union safety rating issued by Weiss of B or better; a performance bond equal to 100% of the BEAD subaward amount in lieu of a letter of credit, provided that the bond is issued by a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570. The amount of the letter of credit obligation can be reduced below 25% over time, or the amount of the performance bond reduced below 100% over time, upon a subgrantee meeting deployment milestones. The initial amount of the letter of credit or performance bond can be for 10% of the award amount during the entire period of performance since Minnesota issues funding on a reimbursable basis consistent with Section IV.C.1.b of the NOFO, if the applicant submits reimbursement for periods of no more than six months each.

If the application will have additional financial partners contributing to the matching funds, the application must also identify the financial partner(s) and documentation of the amount and availability of each partner's financial match. Points will be awarded to projects that have secured community partners who have contributed to the matching funds.

Note: If matching funds are federally-sourced wholly or in-part from funding such as ARPA–Local Fiscal Recovery Funds, CARES Act, etc., applicant will need to identify the program name and specific amount of those funds.

Eligible project expenses are those that are incurred starting with the date of NTIA approval of Minnesota's BEAD Final Proposal and ending at the conclusion of the grant project, or four years from execution date of , (whichever is earlier).

## GUIDE TO PREPARING A GRANT APPLICATION

Applications must be entered and submitted in DEED's Grants Management System. When using DEED's Grants Management System, the applicant will choose the "opportunity" they wish to apply for, Border-to-Border or Lower Population Density Program, and complete all required components in that module. The guide is to help you prepare an application for entry.

Applicants cannot submit the same project for both the Border-to-Border and Lower Population Density Programs and must choose one.

Border-to-Border Applications are covered by Sections 1-11

Lower Population Density Program Applications are covered by Sections 1-11, with two additional questions in Section 1.

In all application sections, provide concise and complete responses to all information requested. Accurate and comprehensive responses are required to receive the best possible scoring. The final application must provide necessary information to fully describe and document the broadband application proposal. Questions on the application should be addressed to [deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us)

Questions regarding DEED's Grants Management System can be address [GMS.DEED@state.mn.us](mailto:GMS.DEED@state.mn.us). Additionally, the Grants Management System Quick Start Guide can be found on the Applicant Resources tab on the broadband grants website.

### 1. Applicant Information

Provide Name, Title, Phone Number and Email Address for each of the following key individuals listed.

Primary Contact will be responsible for negotiation and execution of the grant contract if the project is awarded funding.

Project Manager will be the contact for grant administration details through the term of the grant if the project is awarded funding.

Application Author is the contact for questions regarding the grant application document and supporting documentation.

Financial Contact to confirm reimbursement and payment account information if the project is awarded funding.

Technical Expertise Statement: Provide a narrative statement detailing all the relevant technical expertise of the applicant and the applicant's specific prior experience in providing broadband services in Minnesota (and in other states, if applicable).

Organizational Capacity: Demonstrate the overall organization strength of the applicant to build, manage, and effectively operate the proposed broadband project, if approved. Documentation should identify key officers and management personnel with corresponding brief resumes. Organizational structure charts may also be submitted. It is important to provide a detailed description of how organizational strength pertains to level of broadband service delivery and service maintenance.

1.A Organizational Capacity File name for this upload should start with "1A" and include project identifying information. If file is confidential, "confidential" must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF so that you are only uploading one file.

Audited Financial Statements Demonstrate the overall financial viability of the applicant by providing the most recent audited financial statements. (Audited by a certified public accountant.) The financial statements may be identified and filed as "Confidential" and must be appropriately marked as confidential when submitted. Any confidential information should be identified as such following the attachment naming convention.

If applicant does not have audited financial statements, results from an independent audit may also be provided as supplemental detail, as well as the applicant's most recent year's federal tax return. If provided these documents should also be submitted and marked as confidential.

1.B Audited Financial Statements File name for this upload should start with "1B" and include project identifying information. If file is confidential, "confidential" must appear in the file name. Unless otherwise noted, all file module

uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF so that you are only uploading one file.

**Applicant Affidavit** The primary applicant must provide a signed, dated, and witnessed affidavit or resolution that shows official applicant support for, and approval of, the application as well as a commitment to provide the applicant's matching funding, commitment to offer service for at least five years and commitment and capacity to ensure adequate project administration and comply with all the contract terms.

**1.C Applicant Affidavit** File name for this upload should start with "1C" and include project identifying information. If file is confidential, "confidential" must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF so that you are only uploading one file.

If you are in the Lower Population Density application, the next two questions will be available and will only apply for the Lower Population Density (LD) Program.

### **Demonstrate the Need for the Lower Population Density Pilot Program Grant**

Explain and demonstrate the need to have the application considered under the Lower Population Density Pilot Program. Factors that the applicant may want to consider addressing include higher costs associated with construction to the lower population project area, cost per passing, the demand for service from homes and businesses in the project area that will guarantee a high take rate, and why this project should be funded over other applications submitted to the Lower Population Density Pilot Program.

Low-Density Fiber Route Map Lower Population Density Program applicants must include a map of the fiber route they intend to serve in PDF and Digital Geospatial file (.shp, .kml, .kmz)

**1.D Low-Density Fiber Route Map** (Save file name as: "1D Provider Name - Project Name" and upload)

Low-Density ONLY questions end. Remaining questions apply to both B2B and LD.

### **2. Executive Summary**

#### **Complete the Executive Summary**

Provide a brief executive summary narrative that incorporates a concise but comprehensive grant rationale for official reviewers of the overall project proposal including each of the following:

#### **Summary of project**

Narrative description of the geography and location of the project coverage. Include the proposed broadband passings and speed improvements anticipated in the event of project funding.

Describe the applicant's prior involvement in broadband technology implementation and how the applicant (and/or partners) intend to manage and sustain the project.

Describe how broadband improvements at the proposed location will advance the quality of life, address critical needs, and strengthen economic development opportunity in proposed project communities.

Describe why this project should be awarded a state broadband development grant.

### **3. Project Area Information**

#### **Description of Project Area**

Provide a short narrative paragraph describing the geographic coverage of the proposed project (a few sentences in length). If non-contiguous areas make up the proposed project area, indicate how many distinct areas there are.

#### **Maps of the Project Area**

##### **Include a PDF and Digital Geospatial Map of the Project Area**

A PDF and digital geospatial map (.shp, .kmz, or .kml file types) of a last mile project should include the service area boundaries and also include place names, boundaries, buildings/passing locations, road/street names or other features that clearly identify the project coverage area. For middle mile projects, the map should indicate the location of the middle mile facilities that will be placed.

3.A PDF Map of Project Area File name for this upload should start with “3A” and include project identifying information. If file is confidential, “confidential” must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF where appropriate, so that you are only uploading one file.

3.B Digital Geospatial (.shp, .kmz or .kml) Map of the Project Area. File name(s) for this upload should start with “3B” and include project identifying information. If file is confidential, “confidential” must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file so that you are only uploading one file.

#### Broadband Serviceable Locations

Include a list of the fabric IDs for all Broadband Serviceable Locations. All Fabric IDs should be from the final list of locations eligible for BEAD funding. The list should include whether the location is an unserved or underserved location.

#### Include Evidence of Eligibility Map/Map for the Challenge Process

The proposed project area should be the result of reviewing locations eligible (unserved and underserved) for the grant program from the final list of eligible locations following the BEAD Challenge process.

Demonstrate this by overlaying your proposed project area onto the BEAD Grant Eligibility Map on the DEED website at <http://map.connectmn.org/>, and then select “B2B” on the middle-left panel of the page, click the “Access” tab, and scroll down to check the box of the BEAD Broadband Grant Eligibility. A video tutorial on how to do this can be found on the Applicant Resources on our website at: <https://mn.gov/deed/programs-services/broadband/grant-program/index.jsp>. Applicants should not wait until the application deadline to work with OBD Staff to clarify details of the BEAD Grant Eligibility Map. The maps provided in this section are required and used for grant applicant review and rating. Another purpose of the Eligibility Map is for posting online for the state grant application Challenge Process. For more information on the state challenge process, see Applicant Resources on our website at: <https://mn.gov/deed/programs-services/broadband/grant-program/index.jsp>.

3.C Eligibility Map: Evidence that locations in the project area are unserved and underserved. File name(s) for this upload should start with “3C” and include BSL Fabric ID location numbers from the final list of BEAD eligible locations. Eligibility Maps cannot be marked as Confidential as they are used for the Challenge Process and published on the Office of Broadband Development Website. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF where appropriate, so that you are only uploading one file.

3.D Digital Geospatial (.shp, .kmz or .kml) Map: This digital map will be public, used for the Challenge process and posted on the Office of Broadband Development Website map for the application area. File name for this upload should start with “3D” and include project identifying information. Eligibility Maps cannot be marked as Confidential as they are used for the Challenge Process and published on the Office of Broadband Development Website. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF where appropriate, so that you are only uploading one file.

Location Data Using the Location Data Sheet Template, provide a complete listing of the BSL fabric ID, addresses/locations you intend to serve with the proposed project

3.E Location Data File name for this upload should start with “3E” and include project identifying information. If file is confidential, “confidential” must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file so that you are only uploading one file.

Are recognized tribal lands included in the proposed project area?

Recognized Tribal Lands Yes or No

If Yes, and the applicant plans to deploy broadband that include any locations on Tribal Lands, the applicant must submit proof of the Tribal Government’s consent to such deployment in the form of a legally binding agreement, which includes

a Tribal Government Resolution, between the Tribal Government of the Tribal Lands encompassing the location, or its authorized agent, and the service provider offering qualifying broadband service to that location.

3.F Legally Binding Tribal Government Agreement File name for this upload should start with "3F" and include project identifying information. If file is confidential, "confidential" must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF where appropriate, so that you are only uploading one file.

Has the applicant submitted or intends to submit the same project, or any overlapping portion, to any other federal or state broadband funding program? Yes or No

If Yes, attach a map and list of BSL Fabric IDs and addresses identifying the overlapped and type of funding applied for.

3.G Project Overlap Info File name for this upload should start with "3G" and include project identifying information. If file is confidential, "confidential" must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF where appropriate, so that you are only uploading one file.

#### Full and Partial Areas Served by Project

List all the Counties/Townships & Cities/Towns that the proposed project covers and specify whether they are entirely or partially covered

Counties/Townships

Cities/Towns

Identify the Minnesota Legislative District(s) in which the proposed project area(s) reside. (#A, #B):

Identify the US Congressional District(s) in which the proposed project area(s) reside (#, #):

#### 4. Anticipated Broadband Improvements

Using the following definitions, provide the number of households, businesses, farms, and community anchor institutions (passings), that will be able to receive improved broadband services because of the proposed project.

Households: includes all residential dwellings

Businesses: includes all business types; and – to the extent possible – home-based businesses and telecommuter use of broadband.

Farms: includes crop, dairy, other livestock farming or agricultural use operations.

Using the table provided, identify number of passings by the speed ranges currently available for each type of location, and enter highest speed available to ALL passings that will be offered if the project is awarded grant funding.

Number of Passings by type UNSERVED Currently below 25/3 Mbps

Number of Passings by type UNDERSERVED Currently at least 25/3 but less than 100/20 Mbps

Highest speed available to all passing upon project completion (down/up) Mbps

Upon project completion is this project designed to deliver service that reliably meets or exceeds speeds of at least 100 Mbps download and 20 Mbps upload (100/20) and is scalable to a minimum of 100Mbps symmetrical (100/100)? Yes or No (if No, this project is not eligible for funding)

As part of this project are you proposing to build drops:

Build drops to every location

Build Drops Access to Customer Build drops only to locations that give you access to the property regardless of if they subscribe

Build Drops Only to Customers Build drops only to locations that subscribe to service

Please explain drops policy. (Example, if a drop is not placed now, is there a subscriber cost to place a drop later?)

#### 5. Broadband Infrastructure Type Proposed Broadband Construction/Technology Type



Indicate the type of broadband infrastructure to be deployed in the project area: (Choose one):

Fiber to the Premises/Fiber to the Home

Cable

Hybrid fiber-coax

Fixed Wireless

If Fixed Wireless, is spectrum Licensed or Unlicensed

Other or Combination

If Other or Combination, describe: (text box provided of 2000 characters)

6.Latency: Provide the latency that customers will experience with the service proposed.

Project Components in This Application Include: (Choose one):

Last Mile Components Only – infrastructure that serves as the final leg connecting the broadband service provider’s network to the end-user customer’s on-premises telecommunications equipment.

Both Last Mile and Middle Mile Components. Middle mile infrastructure costs are only eligible for BEAD Funding if in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of an Unserved Service Project or an Underserved Service Project. Note: For projects with Middle Mile components: Minnesota Prevailing Wage Requirements are applicable to proposed grant projects of \$200,000 or more, that include middle mile components. If this fits your project, correct prevailing wage rates must be identified and used in calculating eligible labor costs for the proposed project budget.

If the proposed project includes middle mile facilities component, describe why new construction is necessary.

Number of last mile fiber miles to be built?

6. Project Readiness

Engineering Design Attach all budgetary engineering designs, diagrams and maps that demonstrate the viability of the proposed project including certification that the technology type is scalable to at least 100/100 if the project does not have service initially available at those speeds upon completion.

Design documents must clearly document the applicant’s comprehensive understanding of the project requirements and helps justify the project’s costs. This information must be certified by a registered Professional Engineer. Scalability documentation must be certified by either the manufacturer of the equipment to be utilized or by a registered Professional Engineer.

6.A Comprehensive Engineering Design and Diagram/Plan File name for this upload should start with “6A” and include project identifying information. If file is confidential, “confidential” must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. If uploading multiple files, you must combine them in a zip file or PDF where appropriate, so that you are only uploading one file.

Itemize all required municipal/city/township/county/state approvals that will be needed prior to project construction. Please also indicate the corresponding entity such as planning commission/zoning authority/road authority/railroad crossing entity, etc. and provide a brief description of the process required to obtain approval. Include the permitting process as a step in the Project Schedule.

Identify all applicable state environmental review requirements necessary for this project to begin construction and describe the process to obtain required approvals. Include the process in the Project Schedule.

Due to its location, will the proposed project potentially impact local/state/federal historic architectural or archeological resources? If yes, describe the process to obtain required approvals and include the process in the Project Schedule below. If awarded, you will need to contact the Minnesota State Historical Preservation Office (SHPO) with project review prior to construction. <https://mn.gov/admin/shpo/>

Project Schedule Provide a proposed project schedule which must reflect all key planning, procurement, construction, installation, testing, and service activation milestones. The applicant may use the sample form below to detail the significant task categories for all broadband deployment milestones necessary to complete the proposed project in a

comprehensive and timely manner. Each necessary milestone should be identified with an associated anticipated start date and completion date (month and year) for that milestone. The last task on the project schedule should reflect the date upon which the service to the last location will be turned up and the project will be complete. (Complete the Project Schedule Table provided)

If the proposed project leverages existing broadband networks or will be built in conjunction with other broadband infrastructure projects to expand service areas to include unserved or underserved regions of the state, please give specific examples identifying the other project and the associated leveraged funds. Include any prior awards for CAF II, ACAM, USDA/RUS loan or ReConnect funds, ARPA, E-rate, or any other federal, state, or local broadband funding.

**Five-year Proforma/ROI Analysis** Attach a five-year stand-alone financial plan for the proposed project, including a description of how the costs and anticipated revenue will result in the financial viability of the project over time.

Applicant should provide a spreadsheet summarizing its financial analysis for the proposed project and should outline the return on investment of the project with and without grant funding. The pro forma financial spreadsheet must be a minimum of a five-year view, but applicant may extend the analysis for additional years if that will provide a more comprehensive financial justification.

**6.B Project Financials** File name for this upload should start with "6B" and include project identifying information. If file is confidential, "confidential" must appear in the file name. Unless otherwise noted, all file module uploads will only accept one file. Applicant should submit financial proforma in one excel spreadsheet file.

Describe why the proposed project would not be feasible without the award of the requested broadband grant funds. Refer to the five-year proforma (upload above) where you demonstrated the difference in return of investment (ROI) years with and without the requested grant funding.

## 7. Pricing and Affordability

Provide proposed pricing for the broadband speeds listed. At minimum, pricing must be offered for a service that meets or exceeds Minnesota's 2026 speed goal of 100Mbps down and 20Mbps up (100/20); 100Mbps down and 100Mbps upload; and 1G symmetrical if available

Provide the proposed pricing structure [by associated download and upload speeds] for all broadband services to be offered with this project.

Will any additional equipment be required – or any separately chargeable service installation elements apply – for activation or turn-up of individual customer locations? If yes, describe any separately chargeable elements that may apply along with all associated charges, and identify as one-time or monthly. Examples: Are there excess construction charges to connect households with long driveways? Are there modem charges?

Applicant certifies that it will offer broadband service at speeds at or below the rates in the FCC Urban Rate Comparability Survey and that it will charge the same rates in unsubsidized areas of the state where it offers service as it does to locations funded with BEAD funding: Yes \_\_\_ No \_\_\_

Describe what initiatives the applicant will undertake to communicate its proposed marketing plan to its prospective broadband services customer base. The marketing plan should include activities to communicate the award of the proposed grant project, the timing and availability of constructed broadband service, and applicant plans on how to optimize broadband subscription rates once service becomes available.

Describe how the broadband service that will be offered is affordable to the target markets in the proposed service area.

Applicant certifies that it will participate in the FCC's Affordable Connectivity Program or any successor program: \_\_\_ Yes \_\_\_ No. Provide a link to your website demonstrating this program is offered.

## 8. Economic Development and Community Impact

Provide evidence that community supports this proposal Examples include petitions, surveys, letters endorsing the project and describing the need for broadband improvements from residents, businesses, legislators, congressional representatives, etc.

8. Attach evidence of community support for the project. (Save file name as: "8A Provider Name - Project Name" and upload)

Please note the following questions are another opportunity to establish why there is a critical need for this project. Demonstrate the economic development and community enhancement potential of the proposed project. Include details of how the project will provide for better business retention and expansion, attract new business, and increase jobs opportunities in the covered communities.

**Business Impact** Provide a listing of businesses in the proposed project area that will benefit from the broadband project. Identify and briefly describe the businesses needing improved broadband in the project area, including the level of broadband improvement needed to become and/or remain competitive, expand services, etc. Describe any work-at-home or telecommuter opportunities that would be increased or improved. If possible, please attach specific statements of need from impacted businesses in your project area.

**Agriculture Impact** Provide a listing of farms and agricultural use customers in the proposed project area that will benefit from the broadband project. Identify and briefly describe any farms or agricultural use customers needing improved broadband in the project area to operate their agricultural business. If possible, please attach specific statements of need from impacted agricultural users.

**Educational Impact** Identify any educational locations that will benefit from the broadband project. Identify specific institutions to be served and include the proposed impact on e-learning opportunities.

**Health and Public Safety Impact** Provide specific evidence of how health and public safety locations will benefit from the broadband project. Include the proposed impact on telemedicine and electronic health records use as well as public safety broadband needs.

**Distressed Area?** Is the proposed project providing broadband improvements to an economically distressed area? Provide evidence of the economically disadvantaged area as measured by unemployment, poverty, or population loss levels in covered communities that are significantly higher than the statewide average. The applicant may also utilize references to median household income, or percent of students eligible for free or reduced cost school lunches.

## 9. Broadband Assistance

**Broadband Adoption** Describe any activities planned to promote the adoption of broadband services for the project footprint or communities covered by the proposed project once the services are available. Please identify any activities specific to a particular customer segment (i.e. precision farming programs for agricultural users, broadband applications for seniors, etc.)

Describe any technical support or training on broadband use for residents, businesses, farms, and community institutions that will benefit those within the project footprint.

## 10. Budget

Using the budget tables provided in the grants management system, applicant will complete the following:

Grant Request limited to \$10,000,000 for both Border-to-Border and Lower Population Density program per application.

Border-to-Border Grant Request limited to 50% of budget total (requires minimum 50% match) Lower Population

Density Grant Request Limited to 75% of budget total (requires minimum 25% match)

### Requested Budget

### Budget Summary and Cost Share (Match)

### Funding Partner

Excel workbook to help you prepare your budget for easy entry into the budget section can be found under the Applicant Resources tab on the Broadband Grants website.

Identify budget categories and the total eligible costs per budget category for the proposed project. Use only whole numbers.

Eligible Project Costs may include project planning; obtaining construction permits; construction of facilities - including construction of both "middle mile" and "last mile" infrastructure; electronics and equipment; and installation and testing of the broadband service.

The following costs are INELIGIBLE and may NOT be used as a match and cannot be reimbursed: Grant eligible elements do not include costs for either video or voice services. These cannot be reimbursed through the state grant.

The broadband grant program cannot reimburse a grantee for any expenses incurred prior to the date that NTIA

approves Minnesota's Final Proposal. Any such expenses may not be included as grant eligible expenses.

Note: Sample Budget category

Construction - Labor - Last Mile

Construction - Labor - Middle Mile [Note: Prevailing wage law applies if total grant request is \$200,000 or more]

Construction – Material

Electronics

Customer Premise Installation – Labor

Customer Premise – Equipment

Professional Services and Engineering

Budget Details Narrative and Procurement/Bidding Policies & Procedures

Referring to your budget, for each budget category, define the elements and activities that make up the category and explain how the budget figures were determined. Provide as much detail as possible including description of activities, unit costs/cost basis, known vendors that will be part of the project work plan, attachments such as price lists, working papers, quotes, etc. can also be included.

Examples:

For Materials, provide a detailed list of materials, costs basis, and known vendors you've used for quotes.

For Equipment required for completing the project, each category should be broken down to identify unit costs.

For Labor and Engineering & Professional Services, describe major activities that make up the category and details to justify costs estimated. All labor should be broken down by job title or class, with salary or hourly rates and budgeted time as appropriate such as hours.

Attach or describe your policies or procedures for vendor selection on this project. This should clearly explain how the applicant has established a fair and reasonable price for materials and services included in the budget/work plan.

11. Applicant Signature

Authorized representative will approve the application and be able to submit it. Applications must be submitted prior to (Insert date).

An applicant affidavit is also required which must include approval for and commitment to provide the applicant's required matching funding. The applicant must provide documentation to validate the availability of its matching funds including a letter of credit, a letter confirming funds from a bank, a board resolution committing funding, or loan documentation.

IF REQUIRED BY NTIA: The applicant must also provide an irrevocable standby letter of credit (LOC) to the Eligible Entity (i.e., the 50 states, five territories, and the District of Columbia) before entering into a subgrantee agreement. The amount of the LOC must be no less than 25% of the subaward amount. The LOC may be issued by a U.S. bank with a safety rating issued by Weiss of 8 or better or by a U.S. credit union that is insured by the National Credit Union Administration and that has a credit union safety rating issued by Weiss of B or better; a performance bond equal to 100% of the BEAD subaward amount in lieu of a letter of credit, provided that the bond is issued by a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570. The amount of the letter of credit obligation can be reduced below 25% over time, or the amount of the performance bond reduced below 100% over time, upon a subgrantee meeting deployment milestones. The initial amount of the letter of credit or performance bond can be for 10% of the award amount during the entire period of performance since Minnesota issues funding on a reimbursable basis consistent with Section IV.C.1.b of the NOFO, if the applicant submits reimbursement for periods of no more than six months each.

While Minnesota will conduct the BEAD Challenge process to determine locations eligible for BEAD funding, the Minnesota Border-to-Border grant process also includes a challenge process conducted immediately following the submission of applications each grant round which allows OBD to further deduplicate any locations that will be receiving broadband services under public funding and planned- for deployment with private capital. That process is described below as well as the questions that a challenger must complete:

## Challenge Process

### Summary:

In 2016, a formal challenge process was added by law to the Border-to-Border Broadband grant review process. To assist potential challengers with preparing a challenge, this document explains the process and the documentation that will be necessary to support a credible challenge. This document, along with the new Challenge Form, outlines the type of information the Commissioner will require to determine if a challenge is credible, while at the same time ensuring that DEED meets the legislative intent of achieving border-to-border broadband access.

### Challenge Process as Outlined in Statute

Broadband grants are awarded by locations. See Minn. Stat. § 116J.395, subd. 5. The statute allows providers in or near a proposed project area to challenge the application of a competitor awarded a grant to develop broadband services to locations in that area. Minn. Stat. § 116J.395, subd. 5a(b).

The provider's challenge must demonstrate that:

- 1) the provider "currently provides or has begun construction to provide broadband service to the proposed project area at speeds equal to or greater than the state speed goal contained in [Minnesota Statutes] section 237.012"; and
- 2) the provider commits to completing the project, "at speeds equal to or greater than the state speed goal contained in [Minnesota Statutes] section 237.012, subdivision 1, no later than 18 months after the date grant awards are made." Minn. Stat. § 116J.395, subd. 5a(b)(1)-(2).

### Challenge Documentation Requirements

DEED will publish on its website within three business days of the application deadline, a list of all applications submitted, the project area/locations, and the proposed broadband service speeds.

A challenging provider must submit its challenge via email to [deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us) no later than 4:00 p.m. Central Time on (Date which is 30 days after list of applications and locations are posted). To submit a challenge, providers will be required to use a form developed by OBD that includes the challenging providers name, authorized representative's name, address, email address and telephone number; the name of the project challenged; the reason for the challenge: if broadband service is already available or will be available; if broadband service will be available documentation to support that construction is in process or planned (date construction started, date service will be available to locations within the challenged area, certification of construction).

As indicated on the Challenge Form, a Provider must include documentation to support that it either 1) provides broadband service at or above 100 Mbps download and 20 Mbps upload to the project area, or 2) is in the process of completing construction to provide broadband service at or above 100 Mbps download and 20 Mbps upload to the project area.

Challenges will only be considered from Providers that submitted broadband mapping data to Connected Nation for the 2024 data collection.

### Process for Credible Challenges

1. The Commissioner of DEED (Commissioner) must evaluate the information submitted in a Provider's challenge. The Commissioner will determine whether a challenge is credible.
2. If the Commissioner determines that the Provider's commitment to provide broadband service in the proposed project area is credible, the Commissioner is prohibited from funding that project or the challenged portion of the project. The Commissioner will notify the Provider that its challenge was found to be credible.

3. If a credible challenge was submitted for only a portion of a project, the rest of the project will continue through the review process for possible grant award.
4. DEED will also post on its website a list of challenges the Commissioner found to be credible and whether the challenge related to the full project area or a portion of the project area.
5. The challenging Provider must submit documentation to the Commissioner no later than 18 months from the grant award dates for this grant round substantiating that the Provider has fulfilled its commitment to deploy broadband service to the challenged area at the speeds identified in the Provider's challenge.
6. In its review of whether the Provider has met its commitment, DEED may consult with the grant applicant.

The BEAD scoring rubric that will be used to rank and score applications is summarized here and available as an attachment.

BEAD Primary Scoring Rubric (for fiber projects):

<b>BEAD Scoring Rubric for Priority Broadband Projects</b>				
<b>Total Category Weight</b>	<b>Criteria</b>	<b>Weight</b>	<b>Determination</b>	<b>Explanation</b>
75% for Primary Criteria	<p><b>Matching Contributions:</b> OBD strongly agrees with the BEAD NOFO that matching contributions allow applicants to demonstrate full commitment to their proposed projects. Additionally matching funds are a force multiplier for federal public funds, minimizing the BEAD subsidy required to serve customers and making it more likely that the State will be able to serve the maximum unserved and underserved locations with the available BEAD allocation. To maximize the impact and public benefits of BEAD funding, as it does with its own state grant funded projects, OBD will prioritize applicants that minimize the BEAD program outlay through matching funds. To incentivize increased matching funds from potential subgrantees and their funding partners, OBD will award points based on the percentage of the projected total cost of the project that the applicant will contribute beyond the required 50% match for the state's Border-to-Border Broadband grant program as detailed in the scoring table. (Project applications submitted to the Lower Population Density Program will receive points for a community contribution but are otherwise presumed high cost and need the allowed 75% grant amount to make the project viable.)</p>	Point range 0 to 30 points	Points will be awarded in 1.5-point increments, with applicants requesting the full 50% match allowed by the Border-to-Border grant program receiving 0 points and applicants requesting a 30% match receiving the full 30 points (i.e. a request for 50% receiving 0 points, a request for 49% receiving 1.5 points, a request for 48% receiving 3 points, a request for 47% receiving 4.5 points, a request for 46% receiving 6 points, a request for 31% match receiving 28.5 points, a request for 30% receiving 30 points).	Points will be calculated based on amount of match identified in application.

	<p><b>Total BEAD Allocation Needed:</b> The less BEAD funding required for the project, will enable the state to maximize the number of locations it will be able to serve with the BEAD allocation. This scoring factor enables OBD to compare the cost per location proposed in the application to data OBD has to determine whether the project is an efficient use of public funding.</p>	<p>Point range 0 to 13 points</p>	<p>Cost per passing is below cost study comparison = 15 points; cost per passing equals cost study comparison = 5 points; cost per passing exceeds cost study comparison = 0 points</p>	<p>Points will be based on comparison of cost per passing from application compared to cost per passing for that geographic area calculated from data compiled by OBD from RFP response, CostQuest data and prior Border to Border applications.</p>
	<p><b>Affordability:</b> OBD will award points under the affordability selection criterion for an applicant's commitment to offer either 1) broadband pricing in BEAD-funded service areas that is consistent with the broadband pricing the subgrantee makes available in its unsubsidized areas within Minnesota; or 2) broadband pricing in BEAD-funded service areas that is at or below the FCC's Urban Rate Survey's reasonable comparability benchmark for the subgrantee's residential plans, including the symmetrical gigabit-level speed specified in the BEAD NOFO. OBD will also award points for a demonstration of community support for the project, with points for both letters of support and also for a financial commitment. Both types of community support document that the provider's pricing, including for gigabit symmetrical service, have been vetted and are endorsed by the community as affordable.</p>	<p>12 points</p>	<p>Commitment to offer 1G/1G service at same rate that is either 1) consistent with broadband pricing of provider in MN in unsubsidized areas or 2) is below FCC Urban Rate Survey Comparability benchmark=12 points.</p>	<p>Points will be based on comparison of rates that will be offered compared to applicant's pricing in unsubsidized areas and/or to FCC Urban Rate Survey Comparability benchmark.</p>
	<p><b>Fair Labor Standards and Worker Safety:</b> OBD recognizes the important role that fair labor practices play in minimizing disruptive and costly delays to project completion and ensuring that projects are carried out in accordance with the law. Consistent with the Infrastructure Act and BEAD NOFO, OBD will prioritize applicants who demonstrate a commitment to fair labor practices through their record of compliance and plans for ensuring compliance with federal labor and employment laws.</p>	<p>Point range 0 to 20 points</p>	<p>Record of compliance = 5 points; plans for compliance = 10 points; demonstration of workforce safety and training = 5 points</p>	<p>Points will be based on a review of the information included in the application on prior compliance with Fair Labor Standard; plans for future compliance; and demonstration of plans to address workforce safety and training needs.</p>
25% for Secondary Criteria	<p><b>Commits to providing service by an earlier date certain:</b> Eligible Entities must give secondary criterion prioritization weight to the prospective subgrantee's binding commitment to provide service by an earlier date certain.</p>	<p>5 points</p>	<p>Projects that commit to completion in two full construction seasons or less will be awarded 5 points.</p>	<p>Points will be awarded to projects where the schedule indicates project completion within</p>

<p>As written on pages 43 and 45 of the NOFO, "All subgrantees that receive BEAD Program funds for network deployment must deploy the planned broadband network and begin providing services to each customer that desires broadband services within the project area not later than four years after the date on which the subgrantee receives the subgrant from the Eligible Entity. Eligible Entities must give secondary criterion prioritization weight to the prospective subgrantee's binding commitment to provide service by an earlier date certain, subject to contractual penalties to the Eligible Entity, with greater benefits awarded to applicants promising an earlier service provision date." As required for projects constructed under Minnesota's historic Border-to-Border grant program, OBD will prioritize applicants that commit to deploy service as soon as practicable with priority given to those applicants that indicate the project will complete at the conclusion of two full construction seasons.</p>			<p>two full Minnesota construction seasons (a full construction season runs from April through October).</p>
<p><b>Deployment at higher speeds:</b> Projects that deliver higher speeds will be prioritized over projects that propose to deploy lesser speeds.</p>	<p>Up to 10 points</p>	<p>Projects offering speeds up to 10G symmetrical will earn the full 10 points; projects offering speeds of 10Gbps download and 2Gbps upload will score 8 points; projects offering speeds of 2.5Gbps download and 1Gbps upload will score 6 points; projects offering speeds of at least 1Gbps symmetrical will score 4 points.</p>	<p>Points will be awarded based on the highest speeds proposed to be delivered over the infrastructure deployed with the grant funding</p>
<p><b>Evidence of community support:</b> Minnesota has consistently prioritized community support as evidence provided in a grant application that documents such support will greatly assist in the success of the project through a higher take rate and demonstrates the communities' satisfaction with the rates, speeds and quality of service offered by the provider. The demonstration of community support through a financial contribution to the cost of the project also offsets the amount of funding necessary from BEAD, making the</p>	<p>Up to 10 points</p>	<p>5 points will be awarded if there is a financial commitment from the community; 5 points will be awarded if there is a demonstration of strong community support (multiple letters of support, petitions, pre-registrations for service, etc.)</p>	<p>Points will be awarded for financial contribution(s) from the community and/or demonstration of support for the project as documented in the application.</p>



	federal funding go further.			
<b>Total:</b>				

The scoring rubric for Non-Priority Broadband Projects is as follows:

<b>BEAD Scoring Rubric for Non-Priority Broadband Projects</b>				
<b>Total Category Weight</b>	<b>Criteria</b>	<b>Weight</b>	<b>Determination</b>	<b>Explanation</b>
75% for Primary Criteria	<p><b>Matching Contributions:</b> OBD strongly agrees with the BEAD NOFO that matching contributions allow applicants to demonstrate full commitment to their proposed projects. Additionally matching funds are a force multiplier for federal public funds, minimizing the BEAD subsidy required to serve customers and making it more likely that the State will be able to serve the maximum unserved and underserved locations with the available BEAD allocation. To maximize the impact and public benefits of BEAD funding, as it does with its own state grant funded projects, OBD will prioritize applicants that minimize the BEAD program outlay through matching funds. To incentivize increased matching funds from potential subgrantees and their funding partners, OBD will award points based on the percentage of the projected total cost of the project that the applicant will contribute beyond the required 50% match for the state's Border-to-Border Broadband grant program as detailed in the scoring table. (Project applications submitted to the Lower Population Density Program will receive points for a community contribution but are otherwise presumed high cost and need the allowed 75% grant amount to make the</p>	Point range 0 to 30 points	Points will be awarded in 1.5-point increments, with applicants requesting the full 50% match allowed by the Border-to-Border grant program receiving 0 points and applicants requesting a 30% match receiving the full 30 points (i.e. a request for 50% receiving 0 points, a request for 49% receiving 1.5 points, a request for 48% receiving 3 points, a request for 47% receiving 4.5 points, a request for 46% receiving 6 points...a request for 31% match receiving 28.5 points, a request for 30% receiving 30 points).	Points will be calculated based on amount of match identified in application.

project viable.)			
<p><b>Total BEAD Allocation Needed:</b> The less BEAD funding required for the project, will enable the state to maximize the number of locations it will be able to serve with the BEAD allocation. This scoring factor enables OBD to compare the cost per location proposed in the application to data OBD has to determine whether the project is an efficient use of public funding.</p>	<p>Point range 0 to 13 points</p>	<p>Cost per passing is below cost study comparison = 15 points; cost per passing equals cost study comparison = 5 points; cost per passing exceeds cost study comparison = 0 points</p>	<p>Points will be based on comparison of cost per passing from application compared to cost per passing for that geographic area calculated from data compiled by OBD from RFP response, CostQuest data and prior Border to Border applications.</p>
<p><b>Affordability:</b> OBD will award points under the affordability selection criterion for an applicant's commitment to offer either 1) broadband pricing in BEAD-funded service areas that is consistent with the broadband pricing the subgrantee makes available in its unsubsidized areas within Minnesota; or 2) broadband pricing in BEAD-funded service areas that is at or below the FCC's Urban Rate Survey's reasonable comparability benchmark for the subgrantee's residential plans, including the symmetrical gigabit-level speed specified in the BEAD NOFO. OBD will also award points for a demonstration of community support for the project, with points for both letters of support and also for a financial commitment. Both types of community support document that the provider's pricing, including for gigabit symmetrical service, have been vetted and are endorsed by the community as affordable.</p>	<p>12 points</p>	<p>Commitment to offer 1G/1G service at same rate that is either 1) consistent with broadband pricing of provider in MN in unsubsidized areas or 2) is below FCC Urban Rate Survey Comparability benchmark=12 points.</p>	<p>Points will be based on comparison of rates that will be offered compared to applicant's pricing in unsubsidized areas and/or to FCC Urban Rate Survey Comparability benchmark.</p>
<p><b>Fair Labor Standards and Worker Safety:</b> OBD recognizes the important role that fair labor practices play in minimizing disruptive and</p>	<p>Point range 0 to 20 points</p>	<p>Record of compliance = 5 points; plans for compliance = 10 points; demonstration of workforce safety and training = 5 points</p>	<p>Points will be based on a review of the information included in the application on prior compliance with Fair</p>

	<p>costly delays to project completion and ensuring that projects are carried out in accordance with the law. Consistent with the Infrastructure Act and BEAD NOFO, OBD will prioritize applicants who demonstrate a commitment to fair labor practices through their record of compliance and plans for ensuring compliance with federal labor and employment laws.</p>			<p>Labor Standard; plans for future compliance; and demonstration of plans to address workforce safety and training needs.</p>
<p>25% for Secondary Criteria</p>	<p><b>Commits to providing service by an earlier date certain:</b> Eligible Entities must give secondary criterion prioritization weight to the prospective subgrantee's binding commitment to provide service by an earlier date certain. As written on pages 43 and 45 of the NOFO, "All subgrantees that receive BEAD Program funds for network deployment must deploy the planned broadband network and begin providing services to each customer that desires broadband services within the project area not later than four years after the date on which the subgrantee receives the subgrant from the Eligible Entity. Eligible Entities must give secondary criterion prioritization weight to the prospective subgrantee's binding commitment to provide service by an earlier date certain, subject to contractual penalties to the Eligible Entity, with greater benefits awarded to applicants promising an earlier service provision date." OBD will prioritize applicants that commit to deploy service as soon as practicable with priority given to those applicants that indicate the</p>	<p>5 points</p>	<p>Projects that commit to completion in one year or less will be awarded 5 points</p>	<p>Points will be awarded to projects where the schedule indicates project completion within one year.</p>

	project will complete in one year.			
	<b>Deployment at higher speeds:</b> Projects that deliver higher speeds will be prioritized over projects that propose to deploy lesser speeds.	Up to 10 points	Applications that use technologies that exhibit greater ease of scalability with lower future investment and whose capital assets have longer useful lives will be awarded 10 points over those proposing technologies with higher costs to upgrade and shorter capital asset cycles (as based on information provided in the application and evaluated by OBD)	Points will be awarded based on the highest speeds proposed to be delivered over the infrastructure deployed with the grant funding.
	<b>Evidence of community support:</b> Minnesota has consistently prioritized community support as evidence provided in a grant application that documents such support will greatly assist in the success of the project through a higher take rate and demonstrates the communities' satisfaction with the rates, speeds and quality of service offered by the provider. The demonstration of community support through a financial contribution to the cost of the project also offsets the amount of funding necessary from BEAD, making the federal funding go further.	Up to 10 points	5 points will be awarded if there is a financial commitment from the community; 5 points will be awarded if there is a demonstration of strong community support (multiple letters of support, petitions, pre-registrations for service, etc.).	Points will be awarded for financial contribution(s) from the community and/or demonstration of support for the project as documented in the application.
<b>Total</b>				

Finally, the Minnesota broadband infrastructure grant programs, from the application process to selection to project completion, follow state grants management policies overseen by the Minnesota Department of Administration's Office of Grants Management include the following requirements:

1. Policy 08-01: Grants Conflict of Interest - Minnesota state agencies must work to deliberately avoid both actual and potential conflicts of interest related to grant-making at both the individual and organizational levels.
2. Policy 08-02: Rating Criteria for Competitive Grant Review - It is the policy of the State of Minnesota to ensure fairness, precision, equity, and consistency in competitive grant awards including diversity and inclusion in grant-making.
3. Policy 08-03: Writing and Publicizing Grants Notices and RFPs - It is the policy of the State of Minnesota to include sufficient information in notices of grant opportunities and requests for proposal (RFPs) so that potential applicants may make informed decisions about applying for and managing state grants, while also publicizing competitive grant opportunities broadly.

4. Policy 08-04: Grant Contract Agreement and Grant Award Notification - Minnesota state agencies must use a written grant contract agreement or grant application with a corresponding grant award notification for all grants made by the agency.
5. Policy 08-05: Public Comments Concerning Fraud and Waste in State Grants - As directed by the Commissioner of Administration, the Office of Grants Management (OGM) will serve as the central point of contact for questions and comments about fraud and waste in state grants and about the violation of statewide grants policies.
6. Policy 08-06: Financial Review of Nongovernmental Organizations - It is the policy of the State of Minnesota to make grants to nongovernmental organizations that are financially stable enough to carry out the purpose of the grant.
7. Policy 08-07: Single and Sole Source Grants - It is the policy of the State of Minnesota that grants are to be competitively awarded as much as possible.
8. Policy 08-08: Grant Payments - State agencies shall specify the method and schedule of payments for each grant in the grant agreement.
9. Policy 08-09: Grant Progress Reports - It is the policy of the State of Minnesota to monitor progress on state grants by requiring grantees to submit written progress reports at least annually until all grant funds have been expended and all of the terms in the grant agreement have been met.
10. Policy 08-10: Grant Monitoring - It is the policy of the State of Minnesota to conduct at least one monitoring visit per grant period on all state grants of over \$50,000 and to conduct at least annual monitoring visits on grants of over \$250,000.
11. Policy 08-11: Legislatively Mandated Grants - It is the policy of the State of Minnesota to manage legislatively mandated grants with the same level of oversight applied to other state grants, while respecting and maintaining the legislative intent.
12. Policy 08-12: Policy on Grant Amendments - Because fully executed grant agreements and grant agreement amendments are legally binding documents for enforcing the terms of a grant, it is the policy of the State of Minnesota to document changes to a grant agreement using a fully executed grant agreement amendment.
13. Policy 08-13: Grant Closeout Evaluation - It is the policy of the State of Minnesota to consider a grant applicant's past performance before awarding subsequent grants to them.

*Text Box: Describe how the proposed subgrantee selection process will prioritize Unserved Service Projects in a manner that ensures complete coverage of all unserved locations prior to prioritizing Underserved Service Projects followed by prioritization of eligible CAIs.*

The Minnesota Legislature has directed OBD to use any funds received through BEAD in its Border-to- Border grant programs including the Lower Population Density Program. The Director of the Office has the ability under state law to prioritize grants to unserved locations where unserved is defined in state law as locations without a wired broadband service of at least 25 Mbps download and 3 Mbps upload.

Minnesota anticipates conducting three rounds to select subgrantees, with priority in Round 1 given to selecting subgrantees submitting applications containing predominantly unserved locations, consistent with BEAD and Minnesota State Law. Dependent on the number of remaining unserved locations following the Round 1 subgrantee selection process and the pricing contained in the Round 1 applications recommended for award, and data we will have available on the cost to serve the unserved locations with no application, OBD will prioritize remaining unserved locations in a

Round 2. To prioritize, OBD will continue its outreach to existing providers and communities to indicate that all unserved locations must be addressed before funding can be directed to underserved locations, so applications to serve predominantly unserved areas will be funded first. Applications that include underserved locations may be included for funding in Round 1, Round 2 and Round 3 but inclusion of underserved locations may need to be revisited prior to finalizing the list of subgrantees and locations for inclusion in the Final Proposal.

It should be noted here that while both the BEAD NOFO and Minnesotans prioritize fiber (as demonstrated by the fact that the vast majority of grant applications in the nine grant rounds conducted in Minnesota were for fiber projects) Minnesota's broadband grant program is technology neutral, so to the extent that an application is submitted by a qualified applicant and demonstrates community support even if not based on fiber technology, it will be considered for funding. OBD responds to applications received and does not substitute its judgement for a community's judgment in determining the appropriate technology to be built in a community. Minnesota statute lists the type of entities that can apply to the grant program, and that list is based on type of entity, not type of technology.

Minnesota does not believe that its BEAD funding allocation will be adequate to fund all applications submitted that would reach all unserved and underserved locations. If unserved locations remain following the submission of applications in Round 2, OBD will engage in direct negotiations with existing providers and/or applicants in nearby areas about the potential expansion to encompass these remaining unserved locations. As a tool for engaging in these negotiations, OBD will use cost per location to serve data that it will have as a result of a Request for Proposal (RFP), cost data from its most recent Border-to-Border and Lower Population Density grant rounds, and NTIA's per-location NPV and total investment data as references for assessing the reasonableness of proposed terms for expanding coverage. In addition to Minnesota's Border-to-Border Broadband Development grant program which allows the state to match up to 50% of eligible costs, and the Lower Population Density program which allows the state to match up to 75% of eligible costs, the state also has a Line Extension Connection program (currently funded with ARPA CPF funding) which allows the state to contribute up to \$25,000 per location. Assuming the Minnesota Legislature provides OBD with discretion to allocate BEAD funding between programs as necessary, OBD will negotiate with existing providers and applicants on the appropriate program to bring broadband to all unserved locations (i.e. Minnesota's traditional Border-to-Border program which provides for up to 50% reimbursement of eligible costs or the Lower Population Density program which provides for up to 75% reimbursement of eligible costs). OBD will also negotiate with providers on the possibility of waiving required components of the BEAD program to incent participation (any such waivers would be noted in the Final Proposal and subject to NTIA's approval.) Following negotiations related to the Round 2 applications, projects will be selected and recommended for funding for inclusion in the Final Proposal.

A third subgrantee selection process will then be held if funding remains, again with priority given to any remaining unserved locations and additional negotiations held with providers and applicants with incentives regarding the appropriate funding program and the need for any waivers (while OBD cannot insert its judgment as to what incentives are required by a provider to submit an application for these remaining unserved locations, incentives could include a waiver request to NTIA of the 75% funding cap if costs do not exceed the Extremely High Cost Threshold or waiver of provider-specified programmatic requirements) to incent providers to apply to serve unserved locations. Negotiations will be conducted through an open invitation to providers to participate to serve remaining unserved locations as well as by intentional communication with providers serving areas adjacent to the unserved locations. Such negotiations would occur immediately following submission of the Round 2 applications when it is known which unserved locations have not been subject to inclusion in an application in either Round 1 or 2 and continue until applications are due for the anticipated Round 3. Following negotiations, any remaining BEAD funding would then be awarded in that Round 3, which will likely include primarily underserved locations. If negotiations and/or funding options to address all defined unserved locations prove unsuccessful after Round 3, OBD's plan for Internet for All will be to seek NTIA approval in its Final Proposal to classify any remaining unserved locations as having Internet for All via fixed wireless service (generally available across Minnesota) and/or low-earth orbiting satellite service (largely already available across Minnesota).

**2.4.3** *Text Box: If proposing to use BEAD funds to prioritize non-deployment projects prior to, or in lieu of the*

deployment of services to eligible CAIs, provide a strong rationale for doing so. If not applicable to plans, note “Not applicable.”

NOT APPLICABLE

**2.4.4** *Text Box: The proposed subgrantee selection process is expected to demonstrate to subgrantees how to comply with all applicable Environmental and Historic Preservation (EHP) and Build America, Buy America Act (BABA) requirements for their respective project or projects. Describe how the Eligible Entity will communicate EHP and BABA requirements to prospective subgrantees, and how EHP and BABA requirements will be incorporated into the subgrantee selection process.*

OBD will make clear as part of its bid solicitation that each subgrantee must familiarize itself with the requirements of the National Environmental Policy Act (NEPA), NHPA and BABA and demonstrate in the proposal how they intend to comply. In addition, OBD is coordinating with the Minnesota Department of Transportation (MNDOT), Minnesota Department of Natural Resources (MNDNR), the State Historic Preservation Office (SHPO), the Office of State Archeologist (OSA), and the Minnesota Indian Affairs Council (MIAC) to develop materials that provide subgrantees information on compliance with permitting requirements and will make it clear that it is the subgrantee’s obligation to ensure its proposed project appropriately coordinates their infrastructure construction activities with the relevant state agencies/offices and comply with state and federal environmental requirements. Regarding BABA, OBD intends that subgrantees comply with these requirements. Should a subgrantee demonstrate that delays are being caused by the BABA requirements, OBD, working with the subgrantee and NTIA, will seek to resolve those issues to prevent such delay.

**2.4.5** *Text Box: Describe how the Eligible Entity will define project areas from which they will solicit proposals from prospective subgrantees. If prospective subgrantees will be given the option to define alternative proposed project areas, describe the mechanism for de-conflicting overlapping proposals to allow for like-to-like comparisons of competing proposals.*

The BEAD NOFO provides that an “Eligible Entity may alternatively solicit proposals for project areas it defines or ask prospective subgrantees to define their own proposed project areas.” As it has historically done through its Border-to-Border program, which has been held up as a model nationally, imitated by multiple states in their own broadband grant programs, and resulted in the successful award of 270 projects getting broadband service to over 100,000 locations, Minnesota will allow applicants to identify their project areas on a location basis. OBD cannot also pretend to have superior knowledge as to the broadband marketplace than do the many ISPs who have operated in these market areas, in some cases for over 100 years. Ultimately, we are not ISPs and are totally dependent on ISPs to elect to receive BEAD funding to deploy broadband service; as such, those same ISPs ought to be able to determine their own service areas (potentially with additional incentives to reach hard to serve and/or undesirable locations).

To prevent conflict between projects, OBD will identify qualifying applications with overlap in locations proposed to be served by those applications. For the applications that have significant overlapping service areas, the scoring rubric will be used to determine which application to fund. For applications with smaller overlapping areas, a member(s) of the grant review committee will contact applicants directly via the information provided on the grant application and work with those applicants to broaden or amend their proposed project area and list of locations to be served into uncovered areas with the application selected for funding that reaches the most unserved locations between the two (or more) competing applications. If multiple applicants both agree to serve the same number of unserved locations, then the scoring rubric will be used to determine which applicant to fund.

**2.4.6** *Text Box: If no proposals to serve a location or group of locations that are unserved, underserved, or a combination of both are received, describe how the Eligible Entity will engage with prospective subgrantees in subsequent funding rounds to find providers willing to expand their existing or proposed service areas or other actions that the Eligible Entity will take to ensure universal coverage.*

Prior to or while Minnesota’s Initial Proposal is under review by NTIA, OBD will check with existing broadband providers

in the state to inquire whether they plan to participate in the BEAD subgrantee selection process and if so, whether they can identify any areas they are interested in serving. Based on that preliminary information, OBD will identify remaining unserved locations and attempt to solicit interest from providers in the vicinity of those unserved locations whether they would also be interested in serving those locations or what might incent them to do so.

OBD will then prioritize the selection of subgrantees for unserved locations in the first two subgrantee selection rounds. If unserved locations remain after those two rounds, OBD will then reach out to providers again, through an open invitation to all providers to participate in the BEAD program and also by specifically focusing on those that have participated in the first two subgrantee selection rounds, to determine the barriers to applying for the remaining unserved locations. OBD will also compare the remaining locations to the cost study results that should be available by that time to determine which, if any, of the unserved locations may fall into the extremely high-cost threshold category (see methodology below). If cost is the barrier, to the extent OBD has available funding to award up to 75 percent funding to incent providers to serve these areas, it will do so. If there are locations below the extremely high-cost threshold and which a provider is willing to serve with greater than 75 percent funding, and OBD is allowed under state law to submit a waiver request to NTIA, it will do so.

At the end of the day, the decision to serve an unserved (or underserved) location depends on a provider being willing and qualified to do so. Locations that do not receive a qualified application despite 50 percent or 75 percent grant funding, and any additional inducements allowed by state law and/or by NTIA through program waivers, will be posted online to maintain transparency and to ensure that all interested parties are aware. If all options for an application to serve using a Reliable Broadband Service or secondary technology alternative have been exhausted with no application resulting, OBD will deem it has achieved Internet for All as those locations are serviceable by fixed wireless if directly available (generally the case in Minnesota) or a low earth orbiting satellite (largely the case in Minnesota), all provided at a minimum of 100Mbps download/20Mbps upload.

**2.4.7** *Text Box: Describe how the Eligible Entity intends to submit proof of Tribal Governments' consent to deployment if planned projects include any locations on Tribal Lands.*

Minnesota has 11 federally recognized Tribes and the state, across all agencies, also has a long history of working with its Tribal Nations. DEED has been conducting Tribal consultations for many years and emphasizing broadband in those consultations this year as part of its BEAD planning process. Any BEAD application with locations on Tribal lands must include, as identified in footnote 62 of the BEAD NOFO, "a legally binding agreement, which includes a Tribal Government Resolution, between the Tribal Government of the Tribal Lands encompassing that location, or its authorized agent, and a service provider offering qualifying broadband service to that location." If a legally binding agreement is not included with the application, locations on Tribal Lands included in the application will not be considered eligible for BEAD funding.

**2.4.8** *Text Box: Identify or outline a detailed process for identifying an Extremely High Cost Per Location Threshold to be utilized during the subgrantee selection process. The explanation must include a description of any cost models used and the parameters of those cost models, including whether they consider only capital expenditures or include the operational costs for the lifespan of the network.*

The extremely high cost per location threshold (EHCPLT) will not be set until at least the first two subgrantee selection rounds are completed, as it will be used to ensure that limited funds are used efficiently and that the State's service goals are met. Given the anticipated funding shortfall, the State will have to strategically set its EHCPLT to achieve its dual goals of maximizing the use of fiber and optimizing available funding to reach all unserved, and as many underserved locations as possible. To set the EHCPLT, the OBD will estimate the cost to serve all unserved and underserved BSLs using data that will be provided under an RFP issued by the state, supplemented with information from the most recent Border-to-Border and Lower Population Density broadband grant rounds conducted in Minnesota, CostQuest data, and the fact that the Minnesota Legislature has established a Line Extension program that allows for the funding of service extensions up to \$25,000 per location. These estimates will be based on capital expenditures and will



be adjusted based on the bids received. Finally, an optimization analysis will be conducted to ensure that the threshold can be set as high as possible but still meet the State's goals of maximizing the use of fiber and stretching BEAD funding as far as possible.

**2.4.9 Text Box:** *Outline a plan for how the Extremely High Cost Per Location Threshold will be utilized in the subgrantee selection process to maximize the use of the best available technology while ensuring that the program can meet the prioritization and scoring requirements set forth in Section IV.B.6.b of the BEAD NOFO. The response must describe: a. The process for declining a subgrantee proposal that exceeds the threshold where an alternative technology is less expensive. b. The plan for engaging subgrantees to revise their proposals and ensure locations do not require a subsidy. c. The process for selecting a proposal that involves a less costly technology and may not meet the definition of Reliable Broadband.*

Because OBD anticipates that the BEAD allocation may not enable the extension of the service desired by communities to all unserved and underserved locations, it will utilize careful budgeting and strategically set its EHCPLT to extend its BEAD allocation as far as possible. By completing at least two competitive grant rounds prior to setting the EHCPLT, the State will establish a complete view of the funds required to provide the desired service to all unserved and as many underserved locations as possible. It will take a holistic view of all bids to determine where it can accept bids that are higher than expected, and where less expensive bids may balance out the budget. If there are locations included in only a single application (as OBD anticipates) and the data available to OBD demonstrates that those applications include a higher cost per location than supported by the available data, OBD will attempt to negotiate with providers to optimize budgets while maximizing the use of fiber. If a provider is unwilling to negotiate downward, the award could be revoked prior to inclusion in the Final Proposal if Minnesota would exceed its BEAD allocation. Such locations would then not have a successful application and those locations would be categorized similar to locations without any bid and deemed to have Internet for All by being served by fixed wireless if directly available (common across Minnesota) or a low earth orbiting satellite (substantially available across Minnesota).

### **Deployment Subgrantee Qualifications**

**2.4.10 Text Box:** *Describe how the Eligible Entity will ensure prospective subgrantees deploying network facilities meet the minimum qualifications for financial capability as outlined on pages 72-73 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:*

- a. Detail how the Eligible Entity will require prospective subgrantees to certify that they are qualified to meet the obligations associated with a Project, that prospective subgrantees will have available funds for all project costs that exceed the amount of the grant, and that prospective subgrantees will comply with all Program requirements, including service milestones. To the extent the Eligible Entity disburses funding to subgrantees only upon completion of the associated tasks, the Eligible Entity will require each prospective subgrantee to certify that it has and will continue to have sufficient financial resources to cover its eligible costs for the Project until such time as the Eligible Entity authorizes additional disbursements.*
- b. Detail how the Eligible Entity plans to establish a model letter of credit substantially similar to the model letter of credit established by the FCC in connection with the Rural Digital Opportunity Fund (RDOF).*
- c. Detail how the Eligible Entity will require prospective subgrantees to submit audited financial statements.*
- d. Detail how the Eligible Entity will require prospective subgrantees to submit business plans and related analyses that substantiate the sustainability of the proposed project.*

OBD has conducted nine broadband infrastructure grant rounds with the demonstration of financial capability improved or clarified as necessary over the grant rounds and always following the requirements of Minnesota's state grants management guidelines. The application material required to be completed to document financial capability for BEAD

will follow the requirements used historically to document financial capability and is as follows:

**Audited Financial Statements:** Demonstrate the overall financial viability of the applicant by providing the most recent audited financial statements. (Audited by a certified public accountant.) The financial statements may be identified and filed as "Confidential" and must be appropriately marked as confidential when submitted. Any confidential information should be identified as such following the attachment naming convention.

If applicant does not have audited financial statements, results from an independent audit may also be provided as supplemental detail, as well as the applicant's most recent year's federal tax return. If provided these documents should also be submitted and marked as confidential.

**IF REQUIRED BY NTIA:** The applicant must also provide an irrevocable standby letter of credit (LOC) to the Eligible Entity (i.e., the 50 states, five territories, and the District of Columbia) before entering into a subgrantee agreement. The amount of the LOC must be no less than 25% of the subaward amount. The LOC may be issued by a U.S. bank with a safety rating issued by Weiss of 8 or better or by a U.S. credit union that is insured by the National Credit Union Administration and that has a credit union safety rating issued by Weiss of B or better; a performance bond equal to 100% of the BEAD subaward amount in lieu of a letter of credit, provided that the bond is issued by a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570. The amount of the letter of credit obligation can be reduced below 25% over time, or the amount of the performance bond reduced below 100% over time, upon a subgrantee meeting deployment milestones. The initial amount of the letter of credit or performance bond can be for 10% of the award amount during the entire period of performance since Minnesota issues funding on a reimbursable basis consistent with Section IV.C.1.b of the NOFO, if the applicant submits reimbursement for periods of no more than six months each.

Any partner match must also be identified and documented. OBD also requires a five-year pro forma/return on investment analysis to demonstrate the financial viability of the project over time: Per the grant instructions, applicants are required to attach a five-year stand-alone financial plan for the proposed project, including a description of how the costs and anticipated revenue will result in the financial viability of the project over time. Applicants should provide a spreadsheet summarizing its financial analysis for the proposed project and should outline the return on investment of the project with and without grant funding. The pro forma financial spreadsheet must be a minimum of a five-year view, but applicant may extend the analysis for additional years if that will provide a more comprehensive financial justification.

Current policies of the Minnesota Department of Administration that must be followed in the grants process related to financial capability include:

**Policy 08-05: Public Comments Concerning Fraud and Waste in State Grants** - As directed by the Commissioner of Administration, the Office of Grants Management (OGM) will serve as the central point of contact for questions and comments about fraud and waste in state grants and about the violation of statewide grants policies.

**Policy 08-06: Financial Review of Nongovernmental Organizations** - It is the policy of the State of Minnesota to make grants to nongovernmental organizations that are financially stable enough to carry out the purpose of the grant.

**Policy 08-08: Grant Payments** - State agencies shall specify the method and schedule of payments for each grant in the grant agreement.

As a last step, for applications being considered for funding, OBD runs a D&B Finance Analytic report on the entity submitting the application as an additional measure of risk assessment prior to finalizing projects to recommend for a grant award.

*2.4.11.1. Optional Attachment: As an optional attachment, submit application materials related to the BEAD subgrantee selection process, such as drafts of the Requests for Proposals for deployment projects, and narrative to crosswalk against requirements in the Deployment Subgrantee Qualifications section.*

## NONE—BUILT INTO TEXT

a. *Text Box: Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for managerial capability as outlined on pages 73 – 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:*

- 1. Detail how the Eligible Entity will require prospective subgrantees to submit resumes for key management personnel.*
- 2. Detail how it will require prospective subgrantees to provide a narrative describing their readiness to manage their proposed project and ongoing services provided.*

OBD has conducted nine broadband infrastructure grant rounds with the demonstration of managerial capability improved as necessary over the grant rounds. The application material required to be completed to document managerial capability includes:

Organizational Capacity Demonstrate the overall organization strength of the applicant to build, manage, and effectively operate the proposed broadband project, if approved. Documentation should identify key officers and management personnel with corresponding brief resumes. Organizational structure charts may also be submitted. It is important to provide a detailed description of how organizational strength pertains to level of broadband service delivery and service maintenance.

1.a.1 *Text Box: Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for technical capability as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:*

a. *Detail how the Eligible Entity will require prospective subgrantees to certify that they are technically qualified to complete and operate the Project and that they are capable of carrying out the funded activities in a competent manner, including that they will use an appropriately skilled and credentialed workforce. Technical Expertise Statement Provide a narrative statement detailing all the relevant technical expertise of the applicant and the applicant's specific prior experience in providing broadband services in Minnesota (and in other states, if applicable).*

b. *Detail how the Eligible Entity will require prospective subgrantees to submit a network design, diagram, project costs, build-out timeline and milestones for project implementation, and a capital investment schedule evidencing complete build-out and the initiation of service within four years of the date on which the entity receives the subgrant, all certified by a professional engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the Project.*

OBD has conducted nine broadband infrastructure grant rounds with the demonstration of technical capability improved as necessary over the grant rounds. The application material required to be completed to document technical capability for BEAD will include: Technical Expertise Statement Provide a narrative statement detailing all the relevant technical expertise of the applicant and the applicant's specific prior experience in providing broadband services in Minnesota (and in other states, if applicable). The applicant must confirm that upon completion the project will be capable of delivering service of at least 100Mbps download and 20Mbps upload (or 100Mbps symmetrical for federally funded projects). The applicant must include all engineering designs, diagrams and maps that demonstrate the viability of the proposed project. The information must be certified by a registered Professional Engineer. Documentation to support that the technology to be deployed is scalable to 100Mbps symmetrical must be certified by either the manufacturer of the equipment or by a registered Professional Engineer. The applicant must provide a project schedule which reflects all key planning, procurement, construction, installation, testing, and service activation milestones, with an anticipated start date and completion date for each milestone. The contract executed with the subgrantee will include a completion date that meets BEAD requirements. The application will include budget tables to be completed by the applicant which

include tables for the requested budget, a budget summary and cost share (match) and information on any funding partners. Project costs deemed eligible are listed. The start date for incurring expenses eligible for reimbursement will be assumed to be the date NTIA approves Minnesota's Final Proposal (otherwise, under state grant guidelines only costs incurred following the date the contract is fully executed will be allowed to be reimbursed). The budget details narrative and procurement/bidding policies and procedure, and provides the opportunity for the applicant to define the elements and activities that make up each budget category and how the budget figures were determined.

In addition to the above, because the applicant is responsible for a match amount of at least 50 percent for a Border-to-Border application (and at least 25 percent for a Lower Population Density application), and because the applicant will be responsible for all ongoing maintenance and operational costs, the applicant is incented to ensure that the work to be completed is done right.

And again, for all applications being considered for funding, OBD runs a D&B Finance Analytic report on the entity submitting the application as an additional measure of risk assessment prior to finalizing projects to recommend for a grant award.

*2.4.11 Text Box: Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for compliance with applicable laws as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:*

- a. Detail how the Eligible Entity will require prospective subgrantees to demonstrate that they are capable of carrying out funded activities in a competent manner in compliance with all applicable federal, state, territorial, and local laws.*
- b. Detail how the Eligible Entity will require prospective subgrantees to permit workers to create worker-led health and safety committees that management will meet with upon reasonable request.*

The D&B Finance Analytic report will identify any applicants who have been found to be in noncompliance with state, federal and local laws. Any finding in the D&B Analytic report of noncompliance demonstrates that the potential subgrantee's activities are not being done in a competent manner and in compliance with all applicable laws. The contract signed with the subgrantee requires compliance with the grant contract agreement and all applicable state and federal laws. By signing the contract, the subgrantee is committing to comply with all applicable laws, demonstrating that it intends to act in a competent manner. OBD will also know from entities who have previously been awarded state and ARPA Capital Projects Funds funded grants whether they have demonstrated they are capable of carrying out funded activities in a competent manner and in compliance with all applicable federal, state, and local laws. Prior grantees who have not carried out earlier grants in a competent manner and/or not complied with all applicable federal, state and local laws will negatively affect that potential subgrantees demonstration of their capability to execute a grant in a competent manner and follow all applicable federal, state and local laws. Finally, the application will include questions on how the applicant incorporates worker safety and training measures and the scoring rubric will award points to those applicants who demonstrate that they incorporate worker safety and training measures in their workforce (directly hired or subcontracted).

Subgrantees will be required to report on steps for creating a safe and healthy workplace in their semi-annual progress reports for projects that exceed the \$5 million threshold identified for ARPA Capital Projects Fund funding and a similar reporting requirement has been added for comparably funded BEAD projects.

*2.4.15 Text Box: Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for operational capability as outlined on pages 74 – 75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:*

- a. Detail how the Eligible Entity will require prospective subgrantees to certify that they possess the operational capability to qualify to complete and operate the Project.*

- b. Detail how the Eligible Entity will require prospective subgrantees to submit a certification that have provided a voice, broadband, and/or electric transmission or distribution service for at least two (2) consecutive years prior to the date of its application submission or that it is a wholly owned subsidiary of such an entity, attests to and specify the number of years the prospective subgrantee or its parent company has been operating.
- c. Detail how the Eligible Entity will require prospective subgrantees that have provided a voice and/or broadband service, to certify that it has timely filed Commission Form 477s and the Broadband DATA Act submission, if applicable, as required during this time period, and otherwise has complied with the Commission's rules and regulations.
- d. Detail how the Eligible Entity will require prospective subgrantees that have operated only an electric transmission or distribution service, to submit qualified operating or financial reports, that it has filed with the relevant financial institution for the relevant time period along with a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.
- e. In reference to new entrants to the broadband market, detail how the Eligible Entity will require prospective subgrantees to provide evidence sufficient to demonstrate that the newly formed entity has obtained, through internal or external resources, sufficient operational capabilities.

OBD will add a certification checkbox to the application for the potential subgrantee to certify that they have provided a voice, broadband, and/or electric transmission or distribution service for at least two consecutive years prior to the date of its application submission or that it is a wholly owned subsidiary of such an entity, attests to and specify the number of years the prospective subgrantee or its parent company has been operating.

OBD will add a certification checkbox to the application for the potential subgrantee to certify that it has provided a voice and/or broadband service, that it has timely filed Commission Form 477s and the Broadband DATA Act submission, if applicable, as required during this time period, and otherwise has complied with the Commission's rules and regulations.

For those potential subgrantees that have operated only an electric transmission or distribution service, OBD will require them to submit qualified operating or financial reports that have been filed with the relevant financial institution for the relevant time period along with a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.

For new entrants to the broadband market, prospective subgrantees will have to provide information regarding the managerial, technical and financial capabilities, either through internal or external resources, that are sufficient for them to demonstrate they have the capabilities to successfully operate a broadband network in compliance with all state and federal requirements.

The technical, managerial and financial capacity documentation required above, which includes a signed affidavit/resolution, will together demonstrate the operational capacity of the applicant. The D&B Analytics report will uncover any risks concerning the ongoing operational capacity of an applicant being considered for a grant award. The contract between the State and the subgrantee will require that the subgrantee comply with all applicable state and federal laws.

OBD will conduct its evaluation of the capacity of all applicants as it has historically done, using all information available to it from the application submitted, review of prior participation in state grant programs, prior successful completion of state grant funded broadband infrastructure projects, record of compliance with state and federal laws and regulations, and public resources. If the FCC or NTIA have any concerns with particular applicants for BEAD funding that is not publicly available such that the state would otherwise be unable to uncover such concerns, the FCC and NTIA through their regular check-ins, can elect to share such information and relay to the Eligible Entities as appropriate. And, ultimately, the NTIA can deny BEAD funding being awarded to any subgrantee included in a Final Proposal should it

disagree with the Eligible Entity's subgrantee selections as NTIA has the final approval under the process it developed.

*2.4.12 Text Box: Describe how the Eligible Entity will ensure that any prospective subgrantee deploying network facilities meets the minimum qualifications for providing information on ownership as outlined on page 75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:*

*a. Detail how the Eligible Entity will require prospective subgrantees to provide ownership information consistent with the requirements set forth in 47 C.F.R. § 1.2112(a)(1)-(7).*

The Office of Broadband Development is committed to ensuring that applicants seeking to deploy network facilities are thoroughly vetted and meet the minimum qualifications for providing information on ownership as outlined in the BEAD NOFO.

The Office of Broadband Development will require each applicant to provide ownership information consistent with the requirements set forth in 47 C.F.R. § 1.2112(a)(1)-(7).

The Code of Federal Regulations regarding ownership information requires the following:

- (1) List the real party or parties in interest in the applicant or application, including a complete disclosure of the identity and relationship of those persons or entities directly or indirectly owning or controlling (or both) the applicant;
- (2) List the name, address, and citizenship of any party holding 10 percent or more of stock in the applicant, whether voting or nonvoting, common or preferred, including the specific amount of the interest or percentage held;
- (3) List, in the case of a limited partnership, the name, address and citizenship of each limited partner whose interest in the applicant is 10 percent or greater (as calculated according to the percentage of equity paid in or the percentage of distribution of profits and losses);
- (4) List, in the case of a general partnership, the name, address and citizenship of each partner, and the share or interest participation in the partnership;
- (5) List, in the case of a limited liability company, the name, address, and citizenship of each of its members whose interest in the applicant is 10 percent or greater;
- (6) List all parties holding indirect ownership interests in the applicant as determined by successive multiplication of the ownership percentages for each link in the vertical ownership chain, that equals 10 percent or more of the applicant, except that if the ownership percentage for an interest in any link in the chain exceeds 50 percent or represents actual control, it shall be treated and reported as if it were a 100 percent interest; and
- (7) List any FCC-regulated entity or applicant for an FCC license, in which the applicant or any of the parties identified in paragraphs (a)(1) through (a)(5) of this section, owns 10 percent or more of stock, whether voting or nonvoting, common or preferred. This list must include a description of each such entity's principal business and a description of each such entity's relationship to the applicant (e.g., Company A owns 10 percent of Company B (the applicant) and 10 percent of Company C, then Companies A and C must be listed on Company B's application, where C is an FCC licensee and/or license applicant). (b) Designated entity status. In addition to the information required under paragraph (a) of this section, each applicant claiming eligibility for small business provisions, or a rural service provider bidding credit shall disclose the following: (1) On its application to participate in competitive bidding (i.e., shortform application (see 47 CFR 1.2105)):

- (i) List the names, addresses, and citizenship of all officers, directors, affiliates, and other controlling interests of the applicant, as described in § 1.2110, and, if a consortium of small businesses or consortium of very small businesses, the members of the conglomerate organization;
- (ii) List any FCC-regulated entity or applicant for an FCC license, in which any controlling interest of the applicant owns a 10 percent or greater interest or a total of 10 percent or more of any class of stock, warrants, options or debt securities. This list must include a description of each such entity's principal business and a description of each such entity's relationship to the applicant;
- (iii) List all parties with which the applicant has entered into agreements or arrangements for the use of any of the spectrum capacity of any of the applicant's spectrum;
- (iv) List separately and in the aggregate the gross revenues, computed in accordance with § 1.2110, for each of the following: The applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests; and if a consortium of small businesses, the members comprising the consortium;
- (v) If claiming eligibility for a rural service provider bidding credit, provide all information to demonstrate that the applicant meets the criteria for such credit as set forth in § 1.2110(f)(4); and
- (vi) If applying as a consortium of designated entities, provide the information in paragraphs (b)(1)(i) through (v) of this section separately for each member of the consortium. Applications that fail to meet the minimum qualifications for providing ownership information as outlined on page 75 of the BEAD NOFO will not be considered to receive BEAD funding through OBD.

**2.4.13 Text Box:** Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for providing information on other public funding as outlined on pages 75 – 76 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

*a. Detail how it will require prospective subgrantees to disclose for itself and for its affiliates, any application the subgrantee or its affiliates have submitted or plan to submit, and every broadband deployment project that the subgrantee or its affiliates are undertaking or have committed to undertake at the time of the application using public funds.*

Throughout its eight completed and ninth round in progress, the Office of Broadband Development has been mindful of its role in safeguarding the use of public dollars and ensuring the funding is used to bring broadband service to locations not otherwise scheduled to receive such services. That will continue with the BEAD program. In the application, information is required to be provided on whether an applicant has submitted or intends to submit the same project, or any overlapping portion, to any other federal or state broadband funding program. If yes, the applicant is required to attach a map and list of addresses identifying the overlapped area and the type of funding applied for.

OBD also maintains its own mapping effort which includes layers identifying areas already served, areas scheduled to be served (with previously awarded state grant funding, USDA ReConnect and Community Connect, RDOF, NTIA Tribal funding, etc.) and provides shapefiles so locations in those areas are pre-identified as ineligible for the Border-to-Border or Lower Population Density grant programs. Further, the state legislature has built into state law for the grant program a post-application challenge period during which existing providers can identify areas that they plan to build and if OBD finds the challenge credible, an application will either not be funded in its entirety or the locations that will receive service from another provider are removed prior to the application being considered further for funding.

Information on the state post-application challenge process is a part of the overall process to select subgrantees and details were provided under 2.4.1

*b. At a minimum, the Eligible Entity shall require the disclosure, for each broadband deployment project, of: (a) the*

speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules), (b) the geographic area to be covered, (c) the number of unserved and underserved locations committed to serve (or, if the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage), (d) the amount of public funding to be used, (e) the cost of service to the consumer, and (f) the matching commitment, if any, provided by the subgrantee or its affiliates.

Project area information includes a description of the project area, a pdf and digital geospatial map, evidence that the area is not served, and location data. The application requires information related to the number of households, farms, and businesses that will be served and the number of those passings by type that are currently unserved and underserved and the speeds that will be available upon project completion. The location data sheet will provide a list of all locations to be served by the project so that will identify 100 percent of the locations to be served. The location data sheet will be the precise list of locations to be served under the project whereas the map will show the general project area (an address search could divulge locations not on the location data sheet and not part of the project due to ineligibility for BEAD funding).

The application requires the applicant to indicate the type of broadband infrastructure that will be deployed in the project area and the expected latency. The applicant has to provide information on the pricing that will be available for speeds that meet or exceed state and federal speed requirements, as well as any additional equipment or separately charged service installation elements. The application requires the applicant to provide the budget for the project, including the amount of the public funding requested in the application and the match by the applicant and any funding partners.

## **Requirement 9: Non-Deployment Subgrantee Selection**

*2.5.1 Text Box: Describe a fair, open, and competitive subgrantee selection process for eligible non-deployment activities. Responses must include the objective means, or process by which objective means will be developed, for selecting subgrantees for eligible non-deployment activities. If the Eligible Entity does not intend to subgrant for non-deployment activities, indicate such.*

Per the BEAD Initial Proposal guidance, “Eligible Entities may only fund non-deployment eligible activities if they have a plan to ensure deployments to all unserved and underserved locations”. Since Minnesota does not project that it will have adequate BEAD funding to ensure deployments to all unserved and underserved locations, it is not allowed by the BEAD program to use BEAD Funding for non-deployment purposes.

*2.5.2 Text Box: Describe the Eligible Entity’s plan for the following: a. How the Eligible Entity will employ preferences in selecting the type of non-deployment initiatives it intends to support using BEAD Program funds; b. How the non-deployment initiatives will address the needs of residents within the jurisdiction; c. The ways in which engagement with localities and stakeholders will inform the selection of eligible non-deployment activities; d. How the Eligible Entity will determine whether other uses of the funds might be more effective in achieving the BEAD Program’s equity, access, and deployment goals.*

N/A Minnesota does not anticipate using BEAD funding for non-deployment activities.

*2.5.3 Text Box: Describe the Eligible Entity’s plan to ensure coverage to all unserved and underserved locations prior to allocating funding to non-deployment activities.*

N/A Minnesota does not anticipate using BEAD funding for non-deployment activities.

*2.5.4 Text Box: Describe how the Eligible Entity will ensure prospective subgrantees meet the general qualifications outlined on pages 71 – 72 of the NOFO.*

N/A Minnesota does not anticipate using BEAD funding for non-deployment activities.



## Requirement 10: Eligible Entity Implementation Activities

**2.6.1** *Text Box: Describe any initiatives the Eligible Entity proposes to implement as the recipient without making a subgrant, and why it proposes that approach.*

*In this section, the Eligible Entity must describe any initiatives it proposes to implement as the recipient. Examples of initiatives the Eligible Entity may propose include administrative activities to manage the grant, implementation of the Challenge Process, implementation of the subgrantee selection process, workforce development related to the deployment of broadband, digital equity, or broadband adoption activities (as long as the Eligible Entity has sufficient funding for unserved and underserved areas), and mapping or data collection. An Eligible Entity may not propose broadband deployment projects without conducting a competitive subgranting process.*

OBD will use a portion of its BEAD funding beyond the \$5 million initial planning grants to administer the subgrantee selection process for broadband deployment grants; to administer the grants awarded with BEAD funding; implementation of the BEAD Challenge process; mapping, data collection and field validation related to BEAD grant administration, awards and compliance. OBD will not be using a subgrantee selection process for the non-broadband deployment activities as these activities will be conducted by OBD staff or through our existing mapping contractor. See the IFPR documentation submitted separately for additional details.

## Requirement 11: Labor Standards and Protection

**2.7.1** *Text Box: Describe the specific information that prospective subgrantees will be required to provide in their applications and how the Eligible Entity will weigh that information in its competitive subgrantee selection processes. Information from prospective subgrantees must demonstrate the following and must include information about contractors and subcontractors:*

*i. Prospective subgrantees' record of past compliance with federal labor and employment laws, which must address information on these entities' compliance with federal labor and employment laws on broadband deployment projects in the last three years;*

For the BEAD subgrantee selection process, the applicant will be required to indicate via checkbox certification that it and all subcontractors have complied with federal labor and employment laws on broadband deployment projects over the last three years.

*ii. Should include a certification from an Officer/Director-level employee (or equivalent) of the prospective subgrantee evidencing consistent past compliance with federal labor and employment laws by the subgrantee, as well as all contractors and subcontractors; and*

During the BEAD subgrantee selection process, an officer- or director-level employee or equivalent thereof will be required to indicate via checkbox certification that the applicant, its contractors, and its subcontractors have consistently complied with federal labor and employment laws.

*iii. Should include written confirmation that the prospective subgrantee discloses any instances in which it or its contractors or subcontractors have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years.*

During the BEAD subgrantee selection process, the applicant will be required to indicate via checkbox certification that neither it, nor its contractors or subcontractors, have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years. If the applicant indicates that it, its contractors and/or its subcontractors have violated any such laws, it must provide a detailed account in narrative form, accompanied by any relevant documentation. If the applicant indicates the latter, OBD will review the details and potentially disqualify the applicant from further consideration.

*b. Prospective subgrantees' plans for ensuring compliance with federal labor and employment laws, which must address the following:*

*i. How the prospective subgrantee will ensure compliance in its own labor and employment practices, as well as that of its contractors and subcontractors, including:*

*1. Information on applicable wage scales and wage and overtime payment practices for each class of employees expected to be involved directly in the physical construction of the broadband network; and*

*2. How the subgrantee will ensure the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment projects.*

OBD requires the reporting of the following information in grantee's semi-annual progress reports for projects that exceed the \$5 million threshold identified for federal funding: wages/benefits by worker classification; and wages and benefits information, process to ensure supply of skilled labor, how labor disputes are minimized, steps for safety and healthy workplace. This reporting requirement will be continued for BEAD funded grant projects. Additionally, the Department of Employment and Economic Development, in which OBD resides, has an email box [DEED.wagedata@state.mn.us](mailto:DEED.wagedata@state.mn.us) to collect payroll records that are to be submitted at the end of each payroll. An updated Minnesota Department of Labor and Industry Prevailing Wage Certification form is under development to replace the current form. An Exhibit A to the grant contract agreement contains all required provisions and certifications that are mandated by the use of federal funds. OBD will include any such provisions required by NTIA for BEAD funding to be included in this Exhibit A. Ideally those requirements will be identified by NTIA sooner, rather than later, so that potential applicants can determine whether they wish to participate in the BEAD grant funded application rounds. If the federally required provisions are not known or provided to OBD in advance of the subgrantee selection process such that the applicant knows all that will be required in advance of participating in the process (and able to include any associated costs for complying with the provisions in the application budget), there is the risk that a selected subgrantee will withdraw after the Final Proposal is submitted to NTIA or upon presentation of the contract language, and locations thought to be receiving service via BEAD funding will be left out.

*2.7.2 Text Box: Describe in detail whether the Eligible Entity will make mandatory for all subgrantees (including contractors and subcontractors) any of the following and, if required, how it will incorporate them into binding legal commitments in the subgrants it makes:*

*a. Using a directly employed workforce, as opposed to a subcontracted workforce;*

*b. Paying prevailing wages and benefits to workers, including compliance with Davis-Bacon and Service Contract Act requirements, where applicable, and collecting the required certified payrolls;*

*c. Using project labor agreements (i.e., pre-hire collective bargaining agreements between unions and contractors that govern terms and conditions of employment for all workers on a construction project);*

*d. Use of local hire provisions;*

*e. Commitments to union neutrality;*

*f. Use of labor peace agreements;*

*g. Use of an appropriately skilled workforce (e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded);*

*h. Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure); and*

*i. Taking steps to prevent the misclassification of workers.*

OBD will not make mandatory any of the items listed in a. through i. other than the Minnesota Statutory provisions related to the application of prevailing wage to broadband projects. Where prevailing wage does apply, the subgrantee is responsible to ensure prevailing wage requirements under Minnesota State Law are met and required documentation is collected and retained, including via the collection of payroll records to the DEED email box noted above and the new Prevailing Wage Certification form.

## **Requirement 12: Workforce Readiness**

*2.8.1 Text Box: Describe how the Eligible Entity and their subgrantees will advance equitable workforce development and job quality objectives to develop a skilled, diverse workforce. At a minimum, this response should clearly provide each of the following, as outlined on page 59 of the BEAD NOFO:*

- a. A description of how the Eligible Entity will ensure that subgrantees support the development and use of a highly skilled workforce capable of carrying out work in a manner that is safe and effective; vision statement*
- b. A description of how the Eligible Entity will develop and promote sector-based partnerships among employers, education and training providers, the public workforce system, unions and worker organizations, and community-based organizations that provide relevant training and wrap-around services to support workers to access and complete training (e.g., child care, transportation, mentorship), to attract, train, retain, or transition to meet local workforce needs and increase high-quality job opportunities;*
- c. A description of how the Eligible Entity will plan to create equitable on-ramps into broadband- related jobs, maintain job quality for new and incumbent workers engaged in the sector; and continually engage with labor organizations and community-based organizations to maintain worker voice throughout the planning and implementation process; and*
- d. A description of how the Eligible Entity will ensure that the job opportunities created by the BEAD Program and other broadband funding programs are available to a diverse pool of workers.*

The Office of Broadband Development is located within the Minnesota Department of Employment and Economic Development (DEED), which also houses Workforce Development, the Governor's Workforce Development Board (GWDB), Workforce Services and Transformation, Immigrant & Refugee Affairs, CareerForce, Employment and Training, and Vocational Rehabilitation Services. DEED is coordinating the state level approach to ensuring workforce needs are met for all jobs being created under the Infrastructure Investment and Jobs Act and that all state tools are being considered in that coordination.

Additionally, over the past two years, knowing that workforce needs would likely have to be addressed for broadband deployment, OBD has been in close and constant communication with the associations to monitor any issues in terms of worker shortages and to share available DEED resources on training programs should companies wish to avail themselves of such opportunities. More recently, OBD has connected unions that have reached out to our office to the personnel leading the coordinated state approach for addressing workforce in the broadband space.

With nearly 140,000 jobs at about 18,000 employer establishments, Construction is the 8th largest employing industry in Minnesota, and has the 4th largest number of establishments. Average annual wages are just under \$80,000, about \$10,000 above the total of all industries. Most construction occupations can be started with a high school diploma and on-the-job training, with only 5 of the top 25 requiring postsecondary education. Less than one-fifth (17%) of the Construction vacancies required postsecondary education but just over half (52%) required a certificate or license, compared to 32% and 38% of all vacancies, respectively. Construction employers place a high premium on related work experience, with nearly two-thirds (65%) requiring at least 1 year of work experience.

In general, the more defined and technical the skills, the higher the wage in these occupations, though rising demand has also helped push wages higher. The recent rise in construction employment has led to an increased number of job

vacancies across the state. The median wage offered for these vacancies increased to \$23.50 per hour in the second quarter of 2022, up nearly \$2 per hour compared to the same survey in the second quarter of 2019, and up nearly \$3.50 from the second quarter of 2021 when vacancies peaked. The largest number of vacancies were for Construction & Extraction occupations, including Construction Laborers, Construction Equipment Operators, and Carpenters, as well as management, engineering, production, and maintenance and repair occupations such as Truck Drivers, Welders, Civil Engineers, Cost Estimators, and HVAC mechanics. The median wage offered for these positions ranged from \$16.50 an hour up to more than \$38 per hour.

NTIA has identified Construction Laborers and material movers, trucking crew, software engineers, trenchers, equipment operators, surveyors and drafters, and fiber and wireless technicians as occupations with the largest BEAD workforce demands. As NTIA indicated in their analysis, many of the positions most in-demand for the broadband workforce also face a potential labor force deficit as a result of other existing and new state and federal investments. To address the larger picture workforce concerns, the GWDB in partnership with the Economic Analysis and Labor Market Information divisions within DEED, the Minnesota Management and Budget Agency (MMB) and the Governor's Office are working together to conduct a cross-agency and cross-industry analysis of upcoming occupational needs in construction and related occupations. Once this analysis is complete, the GWDB will be leading both the development of a state-wide human capital plan and providing information to local workforce partners across the state so that this information can be used to inform the upcoming WIOA Regional and Local planning efforts for 2024-2027. This will ensure a coordinated state and local approach to addressing the cross-sector workforce needs our state will face over the coming years.

As part of this occupational analysis, the team will also be diving deeper into the demographic analysis of occupations and sectors most in-demand and will be bringing together partners to help close existing equity gaps. Not surprisingly, the Construction industry relies more heavily on younger workers, with nearly 80% (79.2%) of workers between 19 and 54 years of age, compared to 72.4% across all industries. Further demographic data from Quarterly Workforce Indicators shows that the Construction industry is relatively non-diverse, but has become more racially diverse over time. Across all industries, 84.2% of jobs are held by workers identifying as white alone, compared to 94.1% in Construction, making it one of the least racially diverse industries in the state. Finally, Construction is a male-dominated industry, with males holding nearly 85% of total jobs, compared to a nearly 50-50 split across all industries. In the face of tight labor markets, Construction employers will need to continue to tap into new labor pools by age, race, and gender in order to attract the talent they need to grow and replace existing workers in the future.

As part of the existing state strategy, the GWDB supports five state-wide sector partnerships focused on the five most in-demand sectors in Minnesota: the trades, technology, manufacturing, education and the caring professions. The GWDB will be leading efforts to bring sector partners together to support equitable and inclusive recruitment and retention efforts for building the needed workforce, especially those focused on creating more diverse and representative workforces in the construction sector. Building a more diverse construction workforce is a major focus of the Walz and Flanagan administration, and the work of the state-wide sector strategies will focus on providing support and resources to expand successful recruitment and retention initiatives and partnerships focused on diversity, equity, inclusion and accessibility.

Minnesota is committed to implementing the US Department of Labor and Department of Commerce's Good Jobs Principles through our sector strategies, understanding implementation of this vary slightly as the demographics and challenges for the sectors vary. This includes identifying demographic gaps to help determine recruitment and hiring practices, amplifying worker voice, providing job security and safe working conditions, identifying best practices to improve organizational culture, and career pathway development and sharing. In construction, many recruitment and hiring practices are already well established, but less established are practices to recruit and hire a more diverse workforce.

In many cases, the benefits provided to construction workers are a barrier, so identifying common benefits that help to bring down barriers to employment for the underrepresented will be prioritized. Benefits like flexible and advanced scheduling, child care support, access to health care, paid time off and future compliance with Minnesota's new paid

family leave program, transportation, and retirement benefits will all be part of this conversation. Additionally, through the sector strategies we will identify common best practices to support pay transparency to ensure that wages paid to workers in these in-demand occupations do not differ due to gender or race.

An example of this is committing to using registered apprenticeship programs (RAPs) to support a well-trained workforce. Minnesota has a longstanding, demonstrated commitment to developing, expanding, and sustaining high-quality statewide RAPs and to increasing RAP participation and completion by underrepresented populations. Minnesota is host to a number of initiatives and providers that support women and other under-represented populations gaining skill, experience and working in construction industries. RAPs are already active and growing in the a number of the [occupations](#) identified by NTIA, including Laborers, equipment operators, and telecommunication technicians.

The trade unions have also created opportunities for youth to engage in the trades through Construct Tomorrow which is a RAP exploration event for high school students. Since its inception Construct Tomorrow has reached nearly 100,000 high school students throughout the state of Minnesota. Construct Tomorrow has a regional model and hosts events annually at large venues throughout the state. Typically, 15 trades have hands-on interactive experiences for students which include programs for electricians. The unions fund and co-administer the Building Strong Communities Program. This is a 12-week multi-trade apprenticeship preparatory program, targeting the inclusion of women, BIPOC members and veterans. The unique aspect of this program is that it is industry developed and driven in partnership with union trades, contractors, project owners and municipalities, as well CBOs. The 2023 cohort is currently underway with 87 individuals statewide. BSC is now its own labor management non-profit and offers service throughout Minnesota and includes an electrician program.

The major focus for the state will be on leveraging newer initiatives that the labor unions have created to expand the demographics entering the construction sector. This will include relying on existing and expanding partnerships the labor unions in the state, especially those affiliated with the Minnesota Building & Construction Trades and the Minnesota AFL-CIO, including the Minnesota Training Partnership. These union partners have established partnerships with community-based organizations (CBOs) such as the Goodwill-Easter Seals, Somali Community Center, Vietnamese Social Services, Five Skies Training supporting Indigenous Nations, Helmets to Hardhats, COPAL, Unidos MN, SOARs, Summit Academy, Building Strong Communities, KAREN Organization, Twin Cities Urban League, American Indian OIC, Soar Career Solutions, Takoda Institute, CLUES, Twin Cities Rise, Urban Ventures, and New Justice Project, and Wounded Veterans to build trust and job security in the neighborhoods that their members work and live. The Carpinteros Latinos Unidos group offers resources specific to Hispanic, Latino, and surrounding community members, and the Carpenters' Equity and Respect Committee is tasked with identifying inclusion and diversity strengths, issues, and opportunities throughout North Central States Regional Council of Carpenters (NCSRCC).

Increasing the number of women in construction takes an all-hands approach as recruitment, retention, accountability and transparency all play a role in not just having women enter the construction sector but supporting their growth and success and making a career out of jobs in this in-demand sector. Minnesota has taken the approach of having state agencies create strong partnership with unions to create new initiatives and state and federally funded activities to support and track the growth of women in construction.

In addition to DLI's \$1 million annual Labor Education Advancement Program (LEAP) grants to improve the participation and retention of women, people of color and Indigenous people in RAPs, the Minnesota Registered Expansion Grant (APEX) program provides funding to address Minnesota's racial and economic disparities by increasing female and minority participation in the apprenticeship programs. Through this U.S. Department of Labor funded program, unions engage with contractors in apprenticeship recruitment and retention initiatives. In 2020, 28 individuals benefited from the APEX program, and nearly 200 have received training as a result of these grants since 2018. The Minnesota APEX program also routinely includes multiple women in each of their programs.

Partnering with labor unions will be critical to the success of building the talent pipelines needed to meet the broadband workforce needs. This will include exploring and strengthening partnerships with existing initiatives like the North Central States Regional Council of Carpenters (NCSRCC), which has a chapter of the Sister's in the Brotherhood (SIBs)

Committee in St. Paul, MN actively supports and uplifts women in the trades. This includes a partnership with the Shakopee women's correctional facility where they routinely attend speaking opportunities to provide justice-involved women a career opportunity following their release. The Carpenters Training Institute (CTI) has also found value in running cohorts that consist entirely of females taught by one of their female instructors. These programs have a 100 percent success rate for placing participants who successfully complete the program.

The trades unions in Minnesota employ a broad array of personnel to support retention and success, such as career navigators to make sure all first-year apprentices are set up for success and have the necessary supports to navigate through RAPs and offer retention and support surveys and services to make sure apprentices feel valued and that they have a voice. They've also created Women Building Success with the mission of recognizing, celebrating and promoting the success of women in the union construction trades. Women Building Success hosted a panel event about opportunities in registered apprenticeship programs in construction During National Apprenticeship Week in celebration of Women in Apprenticeship Day. During Women in Construction Week trades men and women from all over Minnesota gathered to celebrate the Women Building Success Annual Photo contest.

All of these initiatives, and additional new state programs and investments that are just beginning to be rolled out from the 2023 legislative session, will be leveraged to ensure Minnesota has a well-prepared, skilled and diverse workforce to meet the upcoming broadband workforce needs.

*2.8.2 Text Box: Describe the information that will be required of prospective subgrantees to demonstrate a plan for ensuring that the project workforce will be an appropriately skilled and credentialed workforce. These plans should include the following:*

- a. The ways in which the prospective subgrantee will ensure the use of an appropriately skilled workforce, e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers;*
- b. The steps that will be taken to ensure that all members of the project workforce will have appropriate credentials, e.g., appropriate and relevant pre-existing occupational training, certification, and licensure;*
- c. Whether the workforce is unionized;*
- d. Whether the workforce will be directly employed or whether work will be performed by a subcontracted workforce; and*
- e. The entities that the proposed subgrantee plans to contract and subcontract with in carrying out the proposed work.*

*If the project workforce or any subgrantee's, contractor's, or subcontractor's workforce is not unionized, the subgrantee must also provide with respect to the non-union workforce:*

- a. The job titles and size of the workforce (FTE positions, including for contractors and subcontractors) required to carry out the proposed work over the course of the project and the entity that will employ each portion of the workforce;*
- b. For each job title required to carry out the proposed work (including contractors and subcontractors), a description of:*
  - i. Safety training, certification, and/or licensure requirements (e.g., OSHA 10, OSHA 30, confined space, traffic control, or other training as relevant depending on title and work), including whether there is a robust in-house training program with established requirements tied to certifications, titles; and*
  - ii. Information on the professional certifications and/or in-house training in place to ensure that deployment is done at a high standard.*

OBD requires the reporting of the following information in semi-annual progress reports for federally funded projects

that exceed established federal funding thresholds: compliance of project with applicable Federal/State labor laws, number of employees and contractors, number of direct or third party hires; wages/benefits by worker classification; wages and benefits information, process to ensure supply of skilled labor, how labor disputes are minimized, steps for safe and healthy workplace. This information will demonstrate whether the workforce is appropriately skilled. The same information will be collected whether a subgrantee is or is not unionized. Based on the semi-annual progress reports received for prior projects, no issues have been identified to date.

Additionally, the Exhibit A to the grant contract agreement contains all required provisions and certifications that are mandated by the use of federal funds. OBD will include any such provisions required by NTIA for BEAD funding to be included in Exhibit A to the grant contract agreement. Ideally those requirements will be identified by NTIA sooner, rather than later, so that potential applicants can determine whether they wish to participate in the BEAD grant funded application rounds. If the federally required provisions are not known or provided to OBD in advance of the subgrantee selection process such that the applicant knows all that will be required in advance of participating in the process (and able to include any associated costs for complying with the provisions in the budget included in their application), there is the risk that a selected subgrantee will withdraw after the Final Proposal is submitted to NTIA or upon presentation of the contract language, and locations thought to be receiving service via BEAD funding will be left out.

### **Requirement 13: Minority Business Enterprises (MBEs/Women's Business Enterprises (WBEs)/Labor Surplus Firms Inclusion**

*2.9.1 Text Box: Describe the process, strategy, and the data tracking method(s) the Eligible Entity will implement to ensure that minority businesses, women-owned business enterprises (WBEs), and labor surplus area firms are recruited, used, and retained when possible.*

*2.9.2 Check Box: Certify that the Eligible Entity will take all necessary affirmative steps to ensure minority businesses, women's business enterprises, and labor surplus area firms are used when possible, including the following outlined on pages 88 – 89 of the BEAD NOFO:*

- a. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;*
- b. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;*
- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;*
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;*
- e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and*
- f. Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors.*

X  Yes  No The Eligible Entity certifies that it will take all necessary affirmative steps to ensure minority businesses, women's business enterprises, and labor surplus firms are used when possible in selecting subgrantees for BEAD broadband deployment projects.

The grant contract template language that is used by OBD with grantees includes the following language:

- (a)** The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
- a. State Department of Administration's Certified Targeted Group, Economically

## Disadvantaged and Veteran-Owned Vendor List

- b. Metropolitan Council Underutilized Business Program: MCUB: Metropolitan Council Underutilized Business Program
- c. Small Business Certification Program through Hennepin County, Ramsey County, and City of St. Paul: Central Certification Program

Additionally, Exhibit A—Federal Funding Required Provisions and Certifications includes the following provision as part of the contract:

**10.Required Certifications.** Each of the following required certifications set forth below is a material representation of fact upon which reliance is placed by the State prior to distributing federal funds. By signing the Grant Contract Agreement, Grantee’s authorized representative who must be expressly authorized to make the below certifications on behalf of Grantee, under penalty of perjury pursuant to the laws of the State, certifies and attests to Grantee’s compliance with the following certifications in Section 10 of Exhibit A. The following certifications shall apply to Grantee and Grantee’s contractors, subgrantees and subrecipients. Grantee shall require and cause any Grantee’s contractors, subgrantees and subrecipients used by Grantee in the performance of the Grant Contract Agreement to certify, agree to, and be subject to and bound by each of the following certifications. The Grantee shall include each of the following certifications in its agreements with its contractors, subgrantees and subrecipients. Grantee may be required to provide any information identified or required in connection with the below certifications as a precondition to receiving funds under the Grant Contract Agreement.

**10.4 Nondiscrimination in Federally Assisted Programs & Equal Opportunity.** This certification requires Grantee and Grantee’s contractors, subgrantees and subrecipients to comply with any applicable federal nondiscrimination requirements or laws providing for or requiring equal opportunity in employment. Except as otherwise provided under 41 C.F.R. part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 C.F.R. part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 C.F.R. part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 C.F.R. part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” To the extent required by these Applicable Laws, Grantee and Grantee’s contractors, subgrantees and subrecipients certifies during the performance of this Grant Contract Agreement that it complies with 41 C.F.R. 60-1.4.:

As general practice, OBD follows state grant guidelines in issuing grant awards with state funding. The above described process meets state requirements. OBD is aware, and has included, additional required federal certifications when federal funding is used for funding broadband grants. Given NTIA’s explicit list of objectives in 2.9.2 a.-f., if NTIA has additional, specific federal certification forms that it desires to be used for the BEAD program, please provide as soon as possible so that subgrantees are fully apprised of their obligations prior to deciding whether to participate in the program. If NTIA does not provide specific certification forms, OBD will assume its current approved process used for state and federal grant funding for broadband is sufficient for administering the federal BEAD funding for broadband grant projects.

## **Requirement 14: Cost and Barrier Reduction**

*2.10.1 Text Box: Identify steps that the Eligible Entity will take to reduce costs and barriers to deployment. Responses may include but not be limited to the following:*

- a. *Promoting the use of existing infrastructure;*
- b. *Promoting and adopting dig-once policies;*



- c. *Streamlining permitting processes;*
- d. *Streamlining cost-effective access to poles, conduits, easements; and*
- e. *Streamlining rights of way, including the imposition of reasonable access requirements.*

OBD includes an opportunity for an applicant to identify whether its proposed project leverages existing broadband networks or will be built in conjunction with other broadband infrastructure projects to expand service areas to include unserved or underserved regions of the state and to identify the other project and associated leveraged funds (such as ACAM, ReConnect, E-Rate or other federal, state or local funding sources). The question on the application is:

If the proposed project leverages existing broadband networks or will be built in conjunction with other broadband infrastructure projects to expand service areas to include unserved or underserved regions of the state, please give specific examples identifying the other project and the associated leveraged funds. Include any prior awards for CAF II, ACAM, USDA/RUS loan or ReConnect funds, ARPA, E-rate, or any other federal, state, or local broadband funding. Minnesota also has a Dig Once policy under Minnesota Statutes [116J.391](#) and the Minnesota Department of Transportation works with broadband providers to give them advance notice of road projects to plan and coordinate on installation.

Finally, Minnesota has a Minnesota Business First Stop broadband working group that includes state agencies with permitting responsibilities (MNDOT, MNDNR) to prioritize permitting for broadband projects funded with state or federal funding, to identify training opportunities, and to develop relationships to respond to permitting delays identified by broadband providers. The working group has become more critical in purpose with the greater funding being made available for broadband deployment at both the state and federal levels and the permitting requirements that vary by funding source. OBD does not intend to substitute its judgement for the expertise of the statutorily obligated permitting agencies. Each permitting agency has its own process in place for tracking permit applications and average approval timelines. Any permitting delays brought to our attention are raised with the appropriate permitting agency through relationships developed through the working group. Any systemic permitting issues are raised in the full working group. OBD is in communication with MN SHPO on broadband permits but ultimately this is a federally funded program and responsibility for implementing permits for federal projects and the ability to expedite review is a matter between MN SHPO and NTIA.

## **Requirement 15: Climate Assessment**

*2.11.1 Text Box: Describe the Eligible Entity's assessment of climate threats and proposed mitigation methods. If an Eligible Entity chooses to reference reports conducted within the past five years to meet this requirement, it may attach this report and must provide a crosswalk narrative, with reference to page numbers, to demonstrate that the report meets the five requirements below. If the report does not specifically address broadband infrastructure, provide additional narrative to address how the report relates to broadband infrastructure. At a minimum, this response must clearly do each of the following, as outlined on pages 62 – 63 of the BEAD NOFO:*

- a. *Identify the geographic areas that should be subject to an initial hazard screening for current and projected future weather and climate-related risks and the time scales for performing such screenings;*
- b. *Characterize which projected weather and climate hazards may be most important to account for and respond to in these areas and over the relevant time horizons;*
- c. *Characterize any weather and climate risks to new infrastructure deployed using BEAD Program funds for the 20 years following deployment;*
- d. *Identify how the proposed plan will avoid and/or mitigate weather and climate risks identified; and*
- e. *Describe plans for periodically repeating this process over the life of the Program to ensure that evolving risks are*

*understood, characterized, and addressed, and that the most up-to-date tools and information resources are utilized.*

*2.11.1.1 Optional Attachment: As an optional attachment, submit any relevant reports conducted within the past five years that may be relevant for this requirement and will be referenced in the text narrative above.*

OBD reviewed the material cited by NTIA in its guidance on how to respond to Requirement 15, including the 2018 National Climate Assessment, NOAA's 2022 State Climate Summaries, NOAA's Disaster and Risk Mapping Tool, NOAA's Climate Explorer and Digital Coast Tools, FEMA's National Risk Index, FEMA's Flood Map and Climate Mapping for Resilience and Adoption. In that review, it was generally stated that severe weather events pose a significant threat to the environment, human health, and the economy, and are projected to increase in occurrence and severity in the future. The BEAD Program is aimed at supporting Eligible Entities in addressing these risks and minimizing their impacts. This proposal outlines a plan for addressing climate threats within the Eligible Entity and proposed mitigation methods while performing BEAD-funded activities. OBD has reviewed the resources as noted above. Specifically for Minnesota, temperatures have risen more than 2.5 degrees Fahrenheit since the beginning of the twentieth century. While warmer temperatures will reduce energy demand for heating and lengthen the growing season, it will also increase the magnitude of naturally occurring droughts although spring precipitation is projected to increase by about 15 to 20 percent by midcentury. Extreme precipitation events are projected to increase in frequency and intensity, resulting in increased flooding and associated impacts, such as increased erosion, infrastructure damage, and agricultural losses. Given its location in the interior of North America and lack of mountains, Minnesota is exposed to bitterly cold air masses in the winter and warm, humid air masses from the Gulf of Mexico in the summer, resulting in large temperature variations.

Minnesota has had 57-billion-dollar disaster events between 1980 and October 2023. While the U.S. billion-dollar disaster events are dominated by tropical cyclone losses, there have been none of those in Minnesota. Minnesota's billion-dollar events are predominantly from severe weather and to a lesser extent, drought. Based on the review of the noted data, there are no regions of the state and no group of counties at significantly greater risk for disaster than another region or county group, therefore, no region of Minnesota or groups of Minnesota counties need to be screened for potential hazards.

Minnesota has also put together "Minnesota's Climate Action Framework" with the framework primarily put in place to identify the work that must be done to reduce greenhouse gas emissions and build resilient communities across Minnesota. The climate change identified for Minnesota generally addressed the changes being seen across the state and did not note any particular area of the state with greater concern:

Minnesota's climate has changed and will continue to change, affecting the health and economy of our communities. Frequent and intense storms — now occurring more often than at any time on record — are damaging homes, businesses, infrastructure, farms, and natural resources, and the trend is projected to continue. Record-breaking floods, like those in Duluth in 2012 and Faribault in 2010 and 2016, have damaged streets, wastewater facilities, businesses, and homes, costing local governments, business owners, and residents millions of dollars in cleanup and repairs.

Huge wildfires in Canada and the western U.S., brought on by changing conditions, have caused unhealthy air quality in our state. Minnesota lakes have lost an average of 10 to 14 days of ice cover in the past 50 years, affecting lake and fish health, outdoor recreation opportunities, and business owners. Climate change effects are harming wildlife habitat, like those of trout and walleye. Beloved northern tree species such as spruce, aspen, black ash, and birch are expected to decline. Minnesota's state grain, wild rice (manoomin, psínj), and the habitats it supports are also affected. In addition, our health is threatened by more floods, longer allergy seasons, warmer temperatures, and expanded tick ranges.

The Climate Action Framework also did not specifically reference any aspect of broadband provisioning.

Under legislation passed in the 2023 session, Minnesota has just stood up an Infrastructure Resilience Advisory Task Force. Bree Maki, OBD's Executive Director, is a member of that Task Force. Rather than prejudge the work or outcome of this new task force, Director Maki will participate on the Task Force and convey the issues related to broadband

infrastructure and requirements for the BEAD program in her work on the Task Force, keeping in mind the BEAD program requirements to continually review and assess for climate resiliency over the life of the Program to ensure that evolving risks are understood, characterized, and addressed, and that the most up-to-date tools and information resources are utilized.

While we know that Minnesota is experiencing the effects of climate change, to date there have been no effects posing any threat to broadband deployment identified for Minnesota. Until any such threats are documented, it seems premature to attempt to identify measures to address an unidentified threat. At this time, OBD will include a question on its bi-annual report requesting broadband providers in Minnesota to note any suspected impacts on broadband infrastructure that they believe may be the result of climate change. Every five years, the responses will be reviewed and a determination made as to whether any trends are emerging. At the same time, OBD will also use participation on the Infrastructure Resilience Advisory Task Force to note whether broadband infrastructure has been identified as being subject to climate risks and any potential mitigating measures that can be taken.

## **Requirement 16: Low-Cost Broadband Service Option**

*2.12.1 Text Box: Describe the low-cost broadband service option(s) that must be offered by subgrantees as selected by the Eligible Entity, including why the outlined option(s) best services the needs of residents within the Eligible Entity's jurisdiction. At a minimum, this response must include a definition of low-cost broadband service option that clearly addresses the following, as outlined on page 67 of the BEAD NOFO:*

- a. All recurring charges to the subscriber, as well as any non-recurring costs or fees to the subscriber (e.g., service initiation costs);*
- b. The plan's basic service characteristics (download and upload speeds, latency, any limits on usage or availability, and any material network management practices);*
- c. Whether a subscriber may use any Affordable Connectivity Benefit subsidy toward the plan's rate; and*
- d. Any provisions regarding the subscriber's ability to upgrade to any new low-cost service plans offering more advantageous technical specifications.*

As part of the application process, the proposed pricing for broadband services must be provided, including the pricing for service that meets or exceeds Minnesota's 2026 speed goal of at least 100Mbps download and 20Mbps upload and for federally funded grant rounds, pricing for service that meets or exceeds 100Mbps symmetrical speeds. The application also includes the requirement that providers identify any additional equipment charges and/or any separately chargeable installation elements. Applicants must also identify their marketing efforts to prospective broadband customers. An applicant must also provide information on how the broadband service that will be offered is affordable to the target markets in the proposed project area.

For the BEAD application, OBD will add questions regarding the plan's basic service characteristics (download and upload speeds, latency, any limits on usage or availability, and any material network management practices).

At a minimum, the subgrantee's low-cost broadband option must:

- a. Provide typical download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps, or the fastest speeds the infrastructure is capable of if less than 100 Mbps/20 Mbps;
- b. Provide typical latency measurements of no more than 100 milliseconds;
- c. Not be subject to data caps, non-governmental imposed surcharges, or usage-based throttling, and be subject only to the same (or better) acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers by the participating subgrantee must adhere; and
- d. In the event the provider later increases the speeds of one of its low-cost plans it will permit Eligible Subscribers that are subscribed to that plan to upgrade to those new speeds at little or no cost.

Subgrantee applicants must include in their application a commitment to charge a price for their low-cost broadband

option to low-income households that meet the eligibility requirements for ACP. The price submitted by the applicant will meet the OBD's definition of the low-cost service option if it is consistent with the low-cost offerings the subgrantee applicant currently (at the time of the application) makes available in unsubsidized areas within the State. Therefore, subgrantees that offer service nationally will have a low-income rate available in the \$30/ month or less range (Comcast has a \$9.95/mo. rate for 50Mbps service; Charter has a 30Mbps at no charge for ACP subscribers; Frontier offers a Fiber 100 plan for \$29.99/mo.).

Additionally, the low-cost broadband option must be priced below the FCC's Urban Rate Comparability benchmark, which is the federal gauge as to whether rates in rural areas (which lack competition and which are where the vast majority of unserved and underserved BSLs are located) are reasonable and hence affordable. The Eligibility Entity intends that the FCC's Urban Rate Comparability benchmark is the ceiling for the low-cost option, a ceiling that is set by the federal government. OBD would note that recipients of other federal funding for broadband, including 100 percent grant funding by the USDA ReConnect program, the USDA Community Connect program, and the FCC RDOF program have no low-cost option whatsoever.

If a provider's rates for the 100Mbps download and 20Mbps upload and/or the 100Mbps symmetrical services are above the benchmarks for the corresponding speed, a selected subgrantee will be asked to lower their rates in order to be awarded a grant. Add to that the low-income household benefit of the ACP (or its successor program), which all subgrantees are required to participate in, and the result is the low-cost broadband option.

Minnesota believes this approach best effectuates the purposes of the BEAD Program which is to get broadband infrastructure built and available and then the low-cost service option, combined with ACP participation – the two statutorily prescribed affordability measures in the IJA – will enable affordable broadband service to be offered to eligible subscribers. Further, for low-income subscribers they also qualify for the broadband Lifeline benefit from the FCC of \$9.25 and, if they bundle a telephone line with their broadband service, these subscribers are also eligible for the Minnesota Telephone Assistance Plan of \$10 monthly, resulting in an additional benefit of \$19.25. Should the ACP benefit cease to exist due to the federal government discontinuing funding, despite the many requests that the program be funded on an ongoing basis, the Lifeline and the Minnesota TAP benefit (for those that bundle) would remain in place to assist low-income households with their monthly broadband bills. Secondly, the speed, service, and upgradability elements will ensure that eligible subscribers receive high-quality low-cost broadband service over the funded network.

OBD recognizes that there may very well exist a monthly rate to be paid by a low-income household when one compares a provider's resulting rates at the various speeds to the amount of the ACP, Lifeline and potentially TAP benefit. However, that difference also existed when the FCC established the Urban Rate Comparability standard for determining a benchmark to gauge rates for universal service. OBD is also attempting to balance the needs of small, rural providers and their ability to participate in the BEAD subgrantee selection process.

In sum, Minnesota's BEAD low income plan will have a maximum monthly rate no greater than the Urban Rate Comparability standard determined by the FCC plus any standard recurring charges assessed by the provider to all customers reduced by the ACP, the FCC Lifeline benefit and potentially the Minnesota Telephone Assistance Plan and with the speed, latency, data limits and any material network management practices of that provider; and the subscriber will have the ability to upgrade to any new low-cost options offering more advantageous technical specifications. To the extent additional affordability measures are deemed necessary, those may be addressed through Minnesota's Digital Opportunity Plan.

As noted by Alan Davidson, NTIA Administrator, in his testimony to the House Energy and Commerce Committee on December 5, 2023, "We are not setting a price at NTIA. We are not setting a national price for broadband. We're not setting rates. Our view is that different states will approach this in different ways. "And, I think we would say that we're giving states flexibility to set the low-cost option the way they want to," he said. Minnesota's approach is to set the rates the same way they are set for other federal broadband grant programs and the way Minnesota has for the prior rounds of its Border-to-Border grant program, which require rates to be lower than the comparison to rates in urban areas, which provide for community partnerships to help select a preferred ISP for the community which includes community

review of rates for affordability, and requiring participation in ACP. At this point, it would also be helpful to remind people of how this country has historically addressed ensuring all households can be connected, including low income households. Small, rural providers generally do not have the urban customers nor the business customer base necessary to cross-subsidize low-income households (nor did these and similar providers when they only offered telephone service—hence the longstanding history of universal service in this country). If the provider does not have the revenue stream from the more profitable business or urban customers, it cannot on its own subsidize rates to low-income households that result in a \$0 or nominal monthly rate and still make the business case to participate in the BEAD program. The alternative is to recognize that the BEAD subgrantee selection process will only include large, national providers as participants, which we are not willing to do. Smaller providers often have unique expertise in serving some of the hardest- to-reach communities.

To the extent that additional affordability measures are believed to be necessary by NTIA, those measures should be addressed and funded at the national level. If broadband service is considered a basic necessity in this country, then the requirement to ensure it is available and affordable to all households should not be placed only on the provider serving each of those households. Rather, the solution needs to be a shared responsibility, as it is for telephone service (Lifeline and Minnesota’s Telephone Assistance Plan), heating assistance (LIHEAP--the federal Low Income Energy Assistance Program, the Salvation Army’s HeatShare and Utility Assistance Programs), water (Low Income Household Water Assistance Program) and food (food shelves, free school lunches and breakfasts, Meals on Wheels, SNAP). Additional solutions may also be addressed in state Digital Opportunity Plans where identified by the state as a significant barrier to broadband adoption and use.

*2.12.2 Checkbox: Certify that all subgrantees will be required to participate in the Affordable Connectivity Program or any successor program.*

Subgrantees will be required to participate in the FCC’s Affordable Connectivity Plan (ACP) or any successor program. Eligible subscribers to the ACP can have the subsidy applied to their selected service option.

The Eligible Entity certifies that all subgrantees will be required to participate in the Affordable Connectivity Program or any successor program:

Yes

No

## **Requirement 20: Middle Class Affordability Plans**

*2.13.1 Text Box: Describe a middle-class affordability plan that details how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network’s service area at reasonable prices. This response must clearly provide a reasonable explanation of how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network’s service area at reasonable prices.*

The Minnesota Border-to-Border and Lower Population Density broadband grant programs both emphasize a public-private partnership, or at a minimum, a strong demonstration of community support for a project. That partnership and/or demonstration of community support indicates 1.) that the community finds the service to be provided under that grant application is of high-quality and desired by the residents and businesses located in that area, and 2.) at the rates offered by their provider partner. That showing provides OBD with information that the rates are reasonable in that service area, given the community support for the project, and that the project will have a high take rate, ensuring the success of the project.

Additionally, similar to the low-income broadband offering, OBD compares the rate information provided in the application to the FCC’s Urban Rate Comparability benchmarks, the measure that the FCC uses to determine the reasonable comparability for universal service purposes. If a provider’s rates for the 100Mbps download and 20Mbps

upload and/or the 100Mbps symmetrical services are above the benchmarks for the corresponding speed, a selected subgrantee will be asked to lower their rates in order to be awarded a Border-to-Border or Lower Population Density grant. This federally developed gauge is another measure used to ensure middle class affordability.

## Requirement 17: Use of 20 Percent of Funding

2.14.1 *Text Box: Describe the Eligible Entity’s planned use of any funds being requested, which must address the following: INCLUDE A SUMMARY HERE OF WHAT IS SHOWN IN THE FORMS/IPFR DOCUMENTATION*

- a. *If the Eligible Entity does not wish to request funds during the Initial Proposal round, it must indicate no funding requested and provide the rationale for not requesting funds.*
- b. *If the Eligible Entity is requesting less than or equal to 20 percent of funding allocation during the Initial Proposal round, it must detail the amount of funding requested for use upon approval of the Initial Proposal, the intended use of funds, and how the proposed use of funds achieves the statutory objective of serving all unserved and underserved locations.*
- c. *If the Eligible Entity is requesting more than 20 percent (up to 100 percent) of funding allocation during the Initial Proposal round, it must detail the amount of funding requested for use upon approval of the Initial Proposal, the intended use of funds, how the proposed use of funds achieves the statutory objective of serving all unserved and underserved locations, and provide rationale for requesting funds greater than 20 percent of the funding allocation.*

2.14.2 *Financial Data Entry: Enter the amount of the Initial Proposal Funding Request. If not requesting initial funds, enter ‘\$0.00.’ \$651,839,368*

2.14.3 *Check Box: Certify that the Eligible Entity will adhere to BEAD Program requirements regarding Initial Proposal funds usage. If the Eligible Entity is not requesting funds in the Initial Proposal round and will not submit the Initial Funding Request, note “Not applicable.” X Yes X No*

The Office of Broadband Development (OBD), a division of the Minnesota Department of Employment and Economic Development, is submitting this Broadband Equity, Access, and Deployment (BEAD) Program Initial Proposal Funding Request to support Minnesota’s pursuit to encourage, foster, develop, and improve broadband within the state. These efforts are deeply informed by Minnesota’s previous 10 years of experience in administering a combined total of \$380M in state funds for broadband infrastructure grants. This proposal includes the following eligible activities:

1. Direct and indirect costs associated with the administration of the BEAD grant
2. The implementation of the Challenge Process and Subgrantee Selection Process
3. Support for last-mile broadband deployment projects, subject to the limitations related to deployment prior to approval of the Final Proposal
4. Funds to be used upon approval of the Final Proposal

These costs exceed the 20 percent of the total allocation; however, based on the BEAD NOFO, Section IV.B.8, OBD requests that the Assistant Secretary make 100 percent (\$651,839,368) of the total allocation available at the Initial Proposal stage of the BEAD Program. Comprehensive justification regarding this is provided in Section 4.

### 1. Direct and indirect costs associated with the administration of the BEAD grant

OBD intends to use funds as part of the Initial Proposal Funding Request for the administration of the grant; specifically, to increase capacity of OBD. The below costs do not overlap with those funds requested during the Initial Planning stage; however, they may represent a continuation of those costs vital to the administration of OBD. These funds include:

- a. Personnel

Position	FTE	Hire Status	Responsibilities
OBD Executive Director	0.25	Filled	Oversee the BEAD grant reports; archive grant-related documents and documentation; prepare for, and support any activities related to grant monitoring, audit or compliance requests; compile,

			reconcile, and manage the submission of subgrantee reports and documents; oversee community engagement and interagency partnerships
OBD Deputy Director	0.5	Filled	Oversee the BEAD grant reports; archive grant-related documents and documentation; prepare for, and support any activities related to grant monitoring, audit or compliance requests; compile, reconcile, and manage the submission of subgrantee reports and documents
Grants Specialist Supervisor	0.5	In Progress	Oversee the grants team and support the completing BEAD grant reports; archive grant-related documents and documentation; prepare for, and support any activities related to grant monitoring, audit or compliance requests; compile, reconcile, and manage the submission of subgrantee reports and documents
Grants Specialists	3.5	Filled	Support completing BEAD grant reports; archive grant-related documents and documentation; prepare for, and support any activities related to grant monitoring, audit or compliance requests; compile, reconcile, and manage the submission of subgrantee reports and documents
Compliance Lead	1.0	Not Filled	Provide compliance requirements to grants team and grantees during the life of the grant agreements; provide assistance to BEAD grant reports; archive grant-related documents and documentation; prepare for, and support any activities related to grant monitoring, audit or compliance requests; compile, reconcile, and manage the submission of subgrantee reports and documents
Lead Accounting Officer	0.75	In Progress	Oversee the reporting of infrastructure projects receiving financing assistance from OBD; report and analyze federal grants, including BEAD funds
GIS Specialist	0.5	In Progress	Provide technical mapping and verifications to ensure locations are identified and mapped accurately
Community Engagement and Specialist Projects Coordinator	0.5	Filled	Manage the database, data entry, file preparation and drafting of documents associated with BEAD; provide coordination to OBD in community engagement; participate in community events; and present, promote, and coordinate events with members of the OBD team.
Office Manager	.25	Filled	Direct support to staff working on the BEAD program.

b. Travel

Purpose	Type	Justification
State Broadband Leaders Network (SBLN) meeting #1	Domestic Out-of-State	Participate in SBLN information sharing and networking activities; share priorities and best practices in broadband grants administration; discuss emerging telecommunications policy issues
SBLN meeting #2	Domestic Out-of-State	Participate in SBLN information sharing and networking activities; share priorities and best practices in broadband grants administration; discuss emerging telecommunications policy issues
Local Coordination Meetings	Domestic In-State	Travel to local coordination events across Minnesota to provide up-to-date information and education on the BEAD Challenge Process for audiences of relevant partners and stakeholders
National BEAD Training and Conferences	Domestic Out-of-State	Participate in national broadband infrastructure conferences and meetings to learn best practices, development partnerships, and advance BEAD knowledge

Regional Meetings for BEAD Community Engagement	Domestic In-State	Provide updates and education for relevant partners and stakeholders regarding BEAD process, progress, and updates
Compliance Checks	Domestic In-State	Monitor subgrantee compliance with BEAD rules and regulations; ensure projects are aligned with proposals; ensure subgrantee compliance during grant closeout procedures

c. Equipment

OBD requests funds for Minnesota Fleet Services Lease Agreements. This will ensure OBD staff have adequate vehicle access when conducting in-state community engagement, subgrantee site visits, local coordination meetings, and other in-state travel relevant to the goals of the BEAD Program. For the expansive in-state travel that OBD has planned, fleet vehicles have been found to be the most cost-effective transportation option.

d. Supplies

OBD anticipates the following supply needs as staff capacity is expanded to execute the BEAD Program:

- Six (6) 15” laptop computers. Per MN IT Services policy, laptops are to be replaced on a 3-year cycle. OBD will need 6 laptops initially and will replace these 6 during the grant period. These computers will be used by OBD staff to carry out BEAD Program work including grant administration.
- General office supplies. Items expected include pens, paper, staples, sticky notes, etc. for six (6) people to use during the duration of the grant period.
- Two (2) cell phones. State-managed cell phones will be provided to the Compliance Lead and Community Engagement and Special Project Coordinator to facilitate communication with stakeholders and partners during periods of travel.

e. Indirect

DEED has a Federally approved indirect costs rate with our cognizant agency Department of Labor. We prepare an annual fixed rate proposal. DEED only change indirect costs on salary and fringe benefits. Nothing is charges on contracts, travels, supplies. etc. DEEDs rate has historically been around 17.5%, We are using the most recently approved figure for SFY24 (7/1/23-6/30/24) of 17.45% in this calculation.

## 2. The implementation of the Challenge Process and Subgrantee Selection Process

a. Local Coordination Events

OBD staff will work collaboratively to plan and execute five (5) local coordination events intended to increase awareness of the Challenge Process, increase participation in the Challenge Process, and ensure public buy-in for the activities funded by the BEAD program. Costs associated with each event include event publicity and marketing materials; informational booklets and educational handouts for event attendees; site selection and preparation, including AV rental costs if applicable; and refreshments.

b. Connecting One Minnesota: Annual Conference

Building off the success of Minnesota’s 2023 Infrastructure Investment and Jobs Act Kick-off Event, dubbed Connected One Minnesota, OBD elects to host an annual conference of the same name. This conference will be free and open to the public with a focus on OBD’s partners in the broadband and digital equity spaces. The conference will educate, update, and provide opportunities for collaboration and networking. OBD intends to use an annual contract maximum of \$50,000 as per state policy.

## 3. Support for last-mile broadband deployment projects and other relevant subawards, subject to the limitations related to deployment prior to approval of the Final Proposal

a. Subawards for carrying out eligible last-mile deployment projects

Subrecipients to be determined will carry out eligible last-mile broadband deployment projects identified in the BEAD NOFO, Section IV.B.5.b. The subrecipients will carry out these activities following the completion of the Challenge Process and Subgrantee Selection process, outlined in the Initial Proposal.

b. Contract with Connected Nation/AppGeo

Relevant to the Challenge Process, Connected Nation and its partner AppGeo will construct Minnesota's BEAD Challenge portal and facilitate the BEAD Challenge process for OBD to adjudicate challenges. The deduplication effort will be part of this process.



### c. Contract with Connected Nation

Connected Nation will conduct Minnesota's broadband mapping efforts to assist with tracking locations that are unserved and underserved and eligible for BEAD funding, monitor locations awarded BEAD funding, conduct field validation, and compile mapping tools.

## 4. Funds to be used upon approval of the Final Proposal

As noted, to initiate deployment activities in these areas as soon as possible, OBD requests that the Assistant Secretary make 100 percent of the total allocation available at the Initial Proposal stage of the BEAD Program. OBD proposes that the use of these funds would be contingent upon Final Proposal approval. These funds will cover eligible last-mile broadband deployment projects identified in the BEAD NOFO, Section IV.B.7.a.ii and the remaining funds available for the administration of the grant.

The Initial Proposal Funding Request (IPFR) is needed at 100 percent as a source of funding for the appropriation on federal grants that will need to be controlled at the appropriation level and managed through expense budgets. The State of Minnesota has appropriation accounts established prior to budgeting and will use once the budget is enacted. The State has a defined period of availability for grant funds to ensure fiscal accountability and administration of the grant program in accordance with governmental intent and has established procedures by the State of Minnesota Office of Grants Management. IPFR will allow Minnesota to define the period of availability for grant funds to ensure fiscal accountability and administration of the grant program in accordance with established procedures.

IPFR meets the additional requirements for Minnesota policy related to grants management in that allow Minnesota to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that enhance access to grant opportunities and information and lead to greater program accountability and transparency.

IPFR will allow for coordinating the design, implementation, and maintenance of an effective system of responsibilities. Without IPFR, Minnesota may not expend the federal funds until the BEAD funding is satisfied through disbursement. The state requires a grant agreement as written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose. The IPFR will allow for compliance of immediate cash requirements of the grant funds in carrying out the purpose of the approved program. The State of Minnesota requires advance payments from the source and must be as close as is administratively feasible to the actual disbursements.

## Requirement 18: Eligible Entity Regulatory Approach

### 2.15.1 Text Box

*a. Disclose whether the Eligible Entity will waive all laws of the Eligible Entity concerning broadband, utility services, or similar subjects, whether they predate or postdate enactment of the Infrastructure Act that either (a) preclude certain public sector providers from participation in the subgrant competition or (b) impose specific requirements on public sector entities, such as limitations on the sources of financing, the required imputation of costs not actually incurred by the public sector entity, or restrictions on the service a public sector entity can offer. If the Eligible Entity will not waive all such laws for BEAD Program project selection purposes, identify those that it will not waive (using the Excel attachment) and their date of enactment and describe how they will be applied in connection with the competition for subgrants. If there are no applicable laws, note such.*

Under Minnesota law, political subdivisions are eligible applicants for the Border-to-Border and Lower Population Density programs. Minnesota law contains no restrictions such as on limitations on the sources of financing or the required imputation of costs not actually incurred by the public sector entity.

Minnesota Statute 429.021 provides that a municipality has the power:

(19) To improve, construct, extend, and maintain facilities for Internet access and other communications purposes, if the council finds that:

- (i) the facilities are necessary to make available Internet access or other communications services that are not and will not be available through other providers or the private market in the reasonably foreseeable future; and
- (ii) the service to be provided by the facilities will not compete with service provided by private entities.

If a location is eligible for BEAD Funding through the Border-to-Border grant program, then under existing statutory language, a municipality would have the ability to apply for grant funding under current law as the facilities are not available and will not be available in the foreseeable future and would not compete with service provided by private entities.

OBD would note that Minn. Stat. 237.19 is also often cited as a barrier to municipal broadband ownership. However, that statute is in the chapter related to telephone regulation in Minnesota and is in regard to the offering of telecommunications exchange service and is not applicable to broadband service.

## **Requirement 19: Certification of Compliance with BEAD Requirements**

*2.16.1 Check Box: Certify the Eligible Entity's intent to comply with all applicable requirements of the BEAD Program, including the reporting requirements.  X  Yes   No*

*2.16.2 Text Box: Describe subgrantee accountability procedures, including how the Eligible Entity will, at a minimum, employ the following practices outlined on page 51 of the BEAD NOFO:*

- a. Distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis (which would allow the Eligible Entity to withhold funds if the subgrantee fails to take the actions the funds are meant to subsidize);*
- b. The inclusion of clawback provisions (i.e., provisions allowing recoument of funds previously disbursed) in agreements between the Eligible Entity and any subgrantee;*
- c. Timely subgrantee reporting mandates; and*
- d. Robust subgrantee monitoring practices.* Minnesota's Border-to-Border and Lower Population Density Program are conducted on a reimbursement basis and that will continue under federal BEAD funding. Per NTIA's recommendation, and assuming allowed by state law, Minnesota would like to retain the ability to do fixed amount subawards only to the extent it might be necessary to incent a provider to deploy broadband infrastructure to locations that otherwise are not included in an application on a reimbursement basis.

Contract provisions for the Border-to-Border and Lower Population Density broadband grant program do currently include the following clawback language which will also be used for BEAD funded projects:

Recovery of Funds. If a State or federal audit takes exception to the Project(s) provided under the Grant Contract Agreement for which federal funds have been paid or reimbursed, or if federal funds are deferred and/or disallowed as a result of any audits (or expended in violation of the laws applicable to the expenditure of such funds, including ARPA CPF Requirements), Grantee will be liable to the State (or any other applicable governmental entity, including the United States Department of Treasury) for the full amount of any such payment, reimbursement, or any claim disallowed (or the amount of funds expended in violation of applicable laws or requirements) and for all related penalties incurred. If the State or any federal governmental entity concludes that Grantee has been paid for any cost that is unallowable, unallocable, or unreasonable under the Grant Contract Agreement, Grantee will be liable to the State (or any other applicable governmental entity, including the United States Department of Treasury) for such cost. Grantee shall pay to the State (or any other applicable governmental entity, including the United States Department of Treasury) all amounts

for which the Grantee is liable under this section within ten (10) business days of receiving a written demand or written notice. The State may withhold any payment under the Grant Contract Agreement if Grantee fails to timely make any payment required by this Section. The requirements of this Section shall apply to Grantee and Grantee's contractors, subgrantees and subrecipients. Grantee shall require and cause any Grantee Contractor or subgrantee or subrecipient used by Grantee in connection with the Grant Contract Agreement to agree to and be subject to and bound by such terms and provisions.

OBD follows Minnesota state grants management practices and requires bi-annual progress reports (due January 15 and July 15 each year) as well as a close-out report. If a grantee is not current on its progress report, it will not be reimbursed.

Subgrantee monitoring also follows state grant management practices. Those practices include an annual site visit for projects at or above a grant amount of \$250,000 and a once during the life of the project for those projects receiving \$50,000 to \$250,000 in grant funding. Additionally, prior to close-out, our mapping vendor does a field validation visit to each project to document that all locations have been constructed and conducts on-site speed testing to verify the speeds indicated in the application are being delivered.

2.16.3 Check Box: Certify that the Eligible Entity will account for and satisfy authorities relating to civil rights and nondiscrimination in the selection of subgrantees.  Yes  No

2.16.4 Check Box: Certify that the Eligible Entity will ensure subgrantee compliance with the cybersecurity and supply chain risk management requirements on pages 70 - 71 of the BEAD NOFO to require prospective subgrantees to attest that:

#### 2.16.5 Cybersecurity

1) The prospective subgrantee has a cybersecurity risk management plan (the plan) in place that is either: (a) operational, if the prospective subgrantee is providing service prior to the award of the grant; or (b) ready to be operationalized upon providing service, if the prospective subgrantee is not yet providing service prior to the grant award;

2) The plan reflects the latest version of the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity (currently Version 1.1) and the standards and controls set forth in Executive Order 14028 and specifies the security and privacy controls being implemented;

3) The plan will be reevaluated and updated on a periodic basis and as events warrant; and

4) The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days.

#### Supply Chain Risk Management (SCRM)

1) The prospective subgrantee has a SCRM plan in place that is either: (a) operational, if the prospective subgrantee is already providing service at the time of the grant; or (b) ready to be operationalized, if the prospective subgrantee is not yet providing service at the time of grant award;

2) The plan is based upon the key practices discussed in the NIST publication NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry and related SCRM guidance from NIST, including NIST 800-161, Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations and specifies the supply chain risk management controls being implemented;

3) The plan will be reevaluated and updated on a periodic basis and as events warrant; and

4) *The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days. The Eligible Entity must provide a subgrantee's plan to NTIA upon NTIA's request.*

X  Yes                      \_\_\_\_\_ No