



Association of Minnesota Counties

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May 6, 2022

Senator Torrey Westrom
Senator Rich Draheim
Senator Gene Dornink
Senator Eric Pratt
Senator Kari Dzedzic

Representative Mike Sundin
Representative Alice Hausman
Representative Michael Howard
Representative Samantha Vang
Representative Tama Theis

Re: HF4366 Broadband Provisions

Dear Conference Committee Members:

On behalf of the Association of Minnesota Counties (AMC), a voluntary association representing all 87 counties, we want to thank you for your work on the Omnibus Agriculture, Housing, and Broadband Finance and Policy Bill. As you begin to confer on the provisions contained in HF4366 we ask that you consider AMC's positions on the following items:

BROADBAND FUNDING

Broadband funding has been a top priority at AMC for several years and we want to thank both sides for including funding for the Border-to-Border Broadband Grant Program. The need for increased and sustained investment in broadband is greater now than ever before. The pandemic has taught us that Minnesotans need broadband connections in their homes. 170,000 Minnesota households are not connected to 25mbps/3mbps connections (2022 state goal), and 240,000 households are not connected at 100mbps/20mbps (2026 state goal).

\$110 million in the American Rescue Plan Act Capital Projects Funds (Senate) and at least \$25 million in general funds (House) will work in tandem to address our short- and long-term issues with broadband infrastructure. Last year, the Legislature appropriated \$70 million from the Capital Projects Fund to the Border-to-Border Broadband Grant Program. Unfortunately, we are still waiting for Treasury to release those funds to the state. There is no timeline available from Treasury on when the state will receive approval for its plan to spend the money. A cash infusion (\$25 million) right now means the Office of Broadband Development can immediately issue an RFP for broadband infrastructure grants. Without action, we risk missing the entire 2022 construction season and may not issue any funds for broadband expansion this year. The \$110 million in additional Capital Projects Funds (Senate) would bring long-term stability to the state's grant program and make progress in connecting the 240,000 households currently without access. AMC also supports directing the state to spend forthcoming federal money from the Infrastructure, Investment, and Jobs Act on the state's broadband grant program (Senate).

BROADBAND POLICY

AMC supports increasing the state's portion of matching funds from 50% to 75% with a report back to the Legislature (House and Senate) as well as increasing the per-project cap from \$5 million to \$10 million (House). The remaining unserved areas in the state are often deeply rural, sparsely populated, and expensive to serve. These changes would help address those issues.

Again, we sincerely appreciate your consideration of our perspective. Should you have any questions about the information provided above, please don't hesitate to reach out to your local county commissioners or AMC's Technology Policy Analyst, Nathan Zacharias, at (715) 222-2824.

Sincerely,

A handwritten signature in black ink that reads "Nathan Zacharias". The signature is written in a cursive style with a large, stylized initial "N".

Nathan Zacharias, Policy Analyst
Association of Minnesota Counties