



**Innovative Solutions  
for Regional Issues**

[www.mnado.org](http://www.mnado.org)

NWRDC

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## 2018 Legislative Priority Issue

### Background

The Minnesota Association of Development Organizations (MADO) is a collaboration between the nine Regional Development Commissions and the West Central Initiative Foundation. Together we work on common issues and topics across Greater Minnesota. Our group each performs duties for the MN Department of Transportation and are each designated as Economic Development Districts by the U.S. Department of Commerce Economic Development Administration and work on local and regional initiatives based on the needs of our regions.

In 2015 MADO created a common framework for collaboration called DevelopMN. <http://www.mnado.org/developmn/>. We are using this plan to guide collaborative work.

*“Minnesota has significant economic opportunities all across the state. Regions throughout Greater Minnesota share many qualities and challenges, but lack the intentional alignment needed to take advantage of shared priorities and maximize the use of resources. The lack of alignment has led to a limited voice in crafting effective development policy based on regional priorities. DevelopMN will help identify needed alignment and document a broadly supported strategy for creating shared prosperity.”*

Broadband is critical infrastructure for the public and private sector and it is supported by the Foundational Assets Cornerstone in MADO’s DevelopMN plan. Broadband is essential today and increasingly essential for community vitality, including competitive economic development, affordable and quality health care, equitable education and effective government. Thousands of Minnesotans lack access to affordable and reliable broadband services that meet or exceed the state and federal broadband standard of 25/3 Mbps by 2022, and the Minnesota goal of having access to at least one provider with a 100/20 Mbps speed by 2026.

**MADO supports the Minnesota Broadband Vision and encourages the Minnesota Legislature and Governor provide sufficient leadership, resources and legal framework to ensure that the State of Minnesota achieves this vision.**



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## MADO Supported Recommendations

1. **Fund the Border-to-Border Broadband Grant Program with \$51 million in 2018:** The grant program is essential to reaching the state broadband goals and allowing providers to extend and improve networks in the hardest to reach places in Minnesota. This program was not funded for fiscal year 2019, but there remain significant portions of Minnesota, especially low-density rural areas, that lack broadband service. The amount requested by all applicants continues to exceed the money available in the fund, showing the provider's continued interest in participating in this program.

We are further concerned that some policy makers may seek ways to diminish state investment in broadband, believing lesser technologies are adequate for rural residents and businesses. We continue to support the current requirement that funded projects must meet the scalability requirements and work towards the 2026 state goal. We recommend the task force emphasize that state investment in broadband should continue to fund future-resilient technology that meets the current scalability standards.

2. **Provide multi-year funding for the Grant Program:** Providers have found it challenging to complete the complex task of blending engineering, finance, partnership agreements and community support into a competitive application in the time allowed by the single-year funding model. Stable biennial funding, incorporated into DEED's base funding, would give confidence to providers and communities alike to continue to plan and build partnerships and prepare effective project proposals.
3. **Modify the Challenge Process:** The challenge process remains an obstacle to delivering the best network possible to communities. The Challenge Process is overprotective of incumbent providers and discourages non-incumbent providers from participating in the program over concerns their efforts will be undermined. The process does not require the incumbent to install the same or better service as proposed by the applicant, rather it allows a challenger to improve service – not to 2026 speed goals – but just enough to prevent a grant, to the detriment of the community. If a provider is not meeting a community's needs, they should not be allowed to place undue burdens on access to state grants.



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4. **Remove or Increase the \$5 million cap on projects:** The \$5 million grant cap per project may limit applications for project that propose to cover larger areas, including entire counties. Larger projects may allow for more cost-efficient network planning and construction.
  
5. **Increase the match offered by the Grant Program:** The 50% maximum grant level is increasingly insufficient to attract providers due to the high costs and project risks of building networks in Minnesota's hardest-to-serve rural areas. OBD should be allowed to implement a sliding scale system in which the grant amount could be more than 50% based on deployment factors such as population density, terrain, the capabilities of the network proposed, and the expected consumer benefit.
  
6. **Emphasize the importance of the Office of Broadband Development:** DEED's Office of Broadband Development (OBD) provides a critical link between communities and providers, documenting successful infrastructure project design and management. They are critical to implementation of the Grant Program and mapping activities. We fully recognize that 2018 is not a budget year and that the office is funded through next year. We believe the task force should emphasize the office should be maintained in the future and enhanced to include a role in promoting the adoption and use of broadband so that the highest possible value is gained from broadband infrastructure investments.

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