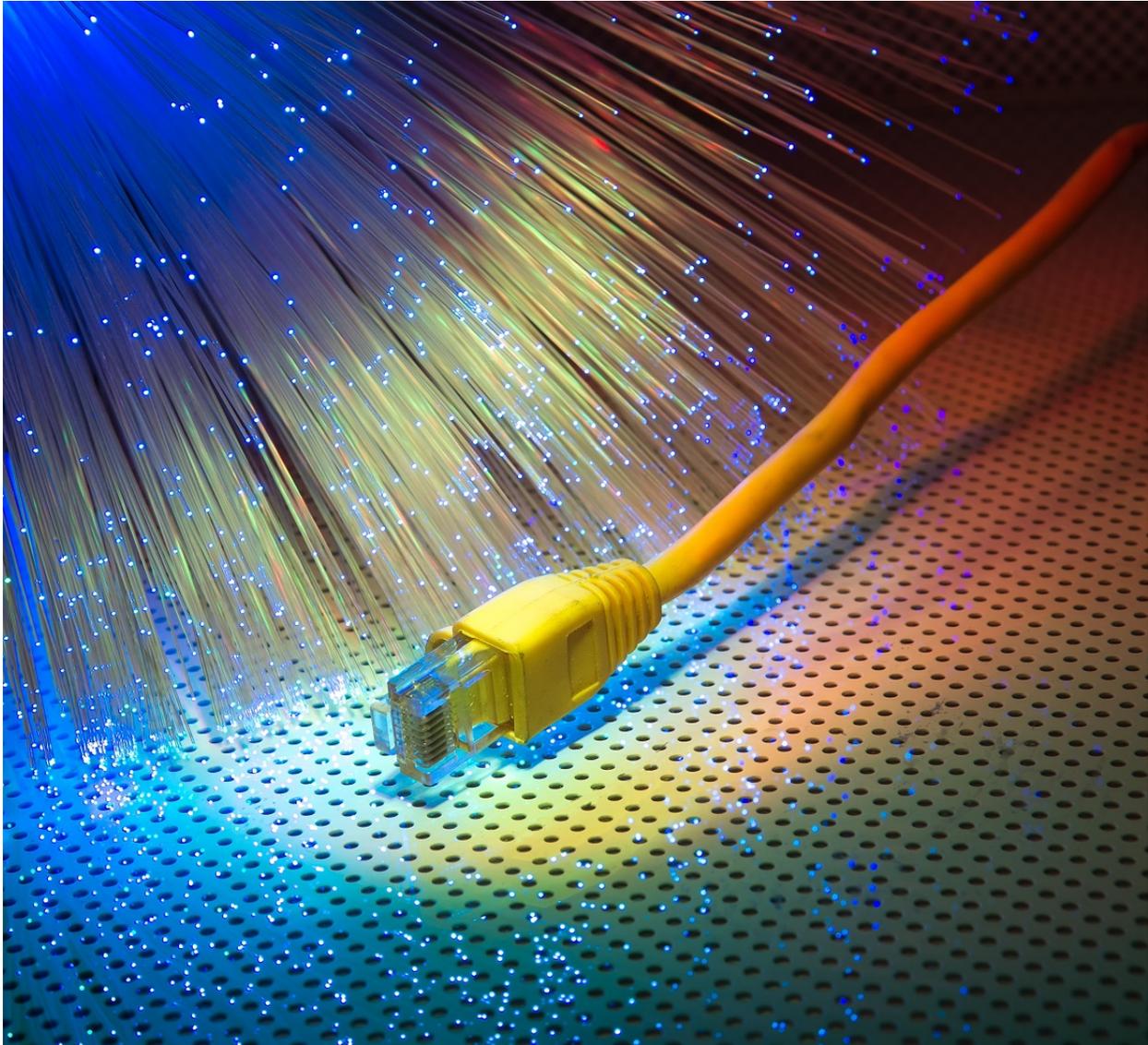


Minnesota Awards Broadband Grants

Brian Heaton | February 10, 2015



Will \$19.4 million really help improve broadband access throughout Minnesota? We're about to find out.

The Minnesota Department of Employment and Economic Development (DEED) awarded grants to 17 different high-speed Internet projects in the state last week. The initiatives range from general connectivity enhancements for underserved areas to broadband uses for health care, agriculture and other industries.

The grants derive from the DEED's Border-to-Border Development Grant Program. Each grant provides up to 50 percent of the needed funding for a connectivity project. Communities and their partners are responsible for the other half. The Minnesota

Legislature originally approved \$20 million for the program. The remaining \$600,000 is earmarked for administrative costs associated with the effort.

Danna MacKenzie, executive director of the Minnesota Office of Broadband Development, will oversee the program. *Government Technology* caught up with MacKenzie last week while she was out on a tour of the award recipient communities with Lt. Gov. Tina Smith. During roundtable discussions, MacKenzie came away with the impression that people firmly believe connectivity will solidify their economic development efforts in the years to come.

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Coming up with matching funding could pose a challenge for some financially challenged local governments. Of those municipalities and counties that applied for grants, many partnered with private-sector companies.

Although partnerships weren't required for the process, evidence of partnering with other entities was one way applicants demonstrated community support for a particular project, according to MacKenzie. Community support is a legislative requirement for the grant program.

The funding-matching element has been widely used for broadband initiatives. New York state just authorized a similar program to Minnesota's last month.

Fund-matching is required because the primary and generally recognized reason that high-speed Internet service isn't already available in certain areas is that they're too expensive to serve, MacKenzie explained, and traditional financial models are too much for a single entity to handle. By requiring a financial match, the state is in a position to encourage multiple parties to work together on a solution and potentially attract higher levels of investment.

"With everyone having some skin in the game, everyone also has a stake in achieving positive outcomes," she said.

Rating how well each project is performing will be fairly straightforward, at least in the early stages. MacKenzie said she'll evaluate whether each grantee achieves the service construction objectives it agreed to in the grant contract. Then she'll monitor progress toward achieving the state statutory goal of reaching all households and businesses with broadband service that meets or exceeds the statute standard of 10-20 Mbps downstream and 5-10 Mbps upstream.

After that, however, evaluation gets more challenging due to the state not yet having systems in place to capture the data needed to accurately assess progress. Those data streams include growth rate of connectivity-dependent businesses and jobs,

benchmarking of online learning tools outside the classroom, and how fast the state can shift to online-only delivery option for public services.

But MacKenzie stressed the effort is just the beginning of what will likely be a long process for Minnesota.

“Our program is about starting conversations and building bridges between the many hands that it takes to get this work done,” she said. “Policy makers in Minnesota understand the importance of the issues and the inherent opportunities that exist in addressing it. This program is part of their larger task of making measured and strategic investments in the economic future of this state.”

<http://www.govtech.com/network/Minnesota-Awards-Broadband-Grants.html>