



# Minnesota’s Initial Proposal Volume 2

APPROVED BY NTIA OCTOBER 2024

**Broadband Equity, Access, and Deployment (BEAD) Program**

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## Overview

The Infrastructure Investment and Jobs Act (IIJA) was signed into law on November 15, 2021. It provides approximately \$65 billion for broadband nationally. The Office of Broadband Development at the Minnesota Department of Employment and Economic Development was selected as Minnesota's Eligible Entity to administer the state's funding for broadband, including the funding for broadband called the Broadband Equity, Access and Deployment (BEAD) program. At the federal level, the BEAD program is being administered by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce.

### **Broadband Equity, Access and Deployment (BEAD)**

The Broadband Equity, Access and Deployment (BEAD) program provides funding for broadband infrastructure and the preparation of a plan by each eligible entity for how to achieve Internet for All. Federal BEAD program funding for broadband infrastructure deployment included a minimum of \$100 million for each state. Allocations to each state above the initial funding were announced on June 26, 2023. Minnesota will receive a total of \$651,839,368. The individual state amounts were calculated from the number of unserved locations (locations without reliable broadband service of at least 25Mbps download and 3Mbps upload) within each state based on new maps that the Federal Communications Commission (FCC) developed as well as the number of such locations in areas deemed to be high cost.

Prior to receiving its BEAD funding allocation, each Eligible Entity must submit an Initial Proposal to NTIA for approval. The Initial Proposal must allow for public comment. NTIA expects states to submit their Initial Proposal in two volumes, Volume 1 and Volume 2. Below is the information required by NTIA to be addressed as part of Volume 2 of the Initial Proposal.

Additional information on the federal BEAD program is also available on the [NTIA website](#).

**Disclaimer:** The contents of this Approved Volume 2 were compiled from the NTIA final, approved [Intake Summary of a version of Volume 2](#) submitted to NTIA on September 18, 2024. Changes between this approved version, and the [Initial Volume 2 draft](#) previously posted are the results of approximately 17 rounds of curing between NTIA and OBD. While OBD believes it has accurately compiled the approved language to create this more easy-to-read document, if there are differences between what NTIA has officially approved and the document below, NTIA's approved language would prevail.

## Requirement 1: Objectives

### 2.1.1: Objectives

*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.*

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 is addressed in Minnesota's Digital Opportunity report and includes the following goals for access, affordability, equity, and adoption:

- 1) Internet adoption: Increase Minnesotans' adoption of broadband internet. This is measured using ACS data describing the percentage of households that subscribe to broadband internet service.
- 2) Devices: Increase Minnesotans' access to large-screen devices, such as laptop and desktop computers. This is measured using ACS data describing the percentage of households that report having at least one laptop or desktop computer available.
- 3) Digital skills: Expand Minnesotans' access to digital skills and cybersecurity training. This is measured using mapping data that describes the percentage of households located within a 60-minute round-trip drive or ride on public transit from the nearest public location (public library, community college, non-profit, CareerForce location, etc.) that provides free basic digital skills and cybersecurity support.
- 4) Accessibility: Improve accessibility of web-based local and tribal government information. This is measured using an equally-weighted combination of three factors:
  - a. the percentage of county, city, and tribal government websites that meet the accessibility standards set forth in Minn. Stat. § 16E.03;
  - b. the percentage of county, city, and tribal government websites that reflect a Flesch Readability Score of 90 – 100; and
  - c. the percentage of county, city, and tribal government websites that provide translations of certain essential information in alignment with local linguistic diversity.

Concerns regarding workforce during the pendency of the BEAD program is not job creation but how will workforce demands be met. 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



Governor’s Workforce Development Board, 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.

The results from the above goals will enhance economic development and job creation across the state. 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 Process

### 2.2.1: Local, Tribal and Regional Broadband Planning Processes

*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).

The statute that created Minnesota’s Office of Broadband Development list as the duties of the office the following:

#### **Subd. 4.Duties.**

- a) The office shall have the power and duty to:
  - 1) serve as the central broadband planning body for the state of Minnesota;

- 2) coordinate with state, regional, local, and private entities to develop, to the maximum extent practicable, a uniform statewide broadband access and usage policy;
  - 3) develop, recommend, and implement a statewide plan to encourage cost-effective broadband access, and to make recommendations for increased usage, particularly in rural and other underserved areas;
  - 4) coordinate efforts, in consultation and cooperation with the commissioner of commerce, local units of government, and private entities, to meet the state's broadband goals in section 237.012;
  - 5) develop, coordinate, and implement the state's broadband infrastructure development program under section 116J.391;
  - 6) provide consultation services to local units of government or other project sponsors in connection with the planning, acquisition, improvement, construction, or development of any broadband deployment project;
  - 7) encourage public-private partnerships to increase deployment and adoption of broadband services and applications, including recommending funding options and possible incentives to encourage investment in broadband expansion;
  - 8) monitor the broadband development efforts of other states and nations in areas such as business, education, public safety, and health;
  - 9) consult with the commissioner of commerce to monitor broadband-related activities at the federal level, including regulatory and policy changes and the potential impact on broadband deployment and sustainability in the state;
  - 10) serve as an information clearinghouse for federal programs providing financial assistance to institutions located in rural areas seeking to obtain access to high-speed broadband service, and use this information as an outreach tool to make institutions located in rural areas that are unserved or underserved with respect to broadband service aware of the existence of federal assistance;
  - 11) provide logistical and administrative support for the Governor's Broadband Task Force;
  - 12) provide an annual report, as required by subdivision 5;
  - 13) coordinate an ongoing collaborative effort of stakeholders to evaluate and address security, vulnerability, and redundancy issues in order to ensure the reliability of broadband networks; and
  - 14) perform any other activities consistent with the office's purpose.
- b) In carrying out its duties under this subdivision, the Office of Broadband Development shall have no authority to regulate or compel action on the part of any provider of broadband service.

OBD reports annually on its efforts to conduct its statutory responsibilities. The latest report is available online: [Office of Broadband Development Annual Report](#).

The BEAD Initial Proposal Requirement to identify and outline steps to support local and regional broadband planning processes or ongoing efforts to deploy broadband or close the digital divide does not drive OBD's efforts in these areas, rather, supporting local and regional broadband planning processes and OBD's efforts to deploy broadband and close the digital divide are the statutory responsibilities for the existence of this office and pre-date the BEAD requirements by ten years. The

work that OBD has done has been well documented over those ten years through its annual reports and will continue to be documented through annual reports going forward. If NTIA desires copies of more than the recent OBD Annual Report for 2023, those can be provided. Going forward, documentation will be available by January 15 of each year as those Annual Reports are prepared yearly.

OBD proactively participates in at least annual tribal consultations with the eleven tribes in Minnesota who respond positively to DEED's tribal liaison's multiple invitations to meet. At these tribal consultations, an overview of broadband and current activities (including the BEAD program timelines) is provided. OBD also responds to individual tribal requests for information or meetings. For local government coordination, OBD participates at a minimum in annual conferences and workshops of the state level association meetings and trainings (League of Minnesota Cities, Association of Minnesota Counties, Minnesota Association of Townships) and accepts individual invitations to meet and/or speak to individual cities, counties, regional economic development commissions, townships and community groups to assist with local planning efforts. OBD also developed information, available on our website of: assistance offered by OBD, information on our Line Extension Program, ACP, and how communities can engage with broadband providers. Additional information on OBD's efforts to address the digital divide can be found in the Digital Opportunity Plan submitted to NTIA.

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 the Task Force's consideration on potential policy recommendations 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 began February 12, 2024, and is scheduled to conclude by mid-May.

## Requirement 4: Local Coordination

### 2.3.1: Local Coordination Tracker and Description

*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. Outreach and engagement with historically underrepresented and marginalized groups and communities for the BEAD program culminated in late Summer/early Fall of 2023 with outreach to and direct engagement of unserved and underserved communities including historically underrepresented and marginalized groups and/or communities by partnering with OBD’s Digital Equity Staff and holding sixteen listening sessions 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.

#### 2.3.1.1: Local Coordination Tracker Tool

*As a required attachment, submit the Local Coordination Tracker Tool to certify that the Eligible Entity has conducted coordination, including with Tribal Governments, local community organizations, unions and work organizations, and other groups.*

The Local Coordination Tracker Tool was provided as documentation of the outreach conducted by OBD. Minnesota’s Five-Year Action Plan contains documentation of outreach activities that have occurred dating back to 2014.

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. For local government coordination, OBD participates at a minimum in annual state level association meetings and trainings (League of Minnesota Cities, Association of Minnesota Counties, Minnesota Association of Townships, Economic Development Association of Minnesota, Minnesota Association of Professional Community Economic Developers) and speaks to individual cities, counties, regional economic development associations, and townships to assist with local planning efforts. OBD also developed information, available on our website, with assistance offered by OBD, information on our Line Extension Program, ACP, and how to engage with providers.

Updates on the BEAD program, including publication of the final, approved Initial Proposal and Final Proposal, will be available on OBD’s website devoted to IJJA. The current version of the Initial Proposal available on the website is the one submitted on December 22, 2023 and will be updated upon approval of the final Initial Proposal by NTIA. OBD also continues to update the tracker tool that is submitted in the biannual reports submitted to NTIA. Outreach and engagement activities regarding covered populations was conducted in coordination with the development of the Digital Equity plan.

OBD participated in listening sessions held across the state on the following dates and locations:

- August 29—Willmar;
- August 30—Marshall;
- August 31—Worthington;
- September 6—Winona and Rochester;
- September 7—Faribault and Mankato;
- September 12—Crookston;
- September 13—Fergus Falls;
- September 18—Hinckley;
- September 19—Two Harbors;
- September 20—Deer River;
- September 26—International Falls;  
and
- September 27—Bemidji.

Minnesota has a Governor’s Task Force on Broadband which has appointments representing a multitude of entities representing stakeholders interested in broadband infrastructure and digital equity, including townships, municipalities, counties, economic development entities, libraries, education, medical, agriculture, labor, tribal, users and providers. OBD updates the Task Force monthly on the status of its work, including the BEAD and Digital Equity programs. These meetings are open to the public, in person and virtually.

OBD is also provided an opportunity to update the various legislative committees with oversight over broadband, and these meetings are also open to the public both in person and virtually. The updates include an overview of OBD's activities and responding to questions from state legislators who represent constituents with various interests in broadband and across the state.

OBD also maintains a list of people that have expressed an interest in receiving updates on our work. The establishment of that list goes back to the beginning of the Office and we have issued sporadic updates on the work we do. With the hiring of a Community Engagement staff person, since the end of 2023, the updates have been going out biweekly to the list, making the activities of the office transparent and easy to follow.

### 2.3.2: Tribal Consultation

*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." 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.*

Minnesota is home to 11 federally recognized Tribes and has a robust, established program for tribal consultation. Formal tribal consultations between the Department of Employment and Economic Development have and continue to occur on a regular basis to address a multitude of issues and programs administered by DEED, 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 desirable 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. OBD proactively participates in at least annual tribal consultations with the eleven tribes in Minnesota who respond positively to DEED's tribal liaison's multiple invitations to meet. At these tribal consultations, an overview of broadband and current activities (including the BEAD program timelines) is provided. OBD also responds to individual tribal requests for information or meetings.

As part of its grant rounds (state funded for six rounds; state and ARPA funding for two rounds, and state funding for two additional rounds in process), OBD has always prioritized applications received by tribal entities or for tribal lands. OBD indicated in the tribal consultations that this will continue going forward, to the extent it is allowed by the BEAD program requirements. (Feedback received to date on the BEAD scoring rubric from NTIA does not readily allow scoring for community support—tribal or otherwise—unless accompanied by funding match.) OBD also noted the BEAD requirement

that tribal support for a project must take the form of a binding contract between a grantee and a tribe for tribal support to be recognized.

In comments on the draft Initial Proposal, two tribal entities did submit comments for OBD's consideration. The Leech Lake Band of Ojibwe provided a list of Community Anchor Institutions for inclusion in the list of CAIs submitted as part of Vol. 1. OBD added those CAIs that were not already on the list.

Lower Sioux Indian Community submitted comments requesting OBD to include a 100% match waiver for Tribal Nations, without scoring penalty or a funding set-aside for Tribes to be established to ensure that Tribes can recognize benefit from the NTIA BEAD funding made available in Minnesota. At this time, without complete information (whether the tribal locations that would be part of a request are eligible, whether the costs proposed are eligible for reimbursement, whether the costs proposed exceed the high cost threshold, etc.), OBD has indicated to Lower Sioux that its request for a 100% match waiver is premature but that OBD will work with Lower Sioux to address unserved, and potentially underserved locations, on tribal lands. OBD has also provided information to DEED's tribal liaison on the extension for submission of applications to NTIA's Tribal Broadband Connectivity Program deadline and information on the USDA ReConnect Round 5 program, both of which provide for 100% grant funding for tribal entities.

Leech Lake Band of Ojibwe also noted that it is working to update maps of facilities on tribal lands and it is critical that OBD rely on the National Broadband and Funding maps. OBD is encouraging all to review the FCC broadband availability map and to participate in the BEAD Challenge process.



## Requirement 8: Deployment Subgrantee Selection

### 2.4: Deployment Projects Scoring Criteria

#### 2.4.1: Subgrantee Selection Process Integrity

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

Based on feedback from NTIA in the curing process, OBD understands that certain provisions and processes it has relied upon to conduct its successful state and ARPA funded Border to Border and Lower Population Density grant programs will not be allowed to be used for the grant program when funded with BEAD, including significant portions of the subgrantee selection process. OBD has thus modified its historic processes to obtain NTIA approval. The basic process for awarding grants in the state includes the issuance of an RFP which outlines requirements and expectations, the submission of applications, review of applications, and award (here, award will be inclusion in the state's Final Proposal).

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.

The BEAD Grant program will follow State of Minnesota grant process selection guidelines to the extent approved by NTIA, which includes the issuance of a Request for Proposal, an application submission, and selection of subgrantees for consideration for inclusion in the Final Proposal. 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 and the grant amount requested does not exceed the Extremely High Cost Per Location Threshold (EHCPLT), that application will be awarded upon demonstration that the applicant meets the gating criteria (i.e. the applicant has the technical, managerial, operational and financial capabilities to construct and operate the proposed broadband infrastructure). As OBD understands the BEAD subgrantee selection process, the scoring rubric will be used if a decision needs to be made between more than one qualifying application submitted for the same eligible location(s). In that event, the scoring rubric as required by NTIA will be implemented and is included and attached.

If additional waivers or guidance related to the BEAD program subgrantee selection process are released by the U.S. Department of Commerce, including NTIA, the Commission reserves the right to modify the Initial Proposal as necessary to comply with the guidance and/or improve processes and ease implementation of the BEAD program.

**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 (BEAD) Program was created under the Infrastructure Investment and Jobs Act (IIJA) and signed into law in November 2021. The Office of Broadband Development at the Minnesota Department of Employment and Economic Development was designated Minnesota's Eligible Entity for purposes of BEAD funding, therefore 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. While BEAD allows for funding up to 75% of eligible costs, OBD anticipates that there will be applications requesting to increase the likelihood of the project being selected for funding as a request for less than the full 75% allowed by BEAD minimizes the BEAD program outlay, resulting in greater consideration for inclusion in the Final Proposal. 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 and approved as the Final List of Eligible Locations for BEAD funding (and subject to deduplication). Generally, locations lacking a Reliable Broadband Service at speeds of at least 25Mbps download and 3Mbps upload are considered unserved; and locations having 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.
- **Eligible Program Costs:** Eligible costs refer to the costs associated with the acquisition and installation of last mile infrastructure that can support broadband service to speeds of at least 100 Mbps down and 20 Mbps up, scalable to 100Mbps down and 100 Mbps up. Per BEAD program requirements, middle mile infrastructure will only be eligible if in furtherance of last mile projects; applications for middle mile infrastructure only do not meet federal requirements for BEAD funding.
- **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 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.

- **Pre-Application Outreach to Other Providers:** For purposes of BEAD funding, the BEAD Challenge process, which allows all providers to challenge any location identified as unserved or underserved on the initial list of locations eligible for BEAD funding, will supplant the pre-application outreach process and the state grant challenge process required for the state’s historic Border to Border grant program. This approach is reasonable because under BEAD program requirements, all locations on the list following the BEAD Challenge process should be included in an application submitted in one of the three planned subgrantee selection cycles. In other words, all locations will be part of a subsequent application so a pre-application outreach requirement and a post-application challenge process would be duplicative of the BEAD Challenge process which allows for a challenge for planned builds.
- **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 the cost does not exceed the EHCPLT, and is the only applicant for identified eligible locations, it will be considered for inclusion as a recommended subgrantee in Minnesota’s Final Proposal submitted to NTIA for approval. OBD anticipates that it will conduct a pre-qualification process to determine whether a potential applicant meets gating criteria prior to opening the application window. 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 considered for inclusion in Minnesota’s Final Proposal submitted to NTIA for approval. The final list of subgrantees and locations served to be included in the Final Proposal has to meet all overall BEAD requirements. The total dollars associated with the subgrantee applications recommended for inclusion in the BEAD Final Proposal will also not exceed Minnesota’s BEAD allocation.
- **Application Window and Deadlines for BEAD Subgrantee Selection:** The Minnesota BEAD Broadband Grant Program is a grant award cycle for federal BEAD funding conducted by DEED under the IIJA, and a Notice of Funding Opportunity and guidelines issued by NTIA. The subgrantee selection process for the Minnesota BEAD Broadband Grant Program, assuming the full 365 window for OBD to complete the process, is anticipated to consist of three submission cycles, beginning with an initial application cycle (Round 11a) beginning on month/day, 202X. 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 11a must be submitted to DEED on or before the application deadline of month/day, 2025, no later than 1:30 p.m. Central Time

- Applications MUST be COMPLETED and SUBMITTED via insert submission link on or prior to 1:30 p.m. Central Time on month/day, 2025, to be deemed eligible for funding. Specific information on the grants management system will be included here when finalized.
- Announcement of all subgrantees selected for award and inclusion in Minnesota’s Final Proposal is anticipated in Fall 2025, following the completion of the three cycles of Round 11 (11a, 11b and 11c). The Final Proposal is then subject to NTIA’s approval. Following NTIA approval, OBD will negotiate contracts with the subgrantees included in the approved Final Proposal with contract end dates no later than four years from the date of the fully executed contract.

OBD reserves the right to adjust the RFP process as appropriate with the approval of NTIA to effectuate the goals of the BEAD program, meet state and federal compliance and reporting requirements, and ensure only qualified applicants participate in the program.

### **Application Information Sessions**

To ensure transparency throughout the process, OBD will host an online webinar at the commencement of each subgrantee selection cycle. 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 for BEAD. 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 to be determined OBD webpage.

Additionally, all questions asked throughout the subgrantee selection process will be documented and those questions and answers will be posted on OBD’s website, along with the questions and answers from the webinar, in a Frequently Asked Questions (FAQ) document.

### **Important Deadlines**

- Prequalification process
- Round 11a Cycle of Subgrantee Selection Process:
  - XXX, 202X – DEED’s BEAD Grant Management System opens to applicants
  - XXX, 202X – BEAD Broadband Grant Subgrantee Selection Process Webinar]
  - XXX, 202X – first day an applicant may submit a completed application in DEED’s Grant Management System
  - 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)
- Cycle 11b of Subgrantee Selection Process:
  - Repeat above
- Cycle 11c of Subgrantee Selection Process:
  - Repeat of above

- Final Proposal Submission (due 365 days following NTIA approval of OBD’s Initial Proposal Vol. 2, unless an extension is requested and approved)
  - Final subgrantee selections for inclusion in the Final Proposal are anticipated to be announced XXX 202X
  - XXX 202X – NTIA Approves Final Proposal
  - Contract negotiation and execution
  - Project Completion – TBD – projects need to be completed no later than four years from date of fully executed contract, possibility of one year extension

OBD reserves the right to modify or update the estimated timeline with the approval of NTIA to effectuate the goals of the BEAD program, to ensure a fair and transparent process, or to comply with current or updates of state federal guidance.

### **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 for the third subgrantee selection cycle (11c) of 1:30 p.m. central time on XXX, 202X.

For technical assistance for the Grants Management System, contact: Include email address. 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. 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 BEAD 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 BEAD Grant Program, the maximum individual grant amount per project is \$10 million, and the grant funding award cannot exceed 75% of the eligible total project costs. If a grant amount in excess of 75% of eligible costs is necessary for a potential subgrantee to participate in the BEAD program, the state will work with the subgrantee to document the need and submit a waiver request to NTIA. However, the state on its own cannot award BEAD funding in excess of the 75% limit under the BEAD program unless NTIA approves a waiver or the project is in an NTIA defined high cost area. The total amount of BEAD Funding eligible to be awarded in Minnesota is approximately \$626 million and this amount will not be exceeded for the total amount recommended to be awarded in the BEAD Final Proposal. Additionally, where more than one application is received

to deploy broadband to the same locations, the NTIA-required scoring rubric guidelines heavily weight the applicant that requests the least amount of BEAD funding. Further, if the cost per location exceeds the Extremely High Cost Per Location Threshold (to be determined by OBD for inclusion in the Final Proposal), under NTIA requirements, OBD must look at applications that propose the use of alternative technologies.

### *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 308AA Minnesota cooperative association organized under chapter 308BA
- Minnesota limited liability corporation organized under chapter 322C for the purpose of expanding broadband access

### *Eligible Project Areas*

Broadband development projects that will provide service to unserved or underserved locations on the list that results following the BEAD Challenge process are eligible. While applicants are able to choose the locations they wish to serve (the project area), should there be unserved and/or underserved locations adjacent to the locations included in an applicant's project area that are not included in any submitted project area that must be served to meet BEAD priorities, OBD may negotiate with applicants to include those locations in a project in order for the project to be included in the Final Proposal. Applicants are encouraged to identify partners as needed to ensure that all eligible locations (i.e., homes, businesses, multi-dwelling units (MDUs) within their project areas can be served. For example, every unit of an MDU needs to have the proposed service available to it and to do so might require a partnership with a managed service provider.

### *Eligible Program Costs*

Eligible costs refer to the costs associated with the acquisition and installation of 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 only 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. Construction of broadband infrastructure may include the following: project planning; obtaining construction permits; construction of facilities; 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 BEAD Final Proposal has been approved by NTIA. Reimbursements cannot be made until a fully executed contract is in place for the project. Documentation to validate the availability of matching funds is required as part of the application. 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. OBD may request a waiver of the LOC requirement subject to NTIA's approval if the applicant can demonstrate that it has the required match on hand, as per state grant requirements. Subgrantees/subrecipients are required to provide the EE a Letter of Credit or a financial obligation that follows the guidance of the NTIA's Letter of Credit Programmatic Waiver, <https://broadbandusa.ntia.gov/funding-programs/policies-waivers/BEAD-Letter-of-Credit-Waiver>.

If the application will have additional financial partners contributing to the matching funds, the application must also identify the financial partner(s) and include 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 to the extent the match minimizes the amount of BEAD Funding requested. Note: If matching funds are federally-sourced wholly or in-part, 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)

### *LINE of Credit*

1. 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.
  - a. 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.
2. Applicant Signature



- a. Authorized representative will approve the application and be able to submit it. Applications must be submitted prior to (Insert date).
- b. 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.
- c. 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 unless a waiver is requested by OBD and approved by NTIA. Any Letter of Credit or financial obligation must follow the guidance of the NTIA's Letter of Credit Programmatic Waiver, <https://broadbandusa.ntia.gov/funding-programs/policies-waivers/BEAD-Letter-of-Credit-Waiver>.

OBD reserves the right to adjust the above list and required information as appropriate and subject to the approval of NTIA, to effectuate the goals of the BEAD program, meet compliance and reporting requirements, and ensure only credibly qualified applicants participate in the program.

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.

#### 2.4.2: Scoring Rubric and Prioritization

*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.*

The BEAD scoring rubrics that will be used to rank and score applications is summarized here and available as an attachment. As provided in the NOFO, if there is just one proposed Priority Broadband Project in a location or set of location, that proposal is the default winner and will be included in the Final Proposal (assuming the proposal does not exceed the Extremely High Cost Per Location Threshold when established). If multiple qualifying applications are submitted for Priority Broadband Projects for the same locations, scoring using the BEAD Scoring Rubric for Priority Broadband Projects will be used to determine the applicant to include in the Final Proposal (again, assuming the proposal does not exceed the Extremely High Cost Per Location Threshold when established). If no application for Priority Broadband Project is received for unserved locations in Round 11a, outreach will occur to solicit interest and an application to serve those locations with a Priority Broadband Project, including discussions with providers having facilities near or adjacent to the locations. If no Priority Broadband Project is forthcoming for those locations, and the locations are determined by Round 11c to exceed the Extremely High Cost Per Location Threshold, then a provider proposing a Non-Priority Project will be selected for inclusion in the Final Proposal. If there are multiple applications for the same locations from Non- Priority Broadband Projects, then the Non-Priority Broadband Project scoring rubric will be used to determine which applicant to include in the Final Proposal.

### 2.4.2.1: Scoring Rubric and Prioritization

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.

See [Appendix B for the BEAD Primary Scoring Rubric \(for fiber projects\)](#).

### 2.4.3: Prioritization of Projects

*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.*

Minnesota anticipates conducting one “grant round” with three cycles (11a, 11b and 11c) to select subgrantees, with priority in Cycle 11a 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 Cycle 11a subgrantee selection process and the BEAD funding that is consumed in the Cycle 11a 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 Cycle 11b. 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 Cycle 11a, 11b and 11c 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 has been technology neutral, responding to applications received and prioritizing community support. However, to meet NTIA’s requirements for the BEAD program, funding will be considered for alternative technologies for Other Last Mile Deployment projects that exceed the Extremely High Cost Per Location Threshold regardless of community support. 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. To meet the BEAD NOFO requirements, consideration of Other Last-Mile Broadband Deployment Projects (i.e. applications for non-fiber projects) will be deferred to Cycle 11b and 11c.

Minnesota does not believe that its BEAD funding allocation will be adequate to fund all applications submitted that would reach all underserved locations. If unserved locations remain following the submission of applications in Cycle 11b, 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. 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 Cycle 11b applications, projects will be selected and recommended for funding for inclusion in the Final Proposal.

A third subgrantee selection process will then be held (Cycle 11c) 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 Per Location 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 Cycle 11b applications when it is known which unserved locations have not been subject to inclusion in an application in either Cycle 11a or 11b and continue until applications are due for the anticipated Cycle 11c. Following negotiations, any remaining BEAD funding would then be awarded in that Cycle 11c, which will likely include primarily underserved locations. Locations that do not receive a qualified application will be posted online to maintain transparency and to ensure that all interested parties are aware and that all locations eligible for BEAD funding.

#### 2.4.4: Prioritization of CAIs

*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."*

- Applicable
- Not applicable

#### 2.4.5: Subgrantee EHP and BABA Requirements

*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.

#### 2.4.6: Project Area Definition

*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).

After round one of the subgrantee application process, if there are locations of unserved or underserved that received no applications for, OBD plans to evaluate and determine project areas based on geospatial analysis, presence of existing infrastructure, geographical features, proximity to middle mile routes, jurisdictional and municipal boundaries that influence network cost and community involvement, presence of existing enforceable state or federal commitments, and input from community stakeholders and ISPs.

To prevent conflict between projects, OBD will identify qualifying applications with overlap in locations proposed to be served. For the applications that have significant like-to-like overlapping service areas (over 20 percent or 50 locations of like-to-like overlap, whichever is lower), the scoring rubric will be used to determine which of the two or more applications with like-to-like overlapping areas to fund in its entirety and the requested match amount/amount of BEAD outlay should result in the application having the most points all else being equal. For applications with smaller like-to-like overlapping areas (like-to-like overlapping areas of less than 20 percent or fewer than 50 locations), a member(s) of the grant review committee will contact those applicants directly via the information provided on the grant application and work with those applicants to broaden their application to include more BEAD eligible locations or amend their proposed project area to remove the like-to-like overlapping area.

If after discussion there are still like-to-like overlapping areas in more than one application, then the scoring rubric will be used to determine which entire application to fund. OBD will evaluate locations on a like-to-like basis unless they are designated as contingent on other locations. In those cases, OBD

will negotiate with providers so that the locations can be split in a way that allows each ISP to move forward with the portion of their application that didn't overlap in the most cost-effective way that allows ISPs to sustain network operations for the life of the network.

While Minnesota does have several areas identified as High-Cost Areas, since OBD is obligated to ensure all unserved locations are in line to be served before funding any underserved locations, the process above should ensure that High-Cost Areas are addressed in the subgrantee selection process. Minnesota will consider accepting a waiver for the match requirement for locations in High-Cost Areas if necessary to incent a provider to serve.

#### 2.4.7: Coverage for Locations with No Proposals

*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.*

OBD conducted a state grant funded round of \$50 million with awards announced March 5, 2024, and opened another grant round of an additional \$50M with awards anticipated in summer 2024. From the applications submitted but not selected for funding, OBD will create a list of providers interested in serving in areas of the state that coincide with unserved locations. Prior to or while Minnesota's Initial Proposal is under review by NTIA and the BEAD Challenge process is being conducted, OBD will continue ongoing dialog with existing broadband providers in the state to communicate known information on participation in the BEAD subgrantee selection process. From these conversations, OBD will supplement the list referenced previously. Because the technical requirements for BEAD subgrantees are still evolving, a formal process, such as a request for Letter of Intent to participate in the BEAD program, would not yield credible results.

As stated previously, OBD will then prioritize the selection of subgrantees for unserved locations in the first two subgrantee selection cycles (11a and 11b). If unserved locations remain after those two cycles, 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 cycles, 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. For locations where the cost to provision service exceeds the Extremely High Cost Per Location Threshold, applications using alternative technologies will be considered, per the subgrantee selection process described above.

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.



#### 2.4.8: Deployment Project Tribal Consent

*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.

#### 2.4.9: Extremely High Cost Per Location Threshold Identification

*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.

#### 2.4.10: Extremely High Cost Per Location Threshold Process

*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 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 cycles (11a and 11b) 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 despite being informed that inclusion in the Final Proposal is unlikely, and the amount exceeds the EHCPLT, the application will be rejected and not included in the Final Proposal. NTIA requires that no location with costs exceeding the EHCPLT receive BEAD funding as a Priority Broadband Project. For those locations where the cost to provision service exceeds the EHCPLT, applications for non-priority broadband projects, including technologies that do not meet the definition of Reliable Broadband Service, but otherwise satisfies the Program's technical requirements will then be solicited (if none have been submitted) and considered, per the subgrantee selection process described above. Locations where the costs exceed the EHCPLT and/or there are no non-priority broadband project applications (regardless of whether the technology meets the definition of Reliable Broadband Service), would then not have a successful application and those locations would be categorized similar to locations without any bid and will be posted online to maintain transparency and to ensure that all interested parties are aware.

## Requirement 8: Deployment Subgrantee Qualifications

### 2.4.11: Deployment Subgrantee Qualifications: Financial Capability

*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.

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. Per the information provided in the application material above, OBD will adopt the subgrantee selection guidelines per the BEAD template, including the following:

- Audited Financial Statements Prospective subgrantees must submit financial statements from the prior fiscal year that are audited by an independent certified public accountant. If not previously audited during the ordinary course of business, prospective subgrantees can provide unaudited statements but must commit to supplying audited statements by a deadline specified by the Eligible Entity.
- Sustainability/Pro Forma Analyses: Prospective subgrantees must submit business plans and related analyses that substantiate the sustainability of the proposed project to the Eligible Entity.

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.

Together, all of the above information, along with an affidavit confirming authority to submit an application on behalf of the submitting entity, provides the necessary support and documentation for OBD to determine if the applicant is qualified to meet the obligations associated with the proposed project. The applicant will also self-certify that they are qualified and have provided the required documentation by completing a check box in the application.

### 2.4.11.1: Deployment Subgrantee Qualifications: Financial Capability

*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.*

Submitted: Yes or No?

- Yes  
 No

### 2.4.12: Deployment Subgrantee Qualifications: Managerial Capability

*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:*

- a. Detail how the Eligible Entity will require prospective subgrantees to submit resumes for key management personnel.*
- b. 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 has resulted in the successful completion of all projects to date.

To minimize confusion by NTIA as to how OBD conducts its managerial review, the documentation requested will follow the wording in the BEAD Subgrantee selection process guidelines:

#### **Managerial Capability**

- Documentation
  - Resumes of all key management staff; and
  - Organizational chart(s) detailing all parent companies, subsidiaries, and affiliates.
- Narrative on Managerial Readiness: Narrative describing the prospective subgrantee’s readiness to manage a broadband network which includes:
  - Experience and qualifications of key management;
  - Experience undertaking projects of similar size and scope;
  - Recent and upcoming organizational changes including mergers and acquisitions; and
  - Relevant organizational policies.

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.

#### 2.4.13: Deployment Subgrantee Qualifications: Technical Capability

*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.*
- 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 has resulted in the successful completion of all projects to date. To minimize confusion by NTIA as to how OBD conducts its technical review, the documentation requested will follow the wording in the BEAD Subgrantee selection process guidelines:

#### **Technical Capability**

- Certification: A prospective subgrantee applying for funding to develop or enhance a broadband network must certify that it is:
  - Technically qualified to complete and operate the project, and
  - Capable of carrying out the funded activities in a competent manner, including that it will use an appropriately skilled and credentialed workforce.
  - Agrees to use contractors committed to safety and workforce development as evidence by selecting contractors from the list maintained by OBD
- Documentation: Prospective subgrantees must provide the following certified by a Professional Engineer (PE) stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the project:
  - A network design and diagram;
  - Detailed 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.

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.

#### 2.4.14: Deployment Subgrantee Qualifications: Compliance with Laws

*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 workerled 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: Deployment Subgrantee Qualifications: Operational Capability

*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.

#### 2.4.16: Deployment Subgrantee Qualifications: Ownership

*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 14 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.

#### 2.4.17: Deployment Subgrantee Qualifications: Public Funding

*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.*
- 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.*

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

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: Non-Deployment Subgrantee Selection Process Integrity

*Describe a fair, open, and competitive subgrantee selection process for eligible nondeployment 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. If funds become available, this section will be revisited.

### 2.5.2: Non-Deployment Initiative Preferences

*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 nondeployment 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.*

Minnesota does not anticipate having BEAD funding available for non-deployment activities. If funds become available, this section will be revisited

### 2.5.3: Ensure Coverage Prior to Non-Deployment Projects

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

Minnesota does not anticipate having BEAD funding available for non-deployment activities. If funds become available, this section will be revisited.

#### 2.5.4: Non-Deployment Subgrantee Qualifications

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

Minnesota does not anticipate having BEAD funding available for non-deployment activities. If funds become available, this section will be revisited.

## Requirement 10: Eligible Entity Implementation Activities

### 2.6.1: Eligible Entity Implementation Activities

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

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: Labor Standards and Protection: Subgrantees Compliance with Federal Labor and Employment Laws

*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:*

- a. Prospective subgrantees' record of past compliance with federal labor and employment laws, which:
  - i. Must address information on these entities' compliance with federal labor and employment laws on broadband deployment projects in 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*
  - 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.**
- 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 will require information on the prospective subgrantees' record of compliance with federal labor and employment laws. This information must include, at a minimum, information on these entities' compliance with federal labor and employment laws on broadband deployment projects in the last five years. For example, the applicant should provide data on its historical use of contracting and subcontracting arrangements, including staffing plans and at least one example of each contractor and subcontractor's past performance in the context of a similar project. In addition, a certification from an officer/director-level employee (or equivalent) of the applicant evidencing consistent past compliance with federal labor and employment laws by the applicant, as well as contractors and subcontractors will be required and a written disclosure of any instances in which the applicant, 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. These compliance records and plans will be scored as a primary criteria as provided above in section 2.4.2.1.

To ensure compliance with federal labor and employment laws, 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 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: Labor Standards and Protection: Additional Measures

*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: Prospective Subgrantees' Workforce Plan

*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;*
- 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. As part of this coordination, DEED has been developing and promoting partnerships with organizations that provide their services to support workers.

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. These are just two examples of how OBD has worked to share information separate from DEED's workforce division to develop and promote partnerships with organizations that provide these services to support workers.

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. This is another example of how the state is developing and promoting partnerships with organizations that provide these services to support workers.

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, developing and promoting partnerships with organizations that provide these services to support workers. 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, developing and promoting partnerships with organizations that provide these services to support workers, 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 with organizations that provide these services to support workers. 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 indicative of success the state has already achieved in developing and promoting partnerships with organizations that provide these services to support workers.

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 on developing and promoting partnerships with organizations that provide these services to support workers, 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, another example of how Minnesota is developing and promoting partnerships with organizations that provide these services to support workers.

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 and demonstrates the state's efforts to develop and promote partnerships with organizations that provide services to support and assist the broadband workforce.

### 2.8.2: Prospective Subgrantees' Highly Skilled Workforce

*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.*

To ensure that applicants and each of its contractors and subcontractors have the technical and operational capacity to carry out the project, applicants must submit to OBD a plan for ensuring that the project workforce will be an appropriately skilled and credentialed workforce. OBD will analyze these plans and weigh them for level of detail and execution applicability. Within the scope of a funded project, information to be provided includes those employees of the applicant, its contractors or subcontractors directly engaged in the physical construction of the broadband infrastructure, but it does not include support staff of senior management.

The required workforce plan should certify and address the following information:

- a. The ways in which the applicant 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 applicant plans to contract and subcontract with in carrying out the proposed work.

If an awarded project's workforce or any contractor's or subcontractor's workforce is not unionized, the project applicant 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: (1) 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 (2) Information on the professional certifications and/or in-house training in place to ensure that deployment is done at a high standard.

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

### 2.9.1: Minority Business Enterprises (MBEs), Women's Business Enterprises (WBEs), and Labor Surplus Firms Inclusion Strategy

*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.*

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.

### 2.9.2: MBEs, WBEs, and Labor Surplus Firms Inclusion Affirmative Steps

*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.*

Yes

No

## Requirement 14: Cost and Barrier Reduction

### 2.10.1: Cost and Barrier Reduction Steps

*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 has implemented two measures to reduce costs and barriers, one is to encourage applicants to leverage existing broadband in their projects and the second is the establishment of a multi-agency work group to address permitting issues. These are barriers that have arisen in the state grant funded rounds. 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.

While we are attempting to implement the BEAD funding through the process that we have used for state funded grant rounds, at this time, it is uncertain what the approved Initial Proposal will include. Additional steps will be attempted to reduce costs and barriers to deployment after identification of barriers and discussion of appropriate measures following NTIA approval of Minnesota's Initial Proposal where barriers can be specifically identified.

## Requirement 15: Climate Assessment

### 2.11.1: Climate Risks Assessment

*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.*

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. Because no region of Minnesota or groups of Minnesota counties were identified by expert research and resources as having a significantly greater risk for disaster, NTIA requires that all regions and counties require screening as a result.

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, psíj), 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. NTIA's comment in curing Minnesota's Volume 2 is that the Initial Proposal must identify how the proposed plan will avoid and/or mitigate the weather and climate risks identified. The response is: Since no climate and



weather risks impacting broadband have been identified, it would be premature and impossible to develop a plan to avoid and/or mitigate the unidentified and unknown. Until any such threats are documented, it is 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. It is OBD's understanding that other state agencies are approaching this similarly, by information gathering and continuing dialogue with the industries under their purview.

### 2.11.1.1: Climate Reports

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.

Submitted: Yes or No?

Yes

No

## Requirement 16: Low-Cost Broadband Service Option

### 2.12.1: Low-Cost Broadband Service Option

*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.*

Minnesota will adopt the below as the low-income offering, based largely on the model provided in the BEAD NOFO:

Minnesota will adopt the below as the low-income offering, based largely on the model provided in the BEAD NOFO:

1. The proposed service option:
  - a. Costs \$46.98 on non-tribal lands/\$30 on Tribal lands per month (\$46.98/\$30) or less, inclusive of all fees and charges that accrue to the provider with no additional non-recurring costs or fees to the consumer;
  - b. Allows the end user to apply the Affordable Connectivity Benefit subsidy to the service price;
  - c. Provides 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;
  - d. Provides typical latency measurements of no more than 100 milliseconds; and
  - e. Is not subject to data caps, surcharges, or usage-based throttling, and is subject only to the same acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers by the participating subgrantee must adhere;
  - f. In the event the provider later offers a low-cost plan with higher speeds downstream and/or upstream, permits Eligible Subscribers that are subscribed to a low-cost broadband service option to upgrade to the new low-cost offering at no cost.
2. Applicants and subgrantees may request a modification to their low-cost service option target effective rate as follows:
  - a. In no case may the offered rate on non-tribal lands exceed \$62.28 which is two percent of the highest regional Cost of Living for a single person by Minnesota

Economic Development Region (EDR) and \$67.95 on Tribal lands which is the current low-cost rate on Tribal lands by a Tribal owned broadband provider. (\$62.28/\$67.95) The economic feasibility of the low-cost option and the not-to-exceed rate on non-Tribal lands are directly related to the 2016 FCC determination that an affordable broadband rate should not exceed two percent of monthly household income. Cost of living required for a single person in Minnesota, calculated by region, provides the benchmark for Minnesota’s affordable low-cost option for the BEAD program. The resulting rate range is shown in the below chart.

Economic Development Region (EDR)	Single Cost of Living for a Single Person	Monthly Cost	2% of Monthly Cost
<b>EDR 1 - Northwest</b>	\$28,380	\$2,365	\$47.30
<b>EDR 2 - Headwaters</b>	\$30,792	\$2,566	\$51.32
<b>EDR 3 - Arrowhead</b>	\$30,876	\$2,573	\$51.46
<b>EDR 4 - West Central</b>	\$29,328	\$2,444	\$48.88
<b>EDR 5 - North Central</b>	\$30,708	\$2,559	\$51.18
<b>EDR 6E- Southwest Central</b>	\$29,292	\$2,441	\$48.82
<b>EDR 6W- Upper Minnesota Valley</b>	\$28,284	\$2,357	\$47.14
<b>EDR 7E- East Central</b>	\$35,952	\$2,996	\$59.92
<b>EDR 7W- Central</b>	\$34,824	\$2,902	\$58.04
<b>EDR 8 - Southwest</b>	\$28,188	\$2,349	\$46.98
<b>EDR 9 - South Central</b>	\$29,700	\$2,475	\$49.50
<b>EDR 10 - Southeast</b>	\$31,596	\$2,633	\$52.66
<b>EDR 11 - 7 County Twin Cities</b>	\$37,368	\$3,114	\$62.28

- b. Modifications to offered rates on non-tribal lands to a level between \$46.98 and the \$62.28 Not to Exceed (NTE) level may be granted based on evidence supporting the newly proposed rate:
- c. Per-subscriber costs in an area indicating that the target effective rate above would be financially unsustainable; and/or
- d. The impact on average revenue per user (ARPU) and total project revenue of the target effective rate above would be financially unsustainable given actual or projected subscriber adoption patterns; and/or
- e. The newly proposed rate is consistent with the low-cost offering the applicant or subgrantee makes available in unsubsidized areas within the State (for the same or substantially the same level of service) at the time of application or the time the subgrantee begins providing service to customers in a BEAD- funded project area in the State, provided that the existing low-cost offering does not exceed \$62.28.
- f. If an applicant or subgrantee provides the evidence above, the modification request shall be granted, and the new modified level shall remain the maximum Not to Exceed offered rate for the provider for the duration of the federal interest.

- g. Modifications to offered rates on Tribal lands to a level between \$30 and the \$67.95 Tribal Not to Exceed (NTE) level may be granted upon evidence showing Tribal concurrence with the newly proposed rate on its Tribal lands.
3. The specified price may be adjusted once per year based on the Consumer Price Index, as defined by the U.S. Bureau of Labor Statistics, beginning with an adjustment in the first new calendar year after the date of approval of this Initial Proposal Volume 2 by NTIA.
4. Subgrantees are required to participate in the Affordable Connectivity Program or any successor program, and Eligible Subscribers that are eligible for a broadband service subsidy can apply the subsidy to the proposed service option.
5. OBD will also allow subgrantees to include in their applications a request to be reimbursed at 75% for all equipment costs required to be provided to low-income households at no charge per the above language that the subgrantee otherwise recovers from non-low-income households via a non-recurring charge. The types of costs anticipated to be the subject of such a request would be routers, modems, etc.
6. The BEAD low-cost option is only required to be offered to qualifying low-income households in locations where broadband construction occurs with BEAD funding. This requirement does not apply to service provided by a subgrantee for other locations where it offers service, including locations funded with state grant funding or ARPA CPF funding. The requirement to offer a low-cost option for low-income households expires at the conclusion of the 10-year federal interest period after construction although subgrantees can elect to continue the offering.
7. Subgrantees will need to certify via a checkbox in their application agreement to comply with the above, as well as certify in annual reporting that it is in compliance with the low-income broadband service option requirement.

If a potential subgrantee would find any of the above provisions would preclude them from submitting an application for BEAD funding, OBD will consider submitting a waiver request to NTIA if the applicant demonstrates that its proposed offering is consistent with the low-cost offering the applicant makes available in unsubsidized areas within the State (for the same or substantially the same level of service). Waivers of the Low Cost Service Option provisions are at NTIA's approval only.

If a potential subgrantee generally objects to the requirement to offer a low-cost option, then it should not submit an application for the BEAD program.

There will be no difference in what the low-cost option looks like if ACP expires and no successor program follows. It is appropriate to have a low-cost broadband option that may result in a monthly charge that is above \$0 to the eligible household because the entire subsidy is being born by the subgrantee. Broadband providers obviously have costs associated with every location to which they offer service, and it is only fair that every location has some responsibility to bear a portion of those charges in the absence of a government subsidy.

The Office of Broadband will follow Minnesota State Statute 10.65 and continue to conduct consultations with our tribal partners as OBD administers the BEAD program.

#### **10.65 GOVERNMENT-TO-GOVERNMENT RELATIONSHIP WITH TRIBAL GOVERNMENTS.**

Subdivision 1. Recognition of Tribal status and relationship with the state of Minnesota. (a) The state of Minnesota is home to 11 federally recognized Indian Tribes with elected Tribal government officials. The state of Minnesota acknowledges and supports the unique status of the Minnesota Tribes and their absolute right to existence, self-governance, and self-determination. (b) The United States and the state of Minnesota have a unique relationship with federally recognized Indian Tribes, formed by the Constitution of the United States, treaties, statutes, case law, and agreements. (c) The state of Minnesota and the Minnesota Tribal governments significantly benefit from working together, learning from one another, and partnering where possible. (d) Timely and meaningful consultation between the state of Minnesota and Minnesota Tribal governments will facilitate better understanding and informed decision-making by allowing for communication on matters of mutual interest and help to establish mutually respectful and beneficial relationships between the state and Minnesota Tribal governments.

### 2.12.2: Affordable Connectivity Program Participation

*Checkbox: Certify 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: Middle-Class Affordability Plan Description

*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: 20 Percent of Funds Usage

*Describe the Eligible Entity's planned use of any funds being requested, which must address the following:*

- 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.*

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:

- 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.
- *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
- 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.
- 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.
- 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**

- 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.

- 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**

- 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.
  - 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.
  - 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. IPRF 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.

### 2.14.2: Initial Proposal Funding Request Amount

*Enter the amount of the Initial Proposal Funding Request. If not requesting initial funds, enter '\$0.00.'*

\$646,839,368.20

### 2.14.3: 20 Percent of Funds Requirements

*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."*

Yes

No

## Requirement 18: Eligible Entity Regulatory Approach

### 2.15.1: Laws Related to Subgrant Competition

- 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.*
- b. *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.

The template indicates that only laws that the Eligible Entity will not waive are to be provided in the Excel template. Minnesota state law provides “The commissioner of employment and economic development may temporarily modify program standards under Minnesota Statutes, section 116J.395, and sections 2 and 6 of this article to the extent necessary to comply with federal standards that apply to funding received under this section.” As such, there are no statutes that the Eligible Entity will not waive upon official, written notification of NTIA that such program standards are not compliant with BEAD program requirements.

### 2.15.1.1: Laws Related to Subgrant Competition List

As a required attachment only if the Eligible Entity will not waive laws for BEAD Program project selection purposes, provide a list of the laws that the Eligible Entity will not waive for BEAD Program project selection purposes, using the Eligible Entity Regulatory Approach template provided.

- Required
- Not required

## Requirement 19: Certification of Compliance with BEAD Requirements

### 2.16.1: Requirements Compliance Certification

*Certify the Eligible Entity’s intent to comply with all applicable requirements of the BEAD Program, including the reporting requirements.*

- Yes
- No

### 2.16.2: Subgrantee Accountability

*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 recoupment 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: Subgrantee Civil Rights and Nondiscrimination

*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: Subgrantee Cybersecurity and Supply Chain Risk Management Compliance

*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:*

#### *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.*

Yes

No

## Appendix A: Volume II Waivers

*Upload an attachment(s) detailing the waiver request(s) for the requirements related to Volume II. Please draft the waiver request(s) using the Waiver Request Form template.*

### 02.17.01: Volume II Public Comment

*Describe the public comment period and provide a high-level summary of the comments received during the Volume II public comment period and how they were addressed by the Eligible Entity. The response must demonstrate:*

- a. The public comment period was no less than 30 days; and*
- b. Outreach and engagement activities were conducted to encourage feedback during the public comment period.*

#### **Public Comment Process**

The first complete drafts of the BEAD Initial Proposal Volume 1 & 2 were made available for public comment from Monday, November 13 to Tuesday, December 12, 2023. During this time, the draft plan was posted on OBD's homepage and Infrastructure Investment & Jobs Act (IIJA) webpage. Comments were accepted in writing through an online submission form linked to OBD's webpages, via email to OBD or postal mail.

OBD's 30-day Public Comment period for BEAD Initial Proposal Volume 1 & 2 ran concurrently between November 13, 2023, and December 12, 2023. OBD engaged in a variety of outreach and engagement activities to notify and include people in the public comment period. Notice of the Public Comment Period was sent out via four group emails and posted on OBD's website. Between 11/6/23 and 12/8/23, staff engaged 206 individuals in 17 face-to-face meetings where BEAD was discussed. And two live webinars were held.

#### **Email Outreach**

There were 3 individual emails sent just about the BEAD public comment period. Additionally, there was one broadband newsletter where the public comment period and webinar information were both shared. Data on those 4 efforts are below.

- 11/13/2023 email blast: Minnesota BEAD Public Comment Period Open. Sent to 5,880 recipients. 5,596 emails delivered (95%). 2,718 total opens. 1,406 unique opens (25%). 336 total clicks. 176 unique clicks. 10 links.
- 11/27/2023 OBD Broadband Newsletter: Information about the Border-to-Border and Lower Population Density Broadband Grant Application. Emailed to 8,212 recipients. 7,880 emails delivered (96%). 4,233 total opens. 2,363 unique opens (30%). 693 total clicks. 486 (6%) unique clicks. 17 links.

- 11/28/2023 email blast: Minnesota BEAD Public Comment Period Open. Sent to 5,900 recipients. 5,623 emails delivered (95%). 2,194 total opens. 1,352 (24%) unique opens. 137 total clicks. 114 (2%) unique clicks. 10 links.
- 12/05/2023 email blast: Minnesota BEAD Public Comment Period Coming to a Close. Sent to 5,909 recipients. 5,593 emails delivered (95%). 1,991 total opens. 1,320 (24%) unique opens. 129 total clicks. 113 unique clicks (2%). 10 links.

## Website Information

During the release of the draft BEAD Initial Proposal Volume 1 & 2, updates were made to OBD's website:

- OBD homepage: <https://mn.gov/deed/programs-services/broadband/>
- OBD IJA webpage: <https://mn.gov/deed/programs-services/broadband/infrastructure/Webinars>

## Webinars

OBD hosted two live webinars to explain the draft BEAD Initial Proposal Volume 1 & 2, with Question-and-Answer sessions. Registration links were available on OBD's website and sent out via email. The webinars were held on December 4th (pm) and December 5th (am). Presentation on OBD's draft BEAD Initial Proposal Volume 1 & 2 was about 45 min.-1 hour and Q&A lasted approximately 30-45 min.

Total attendance for both webinars was 63 individuals. A YouTube link to the recording of the webinar was shared with all registrants and posted on the OBD website. The YouTube webinar link had 43 Views as of 12/05/23.

## Written Comments

Comments could be submitted via a link accessible on OBD's website, mailed or emailed to the OBD. OBD received 55 separate public comment submissions, most with multiple comments, from 48 unique entities. Of these commentors only five were individuals, the other 43 represented organizations, including: 14 ISPs, 3 ISP Associations, 2 ISP Co-ops, 1 ISP alliance, 6 governmental entities, 3 labor unions, 3 NGOs, 2 tribes, and trade associations.

Comments were received from the following entities: 5 self-represented individuals, Association of MN Counties, AT&T, Communications Workers of America Local 7201 and the CWA Minnesota State Council (x2), Consolidated Telephone Company, Cooperative Network Services, LLC, Critical Infrastructure Resilience Institute, Crown Castle, CTIA, Dojo Networks (x2), East Central Energy, Economists, Education SuperHighway, Environmental Health Trust, Federated Rural Electric Association, Frontier (x2), Hennepin County, Hiawatha Broadband Communications Inc., Human-I-T, INCOMPAS, International Union of Operating Engineers Local 49, Le Sueur County, League of MN Cities, Leech Lake Band of Ojibwe, LIUNA Minnesota and North Dakota, Lower Sioux Indian Community, Lumen Technologies (x2), Meeker Cooperative Light & Power Association, Mi Energy/Mi Broadband, Minnesota Cable Communications Association, Minnesota Telecom Alliance, North Star Township (x3), Open Infra Core AB, St. Louis County, Sutton

Consulting -comment above as IUOE Local 49, Tarana Wireless, Inc., Taxpayers Protection Alliance, Telecommunications Industry Association, Think Marketing, USIC, Vertical Bridge, Windstream, Windstream, WISPA - Broadband Without Boundaries

Comments were sorted and catalogued by topic, as much as possible. A list of top 5 comment topics in order of prevalence:

Volume 2, Requirement 8: Deployment Subgrantee Selection & Qualifications: 80 comments by 17 entities

Volume 1, Requirement 7: Challenge Process: 56 comments by 12 entities

Volume 2: Requirement 1: Objectives: 29 comments by 4 entities

Volume 2, Requirement 11: Labor Standards and Protections: 16 comments by 14 entities

Volume 2, Requirement 12: Workforce Readiness: 14 comments by 3 entities

## **Summary of Comments**

### ***Support for OBD Initial Proposal***

Some quotes from commentors sharing their general support:

- “We implore you to work with the Minnesota Department of Employment and Economic Development’s Office of Broadband Development to accommodate their requests and approve their Proposal. Their reputation across the state is sterling. Communities, internet service providers, legislators, and organizations like AMC trust their work and stand by their requests.” – Association of Minnesota Counties
- “We are writing to express our strong support for Minnesota's Office of Broadband Development's Broadband Equity, Access, and Deployment (BEAD) broadband funding plan. We feel that it has been thoughtfully drafted to ensure that Federal funds are used effectively and in the interest of the many stakeholders who are affected by improved broadband services. Minnesota's commitment to transparency, accountability, and community engagement in its broadband deployment efforts has been unwavering, yielding many successful partnerships that have expanded broadband throughout the state. The state's plan aligns with the principles of the BEAD program and demonstrates a strong commitment to closing the digital divide in rural and underserved areas, ultimately benefiting residents, businesses, and educational institutions across the state. We urge the National Telecommunications and Information Administration to fully support Minnesota's BEAD broadband funding plan and the state's decision to allocate federal funds as grants to subgrantees, adhering to the established state rules. This approach is both practical and efficient, and it will play a vital role in accelerating broadband deployment, ensuring digital equity, and enhancing economic opportunities in Minnesota.” – Cooperative Network Services, LLC
- “Meeker Cooperative Light & Power Association (Meeker) applauds the tremendous effort and work of the Minnesota Office of Broadband Development (OBD) in its thoughtful and

thorough preparation of Minnesota’s Draft BEAD proposal. OBD has demonstrated a commitment to engaging private sector stakeholders and the citizens of Minnesota in its planning efforts leading to the composition of the draft plan.”

### ***Requests for BEAD to use Border-to-Border as a Model***

In many instances, OBD heard from commentors that would like OBD to model the BEAD program after the state’s successful Border-to-Border (B2B) Grant Program. In fact, Border-to-Border was mentioned a total of 34 times in the comments. Excerpts from some of those comments are below.

- “Minnesota's BEAD broadband funding plan represents a comprehensive and strategic approach to bridge the digital divide and ensure that all communities, regardless of their geographic location, have equitable access to reliable and "future-proof" high-speed broadband services. This approach aligns with the overarching goal of the BEAD program, which is to expand broadband access in underserved and unserved areas across the nation. By leveraging the existing state rules and expertise gained through the Border-to-Border grant program and the Low-Density Broadband Grant program, Minnesota is well-positioned to efficiently and effectively distribute federal BEAD funds to ISP subgrantees. This approach not only streamlines the allocation process but also ensures that funds are directed toward the types of projects that have a proven track record of success in expanding broadband access.” – Cooperative Network Services, LLC
- “BEAD funding must work within the requirements of the Minnesota Border to Border Broadband Grant Program. Minnesota’s Legislature intends for all BEAD funding to work within the legislative requirements of the State’s Broadband Grant Program. Any requirement of NTIA that conflicts with State Law could have serious consequences on Minnesota’s ability to roll out a successful BEAD program.” – Consolidated Telephone Company, Meeker Cooperative Light & Power Association
- “Since the 2014 Minnesota State Legislature authorized the Border-to-Border Broadband Development Grant Program under Minn. Stat. §116J.395, Minnesota has served as a national model as to what a successful and effective broadband grant program looks like and has resulted in the state making significant strides towards its goal of universal broadband access to all homes and businesses across the state. As a statewide organization, the broadband grant program is crucial especially for smaller greater Minnesota cities where low population density and difficult terrain make it impossible for providers to make the business case to serve those areas. Given the broad success of and widespread support among stakeholders for the state’s Border-to-Border Broadband Development Grant Program, the League of Minnesota Cities urges the National Telecommunications and Information Administration (NTIA) to allow the state to administer our state BEAD funding under parameters that are as close to matching the framework of our state program as possible. To the extent practicable and allowable under the Infrastructure Investment and Jobs Act, NTIA should allow states with proven success with their own grant programs, to administer those funds in a manner that closely mirrors the predictable and successful process that Minnesota has been implementing since 2014. We strongly believe that deviating from the state’s existing broadband grant framework, will make this once in a lifetime investment in broadband deployment less effective and less impactful for the communities that need infrastructure the most.” – League of

Minnesota Cities

***The Debate Over Fiber***

While there were the same amount of commentors pro fiber-only compared to requests to support technologies beyond fiber, it is insightful to note that the commentors that were anti fiber-only were primarily ISPs. The pro fiber-only commentors represented a larger cross-section of commentors, many of which were more local entities, including ISPS, labor unions, governmental units, and individuals.

Pro Fiber-only Commentors		Pro tech. beyond fiber commentors	
St. Louis County	Gov. - county	Hennepin County	Gov. - county
North Star Township	Gov. - township	Telecommunications Industry Association	industry association
Consolidated Telephone Company (CTC)	ISP	Crown Castle	ISP
Frontier	ISP	Dojo Networks	ISP
Lumen Technologies	ISP	Tarana Wireless, Inc.	ISP
Open Infra Core AB	ISP	Vertical Bridge	ISP
Minnesota Telecom Alliance	ISP alliance	Windstream	ISP
Meeker Cooperative Light & Power Association	ISP-Co-op	Minnesota Cable Communications Association	ISP association
Communications Workers of America Local 7201 and the CWA Minnesota State Council (CWA)	labor union, state council	WISPA - Broadband Without Boundaries	ISP association
LIUNA Minnesota and North Dakota	Labor Union	Education SuperHighway	NGO
Environmental Health Trust	NGO	INCOMPAS	trade association
Federated Rural Electric Association	REA	Economists	expert panel
Individual	Zip code: 55308	Individual	Zip code: 34482

***How Comments were Incorporated into the Initial Proposal***

The Initial Proposal attempted to mirror as much as possible the Border-to-Border Broadband Infrastructure grant program that has been in place since 2014. Public comments on the draft Initial Proposal were generally very supportive of OBD’s attempt to replicate that program for purposes of BEAD funding. OBD is retaining the framework of the Border-to-Border Broadband Infrastructure grant program in the final submission of its draft Initial Proposal to NTIA.

Public Comments were also supportive of fiber, while noting that cost considerations mean that some locations will be too expensive to serve with fiber and alternative/existing technologies will have to be considered as the broadband solution. The draft Initial Proposal recognizes that situation, and further work will be done to delineate that cost demarcation where fiber may not be a cost-effective use of public resources. The Extremely High-Cost Threshold will be developed prior to submission of the Final Proposal, and the public comments will be reviewed during the development of that threshold to address concerns expressed in the public comment period.

Other specific comments were incorporated into the draft Initial Proposal by making changes to the scoring rubric. The points for Fair Labor Standards forward looking measure were increased, and worker training and safety points were added. While points were slightly reduced for the amount of match, points were added for a new category to compare the cost per location in the application to the cost per location that will be developed from sources available to OBD (results of an RFP, CostQuest data, information from recent Border-to-Border and Lower Population Density grant rounds). This latter adjustment will help ensure that the applicant where the available data supports the amount of funding requested is more likely to be selected for funding.

#### 02.17.02: Volume II Supplemental Materials

*As an optional attachment, submit supplemental materials to the Volume II submission and provide references to the relevant requirements. Note that only content submitted via text boxes, certifications, and file uploads in sections aligned to Initial Proposal requirements in the NTIA Grants Portal will be reviewed, and supplemental materials submitted here are for reference only.*



## Appendix B: BEAD Primary Scoring Rubrics

BEAD Primary Scoring Rubric (for fiber projects):

BEAD Scoring Rubric for Priority Broadband Projects				
Total Category Weight	Criteria	Weight	Determination	Explanation
75% for Primary Criteria	<p><b>Minimal BEAD Program Outlay:</b> Matching contributions allow applicants and any community partners 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, OBD will prioritize applicants that minimize the BEAD program outlay through the total eligible project cost and matching funds.</p>	45 Points	<p>Points will be awarded in two allocations. Of 45 total points available, 35 points will be awarded based on the amount of BEAD funding requested and 10 points awarded based on the match percentage requested. Points will be awarded in a manner that ensures points awarded increase as the BEAD outlay decreases. Priority projects, or end-to-end fiber projects, will be prioritized during subgrantee selection.</p> <p>35 points will be awarded for the least amount of BEAD funding per BSL requested, with points incrementally decreasing by one full point for every two percentage points of BEAD funding per BSL requested above the least cost proposal, and reaching 0 points for any proposal that is at least 70% more costly than the least cost proposal, provided that no proposal other than the least-cost proposal may receive more than 34 points as the amount of funding per BSL requests increase, with 0 points for the applicant requesting the highest amount of BEAD funding per BSL.</p>	<p>Points will be awarded based on 1) amount of BEAD funding requested and 2) percent of match provided to serve eligible locations.</p> <p>For 1), the applicant requesting the least amount of BEAD outlay per BSL will receive the full 35 points and the other applicant(s) will receive a one point deduction for every two percentage points their BEAD outlay per BSL exceeds the least cost per BSL proposal. For 2) points will be assigned based on the percent match provided as outlined in the "Determination" column.</p>

			<p>10 points will be awarded to the highest match offered, incrementally awarding points for lower matches, with 0 points for applicants requesting the full 75% grant award.</p> <ul style="list-style-type: none"> <li>· 10 points for 99-75% match offered by applicant</li> <li>· 5 points for 74-50% match offered by applicant</li> <li>· 2 points for 49-26% match offered by applicant</li> <li>· 0 points for 25% match offered by applicant</li> </ul>	
	<p><b>Affordability:</b> OBD will award points under the affordability selection criterion for an applicant's pricing for gigabit service.</p>	15 points	<p>The applicant with the gigabit offering with the lowest monthly rate will receive 15 points, the second lowest rate will receive 10 points, the third lowest rate will receive 5 points. Any additional applicants will receive 0 points.</p>	<p>Points will be based on the price for gigabit service as provided in the "Determination" column.</p>
	<p><b>Fair Labor Practices 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</p>	Point range 0 to 15 points	<p>All applicants, including new entrants, will start with 15 points which will be reduced by 10 points based on lack of plans for compliance and by 5 points for a record of past noncompliance.</p>	<p>All applicants will start with 15 points. Points deducted will be based on a review of the information included in the application on prior compliance with Fair Labor Standard and plans for future compliance. A ten-point deduction for lack of plans for compliance and five point deduction based on record of past noncompliance.</p>

	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.			
25% for Secondary Criteria	<b>Speed to Deployment:</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	4 points	Projects that commit to completion in two full construction seasons or less will be awarded 4 points.	Points will be awarded to projects where the schedule indicates project completion within two full Minnesota construction seasons (a full construction season runs from April through October) or less. Projects that commit to completion in two full construction seasons or less will be awarded 4 points.

	<p>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><b>Speed of Network:</b> Projects that deliver higher speeds will be prioritized over projects that propose to deploy lesser speeds.</p>	<p>Up to 4 points</p>	<p>Projects offering speeds up to 10G symmetrical will earn the full 4 points; projects offering speeds of 10Gbps download and 2Gbps upload will score 3 points; projects offering speeds of 2.5Gbps download and 1Gbps upload will score 2 points; projects offering speeds of at least 1Gbps symmetrical will score 1 point.</p>	<p>Points will be awarded based on the highest speeds proposed to be delivered over the infrastructure deployed with the grant funding. Projects offering speeds up to 10G symmetrical will earn the full 4 points; projects offering speeds of 10Gbps download and 2Gbps upload will score 3 points; projects offering speeds of 2.5Gbps download and 1Gbps upload will score 2 points; projects offering speeds of at least 1Gbps symmetrical will score 1 point.</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 federal funding go further.</p>	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.
	<p><b>Demonstration of Workforce Safety and Training:</b> Applicant demonstrates a commitment to workforce safety and training.</p>	Up to 7 points	Up to 7 points will be awarded based on workforce safety and training practices and initiatives committed to by the applicant in the application.	Points will be awarded for workforce safety and training practices and initiatives as documented in the application.
<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>Minimal BEAD Program Outlay:</b> Matching contributions allow applicants and any community partners 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, OBD will prioritize applicants that minimize the BEAD program outlay through the total eligible project cost and matching funds.</p>	45 Points	<p>Points will be awarded in two allocations. Of 45 total points available, 35 points will be awarded based on the amount of BEAD funding requested and 10 points awarded based on the match percentage requested. Points will be awarded in a manner that ensures points awarded increase as the BEAD outlay decreases. Priority projects, or end-to-end fiber projects, will be prioritized during subgrantee selection. 35 points will be awarded for the least amount of BEAD funding per BSL requested, with points incrementally decreasing by one full point for every two percentage points of BEAD funding per BSL requested above the least cost proposal, and reaching 0 points for any proposal that is at least 70% more costly than the least cost proposal, provided that no</p>	<p>Points will be awarded based on 1) amount of BEAD funding requested and 2) percent of match provided to serve eligible locations. For 1), the applicant requesting the least amount of BEAD outlay per BSL will receive the full 35 points and the other applicant(s) will receive a one point deduction for every two percentage points their BEAD outlay per BSL exceeds the least cost per BSL proposal. For 2) points will be assigned based on the percent match provided as outlined in the "Determination" column.</p>

			<p>proposal other than the least-cost proposal may receive more than 34 points as the amount of funding per BSL requests increase, with 0 points for the applicant requesting the highest amount of BEAD funding per BSL. 10 points will be awarded to the highest match offered, incrementally awarding points for lower matches, with 0 points for applicants requesting the full 75% grant award.</p> <ul style="list-style-type: none"> <li>· 10 points for 100-75% match offered by applicant</li> <li>· 5 points for 74-50% match offered by applicant</li> <li>· 2 points for 49-26% match offered by applicant</li> <li>· 0 points for 25% match offered by applicant</li> </ul>	
	<p><b>Affordability:</b> OBD will award points under the affordability selection based on the applicant’s 100Mbps download and 20Mbps offering</p>	15 points	<p>The applicant with the 100Mbps/20Mbps offering with the lowest monthly rate will receive 15 points, the second lowest rate will receive 10 points, the third lowest rate will receive 5 points. Any additional applicants will receive 0 points.</p>	<p>Points will be based on the price for 100Mbps download/20Mbps upload service as provided in the “Determination” column.</p>



	<p><b>Fair Labor Practices 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 15 points</p>	<p>All applicants, including new entrants, will start with 15 points which will be reduced by 10 points based on lack of plans for compliance and by 5 points based on record of past noncompliance.</p>	<p>Points deducted will be based on a review of the information included in the application on prior compliance with Fair Labor Standard and plans for future compliance. A ten-point deduction for lack of plans for compliance and five point deduction based on record of past noncompliance.</p>
<p>25% for Secondary Criteria</p>	<p><b>Speed to Deployment:</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.</p>	<p>4 points</p>	<p>Projects that commit to completion in one year or less will be awarded 4 points.</p>	<p>Points will be awarded to projects where the schedule indicates project completion within one year or less. Projects that commit to completion in one year or less will be awarded 4 points.</p>

	<p>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 project will complete in one year.</p>			
	<p><b>Speed of Network:</b> Applications that propose to use technologies that have longer usable lives, exhibit scalability at a lower cost, and demonstrate resilience.</p>	<p>Up to 4 points</p>	<p>Proposed networks with longer usable lives, scalability, and resilience will score higher.</p>	<p>1 to 4 points will be awarded to networks that have longer usable lives, scalability at a lower cost, and demonstrate resilience. 2 points based on network components with expected long usable lives. 1 point based on the capacity of the network to scale. 1 point based on the evidence of a diverse and redundant network design technology.</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</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</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>

	<p>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.</p>		<p>community support (multiple letters of support, petitions, pre-registrations for service, etc.).</p>	
	<p><b>Demonstration of Workforce Safety and Training:</b> Applicant demonstrates a commitment to workforce safety and training.</p>	<p>Up to 7 points</p>	<p>Up to 7 points will be awarded based on workforce safety and training practices and initiatives committed to by the applicant in the application.</p>	<p>Points will be awarded for workforce safety and training practices and initiatives as documented in the application.</p>
<p><b>Total</b></p>				