Mission Critical: Expanding Missouri Broadband

Tim Arbeiter, Director of Broadband Development
We trail on GDP growth.

**GDP Growth (2007-16 CAGR) by State**

Source: U.S. Bureau of Economic Analysis (BEA)
Global Megatrends

- Accelerating urbanization
- Climate & resource scarcity
- Shift in global economic power
- Demographic changes
- Technological breakthroughs
Missourians without access to broadband

1.26 Million

*FCC 2016 Broadband Report
Rural Missourians without access

1.04 Million

*FCC 2016 Broadband Report
Households without access to broadband

597,000

*American Community Survey 2013-2017
"The general assembly declares that expanding and accelerating access to high speed broadband communication services throughout the entire state of Missouri is necessary, desirable, in the best interests of the citizens of this state, and that it is a public purpose of great importance."

HB1880 – Became law, August 28, 2018
Bridging the Digital Divide

• 7th most diversified economy in the US
• Agribusiness is a key strength and an opportunity for significant growth
  • Ag represents an $88B industry for Missouri,
  • Supports over 400,000 workers combined,
  • Over 1,000 farms and covering 28.3 million acres of land
  • Barrier to growth for the industry is access to high speed internet capabilities
  • 27,000 Missouri Farms report no internet connection*

*2018 USDA Agriculture Census
Purdue University researchers recently published the revised Digital Divide Index (DDI) incorporating the FCC Form 477 data and places Missouri’s DDI at 55.46, a score derived from broadband access and adoption, and coupled with the state’s socioeconomic factors, a value of 100 denotes the highest digital divide.

Dr. Roberto Gallardo
Purdue Center for Regional Development, 2019
Next Steps

• Promote the Broadband Plan and implement the strategies identified
  • Connectivity, Digital Literacy, Homework Gap, Training workers
• Launch the Broadband Grant Program in late summer 2019
• Establish a regional framework for planning efforts
• Phase I of the Missouri Precision Ag research project completed, seeking partners to fund Phase II
Broadband Planning Support

• Endorsed a broadband planning toolkit – encourage utilization by communities, counties, and regions
• Launch a community leaders survey and interviews being developed by a research team through Missouri S&T
• Endorse a survey assessment tool that can be utilized by broadband planning teams to gather data
• Mapping pilot project w/ CostQuest
Broadband Grant Program

• $5M in the State Budget for FY20
• Sets a baseline speed for grant investment of 25/3
• High Priority will be unserved, then underserved area
• 50/50 Grant (all public sources cannot exceed 50%)
Broadband Grant Program

• A variety of entities can apply
• No federal programs where no match was required can be utilized in the same project area request
• Applicants will be posted, beginning the challenge process as outlined in legislation
• Program to be released in late summer
CONNECTED COMMUNITY ECOSYSTEM

- Having broadband provides households with an estimated $1,850 annual economic benefit.²
- Thirty percent of tourism transactions in the US are made online.⁶
- Small businesses using social media are 3X more likely to have recently hired than those that do not.¹
- It is estimated that one percentage point increase in broadband access could create or save about 12,000 jobs statewide.⁷
- On average, farmers getting connected see a 6% increase in revenue.⁴

- In a community of 20,000, home-based businesses and online sales can account for $2.4 million, annually.⁶
- On average, teleworkers save nearly $500 annually on car maintenance and fuel.³
- Telemedicine adds an estimated $522,000 to rural economies and reduces hospitalizations.⁵
- Small businesses with websites have higher annual revenues than those that do not.⁸
- Broadband access can increase home values by an average of 3.1%.⁹
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