

**TESTIMONY
OF ANDREW BUTCHER
MAINE CONNECTIVITY AUTHORITY**

Before the Joint Standing Committee on Appropriations and Financial Affairs and the
Joint Standing Committee on Energy, Utilities and Technology

Hearing Date: March 1, 2023
Hearing Time: 1:00 p.m.

**“An Act Making Unified Appropriations and Allocations from the General Fund and Other
Funds for the Expenditures of State Government and Changing Certain Provisions of the Law
Necessary to the Proper Operations of State Government for the Fiscal Years Ending
June 30, 2023, June 30, 2024 and June 30, 2025.”**

Good afternoon, Senator Rotundo, Representative Sachs and members of the Joint Standing Committee on Appropriations and Financial Affairs; Senator Lawrence and Representative Ziegler and members of the Joint Select Committee on Energy, Utilities and Technology. My name is Andrew Butcher, and I serve as the President of the Maine Connectivity Authority. I am here today to testify in support of LD258, the Biennial Budget.

This budget advances the Governor’s guiding belief that to build a stronger, more prosperous state where opportunity is available to all, then we must invest in the infrastructure that supports the people of Maine, our greatest asset.

For the Maine Connectivity Authority, the biennial budget presented to you today, does not request any additional funding. The State of Maine, via Maine Jobs & Recovery Program (MJRP) has already allocated \$21.0 million of funds to the Maine Connectivity Authority - \$10.0 million for FY22 and \$11.0 million for FY23. We are working to deploy this capital in a timely and high impact manner, and to date have drawn down \$6 million of funds.

MAINE CONNECTIVITY AUTHORITY

The Maine Connectivity Authority (MCA) was established in 2021 and operationalized in 2022 as a quasi-governmental agency charged with achieving universal access of affordable high-speed broadband in Maine. Led by an experienced staff and eleven member board appointed by the Governor and confirmed by the Senate, the MCA works collaboratively with the ConnectMaine Authority to ensure effective, accessible connectivity be universally available in the state; that there be secure, affordable, reliable, competitive, sustainable and forward-looking infrastructure that can meet future needs; and that all residents, businesses and institutions in Maine be able to take full advantage of the economic, health, educational and other opportunities available through connectivity services. MCA was intentionally designed to ensure seamless alignment with the State's existing broadband office ConnectMaine, which is housed within the Department of Economic and Community Development. That intent has been codified with an agreement to share staff and streamline operations between the agencies effectively creating a "single-door solution" for all stakeholders.

In addition to managing ConnectMaine Authority's existing programs constituting approximately \$53M of awards for high speed internet - including a \$28M competitive grant awarded in 2021 by The National Telecommunications and Information Administration, MCA has been awarded and is managing the following Federal Funds:

- \$150M through the American Rescue Plan Act (ARPA) which includes the State's allocation of \$21M through the Maine Jobs & Recovery Program (MJRP) and \$129M through the Capital Projects Funds.
- An anticipated \$250M through Infrastructure, Investment and Jobs Act (The Bipartisan Infrastructure Law). We are currently conducting a planning process required to access those funds.

Key accomplishments utilizing Maine Jobs and Recovery Program funds in the last year include grant awards to connect over 5,000 locations in Aroostook, Androscoggin, Oxford, Piscataquis, Waldo and Washington Counties; the trial and deployment of different wireless technologies to help jumpstart connectivity in rural areas; and the investment of technical assistance in 24 communities as well as the support for regional capacity with 13 regional and tribal broadband partners throughout the State.

Maine Connectivity Authority

	<u>Actual</u>	<u>Current</u>	<u>Budgeted</u>	<u>Budgeted</u>
	2021-22	2022-23	2023-24	2024-25
Department Summary - All Funds				
All Other	10,000,000	11,000,000	6,000,000	
Total	10,000,000	11,000,000	6,000,000	0
Department Summary - FEDERAL EXPENDITURES FUND-ARP STATE FISCAL RECOVERY				
All Other	10,000,000	11,000,000	6,000,000	
Total	10,000,000	11,000,000	6,000,000	0

Maine Connectivity Authority

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What the Budget purchases:
The budget covers operational expenses and capital deployment programs to further the State of Maine's goal to achieve universal access of affordable high-speed broadband for all Mainers.

	<u>Actual</u>	<u>Current</u>	<u>Budgeted</u>	<u>Budgeted</u>
	2021-22	2022-23	2023-24	2024-25
Program Summary - FEDERAL EXPENDITURES FUND-ARP STATE FISCAL RECOVERY				
All Other	10,000,000	11,000,000	6,000,000	
Total	10,000,000	11,000,000	6,000,000	0
			2023-24	2024-25
Initiative: NONE				
	<u>Actual</u>	<u>Current</u>	<u>Budgeted</u>	<u>Budgeted</u>
	2021-22	2022-23	2023-24	2024-25
Revised Program Summary - FEDERAL EXPENDITURES FUND-ARP STATE FISCAL RECOVERY				
All Other	10,000,000	11,000,000	6,000,000	
Total	10,000,000	11,000,000	6,000,000	0

Additional activity utilizing Capital Projects Funds include the award of over \$34M to provide broadband service for over 16,000 locations in places where there was not any - leveraging over \$17M in private investment.

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The allocation request for the ConnectMaine Fund may be found on **page A-521**.

There are no new initiates for this program.

This concludes my testimony for the Maine Connectivity Authority.