## QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

| General Information |
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| 1. Federal Agency and Organizational Element to Which Report is Submitted | 2. Award Identification Number | 3. DUNS Number |
|---|---|---|
| Department of Commerce, National Telecommunications and Information Administration | 26-43-B10592 | 193247145 |

**4. Recipient Organization**

MICHIGAN STATE UNIVERSITY 301 ADMINISTRATION BLDG, EAST LANSING, MI 48824-1046

| 5. Current Reporting Period End Date (MM/DD/YYYY) | 6. Is this the last Report of the Award Period? |
|---|---|
| 06-30-2011 | ◯ Yes  ⦿ No |

**7. Certification:  I certify to the best of my knowledge and belief that this report is correct and complete for performance of activities for the purposes set forth in the award documents.**

| 7a. Typed or Printed Name and Title of Certifying Official | 7c. Telephone (area code, number and extension) |
|---|---|
| Kurt   DeMaagd | 517-355-4714 |
| | **7d. Email Address** |
| Assistant Professor | kdemaagd@msu.edu |

| 7b. Signature of Certifying Official | 7e. Date Report Submitted (MM/DD/YYYY): |
|---|---|
| Submitted Electronically | 07-31-2011 |

**Project Indicators  (This Quarter)**

**1.  Please describe significant project accomplishments completed during this quarter (600 words or less).**

We continue to operate our media literacy projects throughout the state.  Our statewide classes on technology and entrepreneurship are continuing to run.  The Everyday Digital project is underway, after an early setback in their building selection, is now ready to run.  We have been expanding our reach through the Learning Lab projects, particularly in Benton Harbor and Muskegon.

The Detroit operations have been particularly busy, providing over 2000 person-hours of training classes and operating the Allied Media Conference, which was attended by 1800 people, 550 of whom were from our direct service area of Detroit, Hamtramck, and Highland Park.  Training classes were offered in web development, audio engineering, video production, graphic design, entrepreneurship, education, and other leadership and professional development topics.

**2. Please provide the percent complete for the following key milestones in your project.  Write "0" in the Percent Complete column and "N/A" in the Narrative column if your project does not include this activity.  If you provided additional milestones in your baseline report, please insert them at the bottom of the table.  Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter.  Please provide a narrative description if the percent complete is different from the target provided in your baseline plan  (300 words or less).**

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|---|---|---|---|
| 2.a. | Overall Project | 18 | Because of previously identified issues with reporting on a cash basis, we are behind the original baseline plan.  If we were to base progress based on the fully encumbered balance, we are 36% complete. |
| 2.b. | Equipment / Supply Purchases | - | Progress reported in Question 4 below |
| 2.c. | Awareness Campaigns | - | Progress reported in Question 4 below |
| 2.d. | Outreach Activities | - | Progress reported in Question 4 below |
| 2.e. | Training Programs | - | Progress reported in Question 4 below |
| 2.f. | Other (please specify): | - | Progress reported in Question 4 below |

**3.  Please describe any challenges or issues faced during this past quarter in achieving planned progress against the project milestones listed above.  In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

As referenced in question 1, we had issues with space for our Lansing activities, but those are now resolved and those activities are resuming.  Our Detroit partners have had issues with the reliability of their Internet services from major telecommunication providers, which has interrupted some activities.

Interestingly, we have found that many of the young people in our classes have a strong desire for face-to-face interactions and group social gatherings.  Although we may assume that technology provides us with opportunities to collaborate electronically, we instead find that there is a need for in-person communication.  This presents both a challenge to organize the classes but also an opportunity to use technology as the tool around which people gather and form communities.

**4a. In the chart below, please provide the requested information on your BTOP grant-funded SBA activities. Please also provide a short description of the activity (600 words or less). Figures should be reported cumulatively from award inception to the end of the most recent reporting quarter.  Please ensure that the numbers of new household subscribers and business or community anchor institution (CAI) subscribers reflected in the "Total" row represent the unduplicated number of new subscribers that can be attributed to your SBA project as a whole.**

| Name of the SBA Activity | Location of SBA Activity | Description of Activity (600 words or less) | Size of Target Audience | Actual Number of Participants | New Subscribers: Households | New Subscribers: Businesses and/or CAIs |
|---|---|---|---|---|---|---|
| Media Strategy | Detroit | How social media tools are used to create social change | 45 | 45 | 15 | 0 |
| Story Telling | Detroit | Story telling and independent voices in online media | 50 | 50 | 16 | 0 |
| City Soundtrack | Detroit | Workshop on the independent music industry online | 60 | 60 | 20 | 0 |

| Name of the SBA Activity | Location of SBA Activity | Description of Activity (600 words or less) | Size of Target Audience | Actual Number of Participants | New Subscribers: Households | New Subscribers: Businesses and/or CAIs |
|---|---|---|---|---|---|---|
| Web Development | Detroit | Web site development, covering topics such as site design, maintenance, social media, user generated content, etc. | 165 | 121 | 39 | 0 |
| Online Audio | Detroit | Audio production and tools for creating high quality rich media content for the web. | 112 | 93 | 30 | 0 |
| Video Production | Detroit | Video production and tools for creating high quality rich media content for the web | 140 | 135 | 43 | 0 |
| Graphics | Detroit | Graphical design for web development | 160 | 127 | 41 | 0 |
| Media Entrepreneurship | Detroit | Entrepreneurship and other small business development training classes | 108 | 94 | 0 | 24 |
| Professional Development | Detroit | Other professional development classes, such as train-the-trainer, youth development, and professional development classes for people in the online media industry | 129 | 118 | 38 | 0 |
| Entrepreneruship | Statewide | Introduction to starting a business and using the Internet to create or grow a small business | 260 | 260 | 0 | 65 |
| Basic Tech Literacy | Benton Harbor + Muskegon | Basic technology literacy classes, particularly designed for high-school drop outs and other similar disadvantaged groups | 20 | 20 | 5 | 0 |
| **Total:** | | | **1,249** | **1,123** | **247** | **89** |

**4b. Please describe your method for determining the number of households, businesses, and/or (CAIs) subscribing to broadband as a result of your SBA programs (600 words or less).**

The numbers reported are very preliminary. They are based on the estimation of the fraction of program participants who would choose to adopt broadband at home, as was documented in our original grant proposal application. Because our program is based on education, it is harder to translate estimates of intent to adopt into validated figures of actual adoption. We are currently working off of early estimates. We also have follow-up surveys which the participants will be taking to help validate these initial estimates, though this creates a lag between class participation and any outcome on broadband use and adoption.

Furthermore, we know that our participants use computer centers as part of most of these programs. However, distinguishing between those who use broadband at home and those who use it at a PCC is also a challenge.

**4c. Please provide a narrative explanation if the total number of new subscribers is different from the targets provided in your baseline plan (600 words or less).**

Because of the delays in starting our program, we are currently behind our baseline plan. However, our progress shows signs of catching up to the original baseline projection, and overall enrollment in our programs has been very good.

**4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.**

| Households: 0 | Businesses and CAIs : 0 |
|---|---|

**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**

Our existing projects in Detroit will continue. We expect that they will graduate their first group of students who have gone through the entire program of all classes. In addition, the next quarter covers the beginning of the school year, which should see the launch of the Detroit Future Schools initiative and the related student and teacher development activities.

In the other regions, we will be ramping up and expanding programs in Benton Harbor and Muskegon. Furthermore, after initial delays and setbacks, the Lansing initiatives will begin.

**2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "0" in the second column if your project does not include this activity. If you provided additional milestones in your baseline report, please insert them at the bottom of the table. Figures should be reported cumulatively from award inception to the end of the next reporting quarter. Please provide a narrative description if the planned percent complete is different from the target provided in your baseline plan (300 words or less).**

| | Milestone | Percent Complete | Narrative (describe reasons for any variance from baseline plan or any other relevant information) |
|---|---|---|---|
| | | | |

| | | | |
|---|---|---|---|
| **2.a.** | **Overall Project** | 30 | For the same reason as documented above, accounting delays will likely result in this indicator slightly lagging actual progress on the program. |
| **2.b.** | **Equipment Purchases** | - | Milestone Data Not Required |
| **2.c.** | **Awareness Campaigns** | - | Milestone Data Not Required |
| **2.d.** | **Outreach Activities** | - | Milestone Data Not Required |
| **2.e.** | **Training Programs** | - | Milestone Data Not Required |
| **2.f.** | **Other (please specify):** | - | Milestone Data Not Required |

**3.  Please describe any challenges or issues anticipated during the next quarter that may impact planned progress against the project milestones listed above.  In particular, please identify any areas or issues where technical assistance from the BTOP program may be useful (600 words or less).**

The Detroit initiative is based heavily on a train-the-trainer model.  Although this allows us to multiply our resources and more efficiently reach the community, the decentralized approach will create challenges in gathering the data.  Furthermore, the continued economic challenges in Detroit and many other urban regions in Michigan creates challenges in working with the schools to recruit students and train the teachers.

We also will continue to examine possibilities to improve our data gathering related to broadband adoption.

## Sustainable Broadband Adoption Budget Execution Details

### Activity Based Expenditures  (Sustainable Broadband Adoption)

1.  Please provide details below on your total budget, cumulative actual expenditures (for the period ending the current quarter),  and cumulative anticipated expenditures (for the period ending next quarter) for each line item, including detailed disbursements of both matching funds and federal funds from project inception through end of this quarter (actual) or next quarter (anticipated). Actual and anticipated figures should be reported cumulatively from award inception to the end of the applicable reporting quarter.

| Cost Classification | Budget for Entire Project | | | Actuals from Project Inception through End of Current Reporting Period | | | Anticipated Actuals from Project Inception through End of Next Reporting Period | | |
|---|---|---|---|---|---|---|---|---|---|
| | Total Cost (plan) | Matching Funds (plan) | Federal Funds (plan) | Total Cost | Matching Funds | Federal Funds | Total Costs | Matching Funds | Federal Funds |
| a. Personnel | $780,964 | $153,760 | $627,204 | $117,718 | $33,827 | $83,891 | $234,289 | $46,128 | $188,161 |
| b. Fringe Benefits | $280,085 | $47,143 | $232,942 | $38,205 | $10,371 | $27,834 | $84,026 | $14,143 | $69,883 |
| c. Travel | $4,092 | $4,092 | $0 | $0 | $0 | $0 | $1,228 | $1,228 | $0 |
| d. Equipment | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| e. Supplies | $28,000 | $8,000 | $20,000 | $16,081 | $0 | $16,081 | $8,400 | $2,400 | $6,000 |
| f. Contractual | $15,000 | $0 | $15,000 | $0 | $0 | $0 | $4,500 | $0 | $4,500 |
| g. Construction | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 | $0 |
| h. Other | $4,903,911 | $1,077,589 | $3,826,322 | $872,334 | $171,539 | $700,795 | $1,471,173 | $323,277 | $1,147,896 |
| i. Total Direct Charges (sum of a  through h) | $6,012,052 | $1,290,584 | $4,721,468 | $1,044,338 | $215,737 | $828,601 | $1,803,616 | $387,176 | $1,416,440 |
| j. Indirect Charges | $601,313 | $107,274 | $494,039 | $57,985 | $17,259 | $40,725 | $180,394 | $32,182 | $148,212 |
| k. TOTALS (sum of i and j) | $6,613,365 | $1,397,858 | $5,215,507 | $1,102,323 | $232,996 | $869,326 | $1,984,010 | $419,358 | $1,564,652 |

2.  Program Income: Please provide the program income you listed in your application budget and actuals to date through the end of the reporting period.

| | |
|---|---|
| a. Application Budget Program Income:  $200,000 | b. Program Income to Date:  $0 |