

QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted Department of Commerce, National Telecommunications and Information Administration	2. Award Identification Number 27-43-B10515	3. DUNS Number 828185087
4. Recipient Organization C. K. Blandin Foundation 100 N Pokegama Ave, Grand Rapids, MN 55744-2739		
5. Current Reporting Period End Date (MM/DD/YYYY) 12-31-2012	6. Is this the last Report of the Award Period? <div style="text-align: center;"> <input type="radio"/> Yes <input checked="" type="radio"/> No </div>	
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 Mary Magnuson	7c. Telephone (area code, number and extension) 218-327-8738	7d. Email Address memagnuson@blandinfoundation.org
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 02-18-2013	

Project Indicators (This Quarter)

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

Milestones achieved in Q4 2012:
 Minnesota (MN) Renewable Energy Marketplace conducted 9 webinars involving 288 learners, and 2 outreach events that reached 57 individuals.
 Final narrative reports have been received from all statewide partners as well as 10 of 11 final narrative reports from Demonstration Communities. The reports have been reviewed and approved and will provide content for project close-out reporting.
 November 16-17, with Connect Minnesota, Blandin Foundation co-hosted a statewide broadband conference in Duluth, MN, "Building Our Connected Future: Minnesota's Better with Broadband." Conference Goals included:

- Promote synergy around community planning and adoption projects,
- Support the Governor's Broadband Task Force to achieve the state's broadband goals,
- Raise awareness of existing and new tools available to close the digital divide,
- Identify how Minnesota can leverage national policy to meet its broadband goals and
- Build a sense of community between Minnesota communities working on broadband issues.

The conference was attended by over 140 broadband champions from across the state, plus nearly 50 high school students who participated in hands on computer networking and social media classes.
 Demonstration Community leaders met with Intelligent Community Forum's (ICF) Robert Bell to review a preliminary draft of ICF's final report of the participating communities' progress across the five dimensions of an intelligent community: broadband infrastructure, workforce, innovation, digital inclusion and marketing and advocacy. Feedback from the communities are being incorporated into a final draft, a version of which will be prepared to share with the general public.
 MN Intelligent Rural Communities (MIRC) partners were recognized on November 1 by the Minnesota High Tech Association as the winner of the association's 2012 Tekne Award for "Innovative Collaboration of the Year." The award recognized the partners' achievements in increasing broadband access and adoption across the state. MHTA bills the award as the "Academy Awards for high tech" in Minnesota. In choosing MIRC, judges noted that, "MIRC has benefited from a legacy of collaboration. MIRC partners are numerous and the impact the collaboration has had on broadband adoption is significant." MIRC partners collected the award in front of a crowd of nearly 1,000 at the Minneapolis Convention Center.
 Work began on drafting a communications plan (tactics and key messages) to share MIRC outcomes and key messages broadly and with targeted audiences. Among the stories we anticipate highlighting from the over 90 community MIRC Demonstration Community Projects:

Leech Lake Band of Ojibwe – Temporary Employment Program: <http://wp.me/p3if7-1H0>
 The band's Temporary Employment Program (TEP) created computer labs in four community centers across the reservation and provided computer and Internet training, focusing on individuals who participate in the TEP. This skills enhancement helps TEP participants qualify for higher paying employment opportunities than the wood chopping and snow shoveling tasks they would otherwise be assigned.
 Stevens County Online Speech Therapy: <http://wp.me/p3if7-1cA>
 The Midwest Educational Cooperative launched a program using high resolution cameras to conduct ITV speech therapy, allowing teachers to work remotely with students, thereby reducing travel and increasing therapy effectiveness.
 PCs for People: <http://wp.me/p3if7-1P2> <http://wp.me/p3if7-24c>
 Delivering refurbished donated computers, software and in many cases, connectivity, to families in need across rural Minnesota.
 Benton County Hot Spots: <http://wp.me/p3if7-1Ow>
 The project provided incentives and technical support to incent local businesses to create public access "hot spots" in 13 new locations across this very rural county.
 Pioneer Public Television: <http://www.pioneer.org/ruralbroadbandspecial.php>
 "Rural Broadband: Making the Connection" shows how rural communities in western Minnesota in 2011 worked to bridge the digital divide by improving technological literacy and broadband service.
 Planning work began for a return visit to Minnesota by ASR Analytics program evaluators on behalf of NTIA.
 In late 2012, the foundation was informed that the University of Minnesota had let lapse its license with Equella, which had been the server home for the Knowledge Worker course developed by Minnesota Learning Commons (MLC), a MIRC partner. During this reporting period MLC found a new server home for the course which now is available at <http://globallearningcommons.org> for general public use under a Creative Commons License.

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)

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	100	Technically the project is 100% complete, but in a practical sense that isn't entirely true. We have spent \$4,822,914.41 of the \$4,858,219.00 of the federal funds that were awarded. However we have exceeded our matching funds requirement by \$54,587.42 so far. We expect to spend the last of the federal funds before the end of the grant period.
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).

Along with its final report to the foundation, submitted on January 3, 2013, Minnesota Learning Commons (MLC) informed the foundation that a balance of \$107,374.62 was being returned to the foundation from the business office. This came as a surprise to the foundation because on October 2 MLC had submitted a financial report indicating they had at that time expended over \$218,000. Although the consortium of schools who developed and delivered the course (Lake Superior College, Central Lakes College and Alexandria Technical and Community College) offered 31 course sessions with a total enrollment of 236 students, this total fell short of the anticipated 500 student enrollees. We attribute this shortcoming to lack of effective marketing, which may include a course title, "Knowledge Worker," that was problematic, e.g., unclear and not compelling to the intended audience. The returned funds are being used to 1) provide additional customized training on utilization of digital communication networks for business and community development to interested community partners across rural Minnesota; 2) pay for required federal audits of MIRC sub-recipients; 3) deliver additional refurbished computers and internet connections to qualifying families in need; and 4) pay modest unanticipated travel and other costs associated with hosting the visit by ASR Analytic evaluators in February, 2013.

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
Demonstration Community Activities and Training and Direct Technical Assistance	Benton County, Cook County, Grand Rapids/Itasca County, Leech Lake Band of Ojibwe, Kandiyohi County, City of Morris/Stevens County, Thief River Falls, Upper Minnesota Valley Region, Windom, Winona, Worthington	Steering Committees in each of the 11 Demonstration Communities have completed baseline utilization surveys, articulated goals, issued RFPs for local projects, reviewed and approved project proposals, and entered into contracts with chosen projects. Project partners have delivered 1165 separate training events that reached 3195 rural MN businesses and 8262 individuals. Additionally, 185 small businesses have received technical assistance.	93,579	8,262	6,672	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
MIRC Partner Workshop	St. Cloud, Duluth, and Alexandria Minnesota	Blandin Foundation convened representatives of each of the DCs, RDCs, and statewide partner organizations 6 times. 1. Project kick-off. 2. For updates on progress. 3. Effective Collaboration Workshop. 4. To learn about and practice using Foundation staff developed project communication tools. 5. To discuss project sustainability. 6. Share success stories and plans for sustained progress on broadband awareness and adoption.	160	90	0	0
Statewide Outreach	Rural Minnesota	Statewide convening including regional gatherings, small group meetings, individual meetings, etc.	12,861	5,846	4,548	0
Statewide Public Awareness	Rural Minnesota	Newspaper ads, marketing campaigns, television commercials and other mass media outreach.	863,750	256,018	45,443	0
Total:			970,350	270,216	56,663	0

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).

Three separate methodologies are being used to estimate the number of subscribers and the number of new subscribers. First, baseline surveys were conducted in each demonstration community, along with a statewide survey to estimate broadband penetration across all geographies. Second, Minnesota Cable and DSL providers have agreed to provide new subscriber information in aggregate, to assist, but still maintain provider confidentiality. And third, we have contracted with a private firm (ID Insight) to provide detailed Internet transactional data for each of the 11 demonstration areas. Using these three methods we will methodologically triangulate to derive accurate subscription estimates. Quarter 2, 2012 marked our final time using ID Insight to provide transactional data to track subscriptions. Project benchmark surveys on broadband penetration have been completed and the results are incorporated into the chart.

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).

The subscription goal for this project is 38,556 overall, with the milestone of 38,556 by quarter 4 of 2012. With 56,663 new subscribers as of December 31, 2012, we've surpassed our subscription goal for the project.

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).

Implementation of the Communications Plan for sharing MIRC outcomes and key messages with targeted audiences and the general public.
 Completion of all final narrative and financial reporting.
 Continue explorations begun with US Ignite, a national effort originated by the Office of Science and Technology Policy (OSTP), led by the National Science Foundation (NSF) in partnership with other federal agencies, to promote U.S. leadership in the development and deployment of next-generation applications on ultra-fast, programmable networks with the potential for significant societal impact. Red Wing, MN is one of the community partners participating in the Ignite project, along with Hiawatha Broadband Communications (HBC), a long-standing Blandin Foundation partner in our broadband work. We are excited about opportunities we see to leverage Minnesota's rural-based fiber networks, the relationships and partnerships developed through MIRC, and our partnership with Ignite participant HBC to help rural MN communities experience the benefits of next generation digital communication networks.
 Launch of the "next generation" of the MIRC program with nine new community partners across rural Minnesota (Lake of the Woods County, Lake County, Itasca County, Mille Lacs County, Mille Lacs Band of Ojibwe, Fond du Lac Reservation, Kanabec County, Lac qui Parle Valley School District, and Southwest Minnesota Broadband Services, a consortium of eight communities (Jackson, Lakefield, Round Lake, Bingham Lake, Brewster, Wilder, Heron Lake and Okabena) seeking to provide high-speed internet, voice and cable television services to the communities in the network). During the January 16-17 kick-off gathering, community leaders from some of the original MIRC partners were on hand to share lessons learned and promising practices with the new cohort. MIRC statewide partners also participated to introduce and market the resources and services, developed under MIRC, that can and will be made available to the nine new communities participating in this second (adapted and revised) "iteration" of MIRC. Blandin Foundation has committed \$1.5 million over two years to fund this next generation of the MIRC project, now rebranded the "Blandin Community Broadband Program."

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	100	na
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).

na

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.

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		
Cost Classification	Total Cost (plan)	Matching Funds (plan)	Federal Funds (plan)	Total Cost	Matching Funds	Federal Funds	Total Costs	Matching Funds	Federal Funds
a. Personnel	\$211,690	\$162,790	\$48,900	\$124,991	\$54,319	\$70,672	\$131,991	\$61,319	\$70,672
b. Fringe Benefits	\$63,507	\$48,837	\$14,670	\$26,226	\$11,565	\$14,661	\$27,926	\$13,265	\$14,661
c. Travel	\$63,300	\$14,300	\$49,000	\$36,542	\$257	\$36,285	\$41,542	\$1,257	\$40,285
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$9,400	\$0	\$9,400	\$5,129	\$0	\$5,129	\$5,129	\$0	\$5,129
f. Contractual	\$762,450	\$77,500	\$684,950	\$843,456	\$116,802	\$726,654	\$916,008	\$157,285	\$758,723
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$5,273,649	\$1,222,350	\$4,051,299	\$5,366,934	\$1,397,421	\$3,969,513	\$5,408,218	\$1,439,469	\$3,968,749
i. Total Direct Charges (sum of a through h)	\$6,383,996	\$1,525,777	\$4,858,219	\$6,403,278	\$1,580,364	\$4,822,914	\$6,530,814	\$1,672,595	\$4,858,219
j. Indirect Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
k. TOTALS (sum of i and j)	\$6,383,996	\$1,525,777	\$4,858,219	\$6,403,278	\$1,580,364	\$4,822,914	\$6,530,814	\$1,672,595	\$4,858,219

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: \$0	b. Program Income to Date: \$0
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