QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information

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	**27-43-B10515**	**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)	6. Is this the last Report of the Award Period?
03-31-2013	⦿ 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)
Mary Magnuson	218-327-8738
	7d. Email Address
	memagnuson@blandinfoundation.org
7b. Signature of Certifying Official	**7e. Date Report Submitted (MM/DD/YYYY):**
Submitted Electronically	05-27-2013

Project Indicators (This Quarter)

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

Milestones achieved in Q1 2013:

Thirteen full days of Internet training were delivered in 8 communities. Participating businesses learned how to develop a website, to "claim" places on local search tools, and to use social media strategically.
PCs for People distributed 500 personal computers to low-income families with school-age children in 5 rural Minnesota (MN) communities.
Minnesota Intelligent Rural Communities (MIRC) staff accompanied 2 contractors from ASR Analytics on a three-day tour of 5 of the 11 Demonstration Communities (DCs), including meetings with all of MIRC's "state-wide" partners.
Intelligent Community Forum's wrap-up report of the DCs' progress across the 5 dimensions of an intelligent community (broadband infrastructure, workforce, innovation, digital inclusion and marketing and advocacy) has been finalized and will be publicly released as part of an overall effort to communicate MIRC results and lessons.

University of MN Crookston, the MIRC project evaluator, submitted its final report. Some excerpts:
- MIRC initiated approximately 100 community-based projects; distributed more than 2,000 computers to needy families; conducted over 31,000 hours of training to almost 9,000 individuals and over 2,000 small rural business; and cumulatively reached more than 250,000 rural Minnesotans through a coordinated public awareness campaign.
- Data examining the growth in broadband adoption over the project period suggested that broadband adoption growth in participating communities grew close to 15% faster than in the rest of rural Minnesota.
- Those communities that reported the highest broadband growth rates also reported the highest percentage of awareness of broadband activities by their residents.
- Those communities that reported the highest rates of participation [in MIRC activities] also experienced the highest rates of subscription growth.
- Those communities that experienced the fastest growth [in broadband adoption] over the past 30 months also reported higher percentages of awareness and participation in MIRC activities.
- Such evidence allows us to conclude that overall… intervention works.

All final narrative reports have been received from statewide partners and DCs. Some highlights:
- This project has permanently changed the way we think and the way we work together. Winona Area Chamber of Commerce
- We've turned a corner and become a community that's actually growing and thriving instead of stagnant and dying . . . The enthusiasm and energy that we've generated for the town is phenomenal. City of Akeley
- In addition to helping us maintain engagement, build leadership, and foster partnerships, we have also been able to build new community services and assets that will live beyond the grant period and provide access that would have not otherwise existed. Cook County
- Collaborations were made that … will be sustained into [the] future. But the successes that are the most personally rewarding are the many stories … about how the program … made a difference in peoples' lives. Kandiyohi County/City of Willmar
- MIRC efforts have really contributed to creating a 'Culture of Use' amongst tribal members. … Overall, MIRC has helped Leech Lake increase the economic vitality of our community. … Community members … are more familiar with the tools of broadband and the economic opportunities that are available. Leech Lake Band of Ojibwe
- Two of our region's smallest towns have a footprint on the global web which is so exciting! Our local Public Television station is creating content that can be put online … this is amazing stuff! Upper MN Valley Region
- MIRC is a life changing project for many individuals in the nine communities, without the … belief that communities like Thief River Falls can do something like this it simply would not have happened without that faith. Thief River Falls
- This effort helped build bridges among cultures and organizations in the Winona area … a "connected" city helps everyone. Winona

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	100	We have spent all $4,858,219.00 in federal funds, and have exceeded our matching funds requirements. Our final ASAP draw was scheduled for early April. Additional matching funds are expected during the close-out period.
2.b.	Equipment / Supply Purchases	-	Progress reported in Question 4 below
2.c.	Awareness Campaigns	-	Progress reported in Question 4 below

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

Working with grantees and contractors to ensure all final reports were submitted.

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
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 had 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).
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 US 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.

Awarding Blandin Foundation-funded community grants to 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 in that region of the state). 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	Project completed
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).
N/A

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	$211,690	$162,790	$48,900	$132,552	$61,880	$70,672	$132,552	$61,880	$70,672
b. Fringe Benefits	$63,507	$48,837	$14,670	$27,889	$13,228	$14,661	$27,889	$13,228	$14,661
c. Travel	$63,300	$14,300	$49,000	$45,187	$257	$44,930	$45,187	$257	$44,930
d. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Supplies	$9,400	$0	$9,400	$10,272	$0	$10,272	$10,272	$0	$10,272
f. Contractual	$762,450	$77,500	$684,950	$922,699	$137,610	$785,089	$922,699	$137,610	$785,089
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$5,273,649	$1,222,350	$4,051,299	$5,561,547	$1,628,952	$3,932,595	$5,561,547	$1,628,952	$3,932,595
i. Total Direct Charges (sum of a through h)	$6,383,996	$1,525,777	$4,858,219	$6,700,146	$1,841,927	$4,858,219	$6,700,146	$1,841,927	$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	$6,700,146	$1,841,927	$4,858,219	$6,700,146	$1,841,927	$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