QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information

1. Federal Agency and Organizational Element to Which Report is Submitted US Department of Commerce National Telecommunications and Information Administration	2. Award Identification Number 27-43-B10515	3a. DUNS Number 82-81-85087
		3b. EIN 41-6038619

4. Recipient Organization (Name and complete address including country, congressional district, and zip code)

C. K. Blandin Foundation
100 N Pokegama Avenue
Grand Rapids, MN 557442739
USA, congressional district 08

5. Current Reporting Period End Date (MM/DD/YYYY) 06/30/2010	6. Is this the last Report of the Award Period? ◯ 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 James Hoolihan President and CEO	7c. Telephone (area code, number and extension) 218-327-8728
	7d. Email Address brjoselyn@blandinfoundation.org
7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY): 07/29/2010

Project Indicators (This Quarter)

1. Please describe significant project accomplishments completed during this quarter (150 words or less).

Initial 2-day convening and training held for all project partners (May 11-12)
Discussions initiated with other MN BTOP recipients to identify opportunities for collaboration/leverage
Discussions initiated with providers for reduced subscription rates
Planning underway for statewide conference
Project online collaboration tool in place and utilized by all partners
Baseline broadband utilization surveys completed statewide and completed in all 11Demonstration Communities
Steering Committees constituted in all 11 Demonstration Communities and all have met with program staff at least twice. Community teams have identified community broadband priorities and opportunities.
Knowledge worker course development underway
Most sub-recipient and vendor contracts executed (the rest will be executed pending approval of the budget modification request)
Intelligent Community Forum indicators adapted for use in rural communities and ICF assessments begun in all 11 Demonstration Communities
Project Communications Plan developed
Mental health component of project redesign submitted to NTIA for approval
Weekly webinar series launched for MIRC partners to enhance project delivery and coordination

2. Please provide the percent complete for the following key milestones in your project. Write "N/A" in the second column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, 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 (100 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	**Overall Project**	1	While our baseline milestones document indicated we would be 15% complete, only one percent of the total project budget was spent during 2nd quarter 2010. The reason for this deviation is that we began disbursing sub-grant payments later than originally expected. We disbursed our first sub-grant payment in early July. So far, in the third quarter we've disbursed $804,600 in sub-grant payments (meaning to-date we are at about 18% complete). We anticipate being 'caught up' to the 30% indicated in our baseline by the end of the 3rd quarter.
2.b.	**Equipment Purchases**	18	PCs for People secured 223 computers in quarter 2, 2010; 179 have been refurbished; 137 were distributed to needy residents in rural Minnesota. PCs for People has recently moved, and is a bit behind on invoicing. (Baseline: 42%)
2.c.	**Awareness Campaigns**	0	None of the sub-grantees or vendors have received ARRA funds for awareness campaigns as of June 30, but 867 residents reached through awareness campaigns (target: 160,000). (Baseline: 5%)
2.d.	**Outreach Activities**	0	None of the sub-grantees or vendors have received ARRA funds for outreach as of June 30. However, 174 residents have been reached (e.g., convening or presentation); 1 business received technical assistance. RDCs made 4 referrals to MIRC Partners providing training. (Baseline: 10%)
2.e.	**Training Programs**	0	None of the sub-grantees or vendors have received ARRA funds for training programs as of June 30, but 1 training event was held reaching 10 businesses and 13 people (target: 3,640 individuals trained) (Baseline: 5%)

2.f.	**Other (please specify):**	2.f. 4% Community Broadband Resources Program: Community Technology Advisors has been working with Demonstration Communities, providing Technical assistance. (June invoice was not paid until early July) (Baseline: 10%) 2.g. 0% LightSpeed Program/Community Grants: no ARRA funded grants were made, but 2 grants were made utilizing project matching funds totalling $74,000 (Baseline: 15%) 2.h. 0% Demonstration Communities: efforts underway to assist communities to identify projects for the program, but no ARRA funds disbursed. (Baseline: 10%) 2.i. 5% Project management and monitoring. This milestone includes the sub-recipient providing evaluation services; who didn't receive their first ARRA disbursement until July. (Baseline: 15%)

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 (150 words or less).

Three no-cost budget amendment requests have been submitted to NTIA and are in the process of being reformatted for formal submission in accordance with guidance from our program officer: 1) combine Demonstration Community and Community Grants budget line items; 2) reassign dollars for the mental health program component to Community Grants; and 3) reclassify some partners from sub-recipients to vendors

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 (100 words or less). Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter.

Name of the SBA Activity	Location of SBA Activity	Description of Activity (100 words or less)	Size of Target Audience	Actual Number of Participants	New Subscribers (Households and / or Businesses)
Demonstration Community Steering Committee meetings	each of the 11Dem⊞	kick-off and follow-up meetings of steering committees in each community to conduct initial baseline assessment of community broadband utilization and needs and identify community priorities.	110	165	0
partner kick-off meeting	Grand Rapids, MN	2 day introductory meeting for training and relationship building	40	55	0
		Total:	150	220	0

4b. Please describe your method for determining number of households and/or businesses subscribing to broadband as a result of your SBA programs (100 words or less).

A statewide, baseline study was conducted in June 2010 for the rural counties of Minnesota. From this study we found that of the 605,000 households of interest, 421,023 purchase an Internet connection and of those, 362,951 purchase a broadband connection (60%). Beginning in August 2010 we will begin receiving quarterly data on new broadband subscriptions directly from rural providers through the Minnesota Telecommunications Alliance and the Minnesota Cable Communications Association. This data will not have provider identifiers, but will be aggregated across providers to ensure provider confidentiality.

4c. Please provide a narrative description if the total number of new subscribers is different from the targets provided in your baseline plan (100 words or less).

Currently the baseline study has been completed estimating the number of broadband subscriptions in rural Minnesota (362,951). We will begin reporting the number of new broadband subscriptions. in the next quarterly report. So the number of new broadband subscriptions to report for this quarter is 0.

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

Households: 0	**Businesses:** 0

Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).

Agreement reached with providers for reduced subscription rates

Key message collateral developed and disseminated to project partners

Technical assistance resource list developed and disseminated to participating partners and Demonstration Communities

University of Minnesota Extension (UME) project coordinator hired

Demonstration Communities begin efforts to identify targeted businesses for project participation

Each Demonstration Community has identified a liaison to work with UME

Workforce Centers (WFC) project implementation plan complete, participating WFCs identified, and digital literacy task force with underway (with participation by Adult Basic Education project, libraries, other BTOP grantees, others)

LightSpeed and Robust Network Feasibility Fund grant projects publicized

Agreements concluded between PCs for People and at least one Demonstration Community

At least 2 projects identified and approved in each Demonstration Community

Sites for knowledge worker course delivery identified

2. Please provide the percent complete anticipated for the following key milestones in your project as of the end of the next quarter. Write "N/A" in the second column if your project does not include this activity. If you provided additional milestones in your baseline plan, please insert them at the bottom of the table. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent reporting quarter. Please provide a narrative description if the planned percent complete is different from the target provided in your baseline plan (100 words or less).

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	**Overall Project**	29	By the end of quarter 3, we anticipate being quite near our baseline plan for overall project completeness as measured by distribution of funds (30%).
2.b.	**Equipment Purchases**	34	We believe that by the end of quarter 3, PCs for People will be on schedule for distributing computers, but their staff time and travel may not be spent down quite the way we envisioned it when we created the baseline plan (42%). Staff time and travel should pick up in 2011, when they begin working more closely with the Demonstration Communities.
2.c.	**Awareness Campaigns**	0	(Baseline: 15%) This will be a difficult milestone to track using budget expenditures as the indicator, as we will be using mainly match and not ARRA funds. In quarter 3, we will have developed and disseminated an initial set of awareness tools and resources.
2.d.	**Outreach Activities**	37	(Baseline: 30%) We expect that by the end of the 3rd quarter, Blandin Foundation will have distributed about 37% of designated grant funds to sub-recipients performing outreach activities. This number should remain constant for the next few quarters.
2.e.	**Training Programs**	47	(Baseline: 15%) We expect that by the end of the 3rd quarter, Blandin Foundation will have distributed about 47% of designated grant funds to sub-recipients performing training activities. This number should remain constant for the next few quarters.
2.f.	**Other (please specify):**		2.f. 25% Community Broadband Resources Program (Baseline: 20%) 2.g. 82% LightSpeed Program/Community Grants: If our budget modification request is approved, we will have an extra $600,000 in ARRA funds for this activity, and the percentage would be closer to 12%. Community Grant outreach will wait until the modification is approved. (Baseline: 40%) 2.h. 1% Demonstration Communities: by the end of 3rd quarter, we expect to have disbursed only a small amount of project administration funding as we continue to assist the communities identify their specific projects to fund. We should 'catch up' to the expected level of completeness by the end of 4th quarter, by which time communities will have identified projects and partners. (Baseline: 20% for 3rd quarter; 35% for 4th quarter) 2.i. 38% Project management and monitoring (Baseline: 30%)

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 (150 words or less).

MIRC project staff will look to NTIA response on the revision requests named in Question 3 under project indicators. The requested amendments have delayed grants and contracts and affected anticipated pay-outs.

Blandin Foundation has not yet requested evidence of required match from the sub-recipients. It was determined at the time we received notice of the grant that we should ask for that information from partners semi-annually - the first financial and match report will be due on September 30, 2010.

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	$24,174	$8,909	$15,264	$46,565	$16,037	$30,528
b. Fringe Benefits	$63,507	$48,837	$14,670	$5,318	$1,960	$3,358	$10,244	$3,528	$6,716
c. Travel	$63,300	$14,300	$49,000	$35	$0	$35	$12,135	$0	$12,135
d. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Supplies	$9,400	$0	$9,400	$1,613	$0	$1,613	$2,613	$0	$2,613
f. Contractual	$492,450	$57,500	$434,950	$37,470	$6,013	$31,457	$119,164	$16,013	$103,151
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$5,543,64⬛	$1,242,35⬛	$4,301,29⬛	$5,726	$0	$5,726	$1,334,70⬛	$96,875	$1,237,82⬛
i. Total Direct Charges (sum of a through h)	$6,383,996	$1,525,777	$4,858,219	$74,336	$16,882	$57,453	$1,525,422	$132,453	$1,392,970
j. Indirect Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0
TOTALS (sum of i and j)	$6,383,996	$1,525,777	$4,858,219	$74,336	$16,882	$57,453	$1,525,422	$132,453	$1,392,970

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:	b. Program Income to Date: