

**QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION**

General Information		
<b>1. Federal Agency and Organizational Element to Which Report is Submitted</b>  Department of Commerce, National Telecommunications and Information Administration	<b>2. Award Identification Number</b>  27-43-B10515	<b>3. DUNS Number</b>  828185087
<b>4. Recipient Organization</b>  C. K. Blandin Foundation 100 N Pokegama Ave, Grand Rapids, MN 557442739		
<b>5. Current Reporting Period End Date (MM/DD/YYYY)</b>  12-31-2010	<b>6. Is this the last Report of the Award Period?</b>  <input type="radio"/> Yes <input checked="" type="radio"/> No	
<b>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.</b>		
<b>7a. Typed or Printed Name and Title of Certifying Official</b>  Mary Magnuson	<b>7c. Telephone (area code, number and extension)</b>	
	<b>7d. Email Address</b>  memagnuson@blandinfoundation.org	
<b>7b. Signature of Certifying Official</b>  Submitted Electronically	<b>7e. Date Report Submitted (MM/DD/YYYY):</b>  01-28-2011	

**Project Indicators (This Quarter)**

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

On October 13-14, representatives from the Minnesota Intelligent Rural Communities (MIRC) partnership gathered in Baxter, Minnesota, along with over 100 other broadband champions from across Minnesota for a state-wide meeting: Broadband 2010: Cultivating a Culture of Use. The meeting showcased efforts underway by the MIRC partnership to increase access and use of broadband and to learn from best practices of others. As part of this gathering, MIRC partners received 5 hours of leadership training on effective collaboration. In addition, MIRC staff coordinated 4 training and educational webinars designed to facilitate and reinforce collaboration and peer learning. All webinars have been archived on the project's online collaboration platform. Project staff worked with the Intelligent Community Forum to create scoring criteria for interpreting the indicator data collected by each of the 11 Demonstration Communities (DCs). Once finalized, the criteria will be shared with the DCs for use in ongoing efforts to track progress against their community goals. Each of the 11 DCs reviewed proposals received in response to the community goal-driven RFPs they issued in Fall of 2010. Recommended proposals are being reviewed by MIRC staff and contracts are being executed with each of the awardees. University of Minnesota Extension (UME) has hired local coordinators in each of the DCs. These coordinators began efforts to identify at least 15 businesses in each community who would benefit from hands-on assistance and technical support. In addition, Minnesota Renewable Energy Marketplace (MNREM) identified the information and communication technology training interests and needs of rural renewable energy businesses and developed a schedule of responsive webinars and on-the-ground training opportunities to respond to those needs. Webinars and training will begin in January 2011. PCs for People distributed an additional 92 computers to families in poverty, refurbished an another 105 computers, and secured 52 more computers to be refurbished and distributed. The MN Department of Employment and Economic Development (DEED) workforce centers finalized a statewide standardized digital literacy curriculum, and Minnesota Learning Commons (MLC) completed development of a new knowledge worker course. Both courses will be offered in classroom settings (in workforce centers, public libraries and other venues) beginning in January 2011, and will subsequently be available online. The community of Staples Minnesota was awarded a grant to fund a feasibility study for a high-speed broadband network, and efforts continued to promote this community grant opportunity to rural communities across the state, as well as the Light Speed grant program which supports the delivery of broadband-based services and applications (primarily in health care and education). Regional Development Commissions (RDCs) reached 118,801 Minnesotans through media campaigns and 743 people through convening activities.

**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	34	Baseline: 40%. The deviation from the baseline is due to the slower than expected process for disbursing the Demonstration Communities' (DCs) grant funds. The DCs have been hard at work for the past several months selecting projects to fund through an RFP process. Once they select their projects, they must submit a project plan to the Blandin Foundation for approval. Once their plans are approved, funding is disbursed. We had expected that most DCs would allocate all of their funds during 4th quarter, but we are finding that many are only allocating a portion of their funds at this time. We had also expected that most of the DCs would have submitted their project plans for funding in 4th quarter, but we only funded three DCs partially. Additionally, we approved only one community grant application, but it hasn't been disbursed yet. We expect this activity to increase significantly in 1st quarter 2011.
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).**

2.e. MIRC Milestones include the extension of hours of operation in selected workforce centers across the state by Year 1 Q4. Rather than extend the hours of operations of actual workforce centers, MIRC partners now plan to extend the availability and access to workforce center training materials by making them web-based and offering the training in other public settings (e.g. libraries, community colleges, YMCAs, etc.)

**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	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 grants, begun to review and approve project proposals.	100	90	891	0
MIRC Partner Workshop	St. Cloud, MN	Blandin Foundation convened representatives of each of the DCs, RDCs and state-wide partner organizations for updates on progress and to learn about and practice using Foundation staff developed project communication tools..	80	55	0	0
U of MN Extension targeted small business training	Rural MN locations	6 sessions on Using Social Media in Business 7 sessions on Roadside Advertising in the Digital Age 6 sessions on Doing Business on the Internet 3 sessions on Creating a Website for Business	4,000	285	0	0
Statewide Outreach	Rural Minnesota	New subscriptions purchased	242,049	3,023	3,023	0
<b>Total:</b>			<b>246,229</b>	<b>3,453</b>	<b>3,914</b>	<b>0</b>

**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.

**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 majority of our training, technical assistance, outreach and local activities in the Demonstration Communities have yet to be initiated, or fully kick into high gear. Accordingly, the number of new subscriptions has once again fallen short. However, we expect subscriptions to increase as these activities get off the ground and intensify. But as of right now, we estimate that we are

approximately at the 20% mark of our overall goal

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

<b>Households:</b> 0	<b>Businesses and CAIs :</b> 0
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**Project Indicators (Next Quarter)**

**1. Please describe significant project accomplishments planned for completion during the next quarter (600 words or less).**  
 The new knowledge worker curriculum and the digital literacy curriculum will be offered in classroom settings and subsequently online. Planning will for a planned April leadership training event for MIRC partners will begin in earnest. Minnesota Renewable Energy Marketplace and University of Minnesota Extension will begin to deliver their technical assistance and training modules in the 11 DCs.

**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	45	Baseline: 50%. A large percentage of the MIRC project is budgeted for large grants to institutions for outreach and training programs. Those grants have all been partially disbursed (33-50%). We don't foresee disbursing the 2nd half or third of any of those grants in q1, 2011. Once we do start disbursing those large payments (likely q2 or q3) the percent complete will increase significantly.
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).**  
 MIRC project staff has yet to achieve any significant progress in our efforts to partner with incumbent service providers on the provision of discounted subscription services to low income Minnesotans. We will continue our efforts.

**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	\$50,327	\$14,217	\$36,110	\$62,327	\$16,217	\$46,110
b. Fringe Benefits	\$63,507	\$48,837	\$14,670	\$11,072	\$3,128	\$7,944	\$13,472	\$3,528	\$9,944
c. Travel	\$63,300	\$14,300	\$49,000	\$13,673	\$257	\$13,415	\$18,699	\$283	\$18,416
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$9,400	\$0	\$9,400	\$3,827	\$0	\$3,827	\$4,827	\$0	\$4,827
f. Contractual	\$762,450	\$77,500	\$684,950	\$260,021	\$26,894	\$233,128	\$341,721	\$37,594	\$304,128
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$5,273,649	\$1,222,350	\$4,051,299	\$1,399,695	\$62,311	\$1,337,384	\$1,970,087	\$181,359	\$1,788,729
i. Total Direct Charges (sum of a through h)	\$6,383,996	\$1,525,777	\$4,858,219	\$1,738,615	\$106,807	\$1,631,808	\$2,411,133	\$238,981	\$2,172,154
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	\$1,738,615	\$106,807	\$1,631,808	\$2,411,133	\$238,981	\$2,172,154

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