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	**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?
12-31-2010	○ 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	02-10-2011

Project Indicators (This Quarter)

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

This quarter has focused on the preliminary administration, marketing, and curriculum preparation for our programs. Given that a large number of our education programs are for high school students, our award occurred too late in the school year to begin our education programs. But programs are beginning in January. In addition, we began hiring. The first staff member began in December. An additional 5 have been identified and will begin in the next quarter.

Early in our curriculum testing, we identified that basic literacy was an additional obstacle, so we have also begun establishing relationships with local literacy centers. These centers will provide additional classes on reading, writing, GED preparation, etc. Hence, these collaborations will increase the value of our programs. (Note: the literacy center activities are NOT funded by the grant.)

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	5	Primary activities have been preliminary administration. Delays in signing some agreements and starting classes (See Question #3) has resulted in less spending that originally anticipated. Furthermore, it should be noted that MSU bills on a periodic basis, so actual spending will be greater than the federal funds drawn down.
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).

Adoption of a new accounting and finance system put a hold on all hiring and many purchasing processes during the month of December. This slowed our hiring and equipment purchasing activity. However, we were still able to identify and select vendors during this time, which should make it easy to catch up delayed purchasing activities during the next quarter.

Because of the delays in our purchasing activities and the finalizing of our sub-awardee agreements that were a result on this new system, our expenditures were below our initial projections. However, drafts of agreements were prepared and agreements will be signed in the next quarter, enabling us to catch-up. Furthermore, the award was made after the beginning of the high-school year, which has required us to delay the beginning of the high school programs.

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
N/A	N/A	All activities this quarter have dealt with preliminary administration	0	0	0	0
		Total:	**0**	**0**	**0**	**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).

N/A

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).

N/A

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 primary activities of training begin in the next quarter. This includes our entrepreneurial training, adult education classes, and high school classes. Classes are slated to begin in late January and February.

We will also continue our marketing campaigns for future class sessions.

As part of our monitoring and evaluation processes, we will begin our baseline surveys. In addition to our directly funded surveys, we will be partnering with the Connect Michigan mapping project to conduct additional surveys on the obstacles to broadband use in Michigan.

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**	13	N/A
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).

Our new accounting systems are in place, but we are still learning how to use the new systems efficiently. We do not expect this to stop all activities like it did in December, but it could slow some financial functions for the next quarter.

We are also beginning our training activities. This involves working with many new staff members and will represent the first major test of our project partnerships. Although we do not predict any issues, there exists a risk as we now ramp up our activities and identify any issues.

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	$22,406	$5,596	$16,810	$101,525	$19,989	$81,536
b. Fringe Benefits	$280,085	$47,143	$232,942	$6,412	$1,886	$4,238	$36,411	$6,128	$30,283
c. Travel	$4,092	$4,092	$0	$159	$0	$159	$532	$532	$0
d. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Supplies	$28,000	$8,000	$20,000	$0	$0	$0	$14,000	$4,000	$10,000
f. Contractual	$15,000	$0	$15,000	$0	$0	$0	$1,950	$0	$1,950
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$4,903,911	$1,077,589	$3,826,322	$0	$0	$0	$637,508	$140,086	$497,422
i. Total Direct Charges (sum of a through h)	$6,012,052	$1,290,584	$4,721,468	$28,977	$7,482	$21,207	$791,926	$170,735	$621,191
j. Indirect Charges	$601,313	$107,274	$494,039	$5,514	$0	$5,514	$79,206	$14,192	$65,014
k. TOTALS (sum of i and j)	$6,613,365	$1,397,858	$5,215,507	$34,491	$7,482	$26,721	$871,132	$184,927	$686,205

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: $199,600	b. Program Income to Date: $0