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 557442739

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Report of the Award Period?
09-30-2012	○ 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	
	7d. Email Address memagnuson@blandinfoundation.org

7b. Signature of Certifying Official	7e. Date Report Submitted (MM/DD/YYYY):
Submitted Electronically	10-29-2012

Project Indicators (This Quarter)

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

Milestones achieved in Q3 2012:

Offered 1 webinar for Minnesota (MN) Intelligent Rural Communities (MIRC) partners; archived on the MIRC intranet site.

Ongoing implementation and monitoring of over 70 Demonstration Community (DC) projects.

University of MN Extension held 12 training events involving 167 businesses, 11 technical assistance activities reaching 11 businesses, and 1 outreach events reaching 189 individuals.

MN Department of Employment and Economic Development (DEED), in partnership with training sites across rural MN, delivered 16 digital literacy programs to 151 participants. Training sites added 430 hours of expanded access at 14 locations.

MN Learning Commons knowledge worker course was delivered 5 times to 36 learners.

PCs for People distributed 399 computers to low-income individuals and families across 34 rural Minnesota counties. Over the past 2 years, they have distributed computers in at least 69 out of a total of 81 Minnesota counties. To date, PCs for People have more than doubled the number of PCs collected, refurbished and distributed than they anticipated. They have exceeded their goals by 1067 computers for a total distributed of 2067.

MN Renewable Energy Marketplace conducted 8 webinars involving 197 learners, and 7 outreach events that reached 83 individuals.

The Regional Development Commissions reached 1,590 people through media campaigns, and 397 through convening activities.

Ongoing planning for the annual Broadband Conference in partnership with fellow BTOP recipient Connect Minnesota, which will take place in mid-November in Duluth in conjunction with the MN Governor's Task Force on Broadband monthly meeting.

Updated the Broadband Toolkit to repair and refresh links and add new MN sources.

Hosted a wrap-up celebration with MIRC's statewide partners to share stories of success and reinforce relationships built through the work. One partner quoted a community leader as saying: "MIRC has permanently impacted how we think about our community and how we work together for community economic vitality." Commented one MIRC partner with pride: "We have shown them how they can intentionally take hold of their destinies, and change them for the better."

Convened discussions with DEED, MN Learning Commons and Main Street Project to discuss opportunities and strategies for integrating the new digital literacy resources created through this project into workforce training efforts for non-English speakers across the state.

Met with project evaluators from Intelligent Community Forum and University of Minnesota to review preliminary findings from their respective evaluation effort, outlined content for final reports, and discussed opportunities and strategies for sharing what we have learned and accomplished.

Completed a commissioned study, "Bridging the Gap: Best Practices and Resources for Building Digital Resources with Non-English Speaking Communities" The study identifies strategies for digital inclusion in those communities, and the resources of community organizations, non-profits, government agencies, and online sources to achieve that goal. In addition to discussing the context of race, culture and access, the report details ten best practices to consider in implementing digital literacy training and programs. It analyzes and recommends a variety of resources, tool kits, and training materials and people that can serve as the basis for curriculum development and programming delivery of digital literacy education and offers recommendations for future goals around digital privacy, safety and information/media analysis. The report will be presented and distributed at the November conference, as well as made available on line.

The Minnesota High Tech Association (MHTA) nominated the MIRC project as one of three finalists for the 2013 Tekne Awards in the category of "Innovative Collaboration." These awards honor "the best and the brightest in technological innovation, development, commercialization and management in Minnesota.

Begun translation of the DEED digital literacy course into Somali.

Hosted six regional meetings across rural Minnesota to announce and promote a Blandin Foundation-funded program in support of broadband adoption in rural communities that is designed to help to continue to resource and support community efforts begun under MIRC, and to take the MIRC demonstration community model to ten new rural Minnesota communities.

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	91	Baseline: 100%. Some of our subrecipients and vendors have completed their grant activities, and most are very close to completing their grant activities. We are continuing to disburse the final ARRA funding slowly, and expect to be complete by the end of 2012.
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).

Minnesota Learning Commons has terminated its service contract with its server vendor. Discusssions are underway to identify an alternative option to host and support the DEED digital literacy curricula.

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	6,744	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.	150	80	0	0
Statewide Outreach	Rural Minnesota	Statewide convening including regional gatherings, small group meetings, individual meetings, etc.	12,861	5,846	4,501	0
Statewide Public Awareness	Rural Minnesota	Newspaper ads, marketing campaigns, television commercials and other mass media outreach.	863,750	256,018	44,977	0
Total:			**970,340**	**270,206**	**56,222**	**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 marks our final time using ID Insight to provide transactional

data to track subscriptions, as benchmark surveys on broadband penetration are being conducted, and those results are expected by the end of quarter 3.	

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 3 of 2012. With 56,222 new subscribers as of September 30, 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).

Finalize close-out of all state-wide partner projects.
Collect and analyze final reports from all 11 Demonstration Communities.
Host the November state-wide broadband conference.
Complete a Communications Plan for drawing attention to the good news of the project's impact.
Complete an updated matrix of all MIRC projects with hyper-links to relevant stories and resources available for each.
Identify up to 10 new communities to partner in the implementation of MIRC's follow-on: Blandin Community Broadband Program (BCBP). The new program will launch January 2013.

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.

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	$121,739	$51,067	$70,672	$128,739	$58,067	$70,672
b. Fringe Benefits	$63,507	$48,837	$14,670	$25,511	$10,850	$14,661	$27,211	$12,550	$14,661
c. Travel	$63,300	$14,300	$49,000	$36,216	$257	$35,959	$36,242	$283	$35,959
d. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Supplies	$9,400	$0	$9,400	$5,070	$0	$5,070	$5,070	$0	$5,070
f. Contractual	$762,450	$77,500	$684,950	$803,052	$116,801	$686,251	$814,329	$126,388	$687,941
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$5,273,649	$1,222,350	$4,051,299	$4,827,078	$1,380,388	$3,446,690	$5,466,351	$1,422,435	$4,043,916
i. Total Direct Charges (sum of a through h)	$6,383,996	$1,525,777	$4,858,219	$5,818,666	$1,559,363	$4,259,303	$6,477,942	$1,619,723	$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	$5,818,666	$1,559,363	$4,259,303	$6,477,942	$1,619,723	$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