

**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>  06-30-2011	<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>  07-29-2011	

**Project Indicators (This Quarter)**

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

Milestones achieved in Q2 2011:  
 Offered three webinars for Minnesota (MN) Intelligent Rural Communities (MIRC) partners; which have been archived on MIRC intranet site.  
 Disseminated to each Demonstration Community (DC) customized Intelligent Community Indicator results, analysis and recommendations for going forward (consolidated report attached). The results and recommendations have been discussed with 7 of the 11 communities, with the remaining 4 presentations scheduled within the next 30 days.  
 11 DCs have funded a total of 69 projects; implementation and monitoring is underway.  
 Compiled and disseminated to partners and targeted stakeholder groups a comprehensive project matrix (database) of all of the DC projects (attached).  
 Conducted a workshop on project sustainability for all MIRC partners on April 26, in conjunction with an April 27 University of Minnesota (U of MN) Extension workshop to promote broadband utilization by small businesses.  
 U of MN Extension held 54 training events involving 388 businesses, 19 technical assistance activities reaching 20 businesses, and 3 outreach events reaching 287 individuals.  
 Approved two LightSpeed community grants totalling \$89,030 to support distance learning and e-health.  
 Approved a \$40,000 Robust Network Feasibility Fund grant to a fund a feasibility study for a county-wide FTTP network.  
 Created a new community grant program to support digital inclusion community partnerships focused on increasing broadband subscriptions among targeted populations facing barriers to internet use.  
 MN Department of Employment and Economic Development (DEED) finalized partnership agreements with Workforce Centers and other training sites across rural Minnesota to deliver new MIRC-funded digital literacy curriculum. The course was delivered 9 times to 201 participants. DEED also reported that the 201 learners who took attended MIRC classes spent an additional 252 hours -- beyond class time -- using computers at the educational training sites where the courses were offered, and public computers at MIRC partner sites in the community.  
 The new knowledge worker course developed by MN Learning Commons has been delivered 2 times to an audience of 18 users.  
 PCs for People distributed 82 computers, and has completed their collection and refurbishment of 1000 computers for future distribution to qualified individuals.  
 MN Renewable Energy Marketplace conducted 3 webinars involving 46 learners, 1 social media training involving 30 small businesses, and 7 outreach activities that reached 101 individuals.  
 Outreach activities were enhanced by a new video developed by Blandin Foundation, The Journey to High-Speed Internet in Three Rural Minnesota Communities, which is available online at: <http://youtu.be/SA-vE0qAt-w>.  
 Completed and distributed to partners a MIRC "Evaluation Update and Progress Report" examining the cumulative activities and outcomes of the project during it's organizational "ramp-up" period (attached).  
 Seven DCs have secured agreements with eight separate local ISPs to offer a range of discounted subscriptions and installation fees to qualifying low income families in the target communities.  
 Blandin Foundation staff member attended BTOP recipient Connect Your Community's Community Broadband Adoption Impact & Sustainability Conference in Cleveland Ohio on June 27-28.  
 Continued planning for fall statewide conference on broadband utilization and access with fellow BTOP recipient Connect Minnesota.

**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	51	Baseline: 60%. The reason for the deviation from the baselines is mostly due to the slower than expected progress of disbursing grant funds to the subrecipients. The partner with the largest subaward is a state agency; we had expected they would draw a significant amount grant funds this past quarter, but they were preparing for a possible state government shut-down, which did in fact happen on July 1. We expect that our partners will begin drawing on the second half or third of their grant funds before the end of the year, and when that happens we will 'catch up' to the baseline.
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).**

The shutdown of Minnesota's state government impacted some of the partner organizations' ability to draw down project funds as expected. See 2a above.

**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 projects, reviewed and approved project proposals, and entered into contracts with chosen projects.	35,619	90	2,949	0
MIRC Partner Workshop	St. Cloud, Minnesota	Blandin Foundation convened representatives of each of the DCs, RDCs, and statewide partner organizations 5 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.	0	60	0	0
Training and Direct Technical Assistance	16 rural Minnesota Counties	Project partners have delivered 142 separate training events that reached 859 rural MN businesses and 1552 individuals. Additionally, 40 small businesses have received technical assistance.	0	1,552	0	0
Statewide Outreach	Rural Minnesota	Statewide convening including regional gatherings, small group meetings, individual meetings, etc.	0	3,586	0	0
Statewide Public Awareness	Rural Minnesota	Newspaper ads, marketing campaigns, television commercials and other mass media outreach.	0	240,835	0	0
Subscriptions	Rural Minnesota	New subscriptions purchased.	278,904	0	14,111	0
<b>Total:</b>			<b>314,523</b>	<b>246,123</b>	<b>17,060</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 subscription goal for this project is 38,556 overall, with the milestone of 15,422 by quarter 2 of 2011, so we are on target. As of right now, we estimate that we are approximately at the 44% 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.**

Households: 0	Businesses and CAIs : 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).**

Promotion of the new Digital Inclusion Community Partnership grant program, along with continued promotion of the LightSpeed and Robust Broadband Networks Feasibility Fund grand programs.  
 Continued delivery of DEED's newly developed, learner-driven, scenario-based digital literacy curriculum in identified sites across the state.  
 Continued delivery of MN Learning Commons' knowledge worker course in venues across the state.  
 Continued delivery of MNREM's webinars and follow-on on-site meetings in participating communities.  
 PCs for People will continue distribution of refurbished computers to qualifying families in rural Minnesota.  
 Design and delivery of additional webinars featuring community-based projects.  
 Continued planning for the November 16-17 broadband conference with fellow BTOP recipient Connect Minnesota. BTOP funded projects throughout the state will be in attendance.

**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	67	Baseline: 70%. This was a particularly difficult estimation to make this quarter given the uncertainty around the Minnesota state government shut-down. The effects may linger and spread to some of our partners beyond the state agency whose activities are on hold. We do not fear that the MIRC project as a whole is in danger of being derailed, but the 3rd quarter numbers could possibly show a bit of stagnation.
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).**

The Minnesota state government shut-down continues, although as of this writing the parties have announced that a resolution will be enacted soon.

**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	\$73,074	\$24,174	\$48,900	\$86,074	\$37,174	\$48,900
b. Fringe Benefits	\$63,507	\$48,837	\$14,670	\$16,076	\$4,363	\$11,713	\$18,476	\$4,763	\$13,713
c. Travel	\$63,300	\$14,300	\$49,000	\$20,861	\$257	\$20,603	\$26,886	\$283	\$26,603
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$9,400	\$0	\$9,400	\$3,981	\$0	\$3,981	\$4,981	\$0	\$4,981
f. Contractual	\$762,450	\$77,500	\$684,950	\$405,177	\$69,117	\$336,060	\$465,427	\$81,367	\$384,060
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$5,273,649	\$1,222,350	\$4,051,299	\$2,317,620	\$271,005	\$2,046,615	\$3,148,462	\$361,053	\$2,787,409
<b>i. Total Direct Charges (sum of a through h)</b>	<b>\$6,383,996</b>	<b>\$1,525,777</b>	<b>\$4,858,219</b>	<b>\$2,836,789</b>	<b>\$368,916</b>	<b>\$2,467,872</b>	<b>\$3,750,306</b>	<b>\$484,640</b>	<b>\$3,265,666</b>
j. Indirect Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>k. TOTALS (sum of i and j)</b>	<b>\$6,383,996</b>	<b>\$1,525,777</b>	<b>\$4,858,219</b>	<b>\$2,836,789</b>	<b>\$368,916</b>	<b>\$2,467,872</b>	<b>\$3,750,306</b>	<b>\$484,640</b>	<b>\$3,265,666</b>

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