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QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted GMIS	2. Award Identification Number 27-43-B10515	3a. DUNS Number 828185087
		3b. EIN 416038619
4. Recipient Organization (Name and complete address including country, congressional district, and zip code) C. K. Blandin Foundation 100 N Pokegama Ave, Grand Rapids, MN 557442739		
5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2010	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> 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 Mary Magnuson	7c. Telephone (area code, number and extension)	
	7d. Email Address memagnuson@blandinfoundation.org	
7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 10-29-2010	

Project Indicators (This Quarter)

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

Data collection for the MIRC Baseline study completed.
 Along with BIP recipient Northeast Service Cooperative, received \$200,000 in federal funding for regional broadband development planning in northeastern Minnesota through the Department of Agriculture's Technical Assistance Grant Program.
 Final preparations made for statewide broadband conference Oct 13-14, 2010
 Demonstration Communities completed needs assessment and priority setting and issued Request for Proposals.
 A day-long Partner's Working meeting convened Aug 9 to bring all partners together to share learning and deepen collaboration
 University of Minnesota Extension Service hired a coach/coordinator and regional liaisons for Demonstration Communities.
 13 training and education webinars held for project partners.
 NTIA approved request to reallocate funds originally designated for project's mental health component.
 Community grant RFPs issued state-wide.
 9 of 11 Demonstration Communities have concluded agreements with PCs for People to distribute computers to low income families.
 296 computers distributed to low income first-time computer owners.
 Sites for initial delivery of knowledge worker course identified and course content development underway in coordination with state's Adult Basic Education program.
 Recruited the participation of MN-based software company "Atomic Training," which has agreed to contribute 1,000 subscriptions to their online computer tutorial service.

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	20	(Baseline: 30%) If not for an unexpected delay in disbursing one subrecipient grant payment (see 2.d. below), we would be at 26%. Another unexpected delay in executing vendor contracts with a set of partners (see 2.c.) could account for the remaining 4%.
2.b.	Equipment Purchases	44	(Baseline: 42%) PCs for People secured 445 computers in quarter 3; 367 have been refurbished; 296 have been distributed to needy residents in rural Minnesota.
2.c.	Awareness Campaigns	2	(Baseline: 15%) Blandin Foundation requested that NIST allow us to reclassify the Regional Development Commissions (RDCs) from grantees to vendors to better reflect their project role. Approval was received August 31; contracts were concluded in mid-September. Not many invoices were received by September 30, which accounts for the deviation from the baseline. RDCs have reached 117,765 individuals, and the Blandin on Broadband blog, which reports on MIRC activities, had a readership of 9,079 during this reporting period. Project staff shared best practices in promoting broadband utilization on a nationally-promoted Internet TV program with an estimated audience of 300-400 with hundreds of downloads anticipated in future months.
2.d.	Outreach Activities	0	Minnesota Department of Employment and Economic Development (DEED), was delayed in receiving project funding. DEED learned they had to go through a longer than expected internal due diligence process before they were able to sign their grant agreement. Had we disbursed their first grant payment during 3rd quarter as expected, we would be slightly ahead of the baseline at 33% complete (the payment was disbursed Oct 22). During Q3 University of MN Extension conducted 12 outreach activities that reached 38 businesses/organizations. DEED conducted 19 outreach activities that reached 158 individuals/businesses. RDCs made 39 referrals to MIRC partners and reached 430 people through convenings. The cumulative total of people reached through outreach to date = 800. (Baseline: 30%)

2.e. Training Programs		47	This activity is expected to remain at 47% complete for the next few quarters. While funds have been expended, little training has yet taken place while development of curricula continues. University of MN Extension conducted 2 training events (using existing curricula) and two technical assistance activities, reaching a total of 38 businesses/organizations. (Baseline: 15%)
2.f. Other (please specify):0		0	<p>2.f. 24% Community Broadband Resources Program. This element proceeds generally as expected. (Baseline: 20%)</p> <p>2. g. (now combined with 2. h.) 1% Community Grants and Demonstration Communities: These programs were listed separately on the baseline report and initial project budget, but we were informed on August 31 that NIST approved our request to combine them. Also on August 31 we were told of the approval of our budget amendment request to reallocate \$600,500 of funding toward community grants, which skews our baseline figures. In q3, the Demonstration Communities did not draw down many grant funds (their RFP process is still underway). Because we were awaiting word of the budget modification request from NIST, we weren't able to recruit Community Grant Projects. We expect to be 'caught up' to the baseline by the end of q4. (Baseline: 2. g. 40%; 2. h. 20%)</p> <p>2. i. 30% Project Management and Monitoring. (Baseline: 30%)</p>

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).

On August 31 we received word that NIST had approved our request to reclassify our awareness partners (10 regional development commissions) from grantees to vendors. While this resulted in a delay, contracts have subsequently been concluded. Negotiations with Internet service providers have yet to produce tangible agreements for reduced or subsidized subscriptions for economically challenged rural residents. Discussions continue.

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 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 has completed baseline utilization surveys, articulated goals, and issued RFPs for local grants.	88	85	245
Partner Workshop	St. Cloud, MN	Blandin Foundation convened representatives of each of the Demonstration Communities and state-wide partner organizations for updates on progress and to identify and explore opportunities to deepen and expand cooperation and collaboration among participating organizations..	40	38	0
Statewide Outreach	Rural Minnesota	New subscriptions purchased.	242,049	1,279	1,279
Total:			242,177	1,402	1,524

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).

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

Our baseline indicators predicted an increase in subscriptions of 15,422 by the end of first quarter 2011, out of a total goal of 38,556 subscriptions by project end. As anticipated, new subscriptions are off to a slow start. The reason being that on-the-ground programming is still under development.

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
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Project Indicators (Next Quarter)

1. Please describe significant project accomplishments planned for completion during the next quarter (150 words or less).
 At this writing we have already completed a significant project accomplishment for Q4 - a statewide broadband conference focused on "cultivating a culture of use." Over 120 people from across the state, including project partners, community-based broadband champions and providers participated. We also anticipate concluding agreements with providers on discounted subscriptions for persons in poverty receiving computers through our project. The 11 Demonstration Communities will have identified and concluded contract agreements with organizations implementing projects locally. Curriculum development for knowledge workers should be nearing completion. Training of identified businesses with technology needs should be underway.

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	41	(Baseline: 40%) By the end of fourth quarter, we anticipate that the project will be generally on track.
2.b.	Equipment Purchases	50	(Baseline: 53%) This element of the project is generally on target, but difficult to predict. We expect to be slightly below the baseline of 53%.
2.c.	Awareness Campaigns	12	(Baseline: 30%) This element of the project is somewhat behind schedule. The reason being that the Awareness providers (RDCs), just recently signed their vendor contracts (see 2.c. above under 'this quarter'). Additionally, the RDCs are tasked with referring the public to other MIRC activities. Those activities are still under development.
2.d.	Outreach Activities	33	(Baseline: 40%) At the time MIRC project staff came up with the baseline figures, we were unsure of what the grant dispersal schedule for the Outreach providers would be. By the end of 4th quarter, 1/3 of the grant funding will have been disbursed to the subrecipient. However, the activities being paid for under the grant are generally on track. This milestone will remain at 33% complete for the next few months until we disburse the second 1/3 of the funding.
2.e.	Training Programs	47	(Baseline: 30%) This milestone should remain at 47% for the next 2-3 quarters, or until the 'training' subrecipients request their second grant disbursements.
2.f.	Other (please specify):0	0	2. f. 37%. Community Broadband Resources Program. (Baseline: 30%) This milestone is generally on track, if a bit ahead of schedule. 2. g. (now combined with 2. h.) 46%. Community Grants and Demonstration Communities (Baseline: 2. g. 60%; 2. h. 35%) We expect by the end of 4th quarter for this milestone to be generally on track. Although it is now difficult to determine if it 'matches' the baseline, as this one element is now a combination of two milestones. 2. i. 37%. Project Management and Monitoring. (Baseline: 40%) While we expect to be slightly below the baseline by the end of 4th quarter, this element is expected to be generally on track.

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).
 N/A

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	\$37,110	\$11,006	\$26,104	\$49,110	\$13,006	\$36,104
b. Fringe Benefits	\$63,507	\$48,837	\$14,670	\$8,164	\$2,421	\$5,743	\$10,564	\$2,821	\$7,743
c. Travel	\$63,300	\$14,300	\$49,000	\$4,989	\$0	\$4,989	\$9,989	\$0	\$9,989
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$9,400	\$0	\$9,400	\$2,558	\$0	\$2,558	\$3,558	\$0	\$3,558
f. Contractual	\$762,450	\$77,500	\$684,950	\$130,018	\$14,179	\$115,839	\$209,018	\$24,179	\$184,839
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$5,273,649	\$1,222,350	\$4,051,299	\$828,326	\$17,000	\$811,326	\$1,987,701	\$236,875	\$1,750,826
i. Total Direct Charges (sum of a through h)	\$6,383,996	\$1,525,777	\$4,858,219	\$1,011,165	\$44,606	\$966,559	\$2,269,940	\$276,881	\$1,993,059
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	\$1,011,165	\$44,606	\$966,559	\$2,269,940	\$276,881	\$1,993,059

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
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