ANNUAL 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 55744-2739

5. Current Reporting Period End Date (MM/DD/YYYY)	6. Is this the last Annual Report of the Award Period?
12-31-2013	(●) 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	218-327-8738
	7d. Email Address
	memagnuson@blandinfoundation.org
7b. Signature of Certifying Official	**7e. Date Report Submitted (MM/DD/YYYY):**
Submitted Electronically	05-30-2013

PROJECT INDICATORS

1. Does your Sustainable Broadband Adoption (SBA) project foster a particular broadband technology or technologies? If so, please describe this technology (or technologies) (600 words or less).

The Minnesota Intelligent Rural Communities (MIRC) project does not foster a particular broadband technology or technologies. Rather, it is designed to promote broad public access and use of high-speed networks generally as indispensable infrastructure for economic vitality and quality of life.

2a. Please list all of the broadband equipment and/or supplies you have purchased during the most recent calendar year using BTOP grant funds or other (matching) funds, including any customer premises equipment or end-user devices. If additional space is needed, please attach a list of equipment and/or supplies. Please also describe how the equipment and supplies have been deployed (100 words or less).

Manufacturer	Item	Unit Cost per Item	Number of Units	Narrative description of how the equipment and supplies were deployed
na	na	0	0	na
Totals		0	0	

Add Equipment | Remove Equipment

2b. To the extent you distribute equipment/supplies to beneficiaries of your project, please describe the equipment/supplies you distribute, the quantities distributed, and the specific populations to whom the equipment/supplies are distributed (600 words or less).

At the completion of the MIRC project, PCs for People, a MIRC subawardee, had secured, refurbished, and distributed 2067 computers -- more than double their project goal -- to low-income individuals and families in at least 65 rural of Minnesota's 87 counties
The average household size of recipient families was 3.31 persons
the average family had 1.81 school-age children
average household income of recipient families was $12,146.75
35.82% of recipient head of households were employed with 64.18% unemployed
50.74% reported that the PC they received would be used for job-related activities (including looking for work)
66.55% reported that the PC would be used for education-related activities
60.32% of families were White, 19.74% African-American, 7.49% Latino/Hispanic, 9.74% Asian/Pacific Islander, 4.51% Native American and 3.68% did not report their race.

3. For SBA access and training provided with BTOP grant funds, please provide the information below. Unless otherwise indicated in the instructions, figures should be reported cumulatively from award inception to the end of the most recent calendar year. For each type of training (other than open access), please count only the participants who completed the course.

Types of Access or Training	Number of People Targeted	Number of People Participating	Total Training Hours Offered
Open Lab Access	0	1,894	0
Multimedia	0	0	0
Office Skills	0	0	0
ESL	0	0	0
GED	0	0	0
College Preparatory Training	0	0	0
Basic Internet and Computer Use	2,700	3,177	18,022
Certified Training Programs	0	0	0
Other (please specify): Business Internet Training	4,090	3,885	14,708
Total	6,790	8,956	32,730

4. Please describe key economic and social successes of your project during the past year, and why you believe the project is successful thus far (600 words or less).

At its heart, MIRC was about creating a “culture of use” that enables and encourages business owners and entrepreneurs, students and their parents and teachers, public sector employees and the publics they serve to use broadband-enabled technology to make their dreams for a more prosperous and inclusive future come true.

A snap shot of some of what our partnership achieved:

MIRC partners met all of their performance goals
~2,567 refurbished computers - well over double the project goal - distributed to qualifying low income families across rural Minnesota;
~completion of nearly 100 community-designed and implemented projects in 11 demonstration communities, including projects in tele-health, distance education, digital inclusion, e-government and small business e-commerce.
~over 31,000 hours of technology and digital education and training delivered to almost 9,000 individuals and over 2,000 small rural businesses to help them capitalize on the opportunities broadband can bring;
~more than 250,000 Minnesotans reached with messages about the benefits of digital communications technology through a coordinated public awareness campaign;
~new user-driven, scenario-based digital literacy curricula developed -- including translations into Spanish and Somali languages -- and delivered at Work Force Centers statewide;
~60 public wifi "hot spots" created in rural towns with little to no previous public access;

MIRC met its goal of reducing the gap between rural Minnesota and metro broadband adoption: broadband adoption rates in rural Minnesota accelerated by 2% over statistically anticipated growth,, increasing the number of broadband subscribers in the state by 38,556 more than otherwise expected. Broadband adoption in participating communities grew close to 15% faster than the rest of rural Minnesota over the project period. Besides the obvious benefits to subscriber households, this translates into real economic benefit to providers as well: using the median price of a DSL connection, a 2% increase in adoption above statistically anticipated grow rates yields an aggregate increase in sales revenue for DSL providers in Minnesota of $5,960,304/yr. New subscribers who signed up with the help of temporary subsidies from partnering providers are retaining their subscriptions once the subsidies end (in Deer River, which targeted Native American Students receiving Free and Reduced Price Lunch, the subscription retention rate is 84%). And to top ii off, rural Minnesota is well ahead of the rest of rural America in broadband adoption. According to MIRC project evaluation team, “It is hard to not connect the MIRC project …as a contributor to Minnesota’s leading position in rural broadband adoption.”

Selected examples of projects and their benefits:

Lac qui Parle County created a mobile computer lab to bring broadband access to multiple communities that currently don’t have it available. The "Computer Commuter" continues to serve residents throughout one of Minnesota’s most sparsely populated regions. A local partner testified: “The Computer Commuter … connected patrons to people and places they had no idea the could connect to!”

An immigrant resource center in Winona launched digital literacy training for recent immigrants. The courses provided instruction in immigrants’ native languages, including Hmong and Spanish. The project coordinator reported, “This project helped build bridges among cultures and organizations in our area … we realized that a connected city helps everyone.”

A consortium of 9 school districts in Stevens County developed a broadband-based system to provide specialized distance learning services for students with disabilities. One of the community’s biggest take-aways: “[Realization] that the world is able to communicate and work cooperatively using technology; and, that the world is not limited to Stevens County.”

Benton County added new computers in libraries, schools, and senior housing and created new WiFi access points in businesses and community sites, boosting significantly the number of county residents with access to the Internet. According to the county’s economic director, “Our elected officials now see the the importance of broadband for economic development and community vitality.”

PCs for People, a MIRC statewide partner, refurbished and redistributed 2,067 computers to low-income households – more than double its project target. It also has opened affiliates in four rural Minnesota communities. One recipient reported: “I used [the computer and Internet subscription] to job search and actually got one.” Another reported a “huge benefit.” “I’ve gone back to school; I have two kids and now I don’t have to go to the library and find a sitter to do research… I can stay home with my kids.”

Leech Lake Band of Ojibwe incorporated digital literacy training into existing temporary employment programs, giving band members opportunities to build online job search and work skills. The band expanded a computer lab at a Boys and Girls Club, doubling the number of visits/month. In the words of the Band’s project coordinator, “Broadband technology is providing our local workforce with access to education and training and connecting businesses with employees.”

A local-access television station in Itasca County upgraded software, hardware and its web site interface to carry more public meetings online via streaming video. The move has improved access to these meetings for local residents, cabin-owners and other seasonal residents.

Several communities enhanced government and business online presence, including Windom, which planned, launched and continues to maintain the “Finding Windom” community portal web presence.

5. Please estimate the level of broadband adoption in the community(ies) and/or area(s) your project serves, explain your methodology for estimating the level of broadband adoption, and explain changes in the broadband adoption level, if any, since the project began.

5a. Adoption Level (%):	Narrative description of level, methodology, and change from the level at project inception (600 words or less).
69	**The methodology used to estimate the level of broadband adoption at "baseline" was by conducting telephone surveys of randomly selected households throughout rural Minnesota. Approximately 4,300 completed surveys were utilized to estimate adoption rates across rural Minnesota, as well as specifically in the 11 demonstration areas of the MIRC project. Subsequently we worked with a third party vendor (ID Insight) to track unique IP addresses conducting Internet transactions in the same selected regions. We used these changes in unique IP addresses to estimate new broadband subscriptions and then to calculate current broadband adoption rates. At the beginning of the project the 11 MIRC communities were collectively lagging behind the rest of rural Minnesota in the adoption of broadband (61.7% vs. 64%). By the end of the project the gap had somewhat narrowed. Overall, the growth in broadband subscriptions throughout rural Minnesota grew at a pace of 10.3% during the MIRC project, increasing the overall adoption rate from 64% in 2010 to 70.6% toward the fall of 2012. However, most of the MIRC communities increased their adoption at a faster rate. In other words, while the MIRC communities began the project somewhat further behind the rest of rural Minnesota, their average growth rate (11.94% - ranging from a low of 9.31% (Leech Lake Band of Ojibwe) to a high of 15.9% (Cook County)) was close to 5 percent faster than the rest of rural Minnesota, thereby closing that gap somewhat.**

6. Please describe the two most common barriers to broadband adoption that you have experienced this year in connection with your project. What steps did you take to address them (600 words or less)?

Survey data collected at the beginning of the grant show that the main reason dial-up users had not yet switched to a broadband connection was that it was still too expensive (61%). Slightly over 20% reported that broadband was not available where they lived, while 15% reported they simply did not connect to the Internet often enough to justify the added expense of a broadband connection. Only 3.5% of current dial-up users reported that the reason they had not purchased a home broadband connection was their use of a broadband connection elsewhere, such as at work, at the public library, or at a friend's or relative's house. Such a low percentage suggests that these dial-up users were not accommodating broadband into other facets of their life and were not likely to switch without a specific intervention. To address these barriers MIRC: 1) catalyzed and supported provider-community partnerships that made available to income-qualifying households refurbished computers and internet connections at subsidized prices. Approximately 80% of participants maintained their subscriptions after the subsidies ended. 2) MIRC conducted public outreach and educational programming to demonstrate the value of the Internet to none users.

7. To the extent that you have made any subcontracts or sub grants, please provide the number of subcontracts or sub grants that have been made to socially and economically disadvantaged small business (SDB) concerns as defined by section 8(a) of the Small Business Act, 15 U.S.C. 647, as modified by NTIA's adoption of an alternative small business size standard for use in BTOP. Please also provide the names of these SDB entities. (150 words or less)

None.

8. Please describe any best practices / lessons learned that can be shared with other similar BTOP projects (900 words or less).

1. Communities know best.
Involve citizens directly in articulating their community's broadband adoption and utilization goals to catalyze long-term engagement needed to increase adoption.
"It seems as though communities impacted by this project felt a rejuvenated sense of community because there were so many people rallying to get these projects done for their school, community or organization."
--Demonstration Community Coordinator, Upper MN Valley Region

2. Local leadership matters.
Help local broadband champions get and use skills to frame issues, build and sustain relationships and mobilize people to build a community's capacity to achieve its broadband goals. Train community leaders and champions to use participatory facilitation skills; Effective meeting facilitation can make a big difference in keeping folks coming back to the planning and implementation table.
"Our elected officials now see the importance of broadband for economic development and community vitality."
--Demonstration Community Coordinator, Benton County

3. Broadband is not an end in itself.
Broadband is a means to the broader ends of increased economic vitality and improved quality of life.
"We've turned a corner and become a community that's actually growing and thriving instead of stagnant and dying, with what we've learned from the MIRC program."
--Business Owner, Akeley, Minnesota

4. High-touch outreach works.
Effective recruitment strategies for technologically-challenged small business and for historically marginalized populations are intra-community, hyper-local, "high touch," and personalized. Change follows relationship lines.
"These technology classes have encouraged our Hispanic and Somali immigrants to interact, really for the first time."
--Project Manager, Project FINE, Winona

5. Peers make great teachers.
Peer-based learning formats that encourage local businesses to share practices, questions and experiments are a popular, low-cost, and easily sustainable tool to build a community's technological savvy.
[Digital presence course] “basically gets you acclimated to it [online marketing], and learn how to make it work for you.”
--Business Owner, Jackson, Minnesota

6.Cross-community communication is key.
Signage, local media support, and online social media are effective, low-cost ways to spur and sustain energy and excitement for community projects.
“This effort has helped us develop wonderful community connections. We have reached out to our whole community."
--Administration Member, Dawson/Boyd High School

7.Engage tomorrow’s leaders today.
Recognize and authentically engage the talents of young people. This next generation of leaders brings energy and sustainability to any community initiative. Youth can serve as co-trainers, technology mentors, partners in computer refurbishment projects, and use their video and other social media to promote their communities.
“My customers are couples planning weddings, so I need my website updated and fresh, and to be found using mobile devices. The students’ work on my site and Google Map location was great.”
--Business Owner, Foley, Minnesota

8.Connect the economic dots.
Framing increased sustainable broadband use a necessary but not sufficient ingredient in a “whole systems” approach to strengthening community vitality is one successful approach to help communities see and leverage the connection between technology and benefits to community life. The “whole picture” Intelligent Community framework for community and economic development used in MIRC can helped community leaders see how workforce, infrastructure, inclusivity, innovation and marketing/advocacy are mutually interdependent aspects of community vitality.
“This framework brings people together that have not always worked together – technology advocates, workforce, social service agencies, and economic development professionals.”
--Demonstration Community Coordinator, Cook County

9.Have patience.
This work takes time. Look for and celebrate early and easy “wins” along the way, but think long-term and build capacity and energy for the long-haul. Money and other resources follow vision and commitment.
"I see that this is just the beginning; the hard work is ahead of us.” Cook County resident