QUARTERLY PERFORMANCE PROGRESS REPORT FOR SUSTAINABLE BROADBAND ADOPTION

General Information		
1. Federal Agency and Organizational Element to Which Report is Submitted **Department of Commerce, National Telecommunications and Information Administration**	**2. Award Identification Number** **27-43-B10515**	**3. DUNS Number** **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) 06-30-2012	**6. Is this the last Report of the Award Period?** ○ 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 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):** 07-30-2012

Project Indicators (This Quarter)

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

Milestones achieved in Q2 2012:

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

Ongoing implementation and monitoring of nearly 80 Demonstration Community (DC) projects.

University of MN Extension held 68 training events involving 864 businesses, 20 technical assistance activities reaching 20 businesses, and 7 outreach events reaching 1159 individuals.

MN Department of Employment and Economic Development (DEED), in partnership with training sites across rural MN, delivered 58 digital literacy programs to 452 participants. Training sites added 2,452 hours of expanded access at 57 locations.

MN Learning Commons knowledge worker course was delivered 8 times to 58 learners.

PCs for People distributed 361 computers to qualified individuals.

MN Renewable Energy Marketplace conducted 10 webinars involving 267 learners, and 6 outreach events that reached 119 individuals.

The Regional Development Commissions reached 5,937 people through media campaigns, and 483 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 and added links to new resources on digital inclusion. The new resources are organized in the following categories: Learning to Use a Computer at Home; Learning to Use Technology at Work;   Low Cost Options for computers & connections; and Minnesota Resources.

With University of Minnesota Extension, co-hosted a two-day conference for MIRC Partners and Extension Educators focused on strengthening collaboration for sustainable work into the future.

Conducted "wrap-up" meetings with project partners in 6 of the 11 MIRC Demonstration Communities, with the remaining meetings scheduled to be held by the end of July. Meeting goals: reflect on key successes, lessons learned, and opportunities for sustaining the work into the future. During one such meeting in Cass Lake, a member of the Leech Lake Band of Ojibwe MIRC committee told project staff: "I never thought it would turn out to be this big for us when we got started."

MIRC has exceeded its targets for broadband adoption ahead of schedule. According to project evaluators at U of MN Crookston, since 2010, the project has increased the number of household broadband subscriptions in rural Minnesota by 40,496, surpassing the overall MIRC project subscription goal of 38,556.

Nearly all of the statewide partners are close to completing their project activities on time.

Reviewing the first draft of a commissioned research report, 'Bridging the Gaps,' which outlines best practices and resources for building digital literacy with non-English speaking communities. The learning will applied in train-the-trainer events this fall and featured at the broadband conference in Duluth in November.

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	89	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
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).

NA

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	4,706	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	5,418	3,256	0
Statewide Public Awareness	Rural Minnesota	Newspaper ads, marketing campaigns, television commercials and other mass media outreach.	863,750	255,428	32,534	0
Total:			**970,340**	**269,188**	**40,496**	**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 2 of 2012. With 40,496 new subscribers as of June 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).
Convene discussions with MN DEED, MN Learning Commons and Main Street Project to discuss opportunities and strategies for

integrating MIRC-funded digital literacy resources into workforce training efforts for non-English speakers across the state.

Meet with project evaluators from Intelligent Community Forum and University of MN Crookston to review preliminary findings, outline content for final reports, and to discuss opportunities and strategies for sharing what we've learned.

Host a wrap-up celebration for MIRC's statewide partners to share stories of success and reinforce relationships built through the work.

Host 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.

Finalize close-out of most state-wide partner projects.

Collect and analyze final reports from all 11 Demonstration Communities.

Make final plans for November's state-wide broadband conference.

Collect stories to help support telling the good news of the project's impact.

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	94	Baseline: 100%. Many of our subrecipients and vendors will have completed their grant activities by the end of quarter 3, and will be doing final financial reporting in quarter 4. We will continue to disburse the final ARRA funding bit by bit, and expect to be complete by the end of 2012. Specifically, one of our subrecipients with the largest award amount is anticipating requesting a $308,000 payment in quarter 4 of 2012.
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	$114,314	$43,642	$70,672	$121,314	$50,642	$70,672
b. Fringe Benefits	$63,507	$48,837	$14,670	$23,877	$9,216	$14,661	$25,577	$10,916	$14,661
c. Travel	$63,300	$14,300	$49,000	$31,751	$258	$31,493	$37,776	$283	$37,493
d. Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0
e. Supplies	$9,400	$0	$9,400	$4,953	$0	$4,953	$5,000	$0	$5,000
f. Contractual	$762,450	$77,500	$684,950	$731,169	$112,339	$618,830	$769,670	$114,340	$655,330
g. Construction	$0	$0	$0	$0	$0	$0	$0	$0	$0
h. Other	$5,273,649	$1,222,350	$4,051,299	$4,765,432	$1,344,230	$3,421,202	$5,014,749	$1,384,278	$3,630,471
i. Total Direct Charges (sum of a through h)	$6,383,996	$1,525,777	$4,858,219	$5,671,496	$1,509,685	$4,161,811	$5,974,086	$1,560,459	$4,413,627
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	$5,671,496	$1,509,685	$4,161,811	$5,974,086	$1,560,459	$4,413,627

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