

## **Broadband USA Applications Database**

**Applicant Name:** C. K. Blandin Foundation

**Project Title:** Minnesota Intelligent Rural Communities

**Project Type:** Sustainable Adoption

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### **Executive Summary**

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Like communities across the globe and throughout the country, rural Minnesota communities are facing economic stress. While unemployment rates for the state have remained about 1% less than the national average (recently, for the first time ever, Minnesota exceeded the national unemployment average), counties outside the twin cities metro area are experiencing more dramatic impacts. MN rural counties whose economies are service sector based are being hit hard now, and there is an emerging crisis within the agricultural-based economies.

There is a significant (20%) gap between rural and urban home broadband adoption rates. This gap is often compounded by common demographic characteristics of rural MN communities, including an aging population, lower per capita income, and lower educational attainment. Recent data also illustrates an alarming gap in broadband adoption for small, rural businesses within the retail, food/accommodation/tourism and other small sectors; the lifeblood of rural economies.

While the Foundation will not lay fiber, it will work toward the sustainability of broadband infrastructure investments in rural Minnesota communities. The foundation will engage partners within a framework developed by the Intelligent Community Forum (ICF). Minnesota Intelligent Rural Communities (MIRC) goal is to help create technologically and economically vital communities competing and thriving in the broadband economy with sustainable broadband adoption, job growth and wealth creation. MIRC strategies match the complexity of daily life applied and measured within an existing framework for community vitality and competitiveness. MIRC will increase broadband subscribership, create jobs and economic opportunity in rural Minnesota communities by:

- Provide education and training compelling broadband applications for their health, education, and economic livelihood to a widely dispersed population in rural Minnesota, including:
  - o Increased access and digital literacy and technology-based employment seeking skills at the state's workforce centers;
  - o education on the knowledge workforce, educational pathways and online opportunities;

- o service information and data sharing for consumers of mental and behavioral health services and online training for service providers in 80 rural Minnesota counties;
- Provide e-commerce and Internet education, training and technical assistance to small businesses in critical industries for rural Minnesota; and
- Lead communities and critical institutions in the promotion and implementation of valued broadband applications in health care, education, government and business.

Targeted populations are rural MN residents who are unemployed and seeking employment. Collaboration with the state's workforce centers and post-secondary institutions target nearly 60% of residents without any post-secondary credentialing. Collaboration with the counties target individuals and families seeking help with mental health and behavioral issues. Collaboration with MN's Extension Service and renewable energy businesses targets small businesses that need to employ broadband strategies to remain vital. Finally, work with demonstration communities targets diverse demographics around the state including those affected by recent sector-based economic restructuring, those experiencing an influx of new populations and an emerging workforce, and at least one American Indian reservation.

MIRC leadership comes from the Blandin Foundation, a private foundation based in Grand Rapids, MN and the state's largest rural-based and rural-focused foundation. The Blandin Foundation mission is to strengthen communities in rural Minnesota. Blandin has been operating a successful broadband initiative to improve the economic vitality of Minnesota's rural communities by encouraging the development of rural telecommunications markets and infrastructure since 2003. The Blandin Foundation has an experienced and highly qualified staff and management team and has gathered an effective coalition of individuals and organizations to implement this project. Gaps on data gathering, content, outreach, and technology were filled by its partners including; Association of MN Counties, National Association of Counties, University of Minnesota Extension, MN Learning Commons (Minnesota State Colleges and Universities, MN Dept of Education, University of MN), Minnesota Renewable Energy Marketplace – Alliance for Talent Development, PCs for People, University of Minnesota Crookston Campus, Minnesota Dept of Employment and Economic Development, regional Workforce Centers, and many of the state's regional development commissions.

MIRC anticipates impact on many measures of economic vitality with the Intelligent Community framework. Some of those include:

- Increased residential broadband subscribers 2% of normal growth (over 38,000 households)
- Increased small business subscribers 240

- Jobs created or retained 13.5
- Small business reached (6,000), trained (2,000), provided extensive technical assistance (200)
- Individuals reached (45,000), trained (2,500).

The overall cost of the project is just over \$6M (\$6,383,994). The Blandin Foundation and its partners are providing over \$1.5M in matching costs, including \$500,000 in cash directly for the project. At a cost of approximately \$165 per new household and business subscriber, MIRC will provided nearly 60,000 hours of training to over 3,600 individuals and businesses.