

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 11-43-B10536	3. DUNS Number 022555952
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4. Recipient Organization

 District Of Columbia Government 200 I Street SE, 5th Floor, Washington, DC 20003-3317

5. Current Reporting Period End Date (MM/DD/YYYY) 09-30-2013	6. Is this the last Report of the Award Period? <input type="radio"/> Yes <input checked="" type="radio"/> No
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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 Joseph Carella BTOP Program Consultant	7c. Telephone (area code, number and extension) 2027153743
	7d. Email Address joe.carella@dc.gov

7b. Signature of Certifying Official Submitted Electronically	7e. Date Report Submitted (MM/DD/YYYY): 11-21-2013
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Project Indicators (This Quarter)

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

Office of the Chief Technology Officer (OCTO) funded additional Byteback digital literacy training from April-July, completing the Spring 2013 class cycle, and resulting in 61 individuals trained and 15 new household broadband subscribers.

District of Columbia Public Library (DCPL) completed its training programs and adoption efforts, in partnership with Byteback, resulting in over 2,000 individuals trained (1,465 in PC Basics, and 583 in MS Office), and 1,457 subscribers adopted. DCPL distributed 1,025 computers and 1,019 modems in support of the efforts.

During the course of the sub award for the Small Business Success Project (SBSP), the Latino Economic Development Center (LEDC) trained 197 small business owners, which included start-ups and existing businesses. Of the 197 trained, 26% were from Wards 5,7, and 8. Training workshops ranged from basic digital literacy to advanced skills to address the various technology abilities of workshop participants. Workshop topic areas included Starting a Business, Crowdfunding, Client Relationship Management, Getting Your Business Online/Website Development and Social Media for Small Businesses.

LEDC provided intensive technical assistance to 33 entrepreneurs during the grant performance period. As a result of the technical assistance provided to the entrepreneurs: 3 created operational websites; 2 registered their businesses in the District; 2 initiated their online license and permit process with DCRA; 2 launched their businesses; 2 secured leases for commercial space in the District; 7 integrated and adopted technology enhancements into their practices by using Square credit card payments; 1 obtained a loan through LEDC's loan fund; 1 obtained a loan through LEDC's Tender Growth Day Care grant; and 21 received a combination of hardware, software, and connectivity to grow their businesses. Nineteen of the 21 device and software recipients are using broadband for their businesses, including two new subscribers. Seven of the small businesses are located in Wards 5,7, or 8, 15 of the recipients are women-owned businesses, and of the businesses 20 are minority-owned businesses. All of the business owners have businesses with 10 or fewer employees.

LEDC SBSP Best Practices:

1. Provide quality training on relatively narrow topics that address hurdles to business start or expansion so that participants seeking that specific information attend and receive maximum benefit.
2. Focus individualized technical assistance on tackling one specific hurdle to business creation or expansion before moving on to address other hurdles.
3. Leverage community partnerships to build credibility in new markets.
4. Channel efforts toward entrepreneurs that demonstrate commitment to continual business improvement.
5. Seek out and take advantage of opportunities to market and raise the profile of the program through traditional and non-traditional channels.

LEDC SBSP Lessons Learned:

1. The public can be skeptical of award offers if they seem too good to be true—even if they are true.
2. Internet Connectivity may not be as big a hurdle to small business success as other technology-related impediments (e.g. hardware costs).
3. Referrals from LEDC's lending department provided solid "matches" to program.
4. Private partnerships should be identified at project outset to provide ample time to test fit.
5. Funders can serve as important partners in project rollout, providing assistance and guidance during implementation.

Connect.DC executed a memorandum of agreement with Connect2Compete to provide affordable Internet and computers to District residents.

Grantor National Telecommunications and Information Administration (NTIA) approved an extension on the DC-BETA grant to December 31, 2013, from expected expiration of July 31.

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)

	Milestone	Percent Complete	Narrative (describe reasons for any variance from baseline plan or any other relevant information)
2.a.	Overall Project	94	As project was slightly behind baseline spending, but with all baseline performance metrics having been met as of prior quarter, Office of the Chief Technology Officer (OCTO) applied for an extension through the end of the calendar year. The extension was approved by National Telecommunications and Information Administration (NTIA), permitting OCTO to further exceed program goals, and to implement additional PC upgrades at 16 sites.
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).

One key finding from LEDC's SBSP is that Internet connectivity may not be as big a hurdle to small business success as other technology-related tools and digital literacy. The initial assumption of the project was that entrepreneurs in under-served communities do not have access to Internet connectivity and therefore are held back from success in starting or growing small businesses. However, LEDC found that most of the entrepreneurs who took advantage of SBSP services had sufficient access to Internet connection as part of a home service package (cable, phone, Internet), via smartphones, or via public access (library, computer lab). Seventeen of the 21 hardware/software/connectivity award winners already had Internet access and the program yielded two new business subscribers. There is no primary source of small business adoption data as there is with residential adoption. Therefore, it is difficult to determine whether this cohort is representative of all small business owners in underserved communities throughout the District or whether the adoption rate for award winners was due to specific characteristics of the businesses LEDC targeted. LEDC concluded that it is possible that the cost of monthly service is not viewed as steep a financial barrier when compared to larger investments in hardware and software. After working with the SBSP clients, LEDC found that impediments to adoption were: lack of hardware and software, lack of knowledge of how to leverage the Internet (e.g., marketing sales) for business success and growth, lack of knowledge on how to utilize software (e.g., Quickbooks, CRM, or point of sales systems), and the inability to perform basic computing functions such as word processing are more frequent and significant hindrances to small business broadband adoption in the District.

LEDC SBSP Lessons Learned:

1. The public can be skeptical of award offers if they seem too good to be true—even if they are true.
2. Internet Connectivity may not be as big a hurdle to small business success as other technology-related impediments (e.g. hardware costs).
3. Referrals from LEDC's lending department provided solid "matches" to program.
4. Private partnerships should be identified at project outset to provide ample time to test fit.
5. Funders can serve as important partners in project rollout, providing assistance and guidance during implementation.

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

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
UDC-CC: Career and Technical Education, and Workforce Development (Not-for-credit)	Wards 5,7, and 8 UDC-CC Campuses	College Preparatory Training. An occupational training course consistent with the participants interests and abilities. Part of the orientation includes voluntary access to an Internet Basics online course. All participants are made aware of the benefits of broadband in the home as part of their career development program. The "Actual Number of Participants" reflects students who have completed at least one course, per UDC-CC. (Not-for-credit programs.)	6,215	2,549	978	0
UDC-CC: Career and Technical Education, at Community College (For-credit)	Wards 5,7, and 8 UDC-CC Campuses	Certified Training Programs. UDC-CC received the approval to include other metrics of economic disadvantage in early July after consultation with NTIA and approved from OCTO the grant recipient. Only DC resident students who receive Pell federal grants are included in this program; approval for including Pell grant recipients was received in July, permitting this program to broaden enrollment. The "Actual Number of Participants" reflects students who have completed at least one course, per UDC-CC. (For-credit programs.)	5,651	2,813	98	0
DCPL Training: PC Basics	Various DCPL venues and community organizations	PC Basics Training	2,010	1,465	1,074	0
DCPL Training: Microsoft Office	Various DCPL venues and community organizations	Microsoft Office Training; Microsoft Office for Teens	1,162	583	383	0
Latino Economic Development Corporation (LEDC)	LEDC HQ	Training programs for small businesses in District of Columbia.	187	187	0	2
Subscriber Increases Measured from FCC 477 Data	OCTO HQ	Form 477 data (2010 - 2012; 10%) 2470 overall, 663 in Wards 5,7,8.	0	0	2,470	0
Comcast Internet Essentials	Wards 5,7, and 8 UDC-CC Campuses	Comcast Internet Essentials - discount broadband offered to households with children getting free lunch at school.	200	82	82	0
OCTO Byteback Training	Various DCPL venues and community organizations	PC Basics Training; Microsoft Office Training	61	51	25	0
Total:			15,486	7,730	5,110	2

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).

District of Columbia Community College (UDC-CC) used two surveys for their training programs. The first survey, originally developed and validated by a UDC-CC staff member and adapted for research projects, assesses the effectiveness of training programs. The survey is used for pre- and post-enrollment testing, to identify high-speed (broadband) Internet usage status. For measurement of new

subscribers, UDC-CC performs a second survey, at three-, six- and twelve-month periods following completion of courses. Households were included as new subscribers if they are using the Internet at the six-month survey point.

District of Columbia Public Library (DCPL) determines new households by number of PCs distributed.

Office of the Chief Technology Officer (OCTO) used Federal Communications Commission (FCC) wireline subscriber data, provided on Forms 477, to calculate new broadband subscribers during the grant period. Measuring from the 2010 through 2012 reporting periods, we mapped carrier subscriber data to each of the District's eight Wards. For each Ward, we measured subscriber increases, and after adjusting for population growth, OCTO measured net new subscribers. This grant records 10% of the increase, or 2,470, as new household subscribers. In the previously under-served areas (Wards 5, 7 and 8), over 660 new subscribers were measured. OCTO believes these numbers are conservative, as the data excludes wireless subscribers. OCTO is also confident the rate of new subscriber adoption continues to increase, as we expect to see in the 2013 FCC 477 data.

Latino Economic Development Corporation (LEDC) determines new business subscribers by providing evidence of corporate structure (Federal Employer Identification Number, or EIN, and/or District of Columbia Business License), along with proof of broadband subscription.

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 number of subscribers enrolled grant-to-date has met the DC-BETA baseline targets for new household subscribers.

4d. Please provide the number of households and the number of businesses and CAIs receiving discounted broadband service as result of BTOP funds.

Households: 219

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).

Office of the Chief Technology Officer (OCTO) will continue to deliver additional training programs, through its partnership with Byteback. OCTO will continue to use its Mobile Technology Lab (MTL), to provide hands-on demonstrations of the value of broadband. OCTO will also introduce a media campaign, educating the public on the benefits of broadband. Finally, OCTO will complete installation of a new set of PCs at sixteen (16) public access sites within the District's Wards 5, 7 and 8.

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	100	Project will be complete.
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).

Federal Government shutdown began on October 1, 2013 and was not resolved until October 16. As the nation's capital, District of Columbia has a unique government status as having its budget approved by Congress, unlike any other entity in the country. While grant funds were able to be spent during the shutdown, as approved by Department of Commerce's National Institute for Standards and Technology (NIST), due to lack of Congressional budget approval, District of Columbia Government was unable to issue purchase

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orders for training services or for contractor work to support grant program efforts; neither was it able to pay vendors for products and services received during fiscal year 2013 (which ended September 30).

As a result, through no fault of the Office of the Chief Technology Officer (OCTO), the program's training and installation efforts were halted, and the program's spending plan was interrupted. Both the October program efforts and spending delays significantly affected measurable program progress.

To remedy these situations, during the October-December quarter, OCTO intends to apply for an extension to complete planned program activities.

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	\$60,020	\$60,020	\$0	\$60,020	\$60,020	\$0	\$60,020	\$60,020	\$0
b. Fringe Benefits	\$9,957	\$9,957	\$0	\$11,472	\$11,472	\$0	\$11,472	\$11,472	\$0
c. Travel	\$3,231	\$0	\$3,231	\$3,599	\$0	\$3,599	\$3,599	\$0	\$3,599
d. Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
e. Supplies	\$514,638	\$147,902	\$366,736	\$534,864	\$147,902	\$386,962	\$534,864	\$147,902	\$386,962
f. Contractual	\$1,614,351	\$181,277	\$1,433,074	\$1,312,285	\$179,762	\$1,132,523	\$1,650,455	\$179,762	\$1,470,693
g. Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
h. Other	\$3,579,580	\$1,185,844	\$2,393,736	\$3,516,426	\$1,185,844	\$2,330,582	\$3,521,367	\$1,185,844	\$2,335,523
i. Total Direct Charges (sum of a through h)	\$5,781,777	\$1,585,000	\$4,196,777	\$5,438,666	\$1,585,000	\$3,853,666	\$5,781,777	\$1,585,000	\$4,196,777
j. Indirect Charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
k. TOTALS (sum of i and j)	\$5,781,777	\$1,585,000	\$4,196,777	\$5,438,666	\$1,585,000	\$3,853,666	\$5,781,777	\$1,585,000	\$4,196,777

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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